Chapter 1: What Is Organizational Behavior?

DEFINING OB

organizational behaviour = field of study that investigates impact of individuals, groups, and structure on behaviour (*what ppl do, attitudes, how they perform*) within organizations

- often applied to absenteeism, turnover, productivity, job satisfaction, motivation
- is for everyone (e.g. roles of managers & employees becoming blurred b/c managers increasingly asking employees to make decisions, not simply follow orders); applies equally well to all situations where you interact w/ others

organization = consciously coordinated social unit, compose of group of ppl, that functions on a relatively continuous basis to achieve a common goal/set of goals

e.g. church, school, hospital, retail store

- non-profit / for-profit
- businesses employ < 10 ppl -- 75% of Can markplace

TODAY'S CHALLENGES IN CANADIAN WORKPLACE

Organization: individual level + group level + organization systems level

Challenges @ Individual Level (that influence behaviour)

Individual Differences	Personality characteristics, perception, values, attitudes e.g. ICR's employees had drug dependencies that affected their productivity
Job Satisfaction	Satisfied employees more productive than dissatisfied employees; negatively related to absenteeism, turnover (very costly)
Motivation	Rewards to motivate employees (who do not feel they get fair rewards for their work)
Empowerment	= giving employees more responsibility for what they do managers being asked to share more of their power & empowering employees, who are learning how to make appropriate decisions e.g. self-managed teams: employees operate w/o managers (1990s)
Behaving Ethically (**ethics** = study of moral values or principles that guide our beaviour)	- In a world characterized by cutbacks, expectations of inc. worker productivity & tough competition in market, employees feel pressured to cut corners, break rules, engage in questionable practices - Organizations that encourage ethical climate in the face of financial, other pressures → often do the right thing

Challenges @ Group Level

ppl's behaviour in group → different from when they're alone

Working w/ Others	Success in any job involves: - good interpersonal ("people") skills - positive attitudes & behaviours - ability to take responsibility for one's actions
Workforce Diversity	= mix of ppl in organizations in terms of gender, race, ethnicity, disability, sexual orientation, age, demographic characteristics (education,socio-economic status) e.g. in Can, mix of generations: Elders, Baby Boomers, Generation Xers, Net Generation - can inc. creativity and innovation in organizations if positively managed (if not, higher chance of turnover, miscommunication conflicts) - organizations becoming heterogeneous → different values, expectations - recognize that employees don't set aside their cultural values & lifestyle preferences when they go to work → need to be able to adapt to many diff. ppl → accommodate diverse groups by addressing their diff. life/ work styles

Challenges @ Organizational Level

ppl's behaviour in group → different from when they're alone

Productivity	= performance measure including effectiveness (*achievement of goals*) & efficiency (*ratio of effective work output to the input required to produce the work*) - organization is productive if it achieves goals by transferring inputs (employee labour, materials used) to outputs (finished goods, services) at <u>lowest cost</u>
Developing Effective Employees	- how to engage employees effectively so that they're committed **Organizational citizenship behaviour (OCB)** = discretionary behaviour that's not part of an employee's formal job requirements, but still promotes effective functioning of the organization - employees go beyond their usual job duties, provide performance that's beyond expectations → successful organization (e.g. helping others, volunteering for extra job activities, showing care for organizational property, respecting spirit & regulations…)
Putting People First	- organizations that spend more time developing or recognizing the value of employees → committed workforce - ppl work harder when they feel they have "more control and say" (BUT this becomes a challenge for businesses that focus solely on bottom line)
Global Competition	- growing competition from global marketplace → to survive, had to reduce costs, inc. productivity, improve quality → companies merging & employers outsource jobs to other countries

	e.g. Dell Canada's technical service lines are handled by technicians in India → to stay employable, employees need to update their knowledge, skills to meet new job requirements & new ways of doing business - today's organizations need to live w/ flexibility, spontaneity, uncertainty, unpredictability
Managing & Working in Multicultural World	- Internet & NAFTA & EU reduced tariffs on trade → companies are more globally connected (e.g. int'l sales) → world is now "global village" e.g. traveling to other countries to work; companies develop joint ventures w/ foreign partners (global alliances); setting up plants in foreign countries - managers & employees must be capable of working w/ ppl from diff. cultures (be sensitive to cultural differences)

▌OB: MAKING SENSE OF BEHAVIOUR IN ORGANIZATIONS

- emerged as a distinct field in 1940s
- is an applied behavioural science built upon contributions from many disciplines:

Psychology	- mainly contributes to **individual** level = seeks to measure, explain, change behaviour of humans&other animals	contribution: learning, perception, personality, emotions, leadership effectiveness, decision-making, work stress, job dissatisfaction, motivational forces & problems of fatigue, boredom, working conditions that could affect work performance
Sociology	= studies social system in which individuals fill their roles / people in relation to their fellow human beings	contribution: study of **group** behaviour in **organization**s → group dynamics, design of work teams, communication, organizational culture & tech, formal organization theory & structure
Social Psychology	= focuses on influence of ppl on one another	contribution: communication patterns; **group** decision-making; measuring, understanding, changing attitudes; ways group activities satisfy individual needs
Anthropology	= study of societies to learn about human beings & their activities	contribution: **group & organization** → helped us understand differences in fundamental values, attitudes, behaviour btwn ppl in diff. countries & organizations; organizational environments, culture
Political Science	= studies beahaviour of individuals & groups within a political environment	contribution: understanding of behaviour in **organization**s → allocation of power, structuring of conflict, how ppl manipulate power for self-interest

- there're certain fundamental consistencies underlying behaviour of most individuals
  → allows predictability (behaviour is generally predictable, NOT random)
- OB uses **systematic study** = examination of behaviour to draw conclusions (based on scientific evidence) about causes & effects in relationships
  → does NOT rely on & is NOT commonsense
- OB has few absolutes – e.g. two ppl often act very differently in the same situation
  → ability to make simple, accurate generalizations about human beings is limited
- OB uses **contingency approach** = considering beahviour within context in which it occurs
  e.g. effectiveness of a particular leadership style depends on the situation in which it's used