

1.4: Management Theory and Organizational Behavior

Learning Objectives

- Describe the relationship between management theory and organizational behavior



Similar to some of the management theories we discussed, the foundations of organizational behavior can be traced back to the Industrial Revolution. While the Industrial Revolution began to change company management styles in hopes of increasing productivity, it was also changing the overall culture and behavior of each organization. For the first time, companies were growing at an alarming rate, forcing them to change their workflow, company policies, and management styles.

The first management theory that helped establish the foundation for organizational behavior was Taylor's Scientific Management Theory. As we discussed earlier, Taylor placed a huge focus on productivity and worked to

establish the most efficient ways to accomplish every task, big and small. Taylor's theory impacted each organization's productivity and it also changed the professional and personal dynamic of its employees and managers. This classical approach to management was later challenged by the onset of the human relations management movement which helped to further develop the groundwork organizational behavior.

While effective for productivity, the scientific management theory was missing a key component, human relations. In response to the classical management approach, human relations management theory was born. The Hawthorne Studies were a shining example of how much human relations and interactions can affect the workforce. A connection was finally made between productivity and the people responsible for it. The Hawthorne Studies proved that it was important for companies to take interest in their employees in order to increase productivity and decrease turnover. Not only did the studies show that individuals performed better when given attention, it also revealed that group dynamics were equally as important as individual contentment. It was becoming clear that the individual and group dynamics in an organization were equally important and directly related to the output of a company. It was through this revelation that people began to study the behavior of organizations at multiple levels; individual, group, and whole organization.

Another big impact on the development of organizational behavior was McGregor's Theory X & Theory Y. As you read in the last section, the two theories are extremely different. Theory X states that people are inherently lazy and need to be forced to work. Theory Y on the other hand, says that people are motivated to work and argues the importance of a team dynamic. Theory Y is the more effective of the two theories and is a fundamental part of the foundation for organizational behavior.

While organizational behavior roots can be found in many management theories, it was not officially recognized as a field of its own until the 1970s. Since the 1970s, organizational behavior has developed into its own unique field covering a wide variety of topics for individual and group relations within organizations. This course will help you deep dive into the interworking of organizational behavior and help you understand how organizational behavior affects the day-to-day lives of employees in the workplace.

Practice Question

<https://assessments.lumenlearning.co...essments/13680>

Let's move on to better define organizational behavior and enhance our understanding of its influence on an organization!

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