

## Topic 1: OB in the Global Economy

**Organisational behaviour** is the study of individuals and groups in organisations. An interdisciplinary field drawing on a number of disciplines such as psychology, sociology.

‘The study of structure, functioning & performance of organisations, and the behaviour of individuals within them’. ‘The study of what people think, feel and do in organisations’.

**Why do we study OB** - A key contributor to an organisation’s success is the institution’s human resources. The behaviour of employees is key to achieving effectiveness. The field of OB helps managers, both deal with and learn from their workplace experiences by understanding, influencing and predicting organisational events.

**Organisations as open systems** – idea that orgs are strongly influenced by their environment.

Inputs – Materials, human resources, capital.

Environment – competitors, clients

Outputs – products, services

### **Two sides of organisations - Formal and informal**

<b>Formal organisation:</b> the official, legitimate and most visible part of the system	<b>Informal organisation:</b> the unofficial and less visible part of the system
<ul style="list-style-type: none"><li>• Policies and procedures</li><li>• Products and services</li><li>• Objectives</li><li>• Authority structure</li><li>• Financial resources</li></ul>	<ul style="list-style-type: none"><li>• Values</li><li>• Beliefs and assumptions</li><li>• Perceptions and attitudes</li><li>• Feelings</li><li>• Informal leaders</li></ul>

**Globalisation** - is the process of becoming more international in scope, influence or application. Requires expanded management skills and competencies.

### **Contemporary issues in organisational behaviour**

Changing nature of work

- What we do, eg. technology, knowledge management
- How we do it, eg. Outsourcing, Telecommuting, Work-life balance concerns

Changing nature of the workforce

- Age - Loss of organisational memory, Generational differences: different values, less loyalty, greater mobility, changing technical skills.
- Gender – Increasing rate of participation of women in workforce. Gender-specific job stereotypes.
- Culture – Leadership; motivation; decision making

### **Cultural differences and work-related attitudes**

Hofstede’s dimensions of cultural differences - 5 key dimensions of culture – focuses specifically on work values

- Individualism - Collectivism
- Power distance
- Masculinity - Femininity
- Uncertainty avoidance
- Long-term orientation

## Topic 2: Understanding the Individual in Organisations

### SUMMARY

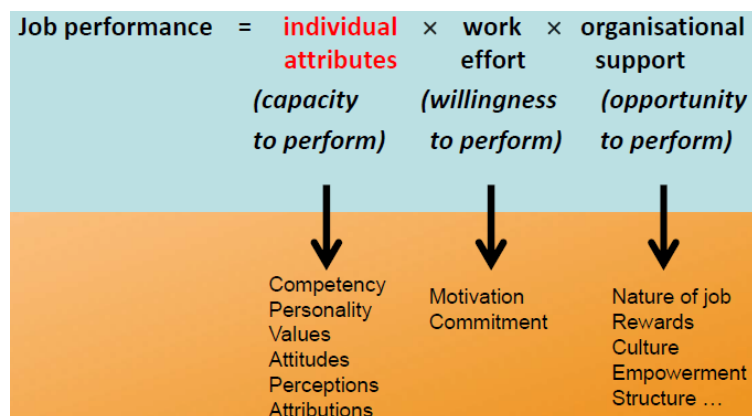
#### **Individual differences:**

- Attributes
- Values
- Attitudes
- Behaviour

#### **Issues with difference**

- Perception
- Stereotyping

Job performance equation



**Demographic differences** eg. gender, age, ethnic background

**Competency differences** – Cognitive abilities, Physical abilities, Emotional competence (emotional intelligence)

**Emotional intelligence** - the capacity to be aware of, control, and express one's emotions, and to handle interpersonal relationships judiciously and empathetically. "emotional intelligence is the key to both personal and professional success. Key part of competency differences.

**Personality** - Overall profile or combination of traits that make us unique

#### **Key determinants of personality**

Self-concept ('I' and 'me')	The Big Five Approach'
Self-esteem: Belief in about one's own worth based on self-evaluation	Extroversion- Introversion
Self-efficacy: Belief in one's own ability to succeed	Agreeableness
Self-monitoring: Adapting behaviour to fit the situation	Conscientiousness
	Emotional stability
	Openness to experience

**Locus of control** – the extent to which people believe they have power over events in their lives. Internal-external orientation

**Diversity in the workplace** Workplace diversity refers to the variety of differences between people in an organization. Diversity encompasses race, gender, ethnic group, age, personality, cognitive style, tenure, organizational function, education, background and more. Managing diversity effectively is the key to leveraging the advantages and minimizing the disadvantages of diversity in the workplace.

Advantages of diversity	Disadvantages
Increase in productivity by increasing employee morale and differences in ideas	Communication issues
Increase in creativity and innovation	Integration issues
Language skills and diversity	
Positive reputation	

**Values and beliefs** – influence attitudes and behaviour.

**Attitudes:** learned predisposition to respond in a positive or negative way toward someone or something in your environment.

**Job satisfaction:** The degree to which an individual feels positively or negatively about his/her job. influences absence and turnover behaviours - organisational commitment - performance.

**Cognitive dissonance:** A state of tension that is produced when an individual experiences conflict between attitudes and behaviour.

**Organisational commitment:** The degree to which an individual identifies with and feels part of the organisation.

**Values & beliefs create attitudes that predispose behaviour**

**Perceptual process** - Process through which people receive, organise and interpret information from the environment. Involves the way we view the world around us.

**Outcomes of perception: (perceptual distortion)**

Stereotyping - categorisation of people into groups according to certain criteria eg. Age; Gender; Ethnicity

Self-fulfilling prophecy (Pygmalion effect) - People's expectations determine their behaviour and performance. Implications for management – people tend to be victims of negative self-fulfilling prophecies.

Attribution - the process by which individuals explain the causes of behaviour and events. Eg. external (the situation) or internal (the personality) attribution.

Employees and managers react to perceptions, not reality. There is a need for management to manage perceptions through self awareness, seeking information, being empathetic, avoiding distortions.

## KEYWORDS

**Diversity** - Workplace diversity refers to the variety of differences between people in an organization. Diversity encompasses race, gender, ethnic group, age, personality, cognitive style, tenure, organizational function, education, background and more.

**Emotional intelligence** - the capacity to be aware of, control, and express one's emotions, and to handle interpersonal relationships judiciously and empathetically. "emotional intelligence is the key to both personal and professional success. Key part of competency differences between people.

**Effective management** – Delegate wisely, set goals, communicate, recognise achievements. Organizations that are led by effective managers will experience low turnover, maximum productivity, a high caliber of talent, and an increase in bottom-line results

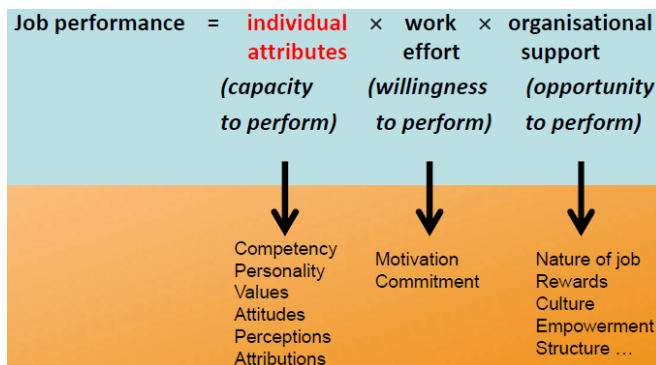
**Change** - Organizational change management (OCM) is a framework for managing the effect of new business processes, changes in organizational structure or cultural changes within an enterprise

**Motivation** - "A process of arousing and sustaining goal directed behaviour." Forces within an individual that account for the level, direction and persistence of effort expended at work

**Leadership**: The process of guiding and directing the behaviour of people in the work environment. Formal leadership is based on authority whereas informal leadership uses unofficial power and influence.

**Power** - Potential ability to influence behaviour, change course of events, overcome resistance, and convince people to do things they would not do otherwise.

**Group/team dynamics** - Group: a number of people who interact with one another for a common purpose. Teams (a particular type of group): a group of people with complementary skills who function as a unit to achieve a common purpose for which they hold themselves collectively accountable.



**Organisational Culture** - Organizational culture is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. It represents the collective values, beliefs and principles of organizational members and is a product of such factors as history, technology, strategy, type of employees, management style, and national culture; culture includes the organization's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits.