

Behavioural Theory in Organizational Studies

1. Introduction to Behavioural Theory in Organizational Studies

The Behavioral Theory school of Organizational Studies is heavily entrenched within the fields of Psychology and Sociology and led to the creation of Organizational Behavior (OB) as a field of study in its own right. Behavioral schools of management, such as OB, have had renewed importance for a range of different and often connected reasons. Key research themes within behavioral approaches such as OB often include: motivation and satisfaction; group dynamics; leadership; and decision making.

Behavioral Theory thus stems from the larger fields of psychology and sociology, academic disciplines that are primarily concerned with understanding how and why human beings behave as they do from several different viewpoints. It builds upon the premise that human behavior is inherently or naturally social, utilizing this axiom in an effort to analyze the complexities associated with group interaction and social relationships within three specifications such as institutions, organizations, and then lastly, more particularly, the workplace. In other words, OB is at one level the study of social behavior within the general context of work and organizations.

Behavioral Theory is thus considered a critique of classical management paradigms as well as a response to them. In this sense, behavioral theory generally argues that the success of an organization is dependent wholly upon the individual and organizational behavior of its employees and members. The approach subsequently attempts to utilize the findings of social scientists within a more practical, more managerial context by providing guidelines for closely regulating and designing workplace models and structures.

2. Historical Development of Behavioural Theory

Nowadays, behavioral theory has become one of the brightest areas of organizational studies worldwide. Nevertheless, over the years, its development has

been influenced by several factors. It would be useful to know them and trace the historical development of behavioral theory. The basis for the development of behavioral theory is presented by domestic and international scientific conceptions with an emphasis on principles, values, ideas, beliefs, and motivational dynamics in organizational practice. In this respect, a critical analysis of national studies would be useful for ensuring that local, specific, and global requirements generate increased and better-prepared expertise among managers.

In organizational studies, the development of behavioral theory is the offspring of various socio-cultural influences rooted in human experience. Behavioral science arose from the contributions of many disciplines, such as psychology, sociology, and social anthropology. The movement towards a 'behavioral science approach' in industry arose from a specific set of values based on work experience. The development of 'industrial man' also occurred when the assembly line was in operation. Early industrial practice recognized the need for workers to have a good physical environment and to be satisfied in order to be efficient. Key events in the movement of behavioral science to its present position have been the Industrial Revolution, the formation of trade unions, the impact of World War II, the emergence of radical humanist approaches, and the impact of the quality movement. It is superfluous to underline the importance of historical perception in the study of organizational behavior, discussing the importance of managing the tricky art of developing variances with a clear theoretical direction.

2.1. Early Influences and Foundations

Early influences for behavioral theory include contributions from psychologists and social scientists interested in understanding behaviors within organizations. Hugo Münsterberg, a forerunner in psychology, is one of the key influences that laid the foundation for understanding, formally, organizational behavior. Further contributions were founded in the studies of Mary Parker Follett on public administration. Emphasis for both was in understanding which management practices would shape the behaviors of the employees in management settings. The industrial revolution phase was dying out, and its implications were visible in the way business and industries worked. With this backdrop, major contributions were also made by Elton Mayo; two of his major studies at the Western Electric Hawthorne Plant shed light on the importance of psychological behavior for productivity. His work also showcased the need for psychological study of industry and individuals. Early experiments conducted in the scientific management era were

aimed at understanding the best way to perform work, but by 1925-30 there was a recognition that three further questions needed to be addressed:

- Can improving the ways in which people are managed improve the ways in which they behave at work?
- Can improving the ways in which people are managed improve the organizational performance of those who employ them?
- What is the relationship between the two outcomes?

Unlike previous work, the focus here shifted from 'one best way' of improving organizational performance to the role of the manager in this process, with the human factor as central in the background. Consequently, management processes that were previously considered as low and middle-level disturbances became an angle or means to measure other processes. For instance, research found that 45% of the actions necessary to carry through any major organizational alteration were concerning communication. The intellectual ancestry of the field of organizational behavior is complex to untangle, but has always indicated, at least implicitly, that an understanding of the behavior of people in organizations might in some way help us understand broader societal, economic, or political events. Thus, having an understanding of the early contributions to the field coupled with appreciating the resulting general advances of the decades of the 20th century is foundational to unraveling how and why management operates as it does today. However, it is assumed by many that the genesis of the field of organizational behavior lies in the United States. Although this is not necessarily the case, it is necessary to review occupational psychology in the UK to better chart the roots of this field. Moreover, the pivotal contributions originating from the USA, as well as the widespread uptake of this American management model, have become synonymous with the direction of the field. Key areas of study published during this foundational time frame include teamwork, leadership, and morale/motivation. Together, these studies laid the intellectual stock on which the field of organizational behavior was built. As the field would emerge soon after and grow, expanding upon this research.

3. Key Concepts and Assumptions of Behavioural Theory

Traditionally, management was mostly concerned with structure, and little or no preference was given to human behavior. The approach, as of late, focused on control more than anything else. One of the key assumptions in organizational studies is that individual behavior can be controlled. Behavioral theory, however, has placed more emphasis on human behavior. It is concerned with gaining insight

into the psychological processes of organizations in an attempt to determine ways in which people can give their best and the overall organization can benefit.

Some of the key concepts that underpin behavioral theory can be categorized as (1) motivation, (2) communication, and (3) group dynamics. An understanding of these concepts can help to explain how employees respond to organizational expectations. Behavioral theory is based on certain assumptions regarding human beings. It is assumed that employees are social beings who have basic needs and interact with each other on a social basis. They are also, to some extent, rational beings who strive to realize their hopes, desires, and capabilities. Human beings are also understood to be very complex performance entities.

Their behavior may be governed by complex biological motivations, learning, and perceptual mechanisms as well as many social, cultural, emotional, and cognitive influences. Initially, the focus of this theory will be on understanding individuals from a motivational and social interaction perspective. However, the application of behavioral theory does link to other aspects of organizational application such as the concept of organizational culture. It is important to realize that the study of individual behavior should also be concerned with understanding social aspects that influence, and are influenced by, individual behavior. This goes to the heart of the theory of mutual adaptation whereby the effectiveness of the organization is an interplay of the cause and effect of how much authority is devolved to individuals and how much authority is devolved to the group or social system. Organizational success is affected by both the individual and social group systems.

4. Behavioural Theory vs. Classical Management Theory

Behavioral Theory vs. Classical Management Theory

Emerged as a set of responses to Classical Management Theory, Behavioral Theory focuses on the 'human being'—one who is a unique entity with their own thoughts, feelings, and behavior. Alternatively, Classical Management Theory was based on a mechanistic paradigm and focused on 'rational-economic reasons for human behavior.' Classical Management is "rooted in clearly defined levels of authority, job specialization, and job descriptions regardless of the possibility that the role in question might encompass a plethora of different functions." A significant consequence of the Classical Theory was the promotion of functional specialization as a means to increase workers' efficiency. The results of specialized workers doing

a repetitive job were mass commodity production and outcomes. The negative impacts of a Classical Management Theory approach began to be felt in the 1920s in an era of mass production and mass consumption. Arguably, the most notable advancement in response to the failures of Classical Management Theory has been the emergence of the Human Resources Management field and the evolution of systems to support staff for the benefit of a company, as business owners recognized the need to treat staff better.

The philosophy behind the Classical Management Theory is a product of rigid thinking and the belief that one way is better than another. The reason for this is that we have sought to make an empirical comparison of the differences between Classical Management Theory and our own people-centered or Behavioral Theory. Starting with employment legislation in many countries, stronger impacts are witnessed with the protection of employment rights and the need for organizations to consider their staff more seriously. Thus, our modern-day world of work has seen an evolution of approaches to managing human resources that reflect the prevailing values of different societies. Ultimately, we find that these two theorists had a fundamental disagreement over what people are. Are they lazy, stuck on the simple dimension of 'hygiene'? Or are they ambitious, on the 'anti-resistance' continuum? Could the organization be mechanistic and organic, classical and modernist? Indubitably, one cannot manage without a structure to manage, but the nature and style of leadership can be calibrated to fit the motivational drivers and psychological contract of the worker and the needs of the organization.

5. Major Theorists and Contributors

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This theory has a long and distinguished lineage in management thought, including the groundbreaking work of the human relations school following the Hawthorne experiments and the work of Douglas McGregor on 'The Human Side of the Enterprise.' However, the origins of this line of thinking can be traced to the early 20th century and the work of social scientist Kurt Lewin. Kurt Lewin was the first theorist to systematically formulate the principles of leadership, group dynamics, and organizational change.

Throughout its development, the common theme has been to focus on the individuals within the organization and to recognize that it is the employees with

their needs, preferences, motivations, and dispositions that ultimately create the personality of a firm. In early formulations, work group dynamics and supervisory behavior were the focus, but this work was broadened to develop an understanding of all the psychological dimensions underpinning organizational processes. The precursors to the theory were two of the most prominent behavioral theorists, Abraham Maslow and Douglas McGregor. The theory that was developed from Maslow's work was far more focused on practical application. The foundations of this theory can also be traced through the thinking of both the social sciences and management thought. The theories were proposed in the 40s and 50s, and though they were influential, the ideas were seldom taken up by business organizations. Despite their age, the theories of Maslow and McGregor are still applicable today.

5.1. Hawthorne Studies

The Hawthorne studies refer to an important set of experiments conducted at the Western Electric Hawthorne Works in the suburbs of Chicago between 1924 and 1932 that reveal and demonstrate underlying organizational dynamics. The studies began as observations of how workers performed under different working conditions to analyze which labor factors positively or negatively affected workers' achievement and productivity. The results from the experiments were surprising because researchers discovered that workers' morale often increased as a result of the research process. This brought attention to human relations between workers, whereas this was not initially a subject of their research. Since then, the Hawthorne studies exemplify the failure of naive, mechanical interpretations of management. This case study displays how organizational processes do not correspond to effective labor procedures and increased mechanization, but to the organizational participants, and their roles, attitudes, growth expectations, modes, and styles of working.

The Hawthorne studies began somewhat accidentally, as researchers initially wanted to conduct a research project to test if working conditions affected worker productivity. In general, the purpose of the experiments was to find out which illumination level would make workers most productive. Two small groups of workers were chosen to move around differently illuminated industrial environments, consisting of some of the same workers but employed at different times. For the first group, their light conditions varied from brighter to darker; for the second group, the light variation was the other way around. Nevertheless, both sets recorded identical productivity rates. In both of these two groups, the

important finding is that social relationships are formed among the workers and also between the workers and the researchers.

6. Applications of Behavioural Theory in Modern Organizations

Following the spirit of Behavioral Theory, progress is necessary for anything to be worth the hassle. Since the end of the Second World War, organizations have viewed you as a behaviorist unless you profess a passionate attachment to a deficiency theory of human motivation – i.e., Maslow's theory of hierarchical needs. Social science insights have been included in every large-scale training and development program designed to increase the effectiveness of either rank-and-file members or personnel in authority positions. Executive development programs intended to help management grow as individuals and groups quite frequently include a close examination of how people really behave, what managers communicate to or withhold from their subordinates, how subordinates react to different sorts of managerial behaviors, and in general to the power of objective appraisal and close feedback for self-understanding and growth. Other areas reflecting more or less the behavioral theory of organizations can be found in team building, sensitivity training, leadership training, laboratory and field experimental research on communication, motivational research, a fair amount of work relating to organizational development, and recently a fair amount of work in psychological entry-level selection techniques and employee wellness programs boasting a strong behavioral orientation. Most of the aforementioned applied activities and corollary research must be seen as fuzzy around the edges when compared to the hardcore behaviorists in other fields ... especially if we contrast 'those who claim to belong to the humanistic school' to the work of B.F. Skinner in psychology! But at a quick look, they too will tell us of progress because of focus on people and what they are 'really like'. There are a number of case studies that have been written about successful applications of some of the above. For example, of two large business firms using the T-groups, one has made extensive applications over a period of 8 years. In the first year, applications were in headquarters and top management. The average sales result 5 months following the training in 1961 was higher than the average sales for the sales region. Organizational consultants and personnel professionals interested in thinking through the contingent value of behavioral theory and the hard-to-the-protruding skullbone of modern business-sponsored experimental and correlational social science data and methodology have long argued that if people are treated as

though they are not trouble and that they are not motivated by bread alone, it is justly and prudently so. Organizations with a capital O have not been oblivious to the human vagaries of H. They have long sought persons who can be depended on to do the job without the debilitating and expensive problems of overt rebellion, late coming, loafing, turnover, apathy, and avoidance of taking even minimal responsibility for their near neighborhood. The effects of using such contingent thinking and knowing is to augment the growing business of people exploration, not to cure 'trouble', but to augment pleasure and growth. The modern corporation is putting heavy emphasis not only on the automation of production, but on the automation of data, the automation of thought. Indeed, the business of auto-cognition is growing at an even more rapid pace than auto-action and auto-thought machinery building. And if progress is charted as a growth in the business of increasing autonomy of the corporate citizenry, the progress of behaviorism in business is quite peachy.

7. Critiques and Limitations of Behavioural Theory

Behavioral theory has made many positive contributions to our understanding of why people at work behave the way they do. Nevertheless, it is important to identify its limitations. One common critique is that it tends to focus too much on the individual motivation behind behaviors, without paying enough attention to the dynamic and systemic factors that may steer behavior. Another criticism is that there is a risk of oversimplifying the understanding of deeply rooted human behaviors and interactions, such as the matters associated with identity, culture, and group dynamics. The most salient criticism of behavioral theory is a unidimensional critique, i.e., the lack of empirical validity of some of the models employed to develop behavioral models. This raises questions about the degree to which we can generalize behavioral models to broader organizational contexts, as the majority of the development of behavioral models has been undertaken within a very distinct and limited set of conditions and specific factors. These models may not be as useful across a broader range of organizational contexts, as it may not be sufficient to develop a model in a specific context and then claim that it draws knowledge from other organizations. Other behavioral tools and models have also been criticized for promoting questions that are essentially overlapping, while others are criticized for being time-consuming. Consequently, in relation to the development of overall behavioral theories, the usefulness, in practice, of these

behavioral theory models is still holding back the overall advancement of this theory.

But these limitations of the behavioral theories provided a place for alternative approaches, such as interpretivism and systems theory. Systems theory can help to explain the dynamic and complex changes in individuals and organizations by looking at the environment in which they operate. This would provide behavioristic observations with a richer concept of organizational performance and productivity that includes both individuals' possible limitations and the broader systemic, contextual influences. Ultimately, these criticisms continue to create a very unbalanced perspective in management theory, where it may be appropriate that behavioral theories be rejected or marginalized in favor of alternative responses. Although it is clear that behavioral responses are important, it is dangerous to offer a theory too narrow and to overlook alternative contributions, particularly at a time when a balanced and comprehensive approach takes advantage of a management and leadership perspective necessary to be effective. The available evidence suggests that behavioral theory has its own limitations. However, these limitations may have appeared some years ago, and little effort universally has been put towards amending or removing them. It is also argued that efforts towards shrinking these limitations alone do not provide a full picture. Instead, organizational analysts need to aim at offering an empirical demonstration of the effect of these criticisms on neutral management and organizational theory, in contexts other than those that produced them. Moreover, the limitations discussed here could potentially be an issue for any one-size-fits-all, all-encompassing theory. Many such behavioral arguments could be neutralized by shaking a multi-learning theory, where several different theories are used together.

8. Future Directions and Emerging Trends in Behavioural Theory

We are confident that research informed by behavioral theory has an important role in shaping the organizational practices of the future. Several discussions in previous sections have identified how technological advancements and increased data analytics capabilities have brought with them a burgeoning corporate and consultancy interest in the practical application of behavioral insights or a 'nudge approach' to behavior change. Two fields on the periphery of organizational studies are increasingly being cited as introducing new 'vocabulary' to the practice of

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organizations: the integration of neuroscientific methods with behavioral theory and the application of behavioral economics studies to the behavior of individuals in organizations.

As the nature of work becomes less dependent on manual labor, future directions for behavioral research gain popularity. We know that, for example, our understanding of diversity and inclusivity in the workplace has historically increased, to the extent that they might be considered once 'future' concerns but are now typically a part of present-day organizations. As newer work trends emerge and evolve, we can begin to witness models of behavior emerging to account for these positions and their potential impact on individual and organizational behavior. A key trend in organizational behavior is mobility, and it is surmised that the vast majority of U.S. citizens will have spent a portion of their life working in the gig economy by 2027. Further competition from robotics and machine learning is forecast, transforming the long-term use of remote work in organizations. These advances not only serve to reshape future directions in organizational behavior but call for adaptive consideration from behaviors of today. Identification of drivers of remote work is critical. Similarly, contemporary work on organizational culture is important given the scrutiny of organizations and their leaders in the wake of corporate scandals. Financial markets fell significantly just prior to a major bank being bailed out by the government. The financial services sector is currently working on corporate culture and ethics being at the heart of organizational strategy. As organizational culture tends to be part of an organization's long-term outlook, these studies are relevant to future directions in organizational culture, including behavioral consequences and the leadership of organizations. Finally, the increase in mental health as an exposure and complaint is impacting both perceptions of what individuals are capable of and occupational health and the organization's need to manage employee wellness. As mental health awareness continues to gain relevance in not only organizational behavior theory and practice, work in positivism from a psychological capital approach would continue to be a more sustainable and proactive process for practitioners and academics. (Luthans et al., 2021)(Bratton, 2020)(Rogers, 2020)(Shibutani, 2023)(Landers and Marin2021)(Kalwani and Mahesh2020)(Kwon & Silva, 2020)(Kumar et al., 2022)

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