

## **Organisational Behaviour and its Role in Management of Business**

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### **Abstract**

Managers get the work done through people. They allocate the resources, direct the activities of others, and take decisions to attain organisational goals. Organisation is a coordinated social unit, composed of two or more people, which functions to achieve a common goal. Managers are responsible for the functioning of the organisation. The world has become a global village. Understanding Organisational Behaviour has become very important for managers today. Globalization has presented challenges and opportunities for Organisational Behaviour. Various changes such as increase in the number of women employees, corporate downsizing, increase in number of temporary workers are taking place in the organisations. Business is shifting to where the technology is. One can say that Business has become technology driven. There are a lot of challenges and opportunities for managers to use organisational behaviour concepts. Organisational Behaviour focuses on how to improve productivity, reduce absenteeism, turnover and deviant workplace behaviour and increase organisational citizenship behaviour and job satisfaction. It is concerned with the study of what people do in an organisation and how their behaviour affects the organisations performance.

The following paper is conceptual in nature and it attempts to explain what Organisation Behaviour is and its role in management of business.

**Keywords:** Globalisation, Organisational Behaviour, Organisational Citizenship Behaviour, Job Satisfaction.

## 1. Introduction

Organisations are as old as the human race. As time passed, the people realised that they could collectively satisfy their wants in a much effective manner. Thus, they got together to satisfy their needs and wants.

Individuals who feel that they have skills, talents and knowledge form groups to produce the goods and services. Organisation is a group of people who work together to achieve some purpose. The people working together expect each other to complete certain tasks in an organised way.

Organisations are an inevitable part of human life. Organisation help to increase specialisation 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.

## 2. 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, “ Organisational Behaviour as a systematic study of the actions and attitudes that people exhibit within the organisations.”

## 3. Disciplines that Contribute to the Field of Organisational Behaviour

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, work stress, emotions, conflict management owe their study to psychology. Various

psychological 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 globalisation, 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 and sociology. It focuses on the influence of people on one another and tries to achieve better 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 science which helps in understanding behaviours of individuals within a political environment. Government rules and regulations play a decisive role in growth of the organisations.

#### **4. Role of Organisational Behaviour in Management of Business**

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

1. **Globalisation-** Due to globalisation, organisations are no longer confined to one particular country. The Manager's job is changing with the expansion of the organisations across the national borders. Example, Volkswagen builds its cars in Mexico, Mercedes and BMW in South Africa. Due to globalisation, the management has to deal with the problems of unfamiliar languages, laws, work ethics, management styles etc. The functions of hiring, training, etc must acquire a global perspective. Organisational Behaviour helps the management to become flexible, and proactive and enables it to execute the organisation on a global scale.
2. **Managing work Force Diversity-** Organisations are a heterogeneous mix of people in terms of age, gender, race etc. Managing the workforce diversity has become a global concern. Managers have to deal with individuals and groups belonging to different ethnic cultures. They have to exercise control and channelize behaviour in the desired direction. Organisational behaviour help the managers to effectively deal with work force diversity by promoting its

awareness, increasing diversity skills, encouraging culture and gender diversity.

3. **Improving Quality and Productivity-** Industries are facing the problem of excess supply. This has increased competition to a large extent. Almost every Manager is confronting the same problem of improving the productivity, quality of the goods and services their organisation is providing. Programmes such as business process reengineering, and total Quality Management are being implemented to achieve these ends. Organisational Behaviour helps the Managers to empower their employees, as they are the major forces for implementing this change.
4. **Improving customer service-**Most of the employees work in service sector. The jobs in the service sector, is very demanding. It requires continuous interaction with the organisations clients i.e. the customers. Management has to ensure that the employees do everything to satisfy the customers of the organisation. The attitude and behaviour of an employee affects the customer satisfaction. Organisational Behaviour helps the managers to improve customer service and organisational performance.
5. **Improving people skills-** Organisational Behaviour helps in better management of business as it helps in improving the skills of the people. It provides insight into the skills that the employees can use on the job such as designing jobs and creating effective teams.
6. **Innovation and Change-** Organisational Behaviour helps in stimulating innovation and change. Employees can either be a hurdle or an instrument of change. It is organisational behaviour which fosters ideas and techniques to promote innovation and change by improving employees creativity.
7. **Work life balance-** Organisations that do not help employees to achieve work life balance will not be able to retain their most talented employees. Organisational behaviour helps i designing flexible jobs which can help employees deal with work life balance issues.
8. **Promoting ethical Behaviour-** Sometimes the organisations are in a situation of ethical dilemma where they have to define right and wrong. It is Organisational Behaviour which helps an important role by helping the management to create such a work environment which is ethically healthy and increases work productivity, job satisfaction and organisational citizenship behaviour.
9. **Creating a positive Work Environment.-** Organisational behaviour helps in creating a positive work environment in today's where competitive pressures are stronger than before. OB helps to develop resilience, human strength, and it fosters vitality.

## **5. Conclusion**

Thus, Organisational Behaviour plays an important role in the management of business. It is that field of study which finds out the impact that individuals, groups and structure have on behaviour within an organisation and it applies that knowledge to make organisations work more effectively.

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