

**CHALLENGES AND OPPORTUNITIES FOR  
ORGANIZATIONAL BEHAVIOUR - NEW MILLENNIUM  
PERSPECTIVE**

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**Introduction:**

Organizational Behaviour, which is an applied behavior science, is specifically concerned with “work related behavior”. The “Work” takes place in organizations. It may be mentioned that services like PSYCHOLOGY or SOCIOLOGY are enough to understand the behavior of individuals. It is true in its own limitations. But the scope and application of Organizations Behaviour science is to understand, predict and control the behavior of individuals, groups in the backdrop of “organizations” where “PRODUCTIVITY” matters. Productivity in relation to human endeavour with optimum using of resources and accomplishing tasks within given timeframe generating value addition, profit potential and above all contributing to the longevity of the whole process in the face of stiff competition. To throw more light, the recapitulation of “ORGANIZATION” would add better understanding.

**What are organizations?**

Organizations are purposefully and meaningfully coordinated social units with the coming together of two or more people and having common goals or set of goals to achieve on continued basis. The existence of organizations emphasizes different roles to different members of the group in all converging to achieve the set goals. The facts are universal, in the sense, irrespective of the nature of the organization- be it charitable, like NGOs, or profit centered like

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manufacturing, servicing Health care, education or even religious groups-all the these are “SOCIAL UNITS” engaged in achieving “goals” with two or more people coming, together and work not on “ad hire” basis suit on “continuous” basis, because organizations are designed to exist.

## Contribution of O.B

Organizational behavior science contribution to management is enormous. The main advantages are

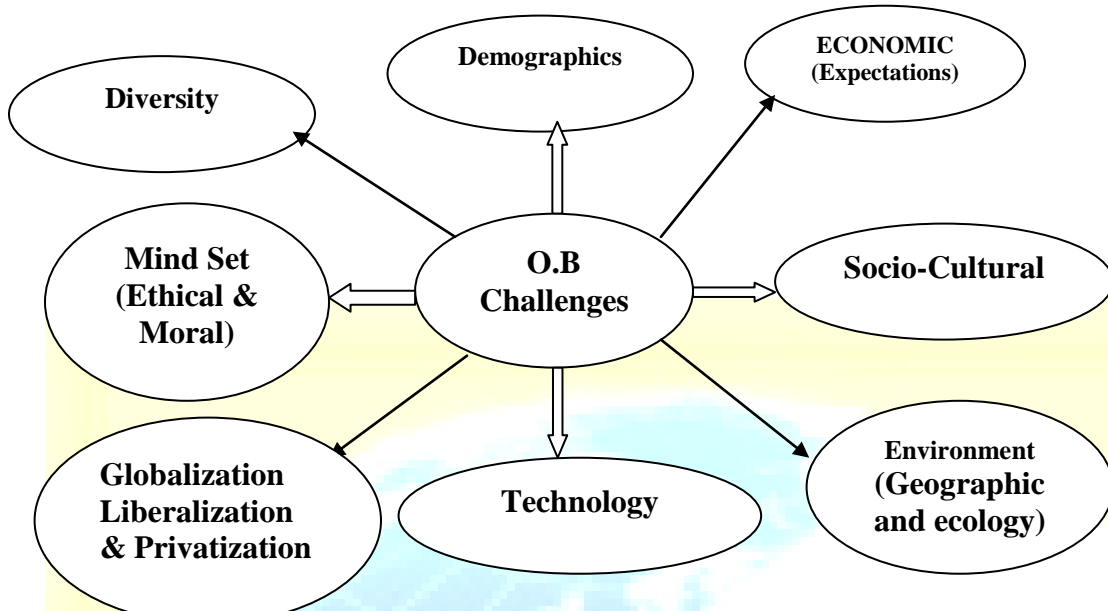
1. It helps to explain the “cause-effect” relationship of any activity or outcome in an organization.
2. It helps the managers to “Predict” the future behavior of its employees.
3. The science helps the management to “control” behavior of the members of the Organizations-not just by “streamlining” and “standardizing” but evolving methods and means to improve individual and gear up efficiency by controlling the behavior.

## Performance

These strong contributions of Organization Behaviour, namely, explanation, predication and control and most of other techniques provided by Organizational Behavior, lead the organization on the paths of progress. But with the changing times, “Transformation” in organizations in almost all aspects of its constitution and mode of functioning, the association of Organization Behavior in the “New Millennium” organizations indeed, a gigantic problem posing both challenges and opportunities to managers and employees alike.

The changes are “demographic” “technological” “cultural” “social” and above all “the mind set” of people, groups and organizations coupled with “diversity”.

**HARMONISING DIFFERENCES**



**1. Demography and Diversity:**

Diversity is mixture of differences and similarities in a group. Demographic factors do change constantly causing shifts in intensity of diversity. By isolating main factors of demography, the diversity factor can be better explained and understood.

**Managing diversity involves**

- A. Acceptance with moral and business service
- B. Recognizing and evolving means to synthesize through path of least resistance
- C. modeling the new system to work in cohesion

The basic demographic factors and the related aspects of diversity are self explanatory while most of the demographic factors are “Bio-social” related. The diversities which are the after growths of “Bio-social” complex are basically “cognitive” and therefore differ in intensity according to the strengths of the “cognitive abilities”.

Even though the factors of diversity are universal, still when they are encountered in real life and life of the organization, they are confronted with some resistance. They may be again social or psychological impediments uncertainty, lack of factual information, fear of risk, non-cooperation, aggression and ultimate failure. A weak mind set is probably at the bottom of thinking. Reactions like PREJUDICE (negative attitude towards people). ETHNO CENTRISM

a kind of mental block thinking that one's own group culture or nation is superior to others STEREOTYPING. Branding people according to broad parameters of classification like "all poor people are illiterates". Or all "Africans are mundane people" etc.

DISCORD For OTHERS: showing discrimination in treatment, causing harassment with preconceived negative mind set, sexual discrimination and exploitation, revenge and aggression to repress and to dominate. All these are certain psychological and social-psychological reaction stand as barriers to accept diversity.

### **Managing Diversity in organizations**

The composition of any type of organization reflect the element of diversity, may be variation in magnitude. Managers should efficiently manage the diversity so that everyone in the organization accept and appreciate diversity and acquire ability to interact and work cordially and effectively with every member of the organization. Managers should "organize "Diversity awareness programmes to even out cognitive differences due to attitude or bias. It is true that differing perspectives bring in different behavior. But organizations cannot afford to get pulled in different directions because of diversity. Diversity must be converted into strength rather than a contusion.

### **Certain measures and goals to manage Diversity:**

Ensuring factual and correct information about and related to diversity to bring about awareness. This process will wipe off any bias or misunderstanding.

1. Understanding the crucial and sensitive aspects of culture, religion and social sentiments to evolve an acceptable and implementable organizational culture.
2. Creating an environment for free flow of ideas, suggestions and congenial to relinquish intuitions for interaction.
3. Identify those who behave to be different and council then for improvement.
4. Improving skills of interpersonal and intergroup behaviour, skills of effective communication, soft skills, and all such skills that contribute to the abilities of the employees and managers.
5. Management has to develop & commensurate training programmes to instill these skill in the minds of the employees.

6. Top management commitment is highly essential without top management's absent, it is difficult for the lower level managers to device, organize and successfully implement such development programmes which help in eliminating reducing diversity.

The problem of diversity management's infesting mostly the underdeveloped and developing countries where as the developed and most developed countries have overcome this barrier. America, Great Britain, European countries, Canada, Singapore, Australia have registered remarkable growth rate mainly because of this advantage of efficient management diversity. India is slowly emerging. Out of the imposed shall after opening the economy to the world. Employment in moves, education abroad, information technology boom, and rapid transport facilities-all these are instrumental in eradicating the functional barriers.

Individuals have to realize the need of organizational health and reform themselves. Organization must also adopt cosmopolitan culture to even out cultured, gender and other demographic diversities.

### **Role of Organization Behaviour**

Organization Behaviour experts have devised the necessary techniques to brings about the sea-change. Discussion methods, role playing methods, education through audio universal methods, seminars and conferences, achieve participation in international trade fares and events, cultural exchange programmes with developed and friendly nations-all are the tools in the hands of the organization behaviour mangers to inculcate and imbibe required skills and work knowledge to eliminate diversity and disharmony.

### **Why organizations Exists?**

Organizations exist for so many reasons because organizations allow people to focus on specialization and also division of labor by segregating right man in right job.

1. Organizations exist because of the possibility of access to developing technology. Technology in large scale can be made use of both internal and external environments.
2. Organizations can reap benefits of large scale economics, thus contributing to offering new products and services at reasonable and affordable prices.
3. Organizations exist because of the employment potential and ability to sustain and exercise power and control to discipline the people working for the organization.

The more effective and accurate the commitments, the more effective the organization can perform and continue to exist.

TATA Iron Steel Company, Maruti Suzuki Company, Anand Dairies, Steel Authority of India Ltd, Hero Cycle Company, and Medium and Small scale industries all these continue to exist because of the clarity in objectives and reasons for existence.

### **India in the New Millennium**

Indian economy has been thrown open for GPL process in 1991. Since then remarkable changes are taking place in this country paving the way for the economy to look up and progress with accelerated precision to be graduated as “developed country”.

Unlike any other contemporary country India is bestowed with a blessing in disguise. The population spurt which is showing up and crossing 110 crores by 2012 is exhibiting a unique positive dimension.

About 650 lakhs are children below 15 years and about 47 crores are below 25 years of age. This qualifies India to be a “young country” unlike America, Japan, and China where population above 60 years is the lion’s share.

This number is more than the total population of America, most of the European countries, Japan, Australia etc.

Information technology boom, electronics industry, education sector, Medicine and health care sector, Hospitality sector, Travel and Transport sector, consumer markets and consumer durable markets are buoyant with potential and willing customers. The influence MNCs, BPO units, Financial sector, the entry of Automobile giants of Germany, Korea, Japan USA including the luxury brands of ADI, BMW, PORSCHE etc. are due to the strong demographic parameter. Textiles, Garments, Accessories market are representing 25 to 30 % growth rate.

Indian youth, flexible agile and adopting are able to face the cross country cultural impact, with ease and professionalism. The simple fact that by March 2011 about 77.11 crore cell phone registered by operators, substantiates the phenomenon.

1. Salaried Millionaires are increasing
2. Job opportunities are expanding
3. Literacy percentage is on the raise
4. Below poverty line is getting reduced (for 37% in 1990’s to 23% in 2010)
5. Adopting to change and using technically superior gadgets in office and

domestic front is opening new visits for international exposure and interaction.

6. Use of and adopting computer enabled and IT embedded services is on the increased in all sectors.

In brief, in the new millennium India, unlike many developing countries, is registering phenomenal growth with demographic factors at vantage position and management of diversity is no more a frightening impediment.

## **Sense and Respond to Change**

### **2. Responding to Globalization**

Globalization, Privatization and Liberalization process is presenting new and unprecedented challenges to the organizational behaviour management.

1. First and foremost is the influx of multinational companies who venture to establish business organization while lucrative employment opportunities is a welcoming development, problems like, Language, culture, management style, competition, business practices, differences in company laws and accounting systems, work ethics and many more offer a complex situation and need to be managed using OB techniques.

2. Employee and management skills are put to great test. Need to acquire superior skills become imperative.

3. Management practices are to be enriched to suit global context posing peculiar problems for the organizations.

4. Team work and group dynamics assume front line importance which requires a critical learning process to be unsuccessful with such refined.

5. Motivation across varied cultures is another challenge which demands reorientation and redefining organizational culture.

6. Communication skills, Negotiating skills have to be sharpened and adopted in the international context.

7. Organization restructuring, organization automation, organization characteristics all pose a massive challenge to OB managers.

8. Employee turnover, employee retention management offer new threats to HR managers: who have to rework compensation policies, welfare measures, and work environment management and training and development practices to suit global demands? Globalization which ushers in

borderless markets, therefore, offers extremely unforeseen challenges for managers and people alike?

## **Effective Man-Management**

### **3. Empowerment of employees:**

The employer and employee relation is redefined in the changing environment. Employees are no more just a hired lot, but are “STAKE HOLDERS” having a say in the rewards/fruits of the organization. Organizational Democracy is the buzz word HR managers found that employee participation and or employee empowerment is no more a threat but an opportunity to enhance loyalty, commitment, self motivation and friendly increased productivity. Creating self management groups, quality circles, implementing concepts of Six Sigma are methods to redefine employees as “associates” and managers as “MENTORS”.

Empowerment is the process of making employees in charge of what they do and managers to encourage effective implementation relinquish a part of “control” making the employees learn to assume total responsibility for their work and their decisions. Therefore, there is the “role change”.

Organizational Behaviour faces thus challenge of changing leadership style, power relationships, the design of organizational structure and flow of authority and responsibility.

Employee empowerment will bring in new challenges to HR managers because it changes employee expectations. Better treatment, quality of status, Job security, job advancement, attractive remuneration, world class welfare facilities and access to challenging technologies.

Managers have to reset the profile of the workers adopting new methods of selection and placement, training and development, motivation techniques and compensation policies.

## **Competency Nurturing**

### **4. Innovation, change and Technology**

The 21<sup>st</sup> century is the most significant in human history as it ushered in a rapid and accelerated technology and technology change.

Organizations are quickly adopting the changing technology as it constitutes one of the core competencies. Automation of office, work place, shop floor, material handling, inventory



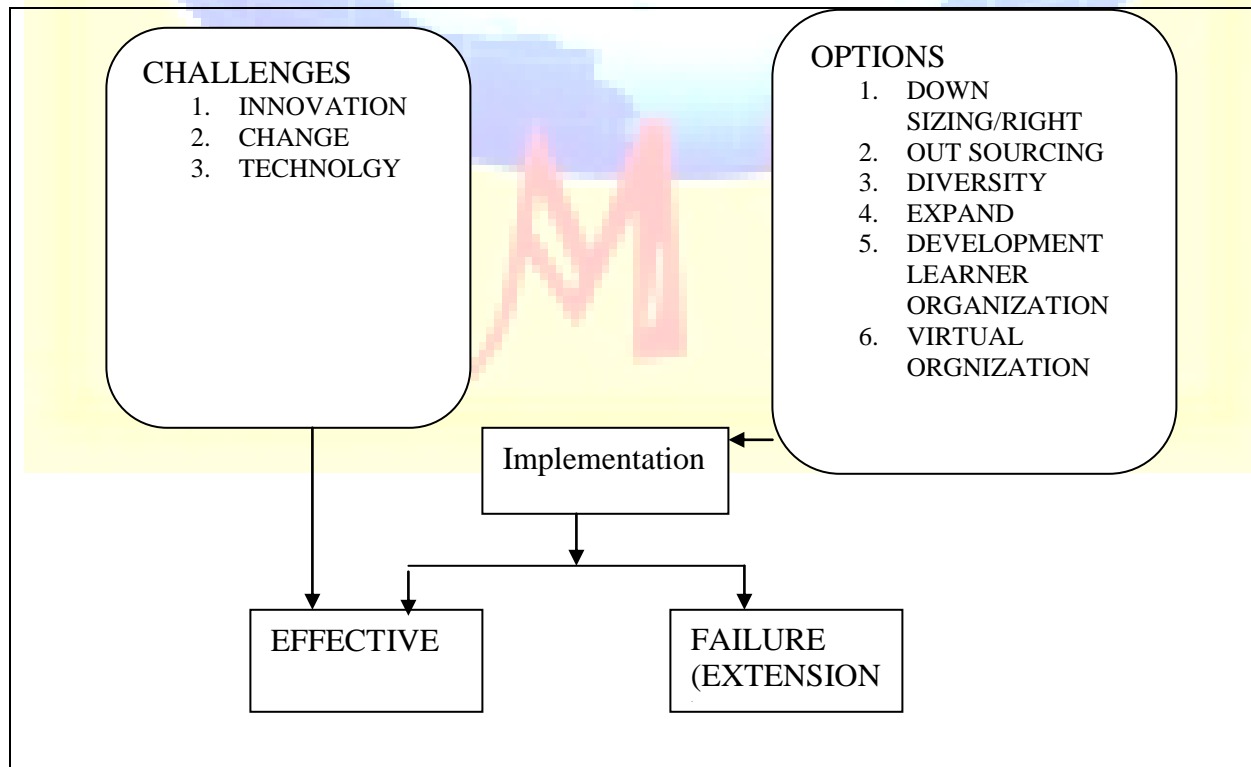
management, knowledge management- there is nothing which cannot be subjected to changing and rewarding technology.

This new dimension is demanding new skills at manager and worker level, need for specialized and cost intensive training programmes, developing product variance through INNOVATION, Job-simplification through innovation and better management of TIME and space.

The process automation and IT boom are posing new demands on OB managers. Over emphasis on automation and job simplification is no doubt adds to probability but the problems of employee displacement, replacement and or lay-off cause industrial unrest and breed resistance.

OB manager have to explore new techniques such as “rightsizing” the work force, out sourcing, redesigning learner organizations, virtual organization revising vision and mission to diversify into new areas of business, expanding techniques as acquisitions or mergers etc.To accommodate suitably and within the scope of capability to cope up with the impending change.

### Corporate Citizenship and Work Ethics



## 5. Ethical and Moral Values of the Organization

The prime outcome of severe competition, pressure on higher productivity and ambition to be market leader compel the managers to seek alternative ways and means, Which may not be always healthy practices choose between RIGHT AND WRONG. But much depends on the perception and attitude

TATA group in India are known for the strict adherence to the values of ethics and morals and even the strong political acumen of SRI Lalu Prasad Yadav would not make TATAs bridge even a millimeter on this account.

Illegal activities cannot remain secret or escape the watchful eye of the intelligent public exposure would mean disaster. But at the same time it is equally difficult to define clearly what is good ethical behavior .Some unethical practices can be like:

1. Personal gratification at the cost of organization
2. Accepting bribes and offering bribes
3. Trading inside information and business secrets
4. Tarnishing organizational or social image
5. Working contrary to organizational objectives, mission and goals
6. Favoritism, Nepotism and red tapism for undue gratification
7. Sacrificing merit at the cost of organizational interest.
8. Ill-treating fair sex, subsistence treatment and reward
9. Avoiding statutory responsibilities
10. Encouraging gray markets and black-markets
11. Undue profit maximization
12. Unhealthy advertising and sales promotion activities etc.

The onerous responsibility of today's manager is to ensure healthy and ethical climate in and outside the organization, assisting the work force towards productive work without ambiguity regarding what is right and wrong behavior.

## 6. Social Responsibility

Corporate Social Responsibility is yet another challenge to organizations. Their responsibility towards employees, managers, suppliers, government, public customers and shareholders is a prime and demanding. Profits, no doubt are rewards for the risky venture of

converting resources into productive utilities. But the reality remains that society is the crucible within which this transformation took place. Therefore organizations stand to serve these societies by contributing to the social upliftment, leading to healthier and happier society. Housing, education, environment health care, environment protection, entertainment, cultural and religious well being and “meeting the critical needs” of the society, to make it more congenial to live in and live with.

CSR is no more an obligation and times are changing and awareness increasing, therefore, CSR should be a “way of life” of the corporate. They should serve the society of which they are a part and by which they are enriched with a human face.

Managers should design and develop such meaningful practical and acceptable-to-society programme which is an additional and vital function in the new era.

Organizational Behavior attains its highest level of sophistication when the formal system of organization is clubbed with the knowledge of individual and group behavior. This is the real challenge.

