

Organizational behavior Lectures

Lecture 1- An introduction to the field of OB

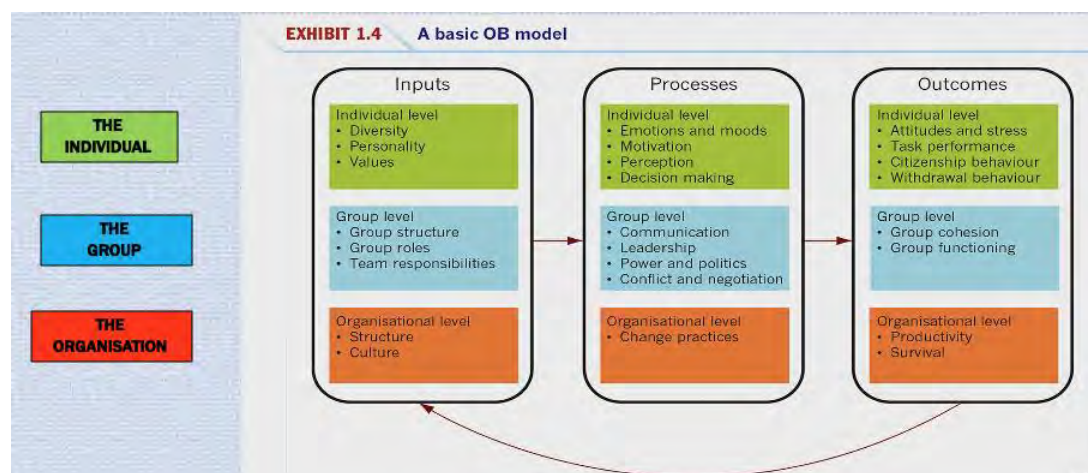
What are organizations?

- Organizations are groups of people who work interdependently towards some purpose
- The Organization is a significant context for human behavior

What is organizational behavior

- OB is the study of what people think, feel, do in and around organizations and how their behavior affects the organizations performance
- Traditionally split into three levels
 - o Individual level
 - Topics covered:
 - Individual behavior, personality and values (Ch. 2)
 - Perception (Ch. 3)
 - Workplace emotions, attitudes and stress (Ch. 4)
 - Employee motivation (Ch. 5 and 6)
 - Decision making and creativity (Ch. 7)
 - o Group level
 - Topics covered:
 - Team dynamics (Ch. 8)
 - Communicating in teams and organizations (Ch. 9)
 - Power and influence (Ch. 10)
 - Conflict and negotiation (Ch. 11)
 - Leadership in organizational settings (Ch. 12)
 - o Organizational level
 - Topics covered
 - Organizational structure (Ch. 13)
 - Organizational culture (Ch. 14)
 - Organizational change (Ch. 15)

Developing a basic OB model



Inputs -sets the stage for what will happen in the organization later- IV

Processes- are the actions they engage in as a result of inputs and lead to outcome

Outcomes- the dependent variable- variable you want to explain or predict e.g. More or less job satisfaction

Why study OB?

- Comprehend and predict workplace events
- Adopt more accurate personal theories: OB is a 'systematic study' complemented by evidence-based management (EBM)
 - o Systematic study: Look at relationship between variables and try to understand the cause affect relationship- complimenting the gut feeling on how something works but providing research-based evidence for it
 - o Ebb: Compliments systematic study by basing managerial decisions on the best available scientific evidence on the topic
- Influence organizational events
- Useful for everyone
- OB and the financial bottom line:
 - o OB practices are predictors of survival and success
 - o Bottom-line values of OB
 - o Makes a positive difference to the individual, organization and society

Contemporary challenges for organizations

- Technological change:
 - o Including info technology
- Globalization
- - increasing workforce diversity
- Changing employment relationships

Challenges of OB:

- The changing. Nature of work
 - o Increasing demand for flexible work arrangements and technological innovations have created the 'gig economy'
 - o The 'gig economy' and companies such as uber and Airbnb reflect the changing nature of employment
- Globalization
 - o Globalization refers to economic, social and cultural connectivity with people in other parts of the world
 - o Offers numerous benefits to organization in terms of larger markets, lower costs and greater access to knowledge and innovation
 - o At the same time, it poses many challenges, particularly to employees in developing nations
 - e.g., Nike situation where wasn't paying employees properly
- Increasing workforce diversity
 - o 2 levels
 - Surface-level diversity

- Observable demographic or physiological differences in people, such as their race, ethnicity, gender, age and physical capabilities
- Deep-level diversity
 - Differences in the psychological characteristics of employees, including personalities, beliefs, values and attitudes
- What can organizations do to promote diversity?
 - Diversity policy of Wes farmers
 - e.g., of promoting surface-level diversity
 - “Wes farmers strives to create an inclusion work environment, with particular attention to gender balance and the inclusion of indigenous people”
 - e.g., of promoting deep-level diversity
 - “Wesfarmers is committed to building an inclusive culture that harnesses the power of diversity of thought and experience in our teams
- Changing employment relationships
 - Work-life balance
 - The degree to which a person minimizes conflict between work and non-work demands
 - Remote work
 - Work performed away from the traditional physical workplace through the use of info technology
 - It provides benefits to employees, companies and the enviro as well as challenges (e.g., social isolation and less cohesion with co-workers)

The 4 anchors (basic beliefs) of OB knowledge

1. The systematic research anchor → evidence-based management is the practice of making decisions and taking actions based on research evidence
2. Multidisciplinary → OB develops its own theories but welcomes theories and knowledge from related fields such as psychology, sociology, anthropology, communications, marketing etc.
3. The contingency anchor → no single solution is best in all situations at all times; highlights the need to understand the context to find out the best strategy to address problems
4. The multiple levels of analysis anchor → recognizes levels of analysis: individual, team and organizational; OB topics are usually relevant at all three levels of analysis

Organizational effectiveness

- It is achieved when a business has a good fit with external and internal enviro
- It is represented by several perspectives which including the organizations fit with the external and internal enviro, its emphasis on organizational learning and its ability to satisfy the needs of key stakeholders
- It is the ultimate dependent variable in OB
- Effectiveness cannot just be measured by achieving set goals

4 perspective of organizational effectiveness

1. Open systems perspective → organizations depend on the external enviro for resources, affect the environment through their output, and consist of internal subsystems that transform inputs to outputs. Organizational effectiveness is achieved with good origination-enviro fit
2. Organizational learning perspective → organizations are effective when they find ways to acquire, share, use and store knowledge. Intellectual capital is the company's stock of knowledge: human capital, structural capital and relationship capital
3. High performance work practices (HPWP) perspective → effective organizations incorporate several workplace practices that leverage the potential of human capital through employee involvement, job autonomy, employee competence development, reward performance and competencies
4. Stakeholder perspective → stakeholders are entities who affect or are affected, by the firm's objectives and actions. In general organizations are more effective when they satisfy stakeholder needs and expectations

Corporate social responsibility

- Benefit society and the enviro beyond the firm's immediate financial interests or legal obligations:
 - o Organizations contact with society
- Triple bottomed line
 - o Economy
 - o Society
 - o Enviro
- Organizations with positive corporate social responsibility reputation yield better performance

Summary of chapter 1

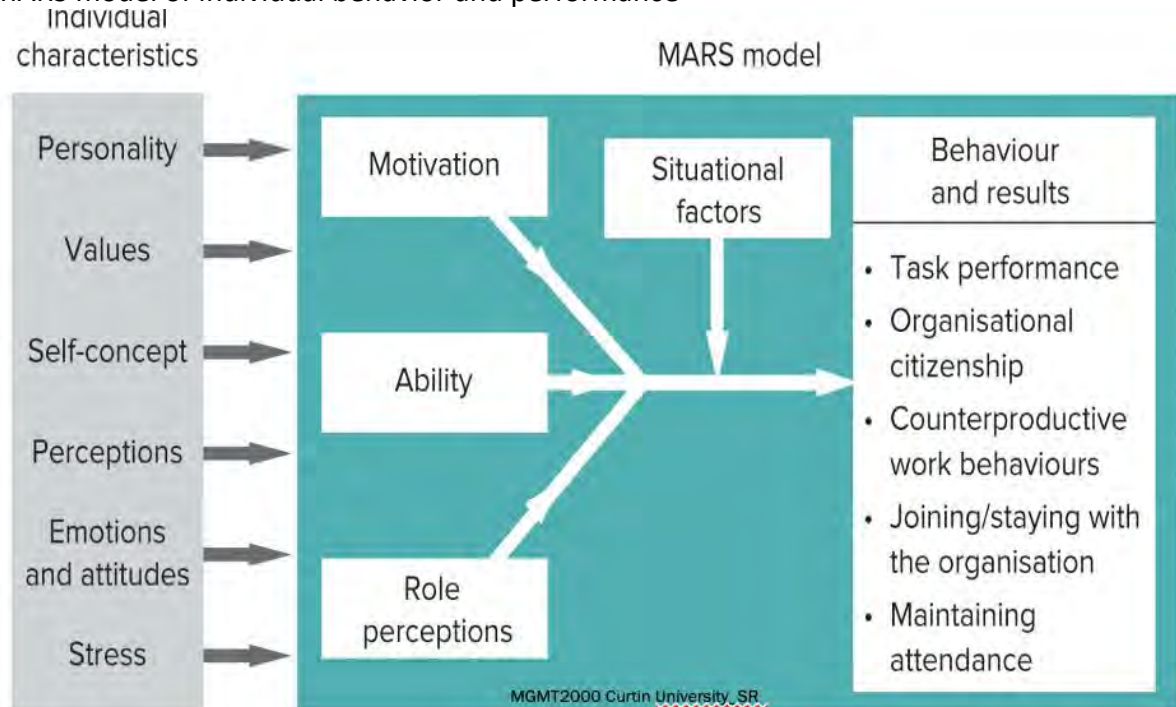
- OB is a specific discipline important for organizational outcome
- Globalization, workforce diversity, and emerging employment relations present organizational opportunities and challenges
- OB knowledge is based on 4 anchors: evidence-based management, multidisciplinary research, contingency anchors and multiple levels of analysis anchor
- Four perspectives contribute to organizational effectiveness: open systems, organizational learning, high-performance work practices and stakeholder perspectives

Managerial implications

- Resist the temptation to rely on generalizations
- Use metrics and situational variables rather than hunches to explain cause-effect relationships
- Stay current with the on trends such as AI and big data
- An understanding of OB can make you a better person, manager and leader

Lecture 2- Individual Behavior, Personality and Values

MARS model of individual behavior and performance



MARS model:

M=Motivation (forces within a person that affect his or her direction, intensity and persistence of voluntary behaviour)

A=Ability (Natural aptitudes (talents) and learned capabilities and competencies (physical and mental skills and knowledge) required to successfully complete a task)

R=Role perceptions (how clearly the person understands the job duties)

S=situational factors (Conditions beyond the employee's immediate control that constrain or facilitate behaviour and performance such as time, budget, work facilities and situation (e.g. hazards) etc.

MARS model states that there are four critical influences, namely, motivation, ability, role perception and situational factors, on an individual's voluntary behaviour and performance, which enable employees to contribute to organisational goals; if any one of them is low in a given situation, the employee would perform the task poorly.

Motivation, ability and role perceptions are clustered together in the model because they are located within the person. Situational factors are external to the individual but still effect behaviour and performance.

Types of individual behavior

5 types of individual behaviour in organisations:

1. **Task performance:** Goal-directed behaviours under the individual's control that support organisational objectives.
2. **Organisational citizenship behaviour:** Various forms of cooperation and helpfulness to others that support the organization's social and psychological context.
3. **Counterproductive behavior:** Voluntary behaviors that have the potential to directly or indirectly harm the organization, e.g., harassing co-workers, creating conflicts and stealing.
4. **Joining and staying with the organization:** Hiring and retaining talent
5. **Maintaining attendance:** Work attendance is related to job satisfaction and motivation. *Absenteeism* is related to dissatisfaction, organizational policy, norms and the person's values and personality.

Personality

- Relatively enduring pattern of thoughts, emotions and behaviors that characterize a person, along with the psychological processes behind those characteristics
- Predictor of most forms of behavior

Personality determinants: nature vs nurture

Nature

- I.e., Our genetic or hereditary origin has around 50% effect on personality

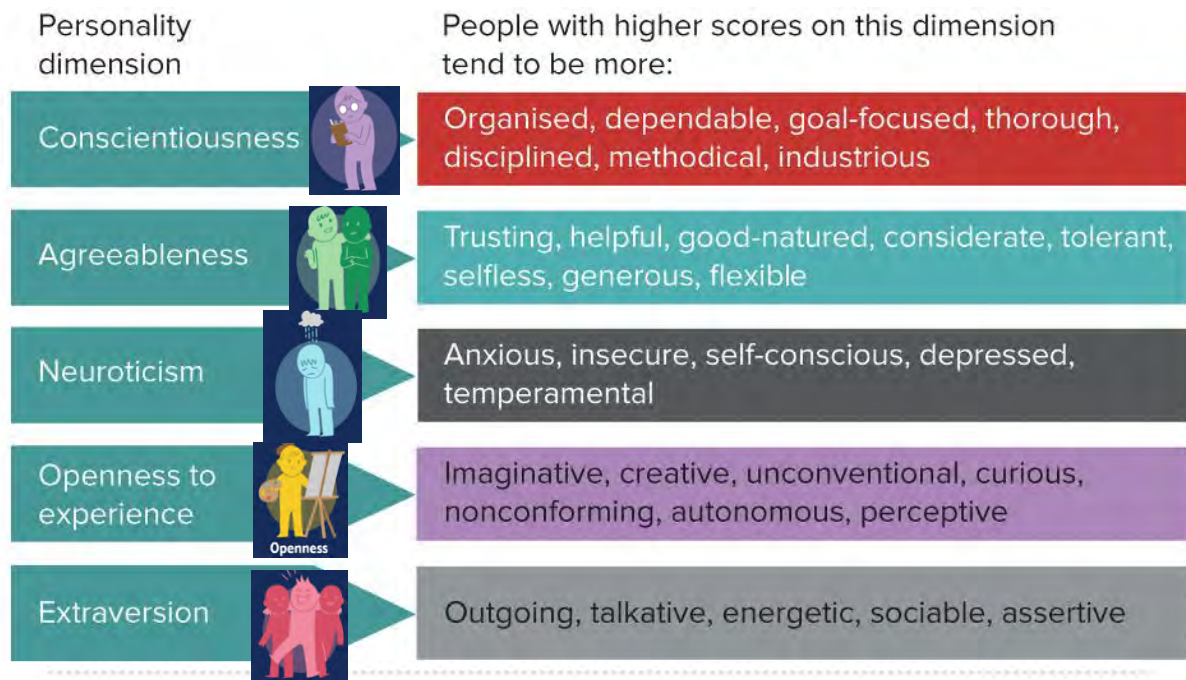
Nurture

- I.e., Socialization, life experiences and other forms of interaction with the environment also affect our personality

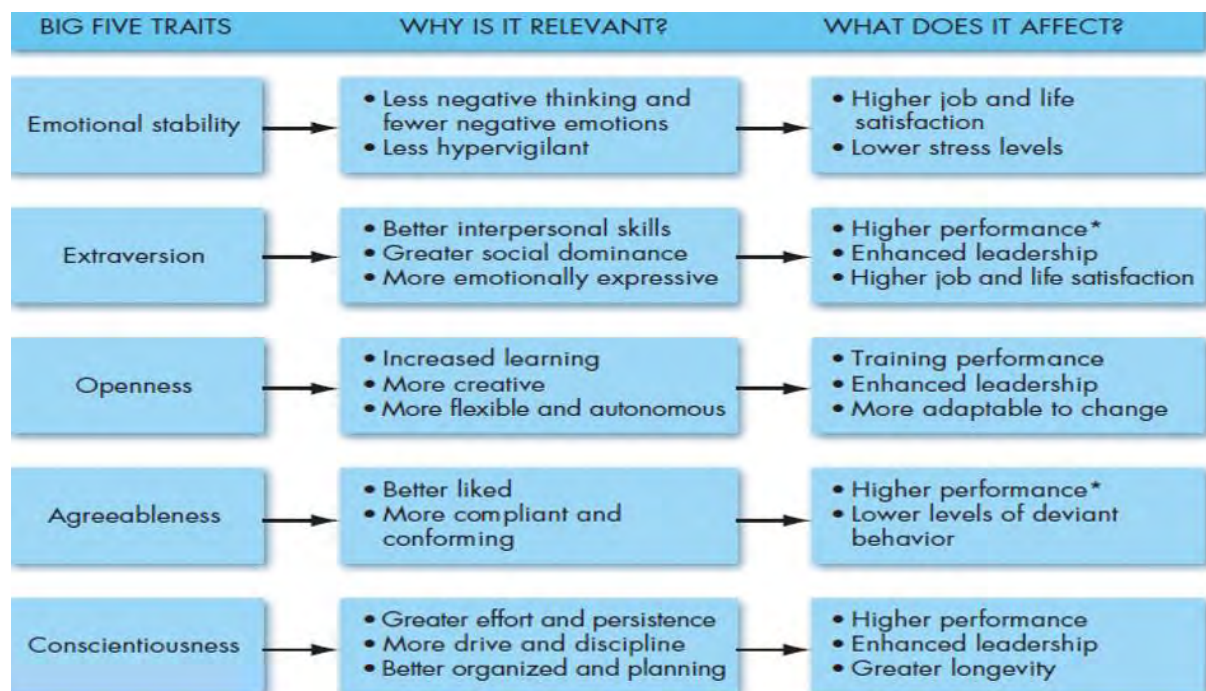
Personality develops and changes mainly when people are young, it stabilises by the age of 30 as individuals form a clearer 'self-concept' of 'who they are'. However, current research shows that personality is more malleable than we once thought. However, it does take a very long time for the personality traits to change.

Five-factor model (CANOE/OCEAN)/ Big-5 model

The most researched and respected model of personality traits with most research support is the **five-factor model (FFM)**. Also called big-5 model, canoe or ocean model.



Predictive power of big-5 traits



Emotional stability is the same as low neuroticism.

Limitations of big-5 model

- Incomplete picture: new dimensions have been identified in the modern work context
- HEXACO model of personality adds a sixth trait: honesty-humility to big-5 personality dimensions
- Restricted view of personality that is more difficult to apply in coaching and developmental settings

In spite of limitations, big-5 model is the most researched and validated model of personality traits and used for recruitment/assessing job applicants.

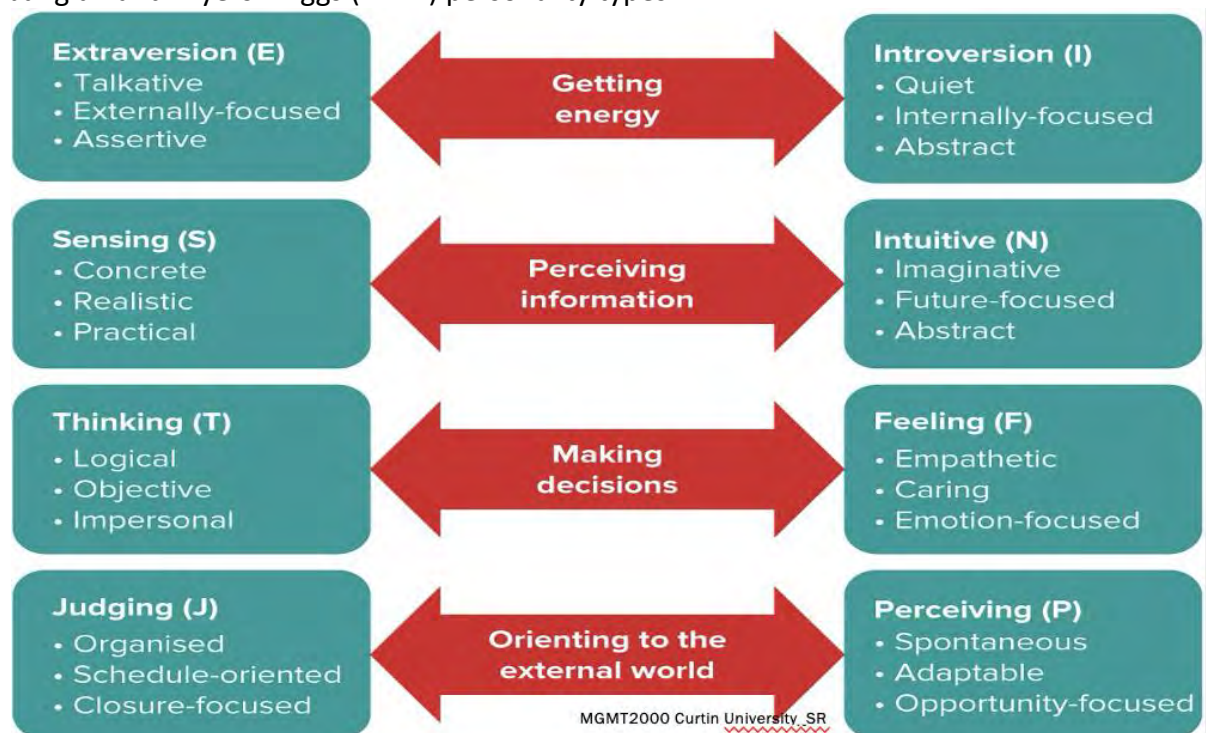
Hexaco dimension of Honesty-Humility: Persons with very high scores on the Honesty-Humility scale avoid manipulating others for personal gain, feel little temptation to break rules, are uninterested in lavish wealth and luxuries, and feel no special entitlement to elevated social status. Conversely, persons with very low scores on this scale will flatter others to get what they want, are inclined to break rules for personal profit, are motivated by material gain, and feel a strong sense of self-importance.

MYERS-BRIGGS type inventory (MBTI)

- The most widely used personality-assessment instrument in the world
- 100-questions that ask how you would feel or act in certain situations
- Derived from Carl Jung's book 'psychological types'
- Identifies 16 personality types:



Jungian and Myers-Briggs (MBTI) personality types



MBTI

- Widely applied in work settings and career counselling, coaching:
 - o Improves self-awareness
 - o Poor predictor of job performance
- MBTI also widely used for team building and career development
- Not recommended for employment selection or promotion decisions

Most popular personality test but...

Problems with MBTI:

- Reliability- specifically... “test-retest”
- Predictive validity- doesn’t predict people’s behavior
- Construct validity- no evidence for some of the dimensions (e.g., Thinking-feeling)
- Incomplete- leaves out important traits (e.g., Neuroticism)

Personality testing in organizations

- Personality is a relatively weak predictor of a person’s performance
- Personality instruments may unfairly discriminate against specific groups of people
- Self-reports are not a valid measure
- Personality testing might not convey a favorable image of the company

The dark employee

Some employees engage in counterproductive workplace behaviors due to:

- Narcissism- an overly exaggerated self-view with a sense of entitlement
- Machiavellianism- believing the deceit is a natural and acceptable way to achieve goals
- Psychopathy- lack of concern for others, a disregard for rules, a lack of empathy and an absence of remorse when others are hurt by one’s actions

The resilient employee

- Positive psychology theories: how individuals can flourish
- **Resilience** seen as a process, sense-making: the ability to overcome and learn from negative experiences in the workplace
- **Self-efficacy**: a person’s belief that he or she can successfully complete a task
- Behavioral flexibility and adaptability

Values in the workplace

- Stable, enduring beliefs that guide our preferences in a variety of situations
- A moral compass that directs motivation, decisions, actions
- Define right or wrong
- Stable and long-lasting, exist in:
 - o Individuals (personal values)
 - o Teams and departments (shared values)
 - o Corporates (organizational values)

Difference between values and personality

Values

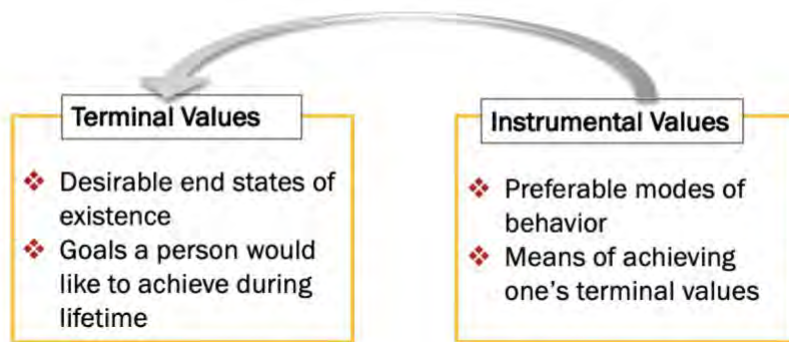
- Evaluate
- ‘ought to do’
- Influenced by socialization

Personality

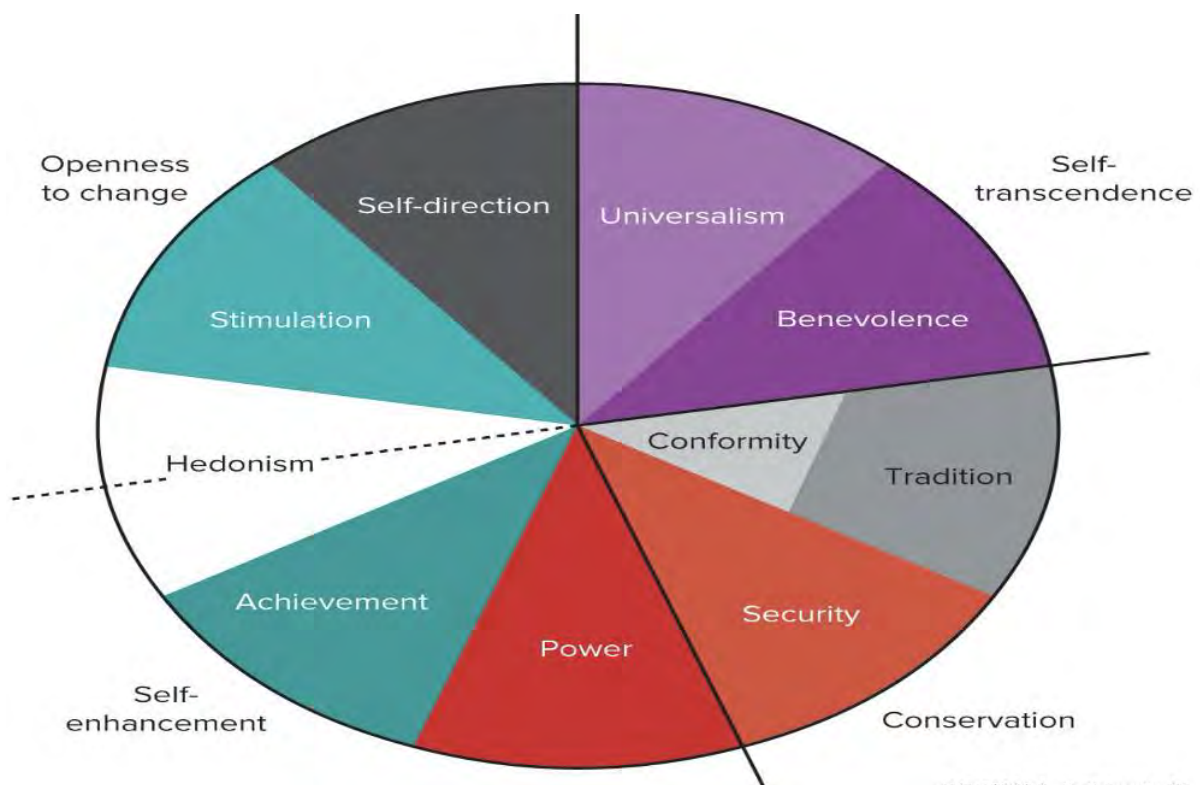
- Subjective
- ‘tend to do’
- Innate

Rokeach value survey

- 2 categories of values
- Terminal and instrumental values



Schwartz's values circumplex



Schwartz's model of personal values is the most dominant model that includes a list of 57 values built on Rokeach's work but does not distinguish between terminal and instrumental values. Research shows that human values are organized into a circular model (circumplex). The model includes 57 values into 10 broad value categories which are then clustered into 4 quadrants, namely, openness to change, conservation, self-enhancement and self-transcendence.

Schwartz's values circumplex: 4 quadrants

- Openness to change: motivation to pursue innovative ways
- Conservation: motivation to preserve the status quo
- Self-enhancement: motivated by self-interest
- Self-transcendence: motivation to promote welfare of others and nature