

ORGANIZATIONAL BEHAVIOUR – MIDTERM #1

CHAPTER 1: WHAT IS ORGANIZATIONAL BEHAVIOUR?

OB: devoted to understanding/explaining/improving the attitudes/behaviours of individuals and groups in organizations

HR: application of theories and principles studied in OB into organizations

Strategic Management: product choices and industry characteristics that affect profitability

THE ROLE OF MANAGEMENT THEORY:

(1)*Scientific Management*: optimal and efficient work processes and tasks

- a. Frederick Taylor
- b. Emphasis on specialization, coordination and efficiency

(2)*Bureaucracy*: emphasizes the control and coordination through a strict chain of command, formal rules and procedures, high specialization and centralized decision making

- c. Max Weber

(3)*Human relations movement*: recognize that the psychological attributes of individual workers and the social forces within the groups had important effects on behaviours

INTERGRATIVE MODEL OF ORGANIZATIONAL BEHAVIOUR:

Individual Characteristics and Group Mechanisms				
Personality, cultural values and ability		Individual Mechanisms		
Teams, diversity and communication	→	Job satisfaction		Individual Outcomes
Power, influence and negotiation		Stress	→	Job performance
Leadership styles and behaviour		Motivation		Organizational commitment
Organizational Mechanisms		Trust, justice and ethics		
Structure	→	Learning and decision making		
Culture and change				

Individual characteristics and group mechanisms/organizational mechanisms → **IMPROVE** Individual mechanisms → **AFFECT** Individual outcomes

DOES ORGANIZATIONAL BEHAVIOUR MATTER?

Resource-based view: rare (in short supply) and inimitable (incapable of being copied) resources help firms maintain competitive advantage

WHAT MAKES A RESOURCE VALUABLE?

- Rare → resource value OR Inimitable → resource value
- Inimitable:
 - History: collection of experience, wisdom and knowledge that benefit an organization
 - Numerous small decisions: People make many small decisions and these small daily activities are usually invisible to competitors
 - Socially complex resources: culture, teamwork, trust and reputation etc.

SO WHY IS OB SO HARD?

Rule of one-eighth: ~one eighth (12%) of all organizations will actually do what is required to build profits by putting people first

HOW DO WE KNOW WHAT WE KNOW ABOUT ORGANIZATIONAL BEHAVIOUR?

Theory → Hypotheses → Data → Verification

Theory: a collection of verbal and symbolic assertions that specify how and why variables are related, as well as the conditions in which they should or should not be related

Hypotheses: Written predictions that specify relationships between variables

Correlation (r): The statistical relationship between two variables; can be negative or positive and range from 0 (no relationship) to +/- 1 (a perfect relationship)

Meta-analysis: A method that combines the results of multiple scientific studies by essentially calculating weighted-average correlation across studies (larger studies receiving more weight)

CHAPTER 2: JOB PERFORMANCE

IS PERFORMANCE A SET OF BEHAVIOURS OR IS IT THE END RESULT OF THOSE BEHAVIOURS?

Evaluating an employee's performance on the basis of results alone might give you an inaccurate depiction of which employees are worth more to the organization

- (1) Results are often influenced by factors beyond the employee's control
- (2) Feedback based on results does not provide people with information to improve their behavior

Job performance: the value of the set of employee behaviours that contribute (positively/negatively) to organizational goal accomplishment

WHAT DOES IT MEAND TO BE A GOOD PERFORMER?

JOB PERFORMANCE:

Task performance: directly involved in the transformation of organizational resources

- a. Routine: predictable responses to predictable task demands
- b. Adaptive: thoughtful response to unique/unusual task demands
- c. Creative : individuals develop ideas/outcomes that are novel and useful

Job analysis: a process by which an organization determines the requirements of specific jobs (National Occupational Classification)

Citizenship behavior: Voluntary behaviours that contribute to organizational goals by improving the context in which the work takes pace

- a. Interpersonal: assist, support, develop co-workers (ie Helping, courtesy, sportsmanship)
- b. Organizational: improve operations of the organization as well as being loyal to the organization (ie Voice, civic virtue, boosterism)

Counterproductive behaviour: intentionally hinder organizational goal accomplishment

- a. Property deviance (ie Theft, sabotage)
- b. Production deviance (ie Wasting resources, substance abuse)
- c. Political deviance (ie Gossiping, incivility)
- d. Personal aggression (ie Harassment, abuse)

APPLICATION: PERFORMANCE MANAGEMENT

HOW DO ORGANIZATIONS USE JOB PERFORMANCE INFORMATION?

- (1) *Management by objectives*: Based on achievement of performance goals
- (2) *Behaviourally anchored rating scales*: Assesses performance behaviours
- (3) *360-degree feedback*: Uses rating provided from a variety of employees
- (4) *Forced-ranking*: Management ranks subordinates relative to one another

CHAPTER 3: ORGANIZATIONAL COMMITMENT

Organizational commitment: the desire to remain a member of the organization

Withdrawal behaviour: actions that employees perform to avoid the work situation (un-committed)

WHAT DOES IT MEAND TO BE COMMITTED?

FORMS OF COMMITMENT:

(1)*Affective commitment*: feeling of emotional attachment

- Staying because you WANT to (emotion-based reasons)
- Leaving = sadness
 - o Erosion model: suggests that employees with fewer bonds with co-workers are more likely to quit
 - o Social influence model: employees with direct linkages to co-workers who leave are also more likely to leave

(2)*Continuance commitment*: awareness of the cost of leaving

- Staying because you HAVE to (cost-based reasons)
- Leaving = anxiety
 - o Embeddedness: employee's sense of fit in the organization and community

(3)*Normative commitment*: feeling of obligation

- Staying because you OUGHT to (Obligation-based reasons)
- Leave= guilt

WITHDRAWAL BEHAVIOUR:

- Negative work events can have four responses:
(1)Exit, (2) Voice, (3) Loyalty, (4) Neglect
- Psychological withdrawal: mentally escaping work environment
 - o Daydreaming, socializing, looking busy, moonlighting (non-work), cyber loafing
- Physical Withdrawal: physical escape from work environment
 - o Tardiness, long breaks, missing meeting, absenteeism, quitting

RELATIONSHIP BETWEEN WITHDRAWAL BEHAVIOUR:

(1)*Independent forms model*: various withdrawal behaviours are unrelated

(2)*Compensatory forms model*: withdrawal behaviours are negatively correlated

(3) *Progressions model*: withdrawal behaviours are positively correlated

TRENDS THAT AFFECT COMMITMENT

DIVERSITY OF THE WORKFORCE

- Increased diversity, aging population = more challenging to retain valuable employees (reduced commitment)

CHANGING EMPLOYEE-EMPLOYER RELATIONSHIP

- People are no longer working for one single organization for their entire lifetime
- Downsizing started the revolution (“survivors” have reduced organizational commitment)

Psychological contracts: employee belief about what the employees owe the organization and what the organization owes them

- *Transactional contracts*: focus on a narrow set of specific monetary obligations
- *Relational contracts*: focus on a broad set of open-ended and subjective obligations

APPLICATION: COMMITMENT INITIATIVES

Perceived organizational support: the degree to which employees believe that the organization values their contributions and cares about their well-being

Ways for organizations to be supportive (organization’s commitment to its employees):

- Providing adequate awards
- Protecting job security
- Improving work conditions
- Minimizing the impact of politics

To increase affective commitment: strategies to increase bonds that link employees

To increase continuance commitment: create a salary and benefits package

To increase normative commitment: training and development opportunities

CHAPTER 4: JOB SATISFACTION

Job satisfaction: pleasurable emotional state resulting from the appraisal of one's job or job experiences; represents how a person feels and thinks about their job

WHY ARE SOME EMPLOYEES MORE SATISFIED THAN OTHERS?

Value-percept theory: job satisfaction depends on whether the employee perceives that his or her job supplies those things that he or she values

- *Values*: things that people consciously or unconsciously want or seek to attain

Dissatisfaction = $(V_{\text{want}} - V_{\text{have}}) \times (V_{\text{importance}})$

Commonly assessed work values:

- Pay (high salary, secure salary)
- Promotions (frequent promotions, promotions based on ability)
- Supervision (praise for good work, competent supervision, communication)
- Co-workers (personality, responsible co-workers)
- The work itself (rewarding, freedom, stimulating, creative expression)
- Altruism (moral causes, helping others)
- Status (prestige, power, fame)
- Environment (comfort, safety)

SATISFACTION WITH THE WORK ITSELF:

- Meaningfulness of work (Variety, Identity, Significance)
- Responsibility for outcomes (Autonomy)
- Knowledge of results (Feedback)

Job characteristics theory: five core characteristics combine for satisfaction with the work itself:

(1) Variety: job requires different activities and skills

(2) Identity: job offers completion of a whole, identifiable piece of work

(3) Significance: job really matters and impacts society as a whole

(4) Autonomy: job allows individual freedom and discretion regarding how the work is to be done

(5) Feedback: job provides information about how well the job holder is doing

Moderators – affect the strength of the relationship between satisfaction with the work itself and the five core job characteristics:

- *Knowledge and skill*: degree to which employees have the aptitude and competence needed to succeed in their job
- *Growth need strength*: the degree to which employees desire to develop themselves further

- *The higher these moderators are the more the presence of one of the five core job characteristics will affect their job satisfaction*

Job enrichment: job duties are expanded to provide increased levels of core job characteristics

Moods: states of feeling, mild in intensity, last for an extended period, are not directed at anything

Emotions: intense feelings, last for a long time, clearly directed at someone or some circumstance

- Positive emotions (ie Joy, pride, relief, hope, love, compassion)
- Negative emotions (ie Fear, guilt, shame, sadness, envy, disgust)

Affective events theory: workplace events can generate emotional reactions that impact work behaviours

Emotional labour: the management of emotions that employees must do to complete their job duties successfully

Emotional contagion: the idea that emotions can be transferred from one person to another

HOW IMPORTANT IS JOB SATISFACTION?

EFFECTS OF JOB SATISFACTION ON PERFORMANCE AND COMMITMENT:

- **Job satisfaction has a moderately positive effect on performance**
- **Job satisfaction has a strong positive effect on commitment**

APPLICATION: TRACKING SATISFACTION

Job Descriptive Index (JDI): a facet measure of job satisfaction that assesses an individual's satisfaction with pay, promotion opportunities, supervision, coworkers, and the work itself

CHAPTER 5: STRESS

Stress: the psychological response to demands when there is something at stake for the individual, and when coping with these demands would tax or exceed the individual's capacity or resources

- *Stressors*: demands that cause the stress response
- *Strains*: negative consequences of a stress response
- *Stressors* → stress → strains

WHY ARE SOME EMPLOYEES MORE STRESSED THAN OTHERS?

Transactional theory of stress: how stressful demands are perceived and appraised, as well as how people respond to perceptions of appraisals

Primary appraisal: when people first encounter stressors – evaluation of whether a demand is stressful and, if it is, the implications of the stressor in terms of personal goals/well-being

- Benign job demands: job demands that are not appraised as being stressful

TYPES OF STRESSORS:

(1) *Hindrance stressors*: appraised as thwarting progress toward growth and achievement

- Work:
 - Role conflict (differing expectations)
 - Role ambiguity (lack of direction)
 - Role overload (excess of demands)
 - Daily hassles (day-to-day demands that interfere with work)
- Non-work: work-family conflict (demands at work hinder demands in a family role), negative life events, financial uncertainty

(2) *Challenge stressors*: appraised as opportunities for growth and achievement

- Work: time pressure, work complexity, work responsibility
- Non-work: family time demands, personal development, positive life events

Secondary appraisal: when people choose how to cope with the various stressors

- Coping: behaviours and thoughts used to manage stressful demands and emotions
 - Behavioural: physical ways of dealing with stress (ie Working faster)
 - Cognitive: thoughts used to deal with stress (ie How to be more efficient)
 - Problem-focused: intended to manage the stressful situation itself
 - Emotion-focused: intended to help manage emotional reactions

TYPES OF STRAIN:

(1) *Physiological*: reactions that harm the human body

- Illness, high blood pressure, headaches, back pain

(2)*Psychological*: negative psychological reactions

- Depression, anxiety, anger reduced confidence
- Burnout: mental, emotional and physical exhaustion from coping with stressful demands on a continuing basis

(3)*Behavioural*: patterns of negative behaviours which are associated with other strains

- Substance abuse, teeth grinding, compulsive behaviours, overeating

ACCOUNTING FOR INDIVIDUALS IN THE STRESS PROCESS:

Type A behaviour Patter: tend to experience more stressors, to appraise more demands as stressful and to be prone to experiencing more strains

- Social support: the help people receive from others when they are confronted with stress
 - Instrumental support: the help people receive from others that can be used to address a stressful demand directly (ie Taking some of the workload)
 - Emotional support: the empathy and understanding people receive from others that can be used to alleviate emotional distress from stressful demands

HOW IMPORTANT IS STRESS?

EFFECTS OF HINDRANCE STRESSORS ON PERFORMANCE AND COMMITMENT:

- **Hindrance stressors have a weak negative relationship with performance**
- **Hindrance stressors have a strong negative relationship with commitment**

EFFECTS OF CHALLENGE STRESSORS ON PERFORMANCE AND COMMITMENT:

- **Challenge stressors have a weak positive relationship with performance**
- **Challenge stressors have a moderate positive relationship with commitment**

APPLICATION: STRESS MANAGEMENT

Stress audit: an assessment of sources of stress in the workplace

REDUCING STRESSORS:

Job sharing: when two people share the responsibility of a single job

PROVIDING RESOURCES:

(1) Training interventions: practices that increase employee's competency and skill

(2) Supportive practices: ways in which organizations help employees manage and balance their demands

- Flexible hours
- Working from home
- Encouraged to stay home when sick
- Communicate clear expectations
- Eliminate unnecessary meetings
- Train managers on how to support work-life balance

Reducing strains:

- Relaxational techniques

- Cognitive-behavioural techniques
- Health and wellness programs