



Introduction

Organizational behaviour is an applied behavioural science. That means it is built on contributions from other behavioural sciences like psychology, sociology, social psychology, anthropology and political science. This chapter deals with organizational behaviour, group behaviour, conflict management and customer relations.

Objectives

After reading this chapter you will be able to:

- Describe organizational behaviour and the need to study organizational behaviour
- Know factors affecting human relations in an organization
- Describe different organizational structures and designs
- Understand group behaviour and group decision making techniques
- Describe team and team effectiveness
- Describe conflicts, its types and conflict management techniques
- Explain customer relations and the Consumer Protection Act

11.1 Organization Behaviour

Organizational behaviour is the study of human behaviour in organizational settings. It studies the interaction between human behaviour and the organization and applies the knowledge gained to the improvement of the organization. Thus, organizational behaviour deals with what people do in an organization and how their behaviour is related to the organization's performance.

Each individual working in an organization brings to the organization an individual set of personal characters and experiences from other organizations and that may influence their own organization. The individual working in that organization also changes with the organization. Thus, organizational behaviour considers **the way individuals interact with the organization**.

11.2 Need to study Organizational Behaviour

1. The workforce of our organizations is becoming more diverse. So, managers have to be aware of the differences and respond to these differences in such a way that there is **increased productivity** of the organization and **greater retention of workers** in the organisation. This includes providing appropriate training and benefit programs.
2. The customer seeks **quality and timely service**. **Customer satisfaction** is assuming greater significance in all the fields. So, all organizational processes have to be improved if the customer has to be satisfied better. Study of organizational behaviour makes employers think about their decisions and makes them more involved in the organization.
3. There is a **shortage of skilled personnel** all over the world. Apart from good salaries and benefits, employees need **methods to retain the employees**. This is possible if managers understand human behaviour and treat them well. No organization can be successful without the involvement of its employees.
4. **Customer service**: No organization can exist without the customers. In all service organizations, the management has to ensure that the customer is happy. Organizational behaviour helps in keeping the customer pleased by showing that the employee's attitude and behaviour are associated with customer satisfaction. The employee must be friendly, courteous, accessible, and knowledgeable and should respond to the customer's needs.
5. **New ideas and change**: In the ever changing world, newer ideas are emerging rapidly. A successful organization must encourage new ideas and master the art of change. The employees play an important role in bringing new ideas and creativity which should be encouraged by the organization. Organizational behaviour helps in realizing new ideas and change in an organization.



6. **The hours of work** are increasing the world over. Work now is not restricted to the work place. Due to advances in the communication system, we often work at places other than our work places. This **affects the personal life of the employees**. Organizations must try to achieve a balance between the work and other activities in the life of the employee. The field of organizational behaviour offers suggestions to **design workplaces and jobs** in a way to help employees deal with problems at work and life.

11.3 Factors affecting Human Relations in an Organization

Human relations is an important part of the organization development. It involves **motivating people** in the organization, in order to **develop teamwork** that effectively fulfills their needs and achieves organization's goals. Various factors affecting human relations in an organization are:

1. **Social factors in enhancing work output:** An organization is a social system. So, it is influenced by social factors. It is not just a formal structure but it is governed by **social norms**. The social characteristics of the people determine the output and efficiency in the organization. Not only economic awards, even the non-economic awards and sanctions influence behaviour of workers and their productivity.
2. **Influence of informal groups:** Social groups form in the organization. They are different from the official/formal groups. These groups may determine the behaviour of the employees.
3. **Conflicts:** There may be conflict between organization and the informal groups created. Sometimes groups may help in achieving organizational objectives.
4. **Leadership:** Leadership is important in group behaviour. There may be informal leaders who may become more important. For example, an efficient doctor may be accepted as a leader. A person in a superior position in an organization is more acceptable as a leader if he/she follows the **human relations approach**.



Fig: Staff Training is important for organization development.

5. **Supervision:** A friendly, concerned and attentive supervisory approach promotes production in an organization.
6. **Communication:** This is an important aspect in an organization. Through communication, workers participation can be improved. Their involvement in decision making concerning them and problems faced by them can be identified.
7. **Individual behaviour:** Variables that determine individual behaviour of employees are:
 - **Age:** Age does not have a significant effect on productivity. Older employees are less likely to resign from the organization than the younger employees.
 - **Marriage :** Among married employees, absenteeism is less and employee turnover is less. Job satisfaction is also more in married employees.
 - **Ability:** It is an individual's capacity to perform the various tasks in a job. It influences the employee's level of performance and his/her satisfaction. It is broadly divided into intellectual and physical ability. Intellectual ability is needed to perform mental activities. Physical ability is the capacity to do tasks that demand stamina, strength, skill etc. The performance of an employee increases when his/her ability fits the job.

11.4 Organizational Structure

Organizational structure is defined as the formal division, grouping and coordination of job tasks in an organization. The organizational structure depends on:

- (a) **Work specialization:** It means subdividing a task into separate jobs, which are done by different individuals. Different people specialize in doing activities, leading to **increased productivity**. But this may cause boredom, fatigue and poor quality work.
- (b) **Departmentalization:** It is grouping of jobs together so that common tasks can be coordinated. Most common way to group the activities is by the functions being performed. E.g. A hospital has various departments –Medicine, Radiology, Accounts etc.
- (c) **Chain of Command:** It is the line of authority that extends from top of the organization to the lowest level. It clarifies who reports to whom.
- (d) **Span of control:** It is the number of subordinates a manager can direct effectively and efficiently.



- (e) **Centralization and decentralization:** Centralization is the extent to which decision making is concentrated at a single point in the organization. If the top management makes decisions without (or, very little) input from lower levels, it is centralized. In a decentralized organization input is provided by lower level. Problems are likely to be solved faster in a decentralized organization as more people are involved. For example, under the National Rural Health Mission, there is increased decentralization with involvement of Panchayati Raj Institutions and community health workers.
- (f) **Formalization:** It refers to the degree to which jobs within the organization are standardized. If a job is highly standardized, the inputs are handled in similar way with consistent and uniform output. In less formalized jobs, employees have more freedom in dealing with their work.

The effect of organizational structure on human behaviour is complex. Some employees are more satisfied when there is standardization. Their productivity increases. Others may prefer more freedom and a flexible structure. Organizations that are less centralized have more **participative decision making** that is positively related to job satisfaction. Individual differences like experience and personality are important factors that determine a person's behaviour in an organization. These should be considered.

11.5 Organizational Designs

Organizations have three forms of organizational designs/structures.

- a. **Simple structure:** It has a low degree of departmentalization, with a wide span of control. Authority is centralized to a single person and low formalization. The advantage is that it is simple, fast and effective. E.g. A small **Nursing Home owned by a Doctor**.
- b. **Bureaucratic structure:** It has a high degree of specialization. It has formalized rules and regulations. Tasks are grouped into functional departments. Authority is centralized, with a narrow span of control. **Chain of command** is followed. The advantage is that **standardized activities** are performed efficiently. However due to **functional departments**, work may be slowed down. **Rigid rules** may also hinder efficient work.
- c. **Matrix structure:** This combines two forms of departmentalization: functional and product. It is a popular form of organizational structure in many organizations. Its advantage is that **specialists are shared**, across various functions of the organization. However there may be difficulties in coordination. E.g. a **specialist doctor in a teaching hospital** is involved in patient care, in teaching and in training medical and paramedical students.

11.6 Group Behaviour

A **group** is defined as two or more individuals who are interacting and interdependent and who have come together to achieve specific objectives. Groups can be formal or informal.

- **Formal groups** are those that are defined by the organizational structure and their work assignments are well defined. E.g. **Lab attendants** working in the Hospital Laboratory.
- **Informal groups** are not formally structured or defined by the organization. These are alliances that form at the workplace, in response to need for social interaction. E.g. Employees from different departments, who meet and have lunch together.

The groups can also be classified as follows:

- **Command group:** It is determined by the organization. It is composed of the individuals who report directly to a given manager. E.g. the Medical Officer and the staff in a Primary Health Center.
- **Task group:** This is also determined by the organization. It constitutes all the members who are working together to complete a job task. It may extend beyond a department. E.g. Team at a Pulse Polio Booth.
- **Interest group:** Includes all people working together to attain a specific objective, with which each one is concerned.
- **Friendship group:** They are formed because they share one or more common characteristic.

Stages of Group Development

- (a) **Forming stage:** This is the first stage of group development. In this there is lot of uncertainty about the purpose, structure and leadership in the group. It ends when members think they are part of the group.
- (b) **Storming stage:** In this stage, there are intra group conflicts as people get used to being a part of the group. Also there are differences over control in the group. It ends when the leader of the group is decided.
- (c) **Norming stage:** In this stage close relationships and bonding develop in the groups. The members identify with the group and come to know each other.
- (d) **Performing stage:** This is the fourth stage in group development. In this, the group is fully functional. Here the task is actually performed. It is the last stage in permanent work group.



- (e) **Adjournment Stage:** In temporary work groups that are of limited duration there is an **adjournment stage**. Here the group prepares for its closure. The activities are wrapped up. Some members may be happy about the achievements and others may feel sad about the friendship gained.

All groups may not follow this model. The start and end of each stage may not be well defined.

The performance and satisfaction of a group depends on-

- **Group member resources** - The composition of the group to a large extent determines its level of performance. The knowledge, skills and abilities of its members are important for group performance; however these are not the only factors.
- **Interpersonal skills** - These include conflict management and resolution, collaborative problem solving techniques.

Group Decision Making

Many decisions in an organization are made by groups, teams or committees rather than individuals. Group decision making has certain **advantages**. These are:

- A group is the combination of more than one individual, thus resources are more. Also the knowledge and information available is more complete.
- The decision obtained by a group is of higher quality.
- The solution derived is acceptable to more people.

It also has certain **disadvantages**:

- Group decision making is more time consuming. More time is taken to derive at a decision, when more people are involved.
- The group may be dominated by one or few members. The other members may not be able to give their opinions, due to presence of dominant members.
- No one may take responsibility in a group.

Techniques for Group Decision Making

- (a) **Interacting group:** This is the most common form of group discussion. In these groups, members meet face to face and interact. But, in this method, all members may not be able to voice their opinion (due to pressure from other members). Also, **members with different views may keep silent** (to avoid going against the group's consensus).

- (b) **Brainstorming:** This is a technique in which ideas are generated to encourage all kinds of thoughts. This is done to have many creative alternatives. In this, about 6-12 people meet. The group leader states the problem clearly for all members. The members then give many suggestions. No criticism is allowed. **All ideas and suggestions are recorded, for later discussion and analysis.** It is a method of generating ideas.
- (c) **Nominal group:** It is a group decision making technique, in which individual members meet face to face to pool their judgment in a systematic manner. The steps involved are:-
 - i) Members meet as a group. But before the discussion takes place, **each member writes down his or her ideas** about the problem, independently.
 - ii) After this '**silent period**', each member presents one idea to the group. No discussion takes place till all ideas have been presented.
 - iii) The group **discusses the ideas** for clarity and evaluation.
 - iv) **Each group member ranks the ideas** in an order, independently. The **idea with highest ranking score** is the final decision. The advantage of this method is that it encourages independent thinking.
- (d) **Electronic meeting:** It is a combination of the nominal group technique and computer technology. It is also known as **computer assisted group**. Here, up to 50 people sit around a **horse shoe shaped table**, with their computer terminals. Issues are presented on their computer screens, on which **they type their responses**. Individual **comments and scores are projected on a screen**. Its advantage is that it is honest and fast method.

Each of these four group decision making techniques has its own strengths and weaknesses. The choice of the technique to be used depends on the task, need, cost etc.

The Team

Team is a group whose **individual efforts result in a performance that is greater** than the sum of individual inputs. It generates positive synergy. The different **types of teams** are :

- i) **Problem solving teams:** Group of 5-12 employees of the same department meet for a few hours each week to discuss ways of improving quality, efficiency and work environment.
- ii) **Self management work team:** Group of 10-15 employees who perform related or inter dependent jobs. They take on responsibilities of their former supervisors. The work includes planning and making schedules work, assigning tasks, looking after place of work etc.



- iii) **Cross functional teams:** This type of teams consist of employees of almost same hierarchal level of different disciplines, who come together to complete a task.
- iv) **Virtual teams:** Teams that use computer technology to bring together members and working for a common goal. They may be physically dispersed. They share information, make decisions and complete tasks through the computers.

Enhancing the Team Effectiveness

The effectiveness of a team can be enhanced. It depends on:

- (a) **Team's work design:** Effective work design provides freedom and autonomy to all the members. It provides opportunity to use different skills, talents and abilities of the team members to complete the task.
- (b) **Team's composition:** The team size should not be too big, preferably less than 10 members. If too large, there may be decline in cohesiveness and mutual accountability. The members should have technical skills, problem solving skills and inter personal skills. The members should have a **proper personality**. They should be agreeable, conscientious, extrovert and emotionally stable. The **team members should be diverse**, so that roles are filled.
- (c) **Resources for the team:** Resources that the team receives should be adequate if the team has to be an effective team. The resources may be in terms of information, technology, finances, staff etc.



Fig: Continuing education of staff needs be given priority. This improves staff competencies and morale. Also it builds up the team spirit.

- (d) **Leadership and structure of the team:** There should be an agreement among team members about who has to do what (**'role clarity'**). All members must contribute equally and share the workload. It should be clear who is the leader of the team.

- (e) **Element of Trust:** Members have to trust each other and the leader.
- (f) **Purpose of the team:** An effective team has a common and meaningful purpose that provides direction and encouragement to the members.
- (g) **Confidence level of the team:** Effective teams are confident of achieving success. Confidence can be enhanced by **skills training**. The skills include both technical skills and inter-personal skills.

11.7 Conflict Management

Conflict is defined as a process that begins when one party perceives that another party has affected or is about to affect something that the first party cares about.

Different Views about Conflict

- There are various views about conflict. **The traditional view** of conflict believes that all conflict are harmful and conflict must be avoided. It is seen as an outcome of poor communication, lack of openness and trust; and failure of managers to respond to the needs of the employees.
- The **human relations view** of conflict believes that **conflict is natural** and an inevitable outcome of any group.
- **The interactionist view** of conflict believes that conflict is not only a **positive force** in a group but it is necessary for a group to perform effectively.
- Conflicts that support the goals of the group and improve its performance are constructive forms of conflict. These are called **functional conflicts**. **Dysfunctional conflicts** are those that hinder group performance.
- An **optimal level of conflict** is one in which there is no stagnation, creativity is encouraged, new ideas are encouraged, but does not cause disruption or slowing of activities. **Excessive/inadequate levels of conflict** can hinder the performance level of the group or organization.

Types of Conflict

Conflicts are classified into different types. **Task conflicts** are those related to the content and goals of the work. **Relationship conflicts** are related to interpersonal relationships while **process conflicts** relate to how work gets done.

Relationship conflicts are mostly **dysfunctional**. Low levels of process conflict and low levels of task conflict are **functional**.



Conflict Management Techniques

Dysfunctional conflict can be reduced by certain **conflict management techniques**. These are:

- **Problem solving-** In this, **meetings between the conflicting groups** are held to identify the problems and resolve them through discussion.
- **Super-ordinate goal-** A **common goal to be achieved** is created that cannot be achieved without the **cooperation** of the conflicting groups.
- **Expansion of resources-** If the conflict is due to **shortage of resources** like money, promotion, space etc; expansion of resources can resolve the conflict.
- **Avoidance-** The conflict can be reduced by withdrawal and avoidance by the conflicting parties.
- **Smoothing-** The **differences are down played**, while the common interests are highlighted between the conflicting groups.
- **Compromise-** The conflicting groups **gives up something of value**, to reach a compromise.
- **Authoritative command-** The management uses its formal authority to resolve the conflict and communicates the decision to the concerned groups.
- **Changing human behaviour-** **Behaviour change techniques** are used to change attitude and behaviour that cause conflict.
- **Changing organization structure-** The organization structure and pattern of interaction of conflicting groups are changed by transfers, creating new positions etc.

11.8 Customer Relations

Over the centuries, the **medical profession has been accorded respect by the society**. Over the last few decades, increasing **commercialization of the profession** has eroded this faith. A member of a profession is required to show a **standard of care** which a person of that profession is expected to possess.

A customer relation is the approach of an organization for winning their customers and retaining the customers. The most critical activity of any organization that is wishing to stay in business is its approach to dealing with its customers. **Putting customers at the center of all activities** is seen by many as an integral part of quality, pricing, and product differentiation. On one level, customer relations means;

- keeping customers fully informed,
- turning complaints into opportunities, and
- genuinely listening to customers.

On another level, being a **customer-focused organization** means ensuring:

- that all activities of planning, design, production, marketing and after-sales of a product/service are built around the customer, and
- that every department and individual employee **understands and shares the same vision**.

Only then can an organization deliver continuous customer satisfaction and experience good customer relations.

11.9 The Consumer Protection Act - 1986 (COPRA)

Consumer rights have become an important issue. **The Consumer Protection Act - 1986 (COPRA)** provides consumers a forum for speedy redressal of their **grievances against medical services**. According to this Act, the **Consumer Courts** should take decision within 3 to 6 months. There is no court fee payment and the person can plead his own case. COPRA is a piece of comprehensive legislation and recognizes **six rights of the consumer**, namely right to safety; right to be informed; right to choose; right to be heard; right to seek redressal, and **right to consumer education**.

Questions

1. Describe organizational behaviour.
2. Why is it important to study organizational behaviour?
3. List the factors affecting human relations in an organization.
4. What is meant by group behaviour?
5. Explain any 2 group decision making techniques.
6. List advantages and disadvantages of group decision making.
7. How will you resolve conflicts in hospitals?
8. Explain the importance of customer relations.



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