

# Organizational Behaviour

ADM2336D



## Course Objectives

- Where am I going with OB? What is in it for me?
  - ✓ Learn new concepts about Individual Behaviour in organizations
  - ✓ Learn new concepts about Group Behaviour in organizations
  - ✓ Understand the structure of organizations, organizations as systems and their environment, and change in organizations
  - ✓ The above knowledge will give you the ability to build a positive, proactive work environment

# Chapter 1 Introduction

- **Chapter Objectives - In this chapter we will:**

- Define organization and organizational behaviour
- Explain the historical and contemporary approaches to management
- Consider what managers do and what they think
- Conclude with some issues that are of concern to contemporary managers

## What are organizations?

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

**1. Social Inventions**  
(Can you name some?)



OB is concerned with effective structures, values, and customs of organizations.

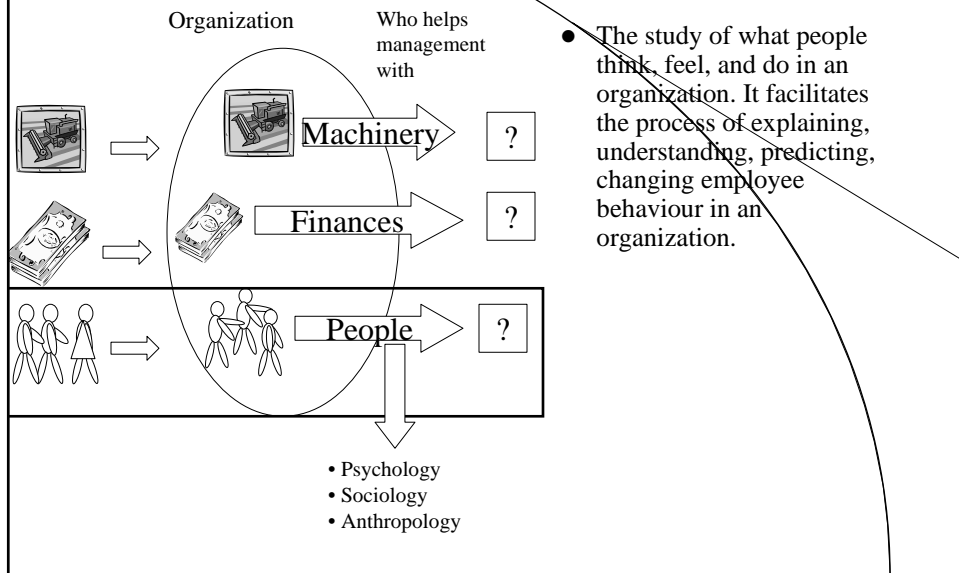
OB is concerned with how organizations can survive and adapt to change  
\*Get Innovative or get Dead\*

**3. Group Effort**

OB is concerned with how to get people to practice effective team work  
(Informal and formal groupings)

**2. Accomplish GOALS**  
(Can you mention Some?)

# What is organizational Behaviour?



## Why Study Organizational behaviour?

### • OB is interesting

- You come to know how people behave in organizations and why...
- You gain knowledge of why some organizations are successful and others are not...

### • OB makes a difference

- The competitive advantage of people

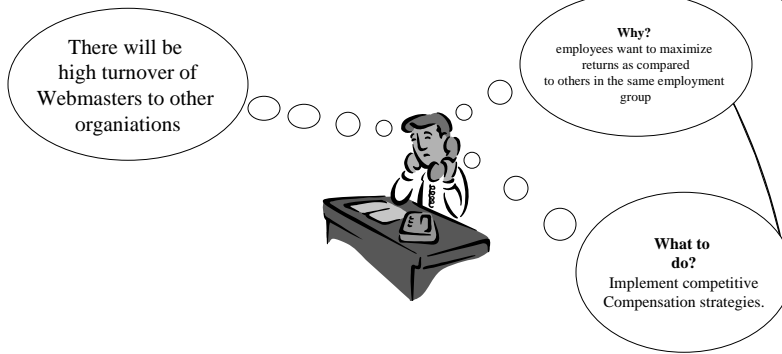
### • OB is important

- Managers (to run successful org's)
- Employees (to have continued employment)
- Consumers (to benefit from good products and services).

- Management of people should be based on informed opinion and systematic study

## Goals of OB

- Predicting the behaviour of organizations
- Explaining the behaviour of organizations
- Managing the behaviour of organizations

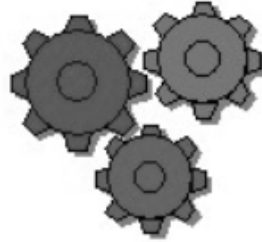


## Early Prescriptions Concerning Management

- **Variously known as**
  - **Schools of Management Thought**
  - **Management Views or Theories**
- **Can be divided into three**
  - **Classical School or View**
  - **The Human Relations or behavioural School**
  - **Modern Schools of Thought**

# Classical School

- Arose from the desire to increase productivity during the Industrial Revolution
- Major Contributors were **Frederic Winslow Taylor** and **Max Weber**
- **Concerned with productivity and efficiency, considered humans as cogs in a wheel**



Considered people like cogs in a wheel

- American Engineer, 1856-1915
- **Father of Scientific Management** - Management should not be a **rule-of-thumb** affair but scientific
- Concerned with inefficiency in industry: Natural and Systematic soldiering and managerial incompetence were its causes
- Find the "One Best Way" of performing a task and develop precise procedures
- Mostly concerned with Shop Floor level Management
- Ideas of **division of labour** and **Functional Formanship** and **piece rate system**
- Labour Unions were suspicious of his ideas and piece-rate system

## Frederic Winslow Taylor



The best management is a true science, resting upon clearly defined laws, rules, and principles, as a foundation. (F.W. Taylor, 1911)

## Max Weber

- German Sociologist, 1864-1920
- Did not like the way organizations were managed on a "Personal" family-like basis
- Organizations should be managed impersonally following specific rules – **BUREAUCRACY**
- Well defined hierarchy and strict division of labour
- Selection and promotion based on technical competence, no favoritism, nepotism
- His concept of BUREAUCRACY and RATIONALITY did not take human needs into consideration



**BUREAUCRACY** – rational, impersonal, specialized, centralized organization with strict chain of command

## The Human Relations School

- Originated in the 1920s
- Developed because the Classical Theory did not achieve sufficient production and workplace harmony
- Major Contributor is **Elton Mayo through the Hawthorne Studies**
- Advocated Management Styles that were more participative and oriented toward employee needs



Emphasized the Needs of People at Work

## Elton Mayo and the Hawthorne Studies

- Mayo conducted the HS from 1927-1932
- Began as an experiment to see effect of lighting on productivity but included many other experiments
- Found out **psychological factors and groups** affected productivity

- Workplace is a Social System
- Discovered the **Informal Organization**
- Term **Hawthorne Effect** was coined



## Contemporary Management

### Contingency Approach

- An approach to management that recognizes that there is no one best way to manage and that an appropriate management depends on the demands of the situation.

- Leadership Style



Depends on the task, the people, and the type of leader (warehouse operatives vs researchers)

- Incentive Strategy



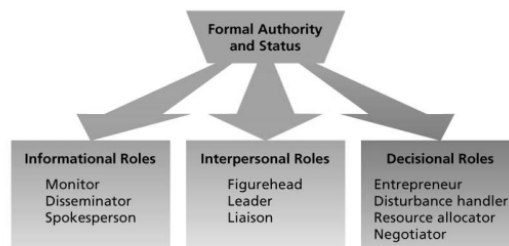
Depends on who is getting the increase and the reason for the increase

# What Do Managers Do?

- Shift of Research in Management from what managers **SHOULD** do to what managers actually **DO**
- Managerial Roles (Henry Mintzberg)
- Managerial Activities (Fred Luthans)
- Managerial Agendas (Kotter)
- Managerial Minds (Herbert Simon)
- International Managers (Hofstede)

## Managerial Roles

- **Managerial Roles** (Henry Mintzberg) Discovered a complex set of roles played by managers.
- Illustrates the complexity of roles that managers must play



# Managerial Activities

- Managers engaged in four basic activities (Fred Luthans et al)



- Routine Communication – sending and receiving info
- Traditional Management – planning, organizing,...
- Networking – interacting with people inside and outside
- Human Resources Management

- Emphasis on this activities is related to managerial success
  - Networking and politicking is related to moving up the ranks of the organization
  - HRM related to employee commitment and satisfaction

# Managerial Agendas

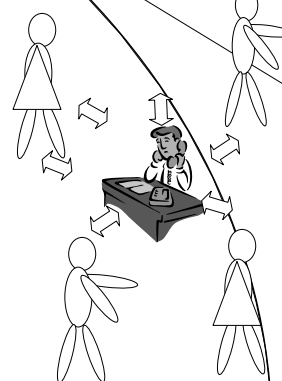
- John Kotter studied successful general managers and discovered a pattern of similarities which he grouped into

- **Agenda Setting**
- **Networking**
- **Agenda Implementation**

Kotter's findings underscore the high degree of informal interaction that is used to achieve agendas.

- Agenda setting
  - ✓ Informal
  - ✓ Unwritten
  - ✓ People issues

## Networking



# Managerial Minds

- Herbert Simon and Daniel Isenberg explored how managers think.
- They called it Managerial Intuition.
- Common Sense?

Experienced managers use intuition in several ways:

Sense a problem

Perform well-learned  
Mental tasks

Synthesize isolated  
pieces of data

Double check with  
more formal analyses

# International Managers

- Are managers the same across cultures?
- Do they employ the same management styles?
- The appropriateness of various leadership styles, motivation techniques, and communication methods depends on where one is in the world (Geert Hofstede)
- National Cultures
  - North America – managers are distinct heroes; individualism
  - Germany – worships engineers and has fewer managerial types
  - Japan – emphasize group solidarity rather than star employee
  - Netherlands – managers should exhibit modesty and strive for consensus...

