What Is Organizational Behavior?
Chapter 1 Learning Objectives

After studying this chapter you should be able to:

- Demonstrate the importance of interpersonal skills in the workplace.
- Describe the manager’s functions, roles and skills.
- Define organizational behavior (OB).
- Show the value to OB of systematic study.
- Identify the major behavioral science disciplines that contribute to OB.
- Demonstrate why few absolutes apply to OB.
- Identify the challenges and opportunities managers have in applying OB concepts.
- Compare the three levels of analysis in this book’s OB model.
Introduction

- You’ve probably made many observations about people’s behavior in your life. In a way, you are already proficient at seeing some of the major themes in organizational behavior. At the same time, you probably have not had the tools to make these observations systematically.

- This is where organizational behavior comes into play. And, as we’ll learn, it is much more than common sense, intuition, and soothsaying.

- To see how far common sense gets you, try the following!

- How Much Do I Know About Organizational Behavior?
Demonstrate the Importance of Interpersonal Skills in the Workplace

- Formerly, business school curricula emphasized the technical aspects of management, focusing on economics, accounting, finance, and quantitative techniques.

- Course work in human behavior and people skills received relatively less attention.

- Director of Leadership - MIT Sloan School of Management: “M.B.A. students may get by on their technical and quantitative skills the first couple of years out of school. But soon, leadership and communication skills come to the fore in distinguishing the managers whose careers really take off.”
Demonstrate the Importance of Interpersonal Skills in the Workplace

- Understanding OB helping to determine manager effectiveness
- Leadership and communication skills that are critical as a person progresses in a career
- Lower turnover of quality employees
- Higher quality applications for recruitment
- Better financial performance
Succeeding in management today requires good interpersonal skills. Communication and leadership skills distinguish managers such as John Chambers, who rose to the top of their profession. Chambers is CEO of Cisco Systems, the world’s largest maker of networking equipment. He is respected as a visionary leader and innovator who has the ability to drive an entrepreneurial culture. As an effective communicator, Chambers is described as warm-hearted and straight talking. In this photo Chambers speaks during a launch ceremony of a green technology partnership Cisco formed with a university in China.
Demonstrate the Importance of Interpersonal Skills in the Workplace

- A recent survey of hundreds of workplaces, and more than 200,000 respondents, showed the social relationships among co-workers and supervisors were strongly related to overall job satisfaction.

- Positive social relationships also were associated with lower stress at work and lower intentions to quit.

- So having managers with good interpersonal skills is likely to make the workplace more pleasant, which in turn makes it easier to hire and keep qualified people.
Describe the Manager’s Functions, Roles And Skills

- **Manager**: Someone who gets things done through other people in organizations.
- Managers make decisions, allocate resources, and direct the activities of others to attain goals.
- Managers do their work in an **organization**.
Describe the Manager’s Functions, Roles And Skills

- **Organization**: A consciously coordinated social unit composed of two or more people that functions on a relatively continuous basis to achieve a common goal or set of goals.

- Manufacturing and service firms are organizations, and so are schools, hospitals, churches, military units, retail stores, police departments, and local, state, and federal government agencies, etc.

- **Management functions**: Planning, organizing, leading, and controlling

- Mintzberg concluded that managers perform ten different, highly interrelated roles or sets of behaviors attributable to their jobs.
### Minzberg’s Managerial Roles

<table>
<thead>
<tr>
<th>Role</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interpersonal</strong></td>
<td><strong>Figurehead</strong></td>
</tr>
<tr>
<td>Leader</td>
<td>Responsible for the motivation and direction of employees</td>
</tr>
<tr>
<td>Liaison</td>
<td>Maintains a network of outside contacts who provide favors and information</td>
</tr>
<tr>
<td><strong>Informational</strong></td>
<td><strong>Monitor</strong></td>
</tr>
<tr>
<td>Disseminator</td>
<td>Transmits information received from outsiders or from other employees to members of the organization</td>
</tr>
<tr>
<td>Spokesperson</td>
<td>Transmits information to outsiders on organization’s plans, policies, actions, and results; serves as expert on organization’s industry</td>
</tr>
<tr>
<td><strong>Decisional</strong></td>
<td><strong>Entrepreneur</strong></td>
</tr>
<tr>
<td>Disturbance handler</td>
<td>Responsible for corrective action when organization faces important, unexpected disturbances</td>
</tr>
<tr>
<td>Resource allocator</td>
<td>Makes or approves significant organizational decisions</td>
</tr>
<tr>
<td>Negotiator</td>
<td>Responsible for representing the organization at major negotiations</td>
</tr>
</tbody>
</table>
Describe the Manager’s Functions, Roles And Skills

- **Management Skills**
  - **Technical Skills**—The ability to apply specialized knowledge or expertise. All jobs require some specialized expertise, and many people develop their technical skills on the job.
  - **Human Skills**—Ability to work with, understand, and motivate other people, both individually and in groups, describes human skills.
  - **Conceptual Skills**—The mental ability to analyze and diagnose complex situations.
Luthans and associates found that all managers engage in four managerial activities.

- **Traditional management**: Decision making, planning, and controlling.
- **Communication**: Exchanging routine information and processing paperwork.
- **Human resource management**: Motivating, disciplining, managing conflict, staffing, and training.
- **Networking**: Socializing, politicking, and interacting with outsiders.
Effective Versus Successful Managerial Activities

Exhibit 1-2: Allocation of Activities by Time

- **Average managers**
  - Traditional management: 32%
  - Communication: 20%
  - Human resource management: 19%
  - Networking: 29%

- **Successful managers**
  - Traditional management: 48%
  - Communication: 13%
  - Human resource management: 28%
  - Networking: 11%

- **Effective managers**
  - Traditional management: 26%
  - Communication: 19%
  - Human resource management: 44%
  - Networking: 11%

Define “Organizational Behavior” (OB)

- OB is a field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations for the purpose of applying such knowledge toward improving an organization’s effectiveness.
Online shoe retailer Zappos.com understands how organizational behavior affects an organization’s performance. Zappos maintains good employee relationships by providing generous benefits, extensive customer service training, and a positive, fun-loving work environment. Employees are empowered to make decisions that increase customer satisfaction and are encouraged to create fun and a little weirdness.” At Zappos, employee loyalty, job satisfaction, and productivity are high, contributing to the company’s growth. In this photo, employees view a line of shoes in one of the company’s quirky offices.
Show the Value to OB of Systematic Study

- Behavior generally is predictable, and the **systematic study of behavior** is a means to making reasonably accurate predictions.

- **Systematic study** means to look at relationships, attempting to attribute causes and effects, and basing our conclusions on scientific evidence—that is, on data gathered under controlled conditions and measured and interpreted in a reasonably rigorous manner.
Show the Value to OB of Systematic Study

- **Evidence-Based Management (EBM)**
  - Complements systematic study.
  - Argues for managers to make decisions on evidence.

- A manager might pose a managerial question, search for the best available evidence, and apply the relevant information to the question or case at hand.
Show the Value to OB of Systematic Study

- **Intuition**
  - Systematic study and EBM add to intuition, or those “gut feelings” about “why I do what I do” and “what makes others tick.”
  - The things you have come to believe in an unsystematic way are not necessarily incorrect.
  - Jack Welch (former CEO of GE) noted, “The trick, of course, is to know when to go with your gut.”
  - However, if we make all decisions with intuition or gut instinct, we’re likely working with incomplete information.
Identify the Major Behavioral Science Disciplines That Contribute to OB

- Organizational behavior is an applied behavioral science that is built upon contributions from a number of behavioral disciplines.
Identify the Major Behavioral Science Disciplines That Contribute to OB

Exhibit 1-3: Toward an OB Discipline

<table>
<thead>
<tr>
<th>Behavioral science</th>
<th>Contribution</th>
<th>Unit of analysis</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychology</td>
<td>Learning, Motivation, Personality, Emotions, Perception, Training, Leadership effectiveness, Job satisfaction, Individual decision making, Performance appraisal, Attitude measurement, Employee selection, Work design, Work stress</td>
<td>Individual</td>
<td>Study of organizational behavior</td>
</tr>
<tr>
<td>Social psychology</td>
<td>Behavioral change, Attitude change, Communication, Group processes, Group decision making</td>
<td>Group</td>
<td></td>
</tr>
<tr>
<td>Sociology</td>
<td>Communication, Power, Conflict, Intergroup behavior</td>
<td>Organization system</td>
<td></td>
</tr>
<tr>
<td>Anthropology</td>
<td>Formal organization theory, Organizational technology, Organizational change, Organizational culture, Comparative values, Comparative attitudes, Cross-cultural analysis, Organizational culture, Organizational environment, Power</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Identify the Major Behavioral Science Disciplines That Contribute to OB

- **Psychology**
  - Psychology is the science that seeks to measure, explain, and sometimes change the behavior of humans and other animals.

- **Social Psychology**
  - Social psychology blends the concepts of psychology and sociology.
Identify the Major Behavioral Science Disciplines That Contribute to OB

- **Sociology**
  - Sociologists study the social system in which individuals fill their roles; that is, sociology studies people in relation to their fellow human beings.

- **Anthropology**
  - Anthropology is the study of societies to learn about human beings and their activities.
Few Absolutes Apply to OB

- Human beings are complex, and a few, if any, simple and universal principles that explain organizational behavior.

- Contingency variables (z)—situational factors are variables that moderate the relationship between the independent (x) and dependent (y) variables.

- The science of OB was developed by applying general concepts to a particular situation, person, or group.
Few Absolutes Apply to OB

Situational factors that make the main relationship between two variables change—e.g., the relationship may hold for one condition but not another.

- **Contingency Variable (Z)**
  - Independent Variable (X)
  - Dependent Variable (Y)

- **In American Culture**
  - Boss Gives “Thumbs Up” Sign
  - Understood as Complimenting

- **In Iranian or Australian Cultures**
  - Boss Gives “Thumbs Up” Sign
  - Understood as Insulting - “Up Yours!”

Copyright © 2013 Pearson Education
Identify the Challenges and Opportunities of OB Concepts

- **Responding to Economic Pressure**
  - In economic tough times, effective management is an asset.
  - In good times, understanding how to reward, satisfy, and retain employees is at a premium. In bad times, issues like stress, decision making, and coping come to the fore.
Identify the Challenges and Opportunities of OB Concepts

- Responding to Globalization
  - Increased Foreign Assignments
  - Working with People from Different Cultures
Managing Workforce Diversity

- Workforce diversity acknowledges a workforce of women and men;
- many racial and ethnic groups;
- individuals with a variety of physical or psychological abilities;
- and people who differ in age and sexual orientation.
Identify the Challenges and Opportunities of OB Concepts

- **Improving Customer Service**
  - Today the majority of employees in developed countries work in service jobs.
  - Employee attitudes and behavior are associated with customer satisfaction.
Identify the Challenges and Opportunities of OB Concepts

- Improving People Skills
  - People skills are essential to managerial effectiveness.
  - OB provides the concepts and theories that allow managers to predict employee behavior in given situations.
Stimulating Innovation and Change

- Successful organizations must foster innovation and master the art of change.
- Employees can be the impetus for innovation and change or a major stumbling block.
- Managers must stimulate employees’ creativity and tolerance for change.
### Identify the Challenges and Opportunities of OB Concepts

#### Coping with “Temporariness”

- Organizations must be flexible and fast in order to survive.
- Managers and employees must learn to cope with temporariness.
- Learning to live with flexibility, spontaneity, and unpredictability.
- OB provides help in understanding a work world of continual change, how to overcome resistance to change, and how to create an organizational culture that thrives on change.
Identify the Challenges and Opportunities of OB Concepts

- Working in Networked Organizations
  - Networked organizations are becoming more pronounced.
  - Manager’s job is fundamentally different in networked organizations. Challenges of motivating and leading “online” require different techniques.
Identify the Challenges and Opportunities of OB Concepts

- **Helping Employees Balance Work-Life Conflicts**
  - The creation of the global workforce means work no longer sleeps.
  - Communication technology has provided a vehicle for working at any time or any place.
  - Employees are working longer hours per week.
  - The lifestyles of families have changed—creating conflict.
  - Balancing work and life demands now surpasses job security as an employee priority.
Identify the Challenges and Opportunities of OB Concepts

- **Creating a Positive Work Environment**
  - Organizations have realized creating a positive work environment can be a competitive advantage.
  - Positive organizational scholarship or behavior studies what is ‘good’ about organizations.
  - This field of study focuses on employees’ strengths versus their limitations as employees share situations in which they performed at their personal best.
Identify the Challenges and Opportunities of OB Concepts

- **Improving Ethical Behavior**
  - Ethical dilemmas are situations in which an individual is required to define right and wrong conduct.
  - Good ethical behavior is not so easily defined.
  - Organizations are distributing codes of ethics to guide employees through ethical dilemmas.
  - Managers need to create an ethically healthy climate.
Three Levels of Analysis in This Book’s OB Model

**Inputs**
- Individual Level
  - Diversity
  - Personality
  - Values
- Group Level
  - Group structure
  - Group roles
  - Team responsibilities
- Organizational Level
  - Structure
  - Culture

**Processes**
- Individual Level
  - Emotions and moods
  - Motivation
  - Perception
  - Decision making
- Group Level
  - Communication
  - Leadership
  - Power and politics
  - Conflict and negotiation
- Organizational Level
  - Human resource management
  - Change practices

**Outcomes**
- Individual Level
  - Attitudes and stress
  - Task performance
  - Citizenship behavior
  - Withdrawal behavior
- Group Level
  - Group cohesion
  - Group functioning
- Organizational Level
  - Productivity
  - Survival
Three Levels of Analysis in This Book’s OB Model

- **Inputs**
  - Inputs are the variables like personality, group structure, and organizational culture that lead to processes.
  - Group structure, roles, and team responsibilities are typically assigned immediately before or after a group is formed.
Three Levels of Analysis in This Book’s OB Model

- **Processes**
  - If inputs are like the nouns in organizational behavior, processes are like verbs.
  - Processes are actions that individuals, groups, and organizations engage in as a result of inputs and that lead to certain outcomes.

**Individual Level**
- Emotions and moods
- Motivation
- Perception
- Decision making

**Group Level**
- Communication
- Leadership
- Power and politics
- Conflict and negotiation

**Organizational Level**
- Human resource management
- Change practices
Three Levels of Analysis in This Book’s OB Model

Outcomes

• Outcomes are the key variables that you want to explain or predict, and that are affected by some other variables.

Individual Level
• Attitudes and stress
• Task performance
• Citizenship behavior
• Withdrawal behavior

Group Level
• Group cohesion
• Group functioning

Organizational Level
• Productivity
• Survival
Variables of Interest

- **Attitudes and stress**
  - Employee attitudes are the evaluations employees make, ranging from positive to negative, about objects, people, or events.
  - Stress is an unpleasant psychological process that occurs in response to environmental pressures.

- **Task performance**
  - The combination of effectiveness and efficiency at doing your core job tasks is a reflection of your level of task performance.
Variables of Interest

- **Citizenship behavior**
  - The discretionary behavior that is not part of an employee’s formal job requirements, and that contributes to the psychological and social environment of the workplace, is called citizenship behavior.

- **Withdrawal behavior**
  - Withdrawal behavior is the set of actions that employees take to separate themselves from the organization.
Variables of Interest

- **Group cohesion**
  - Group cohesion is the extent to which members of a group support and validate one another at work.

- **Group functioning**
  - Group functioning refers to the quantity and quality of a group’s work output.
Variables of Interest

- **Productivity**
  - An organization is productive if it achieves its goals by transforming inputs into outputs at the lowest cost. This requires both effectiveness and efficiency.

- **Survival**
  - The final outcome we will consider is organizational survival, which is simply evidence that the organization is able to exist and grow over the long term.
Variables of Interest

Exhibit 1-5: The Plan of the Book

The Individual
- Inputs:
  - Diversity in Organizations (Ch. 2)
  - Personality and Values (Ch. 5)
- Processes:
  - Emotions and moods (Ch. 4)
  - Motivation (Ch. 7 and 8)
  - Perception and decision making (Ch. 6)
- Outcomes:
  - Attitudes (Ch. 3) & stress (Ch. 18)
  - Task performance (all)
  - Citizenship behavior (all)
  - Withdrawal behavior (all)

The Group
- Inputs:
  - Group structures (Ch. 9 & 10)
  - Group roles (Ch. 9 & 10)
  - Team responsibilities (Ch. 9 & 10)
- Processes:
  - Communication (Ch. 11)
  - Leadership (Ch. 12)
  - Power and politics (Ch. 13)
  - Conflict and negotiation (Ch. 14)
- Outcomes:
  - Group cohesion (Ch. 9 & 10)
  - Group functioning (Ch. 9 & 10)

The Organization
- Inputs:
  - Structure (Ch. 15)
  - Culture (Ch. 16)
- Processes:
  - Human resource management (Ch. 17)
  - Change practices (Ch. 18)
- Outcomes:
  - Profitability (Ch. 16 & 17)
  - Survival (Ch. 16 & 17)