

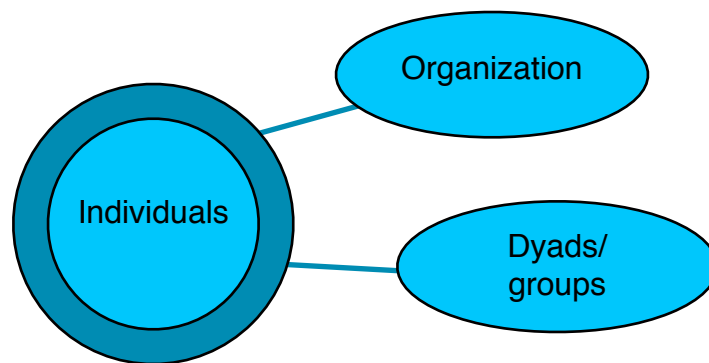
ADM 2336 - Organizational Behaviour

Sept 5, 2012
Lecture 1

Introduction

3 factors that influence individual group behaviour in organizations:

- Individual
- Interpersonal → between people
- Organizational



What is Organizational Behaviour?

What are organizations?

- **Social inventions** for accomplishing **common goals** through group effort

What is organizational behaviour?

The attitudes and behaviours of individuals and groups in organizations

OB is concerned with:

- Predicting → e.g. predicting turnover for back to school
- Explaining → e.g. explaining events (turnover)
- Managing → e.g. how do you motivate

What is personality?

- Relatively **stable** psychological **characteristics**
 - These **do not change much**, with sometimes the exception of trauma or effort made by the individual

What is **not** part of personality?

- Mood
- Emotion

What determines behaviour?

- Personality
- The environment
 - assumes that our behaviour is homogeneous across different situations
- Both?

The “Big Five”

- Openness to experience (**O**)
 - active imagination, intellectual curiosity
- Conscientiousness (**C**)
 - hard working, reliable, organized
- Extraversion (**E**)
 - outgoing, likes a large crowd
- Agreeableness (**A**)
 - trusting, sympathetic
- Neuroticism [vs emotional stability] (**N**)
 - fearful, self conscious

Do the Big 5 Matter?

- **Task Performance:** Conscientiousness, extraversion, agreeableness
- **Organizational Citizenship Behaviours:** Conscientiousness
- **Counterproductive Work Behaviours:** Conscientiousness
- **Training Proficiency:** Openness, extraversion, conscientiousness

Other Personality Traits

- **Locus of Control**
 - Belief about **what causes experiences** in life
- **Self-monitoring**
 - People **observe** and **regulate** how they appear and behave in **social settings**

Other Personality Traits

Self-Esteem:

Degree to which a person has a **positive self evaluation**

General Self-Efficacy:

Belief in one's ability to perform successfully **across situations**

Positive and Negative Affect:

Propensity to view the world in a positive or negative light

What is Learning?

A relatively **permanent** change in behaviour that occurs due to **practice** or **experience**

What do Employees Learn?

- Practical skills
- Intrapersonal skills
- How to respond to ethical dilemmas
- Interpersonal skills - work as a team, conflict resolution, diversity training, etc.
- Cultural awareness - e.g. the organization's mission

How do Employees Learn?

- Operant learning
 - Behaviour → consequences

The "consequences"

- **Increase** the probability of behaviour **or**
- **Decrease** the probability of behaviour

Increasing the probability of a behaviour

- **Reinforcement:**
 - The process by which stimuli **strengthen** behaviours
 - Example: giving a dog a treat linked with a certain behaviour, sitting

Positive Reinforcement

- **Adding** a stimulus to **increase** the probability of a behaviour
- The stimulus must be **pleasant!**

Negative Reinforcement

- Still giving "green light"
- **Removing** a stimulus to increase the probability of a behaviours
- The stimulus must be **unpleasant**
- Example: need to borrow a computer on campus - \$500 deposit

Decreasing the probability of a behaviour

- **Extinction - passive approach:**
 - Gradual **dissipation** of a behaviour after reinforcement stops
 - Some people may stop but others may continue the behaviour
- **Punishment - active approach:**
 - Application of an **unpleasant** stimulus to **decrease** the probability of a behaviour

Summary

- Positive and negative reinforcement **increase** the likelihood of specific behaviours
- Punishment and extinction **reduce** the likelihood of specific behaviours

Sept 19, 2012

Lecture 4

Chapter 3 - Perception, Attribution, and Judgment of Others

What is Perception?

- Interpreting the **messages** of our senses to **provide order and meaning** to the **environment**

Components:

- Perceiver
- Situation
- Target

Components of Perception

- Perceiver
 - Experience - determines what we expect
 - Motivational, emotional and physiological state
- Target
 - Ambiguity
- Situation
 - Context helps interpretation

Biases in Perception

- Primary and recency error
- Reliance on central traits
- Implicit personality theories
- Projection (onto others)
- Stereotyping

Where Does Perception Matter?

- Recruitment and selection
- Workforce diversity
 - Stereotypes are detrimental
- Selection Interview

- Stereotype of the ideal employee
- Primacy effect - has a first impression quickly
- Negative information is weighted more
- Performance appraisal
 - Recency
 - Rater errors: leniency, harshness and central tendency
 - Halo/horns effect
 - Similar to me error
- Attributions
 - How motives are assigned to explain people's behaviour
 - Two classes of attribution
 - Dispositional
 - Situational
- Cues Used to Make Attributions
 - Consistency
 - Does the person engage in the behaviour **consistently** in this situation?
 - Do most people engage in the behaviour or is it **unique** to this person?
 - Distinctiveness
 - Does this person engage in the behaviour in many situations, or is it **distinct** to only one situation?

Sept 21, 2012
Lecture 5

Chapter 4 - Values, Attitudes, and Work Behaviours

What are values?

- A broad tendency to prefer certain states of affairs over others
- Values have to do with what we consider good and bad
- Values are motivational and very general
- People tend to hold values structured around such factors as achievement , power, autonomy, conformity, tradition, and social welfare

Four Generations in Today's Workplace (chart displayed, refer to text)

Generational Differences in Values (continued)

- Generational differences in work values or the way values are expressed is important because a good "fit" between a person's values and those of the organization

Cultural Differences in Values

- There are basic differences in work-related values across cultures
- A lack of understanding of cross-cultural differences can cause foreign assignments to terminate early and business negotiations to fail

Hofstede's Study

- Geert Hofstede questioned over 116,000 IBM employees in 40 countries about their world-related values
- He discovered four basic dimensions along which work related values differed across cultures:
 - Power distance
 - Uncertainty avoidance
 - Masculinity/femininity
 - Individualism/collectivism
- Subsequent work in Canadian Michael Bond that catered more to Eastern cultures resulted in a "fifth dimension"
 - Long-term/short-term orientation

Implications of Cultural Variation

What are the implications of cultural variation?

Exporting OB Theories

- Organizational behaviour theories, research, and practices from North American might not translate well to other societies
- A good fit between company practices and the host culture is important

Importing OB Theories

- Not all theories and practices that concern organizational behaviour are designed in North America or even in the West
- The most obvious examples are "Japanese management" techniques, such as quality circles, total quality management, and just-in-time production
- Organizations need to tailor management practices to the home culture's concerns

Appreciating Global Customers

An appreciation of cross-cultural differences in values is essential to understanding the needs and tastes of customers or clients around the world

Appreciating the values of global customers is also important when the customers enter your own culture

Developing Global Customers

- Success in translating management practices to other cultures, importing practices, and appreciating global customers does not happen by accident
- Companies need to select, train, and develop employees to have an appreciation of differences in cultural values and the implications of those differences for behaviour in organizations

What are attitudes?

- An attitude is a fairly stable evaluative tendency to respond consistently to some specific object, situation, person, or category of people
- Attitudes involve evaluations directed toward specific targets
- They are more specific than values

The three components of attitudes: cognition, affect, behaviour

- **Cognition:** beliefs and values
- **Affect:** Feelings and emotions
- **Behaviour:** Intended Behaviour

What are attitudes? (cont'd)

- Attitudes are tendencies to respond to the target of the attitude
- Attitudes often influence our behaviour toward some object, situation, person, or group
- Attitude → Behaviour
- Where do attitudes come from?
- Attitudes are a function of what we think and what we feel
- Attitudes are the product of a related belief and value
- Belief + Value = Attitude → Behaviour

What is Job Satisfaction?

- A collection of attitudes that workers have about their jobs
- Two aspects of satisfaction
- Facet satisfaction refers to the tendency for an employee to be more or less satisfied with various facets of the job:
 - The world itself
 - Compensation
 - Career opportunities
 - Recognition
 - Benefits
- The Minnesota Satisfaction Questionnaire (MSQ) is also a carefully constructed measure of job satisfaction

How Discrepancy, Fairness, disposition, Mood, and Emotion Affect Job Satisfaction

- The most popular measure of job satisfaction is the Job Descriptive Index (JDI)
- It is designed around five facets of satisfaction
- Employees respond "Yes", "no," or "?" in describing whether a particular word or phrase is descriptive of particular facets of their jobs

What determines job satisfaction?

- We frequently find differences in job satisfaction expressed by individuals performing the same job in a given organization
- How does this happen?

Discrepancy

- Theory that job satisfaction stems from the discrepancy between the job outcomes wanted and the outcomes that are perceived to be obtained
- There is strong evidence that satisfaction with one's pay is high when there is a small gap between the pay received and the perception of how much pay should be received

Fairness

- Issues of fairness affect both what people want from their jobs and how they react to the inevitable discrepancies in organizational life
- There are basic kinds of fairness”
 - Distributive fairness
 - Procedural fairness
 - Interactional fairness

Disposition

- Could your personality contribute to your feelings of job satisfaction?
- The dispositional view of job satisfaction are predisposed by virtue of their personality to be more or less satisfied despite changes in discrepancy or fairness

Some Key Contributors to Job Satisfaction

- The facets that seem to contribute the most to feelings of job satisfaction for the most North American workers include”
 - Mentally challenging work
 - Adequate compensation
 - Career opportunities
 - People (friendly or helpful)

Consequences of Job Satisfaction

- Job satisfaction has a number of consequences:
 - Absence from work
 - Turnover
 - Performance
 - Organizational citizenship behaviour
 - Customer satisfaction and profit

What is Organizational Commitment?

- Organizational commitment is an attitude that reflects the strength of the linkage between an employee and an organization
- This linkage has implications for whether someone tends to remain in an organization

Affective Commitment

- Commitment based on a person’s identification and involvement with an organization
- People with high affective commitment stay with an organization because they want to

Continuance Commitment

- Commitment based on a person’s identification and involvement with an organization
- People with high continuance commitment stay with an organization because they have to

Normative Commitment

- Commitment based on ideology or a feeling of obligation to an organization
- People with a high normative commitment stay with an organization because they think they should do so

Chapter 5 - Theories of Work Motivation

Why Study Motivation?

- One of the most traditional topics in OB
- Motivation is especially important in contemporary organizations
 - Global competitiveness
 - Rapid changes
 - Flexibility
 - Attention to customers

What is Motivation?

- The extent to which persistent effort is directed toward a goal
- The basic characteristics of motivation
 - Effort
 - Persistence
 - Direction
 - Goals

Intrinsic motivation

- Motivation that stems from the direct relationship between the worker and the task that is usually self applied
- Between you and the task itself
 - E.g. feeling of achievement/accomplishment

Extrinsic motivation

- Motivation that stems from the work environment external to the task and is usually applied by others
 - E.g. pay

Self-Determination Theory

- A theory of motivation that considers whether people's motivation is autonomous or controlled
- **Autonomous motivation** occurs when people are self-motivated by intrinsic factors
- **Controlled motivation** occurs when people are motivated to obtain a desired consequence or extrinsic reward
- Extrinsic factors can lead to autonomous motivation
- Autonomous motivation facilitates effective performance, especially on complex tasks

Motivation and Performance

- Performance refers to the extent to which an organizational member contributes to achieving the objectives of the organization
- While motivation contributes to performance, the relationship is not one-to-one because a number of other factors also influence performance

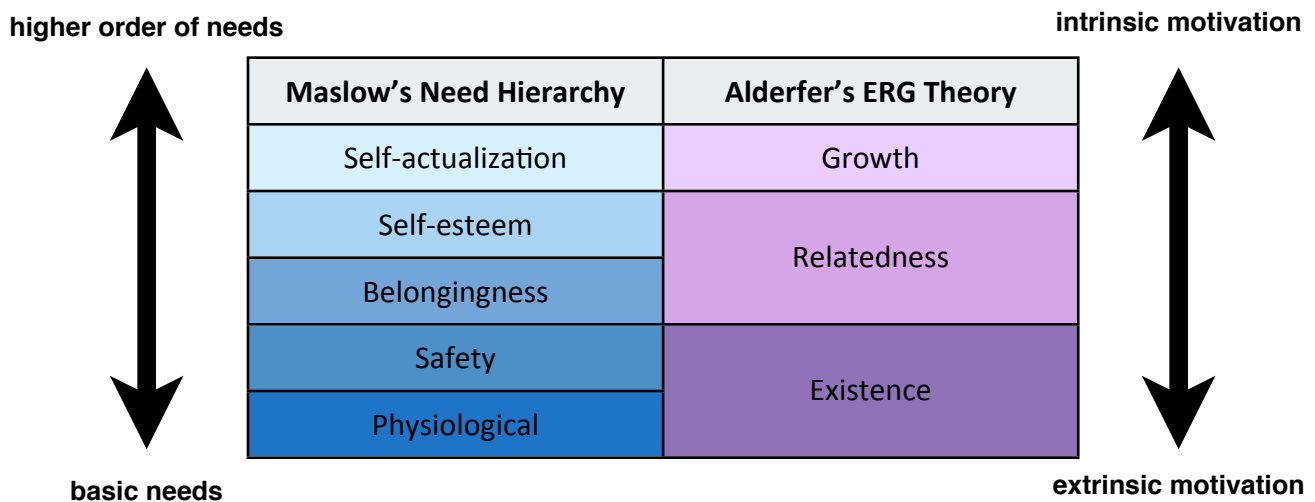
Factors Contributing to Individual Job Performance

Need Theories of Work Motivation

- Motivation theories that specify the kinds of needs people have and the conditions under which they will be motivated to satisfy these needs in a way to contribute to performance
- Three prominent need theories of motivation:
 - Maslow's Hierarchy of Needs
 - Alderfer's ERG Theory
 - McClelland's Theory of Needs

Relationship Between Maslow and Alderfer Need Theories

- Motivation theories that specify the kinds of needs people have and the conditions under which they will be motivated to satisfy these needs in a way to contribute to performance



McClelland's Theory of Needs

- A non-hierarchical need theory of motivation that outlines the conditions under which certain needs result in particular patterns of motivation
- Needs reflect relatively stable personality characteristics
- Concerned with the specific behaviour consequences of these three needs: achievement, affiliation, and power

Research Support for Need Theories

- Frustration of relatedness needs increases the strength of existence needs
- The simplicity and flexibility of ERG theory seem to capture the human need structure better than the greater complexity of Maslow's
- Research on McClelland's need theory is generally supportive of the idea that particular needs are motivational when the work setting permits the satisfaction of these needs

Managerial Implications of Need Theories

- Appreciate diversity of the needs of individual employees and offer incentives or goals that correspond to them
- Appreciate the motivation potential of intrinsic motivators and the existence of higher-order needs
- Higher-order needs will fail to develop unless lower level needs are reasonably well gratified

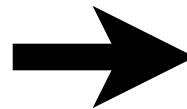
Process Theories of Work Motivation

- Motivation theories that specify the detail of how motivation occurs
 - Expectancy theory
 - Equity theory
 - Goal-setting theory

Goal Setting Theory

- A process theory that states that goals are motivation when they are **specific, challenging** and when organization members are **committed** to them and **feedback** about progress towards goal attainment is provided.
- S.M.A.R.T.
 - Specific
 - Measurable
 - Attainable
 - Relevant
 - Timely

Goals	Mechanisms
Specific Challenge Goal commitment Feedback	Direction Effort Persistent Task strategies



PERFORMANCE

Review for Midterm 1

3 Questions

- Essay
- Mini case (maybe)

Chapter 1

- Know what OB is actions: actions and attitude (job satisfactions, etc) how is it all related to things like turnover, productivity, absenteeism
- 3 main goals of OB
 - Predicting - how are people going to behave? Personality traits: determine which jobs are good or certain personalities
 - Explaining - analysis/why things happen? Why motivation went down?
 - Managing - manage behaviour. Once we can explain, we can manage
- OCB
- Counterproductive performance
- Things are changing, and this is making the jobs of managers that much tougher
- Globalization - the workforce is diverse

Chapter 2 - Personality and Learning

- Big 5 Factors:
 - Openness to experience
 - Conscientiousness
 - Extraversion
 - Agreeableness
 - Neuroticism
- In order to create an effective team we need
- Locus of control - dimension of personality
 - Difference between internal and external locus of control
- Practice personality
- Learning - permanent change in behaviour for learning to be effective
- *Know the strategies*
- Positive and negative reinforcement

Chapter 3 - Perception, Attribution, and Judgment of Others

- Know that individuals view different situations from different perceptions/backgrounds
- Biases in Perception
 - Primary and recency error
- Assumptions based on similarity - stereotype
 - Dispositional vs situational
 - Consistency, census and distinctiveness

Chapter 4 - Values, Attitudes, and Work Behaviours

- Explain the relationship between values, attitudes and behaviour
- The three components of attitudes: cognition, affect, behaviour
 - **Cognition:** beliefs and values
 - **Affect:** Feelings and emotions
 - **Behaviour:** Intended Behaviour
- What determines job satisfaction? What makes a job satisfying or dissatisfying?
 - Is your job motivating?
 - Compensation? (\$)
 - Colleagues + supervisors
 - Opportunity to grow?
- No early scientific management on test
- Example Question
 - Maslow's theory. Define and give an example of each
 - Short answer essay
 - Direct questions

October 5, 2012
Lecture 9

Chapter 6 - Work Motivation Part II

Job Design as a Motivator

- The goal of job design is to identify the characteristics that make some tasks more motivating than others and to capture these characteristics in the design of jobs
- An attempt to capitalize on intrinsic motivation
 - Job rotation: workforce changes what job they do- rotate employees
 - New skills make employees more valuable
 - Disadvantages : may have to do jobs you don't like, not all people like change, takes (21 days) to be efficient in your job- making mistakes. This program is resisted by supervisors – since they need to spend time helping new people

Job Rotation

- Another approach for increasing the scope of an individual's job is job rotation
- Employees are rotated to different tasks and jobs in an organization
- It can involve working in different functional areas and departments
- It can provide a variety of challenging assignments, develop new skills and expertise and prepare employees for future roles.

Core Job characteristics	Critical psychological states	Outcomes
Skill variety	experienced meaningfulness of the work	High internal work motivation
Task identity – complete the whole job		
Task significance- some say in the job, does it contribute		High “growth” satisfaction
Autonomy	Experienced responsibility for outcomes of work	High general job satisfaction
Feedback from job	Knowledge of the actual results of the work activities	High work effectiveness

Moderators:

1. Knowledge and skill
 2. Growth need strength
 3. Context satisfaction
- ➔ Is this model practical : may not be practical everywhere,

Job Enrichment

- The design of jobs to enhance intrinsic motivation, quality of working life and job involvement
- Job enrichment involves increasing the motivating potential of jobs via the arrangement of their core job characteristics
- Many job enrichment schemes include the following:
 - Combining tasks (skill variety)
 - Establishing external client relationships
 - Establishing internal client relationships – marketers collecting info and passing to manufacturers, task significance
 - Reducing supervision or reliance on others (autonomy)
 - Forming work teams (significance, feedback)
 - Making feedback more direct
 - Potential problems with job enrichment
 - Job enrichment can encounter a number of challenging problems:
 - Poor diagnosis
 - Lack of desire or skill -
 - Demand for rewards – not about rewards, missing in the model
 - Union resistance -
 - Supervisory resistance

Management By Objectives

- The MBO process involves manager-employee interactions:
 - The manager meets with individual workers to develop and agree on employee objectives which can include job performance and personal development objectives
 - There are periodic (regular) meetings to monitor employee progress in achieving objectives

- An appraisal meeting is held to evaluate the extent to which the agreed objectives have been achieved
- The MBO cycle is repeated

Research Evidence

- Research evidence shows clear productivity gains associated with MBO
- A number of factors are associated with the failure of MBO programs:
 - Lack of commitment from top management
 - An overemphasis on measurable objectives at the expense of more qualitative objectives
 - Excessive short-term orientation
 - Performance review becomes just an exercise of punishing employees for failure to achieve objectives

October 12, 2012
Lecture 11

Chapter 7 - Groups and Team Work

What is a group?

- A group consist of two or more people interacting interdependently to achieve a common goal.
 - Formal work groups (Task forces and Committees are groups that are established by organizations to facilitate the achievement of organizational gaols
 - Informal Groups: Informal groups who are groups that emerge naturally in response to the common interests of organizational members.

Stages of group development – Exhibit 7.1

- **Forming stage** – it is the first stage, you are forming the group at that stage, group members, it likes a first day on a new job. Things are not really clear. They start testing the waters
- **Storming** – You start giving idea, creative way of cheating, writing on your hand, the conflict is at the highest level in this stage, roles and reasonability are not allocated yet, they are still discussing how to the job.
- **Norming** – The issues in the storming stage have been sorted out, things are clear responsibility are allocated, the group starts preforming
- **Performing** – With its social structure sorted out, the group devotes its energies toward a task accomplishment. Achievement, creativity, and mutual assistance are prominent themes of this stage.
- **Adjourning** – When you disband the group/task force. People go back to their original departments, this only happens in temporary groups.

Group Structure and its Consequence

- Group structure refers to the characteristics of the stable social organization of a group – the way a group is “put together”
- The most basic structural characteristics along which groups vary are size and member diversity.
- Other structural characteristics are group norms, roles, status, and cohesiveness.
- **Group size** – 3 people is a good size
- **Group diversity** – groups that are highly diversified. A highly diversified group has a group of various, genders, qualifications.
 - A diverse group is more effective after a while.
 - Who will be more diverse the more creative you are.
- **Group norms:** unwritten behaviours; e.g. dress norms, performance norms, etc.

• Roles

- Group members play different roles have different responsibility, if the role of certain group members are very ambiguous then this could create stress, dissatisfaction and conflict. What makes a role very ambiguous, if there is no strict job description.
- People tend to communicate with people in there status and higher

• Cohesiveness

- What comes to your mind in Cohesiveness, unified, it is about attractions, how attracted group members are to each other. How do we make a group cohesive group, not a diverse group. For cohesiveness – reduce it. Make the backgrounds of members similar. Try to locate them close to each other. Reward the whole group, not just individual performance.

• Social Loafing

- The tendency to withhold physical or intellectual effort when performing a group task.
- Social loafing is a motivation problem. They stop performing/contributing when they realize other members are not doing anything, then they start lowering there efforts.

Counteracting Social Loafing

- Make individual performance more visible
- Make sure that the work interesting
- Increase performance feed back
- Reward group performance.

What is a team

- The term “team” is generally used to describe “groups” in organizational settings
 - Teams have become a major building block of organizations are now quite common in North America.
- Research has shown improvement sin organizational performance in terms of both efficiency and quality as result of team-based work arrangements.

Designing Effective work teams

- According to J. Richard Hackman, a work group is effective when”
- Its physical or intellectual output is acceptable to management and to other parts of the organization that use this output.
- Group members needs are satisfied rather than frustrated by the group.
- The group experience enables members to continue to work together.
- Designing Effective Work Teams

Group effectiveness occurs when:

- High effort is directed toward the group’s task.
- When great knowledge and skill are directed toward the task.
- When the group adopts sensible strategies for accomplishing its goals.
- One way to design groups to be more effective is to make them self-managed work teams. I.E groups without managers or leaders. How does that work?

Self-managed work Teams (SMWTs)

- Work groups that have the opportunity to do challenging work under reduced supervision.
 - The group regulate much of their own member’s behaviour
 - Critical success factors of self-managed teams include
 - - The nature of the task (Challenging & Enriched).
 - The composition of the group (stability, size, Expertise and Diversity)
 - Various support mechanism (training, Reward and Management).
 - Cross-Functional Teams
 - Work groups that bring people with different functional specialties together to better innovate, design, or deliver a product or service
 - Members have to be experts in their own area but able to cooperate with others.
 - Best known for their success in product development.

Marketing Dept – HR – Finance – IT – RND. That is a simple and basic company structure. How does it work.? For cross sectional, we take a representative from each function and form a new team to a new product, or promotion.

The new team is highly diversified, what is the problem with these teams, the members get there salaries and raises get them from there department. So they have two managers, the HR manager and the Project Manager.

Principles for Effectiveness

- Composition
- Superordinate goals
- Physical proximity
- Rules and procedures
- Leadership
- Autonomy

Virtual Teams – are work groups that use technology to communicate and collaborate across time, space and organizational boundaries.

Advantages of Virtual Teams

- Around – the clock work
- Reduced travel time and cost
- Larger Talent Pool

Disadvantages of virtual Teams

- Miscommunication
- Trust
- Isolation
- High Costs – depends on the job, startup costs may be extreme.
- Management issues

October 17, 2012
Lecture 12

Chapter 8 - Social Influence, Socialization and Culture

Social Influence in Organizations

- In many social settings (especially groups) people are highly dependent on others.
- This dependence sets the stage for influence to occur.
- There are two kinds of dependence, information and effect dependence

Motives for Social Conformity

- The motives for social conformity vary across situations and can be classified as follows
 - Compliance
 - Identification
 - Internalization

Organizational Socialization

- Socialization is the process by which people learn the attitudes, knowledge and behaviours that are necessary to function in a group or organization.
- It is a learning process in which new members must acquire knowledge, change their attitudes and perform new behaviours
- It is the primary means by which organization communicate the organization's culture and values to new members.

Unrealistic Expectations

- People entering organizations hold many expectations that are inaccurate and often unrealistically high
- When they enter an organization they experience a reality shock and their expectations are not met.
- Newcomers who have higher met expectations have higher job satisfaction, organizational commitment, job performance and job survival and lower intentions to quit.

Psychological Contract

- Beliefs held by employers regarding the reciprocal obligations and promises between them and their organization
- An employee might expect to receive bonuses and promotions in return for hard work and loyalty

Methods of Socialization

- Organizations differ in terms of who does the socializing, how it is done and how much is done. This is important to minimize expectations to reality.
- Most organizations make use of the following methods of socialization;
 - Realistic job previews
 - Employee orientation programs
 - Socialization tactics.

Realistic Job Previews

- The provision of a balanced realistic picture of the positive and negative aspects of the job applicants.
- They provide “corrective action” to expectations at the anticipatory socialization stage.
- The realistic job preview process can be compared to the traditional preview process that often sets expectations too high by ignoring the negative aspects of the job.

Realistic Job Previews: Research Evidence

- Realistic job previews are effective in reducing inflated expectations and turnover and improving job performance
- Turnover reduction is due in part to lower expectations and increased job satisfaction
- The cause those not cut out for the job or who have a low P-J and P-O fit perceptions to withdraw from the application process, process known as self-selection.

Employee Orientation Programs

- Orientation programs are designed to introduce new employees to their job, the people they will be working with and the organization.
- They also teach newcomers how to cope with stressful work situations
- Employees who attend orientation are more socialized in terms of their knowledge and understanding of the organization and report higher organizational commitment
- Evidence of a reduction in the rate of turnover.

Socialization Tactics

- Institutionalization socialization tactics are effective in promoting uniformity of behaviour

What is Organizational Culture?

- An organization’s style atmosphere or personality
- Consists of shared beliefs, values and assumptions that exist in an organization
- These shared beliefs, values and assumptions determine the norms that develop and the patterns of behaviour that emerge from these norms.
- Culture -> Norms -> Behaviour

The “Strong Culture” Concept

- A strong culture is an organizational culture with intense and pervasive beliefs, values and assumptions
- A strong culture provides great consensus concerning what the organization is about or what it stands for
- Weak cultures are fragmented and have less impact on organizational members
- An organization does not have to be big to have a strong culture
- Strong cultures do not necessarily result in blind conformity
- Strong cultures are associated with greater success and effectiveness.

Assets of Strong Cultures

- Coordination
 - The overarching values and assumptions of strong cultures can facilitate communication and coordination
- Conflict Resolution
 - Sharing core values is a powerful mechanism for resolving conflicts
- Financial Success
 - Strong cultures contribute to financial success and organizational effectiveness when the culture supports the mission, strategy and goals of the organization

Liabilities of Strong Cultures

- Resistance to change
 - A strong culture can prove very resistant to change and can damage a firm; ability to innovate

Contributors to the Culture

- How are cultures built, maintained and changed?
- Two key factors that contribute to the foundation and continuation of organizational cultures;
 - The founders role
 - Socialization

October 31, 2012

Lecture 14

Chapter 9 – Leadership

Definition of Leadership

- Leadership is an influence among leaders and followers who intend real changes and outcomes that reflect their shared purposes
- Leaders cannot exist without followers

The New Reality for Leadership - EXAM

OLD Paradigm

- Stability
- Control
- Competition
- Uniformity
- Self-centred

NEW Paradigm

- Changes/crisis management
- Empowerment
- Collaboration
- Diversity
- Higher ethical purpose

Comparing Management and Leadership

	Management	Leadership
Direction	Planning and budgeting Keeping eye on the bottom line	Creating vision and strategy Keeping eye on horizon
Alignment	Organizing and staffing Directing and controlling Creating boundaries	Creating shared culture and values Helping others grow Reducing boundaries
Relationships	Focusing on objects - producing/ selling goods and services Based on position power Acting as a boss	Focusing on people - inspiring and motivating followers Based on personal power Acting as coach, facilitator, servant
Personal Qualities	Emotional distance Talking Conformity Insight into organization	Emotional connections Listening Nonconformity Insight into self
Outcomes	Maintains stability Creates culture of efficiency Outcomes: stability	Creates change and a culture of integrity Outcomes: change

Are Leaders Born or Made? The Search for Leadership Traits

- The assumption that those who become leaders and do a good job of it possess a special set of traits that distinguish them from others

Traits Associated with Leadership Effectiveness

- Intelligence
- Energy
- Self-confidence
- Dominance
- Motivation to lead
- Emotional stability
- Honesty and integrity
- Need for achievement

Research on Leadership Traits

- Three of the “Big Five” dimensions of personality are related to leadership behaviours
 - Agreeableness
 - Extraversion
 - Openness to experience

- Intelligence is related to leadership but not as strongly as previously thought

Limitations of the Trait Approach

- Does not tell us what leaders *do* to influence others successfully
- It does not take into account the *situation* in which leadership occurs
- Traits alone are not sufficient for successful leadership

The Behaviour of Leaders

- The most involved, systematic study of leadership was begun at Ohio State U in the 1940s
- Employees described their superiors along a number of behavioural dimensions
- The results revealed two basic kinds of behaviour:
 - Consideration
 - Initiating structure

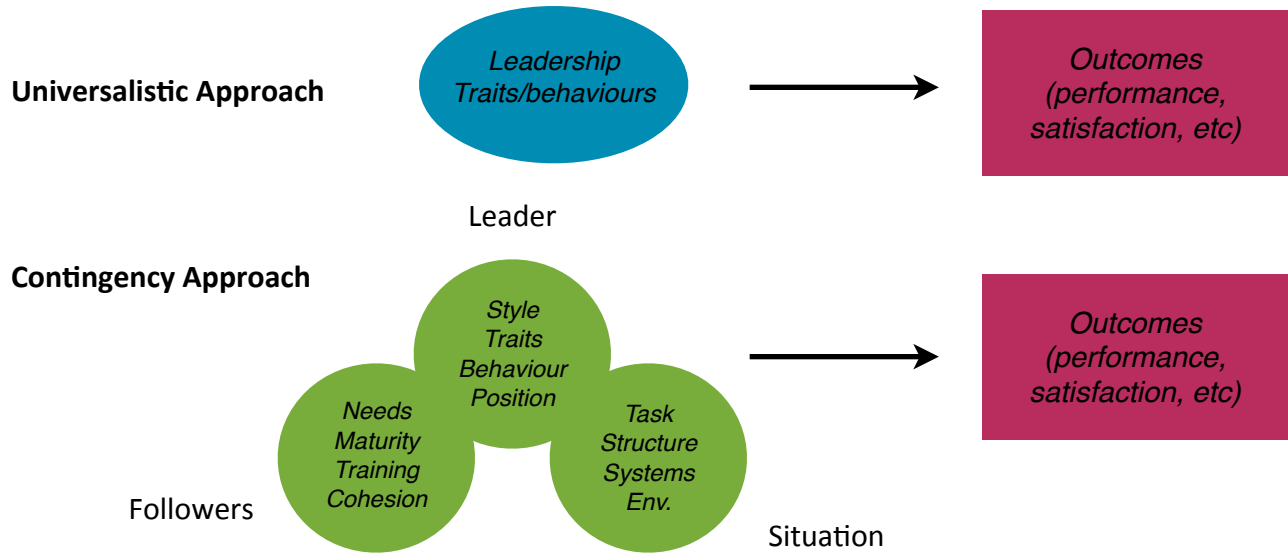
The Consequences of Consideration and Structure

- Consideration and initiating structure both contribute positively to employees' motivation, job satisfaction and leader effectiveness
- Consideration is more strongly related to follower satisfaction, motivation, and leader effectiveness
- Initiating structure is slightly more strongly related to leader job performance and group performance
- The relative importance of consideration and initiating structure varies according to the nature of the leadership situation

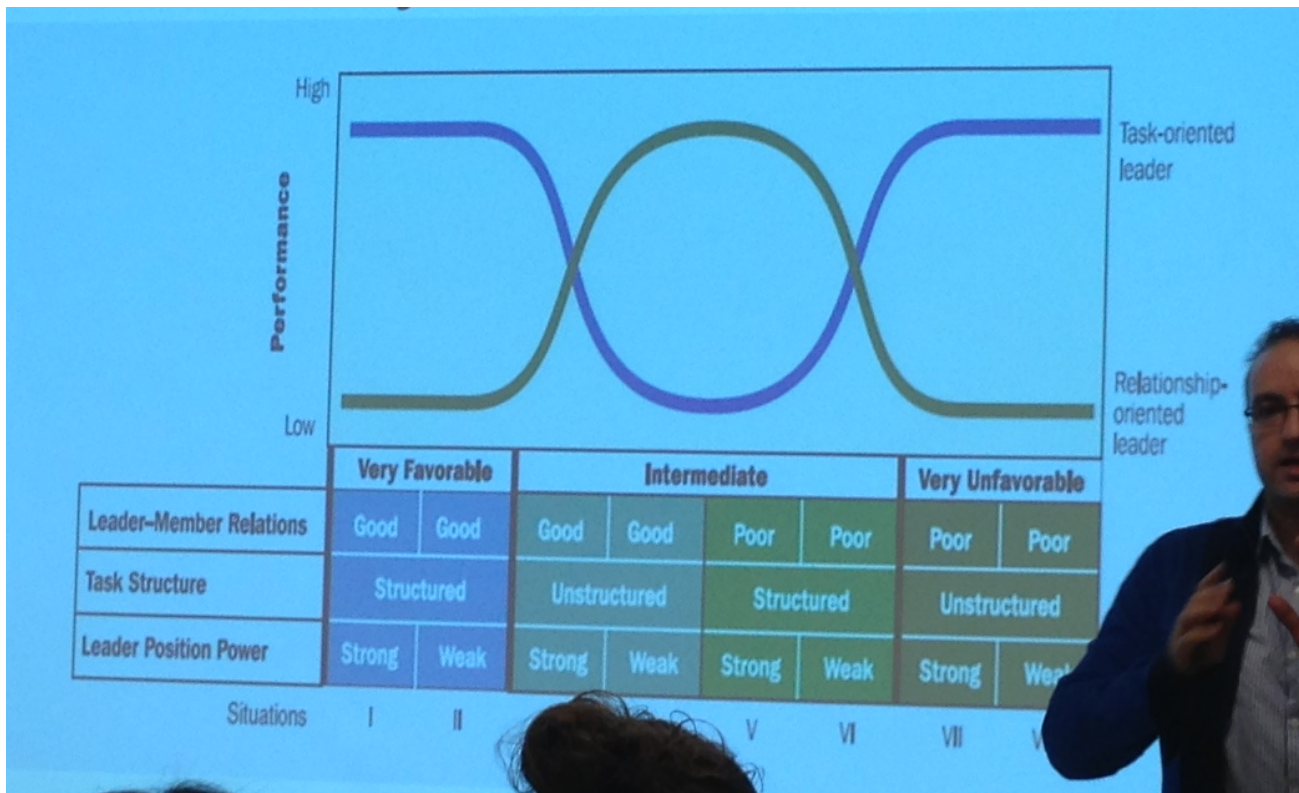
The Consequences of Consideration and Structure: The Nature of the Situation

- When employees are under a high degree of pressure due to deadline, unclear tasks, or external threat, initiating structure increases satisfaction and performance
- When the task is intrinsically satisfying, the need for high consideration and high structure is generally reduced
- When the goals and methods of performing the job are very clear and certain, consideration should promote employee satisfaction, while structure should promote dissatisfaction
- When employees lack knowledge as to how to perform a job, or the job itself has vague goals or methods, consideration becomes less important, while initiating structure takes on an additional importance
- The effects of consideration and initiating structure depend on the characteristics of the task, the employee, and the setting in which the work is performed

Comparing the Universalistic and Contingency Approaches to Leadership



Fiedler's Classification: How Leader Style Fits the Situation



Vroom and Jago's Situational Model of Participation

- For issues involving the entire work group, a range of behaviours is plausible (A stands for autocratic, C for consultation, and G for group)
- AI: you solve the problem or make the decision yourself
- AII: You obtain the necessary information from your employees, then decide the solution to the problem yourself
- CI: you share the problem with the relevant employees individually, getting their ideas and suggestions then you make the decision
- CII: you share the problem with your employees as a group, obtaining their collective ideas and suggestions, then you make the decision
- GII: you share the problem with your employees as a group and together you generate and evaluate alternatives and attempt to reach agreement (consensus) on a solution

Vroom and Jago Decision Tree Questions

- How important is the technical quality of this decision? (Quality requirement)
- How important is the subordinate commitment to the decision? (Commitment requirement)
- Do you have any sufficient information to make a high-quality decision?
- Is the problem well structured?
- If you were to make the decisions by yourself, is it reasonably certain that your subordinates would be committed to the decision?
- Do subordinates share the organizational goals to be attained in solving the problem?
- Is conflict among subordinates over preferred solutions likely?
- Do subordinates have sufficient information to make a high quality decision?

November 2, 2012
Lecture 15

Midterm 2

- Chapters 5, 6, 7, 8
- **Chapter 5 - Motivation**
 - Intrinsically motivated
 - Stems from direct relationship between the worker and the task; usually self-applied
 - Extrinsically motivated
 - Stems from the work environment external to the task and is usually applied by others
 - Relationship between Maslow and Alderfer Need Theories
 - McClelland's Theory of Needs
 - Process theories
 - Expectancy theory
 - Equity theory
 - Goal setting theory
- **Chapter 6 - Motivation in Practice**

- Describe the details of the *Job Characteristics Model*
- Discuss the motivational properties of *job enrichment*
- Understand the connection between goal setting and *Management by Objectives*
- Job rotation
- Job enrichment
 - About and problems with job enrichment
- Management by Objectives (MBO) Process

- **Chapter 7 - Groups and Teamwork**
 - Stages of Group Development (slide 8)
 - Consequences of Group Structure (slide 9)
 - Group Cohesiveness (slide 26)
 - Self-Managed Work Teams (MWT) (slide 11)
 - Work groups that have the opportunity to do challenging work under reduced supervision
 - Regulate much of their own members' behaviour
 - Virtual teams (slide 14)
- **Chapter 8 - Social Influence, Socialization, and Culture**
 - The socialization process (slide 7)
 - Unrealistic expectations
 - Socialization Tasks - diagram (slide 16)
 - Institutionalization tactics and individualized tactics
 - Differences between them
 - *Institutionalization socialization* - more formalized and structured program of socialization that reduces uncertainty and encourages new hires to accept organizational norms and maintain the status quo
 - *Individualized socialization* - reflects a relative absence of structure that creates ambiguity and encourages new hires and questions the the status quo

November 9, 2012
Lecture 17

Chapter 12 – Power, Politics and Ethics

What is power?

- *Power* is the capacity to influence others who are in a state of dependence
- It is not always perceived or exercised
- Power can flow in any direction in an organization
- Power applies to both individuals and groups

The Bases of Individual Power

- Power can be found in the position one occupies in an organization or the resources that one is able to command
- There are five bases of individual power:
 1. **Legitimate power**
 - Power derived from a **person's position** or job in an organization
 2. **Reward power**
 - Power derived from the ability to **provide positive outcomes** and prevent negative outcomes
 3. **Coercive power**
 - Power derived from the use of **punishment and threat**
 4. **Referent power**
 - Power derived from **being well liked** by others
 5. **Expert power**
 - Power derived from **having special information** or **expertise** that is valued by an organization. Of all the bases of power, expertise is most consistently associated with employee effectiveness

Employee Responses to Bases of Power



EXHIBIT 12.1

Employee responses to bases of power.

Source: Steers, R.M., & Black, J.S. (1994). *Organizational behavior* (5th ed). New York: HarperCollins.

How Do People Obtain Power?

- How do people get power?
- People obtain power in organizations by doing certain activities and developing informal relationships with the right people.
 1. Doing the Right Things
 2. Cultivating the Right People

1. Doing the Right Things

- Extraordinary Activities
 - Excellent performance in unusual or non-routine activities.
- Highly Visible
 - Activities must be visible to others and publicized.
- Relevant Activities
 - Relevant to the solution of important organizational problems.

2. Cultivating the Right People

- **Outsiders**
 - Establishing good relationships with key people outside of one's organization
- **Subordinates**
 - Being closely identified with certain up-and-coming subordinates
 - Being backed by a cohesive team

Empowerment

- *Empowerment* means giving people the authority, opportunity, and motivation to take initiative and solve organizational problems
- People who are empowered have a strong sense of self-efficacy
- Empowering lower-level employees can be critical in service organizations
- Empowerment fosters job satisfaction and high performance

Controlling Strategic Contingencies

- *Conditions under which subunits can control strategic contingencies:*
 - *Scarcity*
 - *Uncertainty*
 - *Centrality*
 - *Substitutability*

Machiavellianism

- A set of cynical beliefs about human nature, morality, and the permissibility of using various tactics to achieve one's ends
- A stable personality trait
- High Machs are more likely to advocate the use of lying and deceit to achieve desired goals
- High Machs assume that the ends justify the means

Ethics in Organizations

- Ethics can be defined as systematic thinking about the moral consequences of decisions
- Moral consequences can be framed in terms of the potential for harm to any stakeholders in the decision
- Stakeholders are people inside or outside of an organization who have the potential to be affected by organizational decisions
- A large majority agree that unethical practices occur in business
- A substantial number believe they have been pressured to compromise their own ethical standards when making organizational decisions

Causes of Unethical Behaviour

- **Gain**
 - The anticipation of healthy reinforcement for following an unethical course of action, especially if no punishment is expected
- **Role conflict**
 - Many ethical dilemmas are actually forms of role conflict that get resolved in an unethical way
- **Competition**
 - Stiff competition for scarce resources
- **Personality**
 - Certain personality types are more prone to unethical behaviour
- **Organizational and Industry Culture**
 - Aspects of an organization's culture (and its subcultures) can influence ethics
 - Corporate cultures that reward unethical behaviour
 - A culture of greed and exclusive focus on positive financial results

Chapter 13 – Conflict and Stress

What is conflict?

- Interpersonal conflict – a process that occurs when one person, group, or organizational subunit frustrates the goal attainment of another

Causes of Organizational Conflict

1. Group identification and intergroup bias
2. Independence
3. Differences in Power, Status, and Culture
4. Ambiguity
5. Scarce resources

1. Group Identification and Intergroup Bias

- The identification with a particular group or class of people.
- People develop a more positive view of their own “in-group.”
- Self-esteem is a critical factor.

2. Independence

- When individuals or subunits are mutually dependent on each other to accomplish their own goals
- It necessitates interaction and implies that each party has some power over the other
- Interdependence does not always lead to conflict

3. Differences in Power, Status, and Culture

- **Power:** If dependence is not mutual, but one way
- **Status:** Status differences provide little impetus for conflict when people of lower status are dependent on those of higher status
- **Culture:** When two or more very different cultures develop in an organization, the clash in beliefs and values can result in overt conflict

4. Ambiguity

- Ambiguous goals, jurisdictions, or performance criteria can lead to conflict

5. Scarce resources

- Conflict often surfaces in the process of power jockeying
- Limited budget money, secretarial support, or lab space can contribute to conflict

Types of Conflicts

- Is all conflict the same?
- It's useful to distinguish among three types of conflict:
 1. Relationship conflict

- 2. Task conflict
- 3. Process conflict

1. Relationship Conflict

- Concerns interpersonal tensions among individuals that have to do with their relationships per se, not the task at hand
- Example: personality clashes

2. Task Conflict

- Concerns disagreements about the nature of work to be done
- Example: differences of opinion about goals or technical matters

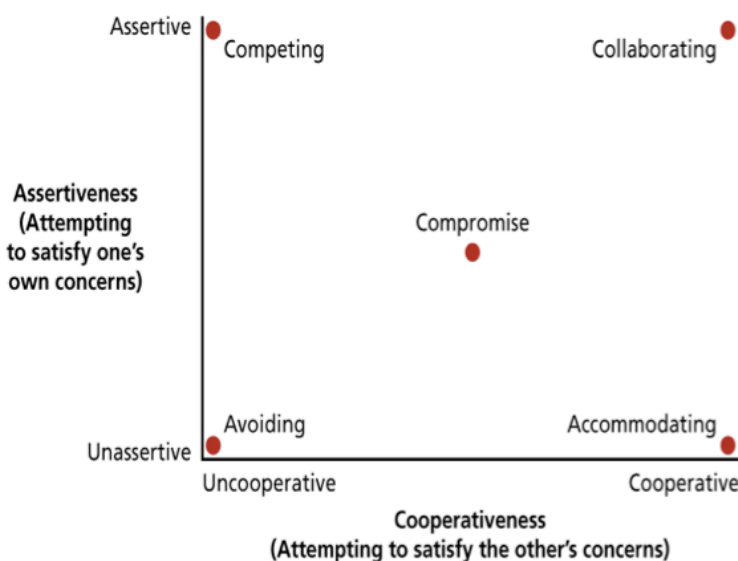
3. Process Conflict

- Involves disagreements about how work should be organized and accomplished
- Example: disagreements about responsibility, authority, resource allocation, and who does what

Conflict Dynamics

- When conflict begins, the following events often transpire:
 - “Winning” the conflict becomes more important than a good solution
 - The parties conceal information from each other or distort it
 - Each side becomes more cohesive
 - Contact with the opposite party is discouraged
 - Opposite party is negatively stereotyped and image of one’s own position is boosted
 - More aggressive people who are skilled at engaging in conflict may emerge as leaders
- The problem can escalate to the point that the conflict process itself becomes an additional problem and works against the achievement of a peaceful solution

Approaches to Managing Organizational Conflict



Avoiding

- A conflict management style characterized by low assertiveness of one's own interests and low cooperation with the other party
- Short-term stress reduction but it does not really change the situation
- It might be a sensible response when:
 - The issue is trivial
 - Information is lacking
 - People need to cool down
 - The opponent is very powerful and hostile

Accommodating

- A conflict management style in which one cooperates with the other party, while not asserting one's own interests.
- It can be an effective strategy when:
 - You are wrong
 - The issue is more important to the other party
 - You want to build good will

Final Exam Information

- 80 multiple choice questions
- 50% on new material
- 25% from midterm 1, 25% midterm 2
- All inclusive
- All classes will have the same exam

November 27, 2012
Lecture 20

Chapter 10 - Communication

What is communication?

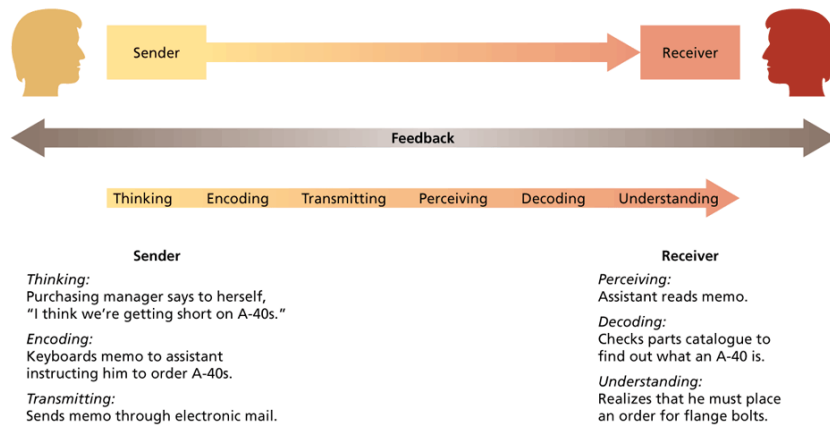
- The process by which information is exchanged between a sender and a receiver
- Interpersonal communication involves the exchange of information between people
- The simplest prototype for interpersonal communication is a one-on-one exchange between two individuals

A Model of the Communication Process

- **Thinking**
 - Purchasing manager thinks, "I think we're getting short on A-40s"
- **Encoding**
 - Purchasing manager keyboards memo to assistant requesting that he/she order A-40s
- **Transmitting**
 - Purchasing manager sends memo by email

- **Perceiving**
 - Assistant reads memo
- **Decoding**
 - Assistant checks parts catalogue to determine what an A-40 is
- **Understanding**
 - Assistant realizes that he must place an order for flange bolts
- **Feedback**
 - Assistant sends the manager a copy of the order

EXHIBIT 10.1
A model of the communication process and an example.
Source: From *Management, 2nd Edition*, by Glueck. © 1980. Reprinted with permission of South-Western, a division of Thomson Learning: www.thomsonrights.com. Fax: 800-730-2215. Example by authors.



- The model demonstrates a number of points at which errors can occur
- Effective communication occurs when the right people receive the right information in a timely manner
- Violating any of these three conditions results in a communication episode that is ineffective
- There are a few basic issues about organizational communication

Communication by Strict Chain of Command

- The chain of command refers to the lines of authority and formal reporting relationships in an organization
- Under this system, three necessary forms of communication can be accomplished:
 - **Downward communication**
 - Information that flows from the top of the organization toward the bottom
 - A vice-president of production might instruct a plant manager to gear up for manufacturing a new product
 - The plant manager would then provide specifics to supervisors, who would instruct the production workers
 - **Upward communication**

- Information that flows from the bottom of the organization toward the top
- A chemical engineer who conceives of a new plastic formula with unique properties might pass this on to the research and development manager, who would then inform the relevant vice-president

- **Horizontal communication**

- Information that flows between departments or functional units, usually as a means of coordinating effort
- Within a strict chain of command, such communication would flow up to and then down from a common manager

Deficiencies in the Chain of Command

- The formal chain of command is an incomplete and sometimes ineffective path of communication
- Managers need to consider:
 - Informal communication
 - Filtering
 - Slowness

The Grapevine

- An organization's informal communication network.
- The grapevine cuts across formal lines of communication.
- The grapevine does not just communicate information through word of mouth.
- Organizations often have several grapevine systems
- Transmits information that is relevant to the performance of the organization as well as personal gossip
- How accurate is the grapevine?
- Personal information and emotionally charged information are most likely to be distorted
- Only a proportion of those who receive grapevine news pass it on

Pros vs. Cons of the Grapevine

Pros	Cons
<ul style="list-style-type: none"> • Is the grapevine desirable from the organization's point of view? • It can keep employees informed about important organizational matters • It can provide a test of employee reactions to proposed changes without making formal commitments • It can serve as a potent informal recruiting source 	<ul style="list-style-type: none"> • The grapevine can become a problem when it becomes a constant pipeline for rumours • A rumour is an unverified belief that is in general circulation • Because people cannot verify the information as accurate, rumours are susceptible to severe distortion as they are passed from person to person • Rumours spread fastest and farthest when: <ul style="list-style-type: none"> • the information is especially ambiguous, • the content of the rumour is important to those involved, • the rumour seems credible, and • the recipient is anxious

Cross-Cultural Communication

- Many of the failures in business and management stem from problems in cross-cultural communication
- Important dimensions of cross-cultural communication include:
 - Language differences
 - Non-verbal communication
 - Etiquette and politeness
 - Social conventions
 - Cultural context

Basic Principles of Effective Communication

- **Take the Time**
 - Good communication takes time
 - Managers have to devote extra effort to developing good rapport with employees
- **Be Accepting of the Other Person**
 - Be accepting of the other person as an individual who has the right to have feelings and perceptions that may differ from your own
- **Do Not Confuse the Person with the Problem**
 - It is generally useful to be problem-oriented rather than person-oriented
 - Be more descriptive than evaluative

- **Say What You Feel**
 - Make sure your words, thoughts, feelings, and actions exhibit *congruence* – that they all contain the same message
- **Listen Actively**
 - Good communicators employ active listening
 - *Active listening* is a technique for improving the accuracy of information reception by paying close attention to the sender
- **Give Timely and Specific Feedback**
 - When you initiate communication to provide others with feedback about their behaviour, do it soon and be explicit
 - Say what was good about the person’s presentation to the client, and say it soon

Chapter 14 - Organizational Structure

Learning Objectives

1. Define *organizational structure* and explain how it corresponds to division of labour
2. Discuss the relative merits of various forms of *departmentation*
3. Review the more basic and more elaborate means of achieving *organizational coordination*
4. Discuss the nature and consequences of *traditional structural characteristics*
5. Explain the distinction between organic and *mechanistic structures*
6. Discuss the emergence of *ambidextrous, network, virtual, modular, and boundaryless organizations*
7. Review important considerations concerning *downsizing*
8. Identify symptoms of structural problems in organizations

The Dimensions of Division of Labour

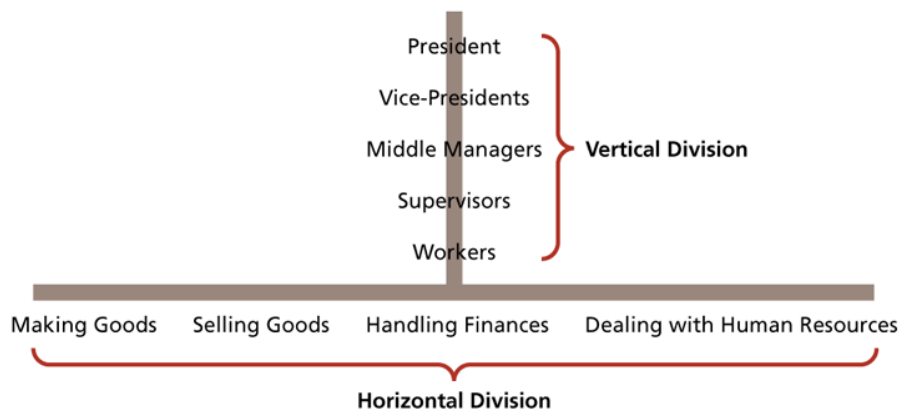


EXHIBIT 14.1
The dimensions of division of labour in a manufacturing firm.

Departmentation

- The assignment of jobs to departments is called departmentation
- It represents one of the core aspects of the horizontal division of labour

- There are several methods of departmentation

Functional Departmentation

- Employees with closely related skills and responsibilities (functions) are assigned to the same department
- Employees are grouped according to the kind of resources they contribute to achieving the overall goals of the organization
- When the scale gets bigger and the output of the organization gets more complex, most firms gravitate toward product departmentation or its variation
- What are the advantages of functional departmentation?
- **Advantages:**
 - Efficiency
 - Enhanced communication
 - Enhanced career ladders and training opportunities
 - Easier to measure and evaluate performance
- **Disadvantages:**
 - A high degree of differentiation
 - Poor coordination and slow response to organizational problems
 - Conflicts between departments
 - Department empires built at expense of organizational goals

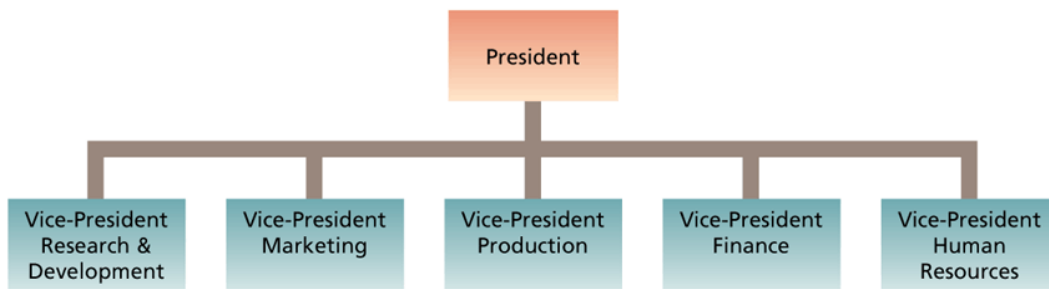
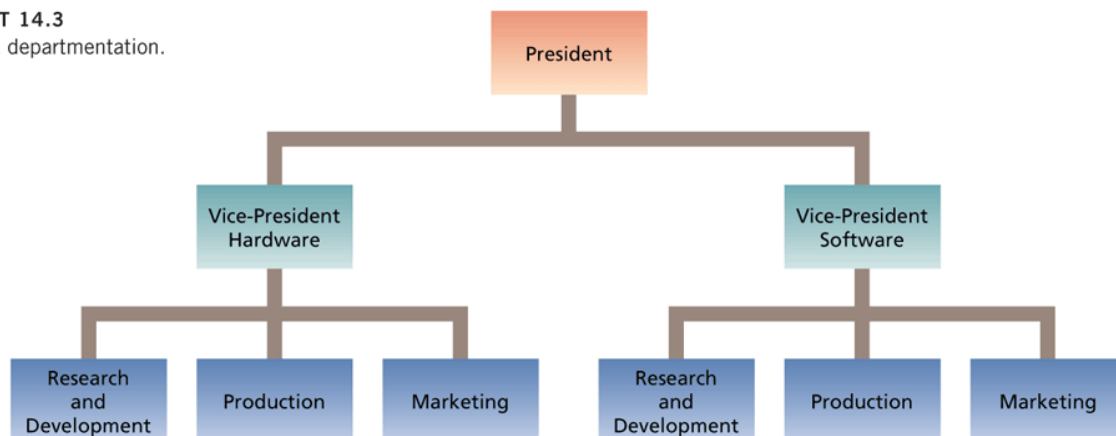


EXHIBIT 14.2
Functional
departmentation.

Product Departmentation

- Departments are formed on the basis of a particular product, product line, or service
- Each of these departments can operate fairly autonomously because it has its own set of functional specialists dedicated to the output of that department
- What are the advantages of product departmentation?
- **Advantages:**
 - Better coordination and communication among functional specialists who work on a particular product line
 - Flexibility
 - Departments can be evaluated as profit centres
 - Serves the customer or client better; more timely response to customers
- **Disadvantages:**
 - Professional development might suffer
 - Economies of scale might suffer
 - Inefficiency
 - Departments might work at cross purposes

EXHIBIT 14.3
Product departmentation.



Matrix Departmentation

- Employees remain members of a functional department while also reporting to a product or project manager.
- Variations exist but most boil down to what exactly gets crossed with functional areas to form the matrix and the degree of stability of the matrix relationships.
- A matrix could be based on shorter-term projects.
- **Advantages:**
 - Balance between the demands of the product or project and the people who do the work
 - Very flexible
 - Better communication among the representatives from the various functional areas
- **Disadvantages:**
 - Conflict between product or project managers and functional managers
 - Role conflict and stress because employees must report to a functional manager as well as a product or project manager

- Managers need to be well trained under matrix structures

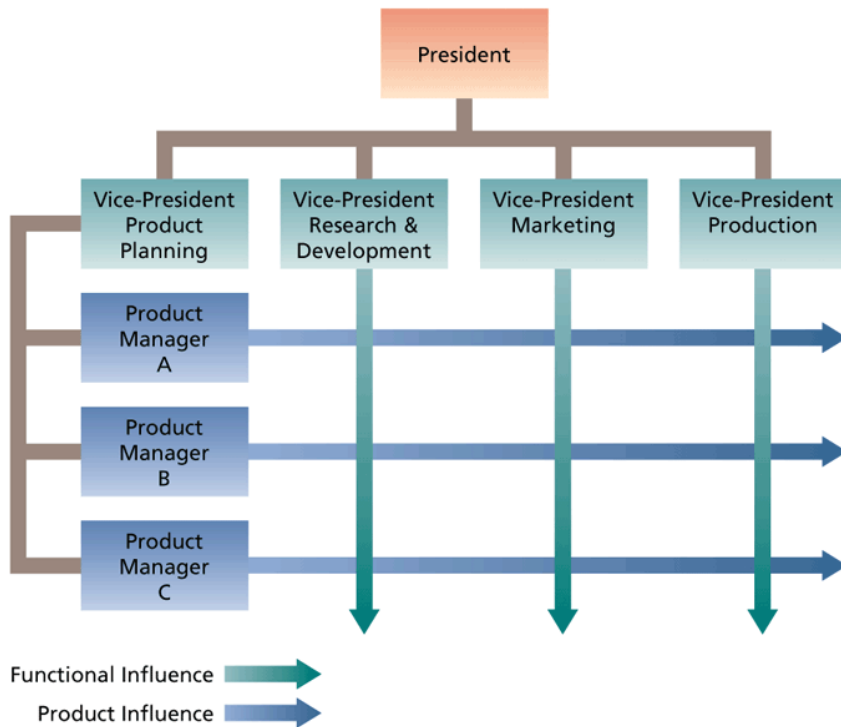
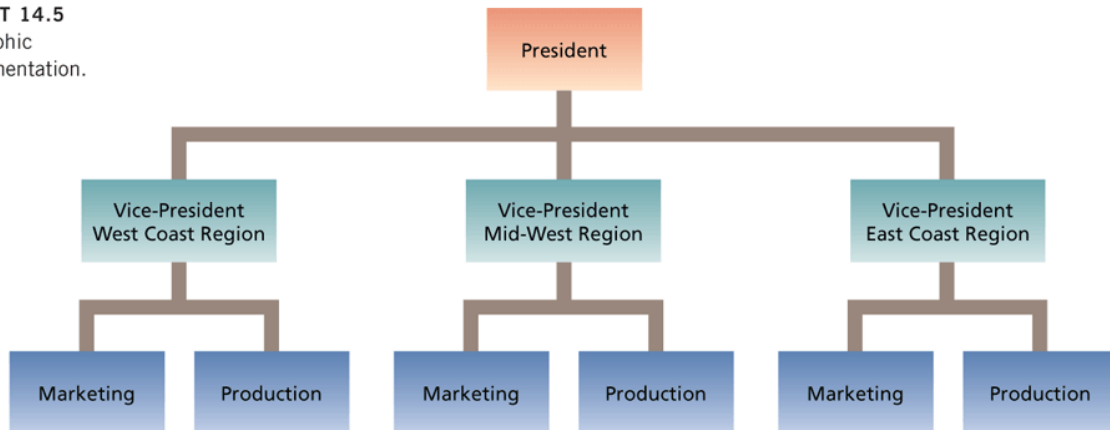


EXHIBIT 14.4
Matrix departmentation.

Geographic Departmentation

EXHIBIT 14.5
Geographic departmentation.



- Relatively self-contained units deliver an organization's products or services in a specific geographic territory
- What are the advantages of geographic departmentation?
- **Advantages:**
 - Shortens communication channels
 - Caters to regional tastes

Other Methods of Coordination and Worker Discretion

- Lateral coordination across highly differentiated departments often requires more customized and elaborate methods of coordination
- Integration is the process of attaining coordination across differentiated departments
- Ideally, integration specifies who is accountable for what, enables one department to predict the activities of another, and creates a shared understanding of overarching goals
- In ascending order of elaboration, three methods of achieving integration include the use of:
 - Liaison roles
 - Task forces and teams
 - Full-time integrators

Traditional Structural Characteristics

- There are a number of characteristics that summarize the structure of organizations:
 - Span of control
 - Flat versus tall organization
 - Formalization
 - Centralization
 - Complexity

Summarizing Structure: Organic vs Mechanistic

- Classical theorists tended to favour mechanistic structures
- *Mechanistic structures* are characterized by narrow spans of control, specialization, high centralization, and high formalization.
- Functional structures tend to be rather mechanistic.
- We can contrast mechanistic structures with organic structures.
- *Organic structures* are characterized by wider spans of control, fewer authority levels, less specialization, less formalization, and decentralization.
- Flexibility and informal communication are favoured.
- They are more in line with the dictates of the human relations movement.
- The matrix form is organic.

Organizational Characteristics	Types of Organization Structure	
Index	Organic	Mechanistic
Span of control	Wide	Narrow
Number of levels of authority	Few	Many
Ratio of administrative to production personnel	High	Low
Range of time span over which an employee can commit resources	Long	Short
Degree of centralization in decision making	Low	High
Proportion of persons in one unit having opportunity to interact with persons in other units	High	Low
Quantity of formal rules	Low	High
Specificity of job goals	Low	High
Specificity of required activities	Low	High
Content of communications	Advice and information	Instructions and decisions
Range of compensation	Narrow	Wide
Range of skill levels	Narrow	Wide
Knowledge-based authority	High	Low
Position-based authority	Low	High

EXHIBIT 14.9
Mechanistic and organic structures.

Source: From Seiler, J.A. (1967). *Systems analysis in organizational behavior*. Homewood, IL: Irwin, p. 168. © Richard D. Irwin, Inc. 1967. This exhibit is an adaptation of one prepared by Paul R. Lawrence and Jay W. Lorsch in an unpublished "Working Paper on Scientific Transfer and Organizational Structure," 1963. The latter, in turn, draws heavily on criteria suggested by W. Evans (1963) "Indices of the Hierarchical Structure of Industrial Organizations," *Management Science*, 9, 468-477, Burns and Stalker, *op. cit.*, and Woodward, *op. cit.*, as well as those suggested by R.H. Hall, "Intraorganizational Structure Variables," *Administrative Science Quarterly*, 9, 295-308.

- There is no "one best way" to organize.
- In general, more mechanistic structures are called for when an organization's environment is more stable and its technology is more routine.
- Organic structures work better when the environment is uncertain, the technology is less routine, and innovation is important.
- Many organizations have more than one structure.
- Structures can and should change over time.
- Innovation is one factor that often dictates multiple structures.