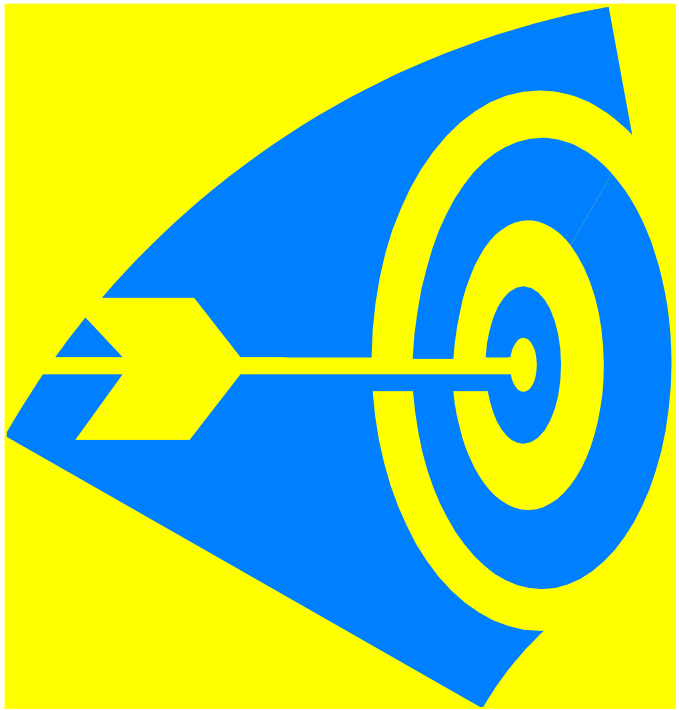
Organizational Behavior

(PSYC-6223)

Lecture-29-30

OB……..

IN A GLANCE



In OB, everything depends. . .

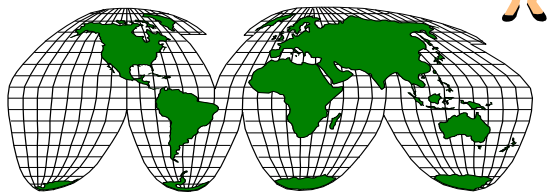
But you need to know on what !

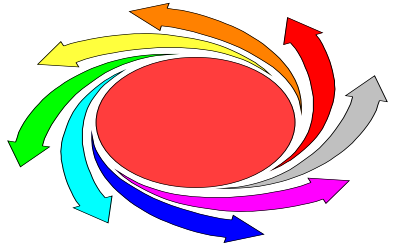
Organizational Behavior

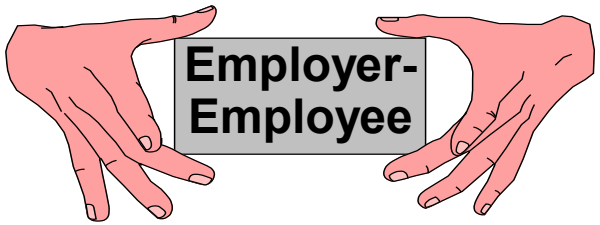
Organizational Behavior

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.

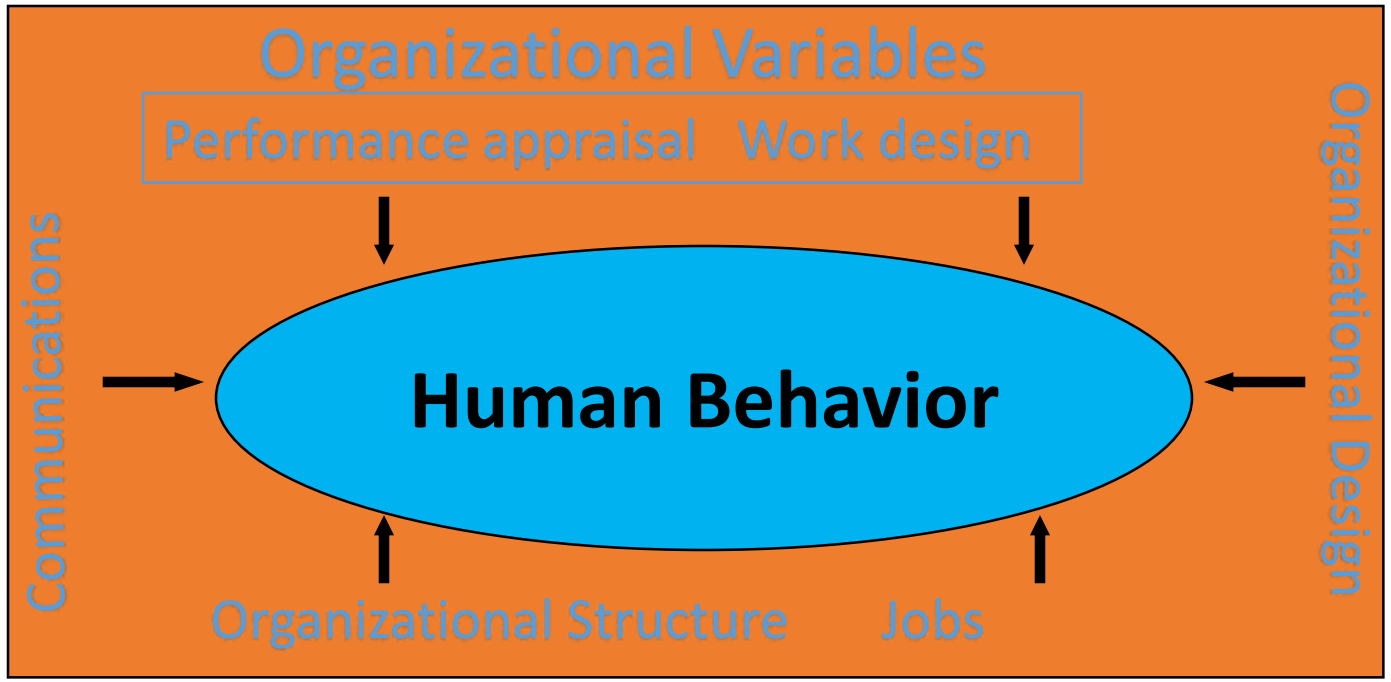
Forces reshaping the process of management





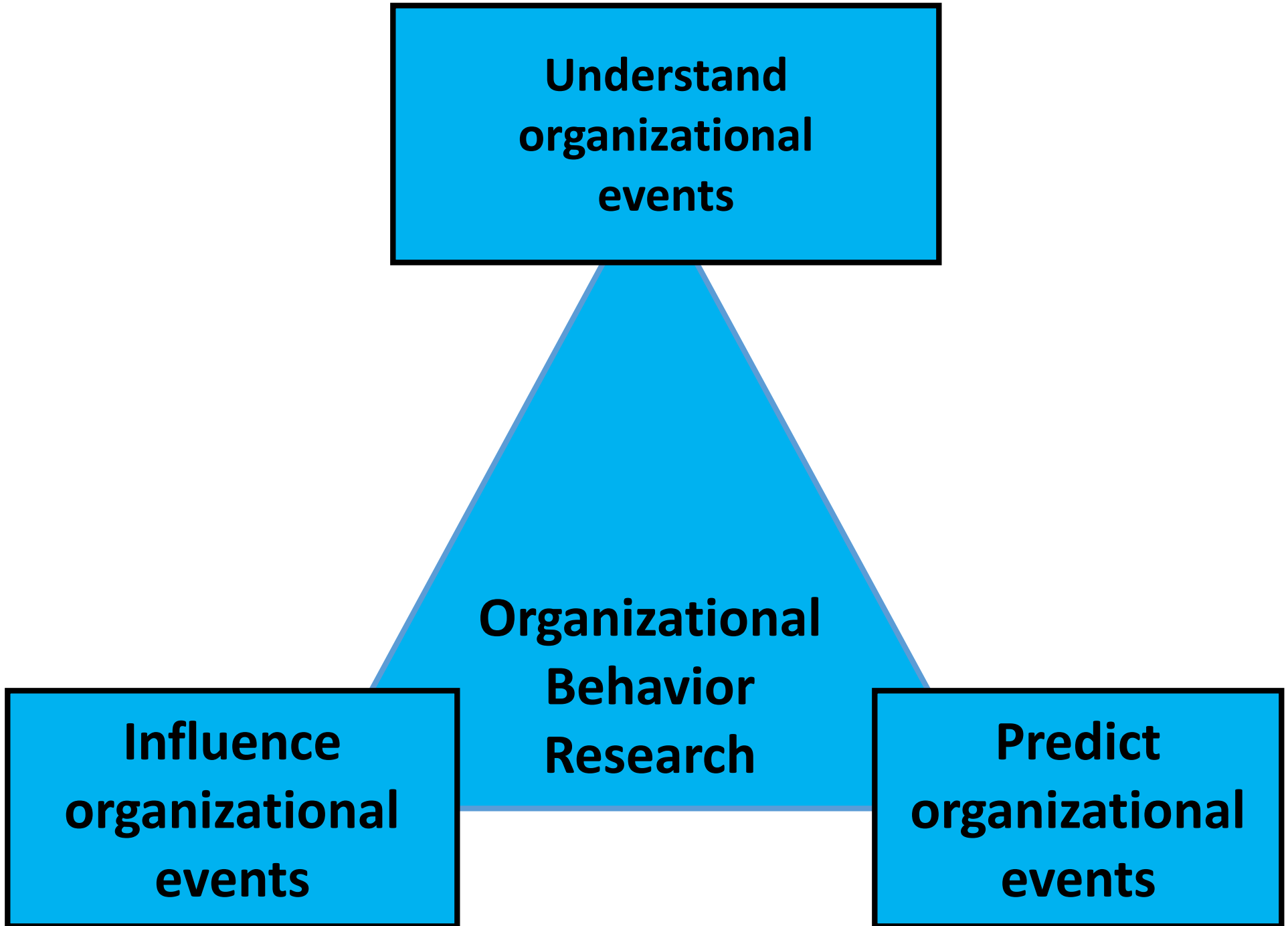

Employer-
Employee

Organizational Behavior



Behavior is a function of both the **Person** and the **Environment**.

$$B = f(P/E)$$

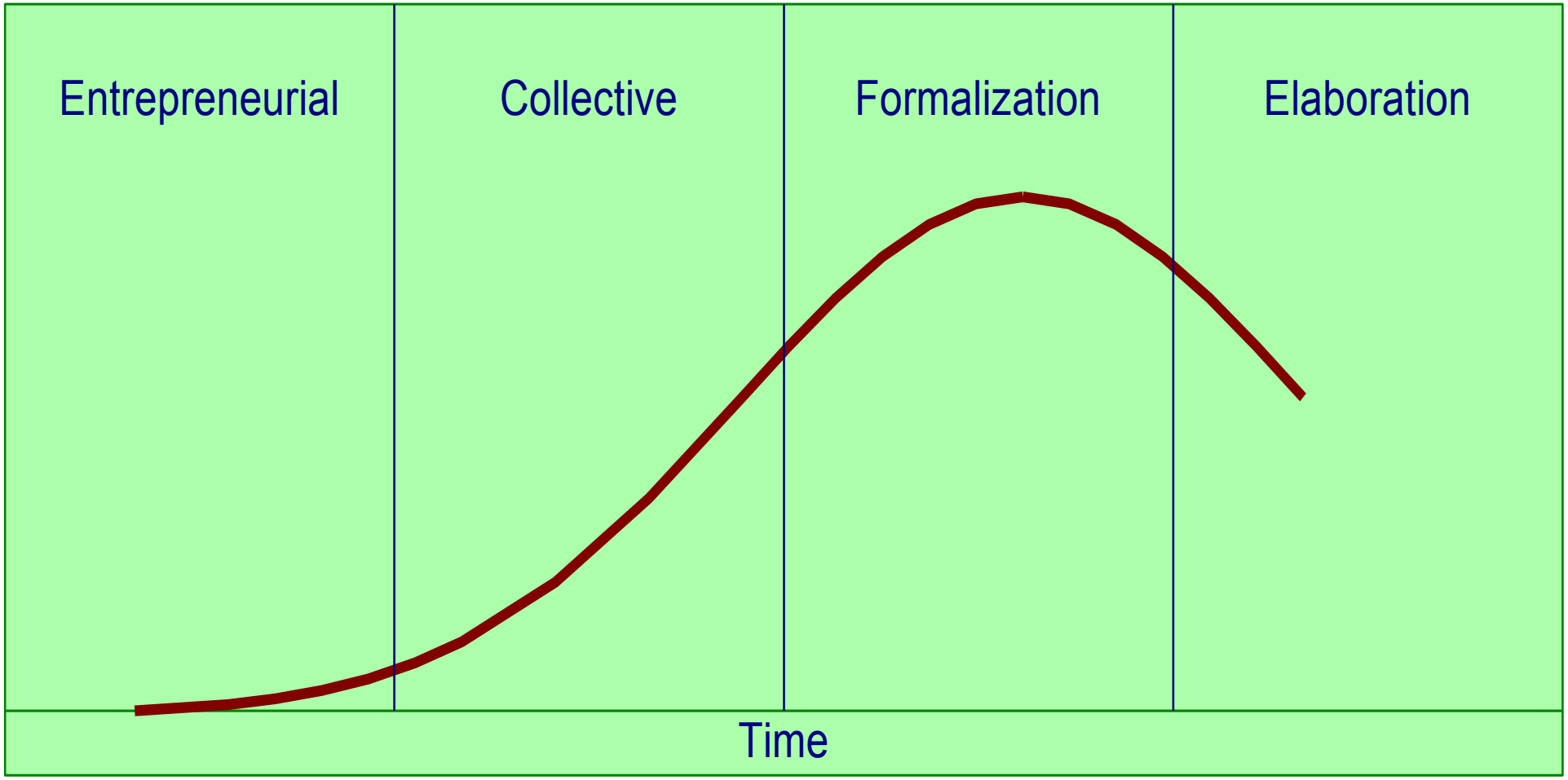

Understand organizational events
Organizational Behavior Research
Influence organizational events
Predict organizational events

OB

Systematic study of how people behave in organizations

What is an Organization?

A structured social system consisting of groups and individuals working together to meet some agreed-upon objectives.


Entrepreneurial
Collective
Formalization
Elaboration
Time

Stages in the Organizational Life Cycle

1) **Entrepreneurial:** The creation stage of an organization; founder managers do most jobs, work long hours, set the climate of the organization

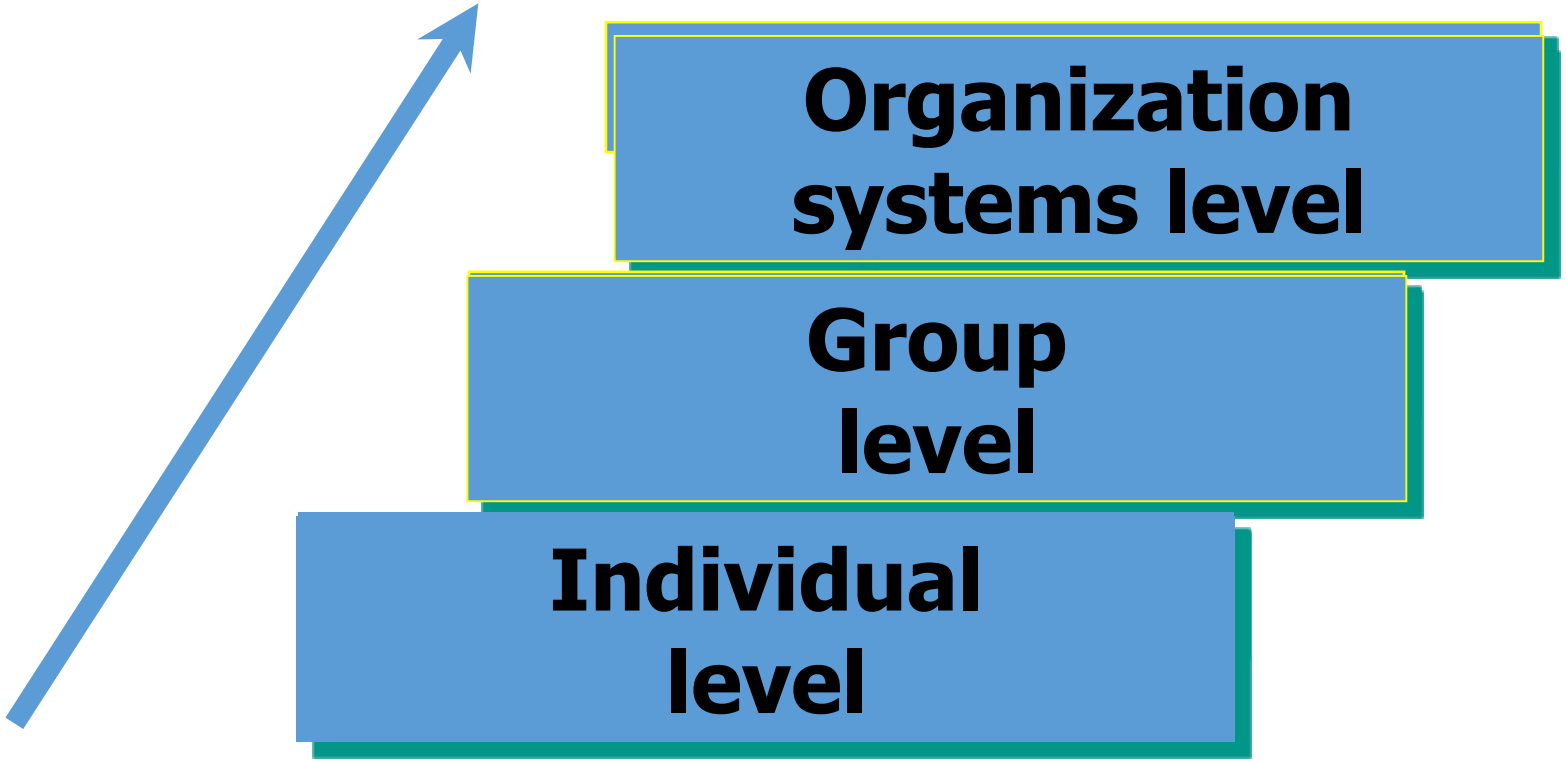
2) **Collective:** The organization begins to take shape; division of labour occurs; control, responsibilities & levels of autonomy are established

3) **Formalization:** Formal roles become established; strategic & operational concerns are differentiated; co-ordination & control become desired goals

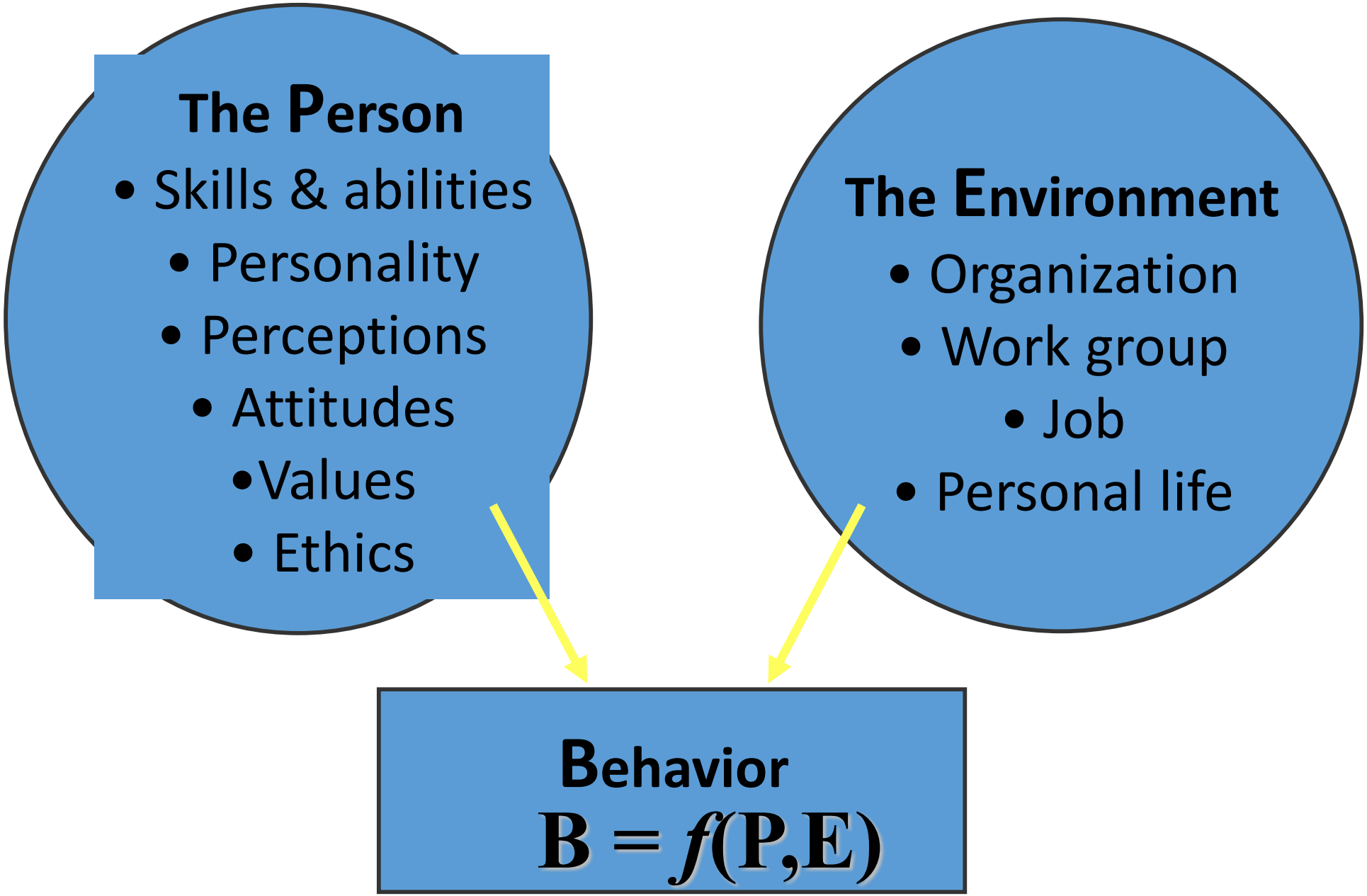
4) **Elaboration:** The stage of renewal which follows the increasing rigidity of the formalization stage

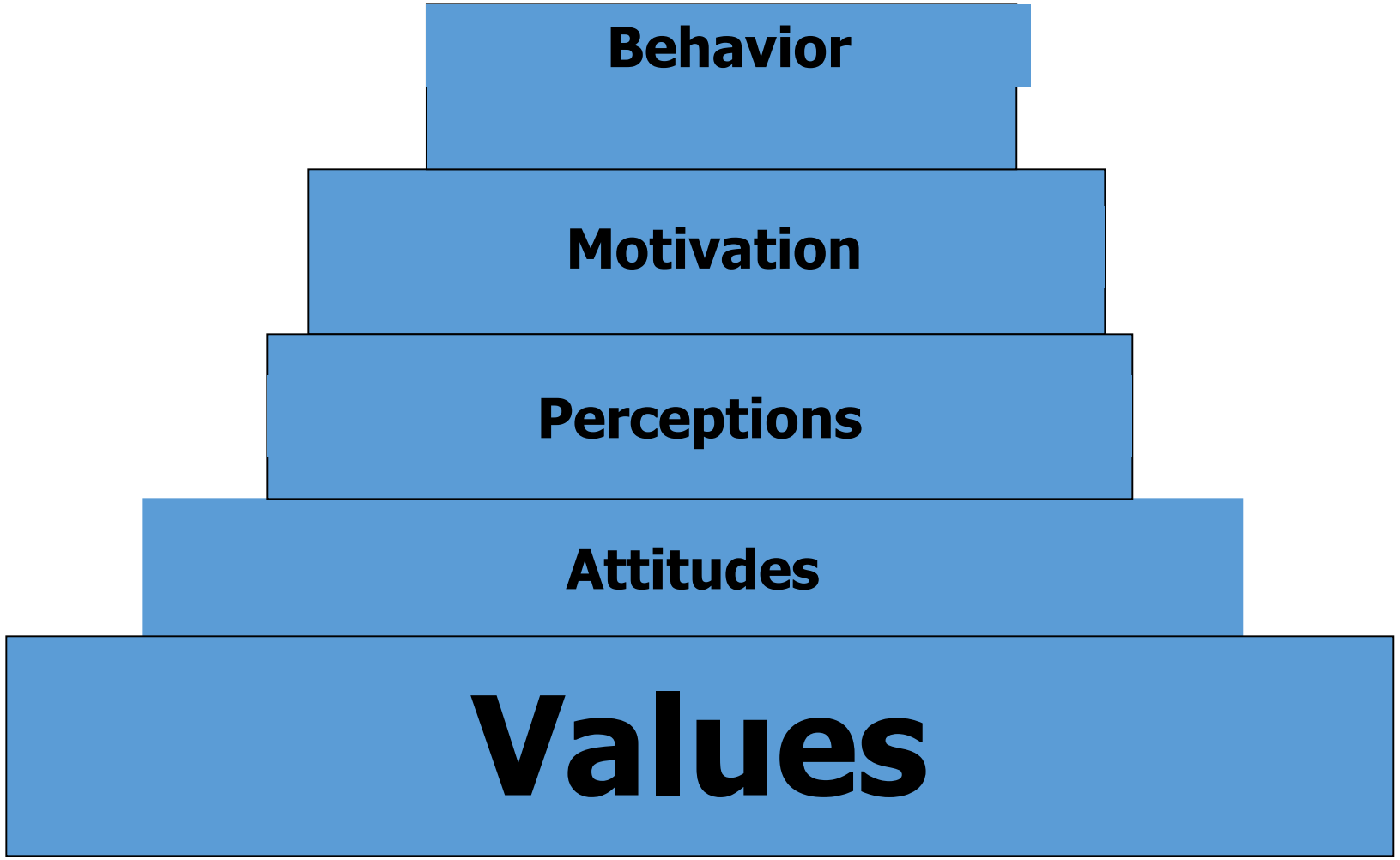
Organizational Strategy

Basic OB Model



Variables Influencing Individual Behavior


The Person
• Skills & abilities
• Personality
• Perceptions
• Attitudes
•Values
• Ethics
The Environment
• Organization
• Work group
• Job
• Personal life
Behavior
B = f(P,E)


Behavior
Motivation
Perceptions
Attitudes
Values

Individual Level Factors

- Values, Attitudes
- Personality & Emotions
- Ability
- Perception
- Attribution
- Motivation

Group & Interpersonal Factors

- Group Structure
- Team Characteristics & Development
- Leadership
- Conflict
- Power & Politics

Organizational Factors

- Organization Structure
- Work Design
- Organization Culture

What is Organizational Behavior?

- **Refers to the attitudes and behaviours of individuals and groups in organizations.**
- **Studies how organizations can be structured more effectively and how events in their external environments affect organizations.**

Why Study Organizational Behavior?

- **It is interesting because it is about people and human nature.**
  - **Includes interesting examples of success and failure.**
  - **Provides tools to find out why people behave the way they do.**

- It is important to managers, employees and consumers.
- Understanding organizational behaviour makes more effective managers, employees and consumers.

- **Organizational behaviour has a powerful influence on the attitudes and behaviours of individuals in organizations.**

- **Organizational behaviour can impact financial performance.**

The Nature of Organizational Behavior

Organizational Behavior

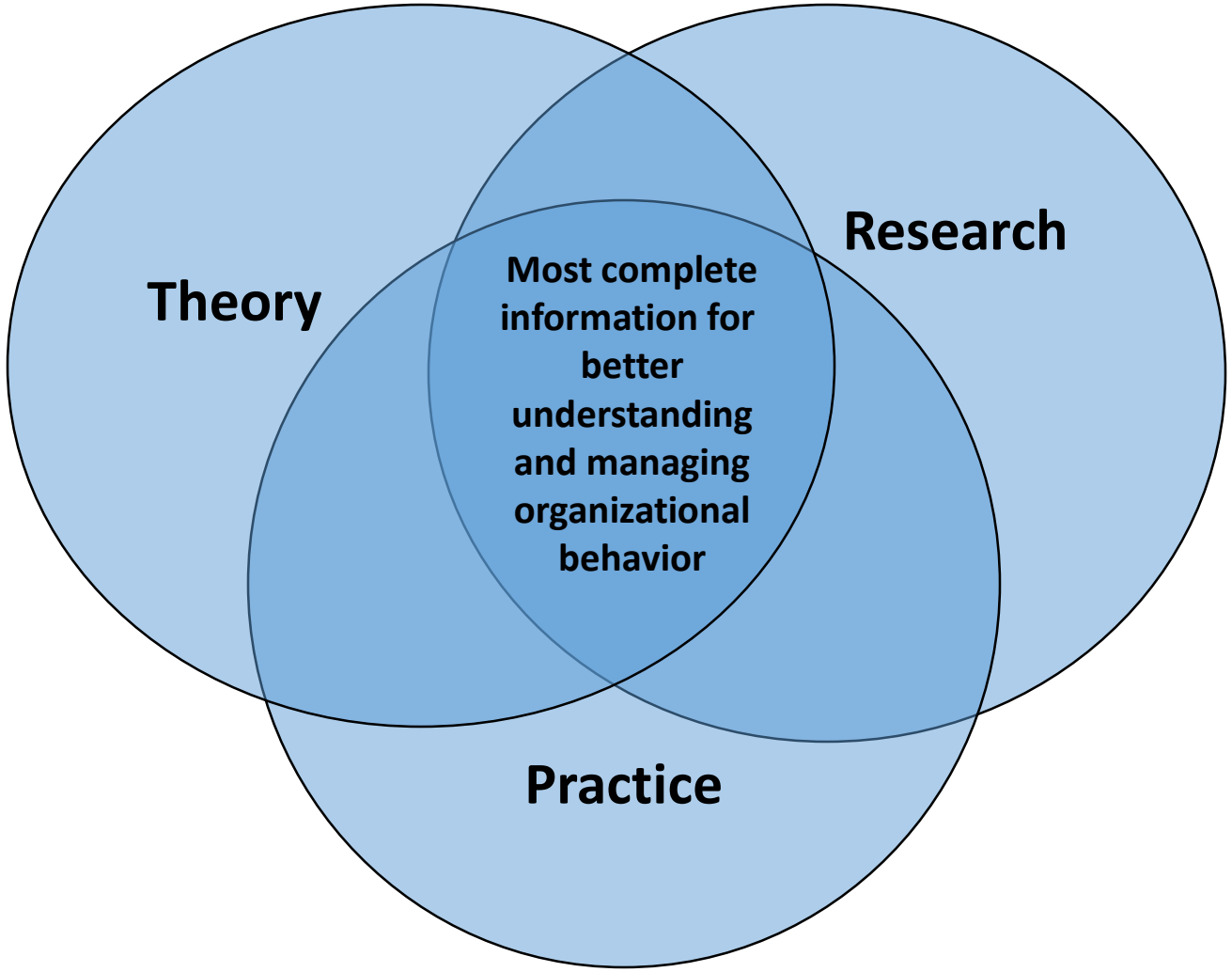
- **Objectives**
  - Understand behavior
  - Predict behavior
  - Control behavior
- **Evaluate**
  - Personal Factors
  - Situational Factors

- **Derived from**
  - Psychology
  - Sociology
  - Social Psychology
  - Anthropology
  - Political Science

Some Key Trends Impacting OB

- Diversity and Demographic Changes
- Globalization
- Changing Social & Ethical Values & Expectations of
  - Employees, Customers, Investors, General Public
- Rapid Technological Change
- Changing Management Initiatives
  - Teams, Empowerment, Downsizing, Temporary Employment

Learning About OB Through A Combination of Theory, Research, and Practice

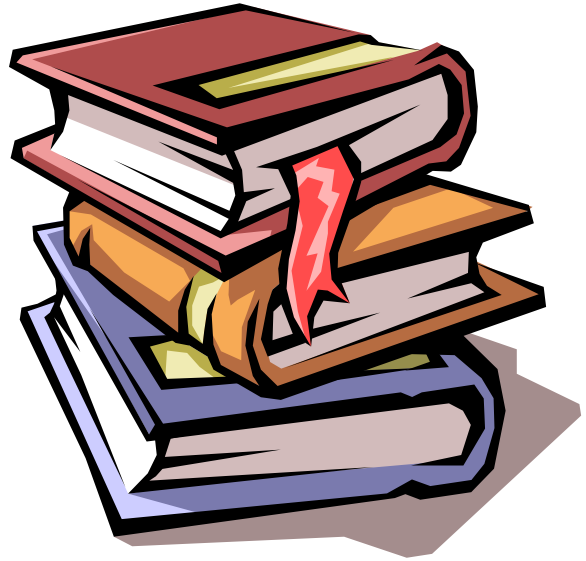


Developing an OB Model

- **Dependent Variables**
  - Productivity
  - Absenteeism
  - Turnover
  - Job Satisfaction
- **Independent Variables**
  - Individual-Level Variables
  - Group-Level Variables
  - Organizational Systems-Level Variables

The History of OB

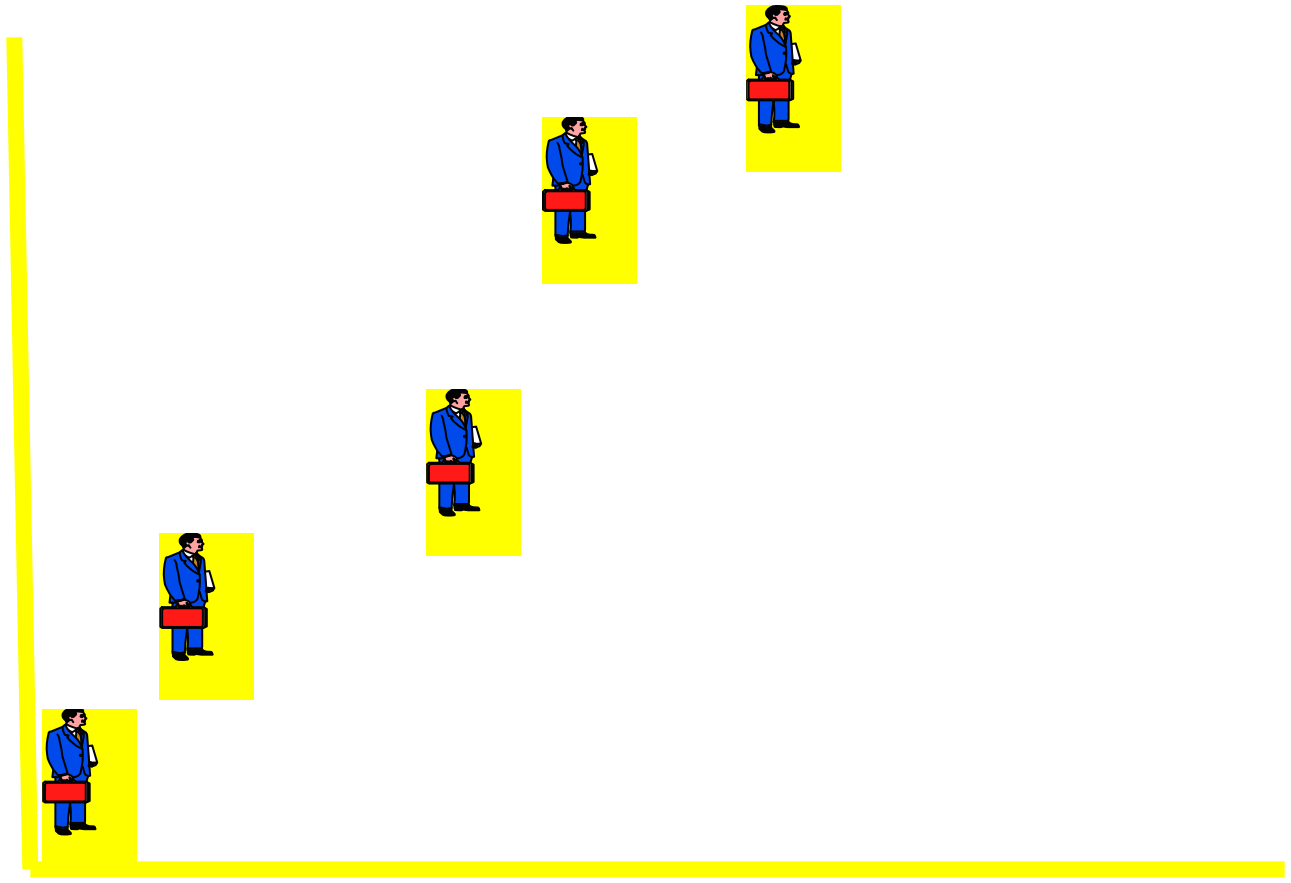
- The Early Days: Scientific Management and the Hawthorne Studies
- Classical Organizational Theory
- Late Twentieth Century: Organizational Behavior as a Social Science
- OB Today: The Infotech Age



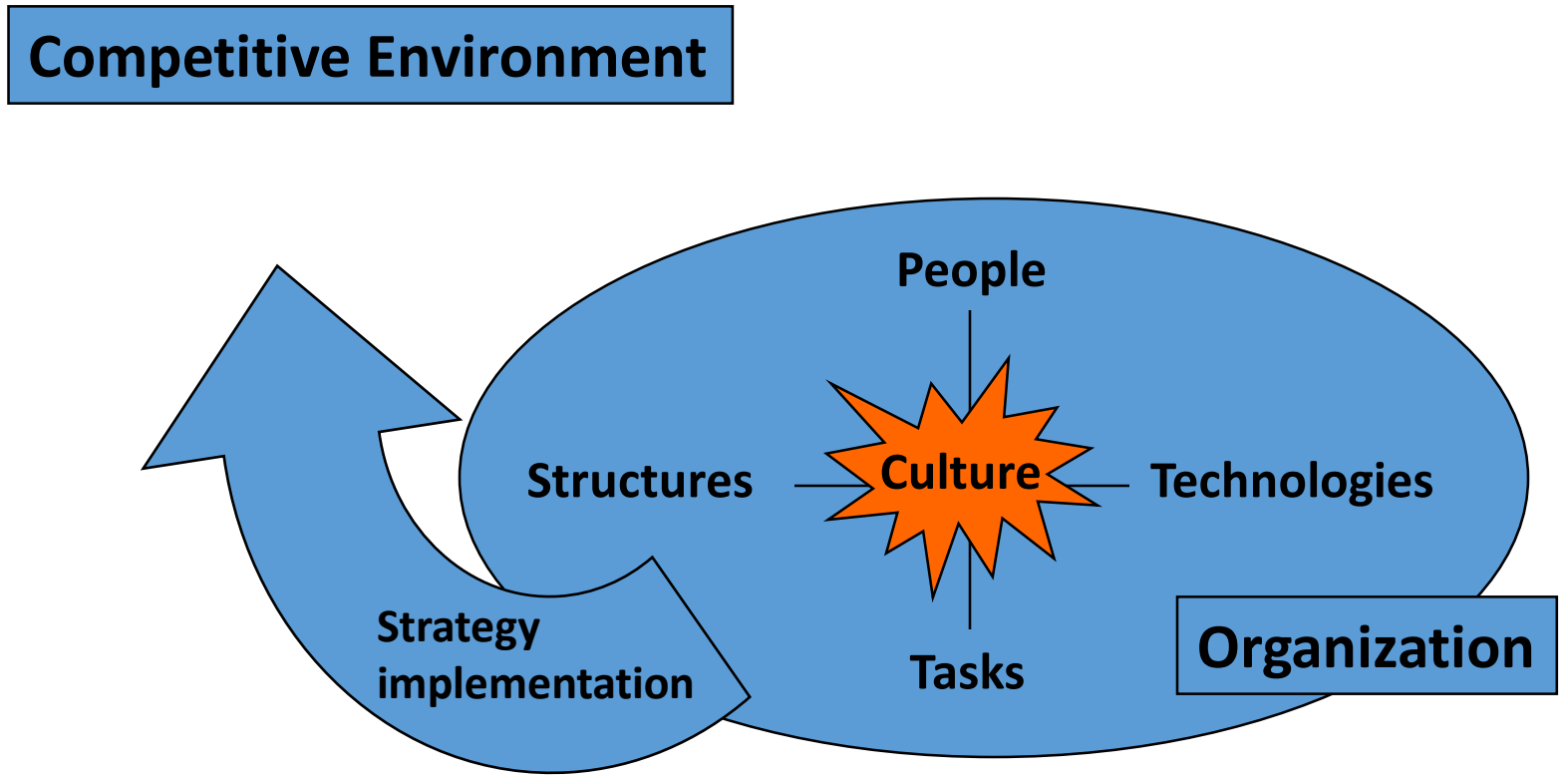
The Historical Backdrop

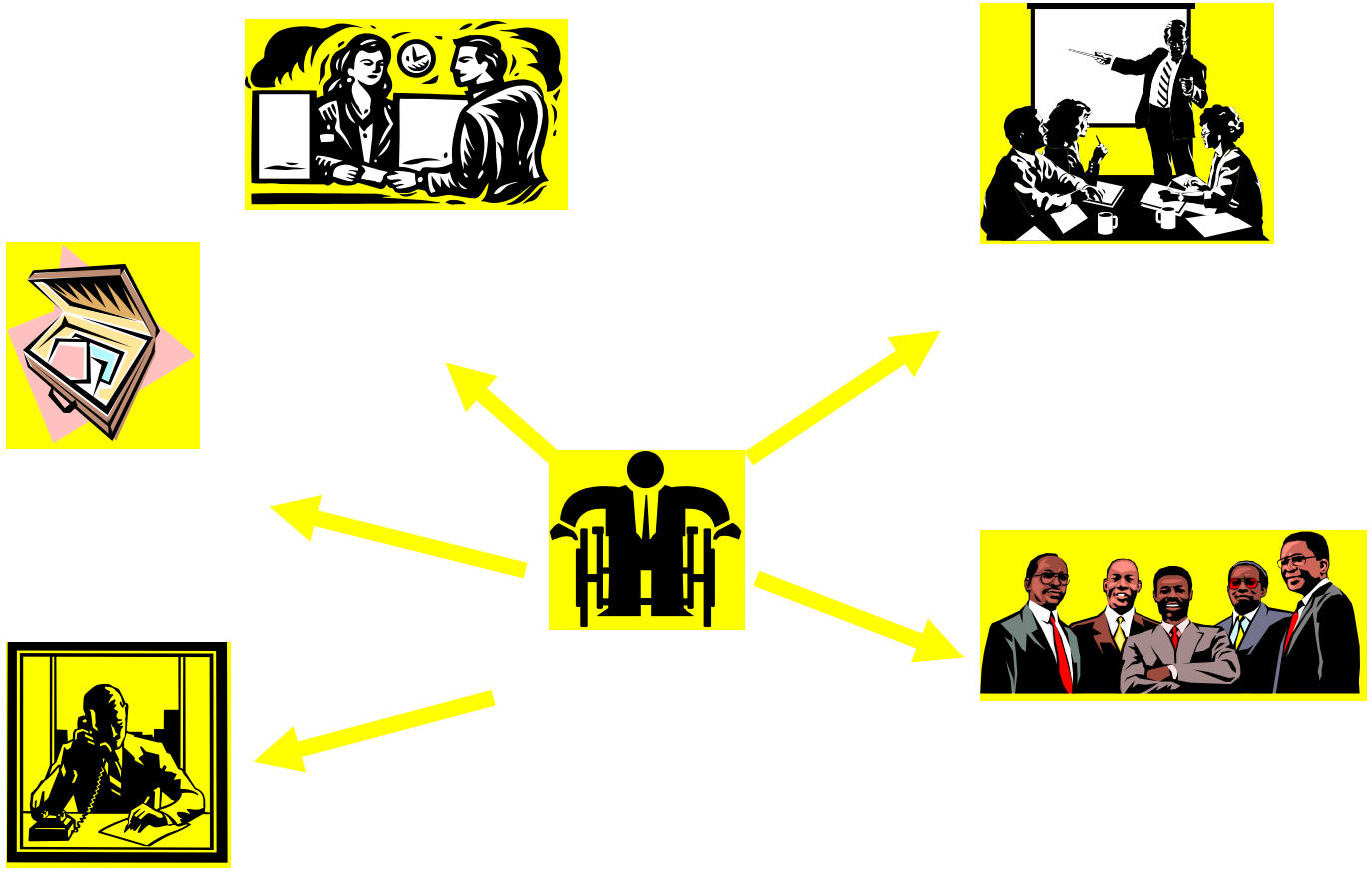
- Structural Perspectives
  - Scientific Management
  - Classical School
  - Bureaucracy
- Behavioral Perspectives
  - Human Relations School
  - Group Dynamics
  - Decision Theory
  - Leadership

Historical Timeline of the Emergence of Organizational Behavior



OB in a Performance Context

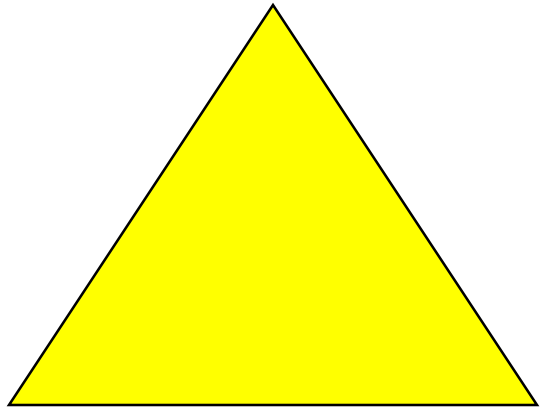




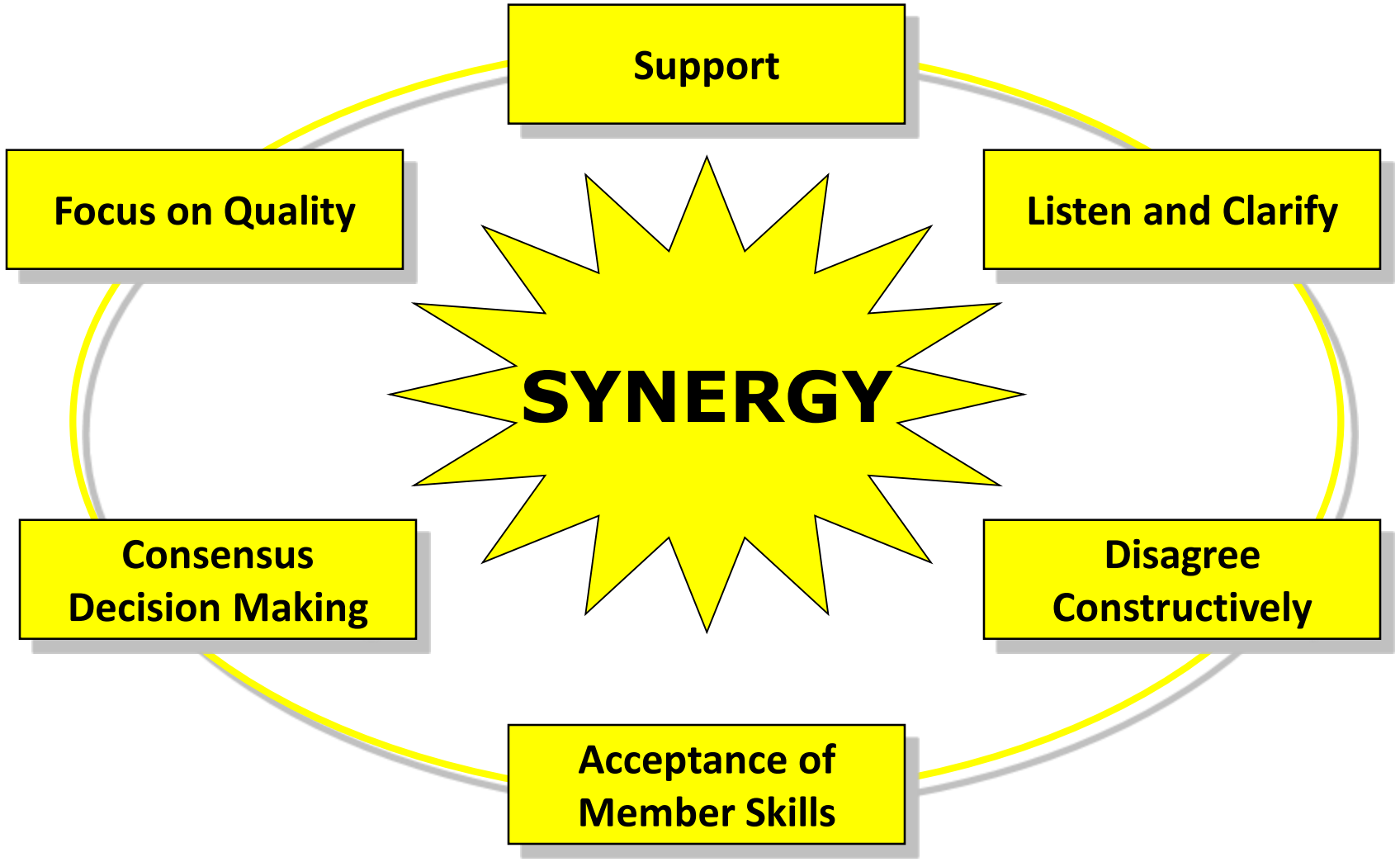
Competencies Required for Managers

- Adaptability
- Knowledge about State-of-the-Art Practice
- Intercultural Competencies
- Information Technology Skills
- Critical Thinking Skills
- Creativity
- Interpersonal Effectiveness

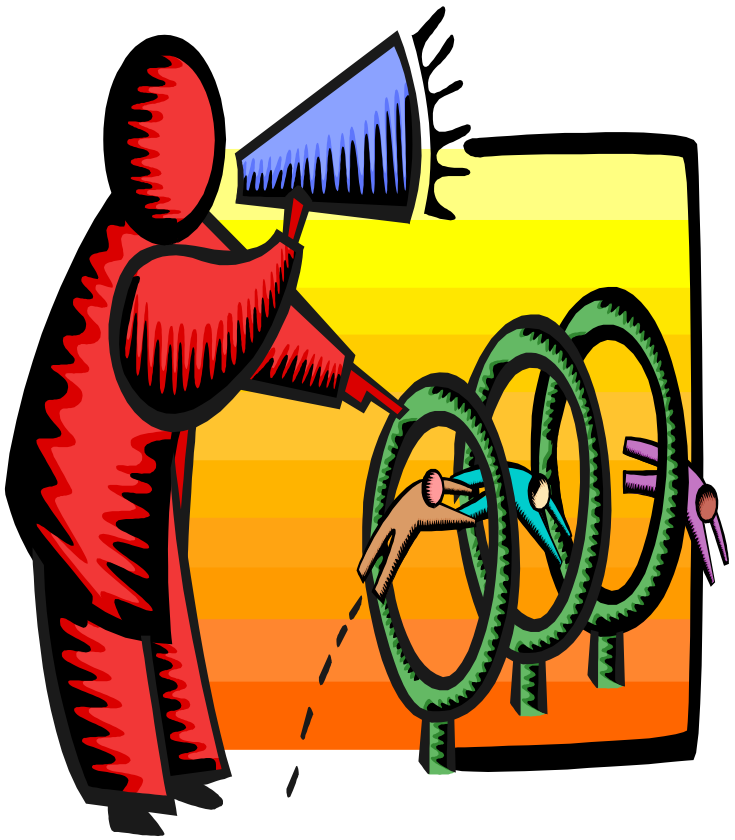
The Skill Triangle



How To Develop Team Synergy



Responding to Changes in Expectations



- Increasing Flexibility in Response to Employees' Needs
- The Quality Revolution
- Corporate Social Responsibility

Shifting Paradigms of Organizational Behavior

- Demise of “command-and-control.”
- Emergence of new workplace expectations.
- Critical role of information technologies.
- Belief in empowerment.
- Emphasis on teamwork.
- Concern for work-life balance.

Prominent Trends

- The rise of global businesses with culturally diverse workforces.
- Rapid advances in technology.
- The rising expectations of people in general.

Shifting Demographics

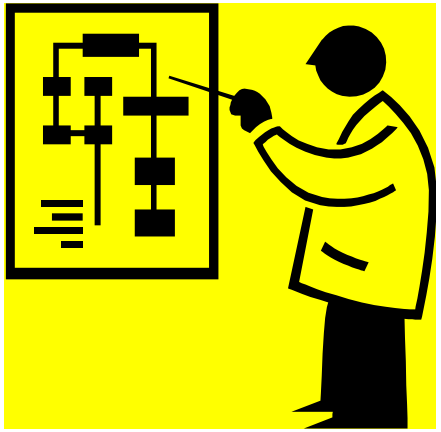
- More women are in the workforce than ever before.
- Ethnic diversity is reality.
- People are living – and working – longer than ever before.

Alternative forms of organization

- Global matrix structures
- Networks
- Joint ventures
- Strategic alliances
- Voluntary organizations
- Non-profit organizations

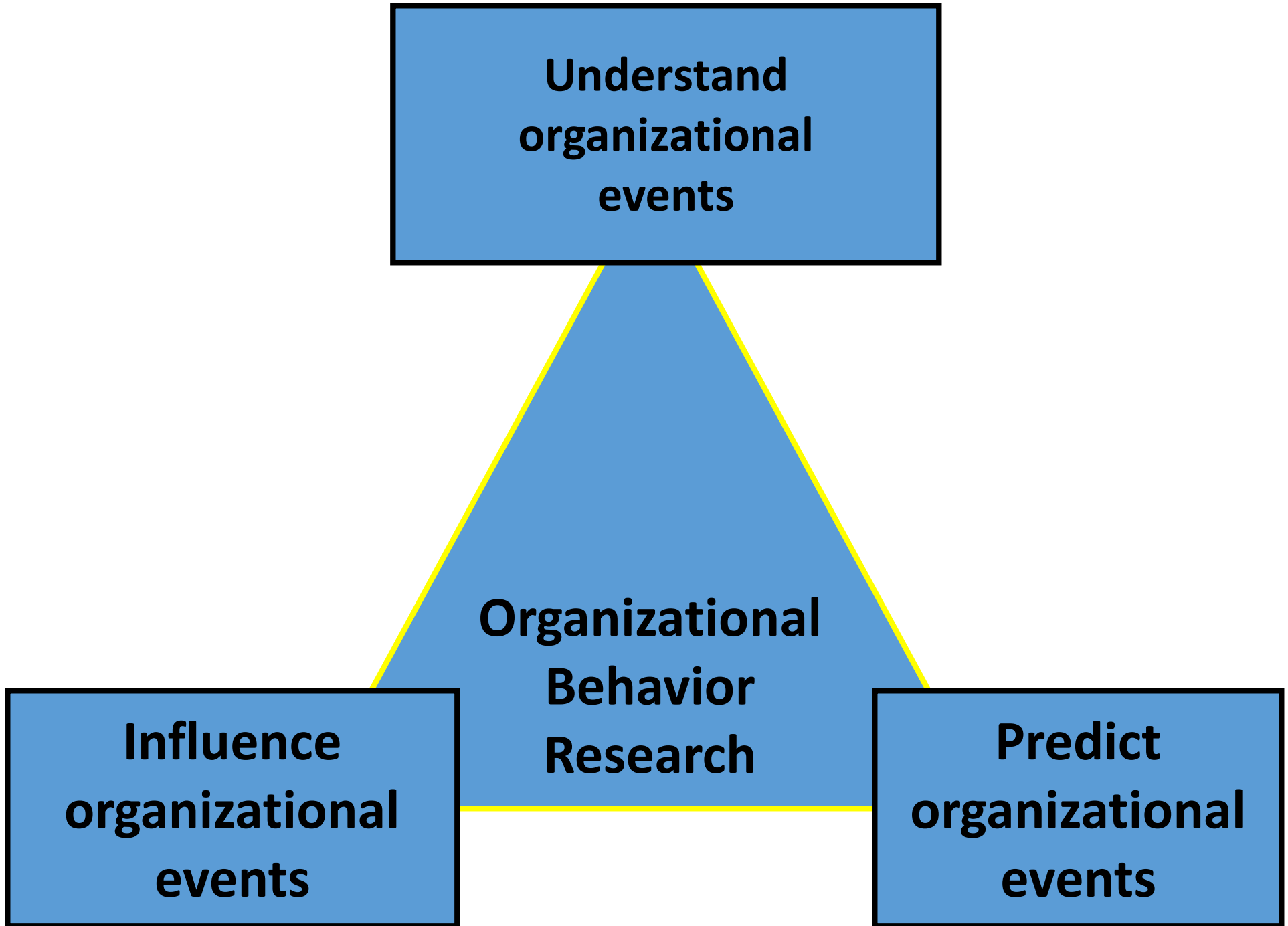
Challenges and Opportunity for OB

- Responding to Globalization
- Managing Workforce Diversity
- Improving Quality and Productivity
- Responding to the Labor Shortage
- Improving Customer Service



Challenges and Opportunity for OB (cont..)

- Improving People Skills
- Empowering People
- Stimulation Innovation and Change
- Helping Employees Balance Work/Life Conflicts
- Improving Ethical Behavior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Issues for the future

- Learning organizations
- Virtual organizations
- Intellectual capital
- Growth of the small business sector
- Globalization
- Increasing importance of business ethics

Modern Workplace Trends

- Commitment to ethical behavior.
- Importance of human capital.
- Demise of “command and control.”
- Emphasis on teamwork.
- Pervasive influence of information technology.
- Respect for new workforce expectations.
- Changing definition of “jobs” and “career.”

Watchwords for Organizations in These Changing Times

The Challenge of Change

- Too much change = chaos
- Too little change = stagnation

How do you view change?

“Knowledge and experiences are available but often ignored”