



**The Marathon Of UPSC**

**Commerce Optional**

**Organization  
Behaviour**

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### UPSC Commerce and Accountancy Optional

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**This is sample Pdf.**

**Books are available in both Hardcopy and Softcopy.**

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NOTE - All subjects will be covered.

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## **UPSC Commerce and Accountancy Optional Syllabus**

- 1. Meaning and Concept**
- 2. Individual in Organisation - Personality, Theories & Determinants**
- 3. Perception - Meaning, Process.**
- 4. Motivation - Concept, Theories and Applications.**
- 5. Leadership - Theories and Styles.**
- 6. Quality of Work Life - Meaning & its impact on performance, ways of its enhancement.**
- 7. Quality Circle - Meaning and their importance.**
- 8. Management of Conflicts in Organisation.**
- 9. Transactional Analysis**
- 10. Organisational Effectiveness**
- 11. Management of Change**

# Tricks

1. Cover Number wise or Chapter wise.
2. Revise that topic only within 24-48 hours.
3. With this you able to cover Topics > Chapter > Subjects > Syllabus.
4. Focus on Understanding and Memorization only.
5. Last left with more and more answer writing practice.
6. Must cover News Updates.

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**NOTE - DON'T FORGET TO MAKE 1 DAY REVISION NOTE. (Avoid Notes Making during class as it divert your mind in writing instead of understanding and memorizing the concept).**

**Note- Say NO to group study. Each individual is unique having own pros and cons. So 100% focus on yourself.**



1.

# Meaning and Concept

# Organization

An individual cannot live or survive isolate but need a social relations or other participation. The individual are bound together in a network of relatively stable social relationships. Thus our society is organizational with large and complex organizations dominating every sphere of human activity.

*Louis Allen*, "Organization is the process of identifying and grouping work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing objectives." In the words of Allen, organization is an instrument for achieving organizational goals. The work of each and every person is defined and authority and responsibility is fixed for accomplishing the same.

**Organization Micro perspective** of organizational study **focuses on human beings** in the organizations. It studies human beings as individuals - an individual's psychological make up, his interaction with other individuals and groups, variables determining his behaviour in the organization, and the strategies that may be adopted to govern his behaviour in a desirable way in the organization. The micro aspect of organizational study is generally the subject matter of **Organizational Behaviour**.

Note - It is advisable to refer Organization Theory book Chapter -1 to connect the basics about Organization, Organization Theory.

# Organization Behaviour

**Organisational Behaviour** is the study of human behaviour in organisations to make more active human performance to achieve organisational objectives as well as individual (human) objectives. Organizational behaviour is the study of how people behave both individually and within informal and formal groups. Every organization's performance is ultimately dependent on the motivational levels of its human resources and the willingness and ability of people to work harmoniously and effectively towards the accomplishment of shared goals.

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The study of Organisational Behaviour involves understanding, prediction and control of human behaviour and the factors which influence the performance of people in an organisation. It is concerned with the behaviour of individuals and groups.

**Keith Davis and John Newstrom** (1985) has defined Organisational Behaviour as "the study and application of knowledge how people act or behave within organization. It is a human tool for human benefit. It applies broadly to the behaviour of people in all types of organizations such as business, government, schools and service organizations."

**Stephen P. Robbins** "Organisational Behaviour is a field of study that investigates the impact that individuals, groups and structure have on behaviour within organisations, for the purpose of applying such knowledge toward improving an organisation's effectiveness."

# Organization Behaviour

**Moorhead/Griffin** “Organisation behaviour is the study of human behaviour in organisational settings that interface between human behaviour and the organisation and the organisation itself.”

**Ramon J Aldag and Arthur P Brief** “Organisation behaviour is a branch of the social science that seek to build theories that can be applied to predicting, understanding and controlling behaviour in work organisations.”

**Callahan, Fleenor and Hudson** “Organisational behaviour is a subset of management activities concerned with understanding, predicting and influencing individual behaviour in organisational setting.”

**Fred Luthans** “Organisational behaviour is directly concerned with the understanding, production and control of human behaviour in organisations.”

**L. M. Prasad**, “Organisational behaviour can be defined as the study and application of knowledge about human behaviour related to other elements of an organisation such as structure, technology and social systems.”

## Why to study Organization Behaviour ?

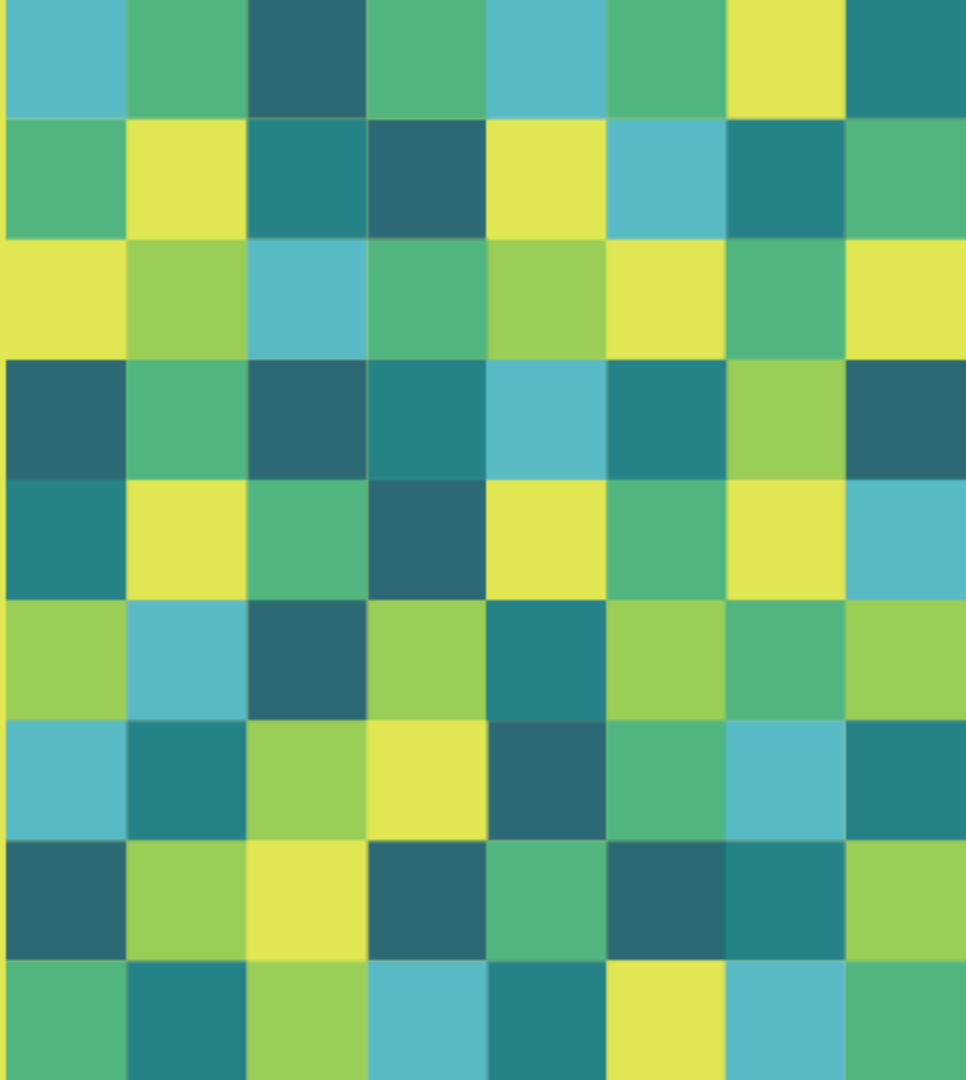
The ability to use the tools of organizational behaviour to understand behaviour in organizations is one reason for studying this subject. A second reason is to learn how to apply these concepts, theories and techniques to improve behaviour in organizations so that individuals, groups and organizations can achieve their goals. Managers are challenged to find new ways to motivate and coordinate employees to ensure that their goals are aligned with organizational goals.

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# Nature of Organization Behaviour

1. An Applied Science
2. A Normative Science
3. A Humanistic Approach
4. An Interdisciplinary Approach
5. System Approach

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# Nature of Organization Behaviour

**An Applied Science** - Organization behaviour deal with the application of various researches to solve the organizational problems related to human behaviour. The basic line of difference between pure science and Organisation Behaviour is that while the former concentrates of fundamental researches, the latter concentrates on applied researches. Organisation Behaviour involves both applied research and its application in organizational analysis. Hence, Organisation Behaviour can be called **both science as well as art**.

**Normative Science** - There are two types of science Commerce Achiever™ positive and normative. Organisation Behaviour is a normative science. Organisation Behaviour prescribes how the findings of applied researches can be applied to socially accepted organizational goals. Thus, Organisation Behaviour deals with what is accepted by individuals and society engaged in an organization ie focused on outcomes also.

It is not only concerned with finding and defining the cause and effect relations of organisational situations. It also finds out mean that is best and accepted by all out of its researches to ensure organisational results.

**Humanistic Approach** - Organizational Behaviour applies humanistic approach towards people working in the organization. It deals with the thinking and feeling of human beings.

# Nature of Organization Behaviour

**Interdisciplinary Approach** - Organizational behaviour is essentially an interdisciplinary approach to study human behaviour at work. It tries to integrate the relevant knowledge drawn from related disciplines like psychology, sociology and anthropology to make them applicable for studying and analysing organizational behaviour.

**System Approach** - System approach provides a useful framework for understanding how the elements of any organisation react among themselves and with their external environment. The system approach is one that integrates all the variables, affecting organizational functioning. The systems approach has been developed by the behavioural scientists to analyse human behaviour in view of his/her socio-psychological framework. Man's socio-psychological framework makes man a complex one and the systems approach tries to study his/her complexity and find solution to it. Organisational behaviour uses system approach because it takes into account all the variables affecting organisational functioning.

## Scope of Organization Behaviour

- People
- Structure
- Technology
- Social System

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## Scope of Organization Behaviour

Scope of organization behaviour includes the three internal organizational elements viz., people, technology and structure and the fourth element, i.e., external social systems.

**People** - People consist of individuals and groups. Groups may be large or small, formal or informal, official or unofficial. They are dynamic. They form, change and disband. Human organization changes everyday. Organizations exist to serve the people and not the people exist to serve the organization. Organizations are the associations of individuals. Individuals differ in many respects. The study of individuals, therefore, includes aspects such as personality, perception, attitudes, values, job satisfaction, learning and motivation.

**Structure** - Structure defines the sole relationship of people in an organization. Different people in an organization are given different roles and they have certain relationship with others. It leads to division of labour so that people can perform their duties or work to accomplish the organizational goal. Work is complex and different duties are to be performed by different people. Some may be accountant; others may be managers, clerks, peons or workers. All are so related to each other to accomplish the goal in a coordinated manner. Thus, structure relates to power and duties. One has the authority and others have a duty to obey him.

## Scope of Organization Behaviour

**Technology** - The nature of technology depends very much on the nature of the organization and influences the work or working conditions. Thus, technology brings effectiveness and at the same restricts people in various ways.

**Social System** - Social system provides external environment which the organization operates. A single organization cannot exist also. It is a part of the whole. One organization cannot give everything and therefore, there are many other organizations. All these organizations influence each other. It influences the attitudes of people, their working conditions and above all provides competition for resources and power.

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## Features of Organization Behaviour

*Joe Kelly* states, 'Organisational behaviour is the systematic study of the nature of organisations, how they begin, grow, develop, and their effect on individual members, constituent groups, other organisations and larger institutions'. Some of the important characteristics of organisational behaviour are as follows:

- It is action-oriented and goal-directed. The major goals of organisational behaviour are to explain and predict human behavioural in organisations.
- Organisational behaviour integrates behavioural sciences. Core concepts are borrowed from others fields and discipline like social psychology, sociology, and anthropology, etc.
- Organisational behaviour is both a science and an art. It implies performing several researches and collecting data systematically regarding behaviour. The collected information is then used to control and manage problems in the organisation. Collection of all relevant information systematically about human behaviour is termed as science. Application of collected behavioural knowledge and skills in the organisation is known as art.
- Organisational behaviour exists at multiple like levels. Behaviour occurs at the individual, the group, and the organisational systems levels.
- Organisation Behaviour is continuous and ongoing concept followed within the organisation. It continuously makes an effort to ensure organisation effectiveness.

# Levels of Organization Behaviour

Organisation Behaviour can be defined as actions and behaviours of individuals and groups towards and their impact on the organization's overall functioning and performance. Organisation Behaviour can be studied at various levels within an organization, and each level has a unique set of roles, responsibilities, and goals.

**1. Individual Level** – Deals with the concepts at the individual level. Examples are perception, personality, learning, motivation, and attitude.

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**2. Group Level** – Deals with the concepts at the group level. Examples of group-level concepts are team, conflict, leadership, power, and politics. Group-level concepts may include how groups are formed, how to make effective teams, how individually and collectively the group activities can be improved, how to motivate employees, and which type of group would be suitable for a particular assignment.

**3. Organizational Level** – Deals with the concepts at the organizational level. Examples of organizational-level concepts are change management and organizational culture. Other topics discussed at organizational level include the concept of organization, different organizational models, and organizational change along with its impact and implementation. The working conditions and stress management are also discussed at the organizational level.

## Need of Organization Behaviour

- Organizational behavior studies the factors that impact individual and group behavior in organizations and how organizations manage their environments. Organizational behavior provides a set of tools, theories and concepts to understand, analyse, describe and manage attitudes and behavior in organizations.
- The study of organizational behavior can improve and change individual, group and organizational behavior to attain individual, group and organizational goals.
- Organizational behavior can be analysed at three levels: the individual, the group and the organization as a whole. Understanding of each level is important.
- A manager's job is to use the tools of organizational behavior to increase effectiveness, an organization's ability to achieve its goal. Management is the process of planning, organising, leading and controlling an organization's human, financial, material and other resources to increase its effectiveness.

## Limitations of Organization Behaviour

- Organizational behavior helps an individual to understand human behaviour only at workplace.
- Organizational behavior has not contributed to improved interpersonal relations in an organisation. Jealousies, backstabbing, harassments go side by side with rewards, lectures, discussions, smiles etc.
- Organizational behavior will not totally abolish conflict but it can only reduce it.
- It abolish only physical disparities, not abolished mental barriers.
- Organizational behavior is that its knowledge and techniques can be used to manipulate people unethically as well as to help them develop their potential.
- Behavioural Bias - People who lack system understanding may develop a behavioural bias, which leads them to develop a narrow viewpoint that emphasises employee satisfaction while overlooking the broader system of the organization about all its stakeholders.
- The law of diminishing returns in organizational behaviour works in a similar way. According to the law of diminishing returns, at some point, increases of a desirable practice produce declining returns, finally resulting in zero returns, and then follows negative returns as more increases are added. More of a good thing is not necessarily good. The concept means that for any situation there is an optimum level of a desirable practice, such as recognition or participation. when that point is exceeded, there is a decline in returns realised. To put it differently, the fact that a practice is desirable does not necessarily imply that more of the same practice is more desirable.

## Limitations of Organization Behaviour

**Conclusion** - The philosophy of organizational behavior is supportive and oriented toward human resources. It takes to improve the human environment and help people grow toward their potential. However, the knowledge and technique of this subject may be used for negative as well as positive consequences. The possibility of manipulation means that people in power in organizations must maintain high ethical and moral integrity and not misuse their power. Without ethical leadership, the new knowledge that is learned about people becomes a dangerous instrument for possible misuse.

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# Contingency Approach

Organizational behaviour is a field of business that looks at the relationships between individuals and the factors that motivate them, both intrinsically and extrinsically. The contingency approach focuses on the various factors, or contingencies, that have an impact on an organization's behaviour.

Contingency theory of management is an extension of system approach to management. There cannot be suitable management solutions for all problems. External and internal factors keep changing. Since systems approach cannot appropriately suggest relationship between organisation and environment, the gap so created has been fulfilled by contingency approach.

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Contingency theory accepts the open adaptive charter of the organisation as well as the need for preserving flexibility in the face of change. Traditional management relies on one basic principle that there is one best way of managing things and these things can be applied across the organisation in all the situations.

The contingency rules theory suggests that rules, consequences and their impact on the behaviour of individuals or groups of individuals depend upon the context in which they exist. Environmental change and uncertainty, work technology, and the size of a company are all identified as environmental factors impacting the effectiveness of different organizational forms. According to the contingency perspective, stable environments suggest mechanistic structures that emphasise centralisation, formalisation, standardisation, and specialisation to achieve efficiency and consistency. Certainty and predictability permit the use of policies, rules, and procedures to guide decision making for routine tasks and problems. Unstable environments suggest organic structures which emphasise decentralisation to achieve flexibility and adaptability. Uncertainty and unpredictability require general problem solving methods for non routine tasks and problems.

# Organization Behaviour Models

Models are to guide activities in the related field. In the field of organization behaviour models are developed to provide framework about how people will be treated in an organisation. In organization behaviour models various variables are divided into two groups dependent and independent variable.

**Dependent Variable** - A dependent variable in the model is a factor or outcome that is affected by some other factor or combination of such factors. Scholars identified six dependent variables -

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- **Productivity** - Productivity is about conversion of input into output at optimal cost to achieve organisational goals. Productivity is the combination of Efficiency and Effectiveness. **Efficiency** is defined as the ability to accomplish something with the least amount of wasted time, money, and effort or competency in performance. **Effectiveness** is defined as the degree to which something is successful in producing a desired result. Example - Organization is efficient if it sell goods to its customers at lowest cost compared to its competitors and is effective if it take customer satisfaction as one of the goal of organization and satisfies its customers.
- **Absenteeism** - Absenteeism is the failure of an employee to report for the work when s/he is scheduled to work. An employee is to be considered as scheduled to work when the organization has work available for that employee and the employee is aware of it. this is known as unauthorised absence. Authorised absence in the form of leaves enjoyed by the employees and they remain absent from workplace.

# Organization Behaviour Models

- **Employee Turnover** - It is the voluntary or involuntary separation of employees from an organisation.
- **Job Satisfaction** - It is the mental feeling of favourableness that an individual employee has about his/her job. When the employee has high favourableness one is said to be highly satisfied. Otherwise one feel job dissatisfaction.
- **Deviant workplace behaviour** - It is a voluntary behaviour that violates significant organization norms. Example - Gossips at workplace, Commerce Achiever™ taking more time for lunch break than due, etc.
- **Organizational Citizenship Behaviour** - It is the extent to which an employee's voluntary behaviour contributes to organizational success. It implies that the employee gives support to the organization beyond his/her duties prescribed by the organization.

**Independent Variable** - An independent variables one which shapes a dependent variables. These variables include -

- Individual level - Personality, Perception, Attitudes, EI, Motivation.
- Group level - Group dynamics, Work Teams, Power and Politics, Leadership, Organization Conflict.
- Organization level - Organization culture.

# Organization Behaviour Models

## Conclusion

Outcomes are in the form of dependent variables which are the results of various independent variables at the three levels along with the organization non-human resources. Variables at three levels interact among themselves directly or indirectly. Change in dependent variable can be through the change in independent variables as there is only one way impact of the latter. Since three levels interact among themselves, variables at any level cannot be managed effectively without considering variables at other levels.

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## Types of Organization Behaviour Models

Every organisation develops a particular model in which behaviour of the people takes place. In the field of Organization Behaviour assumptions about people have been made on two extreme sides like the theory given by McGregor. McGregor has given theories X and Y and each theory makes assumptions which are contrary to each other. Argyris has given the concept of immaturity and maturity of people which also provides two opposite views about the people. Thus, Organization Behaviour models developed on the basis of these assumptions would show great variations. *Newstrom* has described Organization Behaviour models, which are-

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1. Autocratic
2. Custodial
3. Supportive
4. Collegial
5. System

# Thanks!

**Any questions?**

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