

Emerging Trends in Organizational Behavior

P. Syamala Devi

Faculty

Acharya Nagarjuna University

Guntur, Andhra Pradesh, India.

Abstract

Organizational behavior is the study of how people behave in organizational contexts, often referred to as "organizational behavior." It plays a crucial role in enhancing communication and collaboration within enterprises and among their workforces. This field aids organizations in gaining insights into the factors that influence employee motivation, performance improvement, and the cultivation of robust, trustworthy relationships with their staff. Organizational behavior focuses on three key determinants: individuals, groups, and structure.

In an environment marked by rapid change and intense competition, practitioners of Organizational Behavior (OB) must stay abreast of the most current trends and innovations to facilitate positive transformation and realize strategic objectives. This article delves into several emerging trends and innovations within OB that hold the potential to be advantageous for organizations. The evolving OB trends predominantly emphasize the elevation of human resources to the status of a strategic partner. Firstly, DEI (diversity, equity, inclusion) is recognized as a major trend where an organization values, respects, and leverages the differences and similarities of its members and stakeholders, ensuring that everyone has equal access to opportunities and resources. Secondly, digital transformation and analytics enable organizations to leverage data, insights, and tools to enhance their processes and measure the impact and outcomes.

Another notable trend involves the open system, which encompasses factors such as environmental sensitivity, stakeholder engagement, and adaptability. Equally important is the trend of human orientation, characterized by a focus on work-life balance, employee development, and fostering an inclusive culture. Sustainability and eco-friendly organizational practices, the distribution of power, intrinsic motivation, and a balanced focus are among the trends that extend to the field of organizational behavior. These trends exhibit universal relevance. This paper is dedicated to reviewing the existing literature and presenting a comprehensive overview of the current state of OB.

The findings indicate that the advent of digital transformation, open systems, sustainability, green organizational practices, intrinsic motivation, etc., reflects the perspectives and experiences of a highly diverse population. This research has

allowed me to explore the trends in the field of Organizational Behavior, as reflected in the relevant literature.

Keywords

Organizational Behavior (OB), Trends, Leverage, Strategic, Motivation, Adaptability, and Work-life balance.

1. Introduction

The main goal of the new organizational behavior trends is to turn human resources into a strategic ally. The importance of comprehending how human capital management affects company outcomes is emphasized in this essay. Most estimates place the date of the development of organizational behavior as a separate field in the 1940s. Though it wasn't formally categorized as a discipline until after World War II, organizational behavior has been around for a long time. In order to control employee behavior within firms, managers have implemented a number of organizational behavior practice models over time. These models serve as frameworks for potential explanations of why individuals behave the way they do in the workplace. The findings indicate that the advent of digital transformation, open systems, sustainability and green organization practices, intrinsic motivation, etc., reflect the perspectives and experiences of a highly diverse population.

1.1 Meaning of OB

OB is the methodical study of how people behave, think, and function in an organizational context. It analyzes how people, as individuals and groups, act within the total organization and how the external environment affects the organization and its human resources, missions, and objectives.

1.2 Definitions of OB

According to Keith Davis "Organizational behavior is the study and application of knowledge about how people act within organizations".

According to Peter Drucker (1999), "OB is the study of how people interact in an organizational setting".

2. Objectives of the Study

- 2.1** To assess the factors influencing OB and the emerging trends.
- 2.2** To offer a thorough overview of Organizational Behavior (OB).
- 2.3** Describe the four models of organizational behavior.
- 2.4** Compare the various models of organizational behavior.

3. Review of the Literature

OB is the study of how people behave—both individually and in groups—in an organizational setting. The multidisciplinary topic of organizational behavior studies how individuals, groups, and organizational structures influence behavior inside the organization. OB comprises four key elements, specifically, the external environment, people, structure, and technology environment, which are known as determinants of OB. OB is a fragmented field that uses principles, models, theories, and methods from other disciplines.

Organizations are defined as social arguments constructed by people, who can also change them- (Buchanan and Huczynski, 1997).

According to **K. Aswathappa**, "OB is the study of human behavior in an organizational setting, the interface between human behavior and the organization, and the organization itself."

In the words of **Stephen P. Robbins**, "OB is a field of study that investigates the impact that individuals, groups, and structures have on behavior within organizations to apply such knowledge towards improving an organization's effectiveness."

According to **L. M. Prasad**, "Organizational behavior can be defined as the study and application of knowledge about human behavior related to other elements of an organization such as structure, technology, and social systems."

According to **Davis and Newstrom**, "Organizational behavior is the study and application of knowledge about how people act within organizations."

According to **Fred Luthans**, "Behavior is directly concerned with the understanding, prediction, and control of human behavior in organizations."

Models of Organizational Behaviors – There are four major models or frameworks that organizations operate from; these are:

3.1 Autocratic

3.2 Custodial

3.3 Supportive, and

3.4 Collegial

3.1 Autocratic Model: This model is rooted in the exercise of power, with a managerial orientation toward authority. In this model, employees are inclined to obey and depend on the boss. The primary employee need addressed is subsistence, and the performance outcome is minimal.

3.2 Custodial Model: The foundation of this model is economic resources, with a managerial orientation focused on financial aspects. Employees are oriented towards seeking security and benefits while depending on the organization. This model primarily addresses the employee's need for security, resulting in passive cooperation.

3.3 Supportive Model: This model is built on a foundation of leadership, with a managerial orientation centered on providing support. In this context, employees are motivated towards job performance and active participation. The employee's needs in this model include status and recognition, leading to awakened drives and enthusiasm in performance.

3.4 Collegial Model: This model is based on the principles of partnership, with a managerial orientation towards teamwork. Employees are oriented towards responsible behavior and self-discipline. In the collegial model, the focus is on fulfilling the employee's need for self-actualization, resulting in a moderate level of enthusiasm for performance. While there are four distinct models, it is rare for any organization to operate exclusively within a single model. Typically, one model predominates, but there may be areas of overlap with the other models. The autocratic model has its roots in the industrial revolution and is primarily aligned with McGregor's Theory X. In contrast, the next three models are built upon McGregor's Theory Y and have evolved over time. There is no universally best model, and it's important to note that the collegial model should not be seen as the final or superior model but as the start of a new paradigm.

4. Conclusions about the Models and How They are used according to the Trends in OB

4.1 The models are, in practice, subject to evolutionary change. The primary challenge for management is to critically examine itself, identify the model it is using, and then assess its current effectiveness. The manager has two key tasks: to acquire a new set of values as models. Organizational Psychology evolves and applies the behavioral skills that are consistent with those values.

4.2 The models are rooted in incremental values. These organizational behavior models generate incremental effects rather than allocative ones. Economic values related to the allocation of scarce resources are typically allocative, while human values such as growth, fulfillment, or self-actualization are incremental. Incremental values are self-generated, originating from within individuals and groups as a consequence of their attitudes and lifestyles.

4.3 The models are a function of prevailing employee needs. The four models presented are closely related to human needs. New models have been developed to serve different needs that became important at the time. It must, however, be kept in mind that emphasis on any one model of organizational behavior does not mean an automatic rejection of other models. It also does not mean that other needs are not important. What it does mean is that employees have progressed to a condition in which newer needs dominate.

4.4 There is a general trend toward newer models. As organizations today become more complex with rapid advances in computers and management information systems, top managers cannot afford to be authoritarian and use the autocratic model. An emerging model of organizational behavior is the system model. This model has developed in response to the increasing desire for greater meaning in the workplace among many of today's employees. These individuals seek more than just a paycheck and job security from their roles. To meet these expectations, managers must demonstrate a heightened sense of caring and compassion. They should be attuned to the diverse and ever-changing needs of their workforce, which includes complex personal and family requirements.

In response to this approach, many employees wholeheartedly embrace the objective of organizational effectiveness. They cultivate a profound sense of psychological ownership over the organization and its products and services. They surpass the self-discipline associated with the collegial approach, progressing to a state of self-motivation where they take full responsibility for their own goals and actions. As a result, the employee needs addressed by this model encompass a broad spectrum, often encompassing the highest-order needs, such as social connection, status, esteem, autonomy, and self-actualization.

4.5 Contingent Use of All Models: While there are four distinct models, it is extremely rare for any organization to operate exclusively within a single model. Typically, one model will predominate, with one or more areas overlapping with the other models. Although one model may be used at any one point in time, some appropriate uses will remain for other models. For example, the autocratic model works well in military operations, where quick decisions are needed to respond to rapidly changing crises, but it does not work well in NGOs where employees expect a collegial approach.

5. Trends in OB

5.1 Globalization: Organizations operate in a global economy. As globalization brings about more convergence in terms of consumer tastes and preferences, more products and services are being consumed outside of their place of origin than ever before. Globalization has resulted in increased mobility in international capital and labor markets. Because there are more prospective consumers, this creates a global marketplace with greater opportunities. Nevertheless, heightened competition has arisen as local businesses now must vie for clients alongside international counterparts. With manufacturing technology becoming increasingly standardized and globally distributed,

nations with significantly distinct values, conventions, institutions, and collective preferences find themselves competing in the marketplace for similar goods. Over the past four decades, OB academics have consistently cautioned that organizational strategies effective in one nation may not be applicable in another due to cultural and historical disparities. This does not necessarily mandate a complete overhaul of organizational behavior practices. However, globalization underscores the importance of comprehending the cultural variations inherent in successful OB practices.

5.2 Flexibility: Globalization and diversity trends are compelling organizations to enhance their flexibility and adaptability. In response, leaders and employees within companies must also become more flexible and broaden their skill sets and strategies for collaborating with diverse groups of individuals in both the workplace and the marketplace. This readiness is crucial for organizations to operate on a global scale and fully embrace diversity. In many situations, improved organizational flexibility has been the result of increasing diversity. Some companies enable employees to have significantly varied work schedules (e.g., flex-time) and payment schedules. Some businesses (and employees) have found it more convenient to consider some personnel as consultants rather than employees. Advances in communication and information technology have permitted telecommuting — working from home using a computer — in some vocations. Consequently, the boundaries between work and home, as well as the distinctions regarding the location and timing of employment, are becoming progressively indistinct. The advantages of greater flexibility may be outweighed by the drawbacks of working around the clock, such as increased stress and burnout.

5.3 Open System: Previously, it was assumed that organizations were closed systems. In the past, there were strict rules and a structured workplace. Organizations are now thought of as sophisticated open systems that openly interact with different aspects to accomplish a purpose. When analyzing organizational behavior, systems theory is used. Individuals, groups, and organizations as a whole are referred to as behavioral relationships. Organizational behavior's systemic component has synergistic impacts.

- **Environmental Sensitivity:** Organizations are increasingly aware of their impact on the environment and are taking steps to reduce their ecological footprint. This includes sustainability initiatives, reducing waste, and adopting eco-friendly practices.

- **Stakeholder Engagement:** Companies are focusing on building strong relationships with various stakeholders, including customers, employees, suppliers, and communities. They understand that these relationships can affect their success and reputation.

5.4 Technology: Technology has revolutionized the way work is accomplished and has opened up numerous remarkable opportunities. The convergence of heightened personal computing power, the Internet, and nanotechnology enables the creation of things that were beyond imagination just 50 years ago. Furthermore, the pace of technological change shows no signs of slowing down in the foreseeable future. Gordon Moore, a co-founder of Intel Corp., shocked the world in 1975 with what is now termed Moore's Law, which states that computing power doubles every 2 years. This elucidates why a computer that's merely four years old struggles to keep up with the latest video game you've acquired. As computers continue to advance in speed, new software is developed to harness the enhanced computing capabilities. Additionally, we are now more interconnected through technology than ever before. It's feasible to exchange emails or text messages with colleagues and customers regardless of your location in the world. In the United States, over 100 million adults use email regularly, and worldwide, Internet users transmit an estimated 60 billion emails every day, making email the second most widely used means of communication globally, surpassed only by voice. However, technology has also presented a plethora of challenges for individuals and organizations. To address the issue of email overuse, companies like Intel have implemented "no email Fridays," during which all communication occurs through alternative channels. The technology trend brings with it challenges for organizational behavior.

5.5 Flattening World: In Thomas Friedman's book "**The World is Flat: A Brief History of the Twenty-First Century**," he argues that the Internet has "**flattened**" the world, creating an environment with a more level playing field in terms of access to information. This increased access to information has spurred innovation as knowledge can be instantly shared across time zones and cultures. It has also fostered intense competition as the pace of business continues to accelerate. Mass collaboration has revolutionized how work is conducted, how products are developed, and the capacity of people to collaborate without ever meeting in person. Today, there are minimal barriers to accessing information, leading to significant opportunities around

the world. However, a significant challenge for individuals in this flattened world is the need to develop the skills to assess the quality of the information they encounter.

5.6 Sustainability and Green Business Practices

Social responsibility is not just something organizations do at the price of profits. It can also lead to superior results. Environmentally Neutral Design (END) has designed a shoe that reduces the amount of material needed, making it cost less to produce and the lightest performance shoe on the market.

The primary purpose of for-profit companies is to generate wealth for their shareholders. More recently, the concept of the triple bottom line has gained popularity. Advocates of the triple bottom line believe that businesses should not only focus on economic viability but also on social and environmental performance. While some organizations have embraced the principles behind the triple bottom line, there is also a significant amount of "Green washing" taking place. Green washing involves the promotion of products or processes as environmentally friendly to attract customers, without a genuine commitment to sustainable business practices. Sustainable business practices are those that meet current needs without compromising the needs of future generations. The difficulty is striking a balance between publicly traded companies' obligation to maximize shareholder value and their dedication to the triple bottom line. Conversely, companies can take a proactive stance when it comes to creative processes, which can result in even higher revenue for their goods. For example, the Toyota Prius, which blends the efficiency of a combustion engine with hybrid electric technology, has sold remarkably well, greatly increasing Toyota's market share and revenues.

An unexpected leader in the sustainability movement is Wal-Mart. The company hired Adam Werbach, the former president of the Sierra Club, to train 1.3 million North American Wal-Mart employees in sustainability. Wal-Mart has also exerted pressure on suppliers to produce compact fluorescent light bulbs with lower mercury content and has reduced the resources required for packaging by compelling all suppliers to use smaller packaging. Looking ahead, increased interdependence between businesses, governmental agencies, and non-governmental organizations (NGOs) is expected to bring about significant changes throughout the economy.

5.7 Human Orientation: In the past, many managers held the belief that employees primarily came to the workplace to fulfill their economic needs.

Consequently, managers predominantly resorted to offering material incentives such as money, benefits, and goods to accomplish tasks. However, the expectations of employees have significantly evolved over time. As a result, managerial practices have undergone substantial transformations, now emphasizing cooperation, teamwork, support, and guidance. Individuals are no longer perceived merely as factors of production; instead, they are recognized as both ends and means of development. This human orientation has found support and application in the field of organizational behavior, where people are regarded as the most crucial resource within an organization. In essence, it entails prioritizing the welfare of individuals. This approach leads to the development of individuals to their fullest potential, fostering the enhancement of their capabilities, creativity, and skills necessary for success in their roles. Performance is actively supported by the organization. Employees are encouraged to have a positive attitude.

5.8 Key Aspects:

- **Work-Life Balance:** Organizations are recognizing the need for work-life balance and are offering flexible work arrangements, wellness programs, and mental health support.
- **Employee Development:** Investing in training, up skilling, and career development opportunities helps employees feel valued and motivated.
- **Inclusive Culture:** Fostering diversity, equity, and inclusion nurtures a sense of belonging among employees, resulting in increased morale and productivity. **Example:** A pharmaceutical company provides on-site daycare facilities to assist working parents in balancing their responsibilities, illustrating their dedication to a human-oriented approach.
- **Distributed Power:** In the traditional organizational structure, people were often perceived solely as instruments of production. Power was in the hands of managers; only employees were powerless. Organizations followed the centralization of authority. Currently, however, decentralization of power is the tendency. The engagement and empowerment of individuals within organizations is the main focus. Organizations used to be top-down and centralized. Conversely, contemporary workplace trends emphasize employee empowerment via flexibility and autonomy. Increasingly, employees can manage their work and increase organizational effectiveness because of the decentralization and distribution of power.

- **Empowerment:** Organizations are granting more autonomy to employees, allowing them to make decisions that impact their work and the organization as a whole.
- **Flatter Hierarchies:** Hierarchical structures are becoming flatter, reducing the number of layers between top management and front-line employees.
- **Cross-Functional Teams:** Collaboration across departments and the inclusion of diverse perspectives in decision-making processes are becoming the norm. **Example:** An e-commerce company encourages its customer support team to resolve customer issues without needing managerial approval for refunds up to a certain amount, empowering them to provide excellent customer service.

6. Intrinsic Motivation

The focus of managers previously was mostly on extrinsic motivation. The factors in this category are salary, supervision, job security, company policy, etc. In recent years, managers have started offering more intrinsic motivational factors as compared to extrinsic factors to their employees. Intrinsic motivational factors include achievement, recognition, the work itself, etc. Organizational behavior traditionally engaged in extrinsic motivation, induced by financial incentives; on the other hand, (now-a-days), intrinsic motivation is emphasized — it is self-generated, resulting from a sense of job satisfaction.

6.1 Key Aspects:

- **Purpose-driven Work:** Organizations are aligning their missions with employees' values, allowing them to find purpose in their work.
- **Autonomy:** Allowing employees to have control over their work and decision-making enhances their intrinsic motivation.
- **Mastery and Growth:** Providing opportunities for skill development and personal growth fosters intrinsic motivation. **Example:** A software development company encourages its developers to dedicate a portion of their workweek to personal projects of their choosing.

7. Balanced Focus

The organization initially centered its attention primarily on organizational requirements, objectives, and target outcomes. In this process, the objectives, needs, and emotions of employees often go overlooked. However, over time, managers recognized the importance of establishing a mutual interest - where people require organizations, and organizations, in turn, require people.

Consequently, there has emerged a balanced focus on both employee and organizational needs. As a result, managers have initiated the formulation of overarching goals.

7.1 Key Aspects

- **Self-Discipline:** Disciplines are codes of behavior at workplaces. "Traditionally, managers concentrated on enforcing discipline as described in theory 'X'. They employed the 'incentive and repercussion' approach to manage behavior and accomplish tasks. Nevertheless, this approach offered only a temporary remedy and led to significant adverse consequences. The prevailing direction in Organizational Behavior now leans towards self-regulation, which yields superior outcomes and is more cost-effective. This is accomplished by managers by cultivating an atmosphere where employees perceive themselves as integral members of the organization."
In this type of situation, employees are self-motivated, self-controlled, and guided by their judgment.
- **Leadership and Team Support:** Previously, employees had to work individually without any support from the managers or their colleagues, which created job dissatisfaction and low performance. Now-a-days, managers are providing support as leader to the employees. Managers form teams either to accomplish tasks or to address challenges. Managers are creating such an environment where employees consider the manager as their friend. This increases job satisfaction and motivates the employees.

8. Conclusion

In conclusion, there are emerging new trends in Organizational Behavior (OB). OB is not studied like in the past. There are different emerging trends. It has moved from a closed system to an open system, materialistic orientation to human orientation, centralized power to the distribution of power, extrinsic motivation to intrinsic motivation, focus on organizational needs to a balanced focus, imposed discipline to self-discipline, authoritative managerial role to the managerial role of leadership and team support.

9. References

1. Bakan, I., Tasliyan, M., Eraslan, I. & Coskun, M. (2011), "*The Effect of Technology on Organizational Behaviour and the Nature of Work*", ResearchGate.

2. Beer, M. (1980), "*Organization Change and Development: A Systems View*" Santa Monica, CA: Goodyear.
3. Cooper, C. & Rousseau, D. (2001), "*Trends in Organizational Behavior, Volume 8: Employee versus Owner Issues in Organizations*", Wiley & Sons, Inc.
4. Campbell, J. L. (2007). Why would Corporations Behave in Socially Responsible ways? An Institutional Theory of Corporate Social Responsibility. *Academy of Management Review*, 32, 946–967.
5. Canadian Centre for Occupational Health and Safety. (n.d.). The Aging Workforce in Canada. Retrieved April 30, 2020, from https://www.ccohs.ca/products/posters/longdesc/aging_workforce.html
6. Diana, A. (2003, November 12). *Outsourcing by the Numbers*. Tech News World. Retrieved May 22, 2008, from <http://www.technewsworld.com/story/32114.html?welcome=1211412779&welcome=1211478843>.
7. Lovisky, G. E., Treviño, L. K. & Jacobs, R. R., (2007), "Assessing Managers' Ethical Decision-making: An Objective Measure of Managerial Moral Judgment", *Journal of Business Ethics*, 73(3), 263-285.
8. Markos, S. & Sridevi, M. (2010), "Employee Engagement: The Key to Improving Performance" *International Journal of Business and Management* 5, 89-96.
9. Ouye, J. (2011), "*Five Trends that are Dramatically Changing Work and the Workplace*", Knoll Workplace Research.
10. Pearce, J. (2013), "*Organizational Behavior: Real Research for Real Managers (3rd Ed.)*", Melvin & Leigh Publishers.
11. Prefer, J. (1997), "*New Directions for Organization Theory*", New York, NY: Oxford University Press.