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What Is Organizational Behavior?

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The image is a slide with a blue background. On the left, there is a red square with the number '1' in white. To the right of this, there is a blue rectangle containing the text 'What Is Organizational Behavior?' in white. At the bottom of the slide, there is a small line of text: 'Copyright © 2017 Pearson Education, Ltd.'

Learning Objectives

- ❑ Demonstrate the importance of interpersonal skills in the workplace.
- ❑ 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 managers' challenges and opportunities in applying OB concepts.
- ❑ Compare the three levels of analysis in this text's OB model.

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LO 1

Demonstrate the Importance of Interpersonal Skills in the Workplace

Interpersonal skills are important because...

- 'Good places to work' have better financial performance.
- Better interpersonal skills result in lower turnover of quality employees and higher quality applications for recruitment.
- There is a strong association between the quality of workplace relationships and job satisfaction, stress, and turnover.
- It fosters social responsibility awareness.

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LO 2

Describe the Manager's Functions, Roles, And Skills

- **Manager:** Someone who gets things done through other people in organizations.
- **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.
 - Planning, organizing, leading, and controlling.
- Mintzberg concluded that managers perform ten different, highly interrelated roles or sets of behaviors attributable to their jobs.

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LO 2

Describe the Manager's Functions, Roles, and Skills

Exhibit 1-1 Mintzberg's Managerial Roles

Role	Description
Interpersonal	
Figurehead	Symbolic head; required to perform a number of routine duties of a legal or social nature
Leader	Responsible for the motivation and direction of employees
Liaison	Maintains a network of outside contacts who provide favors and information
Informational	
Monitor	Receives a wide variety of information; serves as nerve center of internal and external information of the organization
Disseminator	Transmits information received from outsiders or from other employees to members of the organization
Spokesperson	Transmits information to outsiders on organization's plans, policies, actions, and results; serves as expert on organization's industry
Decisional	
Entrepreneur	Searches organization and its environment for opportunities and initiates projects to bring about change
Disturbance handler	Responsible for corrective action when organization faces important, unexpected disturbances
Resource allocator	Makes or approves significant organizational decisions
Negotiator	Responsible for representing the organization at major negotiations

Source: Mintzberg, Henry, *The Nature of Managerial Work*, 1st Ed., © 1973, pp. 92-93. Reprinted and electronically reproduced by permission of Pearson Education, Inc., New York, NY.

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LO 2

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** – the ability to work with, understand, and motivate other people, both individually and in groups.
 - **Conceptual Skills** – the mental ability to analyze and diagnose complex situations.

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LO 2

Effective Versus Successful Managerial Activities

- Luthans and his associates found that all managers engage in four managerial activities:
 1. Traditional management
 2. Communication
 3. Human resource management
 4. Networking

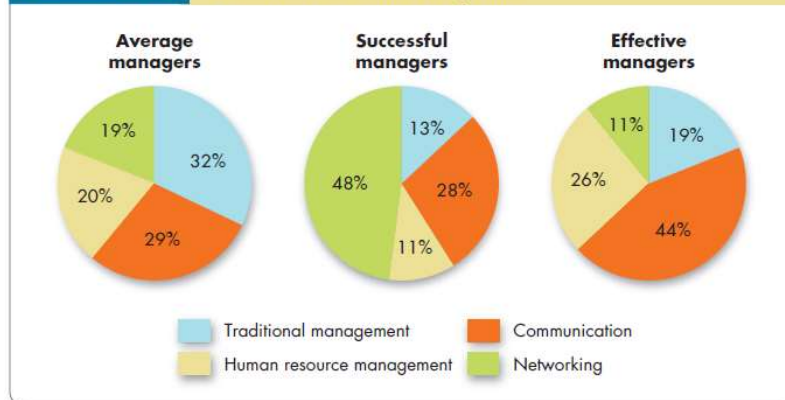
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LO 2

Effective Versus Successful Managerial Activities

Exhibit 1-2

Allocation of Activities by Time

Source: Based on F. Luthans, R. M. Hodggetts, and S. A. Rosenzweig, *Real Managers* (Cambridge, MA: Ballinger, 1988).

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LO 2

Define Organizational Behavior

Organizational behavior (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.

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LO 3

Complementing Intuition with Systematic Study

- **Systematic Study of Behavior**
 - Behavior generally is predictable if we know how the person perceived the situation and what is important to him or her.
- **Evidence-Based Management (EBM)**
 - Complements systematic study.
 - Argues for managers to make decisions based on evidence.
- **Intuition**
 - Systematic study and EBM add to intuition, or those “gut feelings” about “why I do what I do” and “what makes others tick.”
 - If we make all decisions with intuition or gut instinct, we’re likely working with incomplete information.

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LO 3

Big Data

- **Background:**

The use of Big Data for managerial practices is a relatively new area, but one that holds convincing promise.
- **Current Usage:**

The reasons for data analytics include predicting any event, detecting how much risk is incurred at any time, and preventing catastrophes.
- **New Trends:**

The use of Big Data for understanding, helping, and managing people is relatively new but holds promise.
- **Limitations:**

Use evidence as much as possible to inform your intuition and experience.

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LO 4

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:

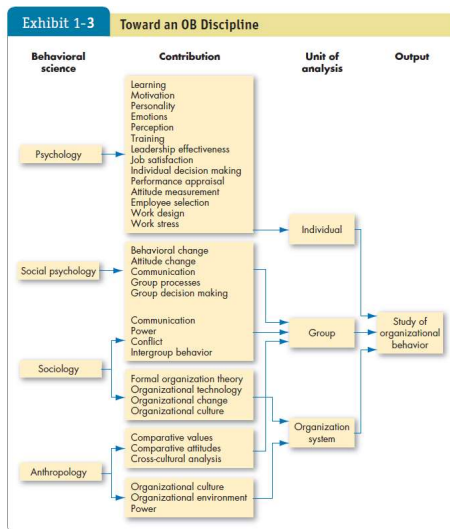
- Psychology
- Social psychology
- Sociology
- Anthropology

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LO 4

Identify the Major Behavioral Science Disciplines That Contribute to OB



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LO 4

Identify the Major Behavioral Science Disciplines That Contribute to OB

➤ Psychology

seeks to measure, explain, and sometimes change the behavior of humans and other animals.

➤ Social psychology

blends the concepts of psychology and sociology.

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LO 4

Identify the Major Behavioral Science Disciplines That Contribute to OB

➤ Sociology

studies people in relation to their social environment or culture.

➤ Anthropology

is the study of societies to learn about human beings and their activities.

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LO 5

Demonstrate Why Few Absolutes Apply to OB

➤ There are few, if any, simple and universal principles that explain organizational behavior.

➤ **Contingency variables**

situational factors are variables that moderate the relationship between the independent and dependent variables.

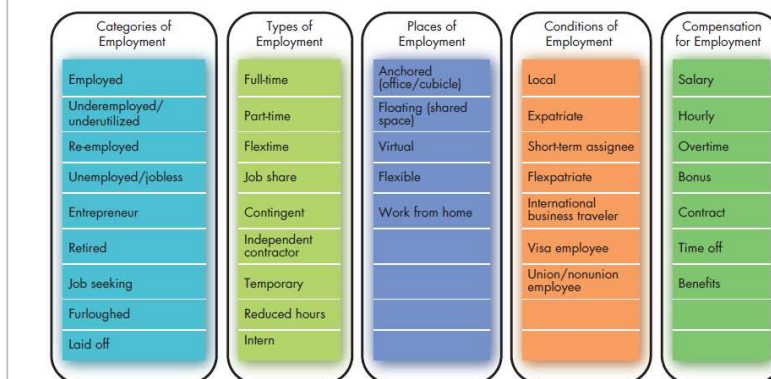
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LO 6

Identify the Challenges and Opportunities of OB Concepts

Exhibit 1-4 Employment Options



Sources: J. R. Anderson Jr., et al., "Action Items: 42 Trends Affecting Benefits, Compensation, Training, Staffing and Technology," *HR Magazine* (January 2013) p. 32; M. Dewhurst, B. Hancock, and D. Ellsworth, "Redesigning Knowledge Work," *Harvard Business Review* (January-February 2013), pp. 58-64; E. Fraunheim, "Creating a New Contingent Culture," *Workforce Management* (August 2012), pp. 34-39; N. Koeppen, "State Job Aid Takes Pressure off Germany," *The Wall Street Journal* (February 1, 2013), p. A8; and M. A. Shaffer, M. L. Kraimer, Y-P Chen, and M. C. Bolino, "Choices, Challenges, and Career Consequences of Global Work Experiences: A Review and Future Agenda," *Journal of Management* (July 2012), pp. 1282-1327.

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Identify the Challenges and Opportunities of OB Concepts

- Responding to economic pressure
 - In tough economic 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 forefront.

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Identify the Challenges and Opportunities of OB Concepts

- Responding to globalization
 - Increased foreign assignments.
 - Working with people from different cultures.
 - Overseeing movement of jobs to countries with low-cost labor.
 - Adapting to differing cultural and regulatory norms.

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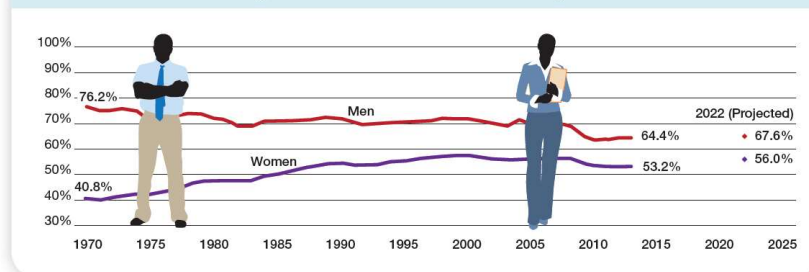
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Identify the Challenges and Opportunities of OB Concepts

OB POLL

Percentage of Men and Women Working



Sources: U.S. Bureau of Labor Statistics, "Women in the Labor Force: A Datebook" (2014), www.bls.gov/opub/reports/cps/women-in-the-labor-force-a-datebook-2014.pdf; and U.S. Bureau of Labor Statistics, "Economic News Release," (2013), <http://www.bls.gov/news.release/ecopro.t02.htm>.

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Identify the Challenges and Opportunities of OB Concepts

- Managing workforce diversity
 - **Workforce diversity** – organizations are becoming more heterogeneous in terms of gender, age, race, ethnicity, sexual orientation, and inclusion of other diverse groups.

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Identify the Challenges and Opportunities of OB Concepts

- Improving customer service
 - Service employees have substantial interaction with customers.
 - Employee attitudes and behavior are associated with customer satisfaction.
 - Need a customer-responsive culture.

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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.

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Identify the Challenges and Opportunities of OB Concepts

- Working in networked organizations
 - Networked organizations are becoming more pronounced.
 - A manager's job is fundamentally different in networked organizations.
 - Challenges of motivating and leading "online" require different techniques.

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Identify the Challenges and Opportunities of OB Concepts

- Using social media at work
 - Policies on accessing social media at work.
 - When, where, and for what purpose.
 - Impact of social media on employee well-being.

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Identify the Challenges and Opportunities of OB Concepts

- Enhancing employee well-being at work
 - 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.

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Identify the Challenges and Opportunities of OB Concepts

- Creating a positive work environment
 - **Positive organizational scholarship** is concerned with how organizations develop human strength, foster vitality and resilience, and unlock potential.
 - This field of study focuses on employees' strengths versus their limitations, as employees share situations in which they performed at their personal best.

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Identify the Challenges and Opportunities of OB Concepts

- Improving ethical behavior
 - **Ethical dilemmas and ethical choices** are situations in which an individual is required to define right and wrong conduct.
 - Good ethical behavior is not so easily defined.
 - Organizations distribute codes of ethics to guide employees through ethical dilemmas.
 - Managers need to create an ethically healthy climate.

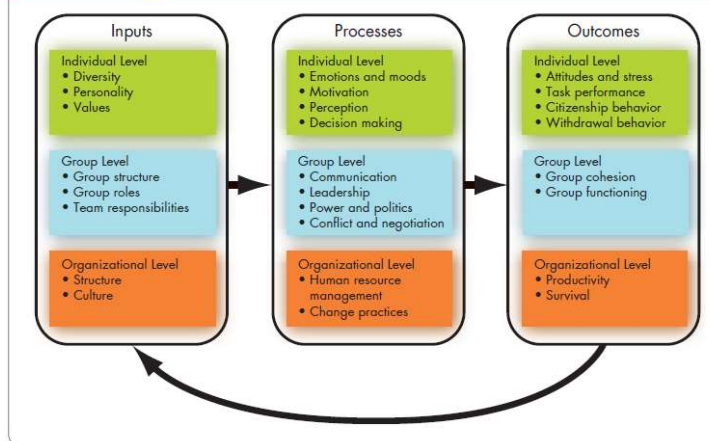
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LO 7

Three Levels of Analysis in This Text's OB Model

Exhibit 1-5 A Basic OB Model



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Three Levels of Analysis in This Book's OB Model

➤ Inputs

- 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.
- Organizational structure and culture change over time.



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Three Levels of Analysis in This Book's OB Model

➤ Processes

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



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Three Levels of Analysis in This Book's OB Model

- **Outcomes**
- Key variables that you want to explain or predict, and that are affected by some other variables.



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Outcome Variables

- 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.

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Outcome Variables

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

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Outcome Variables

- Organizational 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 **organizational citizenship behavior**.

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Outcome Variables

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

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Outcome Variables

- 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.

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Outcome Variables

➤ 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 is **organizational survival**, which is simply evidence that the organization is able to exist and grow over the long term.

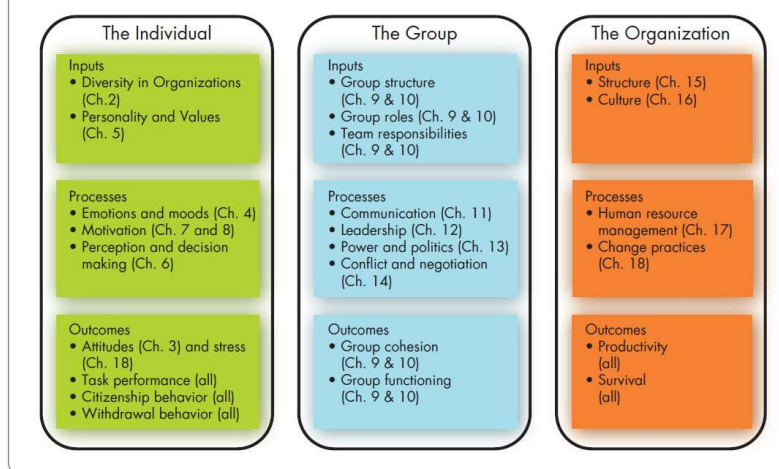
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The Plan of the Text

Exhibit 1-6 The Plan of the Text



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Implications for Managers

- Resist the inclination to rely on generalizations; some provide valid insights into human behavior, but many are erroneous.
- Use metrics and situational variables rather than “hunches” to explain cause-and-effect relationships.
- Work on your interpersonal skills to increase your leadership potential.

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Implications for Managers

- Improve your technical skills and conceptual skills through training and staying current with OB trends like “big data”.
- OB can improve your employees’ work quality and productivity by showing you how to empower your employees, design and implement change programs, improve customer service, and help your employees balance work-life conflicts.

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