
Emerging Trends in Organizational Behavior: A Perspective

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Abstract:

Organizations have witnessed great transformation in respect of structure, operations and people due to trends in globalization, employment relationships, changing workforce and information technology. This paper assesses the changes in organizational behavior (OB) and its emergence as an independent field. The authors aim to provide a comprehensive overview to discuss contemporary organizational behavior with an interdisciplinary focus.

The paper focuses on reviewing the available literature and providing an overall picture of the situation of OB as it exists today. It also gives a glimpse of the factors that have been associated with and reviewed in the area of OB so far. The paper concludes with the gaps that exist in the domain and paves way for future research prospects.

The findings indicate that with the advent of more sophisticated computers and analytic techniques, there have been movements toward greater levels of quantification from both the micro and macro perspectives. Also, much of our extant knowledge reflects the perspectives and experiences of a relatively small proportion of today's highly diverse population.

This research permitted us to examine the broad outlines of long-term trends in the field of OB, as reflected in shifts in the pertinent literature. This research will prove informative for a variety of readers: established academicians can compare their opinion with the data; younger researchers can better understand the history of the sector they are joining; practitioners and managers can see what academic observers of organizations have deemed important and what the future holds. The review provides a detailed list of behavioral disciplines and external forces that are the root of modern organizational behavior. However, the paper does not provide an empirical view to offer a more textured account to shed light on the literary and conditional forces underlying major trends and events.

Key Words: *Organizational Behavior, OB, Trends, Behavioral Disciplines*

Introduction

At the turn of the 20th century, management was largely unperceptive of the importance of the field of organizational behavior. It was not until Frederick Taylor's work on scientific management and the Hawthorne studies in 1924, that the significance of this discipline was realized. At the turn of the 21st century, the study of organizational behavior is recognized as a key component of successful management. The global business environment has led to new trends leading to changes in modern organizational structures. The new market that prevails under globalization implies redesigning the nature of work and organizations.

Thomas (2000) most aptly describes this: "The corporation 'delayed', throwing off entire levels of management; it 'disaggregated', ridding itself of its extraneous operations; it embraced 'flexibility', making it easier to replace career employees with (zero-benefit) temps; it 'outsourced' every possible piece of work to the lowest bidder; it 'reengineered' its various processes in a less labor-intensive way; it 'disintermediated', using new technology to cut out middle-men and move back-office jobs to wherever wages were lowest" (p191).

Thus, the rapidly evolving business environment necessitates that practitioners use their knowledge to develop practical solutions to address management challenges. Those organizations that rise to meet these challenges will be able to outperform their competitors; for businesses seeking to maintain their innovative and creative edge, the stakes are very high. This paper, hence, discusses the rising trends in the field of organizational behavior, the existing gaps in the domain and paves the way for future research.

Objective

1. To assess the factors influencing organizational behavior and the emerging trends in this field
2. To provide a comprehensive overview assessing contemporary organizational behavior with an interdisciplinary focus

Lierature Review

Organizational behavior is a multidisciplinary field that investigates the impact that individuals, groups and structures have on the behavior within organizations. According to **Schermerhorn, Hunt and Osborn**, organizational behavior can be defined as the study of human behavior in an organization. It is a multifaceted field devoted to understanding organizational dynamics in terms of individual and group behavior and the interpersonal processes (2005, p. 3).

The behavioral sciences—especially sociology, psychology, cultural anthropology and political science—have provided the basic framework and principles for the field of organizational behavior. In an attempt to synthesize the diverse perspectives of OB, **Pfeffer** provided the following meta framework and assumptions about the nature of people and organizations:

- Organizations are **complex open social systems** that adapt and cope to survive and prosper in a competitive market. Complex in this context implies that a variety of organizational aspects, its design, people, culture, human resource practices and policies and management behavior as well its various sub-units - divisions, groups, and geographic entities – are all interdependent. In order to achieve "fit" or congruence, these units are continuously engaged in a process of mutual

adaptation (**Beer, 1980**). By an open system we mean that the organization is subject to influence by the external environment, largely through the influence of the society on its members.

- While people join organizations with a mix of needs, organizations are capable of reshaping their relative salience and effectiveness through selection and socialization.
- Over time organizations develop a distinguishing and continual pattern of behavior or culture. Culture is defined as the beliefs, assumptions and resultant behaviors leaders either invent or discover in order to solve problems in the internal as well as external organizational environment. These ideologies are then passed on to the new members as the correct way of thinking, perceiving and acting to solving problems.
- Organizational behavior appears to be a product of the convergence of several forces whose interaction and mutual adaptation governs the progression of the organization over time.

Organizational behavior comprises of four key elements: people, structure, technology and the external factors in which the organization operates. A basic infrastructure is required when people join together in order to accomplish organizational goals and objectives. People also use innovative technological equipment for improved productivity, so there is an interaction of people, structure and technology. In addition, these elements influence the external environment and are also influenced by it (**Murugan, 2013**). Organizations naturally evolve towards the alignment of these elements. (**See Exhibit A**)

OB is a fragmented field with no established theoretical foundation since it uses principles, models, theories, and methods from other disciplines. It's a field that only now is beginning to grow and develop in stature and impact (**Ivancevich, Gibson & Konopaske, 2011**).

OB Determinants

People

An organization cannot be effective without people who possess potential and a personal predisposition needed to implement organizational strategy. Selective hiring, thus, becomes crucial for effectiveness. This differs from one organization to another based on their values and business objective. Companies can, however, help their cause by a favorable selection ratio as per the capabilities required. The problem arises when companies do not invest sufficient resources to do so (**Pfeffer, 1998**). Assessing personal qualities during selection such as intelligence, cooperation, initiative or ability to learn and judgment is also essential rather than hiring exclusively based on technical expertise which can be taught. Equally important is careful assessment of candidate's attitudes and capabilities for cultural fit and future growth in the organization. Only in this manner, can the culture be changed or maintained. Industrial psychologists have developed sophisticated methods for assessing candidates for the same purpose.

Technology

Sociologists have discovered that technological developments are a major source of social, political and economic change. Technology of an organization is the collection of tools, machines and plants available at a given time for the execution of production tasks and the rational underlying their utilization. It is argued that technology and its management also has considerable influence on the organizational behavior and the nature of work. Managers can use technology to manipulate workers and their working conditions. Therefore, organizations must strive to employ new information and computing technology to remain competitive in the global market. While technology can be used to explain organizational behavior, it also explains the work groupings, hierarchy, nature of jobs, skills, values and attitudes in a

given organization. The work around a given technology can be used to control labor costs, decision making, promotion and career prospects and relative status of different groups in an organization. By appealing to the technological determinist argument: "*We have to do this because the technology demands so*", managers may be able to orchestrate employees **(Bakan, Tasliyan, Eraslan & Coskun, 2011)**

Structure

The structure, systems, human resource policies and practices of a firm shape organizational behavior. Decisions about structure and systems are key to implementing organizational strategy. Human resource policies affect the employee engagement and commitment levels **(Pfeffer, 1998)**. All organizational design decisions must balance the two opposing considerations of differentiation and integration. Differences between departments in the nature of the work performed, the time horizon of the work and interpersonal orientation are the source of creative energy required for innovation. Integration across differentiated departments is needed to respond to market needs, swiftly, efficiently and effectively.

Environment

Organizational environment is denoted by internal and external environmental factors influencing organizational activities and decision making.

The internal environment of any organization defines the culture and is of paramount importance for the entities that make up the organization. Their attitude, behavior and performance is a direct outcome of the organizational culture although it varies from person to person. In short organizational culture defines attitude, experience, belief and psychology of an organization which is very important for the employees as it helps them in understanding the objective and philosophy of the organization. Organizational culture manifests in an organization's climate and is easily observable through the behavior and strategy of an organization. **(Rao, 2011)**

The external environment of an organization can be characterized by the industry, the intensity of competitive rivalry, the certainty of information available, the labor markets from which the organization recruits, the operating technology employed, the institutional and political context in which top management is embedded and the societal culture in which the organization is located. These facets of the environment affect organizational behavior through their influence on the organization design, the people, the choices leaders make about strategy, human resource policies and leadership style.

Emerging Trends in OB

Organizations today have witnessed a great development from the olden times particularly in respect of structure, operations and people as a result of the challenges in the modern business environment. The influence of MNCs, changes in the cross culture environment, growth in the technical know-how and quality management has provided a different environment to modern organizations. Many trends significantly coerce an organization's values and behavioral. Some of the important trends observed are explained below:

Customizing Employee Experiences

One of the most powerful megatrends shaping the labor market is Individualization – the demand by individuals to be treated as such in the workplace. With globalization, people have discovered a wider range of life and career options which transforms their motives as employees and consumers. Lifestyle, recognition, self-expression and ethics are taking priority over price, pay and promotion. With organizations no longer expecting loyalty, creating a customized employee experience is vital to facilitate integrated employment outcomes. How companies treat their employees determines how committed and engaged the employees are. **(Vielmetter & Sell, 2014)**

Smart employers are designing ways of working to suit individuals, not the organization in an attempt to get closer to their markets and workforce. This has resulted in the demand of more flexible, less centralized and flatter structures.

Implications on Organizational Behavior

To survive in the market place, it is essential for everybody in leadership and HR to have a working knowledge of key drivers of employee engagement and the fundamental human needs that a work experience must satisfy. Customizing an employee experience is not about indulging entitled workers and managers need to understand that. Since different approaches work for different people, managers need to identify the unique motivators which would drive each employee to perform his/her best and also increase job satisfaction.

Managers also need to develop the communication skills that enable them to have customized engagement conversations with their employees.

Emerging Employment Relationship

Changing trends in organizations in recent years have made it crucial for managers to consider some of the emerging employee relation issues which can affect employers in the coming decade.

A major employment shift is the increasing percentage of the workforce in **contingent work**. It includes the jobs in which an individual does not have a long-term explicit or implicit employment contract, or wherein the minimum working hours vary in a nonsystematic way. Another dramatic change in the employment relationship is **telecommuting**. Also known as teleworking, this gives the employee flexibility to work from home or another location away from the office. Telecommuting poses a number of organizational behavior challenges. Employers who previously evaluated employees based on the number of hours they were physically present at the workplace (**face-time**), need to develop outcome based measures of performance. Employees need to manage themselves through self-leadership due to absence of direct supervision. They also need to adjust to lack of political networking and increased isolation. As telecommuting increases, the number of virtual teams or cross-functional groups also increases. Thus, employees must learn how to get work done through these teams operating across space, time, and organizational boundaries with members communicating primarily through electronic technologies.

Implications on Organizational Behavior

The employer employee relationship has undergone a major transformation in the modern era. A participative style of leadership is welcomed wherein employees are also involved in the decision making process. This includes lower level employees as well so as to ensure an upward communication of thoughts and ideas. Flexible working hours and increased authority motivates employees to perform their best. Understanding all these changes and the issues arising out of it will help management to better plan and respond to changes in the workplace.

Changing Perception of Future Workforce

Working lives are changing as a result of global economic shifts, technological advancements, changing demographics and an increased ease of relocation for certain levels of skill and education. The professional world now has a higher level of gender and cultural diversity and people are staying longer in professional roles. In an attempt to increase their chances of matching their professions with their values, millennials are turning to entrepreneurship and putting a greater emphasis on finding meaning

and social purpose through work. Moreover, a majority of the organizations now have multicultural workforce because of increasing demographic diversity. **(See Exhibit B)**

Advanced economies are seeing an ongoing shift toward service sector jobs, and companies and other organizations are becoming more networked and flexible. Enabled by technologies that allow working from remote locations across different countries and time zones, a more flexible and decentralized **'knowledge-based'** workforce is coming to the fore. These changes have affected how we work, where, and to what ends.

The younger generation of workers has different needs and is rethinking their psychological contract with employers; they're quick to leave an organization if it's not meeting their expectations. Thus, retaining and developing the right mix of people in the organization will be a critical success factor in the next five years. With a considerable change in the attitudes of workers, multinationals will need to develop better cultural understandings and continuously redesign their recruitment, training and management processes to adapt to the changing workforce.

Implications on Organizational Behavior

Diversity presents both opportunities and challenges within organizations. It has, in fact, become a competitive advantage by improving adaptability, productivity and decision making skills. For many businesses, a diverse workforce is also necessary to provide better customer service in the global marketplace.

Workforce diversity also brings new challenges. For instance, even though women have represented a large portion of the workforce for the past two decades, they remain underrepresented in senior executive positions. Diversity issues such as perceptual distortions and organizational largely explain this discrepancy. Diversity also influences team development and the potential for conflict among employees. Organizations need to address these budding problems and adapt to emerging workforce needs.

Work and Ethics

Ethics is a major trend in organizational behavior today. It refers to the code of conduct of individuals in organizations in maintaining order and flow of activities. Almost every organization has adopted a code of ethics which has been developed over time and is required to be followed by all the employees. It is done on strict basis, to the extent of making it mandatory for each person to have a copy of all code of behavior. Annual trainings are imperative today for all to be updated with ethical values. Individuals within an organization are expected to act in accordance with high moral principles **(Schermerhorn et al., 2005, p. 33)**. Ethical practice depends on the consequences and the use of personal and social values and not just awareness. **(Brownell, 2003)**

Implications on Organizational Behavior

One of the dilemmas organizational leaders face is that the distinction between ethical and unethical behavior is not black and white. Instead, it depends on various factors such as the person's reason for engaging in a specific behavior, conditions in that culture and the influence of external factors on the behavior.

Schermerhorn et al. believe that followers will learn to trust and commit to act in ways that are in unison with the leader's expectations and the corporate mission statement of an organization only if integrity is held by all the leaders from top to bottom **(2005, p. 38)**. Companies should focus on providing ethical guidelines or codes of conduct for employees to use when challenged with a situation uncovered by standard policies and procedure. **(DeJanasz, Dowd, and Schneider, 2001, p. 372)**

Globalization

In an endeavor to gain access to new sources of revenue, trap new marketplace and reduce costs through specialized labor, organizations are becoming global. Moreover, the way companies integrate their business practices with other countries has also changed. Organizations have begun outsourcing some part of their supply chain to gain advantage of specialization and focus on their core competencies.

Thomas Friedman highlights this phenomenon in his book "*The World is Flat*". While the old principles no longer work in this age, several new organizational changes have occurred to help businesses adapt to globalization. An increase in global mergers and network organizations has led to strategic, technological, cultural, structural and work redesigning. To effectively respond to the challenges brought in by the global economy, there is a strong expectation of employees to improve their knowledge and become an integral part of the successful business formula. This leads to the formation of a learning organization, which is characterized by creating, gaining and transferring the knowledge, and thus, constantly modifying the organizational behavior. **(Friedman, 2005)**

Implications on Organizational Behavior

Globalization requires different forms of communication and new organizational structures to extend around the planet. This brings in new knowledge and often creates new career opportunities to improve the organization's competitive advantage. However, globalization also increases competition, which leads to continuous change and restructuring. This sometimes results in downsizing (*layoffs*), mergers, and other events that result in stress and dissatisfaction among employees.

Globalization also affects how we apply organizational behavior concepts and practices. For the past 40 years, OB scholars have forewarned that organizational practices in one country may not be applicable elsewhere because of cultural and historical differences. This does not mean that organizational behavior has to be reinvented. Rather, globalization emphasizes the need to recognize the contingencies of effective OB practices in different cultures.

Information Technology and OB

Recent years has seen an exponential growth in the prominence of information technology (IT). Globalization has led to a transformation of the market structure as well as the customer needs and demands. In response to these rapid environmental changes, organizations have chosen to restructure and realign their systems and processes using technological innovations **(Harvey et al., 2004; Bauer, 2003; Shin, 2004; Kock, 2008)**.

Technology has changed the nature of work as well as the roles of employees. The ever increasing globalization and de-centralization of work processes have resulted in the introduction of virtual teams by many organizations in an effort to respond to their dynamic environments. Herein, the members are geographically dispersed but coordinate their work through electronic information and communication technologies **(Hertel et al., 2005)**. These culturally diverse and temporary dimensions of virtual teams do not match with their stability as members have different social, ethnic or cultural backgrounds. It has become important for management and business to understand and take these issues into consideration before introducing or implementing any new technology. **(Sohrabi, Gholipour & Amiri, 2011)**

More generally, information technology challenges traditional business logic regarding how organizations are configured, how their employees interact, and how they relate to the customers.

Building Employee Engagement

Managers unequivocally agree that this century demands more efficiency, coherence and productivity than any other times in history. While managers grapple with organizational challenges, businesses strive to increase their performance to succeed putting their company ahead of competitors. Knowledge

workers expect job satisfaction, operational autonomy and status at the workplace which cannot be managed with old styles of totalitarian management. Due to these facts, managers are shifting their focus towards employees' side of organizations. Companies have increasingly realized that a distinctive corporate culture needs to be built in which the values and goals of managers are aligned across all work sections. Organizations that are able to keep their success stories alive build a culture of mutual respect which not only increases employee engagement but also baptizes the new incoming employees with their contagious spirit of work culture. **(Markos & Sridevi, 2010)**

Roadmap to Bridge the Gap

The question of how to bridge the gap between research and practice has emerged as a dominant topic in the academic literature as scientific knowledge in the field of organizational behavior accumulates. The frequent use of the metaphor 'bridging-the-gap' in books, articles and studies suggests that a wide chasm separates scholars in organizational behavior and practicing managers.

Scientific research is the main source of knowledge about organizational behavior and human resource management on the scholar side. On the other hand, there are the day-to-day exigencies of the role that appear far disconnected from the academic discipline on the manager side. In order to bridge the gap, a conduit needs to be constructed through which scholars can transmit the accumulated knowledge to managers. Once the chasm is bridged, the two sides are united as managers seek to apply the associated models and theories. **(Pearce, 2013)**

Exploring the Future

Any exploration into the future of OB is guided by some underlying assumptions of the field. These assumptions identify, to a great extent, the possible ways to navigate the future. These navigation paths are not likely to change in the short or midterm. We view OB as a field of inquiry characterized by tremendous diversity. Diversity comes in the form of many disciplinary perspectives (e.g., psychology, sociology, economics, political science) aimed at understanding organizations. The diversity comes in the form of different theories and methods. There are no commonly accepted theories or methods. There is no likely convergence in this field now or in the future.

Since OB has been characterized as an applied field, external forces have determined and will determine many areas of research. Some of the principal forces come from changes in economic, political, technological, and demographic arenas. These strong external and institutional forces that shape much of what we do, and that create both opportunities and stabilities.

In many ways, the field is reactive to these forces. Changes in economic conditions or the emergence of new technology stimulate how we structure our work to understand organizational functions. On one hand, these changing forces provide new opportunities to understand organizations. On the other hand, these forces also account for fads and cyclical interest in certain areas. **(Goodman & Whetten, 1998).**

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EXHIBIT A

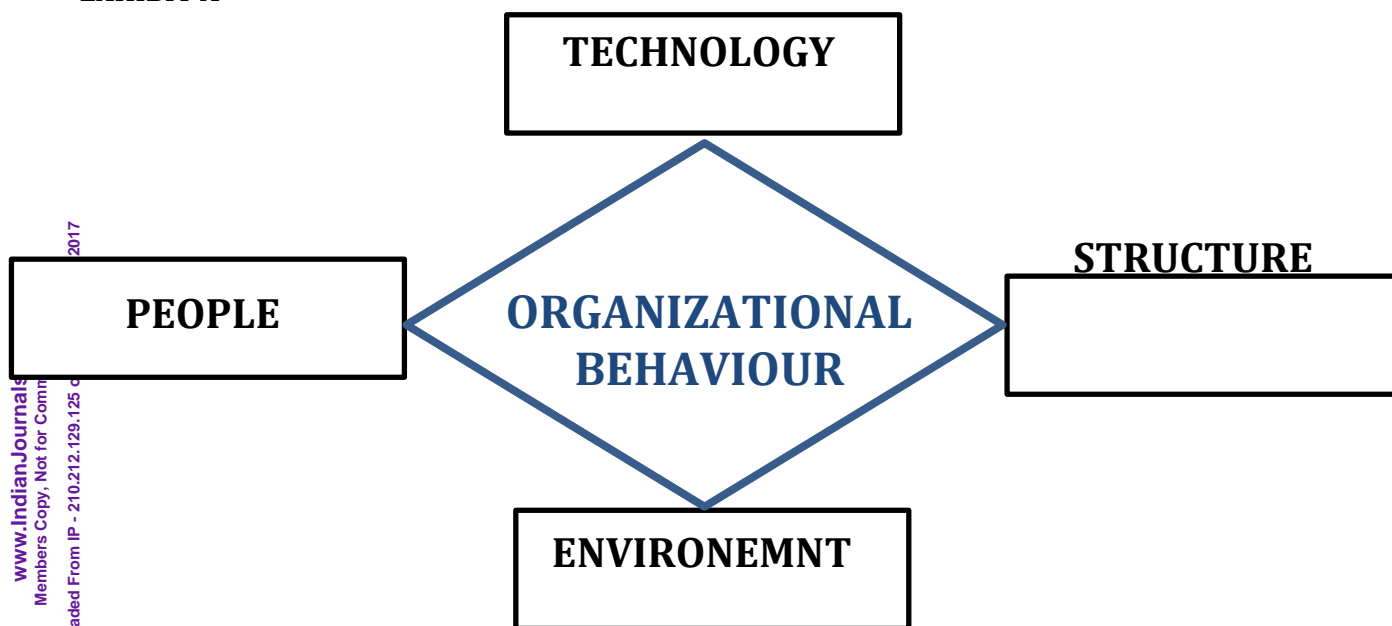


Figure 1: Image Showing Key Elements in Organizational Behavior

Source: Beer, M., *Organizational Behavior and Development*, Harvard University

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EXHIBIT B

- Primary Dimension
- Secondary Dimension

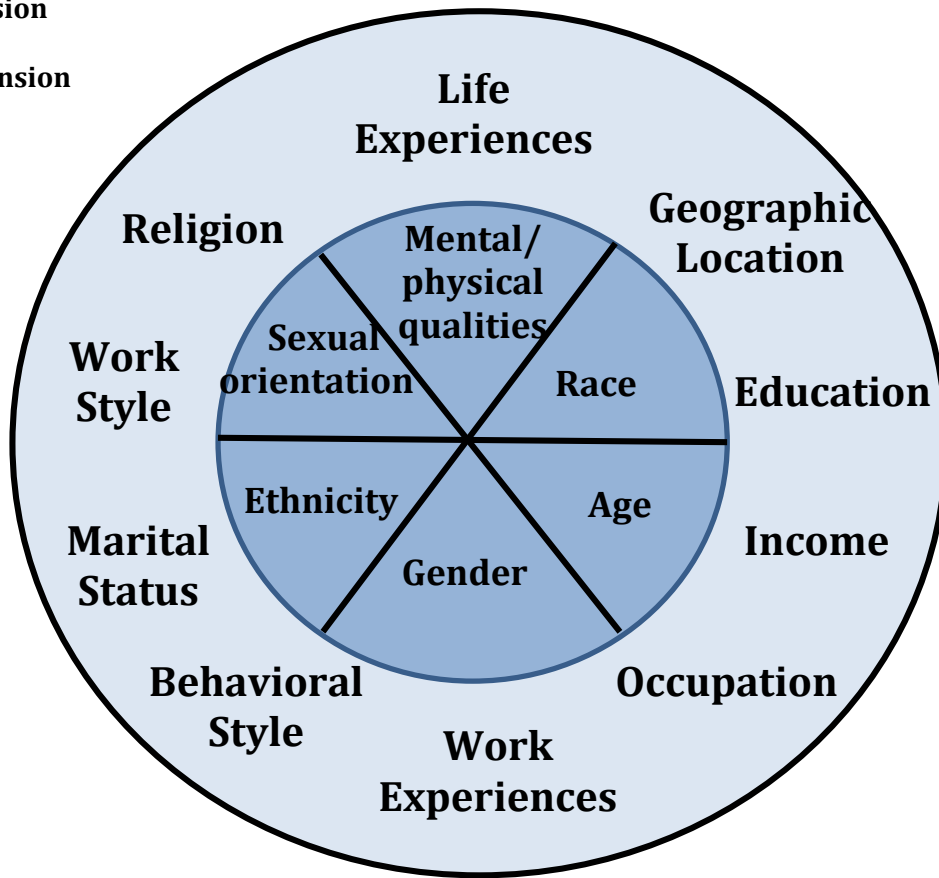


Figure 2: Image Showing Primary and Secondary Dimensions of Workforce Diversity

Source: M. Loden, *Implementing Diversity* (Chicago: Irwin, 1996)

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