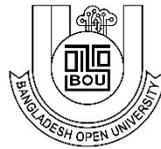


**BBA 4317**  
**Organizational Behavior**  
**Study Module**

**স্কুল অব বিজনেস**  
**SCHOOL OF BUSINESS**



**বাংলাদেশ উন্মুক্ত বিশ্ববিদ্যালয়**  
**BANGLADESH OPEN UNIVERSITY**



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**BBA 4317**  
**Organizational Behavior**

—Course Development Team—

**Written by**

**Dr. Md. Mayenul Islam**

Professor (Management), School of Business  
Bangladesh Open University

**Editor & Style Editor**

**Dr. Shaheen Ahmed**

Professor (Management), School of Business  
Bangladesh Open University

**Coordinator**

Dean

School of Business  
Bangladesh Open University

This book has been published after being refereed for the students of School  
of Business, Bangladesh Open University

# **BBA 4317**

## **Organizational Behavior**

### **Study Module**

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# Introduction to Organizational Behavior

# 1

## Unit Highlights

- Organizational Behavior: Definition, Objectives Benefits and Variables of OB.
- Key Elements and Contributing discipline to OB Field.
- The Challenges and opportunities of OB.
- Developing a model of OB.
- Ethics and Ethical Behavior in Organizations.
- Historical Development of Organizational Behavior.

## Technologies Used for Content Delivery

- ❖ BOUTUBE
- ❖ BOU LMS
- ❖ WebTV
- ❖ Web Radio
- ❖ Mobile Technology with MicroSD Card
- ❖ LP+ Office 365
- ❖ BTV Program
- ❖ Bangladesh Betar Program



## Lesson–1: Introduction to Organizational Behavior

Upon completion of this lesson, you will be able to:

- Define organizational behavior.
- Explain the objectives and Benefits of OB.
- Identify the elements of organizational behavior.
- Know the key functions of organizational behavior.

### Introduction

Organizational behavior refers to the study and application of knowledge about how people-as individuals and as groups- act within organizations. It also strives to identify ways in which people can act more effectively. In an organization, people join their works under particular structures so that they achieve the organizational objectives in a planned way. But it may not be possible without favorable pattern of behavior of other employees of the organization. Organizational behavior gives such knowledge to the learners so that they can learn different dimensions of behaviors of all employees in the organization.

OB can be defined as- "The Study of human behavior in organizational settings, the interface between human behavior and the organizational context and the organization itself." --**Griffin and Moorhead**.

J.W. Newstrom and Keith Davis define OB as follows “Organizational behavior is the study and application of knowledge about human behavior in organizations as it relates to other system elements, such as people, structure, technology and external social system.”

Larry L. Cummings says, “OB is a way of thinking, a way of convincing problems and articulating research and action solutions.”

According to Fred Luthans “Organizational Behavior is directly concerned with the understanding, prediction and control of human behavior in organizations.”

“Organizational behavior is a field of study that investigates the impact of individuals, groups and structure have on behavior within organizations for the purpose of applying such knowledge toward improving an organization's effectiveness.” --**Stephen P. Robbins**.

The above definition has identified three parts

1. The Individual Behavior
2. The Organization and
3. The interface between these two

Each individual brings to an organization a unique set of beliefs, values, attitudes and other personal characteristics and these characteristics of all individuals must interact with each other in order to create organizational settings.

### Objectives of Organizational Behavior

Organizational behavior provides a useful set of tools at many levels of analysis.

1. It helps managers look at the behavior of *individuals* within an organization.
2. It also aids their understanding of complexities involved in *interpersonal* relation.
3. It valuable for examining the dynamics of relationships within small *groups* both formal teams and informal groups.

4. It interested in *intergroup* relationship.
5. Finally, organizations can also be viewed, and managed, as *whole systems* that have inter-organizational relationship.

## Benefits of Organizational Behavior

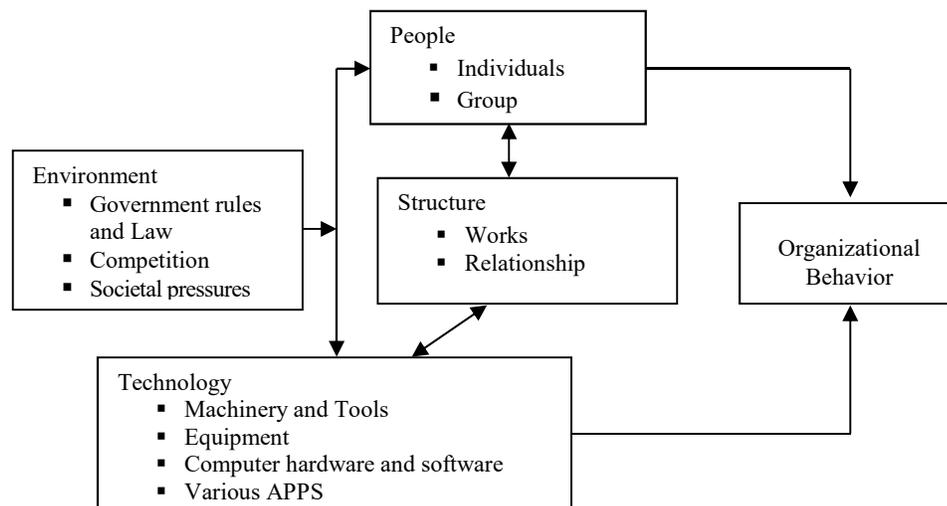
There are four basic benefits of Organizational Behavior:

1. Organizational Behavior helps to identify and describe systematically how people of the organization behave under a variety of conditions in the Organization.
2. Organizational Behavior helps to determine and understand the reason why people in the organization behave like this.
3. Organizational Behavior helps to predict the future behavior of the employees in the organization.
4. Organizational Behavior helps to control the behavior of the people of the Organization for the purpose of their effective and efficient performance towards the accomplishment of goals.

## Forces/Variables of Organizational Behavior

A number of Variables affect the activities and behavior of organizations today. These elements are categorized into four classes—people, structure, technology and the environment. These variables are briefly discussed below:

1. **People:** People of the Organization make up an internal social system in the organization. These people consist of individuals and groups. **These groups may be large or small, formal or informal, official or unofficial.** As individuals and groups, people have different values and beliefs which have impact on their action and behavior in the organization.
2. **Structure:** Structure is the formal or official relationships between superiors and subordinates and between departments and sections and between the works and activities. Different people in an organization are given different roles and they have certain relationships with others. It leads to division of labor. So that people can perform their duties or work to accomplish the organizational objectives.



**Exhibit 1.1: Key Variables of Organizational Behavior**

3. **Technology:** Technology provides means and resources with which people perform their tasks effectively and efficiently. The nature of technology depends very much on the nature of organization and influences the work or working conditions. Thus, technology utilizes efficiency and skills of people and brings effectiveness.
4. **Environment:** Every organization must be operated within both internal external environments. The attitude, behavioral patterns and action of the people of the organization are greatly influenced by these environments. Numerous changes in the environment create demands on organizations. Customers expect organizations to be socially responsible; new products and competition for customers come from many sources around the globe; the direct impact of trade unions diminishes the dramatic pace of change in society quickness. All these factors—but specially the rapid globalization of the market place, whose impact on OB influence one another in a complex system creates a dynamic context for a group of people.

**Activity**

What are the key objectives and benefits of organizational behavior in a manufacturing organization of Bangladesh?

**Discussion Questions**

1. What do you mean by Organizational Behavior? Describe the objectives and benefits of organizational behavior.
2. Discuss in detail the key variables of Organizational Behavior.

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## Lesson–2: Key Elements and Contributing Discipline to OB Field

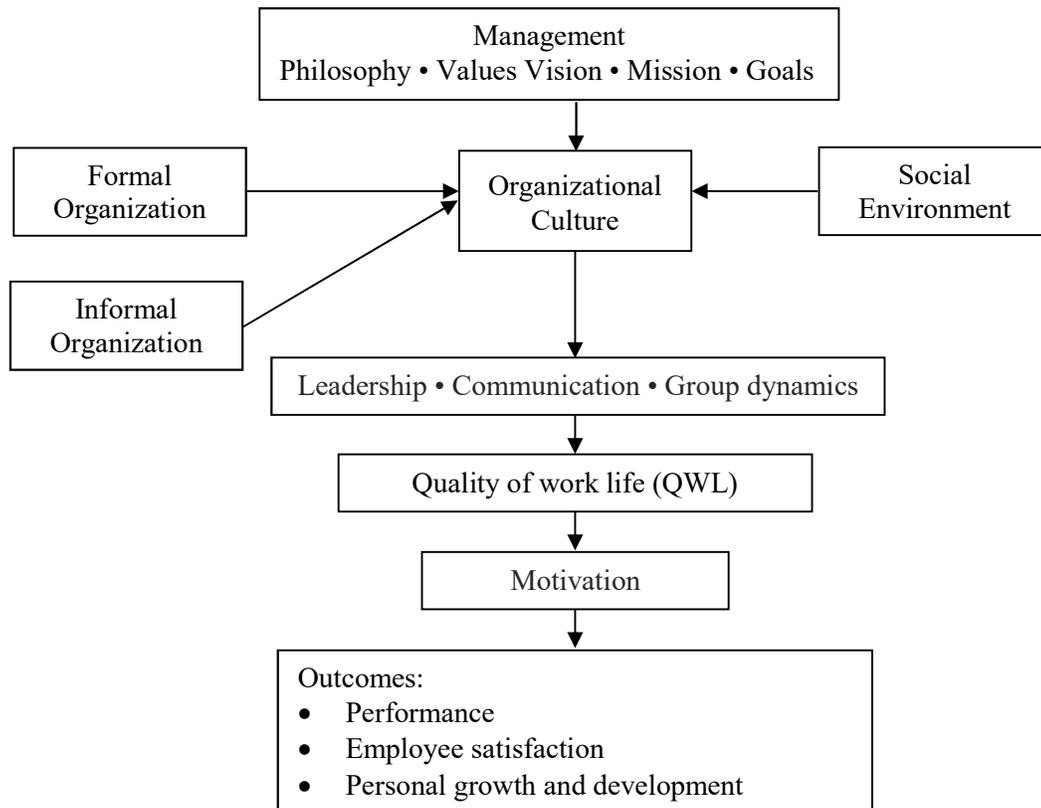
Upon completion of this lesson, you will be able to:

- Describe the organizational behavior system.
- Key Elements of OB.
- Identify the challenges management and organizational behavior.
- The contributing discipline to OB Field.
- Explain the opportunities of future organizational behavior.

### An Organizational Behavior System

Organizations achieve their goals by creating, communicating and operating an organizational behavior system, as showing figure. These systems exist in every organization, but sometimes in varying forms. They have a greater chance of being successful, though, if they have been consciously created and regularly examined and updated to meet new and emerging conditions.

The primary purposes of organizational behavior systems are to identify and then help manipulate the major human and organizational variables that affect the results organizations are trying to achieve. For some of these variables, managers can exert some control over them. The outcomes, or and results, are typically measured in various forms of three basic criteria: *performance* (e.g. quantity and quality of products and services; level of customer services), *employee satisfaction* (often exhibited through lower absenteeism, tardiness, or turnover), or *Personal growth and development* (the acquisition of lifelong knowledge and skills leading to continued employability).



**Exhibit 1.2: Organizational behavior System**

Source: <https://www.slideshare.net/slideshow/models-of-organizational-behavior/1966321>

## Key Elements of Organizational Behavior

1. **The Philosophy:** The philosophy of organizational behavior held by a manager stem from two sources-fact premises. (1) **Fact premises** represent our descriptive view of how the world behaves. They are drawn from both behavioral science research and our personal experience. (2) **Value premises**, on the other hand, represent our view of the desirability of certain goals and activities.
2. **Vision, Mission and Goal:** Manager also has primary responsibility for instilling three other elements into the organizational behavior system-vision, mission, and goals. **Vision** represents a challenging portrait of what the organization and its members can be-a possible (and desirable) future. An organization also typically creates a **mission** statement, which identifies the business it is in, the market niches it tries to serve the types of customers it is likely to have, and the reasons for its existence. Goals are relatively concrete formulation of achievements the organizational is aiming for within set periods of time, such as one to five years.
3. **Organizational Culture:** Philosophy, values, visions, mission, and goals help create a recognizable organizational culture. This culture is also a reflection of the formal organization with its formal policies, structures, and procedures and the existing social and cultural (global) environment.
4. **Leadership, Communication and Group Dynamics:** Managers are then expected to use a leadership style, communication skill and their knowledge of interpersonal and group dynamics to create an appropriate **quality of work life** for their employees. When this task is done properly, employees will become **motivated** toward the achievement of organizational goals.
5. **Outcome:** The result of an effective organizational behavior system is motivation which, when combined with employee skills and abilities, results in the achievement of performance goals as well as individual satisfaction.

## Challenges faced by Management and Organizational Behavior

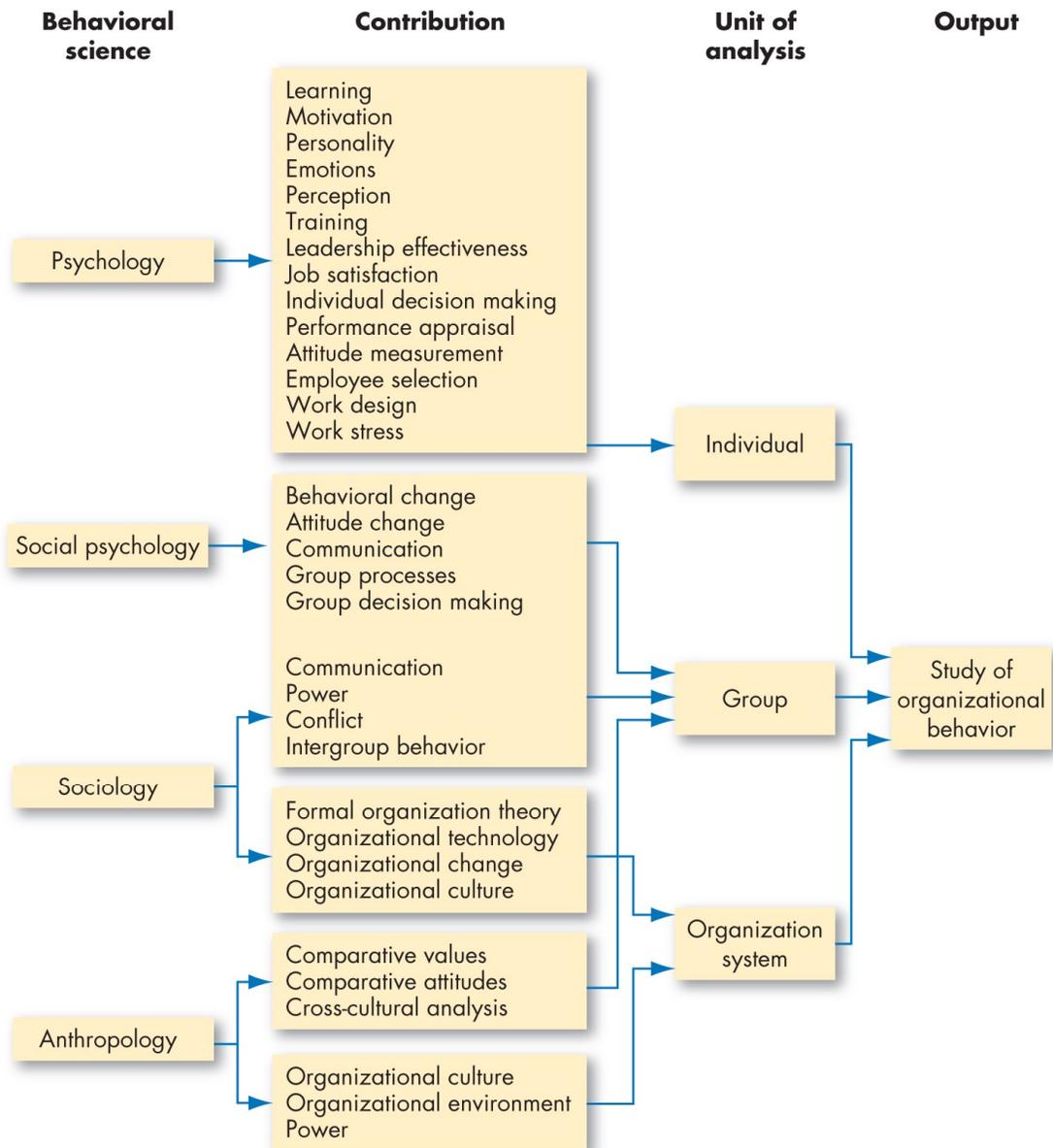
A number of complex changes and challenges faced by a today's managers. These are:

1. **Globalization:** Certainly the emergence of a 'borderless' world has had a tremendous impact on the way organisations behave. They are no longer insulated from foreign competition, and this has forced organisations to examine cost efficiencies, structure, job design, human capital, and many other sources of effectiveness and competitiveness.
2. **Technology:** We have seen tremendous technological advances in the last decade, and this has had a significant impact on the way organisations behave. The Internet has enabled small, start-up companies to become global organisations (even from one's home). We have access to much more information, and we can access it much more quickly. This has a number of effects on organizational behaviour: it has given organisations access to larger, more diverse markets; it enables organisations to market their products and services electronically, it has helped many organisations reduce costs.
3. **Mergers and acquisitions:** The last numbers of years have been a time of merging and acquiring for many organizations, seeking to increase market share and profitability. But the complexity of these integrations has had a tremendous impact on employees in newly merged organization; they often have great difficulty adjusting to potentially conflicted cultures. This has contributed to many failed mergers and acquisitions.

4. **Workplace diversity:** The workforce in today's new economy is much more diverse, as a result of changing demographics. This necessitates a better understanding of needs and values in the workforce, and careful planning in an effort to provide a work environment that is welcoming and comfortable for all employees.
5. **Organizational structures:** In response to increased competition, many organisations have focused on cost efficiencies and increased effectiveness. Management has argued that the members must 'get closer to the customer' and focus almost exclusively on 'value-added' services in an effort to distinguish themselves from the competition.
6. **Work-life balances:** There was a time when managers (who were mostly men) would not consider turning down a promotion. But today, many members in organizations do just that, because they place a much greater priority on personal time – time for themselves, travel time, time for their families. Organisations have responded in a number of ways: allowing flexible work hours, providing day care in an effort to allow parents to be close to their children, encouraging at home offices, and providing for extended vacations and paid sabbaticals. Employee loyalty is critical in establishing a productive and dedicated workforce, and if these needs are ignored, organisations risk losing these employees.
7. **The rate of change:** Some managers have identified the pace of change in today's environment as their number one management challenge. Historically, change appeared to be the exception, while stability in organisations was the norm. We could plan change and progress using historical performance as our guide. That is no longer possible, and in fact potentially dangerous. Our ability to rely on a sense of permanence has been eroded, and this necessitates flexibility, an astute understanding of our markets and our customers, and a tolerance for ambiguity moving forward. Globalisation and technological advances have provided organisations with a guarantee that change is ubiquitous and cannot be ignored.
8. **Increased competition:** Competition has intensified for many organisations over the last decade, primarily as a result of the issues discussed above. Globalisation and technology have facilitated entry into some industries by some organisations, and organisations must compete within a much larger arena. This has resulted in some radical changes, some of which include strategic, structural, and operational.
9. **Increased ethical and social responsibility:** Consumers have access to more information now than ever before, and some would argue that they are more knowledgeable in general about the values and behaviour of the organisations in which they invest. Increased competition has provided consumers with more choices in terms of purchasing products or services. As such, many organisations face an increased need to behave ethically and demonstrate appropriate social behaviour. Unfortunately, not all organisations feel compelled to behave in ethical or moral ways. But they risk being exposed for their negligence, by a whistleblower from within the organisation who wishes to expose the wrongdoing.

### **Disciplines Contributing to Organizational Behavior (OB)**

Organizational Behavior (OB) is an interdisciplinary field that studies human behavior within organizations. It seeks to understand, predict, and manage human behavior in the workplace to improve organizational effectiveness. Various disciplines contribute to the OB field to provide insights into how individuals, groups, and organizations function and interact.



**Exhibit 1.3: Stephen P. Robbins, 17 th edition, Pearson**

### 1. Psychology

Psychology is the scientific study of human behavior and mental processes. In OB, psychology helps analyse individual behavior within organizations, including motivation, perception, decision-making, and stress management. Organizational behavior uses psychological principles to design effective training programs, assess employee satisfaction, and develop strategies for enhancing employee well-being.

### 2. Social Psychology

Social psychology focuses on how individuals' thoughts, feelings, and behaviors are influenced by the presence and actions of others. It explores topics such as group dynamics, social influence, and leadership. In organizational behavior, social psychology sheds light on issues, like team dynamics, communication, conflict resolution, and leadership effectiveness. It helps organizations create harmonious work environments.

### 3. *Sociology*

Sociology examines the structure and functioning of societies and social groups. In OB, sociology is concerned with the organizational structure, culture, and the impact of social norms and values on behavior. Sociological insights help organizations understand the effects of culture on employee behavior, diversity and inclusion, and the role of institutions and systems in shaping organizational practices.

### 4. *Anthropology*

Anthropology studies human societies, cultures, and behaviors across time and space. In OB, anthropology explores the cultural aspects of organizations, including norms, rituals, and symbols. Anthropological perspectives assist organizations in managing cultural diversity, developing cross-cultural communication strategies, and adapting to global markets.

### 5. *Political Science*

Political Science is the study of government, politics, and the exercise of power in society. Political science is relevant in the context of organizational behavior (OB) because it helps us understand the distribution and dynamics of power within organizations, the influence of individuals and groups in decision-making, and the political strategies employed to shape organizational policies and actions. By applying political science concepts, OB professionals can navigate and manage power relations, conflicts, and the broader political context that affects organizational behavior and effectiveness.

(Source: <https://www.geeksforgeeks.org/disciplines-contributing-to-organisational-behaviour-ob/>)

## **Opportunities of Organizational Behavior**

(Source: <https://www.linkedin.com/pulse/challenges-opportunities-organizational-behavior-mansi-mishra>)

Main opportunities of organizational behavior are;

1. Improving Peoples' Skills.
  2. Improving Quality and Productivity.
  3. Total Quality Management (TQM).
  4. Managing Workforce Diversity.
  5. Responding to Globalization.
  6. Empowering People.
  7. Coping with Temporariness.
  8. Stimulating Innovation and Change.
  9. Emergence of E-Organization & E-Commerce.
  10. Improving Ethical Behavior.
  11. Improving Customer Service.
  12. Helping Employees Balance Work-Life Conflicts.
  13. Flattening World.
1. Improving People's Skills: Technological changes, structural changes, environmental changes are accelerated at a faster rate in the business field. Unless employees and executives are equipped to possess the required skills to adapt to those changes, the targeted goals cannot be achieved in time. These two different categories of skills – managerial skills and technical skills. Some of the managerial skills include listening skills, motivating skills, planning and organizing skills, leading skills, problem-solving skills, decision-making skills. These skills can be enhanced by organizing a series of training and

development programs, career development programs, induction, and socialization.

2. **Improving Quality and Productivity:** Quality is the extent to which the customers or users believe the product or service surpasses their needs and expectations. For example, a customer who purchases an automobile has a certain expectation, one of which is that the automobile engine will start when it is turned on. If the engine fails to start, the customer's expectations will not have been met and the customer will perceive the quality of the car as poor. The key dimensions of quality as follows.
  - **Performance:** Primary rating characteristics of a product such as signal coverage, audio quality, display quality, etc.
  - **Features:** Secondary characteristics, added features, such as calculators, and alarm clock features in hand phone.
  - **Conformance:** meeting specifications or industry standards, the workmanship of the degree to which a product's design or operating characteristics match pre-established standards
  - **Reliability:** The probability of a product's falling within a specified period
  - **Durability:** It is a measure of a product's life having both economic and technical dimension
  - **Services:** Resolution of problem and complaints, ease of repair
  - **Response:** Human to human interfaces, such as the courtesy of the dealer « Aesthetics: Sensory characteristics such exterior finish
  - **Reputations:** Past performance and other intangibles, such as being ranked first.

More and more managers are confronting to meet the challenges to fulfill the specific requirements of customers. To improve quality and productivity, they are implementing programs like total quality management and reengineering programs that require extensive employee involvement.

3. **Total Quality Management (TQM):** Total Quality Management (TQM) is a philosophy of management that is driven by the constant attainment of customer satisfaction through the continuous improvement of all organizational processes. The components of TQM are;
  - (a) An intense focus on the customer,
  - (b) Concern for continual improvement,
  - (c) Improvement in the quality of everything the organization does,
  - (d) Accurate measurement and,
  - (e) Empowerment of employees.
4. **Managing Workforce Diversity:** This refers to employing different categories of employees who are heterogeneous in terms of gender, race, ethnicity, religion, community, physically disadvantaged, elderly people, etc. The primary reason to employ the heterogeneous category of employees is to tap the talents and potentialities, harnessing the innovativeness, obtaining synergetic effect among the diverse workforce.

In general, employees wanted to retain their individual and cultural identity, values and lifestyles even though they are working in the same organization with common rules and regulations. The major challenge for organizations is to become more accommodating to diverse groups of people by addressing their different lifestyles, family needs, and work styles.

- 5. Responding to Globalization:** Today's business is mostly market-driven; wherever the demands exist irrespective of distance, locations, climatic conditions, the business operations are expanded to gain their market share and to remain in the top rank, etc. Business operations are no longer restricted to a particular locality or region. The company's products or services are spreading across nations using mass communication, the internet, faster transportation, etc. More than 95% of Nokia (Now Microsoft) handphones are being sold outside of their home country Finland.  
Japanese cars are being sold in different parts of the globe. Sri Lankan tea is exported to many cities around the globe.  
Garment products of Bangladesh are exporting in the USA and EU countries. Executives of Multinational corporations are very mobile and move from one subsidiary to another more frequently.
- 6. Empowering People:** The main issue is delegating more power and responsibility to the lower level cadre of employees and assigning more freedom to make choices about their schedules, operations, procedures and the method of solving their work-related problems. Encouraging the employees to participate in the work-related decision will sizably enhance their commitment to work. Empowerment is defined as putting employees in charge of what they do by eliciting some sort of ownership in them.
- 7. Coping with Temporariness:** In recent times, the product life cycles are slimming, the methods of operations are improving, and fashions are changing very fast. In those days, the managers needed to introduce major change programs once or twice a decade. Today, change is an ongoing activity for most managers.
- 8. Stimulating Innovation and Change:** Today's successful organizations must foster innovation and be proficient in the art of change; otherwise, they will become candidates for extinction in due course of time and vanished from their field of business. Victory will go to those organizations that maintain flexibility, continually improve their quality, and beat the competition to the market place with a constant stream of innovative products and services.
- 9. The emergence of E-Organization & E-Commerce:** It refers to the business operations involving the electronic mode of transactions. It encompasses presenting products on websites and filling the order. The vast majority of articles and media attention given to using the Internet in business are directed at online shopping. In this process, the marketing and selling of goods and services are being carried out over the Internet.  
In e-commerce, the following activities are being taken place quite often – the tremendous numbers of people who are shopping on the Internet, business houses are setting up websites where they can sell goods, conducting the following transactions such as getting paid and fulfilling orders. It is a dramatic change in the way a company relates to its customers. At present e-commerce is exploding. Globally, e-commerce spending was increasing at a tremendous rate.
- 10. Improving Ethical Behavior:** The complexity in business operations is forcing the workforce to face ethical dilemmas, where they are required to define right and wrong conduct to complete their assigned activities. For example, Should the employees of a chemical company blow the whistle if they uncover the discharging its untreated effluents into the river are polluting its water resources?
- Do managers give an inflated performance evaluation to an employee they like, knowing that such an evaluation could save that employee's job?

The ground rules governing the constituents of good ethical behavior has not been clearly defined, Differentiating right things from wrong behavior has become more blurred.

11. **Improving Customer Service:** OB can contribute to improving organizational performance by showing that how employees' attitudes and behavior are associated with customer satisfaction. In that case, service should be the first production-oriented by using technological opportunities like a computer, the internet, etc. To improve customer service we need to provide sales service and also the after-sales service.
12. **Helping Employees Balance Work-Life Conflicts:** The typical employee in the 1960s or 1970s showed up at the workplace Monday through Friday and did his or her job 8 or 9-hour chunk of time. The workplace and hours were specified. That's no longer true for a large segment of today's workforce.

Employees are increasingly complaining that the line between work and non-work time has become blurred, creating personal conflict and stress. Many forces have contributed to blurring the lines between employees' work life and personal life.

**First**, the creation of global organizations means their world never sleeps. At any time and on any day, for instance, thousands of General Electric employees are working somewhere.

**Second**, communication technology allows employees to do their work at home, in their cars, or on the beach in Cox's Bazar. This lets many people in technical and professional jobs do their work anytime and from any place.

**Third**, organizations are asking employees to put in longer hours.

**Finally**, fewer families have only a single breadwinner. Today's married employee is typically part of a dual-career couple. This makes it increasingly difficult for married employees to find the time to fulfill commitments to home, spouse, children, parents, and friends.

Today's married employee is typically part of a dual-career couple. This makes it increasingly difficult for married employees to find the time to fulfill commitments to home, spouse, children, parents, and friends. Employees are increasingly recognizing that work is squeezing out personal lives and they're not happy about it.

For example, recent studies suggest that employees want jobs that give them flexibility in their work schedules so they can better manage work/life conflicts. Also, the next generation of employees is likely to show similar concerns. A majority of college and university students say that attaining a balance between personal life and work is a primary career goal. They want a life as well as a job.

13. **Flattening World:** Thomas Friedman's book *The World Is Flat: A Brief History of the Twenty-First Century* makes the point that the Internet has "flattened" the world and created an environment in which there is a more level playing field in terms of access to information. This access to information has led to an increase in innovation, as knowledge can be shared instantly across time zones and cultures. It has also created intense competition, as the speed of business is growing faster and faster all the time.

### **Discussion Question:**

1. Describe the organizational behavior system.
2. Explain the key elements of OB.
3. Identify the challenges management and organizational behavior.
4. Briefly state the contributing discipline to OB Field.
5. Explain the opportunities of future organizational behavior.

### Lesson–3: Models of Organizational Behavior

On completion of this lesson, you will be able to know the:

- Autocratic model of Organizational Behavior
- Custodial model of Organizational Behavior
- Supportive model of Organizational Behavior
- Collegial model of Organizational Behavior

#### Models of Organizational Behavior

	<b>Autocratic</b>	<b>Custodial</b>	<b>Supportive</b>	<b>Collegial</b>
Basis of model	Power	Economic resources	Leadership	Partnership
Managerial orientation	Authority	Money	Support	Teamwork
Employee orientation	Obedience	Security and benefits	Job Performance	Responsible behavior
Employee psychological result	Dependence on boss	Dependence on boss	Participation	Self-discipline
Employee needs met	Subsistence	Security	Status and recognition	Self-actualization
Performance result	Minimum	Passive cooperation	Awakened drives	Moderate enthusiasm

**Exhibit 1.4: Model of organizational behavior**

1. **The Autocratic Model:** The autocratic model has its roots in history, and certainly, it became the prevailing model of the industrial revolution. Autocratic model depends on **power**. Those who are in command must have the power or demand “you do this-or else,” meaning that an employee who does not follow orders will be penalized. In an autocratic environment the managerial orientation is formal, official authority. Right of command delegates this authority over the people to whom it applies. Management believes that it knows what is best and that the employee’s obligation is to follow order.
2. **The Custodial Model:** As managers began to study their employees, they soon recognized that although autocratically managed employees did not talk back to their boss, they certainly “though back.” There were many things they wanted to say, and sometimes they did say them when they quit or lost their tempers. Employees were filled with insecurity, frustrations, and aggressions toward their boss. Since they could not vent these feelings directly, sometimes they went home and vented them on their families and neighbors: so the entire community might suffer from this relationship. To satisfy the security needs of employees, a number of companies began welfare programs in the 1890s and 1900s. In their worst form these welfare programs later became known as **paternalism**. In the 1930s welfare programs evolved into a variety of fringe benefits to provide employee security. Employers-and unions and government-began caring for the security needs of workers. They were applying a custodial model of organizational behavior. A successful custodial model depends on *economic resources*. The resulting managerial orientation is toward money to pay wages and benefits. This model leads to employee *dependence on the organization*.
3. **The Supportive Model:** The supportive model of organizational behavior had its origins in the “principle of supportive relationship”. The supportive model depends on *Leadership* instead of power and money. Through leadership, management provides a climate to help

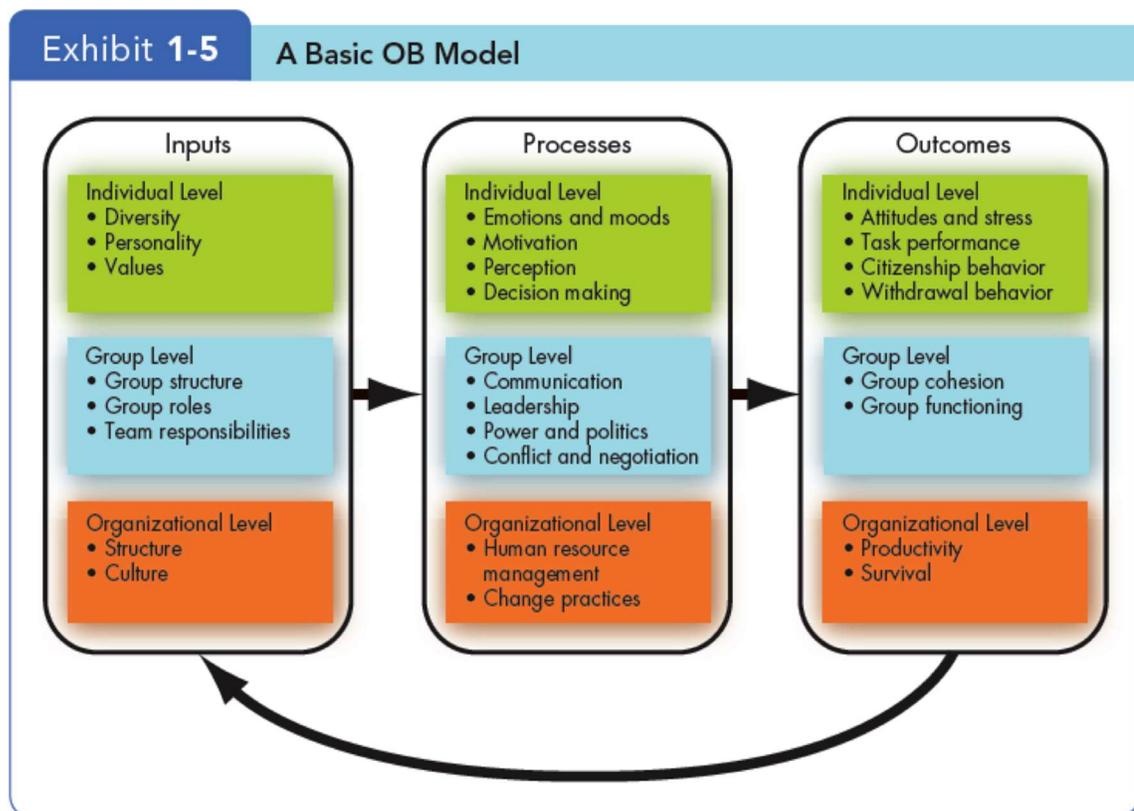
employees grow and accomplish in the interests of the organization the things of which they are capable.

4. **The Collegial Model:** A useful extension of the supportive model is the **collegial Model**. The term collegial relates to a body of people having a common purpose. The collegial model, which embodies a team concept, first achieved widespread applications in research laboratories and similar work environments. The collegial model depends on management's building a feeling of partnership with employees. The result is that employees feel needed and useful. They feel managers are contributing also, so it is easy to accept and respect their roles in organization. Managers are seen as joint contributors rather than as bosses.

**Conclusions about the models:** Several conclusions can be made about the models of organizational behavior. They are, in practice, subject to evolutionary change; they are a function of prevailing employee needs; there is a trend toward the newer models; and any of the models can be successfully applied in some situations. In additions, the models can be modified and extended in a variety of way.

### Developing an OB Model

By studying the model, you will have a good picture of how the topics in this text can inform your approach to management issues and opportunities. A model is an abstraction of reality, a simplified representation of some real world phenomenon. Exhibit 1-5 presents the skeleton of our OB model. It proposes three types of variables (**inputs, processes, and outcomes**) at three levels of analysis (individual, group, and organizational).



Source: Stephen P. Robbins, 17th edition, Pearson

The model illustrates that inputs lead to processes, which lead to outcomes; we will discuss interrelationships at each level of analysis. Notice that the model also shows that outcomes can influence inputs in the future, which highlights the broad-reaching effect OB initiatives can have on an organization's future.

**Inputs** are the variables like personality, group structure, and organizational culture that lead to processes. These variables set the stage for what will occur in an organization later. Many are determined in advance of the employment relationship. For example, individual diversity characteristics, personality, and values are shaped by a combination of an individual's genetic inheritance and childhood environment. Group structure, roles, and team responsibilities are typically assigned immediately before or after a group is formed.

**Processes** If inputs are like the nouns in OB, processes are like verbs. Processes are actions that individuals, groups, and organizations engage in as a result of inputs and that lead to certain outcomes. At the individual level, processes include emotions and moods, motivation, perception, and decision making. At the group level, they include communication, leadership, power and politics, and conflict and negotiation. Finally, at the organizational level, processes include human resource management and change practices.

**Outcomes** are the key variables that you want to explain or predict, and that are affected by some other variables. What are the primary outcomes in OB? Scholars have emphasized individual-level outcomes, such as attitudes and stress, task performance, citizenship behavior, and withdrawal behavior.

**Attitudes and Stress** Employee **attitudes** are the evaluations employees make, ranging from positive to negative, about objects, people, or events. For example, the statement "I really think my job is great" is a positive job attitude, and "My job is boring and tedious" is a negative job attitude. **Stress** is an unpleasant psychological process that occurs in response to environmental pressures. Some people might think influencing employee attitudes and stress is purely soft stuff and not the business of serious managers, but as we will show, attitudes often have behavioral consequences that directly relate to organizational effect

**Task Performance** The combination of effectiveness and efficiency at doing your core job tasks is a reflection of your level of task performance. If we think about the job of a factory worker, task performance could be measured by the number and quality of products produced in an hour. The task performance of a teacher would be the level of education that students obtain. The task performance of consultants might be the timeliness and quality of the presentations they offer to the client.

**Organizational Citizenship Behavior (OCB)** The discretionary behavior that is not part of an employee's formal job requirements, and that contributes to the psychological and social environment of the workplace, is called organizational citizenship behavior (OCB), or simply citizenship behavior. Successful organizations have employees who will do more than their usual job duties—who will provide performance beyond expectations.

**Withdrawal Behavior** We've already mentioned behavior that goes above and beyond task requirements, but what about behavior that in some way is below task requirements? Withdrawal behavior is the set of actions that employees take to separate themselves from the organization. There are many forms of withdrawal, ranging from showing up late or failing to attend meetings to absenteeism and turnover.

<p><b>Activity</b> Which Model is applicable in your organization? Give reasons for your favor.</p>
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**Discussion Questions:**

1. What are the various models of Organizational Behavior?
2. Briefly discuss the Autocratic Models of Organizational Behavior.
3. State in brief the Supportive Model of Organizational Behavior.
4. Briefly explain the Collegial Model of Organizational Behavior.

## **Lesson-4: Ethics and Ethical Behavior in Organization**

Upon completion of this lesson, you will be able to analyze:

- Ethic and Ethical Behavior in Organization.
- Ethics in Business Organization
- Factors influencing Ethical Behavior
- Encouraging Ethical Behavior

### **Ethics and Ethical Behavior in Organization**

Ethics involves moral issues and choices and deals with right and wrong behavior. Only recently has either been fully integrated into the study of organizational behavior. It is now realized that not only individuals and groups but also a number of relevant factors from the cultural, organizational, and external environment determine ethical behavior. Cultural influences on ethical behavior come from family, friends, neighbors, education, religion, and the media. Organizational influences come from ethical codes, role models, policies and practices, and reward and punishment systems. The external forces having an impact on ethical behavior include political, legal, economic, and international developments. These factors often work interdependently in shaping the ethical behavior of individuals and groups in organizations. For example, minimum wage jobs may lock people into an economic existence that prevents them from bettering their lives. Is it ethical to pay people only a minimum wage? Or consider the facts that many obese workers report that they are discriminated against in the workplace and that a research study found that applicants judged to be relatively less attractive were at a distinct disadvantage in decisions involving suitability for hiring and probable organizational progression. Is it ethical to treat these workers differently, given that very limited legal protection is afforded to them and thus they have no recourse?

### **Ethics in Business Organization**

Social responsibility requires individuals engaging in business endeavors to behave in an ethical manner. Ethics are principles of behavior that distinguish between right and wrong. Ethical conducts conform to what a group or society as a whole considers right behavior. People working in business frequently face ethical questions. Business ethics is the evaluation of business activities and behavior as right or wrong. Ethical standards in business are based on commonly accepted principles of behavior established by the expectations of society, the firm, the industry, and an individual's personal values.

With unethical business practices often receiving publicity, the public sometimes believes that people in business are less ethical than others in society. But ethical problems challenge all segments of our society, including government, churches, and higher education.

### **Factors influencing Ethical Behavior**

To encourage ethical behavior, executives, managers, and owners of firms must understand what influences behavior in the first place. Factors that affect individual's behavior in business include the business environment, organizational factors, and an individual's personal moral philosophy.

**The business environment:** Almost daily, business managers face ethical dilemmas resulting from the pressures of the business environment. They are challenged to meet sales quotas, cut costs, increase efficiency, or overtake competitors. Managers and employees may sometimes think the only way to survive in the competitive world of business is by deception or cheating.

In some instances, an organization may use someone else's successful work without the permission of the owner or originator.

**The organization:** The organization itself also influences behavior. Individuals often learn ethical or unethical behaviors by interacting with others in the organization. An employee who sees a superior or co-worker behaving unethically may follow suit.

**The individual:** A person's own moral philosophy also influences his or her ethical behavior. A **moral philosophy** is the set of principles that dictate acceptable behavior. These principles are learned from family, friends, co-workers, and other social groups and through formal education. The Connections quiz will help you evaluate your moral philosophy.

In developing a moral philosophy, individuals can follow two approaches humanistic and utilitarian. The **humanistic philosophy** focuses on individual rights and values. Individuals and organizations adopting this philosophy would honor their moral duties to customers and workers.

Individuals and organizations following the **utilitarian philosophy** seek the greatest good for the largest number of people. Pharmaceutical manufacturers who make vaccine for pursuits, the deadly disease of whooping cough, adhere to this philosophy.

## **Encouraging Ethical Behavior**

Many organizations take positive steps to encourage ethical behavior. Some offer courses in ethics and include ethics in training programs. (For instance, Boeing Company line mangers lead ethics training seminars). Most courses and training seminars focus on how to analyze ethical dilemmas. The emphasis is on understanding why individuals make the decisions they do rather than on teaching ethics or moral principles.

A basic way for an organization to encourage ethical behavior is to establish a code of ethics. A **code of ethics** is a statement specifying exactly what the organization considers ethical behavior. Many firms, as well as trade and professional associations, have established code of ethics. For instance, the American Medical Association has its own code of ethics that limits the amount and types of advertising used by doctors. By enforcing codes of ethics, rewarding ethical behavior, and punishing unethical behavior, a firm limits opportunities to behave unethically.

Employees of an organization can also encourage ethical behavior by reporting unethical practices. **Whistle-blowers** are employees who inform their superiors, the media, or a government regulatory agency about unethical behavior within their organization. Whistle-blowers often risk great professional and personal danger by reporting the unethical behavior of others. They may be harassed by co-workers or supervisors, passed up for promotions, fired, or even threatened with damage to their property or harm to themselves or their families. Nonetheless, some organizations have developed plans that encourage employees to report unethical conduct and that provide protection for whistle-blowers.

## **Discussion Questions:**

1. Define ethic and ethical behavior in organization.
2. Explain the ethics in business organization.
3. Discuss the factors influencing ethical behavior.
4. Explain the encouraging factors of ethical behavior.

## **Lesson-5: Historical Development of Organizational Behavior**

Upon completion of this lesson, you will be able to know the:

- Early history of the development of Organizational Behavior.
- Modern history of the development of Organizational Behavior.

### **Historical Development of Organizational Behavior**

The history of human relations is not new. It existed since the beginning of the time but its dealings is quite new with the development of art and science. In the early days people worked alone or in small groups where human relations were not problem because organizations were not so complicated as they are today. Human relations are handled very easily because there were direct links between labor, capital and management. They were supposed to be happy in such conditions and fulfilled their needs but it was all force. Actual conditions were brutal and backbreaking. Life was very hard those days. People worked from dawn to dusk under intolerable conditions of disease, filth, danger and scarcity of resources. They had to work to survive hence there is no possibility of trying to improve the behavioral satisfaction.

Then industrial revolution broke in. In the beginning there was no improvement in human relations but later on improvement was seen in the working conditions of the people. The industry generated a surplus capital of goods and knowledge that eventually provided workers increased wages, shorter hours of work and more work-satisfaction.

In this new industrial environment, a Wales factory owner Mr. Robert Owen was the first to emphasize the human needs of the workers. He refused to employ young children in his factory. He taught his workers cleanliness and self-restraint and improved their working conditions a lot. He was known as father of personnel administration in early days. This could hardly be called modern organizational behavior but it was beginning.

A book entitled 'The Philosophy of Manufacturers' written by Andrew Ure was published in 1835 in which he recognized the mechanical and commercial aspects of manufacturing. He also gave recognition to the human factor to manufacturing. He illustrated how workers are provided with hot tea; medical treatment, ventilation and sick payments. The approaches of Owen and Ure were accepted gradually and gave birth to paternalistic do-good approach to people. It was beginning of the history.

### **Early Development**

During 1900s, F.W. Taylor presented the concept of Scientific Management to the world. He awakened the interest in people at work. He is often called the father of scientific management. He gave the new dimension in the management thought, that paved the way for the subsequent development of organizational behavior. He was first to recognize the fact that improved work situation would certainly add to productivity. He pointed out that just as there was a best machine for a job, so were there best ways for people to do their jobs. The goal still was to improve the technical efficiency, but at least management was to improve the technical efficiency, but at least management was awakened to the importance of one of its higher to neglected resources.

The major work of Mr. F.W. Taylor was published in 1911. During the decade, the interest in human relations at work was accelerated by World War I. 'The National Personnel Association' was formed in U.S.A. and later in 1923, the name of the association is changed to 'the American Management Association'. Its main object was to devote itself exclusively to the consideration of human factor in commerce and industry. In 1918, a 'silver bay conference'

was organized in New York to consider 'Human Relations in Industry' and since then, conference is being regularly held. During the same period Whiting Williams was engaged in studying workers while working with them and his experience were made public in 1920 entitled 'what's on the workers mind.'

### **Mayo and Roethlisberger**

During 1920 and 1930 Elton Mayo and F.J. Roethlisberger at Harvard University gave the academic structure of human behavior at work. They applied keen insight, straight thinking and sociological backgrounds to the industrial experiments at Western Electric Company Hawthorne plant. The study developed the concept that an organization is a social system and the human element is one of the most important elements in it. The experiments showed "worker is not simply a tool but he is a complex personality interacting in a group situation that is hard to deal with and thoroughly misunderstood." Mayo pleaded that the collaboration cannot be left to chance. His colleague Roethlisberger added that 'a human problem to be brought to a human solution requires human data and human tools'.

The Mayo's research, though criticized as being inadequately controlled and interpreted but it was basic idea of social system within the work environment have stood the best of time.

### **Popularity**

During Second World War and after, the industrialists and academicians showed a great interest in human relation organizations. It was due to short supplies of labor during war period. By the 1950s, the study of the subject became the fashion of the day and it became popular. Main reasons of its popularity were:

- i. There was a cultural lag in understanding the human side of organization so that heavy emphasis was laid on its study to achieve development equivalent to that in engineering, production, sales etc.
- ii. Mayo and Roethlisberger researches were followed by fresh researchers, giving managers new understanding in building up a more effective organization.
- iii. Labor unions gained strength and pressed for better working conditions for the workers. Workers also were better-educated and expected better work environment, and more human quality leadership in organization. There was change in social attitudes demanding more social responsibility from organizations.
- iv. Work-environment itself became more complex and needed more attention. Size of organization increased considerably that multiplied the complexity of work. Increased specialization also contributed to the complexity of work because now workers were unable to understand the whole product.

The reasons discussed above show that the emphasis given to organization behavior was a result of trends, developed over a long period of time.

### **Discussion Questions**

1. Briefly discuss the historical development of organizational behavior.
2. Mention the contribution of Mayo and Roethlisberger in organizational behavior.
3. What do you know about the development of organizational behavior after World War II?

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# VALUES, ATTITUDE AND JOB STISFACTION

2

## Unit Highlights

- Values of individual behavior.
- Attitudes of individual behavior
- Diversity in work place of organizational behavior.
- Job Satisfaction organizational behavior.

## Technologies Used for Content Delivery

- ❖ BOUTUBE
- ❖ BOU LMS
- ❖ WebTV
- ❖ Web Radio
- ❖ Mobile Technology with MicroSD Card
- ❖ LP+ Office 365
- ❖ BTV Program
- ❖ Bangladesh Betar Program



## Lessons-1 & 2: Values of individual behavior

Upon completion of this lesson, you will be able to:

- Define the values and organizational values.
- Understand the importance of organizational values.
- Know the benefits of organizational values
- A closer look at the types of organizational values
- Formulating your unique organizational values
- Real-world examples of organizational values
- Delivering on your organizational values

### Concept of Values

**Values** refer to people's stable life goals, reflecting what is most important to them. Values are established throughout one's life as a result of accumulating life experiences, and values tend to be relatively stable (Rokeach, 1973). The values that are important to a person tend to affect the types of decisions they make, how they perceive their environment, and their actual behaviors. Moreover, a person is more likely to accept a job offer when the company possesses the values he or she cares about (Judge & Bretz, 1992; Ravlin & Meglino, 1987).

Values	Definition
Achievement	The desire for personal success.
Benevolence	The desire to protect the well-being of people who are close to the person.
Conformity	Being motivated by being self-disciplined and obedient. Conforming to others.
Hedonism	The desire for pleasure in life.
Power	The desire for control over others, attaining power and prestige.
Security	Valuing safety and stability.
Self-direction	The desire to be free and independent.
Stimulation	The desire for a stimulating and exciting life.
Tradition	Acceptance of social customs and traditional ideas in a society.
Universalism	The desire to protect the well-being of all people. Caring about social justice.

Exhibit 5.2: Values Included in Schwartz's (1992) Value Inventory

## **What are organizational values?**

Organizational values are the fundamental principles and beliefs that steer a company's operation. They cultivate the corporate culture, dictate conduct, and set the tone for interpersonal interactions within the business, from customers and employees to senior stakeholders. As an ethical guide, these values encapsulate the company's ethos and future goals. Essentially, they offer a sense of purpose and a strategic direction, assisting the organization in maneuvering through the intricate world of business.

It's quite possible for an individual or group's high affinity to certain values and beliefs to inspire and drive the creation of a business. This means that the values aren't just an afterthought or a byproduct of the business; they are the foundation upon which the business is built.

## **The importance of organizational values**

Organizational values guide employees' actions and attitudes, fostering a shared understanding of what is important in the workplace. This creates a sense of unity and cohesion among team members, enhancing collaboration and productivity.

These values also influence the company's approach to problem-solving and innovation. For instance, a business that values creativity will likely foster an environment where new ideas are encouraged and rewarded, driving continual improvement and growth.

From a macro business perspective, organizational values are important because they are key in shaping the business landscape and industry standards. They influence the competitive dynamics within an industry, defining what is considered acceptable or desirable behavior among competitors.

*“Focusing on the long term may seem impossible in our unsettled times when many leaders are overwhelmed by the fallout of COVID-19 and scrambling just to manage day-to-day operations. Yet having a vision of the end goal is particularly important during a crisis—in fact, it may be the key factor that motivates managers and employees to keep going.” — McKinsey.*

For instance, if a leading company in an industry prioritizes innovation as a value, it sets a standard that encourages other companies to invest in research and development to remain competitive. Similarly, a company that strongly values customer service can set consumer expectations for the entire industry, pushing other businesses to improve their service levels.

## **Define values and value system**

### **Values**

Values represent basic convictions (firm belief) that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence. They contain a judgmental element in that they carry an individual's ideas as to what is right, good or desirable. Values have both content and intensity attributes. The content attribute says that a mode of conduct or end-state of existence is important. The intensity attribute specifies how important it is.

### **Value system**

Value system is a hierarchy based on a ranking of an individual's values in terms of their intensity (honesty, obedience, equality etc.). All of us have a hierarchy of values that form our

value system. This system is identified by the relative importance we assign to values such as freedom, pleasure, self-respect, honesty, obedience, and equality.

### **Importance of values**

Values are important to the study of organizational behavior because they lay the foundation or the understanding of attitudes and motivation and because they influence our perceptions. Individual enter into organization with perceived notions of what ‘ought’ and what ‘ought not’ to be. Of course, these notions are not value free. On the contrary, they contain interpretations of right and wrong. Furthermore they imply that certain behaviors or outcomes are preferred over others.

Values generally influence attitudes and behavior. Suppose, you enter an organization with the view that allocating pay on the basis of performance is right, while allocating pay on the basis of seniority is wrong. How are you going to react if you find that the organization you have just joined rewards seniority not performance? You are likely to be disappointed – and this can lead to job dissatisfaction and the decision not to exert a high level of effort.

### **The benefits of organizational values**



**Exhibit 5.3: Benefits of organizational values**

Source: <https://www.walkme.com/blog/organizational-values/>

Now we’ve delved into the importance of organizational values, it’s equally important to understand their tangible benefits. These principles are not just abstract ideals; they have a real and profound impact on every facet of a business. They shape the culture, influence decision-making, and ultimately, determine success.

### **Let’s explore the top benefits companies can expect when instilling and upholding strong organizational values.**

**Unity and Cohesion:** Values unite employees under a shared purpose and vision, fostering teamwork and collaboration.

**Guided Decision-Making:** They provide a framework for decision-making, ensuring consistency and alignment with the company’s mission.

**Enhanced Employee Engagement:** When employees resonate with the company’s values, they are more likely to be engaged, motivated, and productive.

**Attracting and Retaining Talent:** Companies with clear values attract like-minded individuals and are more likely to retain employees who align with these values.

**Reputation Management:** Strong organizational values can enhance a company's reputation, building trust with customers, partners, and other stakeholders.

**Competitive Advantage:** Values can differentiate a company from its competitors, offering a unique selling proposition.

**Innovation Stimulation:** When values such as creativity and innovation are promoted, it fosters an environment conducive to new ideas and continual improvement.

### A closer look at the types of organizational values



**Exhibit 5.3: Types of organizational values**

Source: <https://www.walkme.com/blog/organizational-values/>

Establishing strong organizational values requires an understanding of their diverse types. These values vary; each type impacts a company's operations and culture. Below we'll examine these different categories and their significance in an organization.

1. **Ethical Values:** These relate to moral principles that guide actions, like honesty (truthful communication), integrity (acting consistently with principles), and fairness (equitable treatment of all).
2. **Financial Values:** These relate to an organization's financial goals and strategies. They include principles like fiscal responsibility, profitability, growth, or value creation for shareholders.

3. **Market Values:** These are values that focus on an organization's position within its market. They involve competitiveness, innovation, customer orientation, or adaptability to market changes.
4. **Social Values:** These demonstrate a company's societal responsibilities: diversity (inclusive practices), environmental sustainability (eco-friendly operations), and community engagement (active involvement in local communities).
5. **Cultural Values:** These shape the company's internal environment: teamwork (collaborative efforts), respect (valuing differences and rights of others), and communication (open and effective exchange of information).
6. **Innovation Values:** These foster a creative climate: innovation (encouraging new ideas), agility (swift adaptation to changes), and risk-taking (embracing failure as a pathway to success).
7. **Performance Values:** These drive business outcomes: excellence (striving for high standards), accountability (taking responsibility for actions), and results-orientation (focus on achieving goals).
8. **Customer-Centric Values:** These ensure customer satisfaction: customer service (providing quality assistance), quality (delivering superior products/services), and value (offering practical solutions).

### **Types of values**

There are two sets of values. These are as follows:

**Terminal values:** Terminal values refer to desirable end-states of existence. These are the goals that a person would like to achieve during his or her lifetime (self respect, family security).

**Instrumental values:** Instrumental values refer to preferable modes of behavior or means of achieving the terminal values. (Honest, responsible).

#### **Example:**

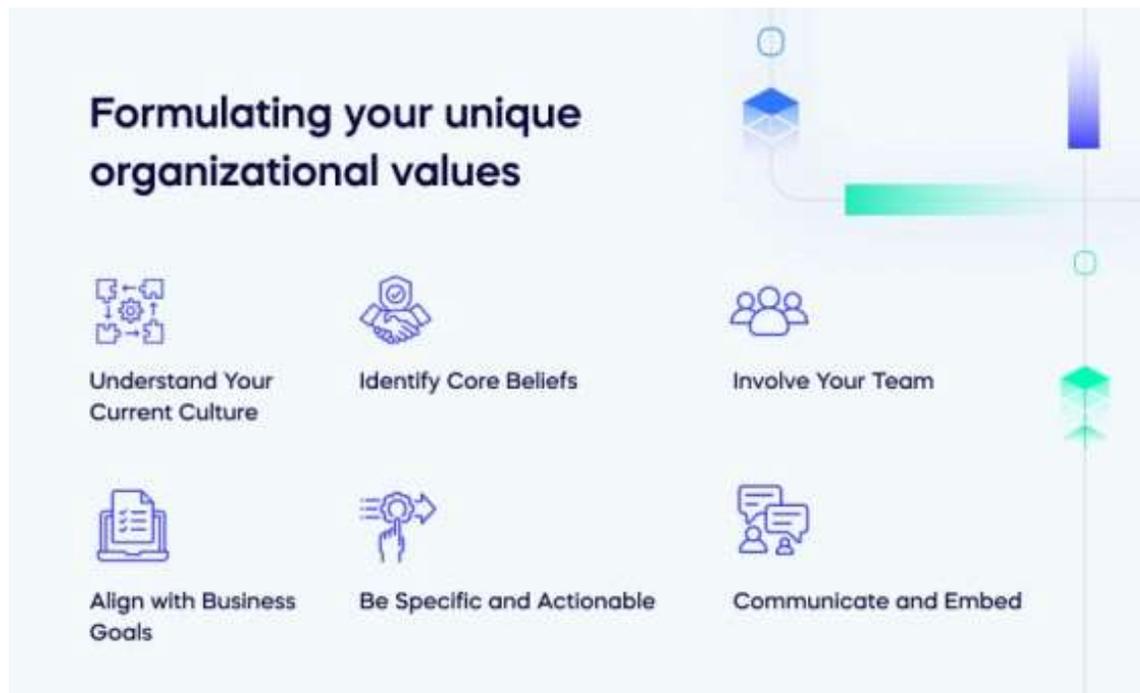
##### **Terminal values**

Self respect  
 Family security  
 A sense of accomplishment  
 Happiness

##### **Instrumental values**

Honest  
 Responsible  
 Ambitions  
 Independent

## Formulating your unique organizational values



**Exhibit 5.4: Formulating unique organizational values**

Source: <https://www.walkme.com/blog/organizational-values/>

Formulating organizational values involves thoughtful introspection, collaboration, and alignment with the company's mission. **Here are some steps:**

1. **Understand Your Current Culture:** Assess the existing culture and values. This includes understanding what drives your team, what they value, and how they perceive the organization.
2. **Identify Core Beliefs:** The leadership team should identify the core beliefs that drive their decisions and actions. These beliefs often form the basis of organizational values.
3. **Involve Your Team:** Organizational values should not be top-down. Involve team members in brainstorming sessions to identify the values they believe in. This ensures buy-in from the team and makes the values more authentic.
4. **Align with Business Goals:** The values should align with the organization's strategic business goals. They should support the vision and mission of the organization.
5. **Be Specific and Actionable:** Instead of generic values like 'integrity' or 'innovation,' go for more specific ones that indicate the expected behavior. For instance, 'we believe in open and honest communication' or 'we encourage out-of-the-box thinking.'
6. **Communicate and Embed:** Once the values are defined, they should be communicated to all employees and embedded in all aspects of the business – from hiring and onboarding to performance reviews.

Remember, organizational values should be more than just words on a wall. They should guide decision-making, influence behavior, and shape the organization's culture.

## Real-world examples of organizational values

In the following section, we'll examine some noteworthy examples of organizations and how their core values have been diffused throughout their operations.

From sustainable practices and treating customers with respect to embracing adventure and having fun, these companies have leveraged their values to drive innovation and success. This is supported by research showing that 46% of job seekers cite company culture as very important when applying to a company.

1. **Microsoft:** Microsoft's values are centered around empowering every individual and organization across the globe to achieve their potential. They believe in creating a work environment that respects diversity, fosters collaboration, and operates with integrity and trust. With this approach, Microsoft has successfully innovated and delivered cutting-edge technology solutions while making meaningful contributions to society.
2. **Salesforce:** Salesforce has built its company culture on a foundation of trust. Their values prioritize building trust with everyone they do business with – customers, employees, partners, and communities. This value has been successfully diffused throughout their organization, resulting in high customer satisfaction rates, more engaged employees, and a strong reputation as a trustworthy company.
3. **Apple:** At Apple, their core values include innovation, design, and customer experience. They strive to create aesthetically pleasing, intuitive, and user-friendly products. These values have been successfully diffused throughout their company culture, leading to a strong brand identity that resonates with consumers.
4. **Google:** Google's core values include focusing on the user, speed, and doing the right thing. They prioritize delivering the best possible user experience by providing fast and reliable search results while adhering to ethical principles. These values have helped Google become one of the most successful tech companies in the world.
5. **JPMorgan Chase & Co.:** JPMorgan Chase & Co.'s values prioritize integrity, excellence, and teamwork. They believe in conducting business ethically and transparently, providing high-quality financial services, and working collaboratively. These values have helped JPMorgan Chase & Co. build trust with its clients and set a standard of excellence within the finance industry.

## Delivering on your organizational values

Identifying organizational values is the first step in creating a thriving company culture. The real challenge lies in implementing those values and ensuring they resonate across all levels of your organization.

One effective way to achieve this is by leading by example. A leader who models their values inspires employees to do the same. Leading by example means demonstrating to your employees that living up to your organizational values is not just a company policy but a personal philosophy.

*“I don't think you can create culture and develop core values during great times. I think it's when the company faces adversity of extraordinary proportions, when there's no reason for the company to survive when you're looking at incredible odds — that's when culture is developed, character is developed,”* says Nvidia's founder and CEO Jensen Huang.

Effective communication is another key component in diffusing organizational values. Highlight your values through success stories, recognize individuals who embody your values, and make sure to clearly and regularly reiterate your values with your employees.

By connecting with your employees on a deeper level and making them feel invested in your company's values, you can create a culture where everyone is working together towards a shared vision. This fosters a sense of community and leads to increased loyalty and commitment to the organization.

When your employees are aligned with your organizational values, they are more likely to work harder, be more productive, and help drive the company's success.

### **Values across culture**

One of the most widely referenced approaches for analyzing variations among cultures has been done by Geert Hofstede. He found that managers & employees vary on five value dimensions of national culture. These are defined as follows

1. **Power distance:** The degree to which people in a country accept that power in institutions and organizations is distributed unequally.
2. **Individualism vs. Collectivism:** Individualism is the degree to which people in a country prefer to act as Individuals rather than a member of groups. Collectivism is the equivalent of low Individualism.
3. **Quantity of life vs. quality of life:** Quantity of life is the degree to which values like assertiveness, the acquisition of money and material goods & competition prevail. Quality of life is the degree to which people value relationships and show sensitivity and concern for the welfare of others.
4. **Uncertainty avoidance:** A national culture attribute describing the extent to which a society feels threatened by uncertain and ambiguous situations and tries to avoid them.
5. **Long term orientation vs. short term orientation:** People in cultures with long term orientations look to the future and value thrift and persistence. A short term orientation values the post and present, and emphasizes respect for tradition and fulfilling social obligations.

### **Discussion Questions**

1. Define the values and organizational values. Discuss the importance of organizational values.
2. Explain the benefits of organizational values.
3. Describe the types of organizational values
4. How you can formulate a unique organizational values at your company? Make some real life examples.
5. How will you deliver organizational values to the employees? Discuss.

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### **Lesson-3: Attitudes of Individual Behavior**

Upon completion of this lesson, you will be able to:

- define attitudes.
- know the characteristic and nature of attitudes.
- understand the types of attitudes.
- identify the components of attitudes.

Attitude has been widely studied in organizational behavior because it is considered as an important variable of human behavior. Attitude has a psychological attribute that shapes human behavior. Work related attitudes of an individual tend to influence job related behaviors of employees such as absenteeism, performance, turnover and organizational citizenship behavior very strongly.

#### **Attitudes/Concept of**

The term “attitude” frequently is used in describing people and explaining their behavior. For example: “He has a poor attitudes.” “I like her attitude.” An attitude can be defined as a persistence tendency to feel and behave in a particular way toward some object. For example, Karim does not like working in night shift. He has a negative attitude toward his work assignment. **Attitudes** are evaluative statements—either favorable or unfavorable—about objects, people, or events; They reflect how we feel about something. Attitudes are evaluative statements which are frequently used to describe people, events and objects. These statements can be either favourable or unfavourable. Attitude reflects one’s feelings towards particular object, event or person.

#### **Characteristics of an Attitude**

Attitudes can be characterized three ways:

1. They tend to persist unless something is done to change them.
2. Attitudes can fall anywhere along a continuum from very favorable to very unfavorable.
3. Attitudes are directed toward some object about which a person has feeling (sometimes called “affect) and beliefs.

#### **Nature of Attitude**

From the definitions of attitude discussed above, following inferences can be drawn about nature of the attitude:

- a) Attitudes are evaluative statements, either favourable or unfavourable.
- b) Attitude refers to feeling or beliefs of individuals or group of individuals.
- c) The feelings and beliefs are often directed towards objects, people, events or ideas. For example, when somebody says, “I like my job”. It shows his positive attitude towards his job.
- d) Attitudes result in the behavior or actions of people.
- e) Attitude is psychological phenomenon which cannot be observed directly. However, it can be noticed indirectly by noticing behavior of an individual. For example, if a person is very regular on the job and perform very well on the job, we can judge that he likes his job.

- f) Attitudes are acquired over a period of time. The process of attitude formation starts from childhood stage of an individual and continues throughout the life time.
- g) Attitude is an enduring characteristic of individual behavior, which is difficult to change.
- h) Every person irrespective of his status and intelligence hold attitudes.

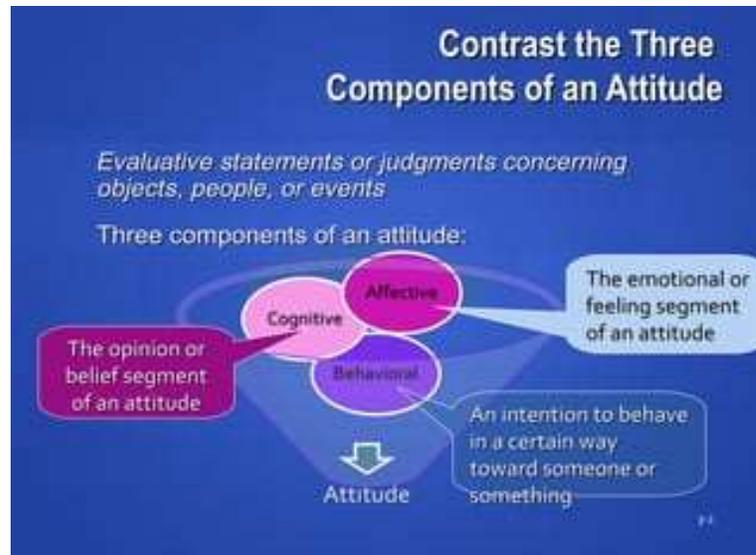
### **Types of Attitudes**

1. A person can have thousands of attitudes but OB focuses attitudes on a very limited number of job related attitudes. Most of the research in OB has been concerned with three attitudes
2. **Job Satisfaction:** The term job satisfaction refers to an individual's general attitude toward his or her job. A person with a high level of job satisfaction holds positive attitudes toward the job, while a person who is dissatisfied with his or her job holds negative attitudes about the job.
3. **Job Involvement:** The term Job involvement is a more recent addition to the OB literature. Job Involvement measures the degree to which a person identifies with his or her job, actively participates in it and considers his or her performance important to self-worth.
4. **Organizational Commitment:** Organizational Commitment measures the degree to which an employee identifies with a particular organization and its goal and wishes to maintain membership in the organization.

### **Components of Attitude**

Attitude is comprised of three components viz. Cognitive, Affective and Behavioural. These components are described as follows:

- a) **Cognitive or informational component:** Cognitive component of attitude is the description of beliefs and ideas about other persons, objects or events. This component describes the information an individual has towards others no matters whether this information is correct or not. For example, a person in search of new job may acquire information from his own sources that salary package and chances of promotion are very favourable in a particular company. In reality, this information may or may not be correct, the person will use this information to develop his feelings or action tendencies.
- b) **Affective or emotional component:** This component reflects the emotions or feelings of an individual towards a person, object or events. The feelings or emotions can be positive or negative and favourable or unfavourable. For example, "I like this job", this statement reflects a person's positive feelings for the job in question.
- c) **Behavioral component:** This component includes the behavioral tendencies or intentions of an individual to act in a particular manner towards an object, event or person. For example, "I am going to join this job", this statement reflects a person's intentions to act in a particular manner.



Source: <https://www.slideshare.net/slideshow/attitudes-and-job-satisfaction-organizational-behavior/96595941>

These three components of attitude are very important to study in order to understand the relationship between attitude and behavior and also to understand the complexity of this relationship. These three components are very closely related, specifically cognitive and affective components are almost inseparable. Out of the three components, only behavioral component can be observed directly whereas, the other two components can only be inferred but cannot be observed directly.

### Discussion Questions

1. Define attitudes.
2. Explain the characteristic and nature of attitudes.
3. State the types of attitudes.
4. Identify and discuss in brief the components of attitudes.

## Lesson-4: Functions and Measures of Attitudes of Individual Behavior

Upon completion of this lesson, you will be able to:

- To describe the functions of attitudes.
- To know the measurement of attitudes.
- To understand the work related attitudes.
- To explain the changing of attitudes of employee.

### Functions of Attitude

Why do people develop attitude toward individuals or objects? Why do people resist changing their attitude? This is because attitude helps an individual to respond towards an individual or object in a meaningful way. Specifically attitude serves four important functions viz. utilitarian function, ego-defensive function, value expressive function and knowledge function. These functions are explained as follows:

- a) **Utilitarian function:** Individuals may develop attitude because sometimes attitude is helpful in obtaining rewards or avoiding punishments. For example, a worker reveals that when he expresses positive attitude towards management and supervisor in front of his colleagues, they neglect him, but when he expresses negative attitude towards management and supervisor, he gains attention and sympathy of his colleagues. Thus, he finds negative attitude towards top management instrumental in gaining acceptance and avoiding rejection from his group members.
- b) **Ego-defensive function:** Generally people develop certain type of attitude because attitude helps them in maintain or defending their self images. For example, workers in an organization may feel threatened because of appointment of some new workers. These workers may develop prejudices against new workers that new workers are less qualified and less experienced. Such ego defensive attitude is formed to cope up with the feeling of threat and guilt. This attitude will never be changed unless or until the negative feeling is removed.
- c) **Value expressive function:** Attitudes reflect our value system. Such attitudes which reflect our values are closely related to our self-concept. For example, a person whose value system is centralised towards equality in the organization will express a very positive attitude towards participative style of management, decentralized decision making etc.
- d) **Knowledge function:** Attitude can also serve as substitute for knowledge. In the absence of relevant information, attitudes help us in organizing and drawing inference from the perceived object. Stereotyping is the perfect example of this. In the absence of knowledge towards a person we use stereotyped attitude for judging the person.

### Measurement of Attitude

It has been discussed earlier that studying attitude of an individual is very important to predict his behavior and reasons behind the behavior. Various methods have been developed to assess attitude of employees and executives in an organization. Some important methods are explained as below:

- 1) **Thurston Attitude Scale:** Thurston attitude scale is comprised of questionnaires which are filled up by the employees. This method of attitude scaling is widely used for measurement of attitude. The scaling procedure was developed before the wide use of computers and, therefore, relied heavily on manual procedures. However, with the rapid

introduction of computers in the late 50's and early 60's, Thurston scaling procedures became less dominant. Development of Thurston attitude scale involve following steps:

- (i) First of all, large numbers of one-dimensional statements pertaining to employee's feelings towards jobs or other factors of organization are listed. The items should be phrased in such a way that response to these statements can be generated in the form of 'yes' or 'no'.
  - (ii) After this, statements are typed on a separate slip of paper and a panel of judges is asked to place the statements in one of several piles (usually 7,9 or 11) ranging from statements representing the least favourable view point to statements representing the most favourable view points.
- 2) **Likert scale:** This method of attitude measurement is relatively simpler than Thurston method and does not require involvement of judges in the process of scale construction. In this method every statement which is included in the scale has five degrees of responses viz. strongly agree, agree, undecided, disagree and strongly disagree. The individual responding to the scale is asked to state the extent to which he agrees or disagrees with the statement. Score is assigned to each response and total scores of each statement are summed up to produce overall score. This overall score indicates the respondent's attitude.

Validity of the scale is measured with the help of following three methods:

- a) Internal consistency
  - b) Judgement of experts
  - c) Comparing the results obtained from the scale with the results obtained from already established scale.
- 3) **Interviews:** Interview is the method of obtaining information about employees' attitude towards organization, job related factors, working conditions or other parameters. The interviews of workers should be taken by the representatives from outside the organization. The information obtained from the responses given by the employees is then analysed to make a generalization about the attitude of employees.

### **Work related attitudes**

An individual may develop hundreds of attitudes in his life towards any number of people, objects or events, but in the study of organizational behavior, our prime focus is on individual's work related attitudes. These work related attitudes generally express an employee's favourable or unfavourable evaluations about the work or work environment. Important work related attitudes are discussed as below:

- a) **Job satisfaction:** Job satisfaction reflects a general attitude or feeling of liking or disliking of an employee towards his job. A person who is highly satisfied from his job, will express a positive attitude towards the job and the person who is highly dissatisfied, will express negative attitude towards the job. For example, a person who is highly satisfied from the job will tend to be regular, punctual and perform well.
- b) **Job involvement:** Job involvement is the degree to which an individual identifies psychologically with his or her job and consider his or her perceived performance level important to self worth. Employees with high level of job involvement identify themselves with their jobs very strongly and are generally very particular about their performance. High level of involvement leads to less absenteeism and lower turnover rates. Another

concept which is very closely related to job involvement is *psychological empowerment*. Psychological empowerment is the degree to which individuals believe that they have influence over their work environment, their capability, perceived autonomy and meaningfulness of their job. Both job involvement and psychological empowerment are positively related to performance of the employees.

- c) **Organizational commitment:** Organizational commitment refers to the job attitude in which an employee identifies with a particular organization and its goals and wishes to maintain his membership in that organization. Where job involvement refers to identification with one's job, organizational commitment refers to identification with one's organization and its goals. There is a positive relationship between organizational commitment and productivity. Organizational commitment is "relative strength of an individual's identification with and involvement in a particular organization". Strongly committed employees tend to remain in the organization for a longer period of time than those who have lower commitment. There are three components of organizational commitment:
1. **Affective commitment:** Affective commitment refers to emotional attachment of an employee with his organization and its values. For example, an employee may be emotionally attached to its organization because it is following environment friendly practices.
  2. **Continuance commitment:** Continuance commitment refers to an employee's perception about economic benefits of remaining in the organization. An employee may be committed to the organization because he is getting very good salary package which he would not get in any other organization.
  3. **Normative commitment:** Normative commitment is when an employee feels obligation to remain in the organization for ethical or moral reasons. For example, an employee who is heading a new project in the organization may not leave the organization because he feels that it would be morally wrong if he leaves the organization without completing the project.
- d) **Perceived organizational support:** Perceived organizational support is the degree to which employees feel that their organization values their involvement in the organization and cares for their well being. Usually employees perceive their organizations as supportive when the reward system in the organization is fair, they participate in the decision making and when they find their supervisors supportive to them. Individuals with strong perception of organizational support are more likely to express organizational citizenship behavior, lower levels of lethargy and decreased rate of absenteeism.
- e) **Employee engagement:** Employee engagement is the term which refers to individual's level of involvement, satisfaction and interest for the job he is performing. Highly engaged employees feel a strong connection with their work and the company whereas, disengaged employees just invest their time in the organization but not energy and attention into their work. Research on employee engagement has pointed out that the organizations whose employees had higher levels of employee engagement were more productive, earned more profits, had highly satisfied customers, experienced lower levels of turnover and faced fewer accidents than other companies.

## Changing Attitudes of Employees

There are three bases for attitude change: **compliance**, **identification**, and **internalization**. These three processes represent the different levels of attitude change (Kelman, 1918).

**Compliance:** Compliance refers to a change in behavior based on consequences, such as an individual's hopes to gain rewards or avoid punishment from another group or person. The individual does not necessarily experience changes in beliefs or evaluations of an attitude object, but rather is influenced by the social outcomes of adopting a change in behavior. The individual is also often aware that he or she is being urged to respond in a certain way.

**Identification:** Identification explains one's change of beliefs and affect in order to be similar to someone one admires or likes. In this case, the individual adopts the new attitude, not due to the specific content of the attitude object, but because it is associated with the desired relationship. Often, children's attitudes on race, or their political party affiliations are adopted from their parents' attitudes and beliefs.

**Internalization:** Internalization refers to the change in beliefs and affect when one finds the content of the attitude to be intrinsically rewarding, and thus leads to actual change in beliefs or evaluations of an attitude object. The new attitude or behavior is consistent with the individual's value system, and tends to be merged with the individual's existing values and beliefs. Therefore, behaviors adopted through internalization are due to the content of the attitude object.

## Discussion Questions

1. Describe the functions of attitudes.
2. Explain the measurement of attitudes.
3. State the work related attitudes.
4. Explain the changing of attitudes of employee.

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## Lesson-5: Diversity in workplace of organizational behavior

On completion of this lesson, you will be able to know the:

- What is diversity in the workplace?
- Importance of Merit-Based Diversity and Inclusion in the Workplace.
- Reasons for the Emergence of Diversity.
- Key Benefits of Having a Merit-Based Diverse Workforce
- What Are the Challenges of Building a Diverse Workforce?
- What Are the Challenges of Building a Diverse Workforce?
- 3 Best Practices for Merit-Based Diversity in the Workplace.

***“Diversity in the workplace is defined as a trait of company culture wherein the workforce composition includes employees of different genders, age, sexual orientation, religions, languages, abilities, professional backgrounds, socioeconomic backgrounds, and educational backgrounds.”***Source: <https://www.spiceworks.com/hr/diversity-inclusion/articles/what-is-diversity-in-the-workplace/>

### What is Diversity in the Workplace?

Enabling diversity in the workplace simply means making an effort to employ a broad cross-section of people from different demographics. Workplace diversity may be defined as a trait of company culture wherein the workforce composition includes employees of different genders, age, sexual orientation, religions, languages, abilities, professional backgrounds, socioeconomic backgrounds, and educational backgrounds.

At a micro-level, diversity brings in varying points of view and disruptive thought processes, preventing companies from stagnating or becoming complacent. A 2019 survey of 6,600+ Americans Opens a new window found that a sizable 75&percent; believe it is very/somewhat important for companies to promote racial and ethnic diversity.

Diversity goes hand in hand with two other concepts:

- **Inclusion:** Not only do companies employ professionals belonging to different demographic groups, but they treat them equally – paying the same wages, providing equal learning opportunities, and sharing workloads equitably.
- **Equity:** Companies level the playing field between different demographics through proactive action. For instance, all employees are offered the same learning opportunities, but education is sponsored for those previously incarcerated.

Together, diversity, inclusion, and equity Opens a new window help to build a workplace that’s conducive and welcoming to every employee – opening the company up to the best talent out there, without bias.

### Importance of Merit-Based Diversity and Inclusion in the Workplace

Merit-based diversity is a widespread practice among companies across the globe. It implies that candidates will be selected based only on merit, and employees will be promoted or given additional responsibility only if they have demonstrated their excellence.

The survey we cited found that according to 74&percent; of Americans, companies should take only qualifications into account when hiring or promoting individuals. This indicates clear support for merit-based diversity.

How can this help? There are three benefits:

**1. Ethics:** Merit-based diversity is ethical. Consider a movie where the lead actor is chosen based on the producer's personal network and preferences. Now consider one with an open casting call, where thousands of applicants audition and the best candidate is selected. The second scenario may take longer, but it is an ethical process as it offers the same opportunity to a diverse group of people. This is what merit-based hiring diversity tries to achieve.

**2. Productivity :** Hiring for merit-based diversity provides a richer pool of candidates who are likely to be more productive. Also, merit-based diversity builds up cognitive productivity over time, which means the organization can keep evolving in terms of efficiency.

**3. Long-term requirements:** A non-diverse workforce may likely follow the same work pattern and processes across years, becoming resistant to change. Eventually, this will hold back a company's agility and sustainability. Merit-based diversity – comprising a diverse C-suite, a diverse board of directors, diverse investors, and diverse shareholders – is integral to long-term success.

### **Reasons for the Emergence of Diversity**

A major reason for the emergence of diversity as an important challenge is changing demographics. Older workers, women, minorities, and those more with education are now entering the workforce in record numbers. The statistics on these demographic developments are covered in the next section. However, for now it can be noted that the composition of today's and tomorrow's workforce is and will be much different from that of the past. At the more micro level, assuming talent and ability are equally distributed throughout the population and that everyone has an equal opportunity, these means that there should be diversity in every level of an organization.

Another pragmatic reason for diversity in today's organizations stems from legislation and lawsuits. The political and legal systems have compelled organizations to hire more broadly and to provide equal opportunity for all employees. Although legislation going as far back as the Civil Rights Act of 1964 in USA prohibited discrimination in employment, only recently have the full effects of that landmark and other more recent legislation, such as the following, had an impact.

1. *Age Discrimination Act of 1978.* The law at first increased the mandatory retirement age from 65 to 70 and then was later amended to eliminate an upper age limit altogether.
2. *Pregnancy Discrimination Act of 1978.* This law gives full equal opportunity protection to pregnant employees.
3. *Americans with Disabilities Act of 1990.* This law prohibits discrimination against those essentially qualified individuals challenged by a disability and requires organizations to reasonably accommodate them.
4. *Civil Rights Act of 1991.* This law refined the 1964 act reinstated burden proof falls on employers to eliminate discrimination and ensure equal opportunity in employment to employees. It also allows punitive and compensatory damages through jury trials.
5. *Family and Medical Leave Act of 1993.* This law allows the employees to take up to 12 weeks of unpaid leave for family or medical reasons each year.

In Bangladesh many Acts have been enacted. These are Factories Act 1965, Payment of Wages Act, Work men's Compensation Act (Amended) 1984, Industrial Relations Ordinance 1969 and so on. These Acts prohibit discriminations in employment and related matters of factory workers.

These laws, along with lawsuits and the threat of lawsuits, have put teeth into diversity. Individuals and groups that have found themselves excluded from organizations or managerial

positions can bring and have brought lawsuits in an effort to overcome discriminatory barriers and ensures themselves equal opportunity in employment.

## **Key Benefits of Having a Merit-Based Diverse Workforce**

There are several ways to make diversity a part of the hiring and workforce management strategy, and a merit-based system is among the most popular approaches. In a merit-based diverse workforce, every employee is evaluated as per their quality of work (both performance and potential), and not any personal traits.

An employee's ethnic background, country of origin, native language, past employment history, or even personality traits like extrovert/introvert don't matter in a merit-based scenario. This leads to the following key benefits:

### **1. It boosts the quality of hire and addresses skill gaps**

In a merit-based system, an employee's skills and capabilities come under scrutiny. This makes it easier to bridge skill gaps. Opens a new window, as recruiters know exactly which skills to hire for and can assess if an employee brings those skills to the table. For instance, in a digital transformation project that requires system integrators, assessing candidates only on their expertise or potential in the field through a skill assessment will boost the overall quality of hire opens a new window.

### **2. It helps to spur innovation and disruption**

Merit-based diversity will bring together the brightest minds from a wide variety of backgrounds. This combats groupthink (a phenomenon where a homogeneous group finds it difficult to solve problems due to the lack of disruptive ideas) and encourages cognitive diversity. Over time, a company's cognitive diversity can enable rapid innovation in core areas such as new product development, marketing outreach, and business transformation.

### **3. It eases a company's entry into new geographies and customer segments**

It is easy to see how merit-based diversity could act as a catalyst for business expansion, helping an organization reach diverse audiences and geographies. A company employing talented professionals from across the world will find it much easier to make inroads into an unfamiliar market, than a company that relies only on candidates sourced from its HQ's nearby regions. It brings perspectives and knowledge specific to the region and allows easier access to the market.

### **4. It positions organizations as a preferred employer**

We live in the age of social media, where every employee will share their workplace experience, either on professional platforms (Glassdoor, Indeed, etc.) or through their personal networks. Merit-based diversity will earn organizations goodwill among the employee and candidate community, as everyone feels welcome in the workplace even as they are motivated to display their abilities.

### **5. It creates a resilient succession plan and leadership pipeline**

Organizations need a leadership pipeline marked by talented professionals that is resilient to changing market dynamics. Diverse leadership brings the much-needed agility, creating familiarity with different cultures as well as adding to the company's cognitive diversity. Combine this with merit-based hiring and promotions, and it helps create a succession plan opens a new window that's highly resilient and populated with the most talented professionals in the company.

## **6. It fosters a culture of inclusion and employee-centricity**

This is the first and foremost benefit of pursuing merit-based diversity. It builds a culture of inclusion that values employees and actively fights for the representation of minority groups. As a new generation of employees enters the workplace, this atmosphere of inclusion, camaraderie, and respect is essential if to reach the desired productivity goals.

Finally, merit-based diversity makes decision-making processes more transparent, eliminating any risk of bias or favoritism, as there is an explicit parameter for selection. And this is on top of the ethical aspect of it. So, why don't more companies espouse merit-based diversity?

## **Challenges of Building a Diverse Workforce**

Any sort of transformation comes with hurdles. But that doesn't mean it isn't worth an investment. Instead, challenges should be accounted for when transforming the workplace with an eye on increased diversity.

Here are some of the critical challenges to expect:

### **1. Navigating immigration and employment laws can be difficult**

This is an operational challenge, one that can prevent many merit-based diversity hires from being executed. Imagine a company that has conducted its equivalent of an open casting call, interviewing hundreds of candidates online to find the perfect fit. But it appears that 50% of the shortlist comprises candidates with different countries of origin, posing immigration complexities.

### **2. Varying work styles could lead to conflict**

This is among the common issues organizations may face after switching to merit-based diversity. The workplace will now include people with different personalities, backgrounds, and approaches, all with their preferred mode of working. Consider a work environment where a veteran in their fifties works alongside a group of Gen Z coders. Initially, there might be a conflict in approaches and viewpoints.

### **3. Even merit-based hiring could become one-dimensional**

Consider a company that wants to hire based on merit but hasn't invested in defining a multifaceted strategy document. Instead, the company considers a superficial measure of excellence – such as a degree from an Ivy League school. Over time, this leads to a one-dimensional workforce as candidates from a similar educational background with near-identical work histories are recruited into the company.

This requires a carefully outlined merit-based hiring strategy based on diverse decision-making flows. It also requires the implementation of technology to avoid diversity hiring bottlenecks and training decision-makers to exercise their discretion with a focus on ethics.

### **4. Some stakeholders could be resistant to change**

Embracing merit-based diversity means undoing centuries of prejudice that are ingrained in our thought processes and institutions. The first step is to acknowledge this and the resulting risk of unconscious bias before moving ahead. Some stakeholders, particularly those who have been with the organization for a long time, and are familiar with a different approach, could be resistant to change.

### **Three Best Practices for Merit-Based Diversity in the Workplace**

Companies in the bottom quartile for gender and ethnic/cultural diversity are 29&percent; less likely to see above-average profits than diverse companies. Depending on the scale of a business, this could mean thousands or even millions of dollars in variance.

That's why diversity in the workplace is so important – and merit-based systems are an excellent way to go. Here are a few best practices to remember when implementing merit-based diversity:

- Adopt blind hiring so that there is zero risk of bias creeping in
- Target a vast candidate pool without limiting recruitment efforts to a specific network or job portal
- Institute mechanisms for reporting activities that go against the merit-based diversity policy

The last point is probably the most crucial. Merit-based diversity makes a difference only when there is an actionable enforcement plan for it.

By setting up a dedicated diversity task force and placing institutionalized channels to report policy violations, an organization's diversity and inclusion strategies become more sustainable, rewarding positive behavior, and taking the company to new heights of success.

### **Discussion Questions**

1. What is diversity in the workplace?
2. Explain the importance of Merit-Based diversity and inclusion in the workplace.
3. Discuss the reasons of emergence of diversity.
4. Describe the key benefits of having a merit-based diverse workforce
5. What are the challenges of building a diverse workforce?
6. Describe the three best practices for merit-based diversity in the workplace.

## Lesson-6: Job Satisfaction

Upon completion of this lesson, you will be able to:

- Define Job satisfaction.
- To know the characteristic job satisfaction.
- To understand the importance of job satisfaction.
- To identify the job satisfaction factors.

### Job satisfaction

Definition of job satisfaction as “ a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience.” There are three important dimensions to job satisfaction. **First**, job satisfaction is an emotional response to a job situation. **Second**, job satisfaction is often determined by how well outcomes meet or exceed expectations. **Third**, job satisfaction represents several related attitudes. Job satisfaction stems from positive feelings and attitudes towards your job, leading to various outcomes that can greatly impact both individual employees and the wider organization.

There are five dimensions that represent the most **important characteristics** of a job about which people have affective responses. These are:

1. **The work itself:** The extent to which the job provides the individual with interesting tasks, opportunity for learning and chance to accept responsibility.
2. **Pay:** The amount of financial remuneration that is received and the degree to which this is viewed as equitable vis-à-vis that of others in the organization.
3. **Promotion opportunities:** The chance for advancement in the organization.
4. **Supervisor:** The abilities of the supervisor to provide technical assistance and behavioral support.
5. **Co-workers:** The degree to which fellow workers are technically proficient and socially supportive.

### Importance of Job Satisfaction

A satisfied employee is always important for an organization as he/she aims to deliver the best of their capability. Every employee wants a strong career growth and work life balance at workplace. If an employee feels happy with their company & work, they look to give back to the company with all their efforts.

Importance of job satisfaction can be seen from two perspectives:

**For Employees: Job satisfaction from an employee perspective is to earn a good gross salary, have job stability, have a steady career growth, get rewards & recognition and constantly have new opportunities.**

**For Employers: For an employer, job satisfaction for an employee is an important aspect to get the best out of them.**

A satisfied employee always contributes more to the company, helps control attrition & helps the company grow. An employer needs to ensure a good job description to attract employees and constantly give opportunities to individuals to learn and grow.

The positive effects of job satisfaction include:

1. More efficiency of employees of workplace if they are satisfied with their job.
2. Higher employee loyalty leading to more commitment.

3. Job satisfaction of employees eventually results in higher profits for companies.
4. High employee retention is possible if employees are happy.

### **Job Satisfaction Factors**

Job satisfaction is related to the psychology of an employee. A happy & content employee at a job is always motivated to contribute more. On the other hand, a dissatisfied employee is lethargic, makes mistakes & becomes a burden to the company. The elements & factors which contribute to job satisfaction are:

#### **1. Compensation & Working conditions**

One of the biggest factors of job satisfaction are the compensation and benefits given to an employee. An employee with a good salary, incentives, bonuses, healthcare options etc. is happier with their job as compared to someone who doesn't have the same. A healthy workplace environment also adds value to an employee.

#### **2. Work life balance**

Every individual wants to have a good workplace which allow them time to spend with their family & friends. Job satisfaction for employees is often due a good work life balance policy, which ensures that an employee spends quality time with their family along with doing their work. This improves the employee's quality of work life.

#### **3. Respect & Recognition**

Any individual appreciates and feels motivated if they are respected at their workplace. Also, if they are awarded for their hard work, it further motivates employees.

#### **4. Job security**

If an employee is assured that the company would retain them even if the market is turbulent, it gives them immense confidence. Job security is one of the main reasons for job satisfaction for employees.

#### **5. Challenges**

Monotonous work activities can lead to dissatisfied employees. Hence, things like job rotation, job enrichment etc. can help in job satisfaction of employees as well.

#### **6. Career Growth**

Employees always keep their career growth part as a high priority in their life. Hence, if a company helps groom employees and gives them newer job roles, it enhances the job satisfaction as they know they would get a boost in their career.



Source: <https://www.mbaskool.com/business-concepts/human-resources-hr-terms/4394-job-satisfaction.html>

### **Discussion Questions**

1. Define Job satisfaction.
2. Explain the characteristics of job satisfaction.
3. Discuss the importance of job satisfaction.
4. Identify and explain the job satisfaction factors.

## Lesson-7: Measurement and Determinants of Job Satisfaction

Upon completion of this lesson, you will be able to:

- identify the outcomes of job satisfaction.
- understand the measurement of job satisfaction.
- analyze the determinants of job satisfaction.
- explain the effect of job satisfaction on employee performance.

### Outcomes of Job Satisfaction

1. **Satisfaction and productivity:** Satisfied workers more productivity than their less satisfied counterparts.
2. **Satisfaction and Turnover:** High employee job satisfaction result in low turnover.
3. **Satisfaction and Absenteeism:** Research has pretty well demonstrated an invers relationship between satisfaction and absenteeism.
4. **Other effects:** Highly satisfied employees tend to have better mental and physical health, learn new job-related tasks more quickly, have fewer on the job accidents, and file fewer grievances.

### Measuring Job Satisfaction

Job satisfaction can be defined as a collection of feelings that an individual holds towards his or her job. The two most widely used approaches are a single global rating and summation score made up of a number of job facets.

- **Single global rating:** The single global method is nothing more than asking individuals to respond to one question, such as “all things considered, how satisfied are you with the job?” respondent then reply by circling a number from one to five that correspond to answers from highly satisfied to highly dissatisfied.
- **Summation score:** A summation of job facets is more sophisticated. It identified key elements in a job and asks for the employee’s feelings about each. Typical factors that would be included are the nature of the work, supervision, present pay, promotion opportunities and relation with coworkers. These factors are rated on a standardized scale and then added up to create an overall job satisfaction score.

### What Determines/Determiners Job Satisfaction

- **Mentally challenging work:** Employees tend to prefer jobs that give them opportunities to use their skills and abilities and offer a variety of tasks, freedom and feedback on how well they are doing. These characteristics make work mentally challenging.
- **Equitable rewards:** Employees want pay systems and promotion policies that they perceive as being just, unambiguous and in line with their expectations. When pay is seen as fair based on job demands, individual skill level and community pay standards, satisfaction is likely to result.
- **Supportive working conditions:** Employees are concerned with their work environment for both personal comfort and facilitating doing a good job. Employees prefer physical surroundings that are not dangerous or uncomfortable.

- **Supportive colleagues:** People get more out of work than merely money or tangible achievement. For most employees, work also fills the need for social interaction. Having friendly and supportive co-workers leads to increased job satisfaction.

## **Effects of Job Satisfaction on Employee Performance**

Mangers' interest in job satisfaction tends to centre on its effect on employee performance.

- **Satisfaction and productivity:** Interestingly, if we move from the individual level to that of the organization, there is renewed support for the original satisfaction – performance relationship. When satisfaction and productivity data are gathered for the organization as a whole, rather than at the individual level, we find that the organization with more satisfied employees tends to be more effective than organization with fewer satisfied employees. So it might be true that the happy organizations are more productive.
- **Satisfaction and absenteeism:** We find a consistent negative relationship between satisfaction and absenteeism. Although it certainly makes sense that dissatisfied employees are more likely to miss work, other factors have an impact on the relationship and reduce the correlation coefficient.
- **Satisfaction and turnover:** Satisfaction is also negatively related to turnover, but the correlation is stronger than what we found for absenteeism. Evidence indicates that an important moderator of the satisfaction – turnover relationship is the employee's level of performance. Specially, the level of satisfaction is less important in predicting turnover for superior performance.

## **Broad Questions**

1. Describe the outcomes of job satisfaction.
2. Identify and discuss the measurement of job satisfaction.
3. Analyze the determinants of job satisfaction.
4. Explain the effect of job satisfaction on employee performance.

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# PERSONALITY AND EMOTIONS

3

## Unit Highlights

- Nature and Traits of Personality
- Emotion of Organizational Behavior

## Technologies Used for Content Delivery

- ❖ BOUTUBE
- ❖ BOU LMS
- ❖ WebTV
- ❖ Web Radio
- ❖ Mobile Technology with MicroSD Card
- ❖ LP+ Office 365
- ❖ BTV Program
- ❖ Bangladesh Betar Program



## Lessons-1& 2: Nature and Traits of Personality

Upon completion of this lesson, you will be able to:

- Define the overall meaning of personality.
- Know the personality determinants.
- Identify the major personality traits that are relevant to organizational behavior.
- Identify the major personality attributes influencing organizational behavior.
- Understand the development of personality.

### Introduction

Personality encompasses a person's relatively stable feelings, thoughts, and behavioral patterns. Each of us has a unique personality that differentiates us from other people, and understanding someone's personality gives us clues about how that person is likely to act and feel in a variety of situations. To manage effectively, it is helpful to understand the personalities of different employees. Having this knowledge is also useful for placing people into jobs and organizations.

### Meaning of Personality

Much of the controversy can be attributed to the fact that people in general and those in the behavioral sciences define "personality" from different perspectives. Most people tend to equate personality with social success (being good or popular, or having "a lot of personality") and to describe personality by a single dominant characteristic (strong, weak, or polite).

Personality will mean how people affect others and how they understand and view themselves, as well as their pattern of inner and outer measurable traits and the persons-situation interaction.

### Personality Determinants

An adult's personality is now generally considered to be made up of both hereditary and environmental factors, moderated by situational conditions.

1. **Heredity:** Heredity refers to those factors that were determined at conception. Physical stature, facial attractiveness, gender, temperament, muscle composition and reflexes, energy level, and biological rhythms are characteristics that generally considered to be either completely or substantially influenced by who your parents were: that is, by their biological, physiological and inherent psychological makeup. The heredity approach argues that the ultimate explanation of individual's personality is the molecular structure of the genes, located in the chromosomes.
2. **Environment:** Among the factors that exert pressures on our personality formation are the culture in which we are raised, our early conditioning, the norms among our family, friends, and social groups, and other influences that we experience. The environment we are exposed to plays a substantial role in shaping personalities.
3. **Situation:** A third factor, the situation, influences the effects of heredity and environment on personality. An individual's personality, although generally stable and consistent, does change in different situations. The different demands of different situations call forth-different aspects of one's personality.

## Personality Traits

Popular characteristics include shy, aggressive, submissive, lazy, ambitious, loyal and timid. Those characteristics, when they are exhibited in a large number of situations, are called personality traits.

In particular, five personality traits (the so-called big five) have recently emerged from research as being especially related to job performance. Characteristics of these traits can be summarized briefly as follows:

Trait	Description
<b>O</b> penness	Curious, original, intellectual, creative, and open to new ideas.
<b>C</b> onscientiousness	Organized, systematic, punctual, achievement oriented, and dependable.
<b>E</b> xtraversion	Outgoing, talkative, sociable, and enjoys being in social situations.
<b>A</b> greeableness	Affable, tolerant, sensitive, trusting, kind, and warm.
<b>N</b> euroticism	Anxious, irritable, temperamental, and moody.

**Exhibit 3.1: Personality Traits**

Source: Goldberg, L. R. (1990). An alternative “description of personality”: The big-five factor structure. *Journal of Personality & Social Psychology*, 59, 1216–1229.

As you can see, the Big Five dimension

1. **Extraversion:** This dimension captures one’s comfort level with relationship. Extraverts (high in extraversion) tend to be friendly and outgoing and to spend much of their time maintaining and enjoying a large number of relationships. The man will be sociable, talkative and assertive.
2. **Agreeableness:** This dimension refers to an individual’s propensity to defer to others. High agreeable people value harmony more than they value having their say or their way. They are Good-natured, cooperative, and trusting.
3. **Conscientiousness:** This dimension refers to the number of goals on which a person focuses. A high conscientiousness person tends to be responsible, dependable. Persistent, and achievement-oriented.
4. **Openness to experience:** The final dimension addresses one’s range of interests. Extremely open people are fascinated by novelty and innovation. They tend to be imaginative, artistically sensitive, and intellectual.

5. **Neuroticism** refers to the degree to which a person is anxious, irritable, temperamental, and moody. It is perhaps the only Big Five dimension where scoring high is undesirable. Neurotic people have a tendency to have emotional adjustment problems and habitually experience stress and depression. People very high in Neuroticism experience a number of problems at work. For example, they have trouble forming and maintaining relationships and are less likely to be someone people go to for advice and friendship (Klein, et. al., 2004).

### **Other Personality Dimensions**

In addition to the Big Five, researchers have proposed various other dimensions, or traits, of personality. These include self-monitoring, proactive personality, self-esteem, and self-efficacy.

**Self-monitoring** refers to the extent to which a person is capable of monitoring his or her actions and appearance in social situations. People who are social monitors are social chameleons who understand what the situation demands and act accordingly, while low social monitors tend to act the way they feel (Snyder, 1974; Snyder, 1987). High social monitors are sensitive to the types of behaviors the social environment expects from them. Their ability to modify their behavior according to the demands of the situation they are in and to manage their impressions effectively are great advantages for them (Turnley & Bolino, 2001).

**Proactive personality** refers to a person's inclination to fix what is wrong, change things, and use initiative to solve problems. Instead of waiting to be told what to do, proactive people take action to initiate meaningful change and remove the obstacles they face along the way. Proactive individuals tend to be more successful in their job searches (Brown, et. al., 2006).

**Self-esteem** is the degree to which a person has overall positive feelings about himself or herself. People with high self-esteem view themselves in a positive light, are confident, and respect themselves. In contrast, people with low self-esteem experience high levels of self-doubt and question their self-worth. High self-esteem is related to higher levels of satisfaction with one's job and higher levels of performance on the job (Judge & Bono, 2001).

**Self-efficacy** is a belief that one can perform a specific task successfully. Research shows that the belief that we can do something is a good predictor of whether we can actually do it. Self-efficacy is different from other personality traits in that it is job specific.

### **Major Personality Attributes Influencing on Organizational Behavior**

There are some specific personality attributes that have been found to be powerful predictors of behavior in organizations. These are:

1. **Locus of control:** Some people believe that they are master of their own fate. Other people believe that what happens to them is due to luck or chance. The first type, those who believe that they control their destinies, have been labeled internals, whereas the latter, who see their lives as being controlled by outside forces, have been called externals. A person's perception of the source of his or her fate is termed locus of control.
2. **Self-esteem:** People differ in the degree to which they like or dislike themselves. This trait is called self-esteem. The research on self-esteem offers some interesting insides into organizational behavior. For example, self-esteem is directly related to expectations for success. High self-esteems believe that they possess the ability they need to succeed at work.

3. **Self-monitoring:** Self-monitoring refers to an individual ability to adjust his or her behavior to external, situational factor. Individuals high in self monitoring show considerable adaptability in adjusting their behavior to external situational factors. High self-monitor can capable of presenting striking contradictions between their public persona and their private self. Low self-monitor tends to display their true disposition and attitudes in every situation; hence there is high behavioral consistency between who they are and what they do.
4. **Risk taking:** People differ in their willingness to take chances. High risk taking managers made more rapid decisions and uses less information in making their choices than did the low risk taking managers.
5. **Type A personality:** A person with a Type A personality is aggressively involved in a chronic, incessant struggle to achieve more and more in less and less time, and, if required to do so , against the opposing efforts of other things or persons. The features of Type A's:
  - a. Are always moving, walking and eating rapidly;
  - b. Feel impatient with the rate at which most event take place;
  - c. Strive to think or do two or more things at once;
  - d. Cannot core with leisure time;
  - e. Are obsessed with numbers, measuring their success in terms of how many or how much of everything they acquire.
6. **Proactive personality:** Proactive identify opportunities, show initiative, take action and preserve until meaningful change occur. They create positive change in their environment, regardless or even in spite of constraints or obstacles. Proactive have many desirable behaviors that organization covet (desire). For instance, the evidence indicates that proactive are more likely to be seen as leaders and more likely to act as change agents within the organization.

### **The Development of Personality**

The development of personality has traditionally been an important area for understanding human behavior. The study of personality has attempted to identify specific physiological and psychological stages that occur in the development of human personality. This “stage” approach has been theoretical in nature. Particularly relevant to the understanding of organizational behavior are theories provided by Levinson, Hall, and Argyris.

The work of Daniel Levison on adult life stages has received attention. At first, he believed that “the life structure evolves through a relatively orderly sequence through out the adult years, and unlike other stage theories that were event-oriented (for example, marriage, parenthood, or retirement), his age-based. In particular, he believed there was little variability in four identifiable stable periods:

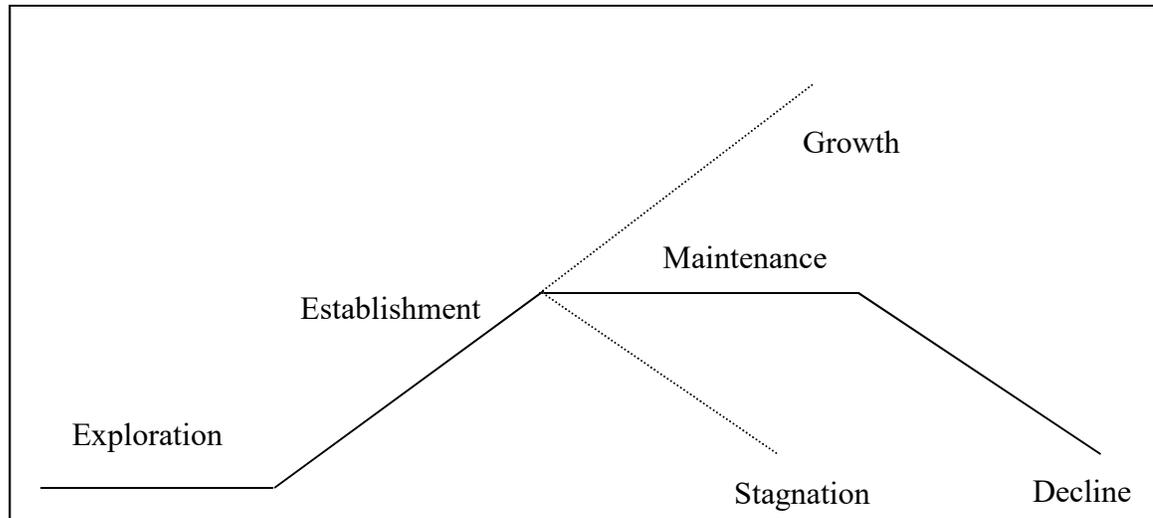
1. Entering the adult world (ages twenty-two to twenty-eight)
2. Settling down (ages thirty-three to forty)
3. Entering middle adulthood(ages forty-five to fifty)
4. Culmination of middle adulthood (ages fifty-five to sixty)

### **Daniel Levison identified four transitional periods:**

1. Age-thirty transition (ages twenty-eight to thirty-three)
2. Mid-life transition (ages forty to forty five)
3. Age-fifty transition (ages fifty to fifty-five)
4. Late adult transition (ages sixty to sixty-five)

Douglas T. Hall has synthesized Levinson's theory and other adult stages theories (in particular the work of Erikson and Super) into an overall model for career stages. Following figure shows that there are four major career stages. Those are:

(1) Exploration (2) Establishment (3) Maintenance and (4) Decline



**Exhibit 3.2: Career Stages**

1. **Exploration:** The exploration period ends for most of us in our mid-twenty five as we make the transition from academic institution. From an organizational standpoint, therefore. The exploration period is a time when a number of expectations about one's career are developed many of which are unrealistic.
2. **Establishment:** The establishment period begins with the search for work and includes getting first job, being accepted by peers, learning the job and gaining the first tangible evidence of success or failure in the 'real world'.
3. **Mid-Career:** At this point in a career, one is expected to have moved beyond apprenticeship to journeyman status. To those who make the successful transition go greater responsibilities and rewards.
4. **Late Career:** It is a time where one can rest on one's laurels and bask in the respect given by younger employees. During the late career, individuals are no longer learning nor is it expected that they should be trying to outdo their levels of performance from previous years.
5. **Decline:** The final stage in one's career is difficult for everyone but, ironically, is probably hardest on those who have had continued successes in the earlier stages. These point individuals are forced to step out of the limelight and give up a major component of their identities.

### Discussion Questions

1. What do you mean by the term Personality? Explain the determinants of personality.
2. Mention the Big Five Personality Traits that are relevant to organizational behavior..
3. Explain the positive impact of conscientiousness.
4. Discuss the major personality attributes influencing organizational behavior.
5. State the ways of developing personality.

## Lesson-3: Emotion of Organizational Behavior

Upon completion of this lesson, you will be able to:

- Define the overall meaning of personality.
- Know the role of heredity and the brain.
- Identify the “big five” personality traits and the Myers Briggs types.

### Introduction

Work emotions refer to a wide array of complex emotional experiences and feelings stemming from work-related incidents and interactions within the workplace environment.

In our analysis, we’ll need three terms that are closely intertwined: affect, emotions, and moods. Affect is a generic term that covers a broad range of feelings, including both emotions and moods. Emotions are intense feelings directed at someone or something. Moods are less intense feelings than emotions and often arise without a specific event acting as a stimulus. Exhibit 4-1 shows the relationships among affect, emotions, and moods. First, as the exhibit shows, affect is a broad term that encompasses emotions and moods. Second, there are differences between emotions and moods.

Emotions are more likely to be caused by a specific event and are more fleeting than moods. Also, some researchers speculate that emotions may be more action oriented—they may lead us to some immediate action—while moods may be more cognitive, meaning they may cause us to think or brood for a while.<sup>4</sup> Affect, emotions, and moods are separable in theory; in practice the distinction isn’t always defined. When we review the OB topics on emotions and moods, you may see more information about emotions in one area and moods in another. This is simply the state of the research. Let’s start with a review of the basic emotions.

### Some Aspects of Emotions

There are some other fundamental aspects of emotions that we need to consider. These aspects include the biology of emotions, the intensity of emotions, their frequency and duration, the relationship between rationality and emotions, and the functions of emotions. Let’s deal with each of these aspects in turn. **The Biology of Emotions** All emotions originate in the brain’s limbic system, which is about the size of a walnut and near our brain stem.<sup>19</sup> People tend to be happiest (report more positive than negative emotions) when their limbic system is relatively inactive. When the limbic system “heats up,” negative emotions such as anger and guilt dominate over positive ones such as joy and happiness. Overall, the limbic system provides a lens through which you interpret events. When it’s active, you see things in a negative light. When it’s inactive, you interpret information more positively.

**Intensity** People give different responses to identical emotion-provoking stimuli. In some cases, personality is responsible for the difference. Other times, it’s a result of the job requirements.

**Frequency and Duration** Sean Wolfson is basically a quiet and reserved person. He loves his job as a financial planner. He doesn’t enjoy, however, having to give speeches to increase his visibility and to promote his programs. But he still has to give speeches occasionally. “If I had to speak to large audiences every day, I’d quit this business,” he says. “I think this works for me because I can fake excitement and enthusiasm for an hour, a couple of times a month.”

**Do Emotions Make Us Irrational?** How often have you heard someone say, “Oh, you’re just being emotional”? You might have been offended. The famous astronomer Carl Sagan once wrote, “Where we have strong emotions, we’re liable to fool ourselves.” These observations

suggest that rationality and emotion are in conflict with one another and that if you exhibit emotion, you are likely to act irrationally.

What Functions Do Emotions Serve? Why do we have emotions? What role do they serve? We just discussed one function—that we need them to think rationally. Charles Darwin, however, took a broader approach. In *The Expression of the Emotions in Man and Animals*, Darwin argued that emotions developed over time to help humans solve problems. Emotions are useful, he said, because they motivate people to engage in actions important for survival—actions such as foraging for food, seeking shelter, choosing mates, guarding against predators, and predicting others' behaviors.

**Emotional labor** refers to the regulation of feelings and expressions for organizational purposes. Grandey, A. (2000). Emotional regulations in the workplace: A new way to conceptualize emotional labor. *Journal of Occupational Health Psychology*, 5, 95–110. Three major levels of emotional labor have been identified.

1. **Surface acting** requires an individual to exhibit physical signs, such as smiling, that reflect emotions customers want to experience. A children's hairdresser cutting the hair of a crying toddler may smile and act sympathetic without actually feeling so. In this case, the person is engaged in surface acting.
2. **Deep acting** takes surface acting one step further. This time, instead of faking an emotion that a customer may want to see, an employee will actively try to experience the emotion they are displaying. This genuine attempt at empathy helps align the emotions one is experiencing with the emotions one is displaying. The children's hairdresser may empathize with the toddler by imagining how stressful it must be for one so little to be constrained in a chair and be in an unfamiliar environment, and the hairdresser may genuinely begin to feel sad for the child.
3. **Genuine acting** occurs when individuals are asked to display emotions that are aligned with their own. If a job requires genuine acting, less emotional labor is required because the actions are consistent with true feeling

## Types of Emotion

Emotions fundamentally exist on a binary spectrum, categorized as positive or negative based on their functionality or experience. **Positive emotions** such as joy, love, and excitement are typically attributed to desirable situations and outcomes, leading to pleasant experiences. **Negative emotions** like sadness, anger, and fear usually derive from adverse circumstances and can create discomfort, but these emotions also serve essential roles.

For instance, positive emotions can:

- Boost creativity and problem-solving skills
- Foster cooperative social interactions
- Improve physical health

Conversely, negative emotions provide valuable functions, such as:

- Alerting us to threats and motivating defensive reactions (fear)
- Signaling that we are being obstructed and driving us to confront what's blocking us (anger)
- Indicating loss and prompting us to withdraw and recover (sadness)

Understanding the 3 Functions of Emotions

Emotions have three primary functions in the world of organizational behavior: adaptive, social, and enabling thoughts.

- Adaptive functions help you respond effectively to environmental changes.
- Social functions aid in establishing and maintaining relationships.
- Emotions also improve cognitive functions by facilitating decision-making and memory.

## **Origin and Significance of Work Emotions**

Workplace emotions originate from an employee's perception of their working environment and how they mentally process their job. This involves intrinsic motivation, job satisfaction, work-life balance, and interpersonal relationships at work.

Work emotions not only affect individual workers but also influence the overall culture and dynamic of the workplace. Here is why work emotions matter:

- They affect job satisfaction and productivity
- Impact teamwork and collaboration
- Influence decision-making and problem-solving abilities
- Affect the level of creativity and innovation

## **The Impact of Work Emotions on Job Performance**

Work emotions bear crucial implications for job performance. Positive emotions, like enthusiasm, joy, and pride can enhance an employee's motivation and productivity. In contrast, negative emotions like frustration, anger, and disappointment can lead to lack of motivation, absenteeism, and high turnover rates.

### **How Work Emotions Influence Employee Behavior**

An employee's work emotions can significantly affect how they behave in the workplace. Positive emotions foster creativity, collaboration and productivity. On the other hand, negative emotions can lead to disengagement, conflict and reduced productivity. The connection between work emotions and employee behavior is so profound that it shapes the overall organizational culture.

**Positive work emotions** at the workplace are triggered typically by successful achievements, recognition, or supportive and friendly interpersonal relationships. These emotions often drive employees to go above and beyond their basic job requirements. They're more likely to take initiatives, contribute ideas, and engage in problem-solving strategies. Satisfactory work emotions can also result in enhanced well-being of the employees, reducing the chances of burnout and stress-related health issues.

**Negative work emotions**, however, might stem from stressful work conditions, interpersonal conflicts, or a sense of under appreciation. Negative emotions not only hamper an employee's performance but can also take a toll on their physical and mental health. It might lead to detrimental behavior like isolation, withdrawal, conflict and sometimes even further escalated to workplace bullying and harassment.

## **Managing Work Emotions for Wellbeing of Employees**

Managing work emotions effectively is a critical aspect of maintaining a healthy and productive workforce. A well-rounded emotion management strategy could include a combination of measures such as creating a positive work environment, providing constructive feedback, providing employee assistance programs, promoting work-life balance, and more.

HR and management should promote open and transparent communication at all levels in the

organization to make employees feel valued and understood. Recognizing the efforts and achievements of employees also contributes to positive emotions and encourages higher job satisfaction.

#### Negative Work Emotion Examples and Their Effect on Employees

Negative emotions at work are a common occurrence, especially in high-pressure and demanding job roles. Negative work emotions can affect an employee's productivity and wellbeing on multiple levels.

**Frustration** can occur when employees feel that they are obstructed in achieving their goals. If a project or task fails despite hard work and effort, employees can experience frustration, which often results in decreased motivation.

**Job-related anxiety** is another frequently encountered negative work emotion. Deadlines, high workloads or tough performance targets can lead to feelings of anxiety. This state of constant worry can affect the overall productivity of employees and also their mental health.

#### *Strategies to Overcome Negative Work Emotions in Employees*

Negative work emotions can pose significant challenges to maintain employee's morale and productivity. It's crucial for organizations to have strategies in place to help employees overcome these negative work emotions.

Implementing stress management strategies, such as providing regular breaks, promoting a work-life balance, offering flexible working hours, and ensuring reasonable task expectations can significantly contribute to managing negative work emotions.

Organizations could also provide counselling services and well-being programs to help distressed employees. If the negative emotions are left unchecked, it could lead to long-term consequences like high turnover rates, low productivity rates, poor team collaboration, and decreased employee satisfaction.

#### **Key Concepts in the Emotions Dimension of OB:**

- **Emotional Intelligence (EQ):** The ability to perceive, understand, and manage emotions in oneself and others.
- **Emotional Labor:** The effort individuals make to manage their emotions in the workplace, often required by job roles.
- **Emotional Contagion:** The spread of emotions from one person to another, particularly in workgroups.
- **Affective Events Theory (AET):** A framework that explains how workplace events can trigger emotions and how these emotions can influence behavior.
- **Mood:** A general feeling or state of mind, often long-lasting, that can influence behavior.

#### **Gender and Emotions**

*In organizational behavior, gender significantly influences how emotions are experienced and expressed, with women often reporting more negative emotions and men experiencing more positive ones, though this can be moderated by factors like organizational rank and industry composition,*

## **1. Gender and Emotional Experiences:**

- **Women:**

Studies suggest women experience emotions associated with disvalue and strain more frequently than men. They may report feeling more overwhelmed, stressed, frustrated, tense, and discouraged, and less respected and confident.

- **Men:**

Men tend to report feeling more excitement and pride, while women report more sadness, anxiety, and anger.

- **Context Dependence:**

Gender differences in emotion are context-dependent, meaning that the way men and women experience emotions can vary depending on the situation.

## **2. Organizational Rank and its Impact:**

- **Moderation:**

Organizational rank moderates the relationship between gender and emotions, meaning that the impact of gender on emotions can vary depending on an individual's position in the organization.

- **Emotional Benefits:**

Rank is associated with greater emotional benefits for men than women, with women reporting greater negative feelings across all ranks.

- **Alleviating Negative Feelings:**

While moving up in rank can alleviate negative feelings for both men and women, the extent to which rank diminishes negative feelings differs for men and women.

## **Discussion Questions**

1. What is emotion? Discuss the different aspects of emotions.
2. Describe the different types of emotions.
3. Explain the impact of work emotion on employees' job performance.
4. How work emotions can be managed for the wellbeing of employees?
5. How negative work emotion can be overcome? Discuss.

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# PERCEPTION AND INDIVIDUAL DECISION

# 4

## Unit Highlights

- Perception and organizational perception
- Types of perception
- Individual decision making
- Ethics in decision making

## Technologies Used for Content Delivery

- ❖ BOUTUBE
- ❖ BOU LMS
- ❖ WebTV
- ❖ Web Radio
- ❖ Mobile Technology with MicroSD Card
- ❖ LP+ Office 365
- ❖ BTV Program
- ❖ Bangladesh Betar Program



## Lesson-1: Perception and Organizational Perception

Upon completion of this lesson, you will be able to:

- Understand the concept of perception.
- Define the perception and organizational perception.
- Describe the factors that influence perception.
- Understand the making judgement about other people.
- Identify and explain the common shortcuts of making judgement about other people.

### Concept of Perception

Our behavior is not only a function of our personality, values, and preferences, but also of the situation. We can explore and interpret our environment, formulate responses, and act accordingly. **Perception** may be defined as the process with which individuals detect and interpret environmental stimuli. What makes human perception so interesting is that we do not solely respond to the stimuli in our environment. We go beyond the information that is present in our environment, pay selective attention to some aspects of the environment, and ignore other elements that may be immediately apparent to other people. Our perception of the environment is not entirely rational.

For example, have you ever noticed that while glancing at a newspaper or a news Web site, information that is interesting or important to you jumps out of the page and catches your eye? If you are a sports fan, while scrolling down the pages you may immediately see a news item describing the latest success of your team. If you are the parent of a picky eater, an advice column on toddler feeding may be the first thing you see when looking at the page. So what we see in the environment is a function of what we value, our needs, our fears, and our emotions (Higgins & Bargh, 1987; Keltner, Ellsworth, & Edwards, 1993). In fact, what we see in the environment may be objectively, flat-out wrong because of our personality, values, or emotions. For example, one experiment showed that when people who were afraid of spiders were shown spiders, they inaccurately thought that the spider was moving toward them (Riskin, Moore, & Bowley, 1995).

In this section, we will describe some common tendencies we engage in when perceiving objects or other people, and the consequences of such perceptions. Our coverage of biases and tendencies in perception is not exhaustive—there are many other biases and tendencies on our social perception (<https://open.lib.umn.edu/organizationalbehavior/chapter/3-4-perception/>).

**Perception** is a process by which we organize and interpret sensory impressions in order to give meaning to our environment. What we perceive can be substantially different from objective reality. For example, all employees in a firm may view it as a great place to work—favorable working conditions, interesting job assignments, good pay, excellent benefits, understanding and responsible management—but, as most of us know, it's very unusual to find agreement universal opinion (Robbins 2023).

### What is Organizational Perception?

Organizational perception management involves *actions that are designed and carried out by organizational spokespersons to influence audiences' perceptions of the organization*. This definition is grounded in psychological research on individual impression management and identity management as well as in empirical studies of impression management and identity management strategies by organizations and their spokespersons.

## Factors that Influence on Perception

A number of factors shape and sometimes distort perception. These factors can reside in the *perceiver*, the object or *target* being perceived, or the *situation* in which the perception is made (see Exhibit 4-1).

**Perceiver:** When you look at a target, your interpretation of what you see is influenced by your personal characteristics—attitudes, personality, motives, interests, past experiences, and expectations. In some ways, we hear what we want to hear and we see what we want to see—not because it’s the truth, but because it conforms to our thinking.

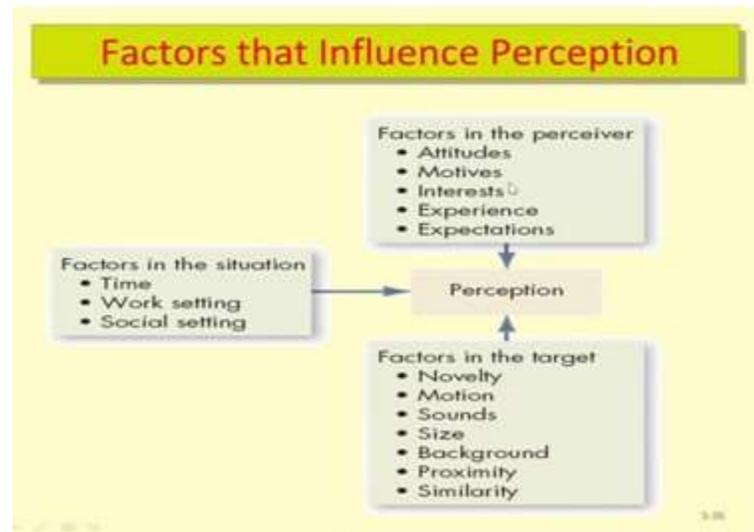


Exhibit 4.1: Factors that influence perception

Source: <https://i.ytimg.com/vi/i5jHCDnh9Go/maxresdefault.jpg>

**Target:** The characteristics of the target also affect what we perceive. Because we don’t look at targets in isolation, the relationship of a target to its back ground influences perception, as does our tendency to group close things and similar things together.

**Context:** Context matters too. The time at which we see an object or event can influence our attention, as can location, light, heat, or situational factors. For in stance, at a club on Saturday night you may not notice someone “decked out.” Yet that same person so attired for your Monday morning management class would certainly catch your attention. Neither the perceiver nor the target has changed between Saturday night and Monday morning, but the situation is different.

## Person Perception: Making Judgement about other

The perception concepts most relevant to OB include *person perceptions*, or the perceptions people form about each other. Many of our perceptions of others are formed by first impressions and small cues that have little supporting evidence. This is particularly troublesome—but common—when we infer an other person’s morality.

Let’s unravel some of our other human tendencies that interfere with correct person perception, beginning with the evidence behind attribution theory.

**Attribution theory** tries to explain the ways we judge people differently, depending on the meaning we attribute to a behavior.<sup>9</sup> For instance, consider what you think when people smile

at you. Do you think they are cooperative, exploitative, or competitive? We assign meaning to smiles and other expressions in many different ways (Lord *et al.*, 1979).

Attribution theory suggests that when we observe an individual's behavior, we attempt to determine whether it was internally or externally caused. That determination depends largely on three factors: (1) distinctiveness, (2) consensus, and (3) consistency. Let's clarify the differences between internal and external causation, and then we'll discuss the determining factors.

*Internally* caused behaviors are those an observer believes to be under the personal behavioral control of another individual. *Externally* caused behavior is what we imagine the situation forced the individual to do.

Now let's discuss the three determining factors. *Distinctiveness* refers to whether an individual displays different behaviors in different situations. Is the employee who arrives late today also one who regularly "blows off" other kinds of commitments? What we want to know is whether this behavior is unusual. If it is, we are likely to give it an external attribution. If it's not, we will probably judge the behavior to be internal.

If everyone who faces a similar situation responds in the same way, we can say the behavior shows *consensus*. The behavior of our tardy employee meets this criterion if all employees who took the same route were also late. From an attribution perspective, if consensus is high, you would probably give an external attribution to the employee's tardiness, whereas if other employees who took the same route made it to work on time, you would attribute his lateness to an internal cause.

Finally, an observer looks for *consistency* in a person's actions. Does the person respond the same way over time? Coming in 10 minutes late for work is not perceived the same for an employee who hasn't been late for several months as for an employee who is late three times a week. The more consistent the behavior, the more we are inclined to attribute it to internal causes.

## Common Shortcuts in Judging Other

Shortcuts for judging others often allow us to make accurate perceptions rapidly and provide valid data for making predictions. However, they can and do sometimes result in significant distortions.

**Selective Perception** Any characteristic that makes a person, an object, or an event stand out will increase the probability we will perceive it. Why? Because it is impossible for us to assimilate everything we see; we can take in only certain stimuli. Thus, you are more likely to notice cars like your own, and your boss may reprimand some people and not others doing the same thing. Because we can't observe everything going on around us, we use **selective perception**.

**Halo effect** When we draw an impression about an individual on the basis of a single characteristic, such as intelligence, sociability, or appearance, a **halo effect** is operating.

**Contrast effects** An old adage among entertainers is "Never follow an act that has kids or animals in it." Why? Audiences love children and animals so much that you'll look bad in comparison. This example demonstrates how the **contrast effect** can distort perceptions. We don't evaluate a person in isolation. Our reaction is influenced by other people we have recently encountered.

**Stereotyping** When we judge someone on the basis of our perception of the group to which he or she belongs, we are **stereotyping**.

## Lesson-2: Types of Perception

Upon completion of this lesson, you will be able to:

- Understand the various types of perception.
- Describe the biases of self-perception.
- Describe the biases inherent in perception of other people.
- Explain what attributions mean, how we form attributions, and their consequences for organizational behavior.

### Types of Perception

There are many kind of perception these are:

#### 1. Visual Perception

Our visual perception definitely goes beyond the physical information available to us. First of all, we extrapolate from the information available to us. Take a look at the following figure. The white triangle you see in the middle is not really there, but we extrapolate from the information available to us and see it there (Kellman & Shipley, 1991).

Our visual perception goes beyond the information physically available. In this figure, we see the white triangle in the middle even though it is not really there.

Which of the circles in the middle is bigger? At first glance, the one on the left may appear bigger, but they are in fact the same size. We compare the middle circle on the left to its surrounding circles, whereas the middle circle on the right is compared to the bigger circles surrounding it.

Our visual perception is often biased because we do not perceive objects in isolation. The contrast between our focus of attention and the remainder of the environment may make an object appear bigger or smaller. This principle is illustrated in the figure with circles. Which of the middle circles is bigger? To most people, the one on the left appears bigger, but this is because it is surrounded by smaller circles. The contrast between the focal object and the objects surrounding it may make an object bigger or smaller to our eye.

#### 2. Self-Perception

Human beings are prone to errors and biases when perceiving themselves. Moreover, the type of bias people have depends on their personality. Many people suffer from **self-enhancement bias**. This is the tendency to overestimate our performance and capabilities and see ourselves in a more positive light than others see us. People who have a narcissistic personality are particularly subject to this bias, but many others are still prone to overestimating their abilities (John & Robins, 1994). At the same time, other people have the opposing extreme, which may be labeled as **self-effacement bias**. This is the tendency for people to underestimate their performance, undervalue capabilities, and see events in a way that puts them in a more negative light.

When perceiving themselves, human beings are also subject to the **false consensus error**. Simply put, we overestimate how similar we are to other people (Fields & Schuman, 1976; Ross, Greene, & House, 1977). We assume that whatever quirks we have are shared by a larger number of people than in reality. People who take office supplies home, tell white lies to their boss or colleagues, or take credit for other people's work to get ahead may genuinely feel that these behaviors are more common than they really are. The problem for behavior in organizations is that, when people believe that a behavior is common and normal, they may

repeat the behavior more freely. Under some circumstances this may lead to a high level of unethical or even illegal behaviors.

### 3. Social Perception

How we perceive other people in our environment is also shaped by our values, emotions, feelings, and personality. Moreover, how we perceive others will shape our behavior, which in turn will shape the behavior of the person we are interacting with.

One of the factors biasing our perception is **stereotypes**. Stereotypes are generalizations based on group characteristics. For example, believing that women are more cooperative than men, or men are more assertive than women, is a stereotype. Stereotypes may be positive, negative, or neutral.

Stereotypes often create a situation called a **self-fulfilling prophecy**. This cycle occurs when people automatically behave as if an established stereotype is accurate, which leads to reactive behavior from the other party that confirms the stereotype (Snyder, Tanke, & Berscheid, 1977).

Stereotypes persist because of a process called selective perception. **Selective perception** simply means that we pay selective attention to parts of the environment while ignoring other parts. When we observe our environment, we see what we want to see and ignore information that may seem out of place.

One other perceptual tendency that may affect work behavior is that of **first impressions**. The first impressions we form about people tend to have a lasting impact. In fact, first impressions, once formed, are surprisingly resilient to contrary information. Even if people are told that the first impressions were caused by inaccurate information, people hold onto them to a certain degree. The reason is that, once we form first impressions, they become independent of the evidence that created them (Ross, Lepper, & Hubbard, 1975).

### Attributions

An **attribution** is the causal explanation we give for an observed behavior. If you believe that a behavior is due to the internal characteristics of an actor, you are making an **internal attribution**. For example, let's say your classmate Erin complained a lot when completing a finance assignment. If you think that she complained because she is a negative person, you are making an internal attribution. An **external attribution** is explaining someone's behavior by referring to the situation. If you believe that Erin complained because finance homework was difficult, you are making an external attribution.

When do we make internal or external attributions? Research shows that three factors are the key to understanding what kind of attributions we make.

**Consensus:** Do other people behave the same way?

**Distinctiveness:** Does this person behave the same way across different situations?

**Consistency:** Does this person behave this way in different occasions in the same situation?

Let's assume that in addition to Erin, other people in the same class also complained (high consensus). Erin does not usually complain in other classes (high distinctiveness). Erin usually does not complain in finance class (low consistency). In this situation, you are likely to make an external attribution, such as thinking that finance homework is difficult. On the other hand, let's assume that Erin is the only person complaining (low consensus). Erin complains in a variety of situations (low distinctiveness), and every time she is in finance, she complains (high consistency). In this situation, you are likely to make an internal attribution such as thinking that Erin is a negative person (Kelley, 1967; Kelley, 1973).

Interestingly though, our attributions do not always depend on the consensus, distinctiveness, and consistency we observe in a given situation. In other words, when making attributions, we do not always look at the situation objectively. For example, our overall relationship is a factor. When a manager likes a subordinate, the attributions made would be more favorable (successes are attributed to internal causes, while failures are attributed to external causes) (Heneman, Greenberger, & Anonyou, 1989). Moreover, when interpreting our own behavior, we suffer from **self-serving bias**. This is the tendency to attribute our failures to the situation while attributing our successes to internal causes (Malle, 2006).

Consensus	Distinctiveness	Consistency	Type of attribution
<i>High consensus</i>	<i>High distinctiveness</i>	<i>Low consistency</i>	<i>External</i>
Everyone else behaves the same way.	This person does not usually behave this way in different situations.	This person does not usually behave this way in this situation.	
<i>Low consensus</i>	<i>Low distinctiveness</i>	<i>High consistency</i>	<i>Internal</i>
No one else behaves the same way.	This person usually behaves this way in different situations.	Every time this person is in this situation, he or she acts the same way.	

**Exhibit 4.2: Consensus, distinctiveness, and consistency determine the type of attribution we make in a given situation.**

Source: <https://open.lib.umn.edu/organizationalbehavior/chapter/3-4-perception>

How we react to other people’s behavior would depend on the type of attributions we make. When faced with poor performance, such as missing a deadline, we are more likely to punish the person if an internal attribution is made (such as “the person being unreliable”). In the same situation, if we make an external attribution (such as “the timeline was unreasonable”), instead of punishing the person we might extend the deadline or assign more help to the person. If we feel that someone’s failure is due to external causes, we may feel empathy toward the person and even offer help (LePine & Van Dyne, 2001). On the other hand, if someone succeeds and we make an internal attribution (he worked hard), we are more likely to reward the person, whereas an external attribution (the project was easy) is less likely to yield rewards for the person in question. Therefore, understanding attributions is important to predicting subsequent behavior.

## **Discussion Questions**

1. What is perception? How is it different from organizational perception?
2. Explain the factors that influence on perception.
3. Discuss the attribution theory.
4. Describe the common shortcuts that are commonly used in judging others.
5. What is perception? Discuss the various types of perception.

## Lesson-3: Individual Decision Making

Upon completion of this lesson, you will be able to:

- Understand the link between individual decision making and perception.
- Describe the biases of self-perception.
- Describe the biases inherent in perception of other people.
- Explain what attributions mean, how we form attributions, and their consequences for organizational behavior.

### Link between Perception and Individual Decision making

Individuals make **decisions**, choices from among two or more alternatives. Ideally, decision making would be an objective process, but the way individuals make decisions and the quality of their choices are largely influenced by their perceptions. Individual decision making is an important factor of behavior at all levels of an organization.

Decision making occurs as a reaction to a **problem**. That is, a discrepancy exists between the current state of affairs and some desired state, requiring us to consider alternative courses of action. If your car breaks down and you rely on it to get to work, you have a problem that requires a decision on your part.

### Developing a Deeper Understanding of Perception and Decision Making

To develop a deeper understanding of perception and decision making, it's essential to recognize and examine our biases and mindset. Self-reflection and seeking feedback from others can be an effective way to identify potential biases and mindset limitations. It's also important to seek out diverse perspectives and consider all available information before making a decision.

Additionally, developing a growth mindset by embracing challenges and seeing failures as opportunities for growth can help us to make more effective decisions. By understanding the complexities of the relationship between perception and decision making, we can enhance our abilities to make sound choices that align with our personal and professional aspirations.

## Decision Making in Organization

### What is Decision Making?

A manager faced with two or more feasible alternatives must decide which one to select. Decision-making is, therefore, the process of identifying a set of feasible alternatives and choosing a course of action from them.

Weihrich and Koontz defined decision-making as the selection of a course of action from among alternatives. According to them, "it is the core of planning. A plan cannot be said to exist unless a decision - a commitment of resources, direction or reputation - has been made."

Decision-making is the process of developing a commitment to some course of action. There are three things that help to characterize decision-making:

1. it necessitates making a choice among two or more alternatives;
2. it is a process that typically involves more than just what was decided (often we gain value in understanding how the decision was arrived at); and
3. the 'commitment' mentioned above usually necessitates a commitment of resources - economic, human, time.

Decision-making is almost universally defined as choosing between alternatives. It is closely related to all the traditional management functions. For example, when a manager plans, organizes, and controls, he or she is making decisions.

### **Decision-making Environments**

There are a number of different decision environments that we are faced with in organizations:

1. **Certainty:** This is an environment where we can depend on the outcome, because we have all of the information we need.
2. **Risk:** In an environment of risk, you still have information, just not as much. Yet you have enough information to assign a probability to the outcome – in other words, you can determine the degree of likelihood of the outcome.
3. **Uncertain Environments:** These are the most difficult. Under these circumstances, you have very little information, and prediction is virtually impossible. You are not able to rely on any data you have in a meaningful way, and therefore sometimes these decisions are made using your own intuition, your employees understanding and analysis of the possible outcomes. Perhaps you are trying to determine whether to launch a new product. It is a product that has no similar competitor, and it is expensive to produce.

### **Types of Decisions**

Given the various decision environments within which we must manage, there are **three primary types** of decisions that we are able to make:

1. **Programmed decisions:** programmed decisions are made for very routine problems. Let's assume you supervise an assembly line at GM and an employee calls in sick. You have likely made the decision of how to replace his/her position many times before and therefore do not have to give it a lot of thought.
2. **Nonprogrammed decisions:** these are the type of decisions that you have not typically made in the past. You need to demonstrate some creativity in your data gathering in order to make the most logical, effective decision you can. Often nonprogrammed decisions are decisions made at a middle or upper management level.
3. **Associative choices:** associative choices are slightly different than decisions, in that the outcome of associative choices is not ideal. Associative choices are made in 'organised anarchy' environments, where the pace of change has been rapid. The intention is not to solve the problem, because circumstances do not allow for that. Rather, associative choices are made to improve the work environment; the problems are not solved.

### **Decision Making Model**

#### **1. Rational Decision-making:**

In theory, we should always make decisions that are rational. There are a number of considerations and actions that facilitate rational decision-making, yet in reality not all of our decisions are purely rational. Before we discuss why this is, let's first examine the rational decision-making model. This model argues that the decision maker will make optimal choices by adhering to a number of steps that help to ensure rationality. This model is designed with a view to facilitating value-maximizing choices. It entails a sequential progression through seven steps:

1. Identify the problem.
2. Establish decision criteria, and allocate weights to the criteria.
3. Search for relevant information.
4. Develop alternative solutions to the problem.
5. Evaluate alternative solutions.
6. Choose the best solution.
7. Implement and monitor chosen solution.

It is important to note that this model contains a number of assumptions:

1. The problem is clear and specific: the model assumes that problems are clear and unambiguous. It also assumes that the decision maker has complete information.
2. Known options: this assumes that the decision maker is able to identify the criteria and viable alternatives. In addition, it is assumed that the decision maker can understand the possible consequences of each alternative.
3. Clear preference: it is assumed that criteria and alternatives can be ranked and weighted to reflect their importance.
4. Stability: the model assumes that decision criteria are constant and that the weights given to the criteria are stable over time.
5. Minimal time and cost constraints: this assumption enables the decision maker to obtain full information about the criteria and alternatives.
6. Maximum payoff: it is assumed that the rational decision maker will choose the alternative that yields the highest perceived value.

## **2. Bounded Rationality**

Herbert Simon won a Nobel Prize for his theory of bounded rationality, which argues that people do make decisions with restricted information, and therefore the decisions tend to be less than ideal. Bounded rationality is based on four primary assumptions:

1. Decision makers tend to 'satisfies': select the first alternative that is satisfactory.
2. Often decision makers establish a problem statement or understanding of a problem without full or even adequate information.
3. Decisions are often made without a comprehensive evaluation of alternatives.
4. Decision makers rely on heuristics, or judgment shortcuts, to simplify the decision-making process.

## **3. Garbage Can Model of Decision-making**

The Garbage Can Model has as its main components of the choice process four factors:

1. problems, 2. solutions, 3. participants, and 4. choice situations or opportunities.
- These are all mixed up together in the garbage can of the organisation. In other words, the decision-making process is rather chaotic, partly because that might be the decision-making culture of the organization, but also because a linear, rational approach to problem solving might not be a viable option. Often we can match specific solutions to specific problems, but under this model, that is not possible. It is likely that this environment faces rapid change; you might try to establish solutions to problems that are very ill-defined (the culture is weak, and the politics are pervasive, and many departments have hidden agendas) and therefore hire a consultant to come in and attempt to manage the problems and challenges objectively. In this model, decision-making is haphazard and chaotic, and in fact sometimes depends largely on luck!

## Stages of decision making

1. The identification phase: During which recognition of a problem or opportunity arises and a diagnosis is made.
2. The development phase: During which there may be a search for existing standard procedures or solutions.

The selection phase: During which the choice of a solution is made. There are three ways of making this selection: by the judgment of the decision-maker, on the basis of experience or intuition rather than logical analysis.

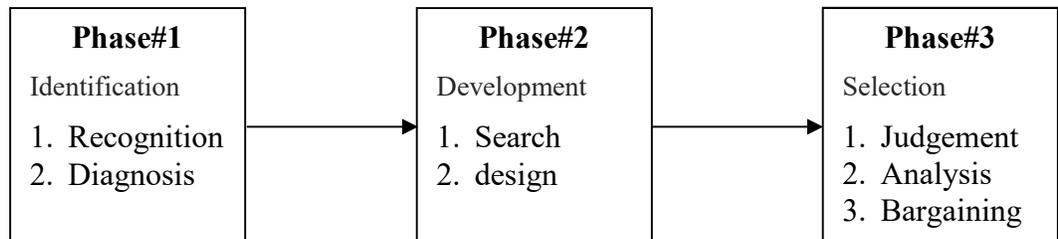


Exhibit 4.3: Decision making phases

## How Can We Improve Decision-making?

There are a number of things to consider when making decisions, either individually or as a group. Using creativity in decision-making is something that we need to consider as part of our day-to-day decision-making approaches. And the literature identifies five stages of creative thinking:

- **Preparation:** through your day-to-day activities, you must move along a learning curve, and it is at this stage that you develop some sense of the complexities of your environment.
- **Concentration:** at the concentration stage, specific problems are identified, and contextualized as much as possible.
- **Incubation:** this stage is really the meat of the creative component, in that you must approach the problem from as many angles and directions as you can, in order to feel that you have exhausted all possible definitions. This is where brainstorming in a group really adds value.
- **Illumination:** once you have a very specific idea of what the problem is, potential alternatives sometimes almost jump out at you. Other times, they emerge slowly, from further analysis. But in any case, it is at this stage that you really are putting the pieces of the problem/solution mix together.
- **Verification:** this is a post-problem solving stage, in that you are following up on your analysis and recommendations, to ensure that they were appropriate and have indeed met planned objectives.

## Discussion Questions

1. How perception and individual decision making are related? Explain.
2. Define decision making. Discuss the environments in decision making.
3. Describe the different types of decisions.
4. Describe the different model of decision making.
5. How you can improve the quality of decision? Explain.

## Lesson-4: Ethics in Decision Making

Upon completion of this lesson, you will be able to:

- Understand the ethics in decision making.
- Describe the importance of ethics in decision making.
- Analyze the how to make ethical decision making.
- Demonstrate how to foster ethical decision making.

### What Is Ethical Decision-Making?

In business, ethical decision-making is a strategy that prioritizes moral principles as a set of standards, rather than economic considerations, for making business decisions. Businesses that value ethical behavior may consider several ethical values, including how their actions reflect upon themselves and how their decisions affect the company, its employees, and the greater community or world. Common ethical issues in business include environmental concerns, employee well-being, operations transparency, product honesty, and customer satisfaction; many ethical dilemmas in business weigh these variables against economic growth.

Ethics philosophers have created dozens of models to help guide ethical decision-making, each with varied considerations and concerns. For example, consequentialist theories (like the utilitarian approach or the common good approach) center mainly on the consequences of actions, while non-consequentialist theories (like the duty-based approach or the rights approach) instead center on the intentions of the decision-maker or ethical obligation.

A **definition of ethics** is, at a simplistic level, to 'do no harm'. An understanding of the definition of business ethics and ethics in decision making is important in today's business environment. Once you've gained that understanding, it is necessary to consider the impact of ethical decision making and problem solving on your business.

### Importance of Ethics in Decision Making

The importance of ethics to business is because the values that you use to build and manage your company need to be rooted in ethical decisions and strategies.

Recently, there has been a lot of media attention given to ethics in decision making; particularly in the workplace. Consumers and society as a whole want to see more corporate accountability. Additionally, we want business to more actively think about not only how a company treats employees, but also how a company's code of ethics extends to all of its stakeholders, such as customers, suppliers, and community.

From the time a business begins its operations to the time it delivers a service or product, there are a lot of choices to be reviewed, problems to be solved and decisions to be made. The manner in which those choices, problems and decisions are handled speaks volumes about the business' ethics.

As a small business owner or manager, it is your responsibility to ensure that your organization follows ethical practices and behaviors; and to ensure that your vision, mission, and value statement are ethically aligned and understood by all your employees, suppliers and other stakeholders.

#### How to Make Ethical Decisions

Though there is not a single framework for making ethical decisions, each ethical decision-making model incorporates these four core steps:

1. **Identify the facts.** To make a good decision about an ethical problem, you must first verify that you have all the facts. This means basing your choices on verified events, details, and actions rather than a gut feeling, intuition, personal experience, or emotions. In addition, consider your ethical awareness; think through every angle of the situation and determine if you are missing a key point of view. When identifying the facts of a particular situation, you may find that it's best to bring all the affected stakeholders together in a meeting to decide as a team.
2. **Lay out all possible options.** Once you have the facts of the situation, outline all possible options for the business decision. Be open and honest about each option, regardless of its perceived ethicality. Also, be aware of any aspects you may have overlooked in the situation and take time to brainstorm possible solutions you may not have considered.
3. **Sort options by implication.** Once you have outlined all of your options in the ethical decision-making process, it's time to consider the effects or consequences of each option. Consider the following questions: Which options have the greatest benefit (or the greatest good) for the most people? Which options have the fewest negative consequences (or do the least harm) for the most people? Which options benefit your company the most or the least? Which options are in line with your company values? Which options reflect your personal values or ethical standards? Which options do you consider ethical actions, and which do you consider unethical? Why or why not?
4. **Weigh your considerations.** After you've thoroughly considered the implications of each option, decide which ethical principles are most important to your company and which are least important—this is your framework for ethical decision-making. Ethical choices value variables like widespread good, honesty, transparency, fairness and equality, rights, and duty. Decide which model of ethics is right for you and your company, and move forward with the strongest ethical course of action in your situation.

### **How can we foster ethics in business decision-making?**

In some situations where an organization or industry is accused of poor practices or of being unethical, the majority view may be that the situation was brought on by collective malpractice. Recent examples of this might include the banking crisis. However, in many other situations, it is less the case of individuals or collections of individuals purposefully doing the wrong thing and more the result of 'mistakes'.

These mistakes are often the result of:

- Focussing on a limited number of options and considering only one or two ideas.
- Failing to think widely enough: what if there was a significant change in the industry, regulatory environment or economy?
- Assuming that the best decision for the business is the best decision for all interested parties.
- Favoring short-term gains over long-term losses.
- Justifying the potential 'harm' to other stakeholder groups as necessary to achieve the organization's goals.

We feel these issues can be addressed by:

- Examining some key performance indicators and how they link to or might indicate ethical or non-ethical decision-making.

- Creating a culture where individuals are encouraged to think wider than their immediate job role and are given a process to help them consider the potential consequences of their actions.

### **Discussion Question**

1. What is ethics in decision making?
2. Describe the importance of ethics in decision making.
3. Discuss the how to make ethical decision making.
4. Explain how to foster ethical decision making.

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# FOUNDATION OF GROUP BEHAVIOR

5

## Unit Highlights

- Group Dynamics and Group Decision Making.

### Technologies Used for Content Delivery

- ❖ BOUTUBE
- ❖ BOU LMS
- ❖ WebTV
- ❖ Web Radio
- ❖ Mobile Technology with MicroSD Card
- ❖ LP+ Office 365
- ❖ BTV Program
- ❖ Bangladesh Betar Program



## **Lesson-1 & 2: Group Dynamics and Group Decision Making**

Upon completion of this lesson, you will be able to:

- Understand the meaning of group.
- Analyze the nature and features of group.
- State the types of group.
- Analyse the group decision making.

### **Introduction**

Groups are important for organizational life. Managers spend substantial time in managing groups and teams so that groups contribute to organizational and group goals. How effectively a manager plans, organizes, staffs, leads and controls depends upon how effectively he manages the groups. A group means “two or more people who interact with one another, are psychologically aware of one another, perceive themselves to be members of the group, and work towards a common goal.”

Group dynamics studies the nature, formation and reasons for forming the groups. It studies how groups affect the behavior and attitude of members and the organization. It is a process by which people interact with each other. If groups are effectively managed, they contribute a lot to organizational goals.

### **What is group?**

A **group** may be defined as two or more people acting interdependently in a unified manner toward the achievement of common goals. A group is more than a collection of individuals; rather interactions, new forces and new properties are created that need to be identified and studied in them.

### **The nature of groups**

Group and the focus is on groups in an organization-have a number of characteristics. Such as:

1. Group members share one or more common goals. Such as the goals of a product group to develop, manufacture, and market a new product.
2. Group members normally require interaction and communication among members.
3. Members within a group assume roles. The roles are in some kind of relationship to each other in order to achieving the group task.
4. Groups usually are a part of a larger group. Large groups may also consist of subgroups.
5. Groups develop norms, which refer to the expected behavior of the group members.

### **Features of group**

#### **Group has the following features:**

1. It consists of two or more persons who interact with each other.
2. Group members have reciprocal influence on each other. Each member influences and is influenced by others in the group.
3. People develop mutual perceptions and emotions. They perceive and recognise each other as members of the group.
4. Every group has
  - formal leader elected by group members, and

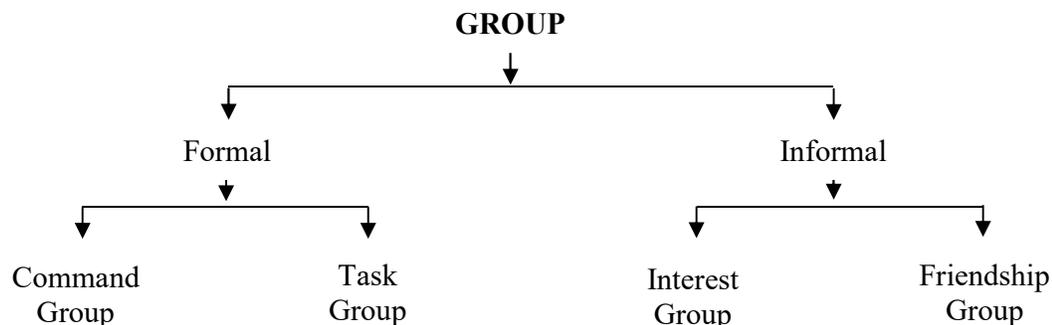
- informal leader “who engages in leadership activities but whose right to do so has not been formally recognized by the organization or group.”
5. Each individual performs specific role which influences expectations of group members from each other. Role structure is “the set of defined roles and inter-relationships among those roles that the group or team members define and accept.”
  6. Every group has group norms. “Norm is a standard of behaviour that the group accepts and expects of its members. It represents standards of work to promote group activity.”
  7. It maintains stability through group cohesiveness. Members
    - develop liking for each other,
    - develop sense of identification with each other, and
    - remain attached to each other.
  8. Members work for common interests and goals.

## Types of group

There are many ways of classifying groups. A key difference exists between (1) **formal groups, which** are established by the organization and have a public identity and goal to achieve, and (2) **informal groups**, which emerge on the basis of common interests, proximity, and friendship.

It’s possible to subclassify groups as command, task, interest, or friendship groups. Command and task groups are dictated by the formal organization, whereas interest and friendship groups are informal alliances.

Groups can be either formal or informal.



### 1. Formal Group:

Formal groups are defined by the organization's structure, with designated work assignments establishing tasks. In formal groups, the behaviors that one should engage in are stipulated by & directed toward organizational goals.

**Command group:** A command group is determined by the organization chart. It is composed of the subordinates who report directly to a given manager.

**Task group:** Task groups represent those working together to complete a job task.

### 2. Informal Group:

Informal groups are alliances that are neither formally structured nor organizationally determined. These groups are natural formations in the work environment that appear in response to the need for social contact.

Example: - (Lunch together)

**Interest group:** It is consist of those who are working together to attain a specific objective with which each is concerned.

**Friendship Group:** Groups often develop because the individual members have one or more common characteristics. These formations are known as friendship group.

## **REASONS FOR JOINING GROUPS**

### **Security:**

By joining a group, individuals can reduce the insecurity of standing alone. People feel stronger, have fewer self-doubts and are more resistant to threats when they are part of a group.

### **Status:**

Inclusion in a group that is viewed as important by others provides recognition and status for its members.

### **Self esteem:**

Groups can provide people with feelings of self worth (importance, value). That is membership can give increased feelings of worth to the group members themselves.

### **Affiliation:**

Groups can fulfill social needs, People enjoy the regular interactions that comes with group membership which are their primary source for fulfilling their needs for affiliation.

### **Power:**

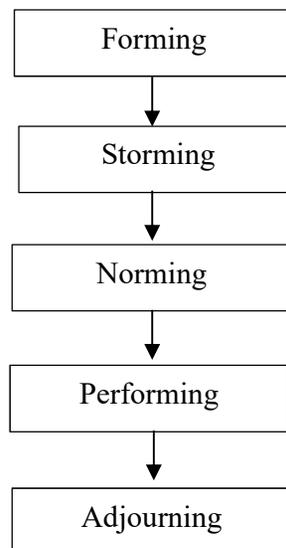
What can not be achieved individually often become possible through group action.

### **Goal achievement:**

There are times when it takes more than one person to accomplish a particular task. In such instances, mgt will rely on the use of a formal group.

## **STAGES OF GROUP DEVELOPMENT**

Groups passed through a standard sequence of f five stages. These stages are:



**The Life Cycle of a Group Development**

**Forming:**

Forming is characterized by a great deal of uncertainty about the group purpose, structure & leadership. This stage is complete when members have begun to think of themselves as part of Q group.

**Storming:**

The storming stage is one of intragroup conflict. There is conflict over who will control the group. When this stage is complete, there will be a relatively clear hierarchy of leadership within the group.

**Norming:**

The third stage is one in which close relationships develop & the group demonstrates cohesiveness. There is now a strong sense of group identity & camaraderie (intimacy).

**Performing:**

The fourth stage is performing. The structure at this point is fully functional and accepted. Group energy has moved from getting to know and understand each other to performing the task at hand.

**Adjourning:**

In this stage, the group prepares for its disbandment. High task performance is no longer the group's top priority. Instead, attention is directed toward wrapping up activities.

**GROUP DECISION MAKING TECHNIQUES**

The most common techniques of group decision making are:

**Interacting groups:**

In interacting groups, members meet face to face and rely on both verbal & non-verbal interaction to communicate with each other. Interacting groups often sensor themselves and pressure individual members toward conformity of opinion.

**Brainstorming:**

Brain storming is an idea generation process that specifically encourages any and all alternatives, while withholding any criticism of those alternatives. Brainstorming is merely a process of generating ideas.

**The nominal group technique:**

It is Q group decision making method in which individual members meet face to face to pool their judgments in a systematic but independent fashion. Here individual ideas are evaluated and each member silently rank-orders the ideas. The idea with the highest aggregate ranking determines the final decision.

**Electronic meeting:**

A meeting where members interact on computers allowing anonymity of comments and aggregating of votes.

**Strengths of Group Decision-Making**

Often the decision quality is higher in groups, because the group as a whole can generate more complete information and knowledge. In addition, groups tend to generate more ideas than individuals, and they can evaluate ideas better than individuals.

Groups offer a greater diversity of views than individuals because of the heterogeneous nature of the group. There is also generally an increased acceptance of and commitment to the decision, partly because of the diffusion of responsibility across the members of the group.

Given the strengths of group decision-making, can we conclude that the groups actually do make higher-quality decisions than individuals do? The answer to that question is yes. And the research supports the notion that group performance is heightened when and where:

1. the group members differ in skills and abilities
2. division of labour can occur
3. the group members have a memory for facts;
4. individual judgments can be combined by weighting them to reflect the expertise of the various members.

### **Weaknesses of Group Decision-Making**

While there are a number of advantages to using groups to make decisions in organisations, there are a number of shortcomings:

Group decisions are usually more **time consuming**. Often the decisions necessitate much discussion and debate, and this tends to increase with group size.

In addition, as was previously mentioned in block three, **group conflict** is difficult to avoid, and is considered part of the stages of group development.

**Domination** of the group and its processes is often a problem in groups; one individual or a small coalition may create ineffective decisions, if views are imposed on the group that emerge from misinformation or extreme biases.

Finally, **groupthink** is a risk of group decisions. There are a number of steps that can be taken to minimize the risk of groupthink: leaders must try not to exert undue pressure toward a specific outcome; norms should be established that encourage dissent, and outside experts might be invited occasionally into the group to contribute their own perspective on various problems.

### **Discussion Questions**

1. What is group? Explain the nature of group.
2. Discuss the features of group.
3. Describe the types of group.
4. Why people join in group?
5. Discuss the steps of group development process.
6. Explain the techniques of group decision making.
7. State the strengths and weaknesses of group decision making.



# TEAM BEHAVIOR

6

## Unit Highlights

➤ Team Behavior

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## Lesson-1: Team

Upon completion of this lesson, you will be able to:

- Understand the team and its life cycle.
- Analyze the difference between team and group.
- State the effectiveness of team.

### Introduction

Working as a team is a resort for organizations to bring together varied viewpoints, skills, and experiences of individuals towards achieving common objectives. The concerted efforts and the intellectual amalgamation is what makes team at work, a crucial factor in organizational behavior.

### What is Team?

Although the term “team” is frequently used for any group, especially to get individuals to together and to motivate them, some team experts make a distinction between teams and traditional work groups. A working group’s performance is a function of what its members do as individuals. A team’s performance includes both individual results and what we call “collective work-products.” A collective work-product is what two or more members must work on together.

### Why have team become so popular

Teams have become popular because they offer numerous advantages, including increased productivity, improved collaboration, enhanced problem-solving, and better utilization of employee talents, making them more effective than individual efforts, especially for complex tasks.

Here's a more detailed look at why teams are so popular:

Benefits of Teamwork:

- **Enhanced Productivity and Efficiency:**  
Teams can divide tasks, share responsibilities, and leverage diverse skills, leading to faster completion of projects and improved overall efficiency.
- **Improved Collaboration and Communication:**  
Teams foster a collaborative environment where individuals can share ideas, learn from each other, and build stronger relationships, leading to better communication and understanding.
- **Better Problem-Solving:**  
Teams can draw upon a wider range of perspectives and expertise to tackle complex problems, leading to more creative and effective solutions.
- **Increased Flexibility and Adaptability:**  
Teams are more adaptable to changing circumstances and can quickly adjust their approach to meet new challenges.
- **Better Utilization of Employee Talents:**  
Teams allow organizations to leverage the strengths and skills of their employees more effectively, leading to increased motivation and job satisfaction.

- **Enhanced Learning and Development:**  
Working in teams provides opportunities for individuals to learn from each other and develop new skills, contributing to their professional growth.
- **Increased Morale and Engagement:**  
Teamwork can foster a sense of camaraderie and belonging, leading to increased employee morale and engagement.
- **Better Decision-Making:**  
Teams can make better decisions by considering a wider range of perspectives and information, leading to more informed and effective choices.
- **Improved Innovation:**  
Teams can foster a culture of innovation by encouraging individuals to share ideas and collaborate on new projects.
- **Stronger Relationships:**  
Teamwork can help build trust and strong relationships between employees, leading to a more positive and supportive work environment.

### **Differences between work groups and teams:**

1. The work group has a strong, clearly focused leader; the team has shared leadership roles.
2. The work group has individual accountability; the team has individual and mutual accountability.
3. The work group's purpose is the same as the; the team has a specific purpose.
4. The work group has individual work-products; the team has collective work-product.
5. The work group runs efficient meeting; the team encourages open-ended, active problem solving meeting.
6. The work group measures effectiveness indirectly; the team measures performance directly by assessing collective work-products.
7. The work group discusses, decides, and delegates; the team discusses, decides and does real work.

### **Creation of Effectiveness of Teams**

For example, a recent in-depth interview survey of 4500 teams at 500 organizations uncovered a host of individual and organizational factors behind team ineffectiveness. Individual problems including the following:

1. Team members are not willing to give up past practices or set aside power and position.
2. Not all team members have the ability, knowledge, or skill to contribute to the group.
3. As team members, workers often face conflicts or challenges to their own personal belief.

Organizational-level problems uncovered by this survey included compensation and reward systems that still focused solely on individual performance.

### **How to make team more effective**

For teams to be more effective, they need to overcome some real problems. Research works identify five areas of the team that should be closely monitored and periodically measured:

- (1) Team mission,
- (2) Goal achievement

- (3) Empowerment,
- (4) Open, honest communication, and
- (5) Positive roles and norms.

By controlling such key functions, self-managed teams can be effective and contribute to the performance goal of the organization.

### **Discussion Questions**

1. What is team? Explain its life cycle.
2. Distinguish between team and group.
3. How to make team more effective.



# ORGANIZATIONAL CULTURE



## Unit Highlights

- Organizational Culture
- Employee Learn Organizational Culture

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## Lessons-1& 2: Organizational Culture

Upon completion of this lesson, you will be able to:

- Understand the definition of organizational culture.
- Describe the characteristics of organizational culture.
- Explain the types of organizational culture.
- Understand the functions of organizational culture.

### Introduction

**Organizational culture** refers to culture related to organizations including schools, universities, not-for-profit groups, government agencies, and business entities. Alternative terms include corporate culture and company culture. Organizational culture influences the ways in which people interact, the context within which knowledge is created, the resistance they will have towards certain changes, and ultimately the way they share (or the way they do not share) knowledge (Encyclopedia, 22/06/2024).

### What is Organizational Culture?

Organizational culture defines as a system of shared meaning held by a member that distinguishes the organization from organizations. This system of shared meaning is, on closer examinations, a set of key characteristics that the organization values.

### Characteristics of organizational culture

Organizational culture has a number of important characteristics. Some of the most readily agreed upon following:

1. **Observed behavioral regulation:** When organizational participants interact with one another, they use common language, terminology.
2. **Norms:** Standard of behavior exists, including guidelines on how much work to do.
3. **Dominant values:** There are major values that the organization advocates and expects the participants to share. Typical examples are high product quality, low absenteeism, and high efficiency.
4. **Philosophy:** There are policies that set the organization's beliefs about how employees and/or customers are to be treated.
5. **Rules:** There are strict guidelines related to getting along in the organization.
6. **Organizational climate:** This is an overall "feeling" that is conveyed by the physical layout, the way participants interact, and the way members of the organization conduct themselves with customers or other outside.

### How organizational cultures starts

While organizational cultures can develop in a number of different ways, the process usually involves some version of the following steps:

1. A single person (founder) has an idea for a new enterprise.
2. The founder brings in one or more other key people and creates a core group that shares a common vision with the founder.
3. The founding core group begins to act in concert to create an organization by raising funds, obtaining patents, incorporating, locating space, building and so on.
4. At this point others are brought into the organization, and a common history begins to be built.

## **Types of Organizational Culture**

Organization culture represents a common perception held by the organization's members. This was made explicit when we defined culture as a system of shared meaning. We should expect, therefore, that individuals with different backgrounds or at different levels in the organization will tend to describe the organization's culture in similar terms.

### **Dominant culture**

Expresses the core values that are shared by a majority of the organization members. A dominant culture expresses the core values that are shared by a majority of the organization members. When we talk about an organization's culture, we are referring to its dominant culture.

### **Subcultures**

Mini cultures within an organization, typically defined by department designations and geographical separation. Subculture tends to develop in large organization to reflect common problems, situations, or experience that member's face. These subcultures are likely to be defined by department designations and geographical separation.

### **Strong versus weak culture**

It has become increasingly become popular to differentiate between strong and weak cultures. The argument here is that strong cultures have a greater impact on employee behavior and are more directly related to reduce turnover.

The organization's core values are both intensely held and widely shared. The more members who accept the core values and the greater their commitment to those values is, the stronger the culture is.

### **Organizational culture versus national culture**

National differences that is, national cultures must be taken into account if accurate predictions are to be made about organizational behavior in different countries.

The research indicates that national culture has a greater impact on employees than does their organization's culture.

## **Functions of Organizational Culture**

We have alluded to organizational culture's impact on behavior. We have also explicitly argued that a strong culture should be associated with reduced turnover. The functions that cultures perform and assess whether culture can be a liability for an organization.

Culture performs a number of functions within an organization.

**First**, it has a boundary defining role, that is, it creates distinctions between one organization to another organization.

**Second**, it conveys a sense of identity for organization members.

**Third**, culture facilitates the generation of commitment to something larger than one's individual self interest.

**Fourth**, it enhance the stability of the social system. Culture is the social glue that helps hold the organization together by providing appropriate standards for what employees should say and do.

**Finally**, culture serves as a sense making and control mechanism that is of particular interest to us.

### **Discussion Questions**

1. Define the term organizational culture.
2. Describe the characteristics of organizational culture.
3. Explain the types of organizational culture.
4. Discuss the functions of organizational culture.

### **Lesson-3: Employee Learn Organizational Culture**

Upon completion of this lesson, you will be able to:

- Understand how employee learn organizational culture.
- Recognize the creation of ethical organizational culture.
- Understand the creation of customer responsive organizational culture.
- Maintenance of organizational culture.

#### **How Employee Learn Organizational Culture**

Culture is transmitted to employees in a number of forms, the most potent being stories, rituals, material symbols, and language.

#### **Stories**

During the days when Henry ford II was chairman of the ford motor co. one would have been hard pressed to find a manager who had not heard the story about Mr. ford reminding his executives, when they got too arrogant, that “it’s my name that’s on the building.” The message was clear: Henry Ford II ran the company.

#### **Rituals**

Rituals are repetitive sequences of activities that express and reinforce the key values of the organization – what goals are most important, which people are important, and which people are expendable. repetitive sequences of activities that express and reinforce the key values of the organization, which goals are most important, which people are important, and which are expendable.

#### **Material symbols**

The headquarters of Alcoa doesn’t look like your typical head office operation. There are few individual offices, even for senior executives. It is essentially made up of cubicles, common areas, and meeting rooms. This informal corporate headquarters conveys to employees that Alcoa values openness, equality, creativity, and flexibility.

Some corporations provide their top executives with chauffeur driven limousines and, when they travel by air, unlimited use of the corporate jet. Others may not get to ride in limousines or private jets but they might still get a car and air transportation paid for by the company.

#### **Language**

Many organizations and units within organizations use language as a way to identify members of a culture or subculture. By learning this language, members attest to their acceptance of the culture and , in so doing, help to preserve it.

Organizations, over time, often develop unique terms to describe equipment, offices, key personnel, suppliers, customers, or products that relate to its business.

#### **Creating an Ethical Organizational Culture**

The content and strength of a culture influences an organization’s ethical climate and the ethical behavior of its members.

An organizational culture most likely to shape high ethical standards is one that’s high in risk tolerance, low to moderate in aggressiveness, and focuses on means as well as outcomes. Managers in such a culture are supported for taking risks and innovating, are discouraged from

engaging in unbridled competition, and will pay attention to how goals are achieved as well as to what goals are achieved.

A strong organizational culture will exert more influence on employees than a weak one. If the culture is strong and supports high ethical standards, it should have a very powerful and positive influence on employee behavior.

What can management do to create a more ethical culture? We suggest a combination of the following practices:

***Be a visible model:*** employees will look to top management behavior as a benchmark for defining appropriate behavior. When senior management is seen as taking the ethical high road, it provides a positive message for all employees.

***Communicate ethical expectations:*** Ethical ambiguities can be minimized by creating and disseminating an organizational code of ethics. It should state the organization's primary values and the ethical rules that employees are expected to follow.

***Provide ethical training:*** set up seminars, workshops, and similar ethical training programs. Use these training sessions to reinforce the organization's standards of conduct; to clarify what practices are not permissible; and to address possible ethical dilemmas.

***Visibly reward ethical acts and punish unethical ones:*** performance appraisals of managers should include a point by point evaluation of how his or her decisions measure up against the organization's code of ethics.

***Provide protective mechanisms:*** The organization needs to provide formal mechanisms so that employees can discuss ethical dilemmas and report unethical behavior without fear of reprimand. This might include creation of ethical counselors, ombudsmen, or ethical officers.

### **Creating Customer Responsive Organizational Culture**

Most organizations today are trying very hard to be un French like. They are attempting to create a customer responsive culture because they recognize that this is the path to customer responsive culture because they recognize that this is the path to customer loyalty and long term probability.

A review of the evidence finds that half a dozen variables are routinely evident in customer responsive cultures.

**First** is the type of employees themselves. Successful, service oriented organizations hire employees who are outgoing and friendly.

**Second** is low formalization. Service employees need to have the freedom to meet changing customer service requirements.

**Third** is an extension of low formalization it's the widespread use of empowerment. Empowered employees have the decision discretion to do what's necessary to please the customer.

**Fourth** are good listening skills. Employees in customer responsive cultures have the ability to listen to and understand messages sent by the customer.

**Fifth** is role clarity. Service employees act as "Boundary spanners" between the organization and its customers.

In summary, customer responsive cultures hire service oriented employees with good listening skills and the willingness to go beyond the constraints of their job description to do what's necessary to please the customer. It then clarifies their roles, frees them up to meet changing customer needs by minimizing rules and regulations, and provides them with wide range of decision discretion to do their job as they see fit.

## **Managerial Action**

Based on the previously identified characteristics, we can suggest a number of actions that management can take if it wants to make its culture more customer responsive. These actions are designed to create employees with the competence, ability, and willingness to solve customer problems as they arise.

## **Selection**

The place to start in building a customer responsive culture is hiring service orientation. Studies show that friendliness, enthusiasm, and attentiveness in service employees positively affect customers' perceptions of services quality.

## **Training and socialization**

Organizations that are trying to become more customer responsive don't always have the option of hiring all new employees more customer focused. In such cases, the emphasis will be on training rather than hiring. This describes the dilemma that senior executives at companies such as General Motors, Shell and J.P.

## **Empowerment**

Consistent with low formalization is empowering employees with the discretion to make day to day decisions about job related activities.

## **Leadership**

Leaders convey the organization's culture through both what they say and what they do. Effective leaders in customer responsive cultures deliver by conveying a customer focused vision and demonstrating by their continual behavior that they are committed to customers.

## **Performance evaluation**

There is an impressive amount of evidence demonstrating that behavior based performance evaluations are consistent with improved customer service. Behavior based evaluations appraise employees on the basis of how they behave or act on criteria such as effort, commitment, team work, friendliness, and the ability to solve customer problems rather than on the measurable outcomes they achieve.

## **Reward systems**

Finally, if management wants employees to give good service, it has to reward good service. It needs to provide ongoing recognition to employees who have demonstrated extraordinary effort to please customers and who have been singled out by customers for going the extra mile. And it needs to make pay and promotions contingent on outstanding customer service.

## **Maintaining Cultures**

Once an organizational culture is started and begins to develop, there are a number of practices that can help solidify the acceptance of core values and ensure that the culture maintains itself. These practices can be described in terms of several socialization steps.

1. Selection of Entry-level personnel
2. Placement on the job
3. Measuring and rewarding performance

4. A adherence to important values
5. Reinforcing the stories and folklore
7. Recognition and promotion.

### **Discussion Questions**

1. How employee learn organizational culture?
2. How you can create an ethical organizational culture?
3. Discuss the ways of creating customer responsive organizational culture.
4. Explain the ways of maintaining organizational culture.

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