



**ORGANISATIONAL
BEHAVIOUR**

**School of Social Sciences
Indira Gandhi National Open University**

“शिक्षा मानव को बन्धनों से मुक्त करती है और आज के युग में तो यह लोकतंत्र की भावना का आधार भी है। जन्म तथा अन्य कारणों से उत्पन्न जाति एवं वर्गगत विषमताओं को दूर करते हुए मनुष्य को इन सबसे ऊपर उठाती है।”

— इन्दिरा गांधी



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“Education is a liberating force, and in our age it is also a democratising force, cutting across the barriers of caste and class, smoothing out inequalities imposed by birth and other circumstances.”

— Indira Gandhi



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Consultants

Dr. Sandhya Chopra
Dr. A. Senthamizh Kanal

Conveners

Prof. Dolly Mathew
Prof. Durgesh Nandini

Course Coordinator: Prof. Pardeep Sahni, School of Social Sciences, IGNOU, New Delhi.

Course Editor (Content): Prof. Ramesh K. Arora, Professor of Public Administration (Retired), University of Rajasthan, Jaipur.

Course Editor (Format and Language): Prof. Pardeep Sahni, Dr. A. Senthamizh Kanal, Dr.Sandhya Chopra, School of Social Sciences, IGNOU, New Delhi.

COURSE PREPARATION TEAM

BPAE-142	Organisational Behaviour	Unit Writer
Block 1	Introduction to Indigenous People	
Unit 1	Organisational Behaviour: Meaning, Features, Significance and Models	Dr. Lishin Moothery Joshy, Associate Professor, SCMS Cochin School of Business, Cochin.
Unit 2	Foundations of Individual Behaviour: Determinants, Models and Perceptions	
Block 2	Understanding Individual Behaviour	
Unit 3	Employee Attitudes and Job Satisfaction	Prof. G. Bhuvaneshwara Lakshmi, Head of the Department, Department of Education and Education Technology, School of Social Sciences, University of Hyderabad, Hyderabad.
Unit 4	Learning: Nature and Theories	
Block 3	Organisational Behaviour: Major Facets	
Unit 5	Motivation: Concept and Theories	Dr. Lishin Moothery Joshy, Associate Professor, SCMS Cochin School of Business, Cochin.
Unit 6	Nature of Group Dynamics	Dr. Ch.C.Prasad, Assistant Director, Dr. B.R.Ambedkar Open University, Hyderabad.
Unit 7	Team Work: Nature, Effectiveness, Impediments	
Unit 8	Communication: Meaning, Nature and Process	
Unit 9	Leadership: Concept and Theories	
Block 4	Life in Organisations and Organisational System	
Unit 10	Organisational Conflict: Meaning, Process and Types	Dr. Ch.C.Prasad, Assistant Director, Dr. B.R.Ambedkar Open University, Hyderabad.
Unit 11	Negotiation: Concept, Process, and Approaches	Dr. Lishin Moothery Joshy, Associate Professor, SCMS Cochin School of Business, Cochin.
Unit 12	Change: Process and Management	
Unit 13	Organisational Culture: Meaning, Types and Nature	Dr. Ch.C.Prasad, Assistant Director, Dr. B.R.Ambedkar Open University, Hyderabad.
Unit 14	Organisational Change and Development: Concept and Techniques	
Unit 15	Stress Management: Nature, Consequences and Management	Dr. R.K.Sapru, Professor of Public Administration (Retired), Panjab University, Chandigarh.
Unit 16	Models: Challenges and Opportunities	Dr. Lishin Moothery Joshy, Associate Professor, SCMS Cochin School of Business, Cochin.

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MPDD, IGNOU, New Delhi

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COURSE INTRODUCTION

There is no better way to highlight the importance of Organisational Behaviour than to quote Peter Drucker who said “The Organisation is, above all, social. It is people”. Organisational Behaviour is about the behaviour of individuals in an organisational setting. It goes into great depths to analyse the behaviour, both as an individual and when part of a group. If we go by the definition of an Organisation as ‘a group of two or more people who work together to achieve the agreed objectives’, we can see why human behaviour will play a central role in the success of an organisation. In fact, it is a bit surprising that the Business Schools focused only on the quantitative and technical aspects of Management until the 1980s, ignoring the people-aspect. However, starting from the eighties, the people-dimension came to the forefront in Business Schools’ curricula. The basic idea behind setting up an organisation is that a group of individuals can achieve what one individual cannot achieve alone. However, when many individuals, possessing varied skills and expertise, but also from diverse backgrounds and cultures, come together under the umbrella of an organisation to achieve common objectives, they expect each other to behave/perform in a certain way that will be the most optimum way for achieving the prescribed goals, both of the organisation and that of the individuals. It is quite natural that some levels of friction can get generated because of the diversity among the workforce and more importantly the conflicts of interests among the different stakeholders of the business. Organisational Behaviour discipline aims to address all such issues for the benefit of one and all who are connected with the organisation.

The course on Organisational Behaviour is divided into four blocks, ‘Concept and Relevance of Organisational Behaviour’, ‘Understanding Individual Behaviour’, ‘Organisational Behaviour: Major Facets’ and ‘Life in Organisations and Organisational System’, consisting of a total of 16 units covering important aspects of Organisational Behaviour.

Block 1 Concept and Relevance of Organisational Behaviour

Unit 1 Organisational Behaviour: Meaning, Features, Significance and Models

Unit 1 provides the foundation for the course and covers the meaning, features, significance and models of Organisational Behaviour. The three main theoretical frameworks in the discipline of Organisational Behaviour, ‘Behavioural Framework’, ‘Cognitive Framework’ and ‘Social Cognitive Framework’ are discussed in detail in this Unit. It also deals with the relationship between Bureaucracy and Organisational Behaviour. The different models of Organisational Behaviour, the ‘Autocratic Model’, the ‘Custodial Model’, the ‘Supportive Model’, the ‘Collegial Model’ and the ‘Systems Model’, the challenges and opportunities of which are explored in detail in the last Unit, are introduced in Unit 1.

Unit 2 Foundations of Individual Behaviour: Determinants, Models and Perceptions

The focus of Unit 2 is on individual behaviour. It has attempted to bring forth the factors that affect individual behaviour. The determinants of personality

that can be broadly bifurcated into 'nature' and 'nurture' classes have been elaborated in this Unit. Myers-Briggs Type Indicator (MBTI) instrument, which was developed by Isabel Briggs Myers and her mother, Katharine Cook Briggs to help people understand and appreciate differences in each other's personalities, is explored in detail as the said instrument has the potential to increase productivity of teams comprised of diverse people. The Unit introduces the concept of 'Perception' and elaborates the factors that affect perception.

Block 2 Understanding Individual Behaviour

Unit 3 Employee Attitudes and Job Satisfaction

Unit 3 examines the concept and theories of Job Satisfaction, and establishes its connection with Organisational Behaviour. It also focuses on the types (Positive, Negative, Neutral and Mixed) and components of 'Attitudes' which can be defined as the way of thinking, feeling, or behaving that reflects the state of mind or disposition of the individual. The different types of attitudes displayed by employees and the ways of changing them for the better are explored. The characteristics of 'committed' people are also listed.

Unit 4 Learning: Nature and Theories

Unit 4 is about the nature and theories of 'Learning'. After covering the meaning and definitions of 'Learning', it ventures into the principles of learning before dealing with the factors (personal and social) influencing learning. Different theories related to the concept of learning like Classical Conditioning Theory, S-R theory (Operant Conditioning), Cognitive Learning Theory and Social Learning Theory are discussed in this Unit.

Block 3 Organisational Behaviour: Major Facets

Unit 5 Motivation: Concept and Theories

Unit 5 is about the concept and theories of 'Motivation'. It brings out the differences between Intrinsic and Extrinsic motivation, and discusses how the concepts of Motivation can be applied at the workplace. Hierarchy of Needs theory propounded by the famous psychologist Abraham Maslow, ERG theory (Existence needs, Relatedness needs and Growth needs) postulated by Clayton Paul Alderfer, the Two-factor theory proposed by the famous psychologist Frederick Herzberg, and Theory X - Theory Y of Douglas McGregor are elaborated in detail in this Unit. 'Selfless Action' (Nishkama Karma), as advocated in Bhagawad Gita and its relevance in a modern organisation are also touched upon. The inducements that are generally provided to employees to increase their motivation levels are also discussed.

Unit 6 Nature of Group Dynamics

Nature of 'Group Dynamics' is dealt with in Unit 6. It starts with the principles behind group dynamics and continues with factors affecting group behaviour. Subsequently, the types of groups and theories behind group formation are discussed in detail. The famous five stage model proposed by Bruce Tuckman which consists of Forming, Storming, Norming, Performing and Adjourning are elaborated in this Unit.

Unit 7 Team Work: Nature, Effectiveness, Impediments

Unit 7 deals with the nature and effectiveness of, and impediments to, 'Team Work'. The difference between a 'group' and a 'team' is explained and the importance and benefits of teamwork are discussed. The characteristics of high-performance teams are discussed in detail. The Unit concludes by elaborating the impediments to team work, and ways to overcome them.

Unit 8 Communication: Meaning, Nature and Process

Unit 8 is about the meaning, nature and process of communication. Different types of communication like Formal communication (consisting of Downward communication, Upward communication and Lateral communication), Informal communication, Grapevine communication and Rumours are discussed in great detail. Barriers to communication and ways to facilitate effective communication in an organisation are explored.

Unit 9 Leadership: Concept and Theories

Unit 9 is about the concept of 'Leadership' and the theories pertaining to the same. Different styles of leadership style like 'Autocratic', 'Participative' and 'Laissez-faire' and theories like 'Trait theory', 'Path Goal theory', 'Group and Exchange Theory', 'Contingency Theory', 'Charismatic Theory', 'Transformational Theory', 'Social Learning Theory' etc are explained. Skills like Cultural Flexibility, Communication Skills, HRD Skills, Creativity etc., that are expected to be possessed by a good leader are enumerated in this Unit.

Block 4 Life in Organisations and Organisational System

Unit 10 Organisational Conflict: Meaning, Process and Types

The meaning, process and approaches of Organisational Conflict are discussed in Unit 10. It looks at the main reasons behind conflicts and the processes through which conflict manifests itself. Conflicts can be divided into sub-classes along several dimensions. These classes of conflict are discussed in detail in this Unit. The final section of the Unit is devoted to Conflict Management.

Unit 11 Negotiation: Concept, Process and Approaches

Unit 11 explores the concept, process and approaches of 'Negotiation'. After bringing out the differences among Negotiation, Mediation and Arbitration, it explains the concept of BATNA (Best Alternative to Negotiated Agreement) and ZOPA (Zone of Possible Agreement). Negotiation is conceptualised in this Unit as a five-step process, each of which is elaborated in detail. The processes are 1) preparation and planning (2) definition of ground rules (3) clarification and justification (4) bargaining and problem solving, and (5) closure and implementation. The Unit concludes with the discussion on some common tactics employed by negotiators and ways to counter them.

Unit 12 Change: Process and Management

Unit 12 on process and management of 'Change' starts by defining what Change is, and explains the factors stimulating change. It goes on to explain why and how people oppose change, and the proven methods of managing change. The 'Lewin's three step model to manage change' and 'Kotter's eight step plan for implementing change' are discussed in detail in the last sections of the Unit.

Unit 13 Organisational Culture: Meaning, Types and Nature

Unit 13 deals with the meaning, types and nature of 'Organisational Culture'. After discussing the characteristics (like observed regularities, norms, dominant values, philosophy, rules etc.) of Organisational Culture, it moves on to the types of Organisational Culture like Dominant and subcultures, Strong and weak organisational cultures, Adaptive and unadaptive cultures, Functional and dysfunctional cultures, Rational cultures, Developmental cultures, Consensual Cultures and Hierarchical cultures. It further explains the process through which Organisational Culture is formed and maintained. The Unit concludes by explaining what a 'Learning Organisation' is.

Unit 14 Organisational Change and Development: Concept and Techniques

Unit 14 on the concepts and techniques of 'Organisational Change and Development' starts with a discussion on the forces behind organisational change. The changes may be pertaining to innovations by subordinates, those that the manager initiates, those that are imposed by the top management or the changes induced by the environment. After discussing the major types of organisational change, it looks at the human responses to change. The concept, objectives and techniques of Organisational Development are discussed in detail.

Unit 15 Stress Management: Nature, Consequences and Management

The nature, consequences and management of 'Stress' are explored in Unit 15. After defining what stress is, it goes on to explain its nature and sources. The source may be an environmental factor, organisational factor, personal factor or a combination of these. The physiological, psychological and behavioural consequences of stress are discussed subsequently, before moving on to the methods of managing stress using different approaches that can be broadly classified under Individual approaches and Organisational approaches.

Unit 16 Models: Challenges and Opportunities

Unit 16, the last Unit, is about the opportunities and challenges pertaining to different 'Organisational models'. It starts by explaining different models like S - R Model (Stimulus - Response Model), R - S Model (Response - Stimulus Model), ABC Model (Antecedents, Behaviours and Consequences), S - O - R Model (Stimulus-Organism-Response), S - O - B - C Model (Stimulus - Organism - Behaviour - Consequences) and Systems Model. The Unit goes on to explain the opportunities and challenges pertaining to Autocratic, Custodial, Supportive and Collegial Models.

BLOCK 1

Concept and Relevance of Organisational Behaviour

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UNIT 1 ORGANISATIONAL BEHAVIOUR: MEANING, FEATURES, SIGNIFICANCE AND MODELS*

Structure

- 1.0 Objectives
- 1.1 Introduction
- 1.2 Meaning of Organisational Behaviour
- 1.3 Features of Organisational Behaviour
- 1.4 Significance of Organisational Behaviour
- 1.5 Organisational Behaviour and Bureaucracy
- 1.6 Theoretical framework of Organisational Behaviour
- 1.7 Organisation Behaviour Models
- 1.8 Conclusion
- 1.9 Glossary
- 1.10 References
- 1.11 Answers to Check Your Progress Exercises

1.0 OBJECTIVES

After reading this Unit, you should be able to:

- Understand the meaning of Organisational Behaviour (OB);
- Discuss the key features of OB;
- Examine the significance of OB;
- Explain the relationship between bureaucracy and OB;
- Educate the theoretical framework of OB; and
- Describe the major approaches and models of OB.

1.1 INTRODUCTION

Organisations are not mere brick and mortar; they consist of people. As per Peter Drucker (1999), “The Organisation is, above all, social. It is people”. OB is the study of the ways in which people interact in an organisational setting. It is believed that the behaviour of people in organisational contexts is different from that exhibited by them in their personal lives. Until the 1980s, the business schools stressed only on the importance of quantitative and other technical aspects of management, but during the eighties and early nineties the environment in which organisations work changed dramatically, as a result of which the study of human behaviour came to the forefront. The ultimate aim

*Contributed by Dr. Lishin Moothery Joshy, Associate Professor, SCMS Cochin School of Business, Cochin.

of developing Organisational Behaviour as a discipline may be to improve the efficiency and efficacy of organisations, but individual employees also benefit from the scientific approaches embedded in the conceptual constructs of Organisational Behaviour theories as they seek to maximise the outputs from individuals by strategic interventions. So what is an organisation?

An organisation is a group of two or more people who work together to achieve the agreed upon objectives. We come into touch with several organisations during our life time. Organisations are as diverse as a hospital, a university and a company like Infosys etc. Organisations are defined by Richard L. Daft (2012) in his book “Organisation Theory and Design” as “i) Social entities that; are goal-oriented ii) are designed as deliberately structured and coordinated activity systems and iii) are linked to the external environment”. The key element of an organisation is not the building that houses it or the policies that guide it; the key element is the people and their relationships with one another. An organisation is said to exist when people interact with one another to perform essential functions to achieve organisation’s objectives or common goals. We study this in detail under the concept called Organisational Behaviour.

1.2 MEANING OF ORGANISATIONAL BEHAVIOUR

According to John W. Newstrom and Keith Davis (2015), “Organisational Behaviour is the study and application of knowledge about how people act within an organisation. It is a human tool for human benefit. It applies broadly to the behaviour of people in all types of organisation”. Stephens P. Robbins and Judge (2019) has stated that “Organisational Behaviour is a field of study that investigates the impact that individuals, groups and structure have on behaviour within the organisations for the purpose of applying such knowledge toward improving organisation’s effectiveness”.

According to Fred Luthans (2011), “Organisational Behaviour is directly concerned with the understanding, production and control of human behaviour in organisations,” while Robert E. Callahan, C. Patrick Fleenor and Harry R. Knudson (1985) have defined OB as “a subset of management activities concerned with understanding, predicting and influencing individual behaviour in organisational settings”.

If we try to deduce the meaning of OB from the above definitions, it will be clear that unlike the terms ‘human behaviour’, ‘animal behaviour’, ‘consumer behaviour’, ‘class room behaviour’ etc., the term ‘Organisational Behaviour’, when used in the context of Management Studies does not mean the behaviour itself, but the study about a certain type of behaviour: behaviour of individuals and groups within an organisational setting.

1.3 FEATURES OF ORGANISATIONAL BEHAVIOUR

Organisational Behaviour has the following salient characteristics:

1. OB is not a stand-alone discipline, but is an integral part of the larger ‘Management discipline’, although by virtue of its importance and

effectiveness, it has come to be regarded as a distinct field of study.

2. OB studies are not mere academic exercises. They have specific goals to achieve. Broadly, these goals are directly or indirectly related to improvements in productivity.
3. OB is multi-disciplinary, in the sense that it is affected and influenced by developments in other fields of study like Economics, Management, Sociology, Anthropology, Psychology, Industrial Psychology, etc.
4. Other behavioural sciences are concerned with all types of behaviours of humans, animals etc., but OB deals with the behaviour of humans alone and that too within the extremely narrow context of life within an organisation.
5. OB studies behaviour at three distinct levels: individual level, group level and the level of the organisation itself.

1.4 SIGNIFICANCE OF ORGANISATIONAL BEHAVIOUR

A group of individuals can achieve what one individual cannot achieve alone. This is the basic idea behind setting up an organisation. Many individuals, possessing varied skills and expertise, come together under the umbrella of an organisation to achieve common objectives. Such individuals expect each other to behave/perform in a certain way that will be most appropriate for achieving the prescribed goals.

Adam Smith (1776) has observed in his classic work, *An Enquiry into the Nature and Causes of the Wealth of Nations* that “the greatest improvement in the productive powers of labour and the greater part of skill, dexterity and judgement with which it is anywhere directed, or applied, seem to have been the effects of the division of labour.” Organisations implement the ‘division of labour’ concept in a very effective manner. Because of the implementation of division of labour, different individuals within an organisation will be possessing different skills, and they will be placed at different hierarchical levels. This heterogeneity leads to a complex web of interactions between the diverse groups of people. OB discipline provides us with the tools to navigate this difficult landscape.

OB theories help in addressing the following challenges faced by today’s organisations:

Workforce diversity: Workforce diversity implies that the workforce is comprised of employees belonging to different race, gender, religion, caste, etc. Workforce diversity helps to bring new perspectives to the workplace. However, it brings many challenges as well along with it. A manager who is an expert in OB will be better equipped to face the diversity-related challenges.

Globalisation: Globalisation is a challenge as well as an opportunity for most organisations. Those organisations which address its challenges well will be able to tap into the opportunities in a better way. OB theories acquire great significance in the context of ‘International Human Resource Management’.

Customer-Orientation: Mahatma Gandhi had forcefully said, “Customer is king.” However, it does not mean that an organisation can sacrifice its employees at the altar of customer service. Only the satisfied employees can make a customer satisfied. On the other hand, a disgruntled employee will pass on his or her irritation to the customer in a manner that can put the organisation in a disadvantageous position. But most organisations have limitations as far as making employees satisfied is concerned. The tangible resources at the disposal of an organisation are limited and might prove inadequate to meet all the demands of its employees. Therein lies the importance of OB theories, as the learnings from them can equip the management to strike a perfect balance in this context. It is worth noting that Nayar (2010) openly proclaims in his book that he puts employees first and customers second.

Innovation and Disruption: Innovations and disruptions are the order of the day and are not rare phenomena anymore. Innovation is the use of a new idea or method or process or technology that creates value for customers and profits for organisations. According to Caroline Howard of Forbes, disruption is destructive and creative at the same time, since it displaces an existing market, industry or technology, and replaces it with something better. From an HR practitioner’s viewpoint, employees can be the driving force behind innovation and disruption, or they can be its greatest enemy. Organisations have to use all weapons in its OB arsenal to urge the employees to innovate, or to at least not to resist when changes are brought about by innovations and disruptions initiated by others.

Work Environment: The work environment does not denote merely the physical work environment but the psychological space as well. A conducive work environment is where employees have healthy relationships with their superiors and colleagues; receive deserved recognition for their efforts and are able to grow as individuals. A perfect work-life balance is also a necessity if an employee is to operate at the optimum level. OB theories and models can go a long way in helping organisations establish the perfect work environment in which an employee will perform to his highest possible level.

Check Your Progress 1

Note: i) Use the space given below for your answers.

ii) Check your answers with those given at the end of the Unit.

1. Define ‘Organisation’ and explain the meaning of OB.

.....
.....
.....
.....

2. Discuss the concept of OB.

.....
.....

1.5 ORGANISATIONAL BEHAVIOUR AND BUREAUCRACY

Introduction of the bureaucratic system in organisations during the Industrial Revolution was a big change as far as individuals working in an organisation were concerned. A bureaucratic organisation had a rigid hierarchy and was organised into different functional units manned by technically qualified and skilled people. An organisation became ‘impersonal’ in the sense that its administration became rule-based, that is, same rules got applied to everyone. In the pre-bureaucratic era, individuals used to get promoted on the basis of their relationships with owners/superiors, but in a bureaucracy, there were clearly defined rules and procedures for promotions.

According to German sociologist, Max Weber (1978), although bureaucracy limits the freedom of individuals, it is the most efficient way of organising human activity. He used the term ‘iron cage’ to describe the situation in which individuals get trapped in a system, the only aim of which is efficiency, and individuals have no freedom to choose what they do. Weber went on to mention that the ‘bureaucratisation’ of society will lead to a ‘polar night of icy darkness’.

Before organised industrial activity came into existence, each individual was his own master. A cobbler had the freedom to decide when to work, where to work and how to work. But in a bureaucratic organisational setting, he sells his labour to someone else and thus loses his autonomy. According to Weber, an individual becomes a cog in the bureaucratic machine and his only aim will be to become a bigger cog within the bureaucracy. It is easy to see the significance of OB in such a system, when compared to unorganised activities or to less developed forms of organised activities.

Philip Selznick (1948), an eminent sociologist, has stated in his seminal work, *Foundation of the Theory of Organisation* that “formal structures never succeed in conquering the non-rational dimensions of organisational behaviour”. From an economic viewpoint, organisation is a system, which uses scarce resources in the most efficient and effective manner. This ‘technical problem’ is addressed using formal management techniques like delegation and control. This is the formal part. However, leadership is all about winning of consent and support of individuals. The effectiveness of the organisation depends to a large extent on the degree of effectiveness of persuasion and inducement from the management’s side. Selznick has added that “control and consent cannot be divorced even within formally authoritarian structures”. This implies that without consent of the individuals, control cannot be imposed effectively. Thus, it is essential to view the organisation as a social structure.

In the formal system, individuals are viewed in relation to their ‘roles’ within the system. However, employees have a natural tendency to oppose this kind of ‘depersonalisation’, since employees are not merely ‘roles’, they are ‘whole’ individuals. This ‘whole’ individual can create problems for the formal

organisation because of the needs of his personality, because of his habits and because of conflicts of interest by way of commitment to entities external to the organisation. Delegation is a formal assignment made to 'roles' or official positions. It is not an assignment to an individual as such. However, ultimately the 'whole' individual is the one who is donning the 'role'. His personal interests may not be in full alignment with the goals of the organisation. In fact, such non-alignment seems to be the rule, rather than the exception. Selznick gives a simple example where one of the tasks delegated to a subordinate is training his own replacement. It is not in his interest to properly train his replacement as doing so will make him less indispensable to the organisation. Thus, it is evident that the formal system alone cannot ensure the achievement of organisational goals. In fact, Lyndal Urwick, an expert in Public Administration and Management, has gone to the extent of suggesting that formal channels function only to confirm and record decisions arrived at through more personal means. These individual-centric aspects make Organisational Behaviour very significant in an organisational setting.

1.6 THEORETICAL FRAMEWORK OF ORGANISATIONAL BEHAVIOUR

There are three main theoretical frameworks in the discipline of Organisational Behaviour: Behavioural Framework, Cognitive Framework and Social Cognitive Framework.

Behavioural Framework: This framework focuses on the 'Stimulus-Response' pair. A specific stimulus gets associated with a particular kind of response in the minds of individuals. The fact that is pertinent to Organisational Behaviour is that the responses can be conditioned/taught. Ivan Pavlov, a Soviet researcher, is an exponent of 'Classical conditioning'. In his famous experiment with a dog, he showed that the dog salivated when it was presented with meat powder. This is an unconditional response to an unconditional stimulus. The dog did not salivate when he rang a bell. Pavlov then started ringing the bell whenever he gave meat powder to the dog. After many repetitions, it was found that the dog salivated when the bell rang, even if meat powder was not presented. This is a conditioned response and this type of conditioning is called 'classical conditioning'. Many critics believe that classical conditioning is limited in its applicability to involuntary responses like salivation, increase in heart beat rate etc., and is hence not very useful in OB.

In 'operant conditioning' developed by B.F. Skinner (1950), the response to a stimulus is based on the consequences of that response (in the past). Consequences can be of many types: something positive can be given (for example, a salary increment), something positive can be taken away (discontinuance of perks), something negative can be introduced (a punishment) or something negative can be discontinued (revoke a suspension). OB theories suggest that by careful use of these consequences (reinforcements and punishments); management can elicit desired behaviour from employees.

Cognitive Framework: In this framework, cognition precedes behaviour. It is based on the idea that an individual knows and expects that a specific action will lead to a specific consequence. He is conscious about it. He is thinking

about the goal and the kind of behaviour that can lead to the achievement of that goal. 'Motivation' is one of the concepts of OB in which cognitive framework is applied.

Social Cognitive Framework: This framework adds to the cognitive and behavioural aspects and introduces environment as an important determinant in this framework. In our day to day life, many of our responses are the outcomes of observation and imitation. It is especially so for children. Children observe others very closely and often try to mimic what they see. If they see someone being rewarded/punished for a particular type of behaviour, they are likely to imitate the behaviour. This is true of employees in an organisation as well, and hence this framework is an essential component of the discipline of OB.

1.7 ORGANISATIONAL BEHAVIOUR MODELS

Autocratic Model

In this model, it is believed that those who are part of the management have the expertise, knowledge and skills required to run the business and the day to day activities. It is also assumed that those at the floor level lack skills to do the work on their own. Hence, it is presumed that they need to be micro-managed by those in power. They do not usually have any say in the functioning of the organisation. Even their opinions and suggestions are not sought by the management, since it is believed that they are not capable of making any worthwhile suggestion. The owners exercise absolute command over their employees, and likewise, the employees obey their seniors. Autocratic model is one of the oldest models of OB and was successful to a great extent during the period of Industrial Revolution. However, it is not without its drawbacks. Employees are unlikely to experience job satisfaction, as they lack involvement in the business process. They do not have any control on what they do at the workplace. Such an arrangement is not suitable for a modern day organisation in which many job roles are donned by specialists who have considerable expertise in the field. In certain present day industries, it will not be an exaggeration to say that those at the top, although will be having an idea about the bigger picture, won't have the requisite skills to direct the activities of the lower level employees.

Custodial Model

This model came into existence as a result of the limitations of the Autocratic model. In the autocratic model, the employees are afraid of the management and hence they do not rebel or oppose their commands. However, they might harbor feelings of antipathy within themselves if they are not treated fairly, and might vent out their hatred at some future point in time. To address this issue, the custodial model of OB was introduced. As per this model, the welfare of the employees is looked after by the management, by offering economic security to them. Other welfare measures like crèche for the kids of the employees, medical benefits etc., are also introduced as part of the Custodial model. The employee becomes dependent on these welfare measures and irrespective of whether they are satisfied with the job per se or not, they think twice before quitting the organisation.

Supportive Model

In the Autocratic model, power and authority are the main aspects that keep the model running. In the case of Custodial model, however, it is the incentives that are the driving force. In contrast, neither power nor incentives are key elements in a supportive model. Harmonious relationship between the management and the employees motivate employees working in an organisation in which supportive model is employed. The leadership style in the supportive model is such that the employees are allowed to grow and flourish.

Collegial Model

In the Collegial model everybody works as colleagues. Thus, team-work is the key factor in this model. Everybody participates in the growth of the organisation. The manager acts like a coach to develop team spirit among the employees. The coach is less concerned about his own performance, but more about the performance of the team. This model is effective in industries that by their very nature have to innovate. The team work as envisaged in the model produces new ideas and path-breaking discoveries.

Systems Model

This is the most recent of the five models. In the Systems model, an organisation acknowledges that individuals have different goals, talents and potential. The aim of the Systems model is to strike a balance between the goals of the employees with the goals of the organisation. Individuals obviously want good remuneration, job security, etc. The organisation should find out ways to reach win-win situations, where the needs of the employees are fulfilled even while they add value to the organisation.

Check Your Progress 2

- Note:** i) Use the space given below for your answers.
ii) Check your answers with those given at the end of the Unit.

1. Explain the theoretical framework of Organisational Behaviour.

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2. Discuss the different Organisational Behaviour models.

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1.8 CONCLUSION

Organisational Behaviour is the study of an individual's behaviour within an organisation (primarily in his organisational role), of the relationship between the individual and the organisation, and of the organisation itself. Although each of these can be investigated in isolation, it is essential to study all the three aspects together to gain a comprehensive understanding of the matter being studied.

1.9 GLOSSARY

Organisational Behaviour : A field of study that investigates the impact that individuals, groups, and structures have on behaviour within organisations, for the purpose of applying such knowledge toward improving an organisation's effectiveness (Robbins and Judge, 2019).

Globalisation : Globalisation implies giving rise to new societal expectations, changing value systems, altering the nature of State and governing systems. This is putting pressure on public administration to respond to the widely fluctuating shifts. It is resulting in major changes in the nature of the State.

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1.11 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

1. Your answer should include the following points:

- An organisation is a group of two or more people who work together to achieve agreed objectives.
- Organisational behaviour is directly concerned with the understanding, production and control of human behaviour in organisations.
- It includes the basic processes of leadership, motivation, communication, team building and other related facets of human behaviour in organisations.

2. Your answer should include the following points:

- Globalisation
- Customer orientation
- Innovation and disruption
- Work environment

Check Your Progress Exercise 2

1. Your answer should include the following points:

- Behavioural framework
- Cognitive framework
- Social Cognitive framework

2. Your answer should include the following points:

- Autocratic model
- Custodial model
- Supportive model
- Collegial model
- Systems model

UNIT 2 FOUNDATIONS OF INDIVIDUAL BEHAVIOUR: DETERMINANTS, MODELS AND PERCEPTIONS*

Structure

- 2.0 Objectives
- 2.1 Introduction
- 2.2 Biological factors
- 2.3 Ability
- 2.4 Personality
- 2.5 Determinants and models
- 2.6 The Myers-Briggs Type Indicator (MBTI)
- 2.7 Perceptions
 - 2.7.1 Factors that Influence Perception
 - 2.7.2 Process of perception
- 2.8 Conclusion
- 2.9 Glossary
- 2.10 References
- 2.11 Answers to Check Your Progress Exercises

2.0 OBJECTIVES

After reading this Unit, you should be able to:

- Understand the factors that affect individual behaviour;
- Understand the determinants of personality;
- Appreciate the usefulness of MBTI instrument; and
- Understand the importance of and factors affecting perceptions.

2.1 INTRODUCTION

Organisations are much more than a mere group of human beings. However, there is no doubt that human beings are a vital part of all organisations, and as such human psychology has considerable impact on organisational behaviour. Since no two humans are alike, one notices a variety of behavioural pattern within an organisation. Some of these will be in sharp contrast to others, leading to possible conflicts. To be effective in an organisation, one ought to possess knowledge about different types of human behaviour. This will help in augmenting personal satisfaction and organisational effectiveness. There are several factors that contribute to differences among individuals.

*Contributed by Dr. Lishin Moothery Joshy, Associate Professor, SCMS Cochin School of Business, Cochin.

2.2 BIOLOGICAL FACTORS

We are a product of our genes and the environment in which we grow up. Thus, both ‘nature’ and ‘nurture’ influence our behaviour. Biology affects human behaviour through genetically regulated heredity. How much of our behaviour is a product of biological factors and how much is due to the environmental context is still an open question. Biological factors control the flow of neurotransmitters (chemicals that transmit messages from one nerve cell to another) in the brain. Hereditary, on the other hand, refers to the aspects pre-determined at conception. Inherited factors account for matters like height, complexion, strength etc. Some researchers suggest that it is in the molecular structure of the chromosomes that determine the nature of one’s personality.

A few studies about identical twins separated at birth indicate that there are several similarities in personality and behaviour of the separated twins even when they are raised in totally different environments. This result would not have been obtained, had there been no effect of hereditary factors on behaviour. However, genes do not account for all the similarities/dissimilarities in behaviour of human beings; human behaviour is also influenced by life experiences and environment. In fact, all things that happen around us shape our personality and condition our responses to them. The behaviour of our parents, the value system imparted to us, the education that we received, the kind of friends that we have, the society that we grow up in etc., are factors that influence our personality and behaviour.

2.3 ABILITY

Ability means the mental or physical capacity to do something. It follows that an organisation cannot achieve its stated objectives in the most efficient manner without the support of its ‘able’ members. A person’s abilities are also determined by both genetics and environmental factors. Imagine someone who has the genes required to be a great sportsman. However, he needs to nurture his inborn talent if he really has to become a sportsman. Thus, although he is born with an advantage, it will get wasted if the environment is not conducive to his growth. The opposite is also true. A person who is not a born-athlete can also do wonders on the sports arena through continuous training and practice, especially since many who are naturally gifted do not turn up on the field due to lack of a conducive environment.

2.4 PERSONALITY

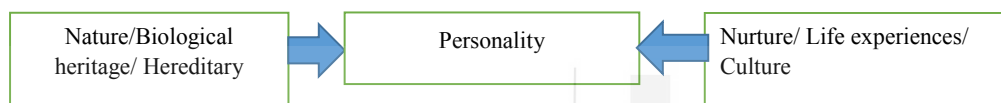
Personality is a set of characteristics or qualities that form a person’s distinctive character. This set comprises behaviours, thoughts, ideas, habits, perceptions and emotional patterns that originate from biological and environmental factors. The word ‘personality’ has been derived from the Latin word “persona” which means “mask” used by actors to change their appearance. Gordon Allport (1937) defined ‘personality’ seven decades ago as the “dynamic organisation within the individual of those psychological systems that determine his unique adjustment to his environment”. Kurt Lewin considers personality as “a dynamic totality of systems”. According to American psychologists Randy Larsen and David Buss, “personality is a stable, organised collection of psychological traits and mechanisms in the human being that influences his or her interactions with and

modifications to the psychological, social and physical environment surrounding them”. J.F. Dashiell regards personality as “the sum total of behaviour trends manifested in social adjustments” (Aggarwal, 2014).

The concept of ‘personality’ is understood by both the common man and the OB practitioners alike. Lay people often refer to this concept when talking about people who have dashing ‘personalities’ or about people who have charming ‘personalities’. For OB practitioners, the concept of personality is crucial to understand and manage the workforce. It allows them to analyse why their employees are behaving in a particular fashion and why some of them are good organisational citizens and why some are not.

2.5 DETERMINANTS AND MODELS

Personality research identifies the determinants of personality as ‘nature’ or biological heritage/hereditary and ‘nurture’ or life experiences/ environment.



A ‘trait’ is a particular component of personality. Researchers have, over the years, prepared long lists of personality traits. A trait describes whether a person is shy or outgoing, has an open or closed nature etc. Since a very large number of personality traits are not of much use, neither in research nor in practical situations, researchers have focused on five core personality traits, called ‘Big Five’ personality traits. The following are the Big five factors: extraversion, agreeableness, conscientiousness, emotional stability, and openness to experience.

Extroversion: The extroversion dimension captures sociability, being comfortable with relationships, talkativeness, being enthusiastic and assertiveness. Extrovert persons tend to be happier when they have people around them, rather than when they are alone. They find psychological fulfillment from the outside world rather than from within. They like to be part of social gatherings and it follows that they will get along well with a group in an organisational setting. They search for chances to engage with the outside world. Hence, such people are suitable for jobs that involve a high degree of inter-personal communication. They are also likely to take up and succeed in leadership roles as they generally tend to be assertive.

Introverts are quite the opposite of extroverts. They tend to be reserved and nervous, and their quiet nature leads them to have fewer interactions with the outside world. However pure extroverts and pure introverts are a rarity. Most people belong to somewhere in between these two extremes. Extroversion, rather than introversion, being one of the Big Five personality traits, we can define introverts as people low on the extroversion scale.

Emotional stability: The emotional stability dimension measures a person’s capability to endure stress. People with adequate emotional stability are not easily disturbed by unfavorable environment or events at the workplace or elsewhere. Conversely, they generally tend to be cool and composed and do not overreact to external stimuli. The opposite of emotional stability is ‘Neuroticism’. People

who are high in Neuroticism get frustrated very easily and are almost always in a bad mood. They feel stressed at work and react aggressively and negatively at the slightest provocation. Although this can affect their performance at the workplace to a very large extent, it is also believed that since such people have the tendency to be critical, they are the best suited for jobs requiring critical thinking, evaluation, quality control etc.

Agreeableness: Agreeableness is the tendency to get along well with others. Agreeable people are empathetic and cooperative rather than being suspicious about others. They tend to be good team players and are well liked by others. Hence they excel in jobs that require team building and fostering of relationships. However, they may find it difficult to do jobs that require them to be firm and tough with others. They might find it difficult to take harsh decisions affecting others.

Conscientiousness: Conscientiousness is the degree to which a person is careful, cautious, self-disciplined, meticulous, dutiful, reliable and dependable. Conscientious people achieve success through meticulous planning and its careful execution. However, they can tend to be over-zealous perfectionists and hence the returns that they get may not justify the efforts put in. Those who score low on this dimension are relatively more unorganised and dependable, but they may, at times, reap short-term benefits.

Openness to experience: Openness to experience captures the extent to which an individual is open to be innovative and non-conforming. Openness is generally considered a healthy trait. However different jobs require different levels of openness to experience. A lecturer or a researcher needs to be open; however, this trait may not suit a soldier or a policeman.

Check Your Progress 1

- Note:** i) Use the space given below for your answers.
ii) Check your answers with those given at the end of the Unit.

1. 'Both biological and environmental factors influence individual behaviour'. Do you agree? Why?

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2. Define Personality. Which are the Big Five personality traits?

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2.6 THE MYERS-BRIGGS TYPE INDICATOR (MBTI)

Myers-Briggs Type Indicator (MBTI) instrument was developed by Isabel Briggs Myers and her mother, Katharine Cook Briggs to help people understand and appreciate differences in each other's personalities and to thereby increase productivity of teams comprised of diverse people. According to Isabel Briggs Myers, when people differ, knowledge of the 'type' of each of them reduces the friction between them and thereby eases the strain in interpersonal relationships. She adds that it reveals the value of differences. To her, no one has to be good at everything. According to Isabel Briggs Myers, "it is up to each person to recognise his or her true preferences." She says that people can develop themselves at any age by understanding their 'type' and by making appropriate use of their gifts.

MBTI instrument is the most widely used personality assessment instrument. It assigns people to one of 16 personality types based on four bipolar dimensions: extroverted (E)–introverted (I); sensing (S)–intuitive (I); thinking (T)–feeling (F); and perceiving (P)–judging (J). The instrument helps one to become aware of one's personality preferences. A preference is what one likes. You may prefer tea to coffee. But that doesn't mean that you will never have coffee. Similarly, on being pressurised, you may go out on a picnic even though you would have preferred to stay back home. A preference is not what you actually do, but what you want to do.

Extroverts look outward and find energy in interaction with others. By contrast, introverts turn inwards and find energy by spending time alone. Sensors use as-is data: they are concerned with actual physical reality that they experience through their five senses. Intuitive people use their hunches. They recognise patterns in what they see, they read between the lines. Thinkers make objective decisions based on logic. Feelers are subjective and tend to consider the people involved and the circumstances while deciding. Perceivers are flexible and they remain open to options while dealing with the outside world. Judgers want to get things decided and closed.

One needs to ascertain one's preference in each of the above mentioned categories. This will reveal the personality type, which will be one of the sixteen types shown below:

ISTJ	ISFJ	INFJ	INTJ
ISTP	ISFP	INFP	INTP
ESTP	ESFP	ENFP	ENTP
ESTJ	ESFJ	ENFJ	ENTJ

Extroverted (E)–introverted (I); sensing (S)–intuitive (I); thinking (T)–feeling (F); and perceiving (P)–judging (J)

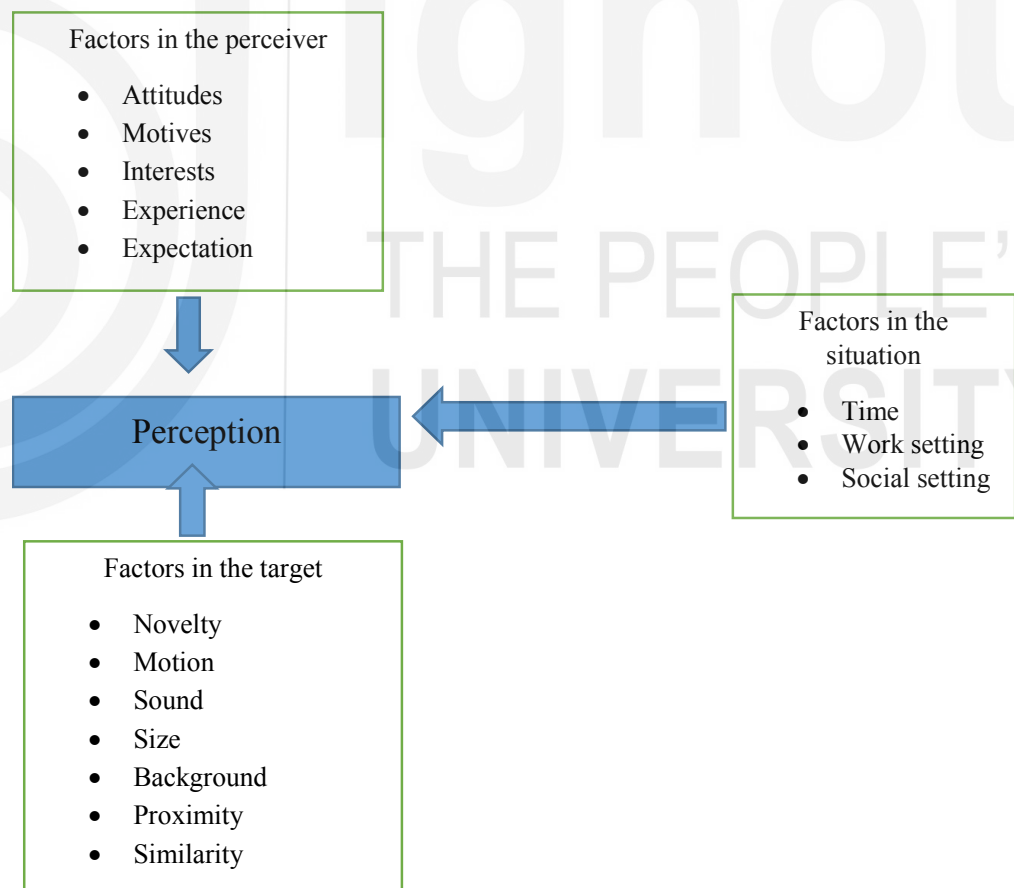
Personality Types

Each of the above refers to one of the ‘types’. ISTJ types are quietly systematic and logical, ESTJ types are active organisers and logical, and so on. Once you know your type you can decide which career will suit you best, what your gifts are and where your talents lie. The MBTI instrument is used by top organisations like APPLE, AT & T etc. Even the US Armed forces make use of the same. It helps the organisations to put the right person on the right job (www.myersbriggs.org).

2.7 PERCEPTIONS

Perception is the way in which something is regarded, understood, or interpreted. Individuals organise their sensory impressions and interpret the same to derive meaning. Perceptions are extremely important in an organisational context as it is perceptions, not reality, that drive human behaviour. Employees may harbor negative attitudes about the employer, if they ‘perceive’ the employer as unfair, irrespective of whether the employer is actually unfair or not. The employer may reward an employee if he is ‘perceived’ to be hardworking and efficient, even if he is neither hardworking nor efficient.

2.7.1 Factors that Influence Perception



Source: Robbins & Judge (2017).

Factors in the perceiver

When an individual tries to interpret or perceive, that interpretation is generally influenced by the personal characteristics of the perceiver. Personal characteristics that influence the perception process include attitudes, motives,

interests, experience and expectations. An ardent supporter of a political party may perceive the actions of the party as 'just' while the opponents of the same party may interpret those actions as grossly unfair. Here the target is the same, but perceivers are different and hence the diversity in perceptions.

Factors in the target

Characteristics of the target also influence the perception process. Target characteristics that influence the perception process are novelty, motion, background, proximity, similarity, sound and size. For instance well-groomed and impeccably dressed executives may be perceived favourably, whereas shabbily dressed people will be looked upon unfavourably. This shows how the factor of the thing/person being perceived affects perception.

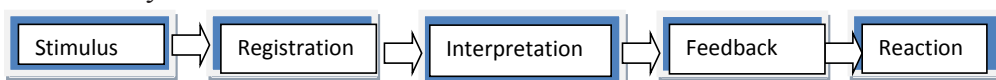
Factors in the perceiver

Similarly, contextual factors also influence the perception process. The time at which we see the object, the location and the social setting — all have an impact on the perception process. For instance, a young man wearing only a pair of shorts is not a misfit at a sea beach, but the same people who have seen him at the beach see him wearing shorts in a formal meeting will perceive him as too casual. Here neither the target (the young man), nor the perceivers have changed. But the situation has. This shows how perception can get affected by the context.

2.7.2 Process of Perception

Perception involves five sub-processes: stimulus, registration, interpretation, feedback and reaction.

1. A stimulus situation initiates the perception process. It acts as the trigger.
2. Registration involves physiological mechanism, including both sensory and neural. The sensory organs, eye, nose, ears, tongue and skin receive the stimulus and initiate the excitation of nerve fibres. The nerve fibres, in turn, transfer the impulses to the central nervous system.
3. Interpretation is a very important factor in the perception process. An individual's interpretation of a stimulus is influenced by his attitudes, motives, experiences and expectations.
4. Feedback is important for interpreting the target. For example, in organisations, a superior's change in the voice tone might influence a subordinate's perception about something.
5. The perception process ends when the respondent reacts, either overtly or covertly.



A large number of industrial conflicts happen because of the divergence between the perceptual interpretations of the parties involved. We can minimise the conflict in the work setting by correctly assessing interpretation of the perception process of both the parties. Following are some of the errors that influence perception and hence the decision-making process:

Selective Perception: It is the tendency to not notice things that we do not want to notice because they contradict our prior beliefs, or for any other reason. For example, a team leader may have a favourite member in the team. The leader will (subconsciously) tend to not notice the favourite member's occasional poor performance. It is also true that we cannot take in and understand all that we observe; we assimilate selectively. The point is that the selection is not done randomly; instead it is based on our preferences.

Halo effect: It denotes the tendency to draw a general impression or an overall judgement about an individual on the basis of a single trait. It is the halo effect that makes people believe that world-class cricketers and superstars from the film world can also become good legislators/administrators.

Contrast effect: It causes perceptions to be affected (enhanced or diminished) due to comparisons with stimuli that rank higher or lower on the same characteristics. We always judge people and things relative to other people and things. An interviewer may negatively perceive an interviewee who is interviewed immediately after a very strong candidate is interviewed. The opposite is also true. A candidate who gets interviewed after a comparatively weaker candidate is likely to create a favourable perception in the mind of the interviewer.

Self-fulfilling Prophecy: It is also called the 'Pygmalion effect' in which the person's expectation of another (target) has an influence on or is transferred to the subject in such a way that the subject alters his or her behaviour in conformity to the expectations. These models exemplify how a manager's behaviour results in self-expectancy of subordinates and thus motivates employees for registering a better performance in the fulfillment of his responsibilities.

Stereotyping: A stereotype is an over-generalised belief about a particular group of people. It is a fixed general image that is generally believed to represent a particular type of person or thing. Once somebody is stereotyped it is assumed that he will behave in a particular manner. Women are often stereotyped as weak and men as aggressive and macho. 'Metrosexual' concept was an attempt to break this stereotype. Mark Simpson who coined the term 'metrosexual' in an article published in The Independent on 15 November, 1994, later described (in 2012) David Beckham (2012) as the "the biggest metrosexual in Britain" and defined a metrosexual man as a "young man with money to spend, living in or within easy reach of a metropolis – because that's where all the best shops, clubs, gyms and hairdressers are". A metrosexual man is especially meticulous about his grooming and appearance, typically spending a significant amount of time and money on shopping. However this depiction has not stuck and the old stereotypes still continue!

With reference to perceptions, studies have shown that what the employees perceive from their work situation influences their efficiency. Therefore, to influence productivity, it is essential for managers to assess how workers perceive their jobs. Factors like absenteeism, turnover and job satisfaction are important in an employee's perception of the job. Those individuals who perceive their jobs as negative are likely to have increased absenteeism, more frequent turnover and less job satisfaction. The only way to influence these variables is to recognise how an employee personally perceives the workplace.

Thus, it can be stated that perception does influence decision-making within an organisation.

Check Your Progress 2

- Note:** i) Use the space given below for your answers.
ii) Check your answers with those given at the end of the Unit.

1. What is MBTI instrument? What is it used for?

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2. Why are 'Perceptions' important? What are the factors that affect perception?

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2.8 CONCLUSION

Organisational behaviour is the study of both group and individual performance and action within an enterprise. Individual behaviour can be defined as how an individual behaves at work. Biological factors, environmental aspects and personality traits determine how an individual behaves at workplace and in general. Further, individual behaviour affects an organisation's performance to a very large extent. Hence the study of individual behaviour, in addition to having academic importance, has great practical utility.

2.9 GLOSSARY

Myers-Briggs Type Indicator : MBTI instrument was developed by Isabel Briggs Myers and her mother, Katharine Cook Briggs to help people understand and appreciate differences in each other's personalities and to thereby increase productivity of teams comprised of diverse people.

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2.11 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

1. Your answer should include the following points:

- Biology affects human behaviour through genetically regulated heredity.
- Biological factors control the flow of neurotransmitters (chemicals that transmit messages from one nerve cell to another) in the brain.

2. Your answer should include the following points:

- Organised collection of psychological traits and mechanisms in the human being that influences his or her interactions with and modifications to the psychological, social and physical environment surrounding them.
- Extroversion; Emotional stability; Agreeableness; Conscientiousness; and Openness to experience.

Check Your Progress Exercise 2

1. Your answer should include the following points:

- Myers-Briggs Type Indicator (MBTI) instrument was developed by Isabel Briggs Myers and her mother, Katharine Cook Briggs.
- To help people understand and appreciate differences in each other's personalities and to thereby increase productivity of teams comprised of diverse people.

2. Your answer should include the following points:

- Perception is the way in which something is regarded, understood, or interpreted. Individuals organise their sensory impressions and interpret the same to derive meaning.
- Selective perception; Halo effect; Contrast effect; Self-fulfilling prophecy; and Stereotyping.

**Foundations of
Individual Behaviour:
Determinants, Models
and Perceptions**



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