



# MILLIONS

## MANAGEMENT SOLUTIONS

Organizational Behavior

SUMMARY

Chapter 1

What is Organizational Behavior?

## Chapter 1 - What is Organizational Behavior

### The Importance of Interpersonal Skills

- **Leadership and Communication skills** are **Critical** to Organizational Success.
- Managers having solid interpersonal skills will benefits like
  - Lower turnover of quality employees
  - Higher Quality applications for recruitment
  - Better Financial Performance

### What Managers Do

- **Get things done through other people**
- **Management Activities** : Make Decisions, Allocate Resources, Direct activities of others to attain goals
- **Organizations** : 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.
- **Management Functions** :
  - **Planning** : Defining an organization's goals, developing a strategy for achieving those goals, coordinating a comprehensive set of plans to implement the strategy
  - **Organizing** : Decide what tasks are to be done, who is to them, how the tasks are to be grouped, who reports to whom, and where decisions are made.
  - **Leading** : Direct and coordinate the people within their area of influence like motivating, selecting most effective communication channel and resolve conflicts.
  - **Controlling** : Ensures things are going as they should by monitoring performance. Comparing the results of that monitoring with the goals that have been set and correcting if it is needed.
- **Mintzberg's Managerial Roles** : Managers perform ten different sets of behaviors in their work. There are three main roles :
  - **Interpersonal** : Manager required to perform duties that are ceremonial and symbolic in nature.
  - **Informational** : Managers manage information from outside organization and inside organization
  - **Decisional** : Managers to make decisions.

## Exhibit 1-1

### Minzberg's Managerial Roles

Role	Description
<b>Interpersonal</b>	
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
<b>Informational</b>	
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
<b>Decisional</b>	
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

- There are **Three of Essential Management Skills**
  - **Technical Skills** : Ability to apply specialized knowledge or expertise
  - **Human Skills** : Ability to work with, understand, and motivate other people, both individually and in groups.
  - **Conceptual Skills** : Mental ability to analyze and diagnose complex situations.
- **Luthans' Study of Managerial Activities** : There are four types of Managerial Activities. Effective Managers relied more on communication, Successful managers relied on networking
  - **Traditional Management** : Decision Making, planning and controlling
  - **Communication** : Exchanging routine information and processing paperwork
  - **Human Resource Management** : Motivating, disciplining, managing conflict, staffing and training
  - **Networking** : Socializing, politicking and interacting with others

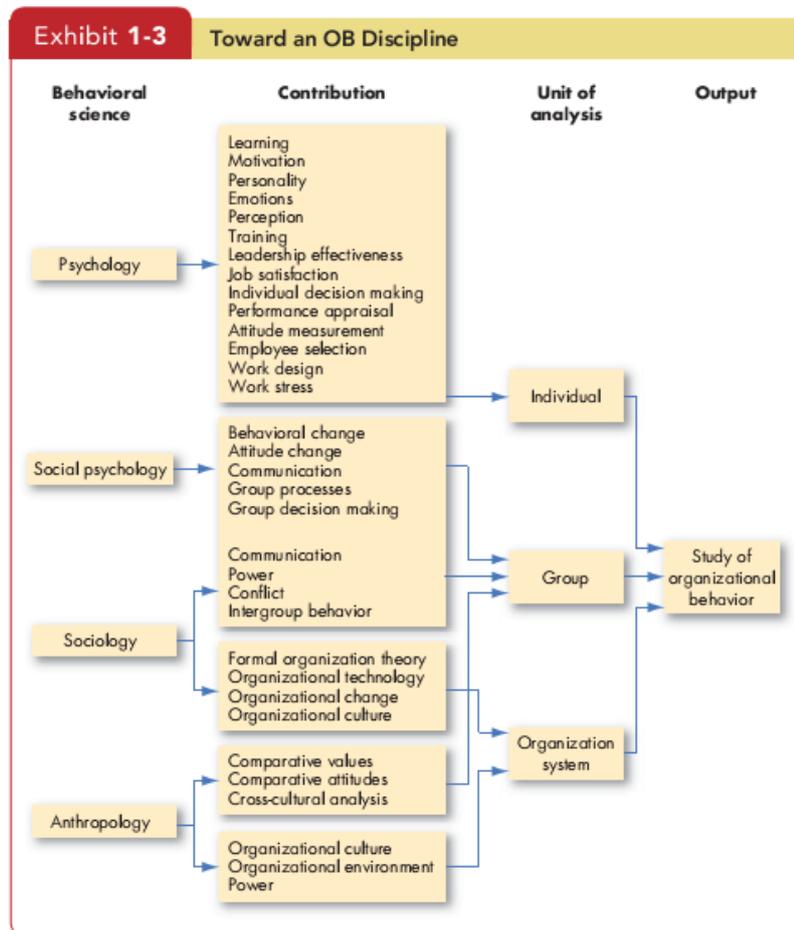
## Organizational Behavior

- **Organizational Behavior** : 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.

## Complementing Intuition with Systematic Study

- **Intuition** relies on gut feelings, individual observations, and common sense. It is not really useful in the decision making process
- **Systematic study** where looking at relationship, better at determining cause and effect by applying scientific evidence to our conclusions and also able to predicts behaviors.
- **Evidence-Based Management (EBM)** complements systematic study by applying scientific evidence to managerial decisions.

## Disciplines that Contribute to the OB Field



- **Psychology** : The science that seeks to measure, explain and sometimes change the behavior of humans and other animals in **Individual** unit of analysis. Offer insight like learning, motivation, training and job satisfaction, individual decision making, employee selection, work design and work stress.
- **Social Psychology** : An area within psychology that blends concepts from psychology and sociology that focuses on the influence of people on one another, So it is **Group** unit of analysis and in OB it offers Behavioral change, Communication, group processes and group decision making.
- **Sociology** : The study of people in relation to their fellow human beings, its unit of analysis are **Organizational System** and **Group**. Contributions in OB are Group Dynamics, work teams, power, conflict, organizational culture.
- **Anthropology** : The Study of societies to learn about human beings and their activities. Its units of analysis are **Organizational System** and **Group**. Contributions in OB are Organization environment, Comparative values, Cross Cultural Analysis.

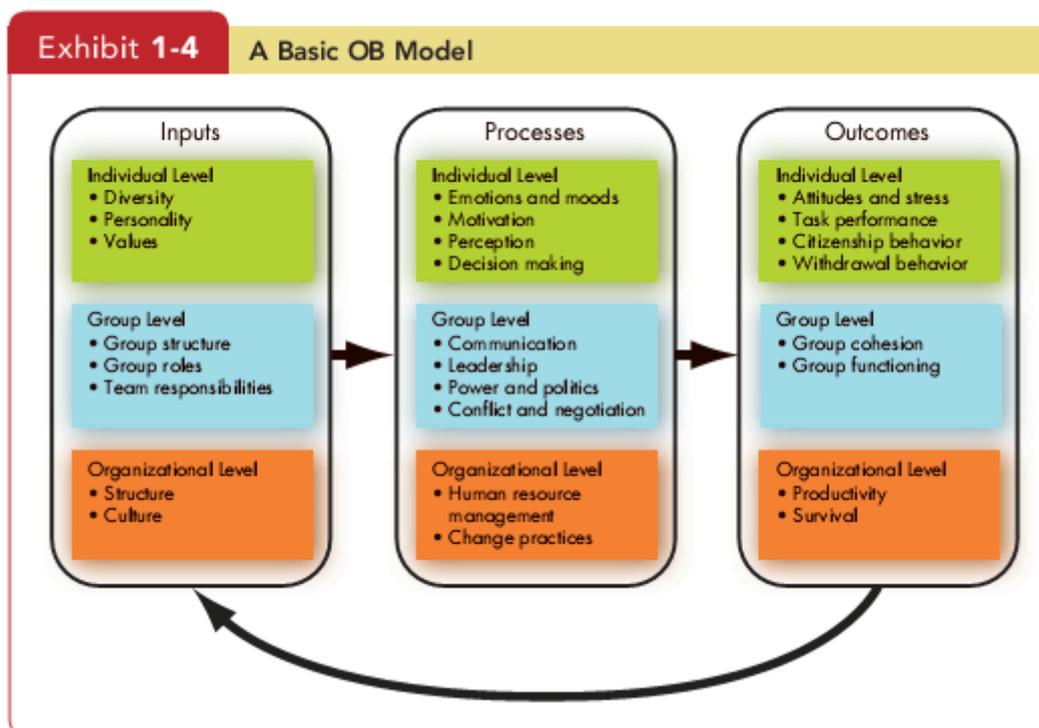
## Challenges and Opportunities for OB

- During **economic difficulties**, the need for effective managers is heightened. Anyone can manage during good times; it is much tougher to manage through economic struggles. Often when there are economic pressures, managers are forced to make decisions based on resource constraints. These situations may include laying off employees, motivating employees when there are limited resources, and encouraging employees when they are stressed about their futures.
- **Increased Foreign Assignments**, managers need to be able to manage a workforce that is different than what you may be used to and may bring different needs, aspirations and attitudes to the workplace.
- **Working with people from different cultures**, individuals coming to work in manager's home country that come from different cultures and managers need to find ways to accommodate their needs and help them assimilate to home workplace culture.
- **Overseeing movement of jobs to countries with low-cost labor**, managers face difficult task of balancing the interests of their organization with their responsibilities to the communities in which they operate.

- **Managing workforce diversity**, The people in organizations are becoming more heterogeneous demographically. Managers need to embrace diversity, find ways to manage it effectively, changing management philosophy in a way that recognizes and utilize differences to create productivity, profitability and welcoming cultures.

## Coming Attractions: Developing an OB Model

- **Model** : an abstraction of reality - a simplified representation of some real-world phenomenon. It proposes three types of variables : **Input, Processes, Outcomes**
- In OB, we utilize the representation of the world as broken down into three levels analysis by three types of variables.
  - **Inputs** : Variables like personality, group structure and organizational structures that lead to processes.
  - **Processes** : Actions that individuals, groups, and organizations engage in as a result of inputs that lead to certain outcomes.
  - **Outcomes** : key variables that you want to explain or predict and that are affected by some other variables.



- **Understanding the Goals of OB :**
  - **Attitudes and Stress** : Employee attitudes are the evaluations employees make, ranging from positive to negative about objects, people, or events.

- **Task Performance** : Combination of effectiveness and efficiency at doing your core job tasks is a reflection of task performance.
- **Citizenship Behavior** : Behavior that is not part of an employee's formal job requirements and that contributes to psychological and social environment of the workplace.
- **Withdrawal Behavior** : Set of actions that employees take to separate themselves from the organization like absenteeism and turnover.
- **Group Cohesion** : the extent to which members of a group support and validate one another at work.
- **Group Functioning** : Refers to the quantity and quality of a group's work output.
- **Productivity** : Combination of the effectiveness and efficiency of an organization
- **Organizational Survival** : The degree to which an organization is able to exist and grow over the long term.