

Lecture Three: Business Organizational Behaviour

What Is Organizational Behavior (OB)?

- Organizational behavior is the academic study of how people interact within groups and its principles are applied primarily in attempts to make businesses operate more effectively.
- The study of organizational behavior includes areas of research dedicated to improving job performance, increasing job satisfaction, promoting innovation, and encouraging leadership and is a foundation of corporate human resources.
- **The Hawthorne Effect**, which describes the way test subjects' behavior may change when they know they are being observed, is the best-known study of organizational behavior.
- Organizational behavior is embedded in human resources such as employee retention, engagement, training, and culture.
- Organizational behavior is a subset of organizational theory which studies a more holistic way of structuring a company and managing its resources.

Examples of Organizational Behavior

Findings from organizational behavior research are used by executives and human relations professionals to better understand Business's culture, how that culture helps or hinders productivity and employee retention, and how to evaluate candidates' skills and personality during the hiring process.

Organizational behavior theories inform the real-world evaluation and management of groups of people. There are several components:

- Personality plays a large role in the way a person interacts with groups and produces work. Understanding a candidate's personality, either through tests or through conversation, helps determine whether they are a good fit for an organization.
- Leadership—what it looks like and where it comes from—is a rich topic of debate and study within the field of organizational behavior. Leadership can be broad, focused, centralized or de-centralized, decision-oriented, intrinsic in a person's personality, or simply a result of a position of authority.
- Power, authority, and politics all operate inter-dependently in a workplace. Understanding the appropriate ways these elements are exhibited and used, as agreed upon by workplace rules and ethical guidelines, are key components to running a cohesive business.

Why Is Organizational Behavior Important?

Organizational behavior describes how people interact with one another inside of an organization, such as a business. These interactions subsequently influence how the organization itself behaves and how well it performs. For businesses, organizational behavior is used to streamline efficiency, improve productivity, and spark innovation to give firms a competitive edge.

What Are the 4 Elements of Organizational Behavior?

The four elements of organizational behavior are people, structure, technology, and the external environment. By understanding how these elements interact with one another, improvements can be made. While some factors are more easily controlled by the organization—such as its structure or people hired—it still must be able to respond to external factors and changes in the economic environment.

What Are Some Common Problems that Organizational Behavior Tries to Solve?

Organizational behavior can be used by managers and consultants to improve the performance of an organization and to address certain key issues that commonly arise. These may include a lack of direction or strategic vision for a company, difficulty getting employees on board with that vision, pacifying workplace conflict or creating a more amenable work

environment, issues with training employees, poor communication or feedback, and so on.