

## 17

# The Essence of Organizational Behaviour

## Key concepts and terms

- Behavioural science
- Process theory
- Variance theory
- Organizational behaviour
- Social sciences

## Learning outcomes

On completing this chapter you should be able to define these key concepts. You should also know about:

- The characteristics of organizational behaviour
- The sources and applications of organization behaviour theory
- The factors affecting organizational behaviour
- The significance of organizational behaviour theory

## Introduction

People perform their roles within complex systems called organizations. The study of organizational behaviour focuses on people within the context of their organizations – analysing and understanding what they do, how they do it and the factors that affect their behaviour. The aim is to provide the basis for developing HR policies and practices which will lead to improved organizational capability.

## Organizational behaviour defined

‘Organizational behaviour’ is the term used to describe how people within their organizations act, individually or in groups, and how organizations function, in terms of their structure, processes and culture. As noted by Wood (1995) it was first used in the late 1950s. The following are three other definitions:

- The study of the structure, functioning and performance of organizations, and the behaviour of groups and individuals within them. (Pugh, 1971)
- The interdisciplinary body of knowledge and field of research, concerned with how formal organizations, behaviour of people in organizations, and salient features of their context and environment, evolve and take shape, why all these things happen the way they do, and what purposes they serve. (Sorge and Warner, 1997)
- The study of human behaviour, attitudes, and performance within an organizational setting; drawing on theory, methods and principles from such disciplines as psychology, sociology, political science and cultural anthropology to learn about individuals, groups, structure and processes. (Ivancevich *et al*, 2008)

## Characteristics of organizational behaviour

The following characteristics of organizational behaviour have been identified by Ivancevich *et al* (2008):

**Characteristics of organizational behaviour, Ivancevich *et al* (2008)**

1. It is a way of thinking about individuals, groups and organizations.
2. It is multidisciplinary – it uses principles, models, theories and methods from other disciplines.
3. There is a distinctly humanistic orientation – people and their attitudes, perceptions, learning capacities, feelings and goals are of major importance.
4. It is performance-orientated – it deals with the factors affecting performance and how it can be improved.
5. The use of scientific method is important in studying variables and relationships.
6. It is applications-orientated in the sense of being concerned with providing useful answers to questions which arise when managing organizations.

Note that organization behaviour is described in this analysis as multidisciplinary, not interdisciplinary as mentioned by Sorge and Warner (1997). Huczynski and Buchanan (2007) pointed out that:

*This is an area where the contributions of the different social and behavioural sciences can be integrated. The extent of that integration, however, is comparatively weak. Multidisciplinary means drawing from a number of different subjects. Interdisciplinary suggests that different subjects collaborate with each other. Full interdisciplinary collaboration is rare.*

## Organizational behaviour and the social and behavioural sciences

Organizational behaviour studies make considerable use of social and behavioural science methodologies which involve the use of scientific procedures. The social sciences include the disciplines of psychology, social psychology, sociology, anthropology, economics and political science.

Behavioural science is mainly concerned with psychology and sociology. It was defined by Kelly (1969) as: ‘The field of enquiry dedicated to the study of human behaviour through

sophisticated but rigorous methods'. The term 'behavioural science' was first used to describe a Ford Foundation research programme at Harvard in 1950. It became prominent in the 1960s and 1970s and formed the basis for the behavioural science school of organization as discussed in Chapter 21. It played an important part in the earlier manifestations of organizational development as covered in Chapter 24 and influenced the quality of working life movement in the 1970s and the principles of job design as described in Chapter 27.

## Explaining organizational behaviour

Two ways of explaining organizational behaviour have been described by Mohr (1982): variance theory and process theory.

### Variance theory

Variance theory explains the causes of organizational behaviour by reference to the independent or causal variables which cause a change and result in dependent variables – the outcomes of the change. Variance theory involves the definition and precise measurement of the variables.

### Process theory

Process theory explains organizational behaviour by producing narratives which provide probable explanations of the outcomes of a series of events.

## Factors affecting organizational behaviour

The actions, reactions and interactions of people that constitute organizational behaviour are influenced by the following factors.

### *Factors affecting organizational behaviour*

- The characteristics of people at work – individual differences, attitudes, personality, attributions, orientation and the roles they play.
- How people are motivated.
- The process of employee engagement.
- The process of organizational commitment.

- How organizations function.
- Organizational culture.

## The sources and applications of organizational behaviour theory

Figure 17.1 summarizes how each of the main organization behaviour disciplines contributes first to different aspects of organization behaviour theory, which in turn influence HR practices.

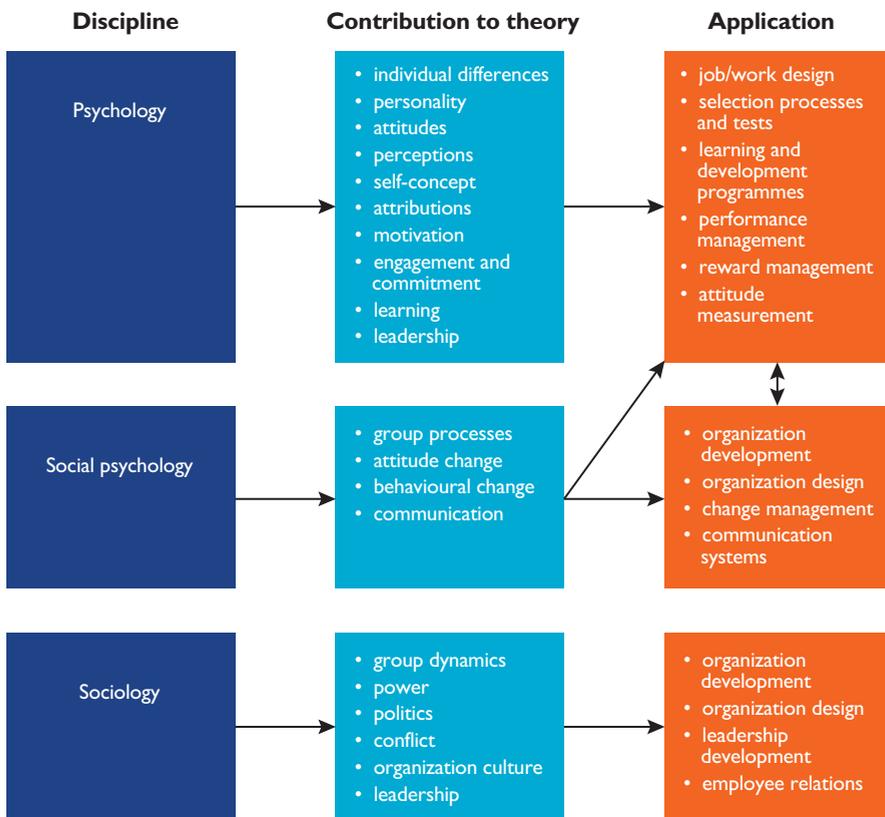


Figure 17.1 The sources and applications of organization behaviour theory

## The significance of organizational behaviour theory

All managers and HR specialists are in the business of influencing behaviour in directions that will meet business needs. An understanding of organizational processes and skills in the analysis and diagnosis of organizational behaviour is therefore important. As Nadler and Tushman (1980) wrote:

*The manager needs to understand the patterns of behaviour that are observed to predict in what direction behaviour will move (particularly in the light of managerial action), and to use this knowledge to control behaviour over the course of time. Effective management action requires that the manager be able to diagnose the system he or she is working in.*

### The essence of organizational behaviour – key learning points

#### The characteristics of organizational behaviour

- It is a way of thinking about individuals, groups and organizations.
- It is multidisciplinary – it uses principles, models, theories and methods from other disciplines.
- There is a distinctly humanistic orientation – people and their attitudes, perceptions, learning capacities, feelings and goals are of major importance.
- It is performance-orientated – it deals with the factors affecting performance and how it can be improved.
- The use of scientific method is important in studying variables and relationships.

- It is applications-orientated in the sense of being concerned with providing useful answers to questions which arise when managing organizations.

#### The factors affecting organizational behaviour

- The characteristics of people at work – individual differences, attitudes, personality, attributions, orientation and the roles they play.
- How people are motivated.
- The process of employee engagement.
- The process of organizational commitment.
- How organizations function.
- Organizational culture.

## The essence of organizational behaviour – key learning points (continued)

### The sources and applications of organization behaviour theory

The sources comprise the disciplines of psychology, social psychology and sociology. Contributions are based on an understanding of individual differences, leadership, group processes and concepts such as motivation, engagement and commitment. Applications cover all aspects of people management and development.

### The significance of organizational behaviour theory

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## Questions

1. A colleague e-mails you to the effect that she missed a session on organizational behaviour in her course at the local college of further education. She asks you to recall what you learned about the subject when you took the course and for your opinion on its importance. Reply.
2. What are the characteristics of organizational behaviour?
3. What are the factors that affect organizational behaviour?

## References

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