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Organisational Behaviour and its Importance and Role in Business

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ABSTRACT: Managers get the work done through people. They allocate theresources, direct the activities of others, and take decisions to attainorganisational goals. Organisation is a coordinated social unit,composed of two or more people, which functions to achieve acommon goal. Managers are responsible for the functioning of theorganisation. In recent decades, there has been a tremendous shift in the structure and operation of organizations.Advancements in technology and skill diversity have fostered a modern workplace of skill and workflowinterdependencies. Hence, for success in today's business world, it is imperative for organizations tounderstand the forces that impact team outcomes. This study on managers from the same organizationshows that female managers have higher communication skills when compared to male managers,but are also more influenced by group think. . The world has become a global village. UnderstandingOrganisational Behaviour has become very important for managerstoday. Globalization has presented challenges and opportunities forOrganisational Behaviour. Various changes such as increase in thenumber of women employees, corporate downsizing, increase innumber of temporary workers are taking place in the organisations.Business is shifting to where the technology is. One can say thatBusiness has become technology driven. There are a lot of challengesand opportunities for managers to use organisational behaviourconcepts. Organisational Behaviour focuses on how to improveproductivity, reduce absenteeism, turnover and deviant workplacebehaviour and increase organisational citizenship behaviour and jobsatisfaction. It is concerned with the study of what people do in anorganisation and how their behaviour affects the organisationsperformance.The following paper is conceptual in nature and it attempts to explainwhat Organisation Behaviour is and its role in management ofbusiness.

KEYWORDS: Globalization, Organisational Behaviour, OrganisationalCitizenship Behaviour, Job Satisfaction.

1. INTRODUCTION

In our modern world, teams are essential to everything individuals do in daily life. For many, their firstexposure to the notion of teams began early on during participation in various youth sports. While playinga position on a team, whether on the soccer pitch or baseball diamond, young athletes are exposed to thetimeless adage: "There is no 'I' in team." Taking a quick look at the four letters that comprise this wordand one can conclude that, indeed the letter 'I' does not make an appearance. Approach this saying from afigurative perspective, and an entire world of interpretation is made possible. For instance, coaches willoften teach their players that everyone on the team has a specific job to perform, and that every job isequal in its importance to overall team success.

1.1 Background

Through this lens, team work is seen as a tale of peoplewith different skills coming together with a common purpose. Extending this concept to the context of themodern business world, we can note that there has been rapid organizational movement from a collectionof individual jobs to work groups and teams in response to emergent multilevel systems.The last two decades have experienced rapid advancements in technology and an "unfolding of globalforces that have pushed organizations worldwide to restructure work around teams to enable more rapid,flexible, and adaptive responses to the unexpected" (Kozlowski &Ilgen, 2006, p. 77). A number of forcesare accelerating the shift in work structure. An increasingly stressful and emotionally taxing environmentcharacterized by high competition, constant transformation, innovations in technology and best practices,and looming uncertainty generates many pressures for skill diversity, rapid response, and successfuladaptation (Kaifi&Noori, 2010; Kozlowski &Ilgen, 2006). Teams offer the most effective approach toresolving the organizational challenges of the 21st century.

1.2 Motivations

Organisations are as old as the human race. As time passed, the people realized thatthey could collectively satisfy their wants in a much effective manner. Thus,they gottogether to satisfy their needs and wants.Individuals who feel that they have skills, talents and knowledge form groups toproduce the goods and services. Organisation is a group of people who work togetherto achieve some purpose. The people working together expect each other to completecertain tasks in

an organized way.Organisations are an inevitable part of human life. Organisation help to increase specialization and division of labour, use large scale technology, manage the external environment, helps to economize on transaction costs and to exert power and control.Globalization has presented many challenges and opportunities for Organisations. It is imperative that the organisations function effectively. Organisational effectiveness requires that they should provide good quality goods and services at reasonable cost.Besides, every organisation must satisfy the stake of its stakeholders. The extent of satisfaction derived by stakeholders shows the effectiveness of the organisation. It is the responsibility of the managers to keep the interest holders satisfied. Managers are responsible for the functioning of the organisation. They get the work done through people. They allocate the resources, direct the activities of others, and take decisions to attain organisational goals. It is here that organisational behaviour comes into play.Organisational behaviour helps the managers in achieving organisational effectiveness.It helps to harness the necessary expertise, skills and knowledge to achieve organisational goals.

3. Definitions
Organisation- A consciously coordinated social unit, composed of two or more people that functions on a relatively continuous basis to achieve a common goal or set of goals.
Organisational Behaviour-According to Stephen P Robins, "OrganisationalBehaviour as a systematic study of the actions and attitudes that people exhibit within the organisations."

4. Disciplines that Contribute to the Field of OrganisationalBehaviour
Organisational Behaviour is an applied behavioural science and involves integration of studies undertaken in behavioural disciplines such as psychology, sociology,anthropology, social psychology and political science.
Psychology- It is the science or study of behaviour and includes human as well as animal behaviour. Intrapersonal aspects of organisational behaviour such as motivation, personality, perception attitude learning, training and development, workstress, emotions, conflict management owe their study to psychology. Variouspsychological tests are conducted in organisations for selection of employees,measuring personality attributes and ability. Contribution of psychology has enriched the field of organisational behaviour greatly.
Sociology- It is the study of group behaviour. Sociology has enriched organisational behaviour in the field of leadership, group dynamics, communication,formal and informal organisations, group process and decision making.
Anthropology- It is the study of human race and its culture. Organisations have their own culture. Culture influences human behaviour. An employee's perception about things and his functioning is influenced by the culture of his organisation.Anthropology is more relevant to organisational behaviour today due to globalization,mergers and acquisitions of various industries. Today the people have to work in organisations having work force diversity.
Social Psychology- This subject is a blend of the concepts from psychology andsociology. It focuses on the influence of people on one another and tries to achievebetter human behaviour in the organisation. One of the key areas which it has helped to manage is 'Change' – how to implement it successfully and reduce the resistance to it.
Political Science-Organisations are political entities and it is political sciencewhich helps in understanding behaviour of individuals within a political environment.Government rules and regulations play a decisive role in growth of the organisations.

5. Importance of Organizational Behavior:
1) It builds better relationship by achieving people's, organizational, and social objectives.
2) It covers a wide array of human resource like behavior, training and development, change management, leadership, teams etc.
3) It brings coordination which is the essence of management.
4) It improves goodwill of the organization.
5) It helps to achieve objectives quickly.
6) It makes optimum utilization of resources.
7) It facilitates motivation.
8) It leads to higher efficiency.
9) It improves relations in the organization.
10) It is multidisciplinary, in the sense that applies different techniques, methods, and theories to evaluate the performances.

II. LITERATURE REVIEW

Organizational behavior (OB) is a field of study devoted to recognizing, explaining, and eventuallydeveloping the attitudes and behaviors of people (individual and group) within organizations.Organizational behavior is based on

scientific knowledge and applied practice. According to Kaifi (2010),the "RED Analysis" can be applied by practitioners and researchers for understanding organizationalbehavior issues:

R- Recognize

E- Explain

D- Develop

Diagnosing organizational behavior is an ongoing cycle of recognizing areas of concerns, explainingthe short-term and long-term implications of each behavior, and continuously developing best practicesand strategies that can help an organization transform into a robust, high-performing, and dynamic entity[1].

It must be mentioned that organizations need strong managers who are capable of controlling theorganization's behavior. Managers who understand human resource management and strategic managementare able to influence specific behaviors that help shape the culture of an organization. Influencingspecific behaviors in an organization can be a difficult task to undertake for a number of reasons. Themost obvious reason is that humans are unpredictable and have unique attitudes and perspectives[2].

Whenthey enter the workforce, they also bring their expectations and experiences to the workforce which maynot correlate with the organization's mission. This creates an instant dilemma that can be contagious toothers. Controlling such organizational ills is a battle with no end, which accurately explains why thestudy of organizational behavior is so important. Being able to diagnose those issues and responding withwell-formulated solutions is what many organizational behavior researchers and managers strive for. Thethree primary outcomes of organizational behavior are job performance, organizational commitment, andquality of work life (QWL)[3].

Although organizational behavior is an applied discipline, students are not "trained in organizationalbehavior. Rather, they are educated in organizational behavior and are a co-producer in learning" (Nelson& Quick, 2011, p. 25). The study of organizational behavior requires a rudimentary understanding ofpsychology, anthropology, sociology, philosophy, and axiology. From a psychological perspective,human behaviors and mental processes dictate how organizations perform; from an anthropologicalperspective, the culture, language, and beliefs of each individual dictate how organizations perform; froma sociological perspective, the development of human and social behavior dictate how organizationsfunction; from a philosophical perspective, the morals and ethics of an individual dictate howorganizations function; and from an axiological perspective, an individual's values dictate howorganizations function. Other disciplines (e.g., economics, engineering, or social psychology) may beapplied to organizational behavior, as well. For example, in 1776, Adam Smith published The Wealth of Nations where he explained the economic advantages of "division of labor" (breakdown of jobs intonarrow and repetitive tasks) in organizations [4].

This diversity in organizational behavior allows researchersto investigate new avenues for dealing with organizational issues from different perspectives and angles.Many organizational behavior researchers believe that organizations are systems. The two basic typesof organization systems are closed and open. Many contemporary organizations are open systems thatinteract with their environment. A closed system does not depend on its environment and can functionwithout the consumption of external resources. An open system must interact with the environment tosurvive by consuming and exporting resources to the environment. In an open and closed organizationsystem, the people are the human resources of the organization who have specific skills, the purpose ofthe organization is the mission, vision, and goal for existing, the plan of the organization is the strategy,competitive advantages, and objectives of the organization, and the priorities of the organization are whatdrive the organization to thrive or excel, which in most cases is revenue. Schwartz, Jones, & McCarty(2010) explain, "No matter how much value we produce today whether it's measured in dollars or salesor goods or widgets—it's never enough" (p. 3). The four P's to understanding organizations as systems(Kaifi, 2010) is depicted in Figure 1:
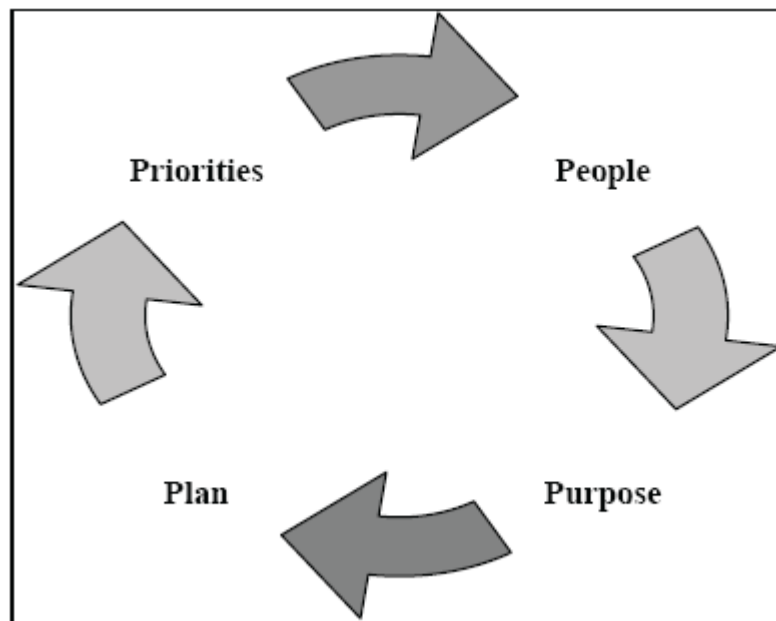
Figure 1 Organizations Are Systems

An open organization system functions both internally and externally. The external system has an impact on the internal system and vice versa. For example, the actions of customers (externally) affect the organization and the behavior of people (internally) at work. "Today, when we describe organizations as systems, we mean open systems. An organization takes inputs (resources) from the environment and transforms or processes these resources into outputs that are distributed in the environment" (Robbins &Coulter, 2005, p. 35). An example of an open system organization is a college or university that transforms students into highly-skilled workers that become a part of their environment. A closed organization system (which is becoming less common) does not interact with its environment and as a result is disconnected to the real-world. Some examples of closed system organizations are the regional armies of the People's Republic of China (Shambaugh, 1991), spiritual cults (e.g., Waco), Camp X-Ray at Guantanamo Bay, and prison systems (Fong, Vogel, &Buentello, 1995) [5].

With globalization, technological advancements, and unlimited competition, organizations are more likely to become open systems and depend more on their environments. As a result, organizations are investing in teams.

TEAMS
Simply defined, a team is composed of two or more individuals who possess any number of common goals. Exhibiting skill and workflow interdependencies, members combine their differing roles in the completion of a given task. It must be noted, however, that a salient component to team structure is a platform for social interaction, which continues to become more virtual. For the purposes of this article the author's will offer a more thorough treatment of teams. Research focusing on teams began more than fifty years ago in the area of social psychology. The more recent shift in the organization of work, however, also brought about a shift to the study of teams as an organizational construct (Moreland, Hogg, &Hains, 1994). A modern work system that is dynamic and complex creates commensurate demands on teams to coordinate and combine skill sets and resource to resolve tasks efficiently and effectively (Kozlowski &Ilgen, 2006). From an organizational perspective, a work system composed of teams creates a pool of collective knowledge, skills, and resources that support members in resolving a task. Therefore, team task becomes the focal point around which work structure and team coordination are determined[6].

In today's multilevel organization systems, the capacity for a team to resolve team tasks is influenced by many forces and is gauged by team outcomes. The authors define team outcomes as a dichotomous measure consisting of team performance and team effectiveness. According to Forrester and Tashchian(2006), performance is an efficiency competency that refers to the amount of work the team delivers and its adherence to temporal goals. Effectiveness, on the other hand, describes the quality of output produced by the team and whether the team has met its goals and objectives. Kozlowski and Ilgen (2006) state, "If members collectively lack necessary knowledge, skills, abilities, or

resources to resolve the team task, theteam cannot be effective" (p. 80). In that sense, team outcomes are determined by member diversity; arange of skills, abilities, and experiences are necessary for positive team production [7].

The collection ofwide latitude backgrounds begs the question: What significant predictors effect team outcomes? Theanswer to this question, and many similar to it, is central to the ongoing research of many investigatorsseeking insight into team processes and effectiveness.Forrester and Tashchian (2006) reported that social cohesion and task cohesion were both positivelyassociated with team outcomes. Through these forces of interpersonal attraction and task commitment,members develop a sense of team unity and a shared commitment to team goals. In addition to desiringanalytical and problem solving skills in potential employees, Hernandez (2002) stated that "employersalso need employees who know how to work effectively with others" (p. 74)[8].

The ability to work in ateam and contribute positively toward task completion is an important skill to master and one thatemployers seek (Hansen, 2006)."Diversity in a team allows for access to a diverse array of external networks that contribute directly tothe team's social and knowledge-based capital, as well as team performance" (Joshi, 2006, p. 583). Adiversity of skills and capabilities is vital to organizational success, but teams must have an understandingof how "to work effectively with this diversity and to leverage the strengths of each other" (Nath, 2008, p.29). Open communication, combined with appreciation and respect for the skills and experiences ofcolleagues, are important mechanisms through which team cohesion is enhanced. A level of trust in eachother's abilities and a commitment to team success will create a stage for collaboration and creativity[9].

Team accomplishments, such as the safe return of Apollo 13 astronauts and the success of the ManhattanProject, are the result of team cohesion and collective creativity (Sarmiento & Stahl, 2008). Highcohesiveness in teams, h owever, can create conformity among members and lead to the negativeimplications of group think. The Challenger space shuttle tragedy and the Bay of Pigs invasion of Cuba when striving for consensus overshadows informed decision-making (Colquitt,Lepine, & Wesson, 2011) [10].

As employers respond to the growing demands placed on organizations to compete on a global level,an implementation of effective team processes is vital to successfulbusiness outcomes. In fact, manyresearchers have reported that college students have a poor understanding of teamwork skills andemphasize the importance in implementation of such training across the curriculum (Williams &Anderson, 2008). To become more than the sum of its parts, a team must "operate in an environment ofrespect and appreciation for the diversity of style, skills, experiences and contributions" (Nath, 2008, p.29). To create this culture of sharing and collaboration, organizations should engage in activities thatenhance and leverage the benefits of both cohesion and communication among members [11].

III. ROLE OF ORGANISATIONAL BEHAVIOUR IN MANAGEMENT OF BUSINESS

Organisational behaviour provides solution as well as insight towards solution to manychallenges which are faced by the organisations. Some of the important rolesperformed by organisational behaviour in management of business are as follows:-

1. Globalisation- Due to globalisation, organisations are no longer confined to oneparticular country. The Manager's job is changing with the expansion of theorganisations across the national borders. Example, Volkswagen builds its carsin Mexico, Mercedes and BMW in South Africa. Due to globalisation, themanagement has to deal with the problems of unfamiliar languages, laws, workethics, management styles etc. The functions of hiring, training, etc must acquire a global perspective. Organisational Behaviour helps the managementto become flexible, and proactive and enables it to execute the organisation ona global scale.

2. Managing work Force Diversity- Organisations are a heterogeneous mix ofpeople in terms of age, gender, race etc. Managing the workforce diversity hasbecome a global concern. Managers have to deal with individuals and groupsbelonging to different ethnic cultures. They have to exercise control andchannelize behaviour in the desired direction. Organisational behaviour helpthe managers to effectively deal with work force diversity by promoting itsawareness, increasing diversity skills, encouraging culture and genderdiversity.

3. Improving Quality and Productivity- Industries are facing the problem ofexcess supply. This has increased competition to a large extent. Almost everyManager is confronting the same problem of improving the productivity,quality of the goods and services their organisation is providing. Programmessuch as business process reengineering, and total Quality Management arebeing implemented to achieve these ends. Organisational Behaviour helps theManagers to empower their employees, as they are the major forces forimplementing this change.

4. Improving customer service-Most of the employees work in service sector. Thejobs in the service sector, is very demanding. It requires continuous interactionwith the organisations clients i.e. the customers. Management has to ensure thatthe employees do everything to satisfy the customers of the organisation. Theattitude and behaviour of an employee affects the customer satisfaction.Organisational Behaviour helps the managers to improve customer service andorganisational performance.

5. Improving people skills- Organisational Behaviour helps in better managementof business as it helps in improving the skills of the people. It provides insightinto the skills that the employees can use on the job such as designing jobs andcreating effective teams.

6. Innovation and Change- Organisational Behaviour helps in stimulatinginnovation and change. Employees can either be a hurdle or an instrument ofchange. It is organisational behaviour which fosters ideas and techniques topromote innovation and change by improving employees creativity.

7. Work life balance- Organisations that do not help employees to achieve worklife balance will not be able to retain their most talented employees.Organisational behaviour helps i designing flexible jobs which can helpemployees deal with work life balance issues.

8. Promoting ethical Behaviour- Sometimes the organisations are in a situation ofethical dilemma where they have to define right and wrong. It is OrganisationalBehaviour which helps an important role by helping the management to createsuch a work environment which is ethically healthy and increases workproductivity, job satisfaction and organisational citizenship behaviour.

9. Creating a positive Work Environment.- Organisational behaviour helps increating a positive work environment in today's where competitive pressuresare stronger than before. OB helps to develop resilience, human strength, and itfosters vitality.

LIMITATIONS

There are some limitations to this study and one is the limited amount of responses from each group.This survey can be combined with other more comprehensive instruments to enhance and confirm theresults. Also, future studies can duplicate the research with a greater number of participants that arecompared to other organizations. Perhaps different population groups (higher and lower managementlevels) and people working in various industries can be studied separately to learn more about teamwork.It may also be beneficial to study the contribution to team outcomes made by male and female managers.Furthermore, exploring the occurrence of group think among male and female employees can offerfurther insight into gender differences in organizations. Finally, future researchers should considertranslating the survey instrument into other languages to see if the same results are true in organizations.

IV. CONCLUSION

Thus, Organisational Behaviour plays an important role in the management ofbusiness. It is that field of study which finds out the impact that individuals, groupsand structure have on behaviour within an organisation and it applies that knowledgeto make organisations work more effectively.Theoretically, it is important to understand how and why teamwork affects people's success in theworkplace. Practically, it is important for managers to know whether teamwork affects performancebecause it proxies cohesiveness and synergy. The study presented in this article clearly suggests thatteamwork affects people's careers and workplace interactions and therefore is worthy of continuedscholarly investigation.

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