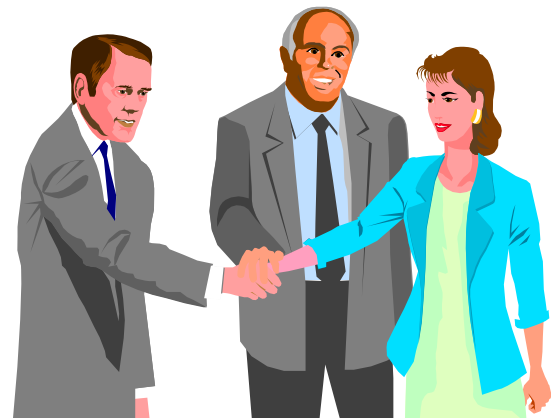


WELCOME

BUSS 2046 (12021)

ORGANISATIONAL BEHAVIOUR (OB)



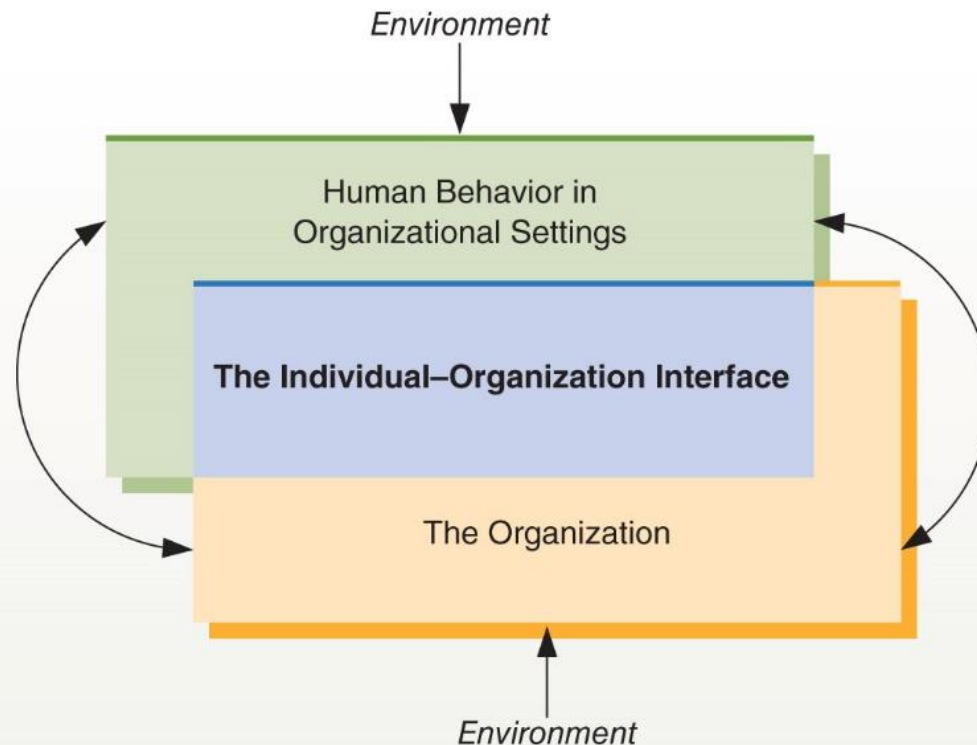
Course Outline

- on-line
- outline of course and its requirements
- read carefully... especially anything relating to assessment

What is Organizational Behavior?

- Organizational behavior (OB) is the study of:
 - Human behavior in organizational settings
 - The interface between human behavior and the organization
 - The organization itself

The Nature of Organizational Behavior



The field of organizational behavior attempts to understand human behavior in organizational settings, the organization itself, and the individual-organization interface. As illustrated here, these areas are highly interrelated. Thus, although it is possible to focus on only one of these areas at a time, a complete understanding of organizational behavior requires knowledge of all three areas.

Why Study OB?

- Studying OB can help you:
 - Become a better employee
 - Become a better manager
 - Understand how people behave and why they do what they do

Why Study OB? (cont'd)

- Organizations that successfully implement OB principles have:
 - Motivated, engaged employees whose goals align with business strategy
 - Strong leadership and direction
 - Better bottom lines

Organizational Behavior and the Management Process

- Management Functions

- Planning
- Organizing
- Leading
- Controlling

- Resources Used by Managers

- Human
- Financial
- Physical
- Information

Critical Managerial Skills

Technical

Skills necessary to accomplish specific tasks within the organization

Interpersonal

Skills used to communicate with, understand, and motivate individuals and groups

Conceptual

The ability to think in the abstract

Diagnostic

The ability to understand cause-effect relationships and to recognize the optimal solutions to problems

Enter Organisational Behaviour

organisational behaviour (OB)

A field of study that investigates the impact that individuals, groups and structure have on behaviour within organisations, for the purpose of applying such knowledge toward improving an organisation's effectiveness.

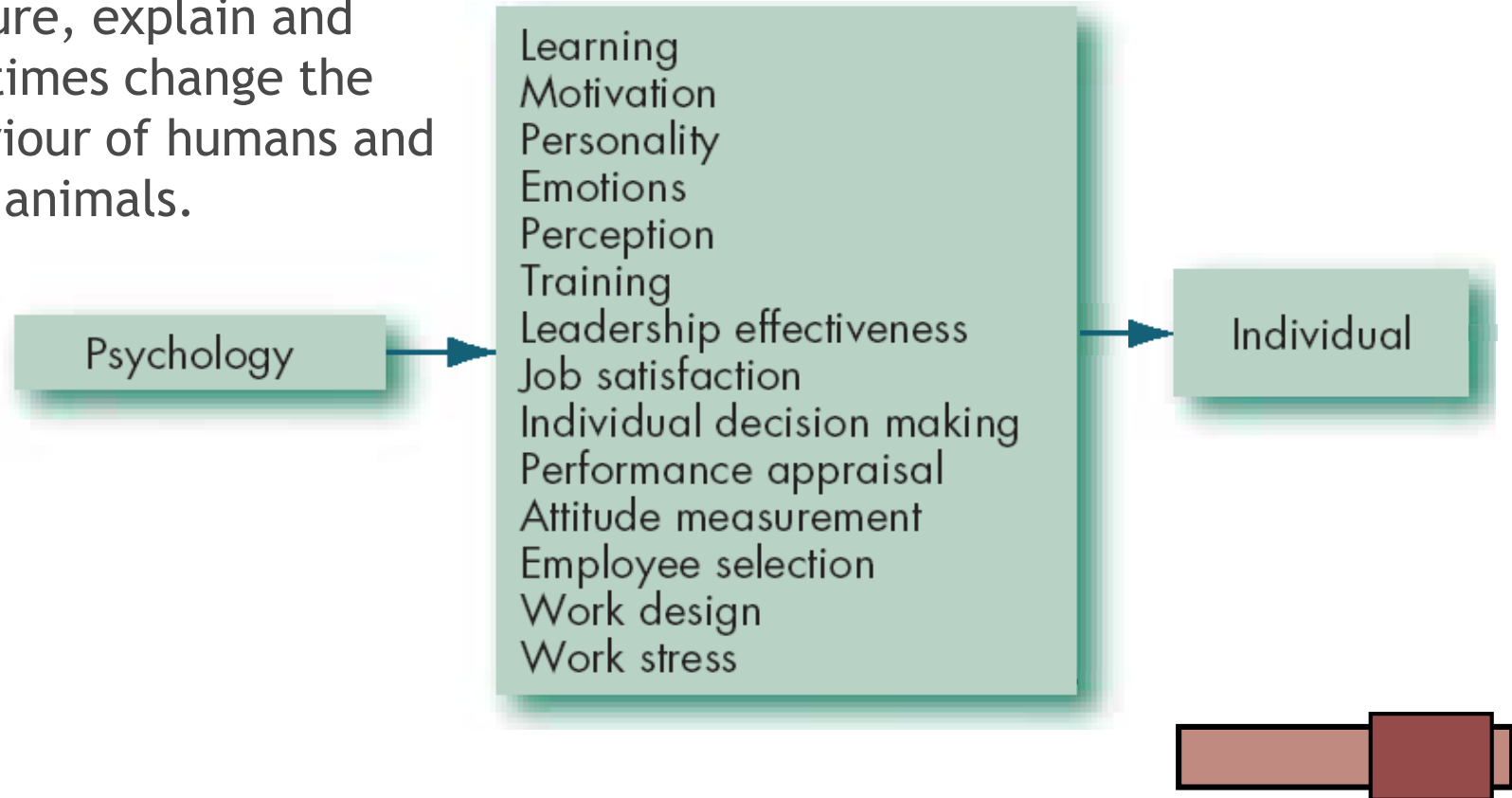
systematic study

Looking at relationships, attempting to attribute causes and effects, and drawing conclusions based on scientific evidence.

Contributing Disciplines to the OB Field

psychology

The science that seeks to measure, explain and sometimes change the behaviour of humans and other animals.



Contributing Disciplines to the OB Field (cont'd)

sociology

The study of people in relation to their fellow human beings.



Where does OB COME FROM?

–CLASSICAL THEORIES

- F.W.TAYLOR /SCIENTIFIC MANAGEMENT

–BEHAVIOURAL

- MARY FOLLETT

–HUMAN RELATIONS

- MAYO

–TQM

- DEMING

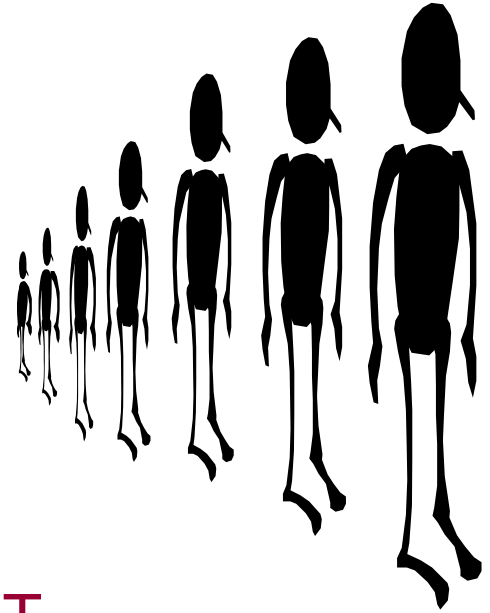
SCIENTIFIC MANAGEMENT

- F.W.TAYLOR
- SUITABILITY/EFFICIENCY
- ASSUMPTIONS
 - WORK DISTASTEFUL
 - “ECONOMIC MAN” MODEL
 - DON'T WANT CREATIVE WORK
- MANAGEMENT'S ROLE
 - BREAK DOWN TASKS
 - SUPERVISE CLOSELY
 - PAY BONUSES



• CRITICISMS

- LIMITS
- SECURITY
- NOT ALL WORK REDUCED
- NOT GENERAL THEORY
- INDIVIDUAL DIFFERENCES
- LACK GROUP COMPONENT



• THEORY WORKS WHEN

- INCREASED REWARD WORTH EFFORT
- PERFORMANCE MEASURED AND CLEARLY ATTRIBUTED
- WORKER VALUES THE REWARD
- INCREASED PERFORMANCE NOT NEW MINIMUM STANDARD



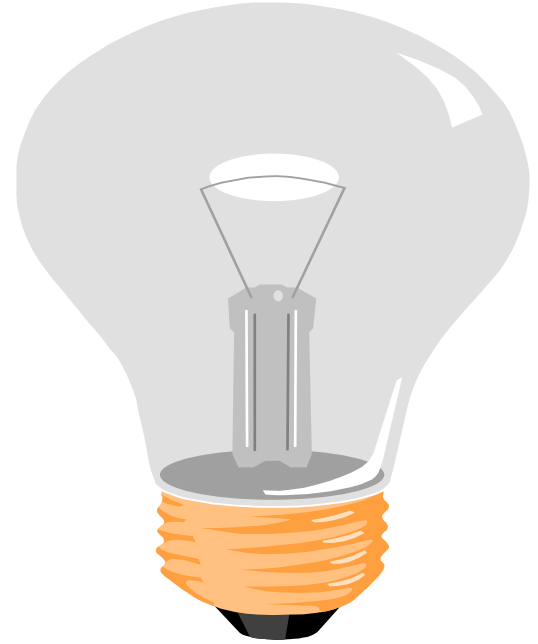
• CONCLUSION

History of Organizational Behavior (cont'd)

- Mary Parker Follett
 - Impact of work groups
 - Creativity exercises
 - MBO elements

HUMAN RELATIONS:ELTON MAYO

- INTRODUCTION
 - HAWTHORNE EFFECT
- ASSUMPTIONS
 - WANT TO FEEL USEFUL
 - DESIRE RECOGNITION
 - MONEY LESS IMPORTANT
- MANAGEMENT'S ROLE
 - MAKE EMPLOYEES “FEEL” USEFUL
 - UNDERSTAND GROUP RELATIONS
 - RESPOND TO EMPLOYEES



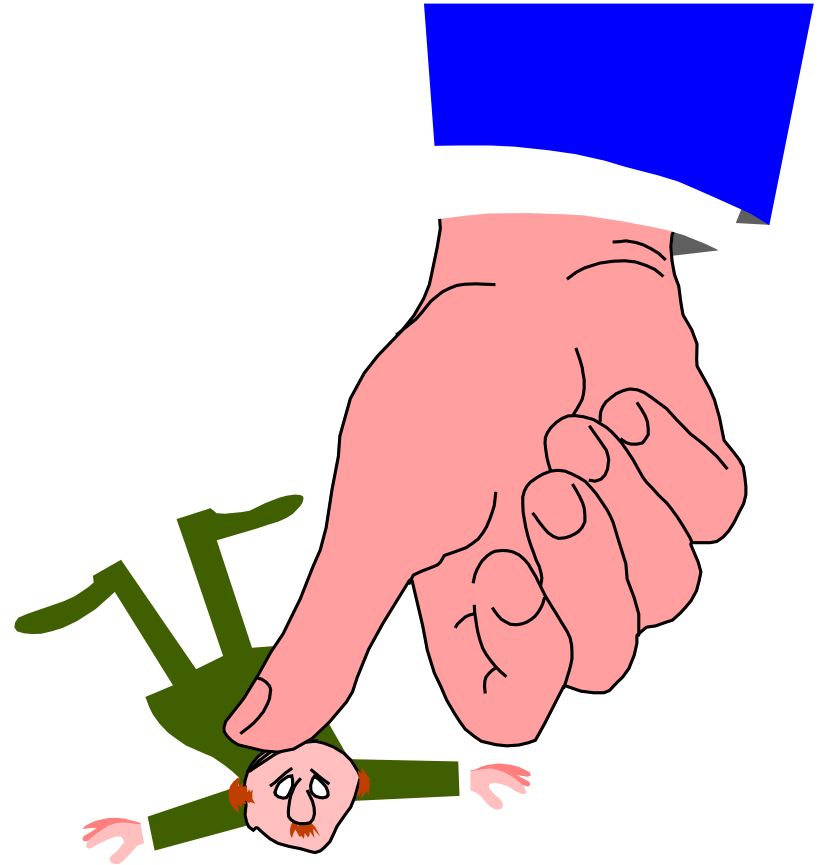
- CRITICISMS

- NAÏVE REACTION TO TAYLOR

- BASIC GOAL SAME

- IGNORES INDIVIDUAL DIFFERENCES

- CONCLUSION



Total Quality Management (TQM)

- An organisational culture dedicated to training, continuous improvement, and customer satisfaction
- Employee-driven, customer-focused
- Basic Principles
 - Do it right the first time to eliminate costly rework
 - Listen to and learn from customers and employees
 - Make continuous improvement an everyday matter
 - Build teamwork, trust, and mutual respect

McGregor's Theory X & Theory Y

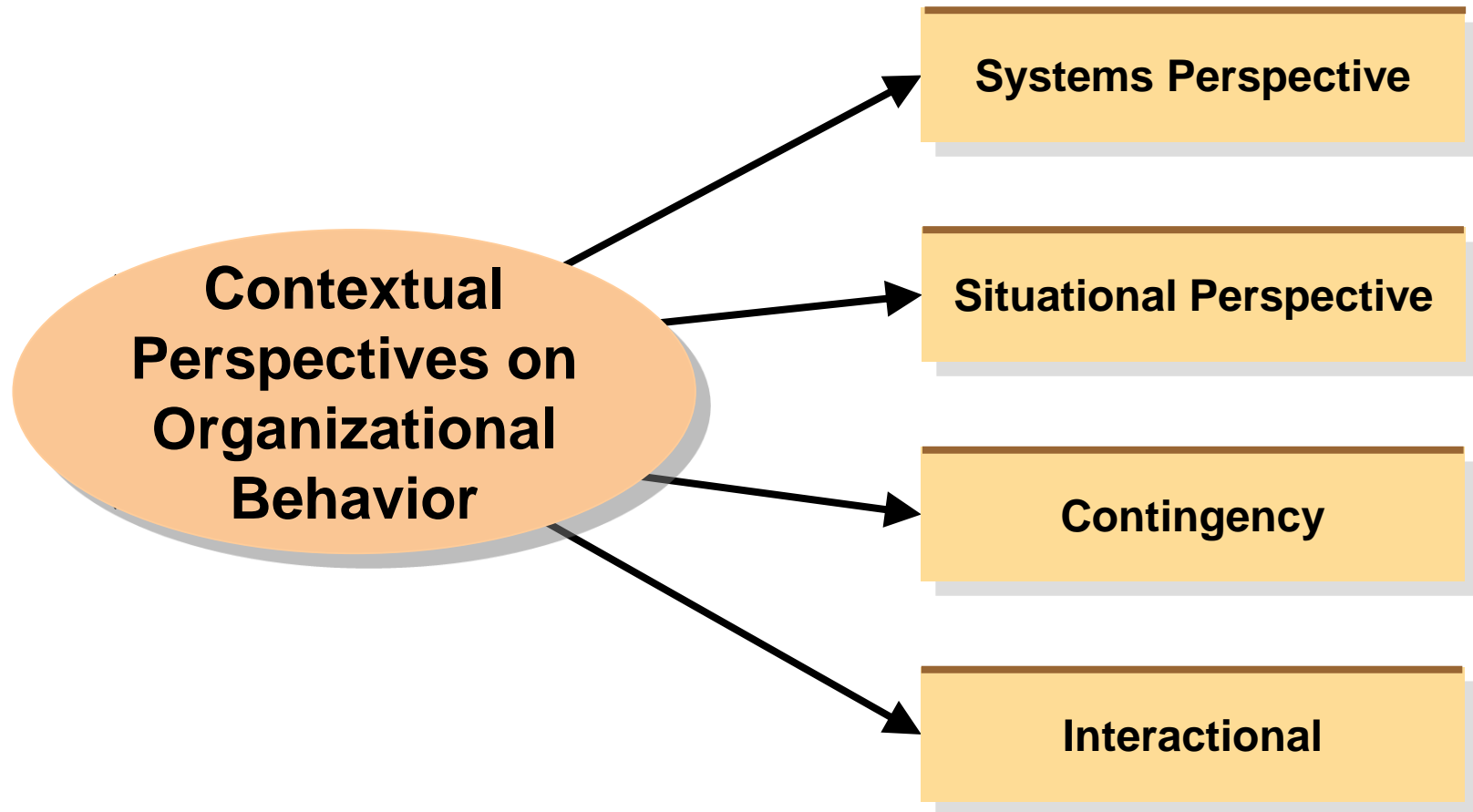
- Theory X

- Most people dislike work and want to avoid it
- People require close direction
- People want to avoid responsibility and have little ambition

- Theory Y

- Work is a natural activity
- People can be self-directed if they are committed to the objective
- Rewards help commitment
- Most employees accept and seek responsibility
- Employees have imagination, ingenuity and creativity

Contemporary Organizational Behavior



The Systems Perspective

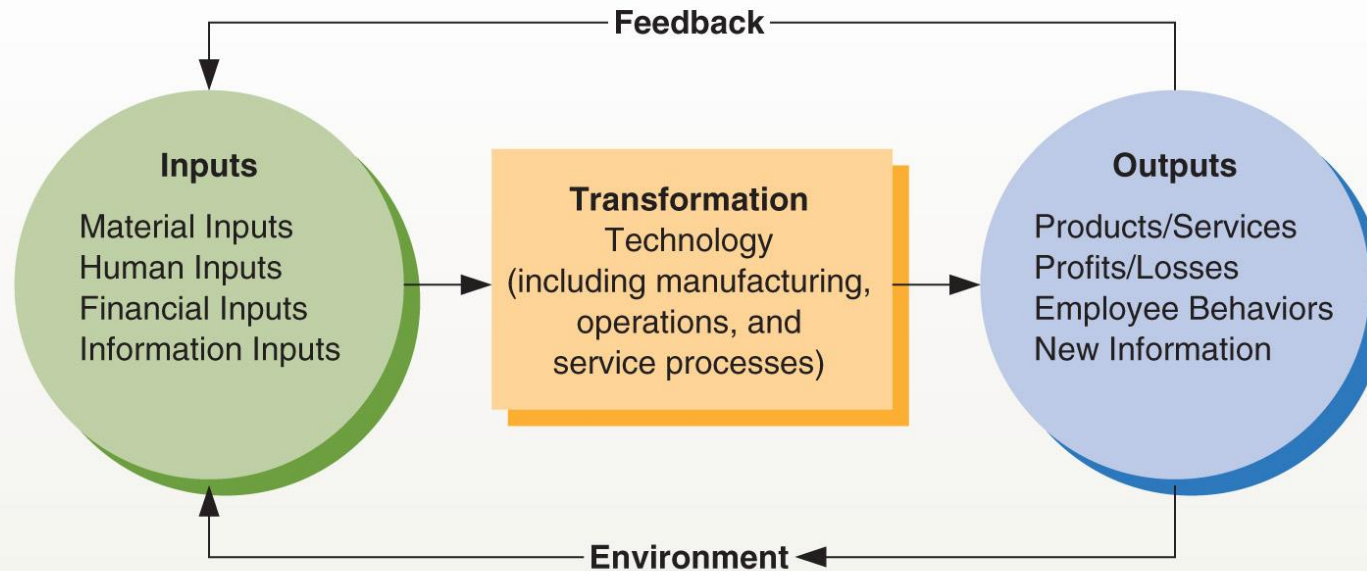
- System

- An interrelated set of elements that function as a whole—inputs are combined/transformed by managers into outputs from the system

- Value of the Systems Perspective

- Underscores the importance of an organization's environment
 - Conceptualizes the flow and interaction of various elements of the organization

The Systems Approach to Organizations



The systems approach to organizations provides a useful framework for understanding how the elements of an organization interact among themselves and with their environment. Various inputs are transformed into different outputs, with important feedback from the environment. If managers do not understand these interrelations, they may tend to ignore their environment or overlook important interrelationships within their organizations.

The Situational Perspective

- The Situational Perspective
 - Recognizes that most organizational situations and outcomes are influenced by other variables
- The Universal Model
 - Presumes a direct cause-and-effect linkage between variables
 - Complexities of human behavior and organizational settings make universal conclusions virtually impossible

Figure 1.4

Managers once believed that they could identify the “one best way” of solving problems or reacting to situations. Here we illustrate a more realistic view, the situational approach. The situational approach suggests that approaches to problems and situations are contingent on elements of the situation.

Universal Versus Situational Approach

Universal Approach

Organizational problems or situations determine . . .

the one best way of responding.

Situational Approach

Organizational problems or situations must be evaluated in terms of . . .

elements of the situation, which then suggest . . .

contingent or situational ways of responding.

Interactionalism: People and Situations

- Interactionalist Perspective

- Focuses on how individuals and situations interact continuously to determine individuals' behavior
- Attempts to explain how people select, interpret, and change various situations

Managing for Effectiveness

- Managers' goals:
 - Enhance behaviors and attitudes
 - Promote citizenship
 - Minimize dysfunctional behaviors
 - Drive strategic execution

Managing for Effectiveness (cont'd)

- Individual behaviors:

- Productivity:

- Narrow measure of efficiency: number of products or services created per unit of input

- Performance:

- Broader concept made up of all work-related behaviors (willingness to stay late, have a positive attitude, etc)

- Commitment:

- The degree to which an employee considers herself a true member of the organization, overlooks minor sources of dissatisfaction, and intends to stay with the organization

Managing for Effectiveness (cont'd)

- Organizational citizenship:
 - The behavior of individuals that makes a positive overall contribution to the organization
 - Encompasses all factors outside the strict requirements of the job

Managing for Effectiveness (cont'd)

- Dysfunctional behaviors:
 - Behaviors that detract from, rather than contribute to, organizational performance
 - Examples:
 - Absenteeism
 - Turnover
 - Theft, sabotage
 - Harassment, bullying, violence
 - Politicized behavior (spreading rumors, etc)
 - Incivility, rudeness

Managing for Effectiveness (cont'd)

- Strategic execution:
 - The degree to which managers and their employees understand and carry out the actions needed to achieve strategic goals
 - Often requires balancing seemingly contradictory outcomes
 - For example, paying high salaries can enhance satisfaction and reduce turnover, but detracts from bottom-line performance

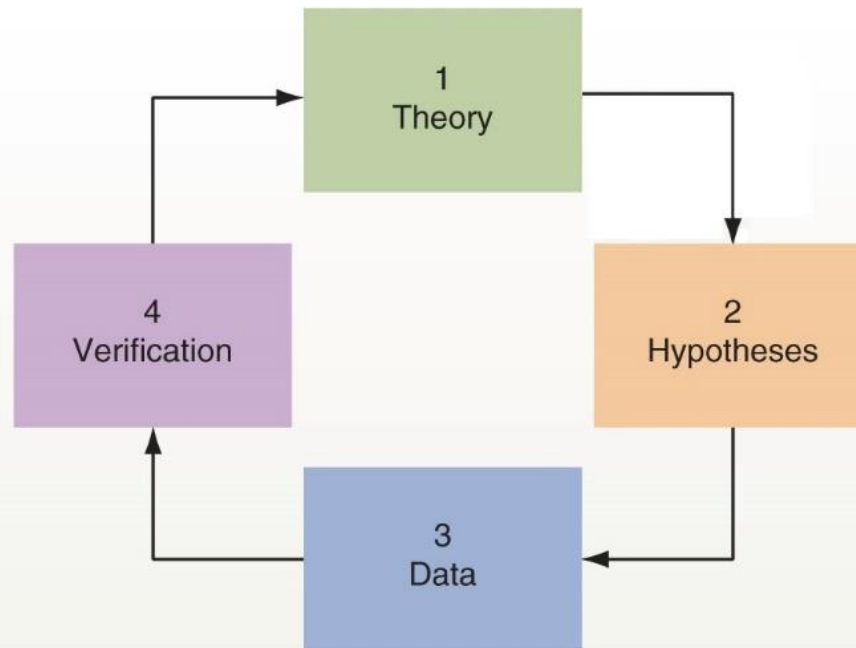
Managing for Effectiveness (cont'd)

- How do we know what we know?
 - “Common” sense and intuition and are often wrong
 - OB relies on the *scientific method*

Figure 1.5

The scientific method is a useful approach to learning more about organizational behavior. Using theory to develop hypotheses and then collecting and studying relevant data can help generate new knowledge.

The Scientific Method



Managing for Effectiveness (cont'd)

- The scientific method:
 - A *theory* is a collection of verbal and symbolic assertions that specify how and why variables are related, and the conditions under which they should and should not relate
 - A *hypothesis* is a written prediction specifying expected relationships between certain variables

Managing for Effectiveness (cont'd)

- The scientific method (cont'd):
 - The *independent variable* is the variable the researchers *set*
 - The *dependent variable* is the variable the researchers *measure*
 - Example:
 - In an experiment to determine the effect of employee wages on employee satisfaction, wages are the independent variable and satisfaction is the dependent variable

Managing for Effectiveness (cont'd)

- Correlation:

- Ranges between -1 and +1
- A correlation of +1 is a perfect positive relationship: as one variable increases, the other always increases
- A correlation of -1 is a perfect negative relationship: as one variable increases, the other always decreases
- A correlation of 0 means that there is no relationship between the two variables

Interpreting Correlations

Correlations between variables can range from -1 to $+1$. By studying correlations we can learn more about how two variables are related. Correlations of -1 or $+1$ are unusual, as is a correlation of 0 . Fortunately, we can still learn a great deal from correlations that are statistically significant.

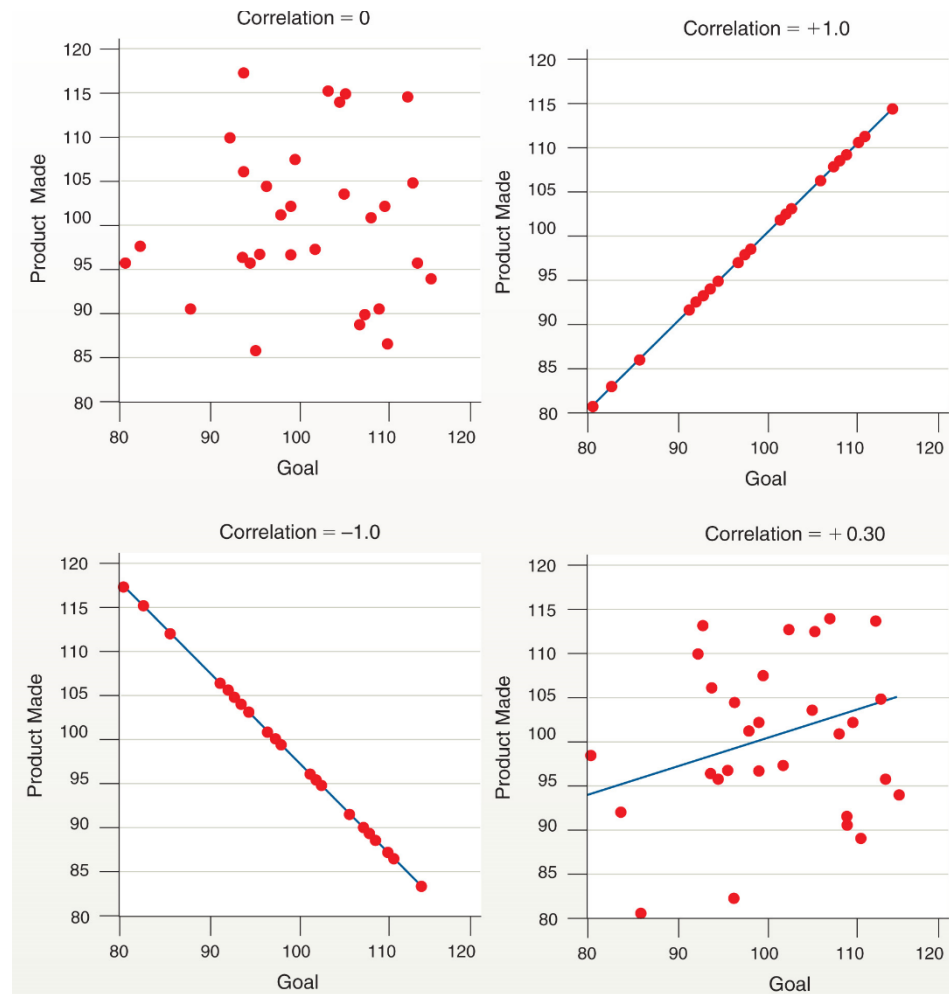
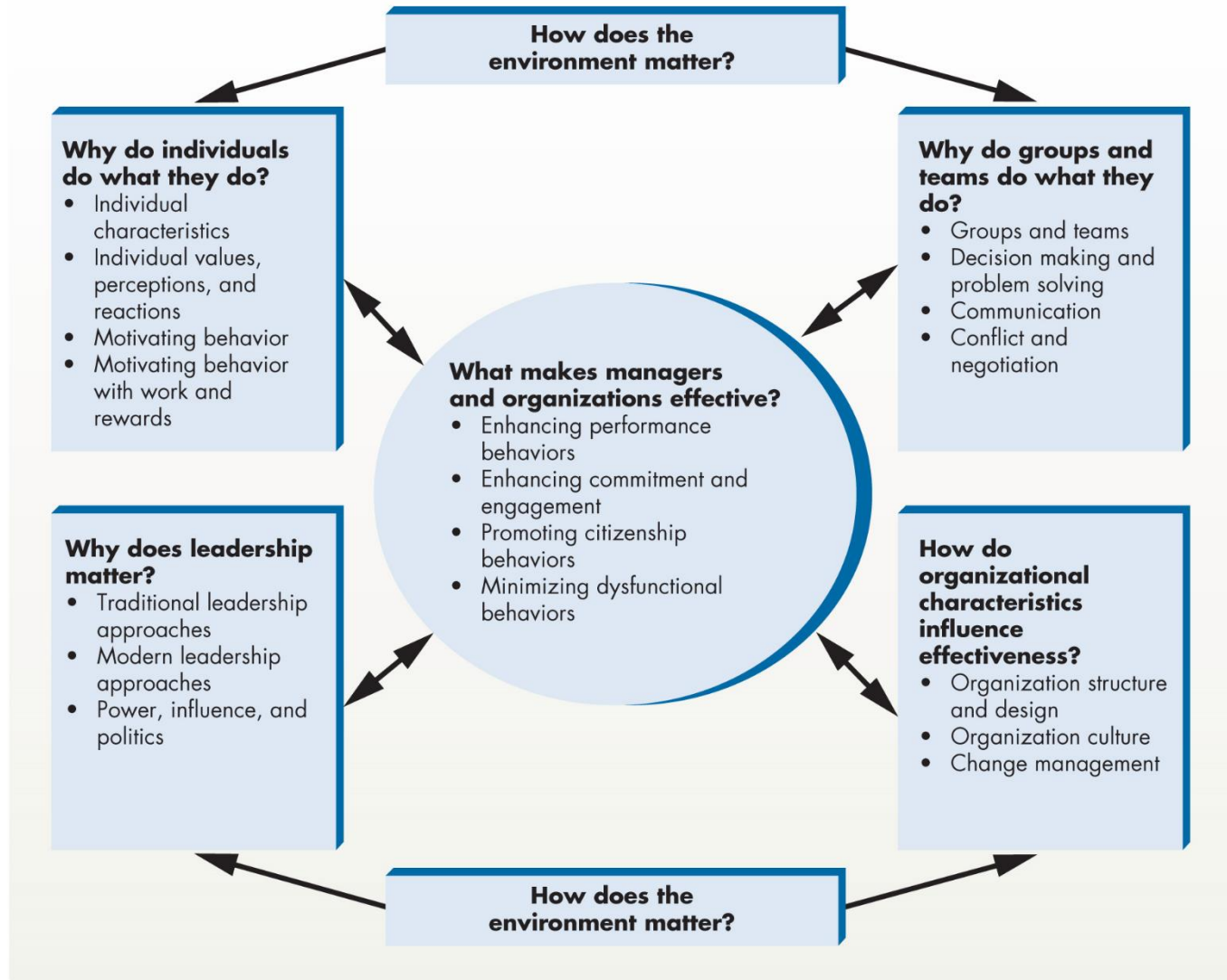


Figure 1.7

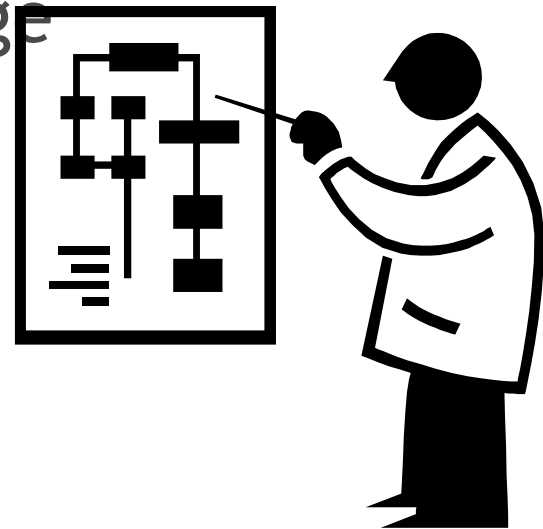
Organizational Behavior Framework

An array of environmental, individual, group and team, leadership, and organizational characteristics impact organizational behavior. If managers understand these concepts and characteristics they can better promote organizational effectiveness.



Challenges and Opportunities

- Responding to Globalisation
- Managing Workforce Diversity
- Improving Quality and Productivity
- Responding to labour shortage
- Improving Customer Service



Challenges and Opportunities (cont'd)

- Improving People Skills
- Empowering People
- Coping with “Temporariness”
- Stimulation Innovation and Change
- Helping Employees Balance Work/Life Conflicts
- Improving Ethical Behaviour



Organizational Behavior in Action

- Based on your reading of this chapter:
 - Some people have suggested that understanding human behavior at work is the single most important requirement for managerial success. Do you agree or disagree with this statement? Why?
 - Why will learning about OB help you to get a better job and a better career, and be a better manager?
 - What intuitively seems like it should improve employee productivity, but may not prove to be true if tested systematically? How could you apply the scientific method to test this theory?