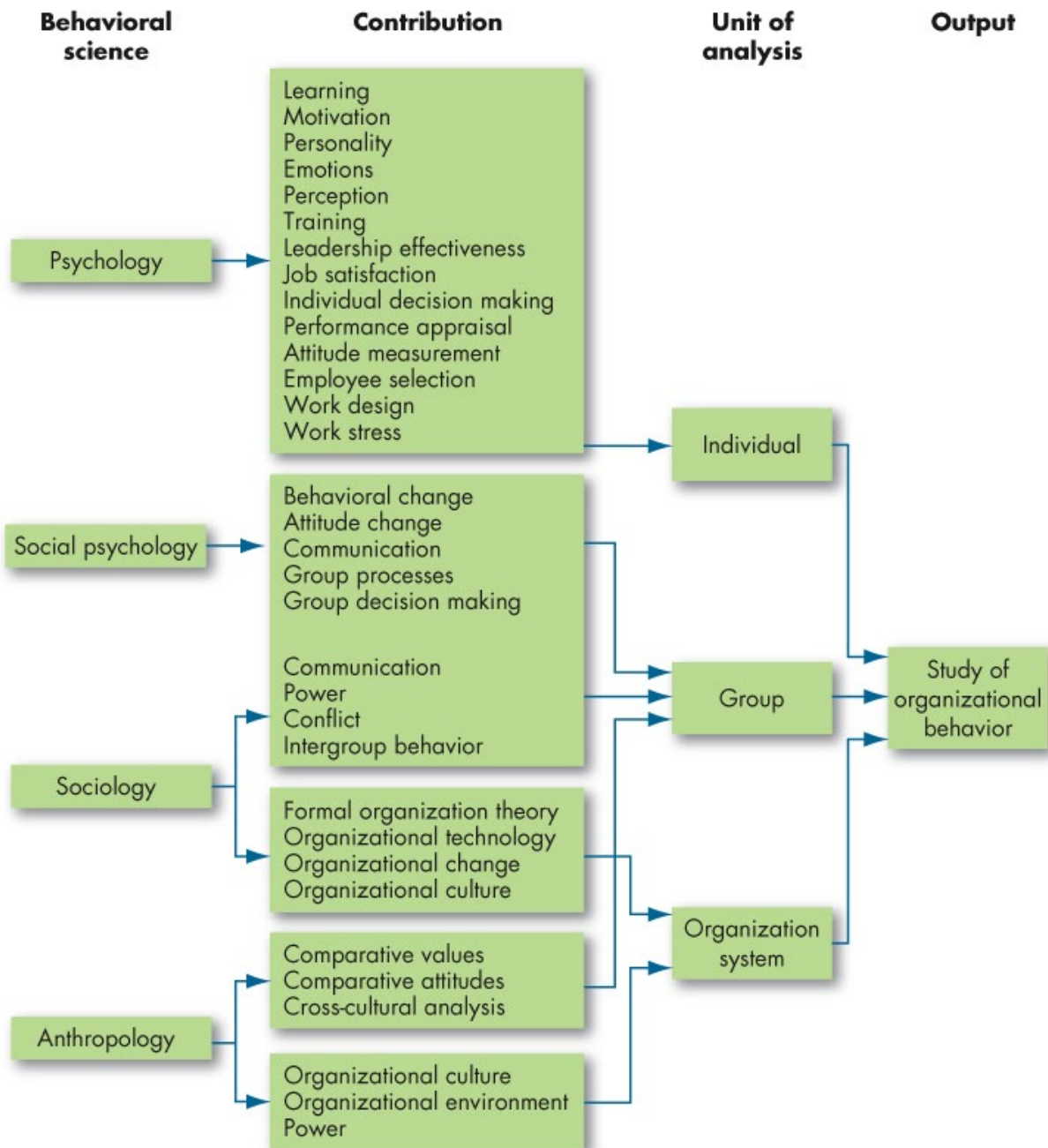# Lecture 1: Overview of Organizational Behavior

Learning Objectives

1. Define organizational behavior (OB).

2. Identify the major behavioral science disciplines that contribute to OB.

3. Demonstrate the importance of interpersonal skills in the workplace.

4. Identify managers' challenges and opportunities in applying OB concepts.

Define Organizational Behavior

- **Organizational behavior** (OB): A field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations

    - The goal is to *apply* knowledge toward improving an organization's effectiveness.

- **Organization**: A coordinated social unit composed of two or more people that functions on a relatively continuous basis to achieve a common set of goals

Behavioral science	Contribution	Unit of analysis	Output
Psychology	Learning Motivation Personality Emotions Perception Training Leadership effectiveness Job satisfaction Individual decision making Performance appraisal Attitude measurement Employee selection Work design Work stress	**Individual**	**Study of organizational behavior**
Social psychology	Behavioral change Attitude change Communication Group processes Group decision making	**Group**	
Sociology	Communication Power Conflict Intergroup behavior		
	Formal organization theory Organizational technology Organizational change Organizational culture	**Organization system**	
Anthropology	Comparative values Comparative attitudes Cross-cultural analysis		
	Organizational culture Organizational environment Power		

Define Organizational Behavior

- **Systematic Study of Behavior**
  - OB researchers rely on the scientific method to build a foundation of knowledge.
- **Evidence-Based Management (EBM)**
  - Managers use evidence and data to make decisions.
- **Intuition**
  - "Gut feelings"
  - Combine with evidence

Challenges and Opportunities in OB

- Responding to globalization
  - Working with people from different cultures
  - Adapting to differing cultural and regulatory norms
  - Implementing effective diversity programs
  - Overseeing movement of jobs to countries with low-cost labor
  - Increased foreign assignments
  - Managing a variety of employment options

Challenges and Opportunities in OB

Exhibit 1-4 Employment Options

Categories of Employment	Types of Employment	Places of Employment	Conditions of Employment	Compensation for Employment
Employed	Full-time	Anchored (office/cubicle)	Local	Salary
Underemployed/ underutilized	Part-time	Floating (shared space)	Expatriate	Hourly
Re-employed	Flextime	Virtual	Short-term assignee	Overtime
Unemployed/jobless	Job share	Flexible	Flexpatriate	Bonus
Entrepreneur	Contingent	Work from home	International business traveler	Contract
Retired	Independent contractor		Visa employee	Time off
Job seeking	Temporary		Union/nonunion employee	Benefits
Furloughed	Reduced hours			
Laid off	Intern			

Challenges and Opportunities in OB

- Improving interpersonal skills
  - People skills are essential to managerial effectiveness.

- Improving ethical behavior
  - **Ethical dilemmas** are situations in which an individual is required to define right and wrong conduct.
  - Ethical behavior is not so easily defined.
  - Organizations distribute codes of ethics to guide employees through ethical dilemmas.

Challenges and Opportunities in OB

- Enhancing employee well-being at work
  - Employees are working longer hours per week.
  - Work never sleeps, and communication technology allows us to work at any time or any place.
  - Balancing work and life demands now surpasses job security as an employee priority.

Challenges and Opportunities in OB

- Recognize your feelings.

- Identify your tendency for burnout.

- Talk about your stressors.

- Build in high physical activity.

- Take brief breaks throughout your day.

- Take your vacation!

Three Levels of Analysis

Exhibit 1-5 A Basic OB Model
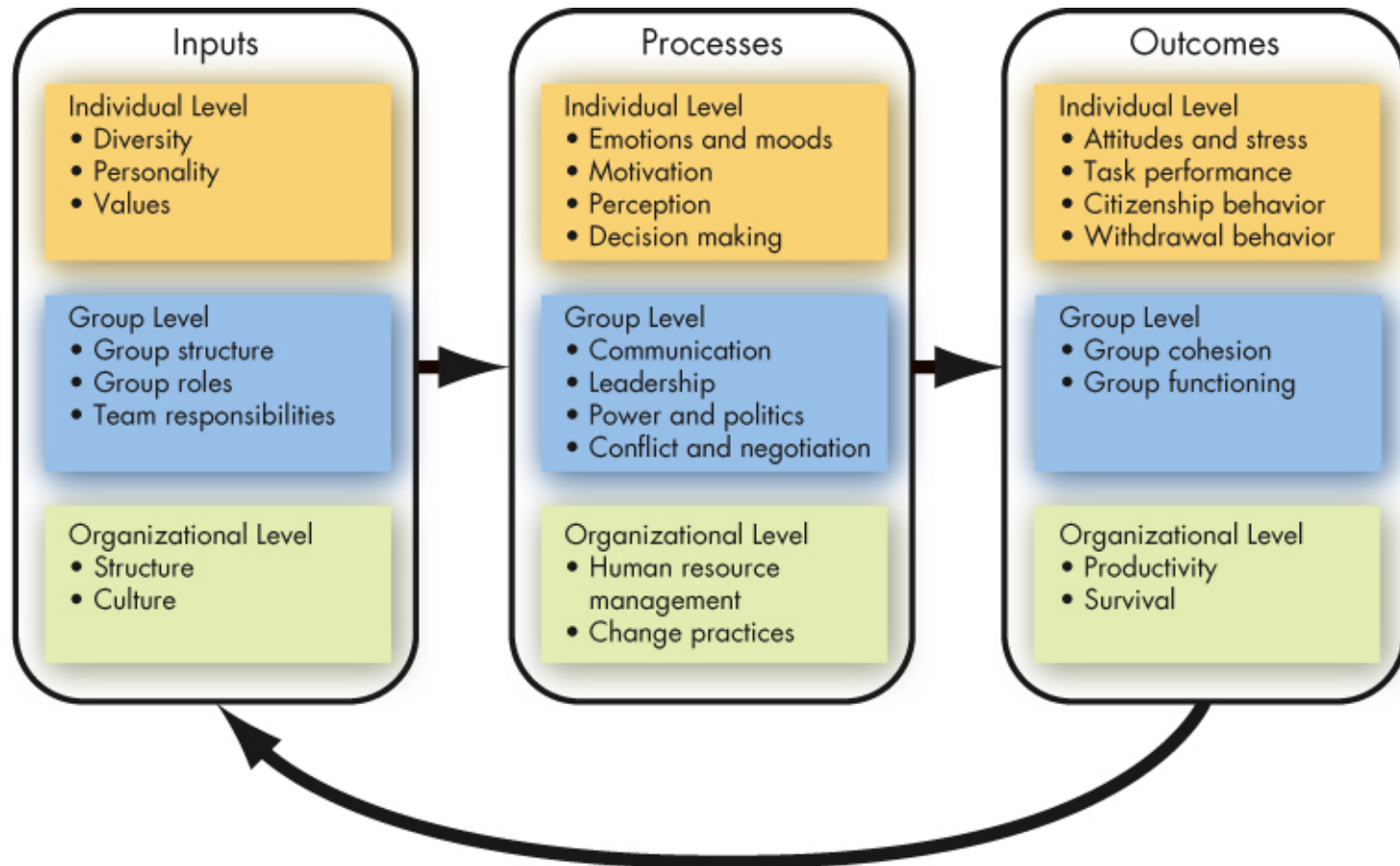
Outcome Variables

- **Job attitudes**
  - The evaluations employees make, ranging from positive to negative, about objects, people, or events

- **Stress**
  - A psychological process that occurs in response to environmental pressures

- **Withdrawal behavior**
  - The set of actions that employees take to separate themselves from the organization

Outcome Variables

- **Task performance**
  - An employee's effectiveness and efficiency at doing their core job tasks

- **Organizational citizenship behavior**
  - An employee's discretionary behavior that is not part of their job requirements and that contributes to the psychological and social work environment

Outcome Variables

- **Group cohesion**
    - The extent to which members of a group support and validate one another at work

- **Group functioning**
    - The quantity and quality of a group's work output.

- **Organizational productivity**
    - The organization's transformation of inputs into outputs at the lowest cost

Implications for Managers

- Resist the inclination to rely on generalizations.

- Use metrics and situational variables rather than "hunches".

- Develop your interpersonal, technical, and conceptual skills to increase your leadership potential.

- Improve your employees' work quality and productivity by empowering them, designing and implementing change programs, improving customer service, and helping them balance work-life conflicts.