**Organizational behavior** is the study of human

behavior in an organizational context.

We can broadly categorize a manager's function can into five different aspects:

1. **Planning** - setting goals and objectives that contribute to

the organization's mission.

2. **Organizing** - assigning tasks to the right teams and employees.

3. **Motivating** - communicating with and providing

feedback and rewards to employees.

4. **Administrating** - overseeing absences, new hires,

payroll, etc.

1. **Controlling** - tracking progress and performance, and ensuring projects are completed on time.

Managers also have a range of roles and skills they must use in their day-to-day tasks. According to **Mintzberg**, we can divide these roles into

three broad categories:

1. **Interpersonal roles** - including being a figurehead, a leader, and a liaison for the organization.

2. **Informational roles** - being a spokesperson, disseminator, and monitoring all internal and external aspects of the organization.

3. **Decisional roles** - being a negotiator, disturbance handler, entrepreneur, and resource allocator.

Finally, a manager must also possess considerable

managerial skills, such as:

• Interpersonal and people skills,

• Technical skills,

• Problem-solving skills,

• Analytical skills,

• Communication and networking skills.

Some of the critical organizational behavior theories are as follows:

• **Organizational psychology** is the study of moods, emotions, personality, values, and value systems within an organization.

**•Job satisfaction** relates to employees' happiness with their roles and the organization.

**•Group dynamics** describe organizational teams. Group dynamics explore how we interact and behave within groups and how two or more groups interact with one another.

**-Organizational communication** is another crucial

organizational behavior theory, as communication is the backbone of all organizational tasks.

• **Organizational leadership**, as you may already know from the previous section, is essential for motivating the workforce, overseeing tasks, and carrying out the organization's mission.

**Organizational structure and culture** lay the foundations of an organization.

**Human resource (HR)** policies communicate expectations and procedures regarding employees in the organization.

**Psychology** provides a basis for understanding

human behavior concerning emotions, attitudes,

leadership, values, perceptions, etc.

**Sociology** helps us understand communication, the

idea of change in the organizational context, and

organizational culture.

**Anthropology** helps us understand organizational

culture and the internal and external environment

The organizational behavior model consists of three

components:

1. Inputs,

2. OB processes,

3. Outcomes.

**• Autocratic model** – leadership style (power)

**• Custodial model** – economic resources (money)

**• Supportive model** – depend on the power of the leader

**• Collegial model** – depend on each other (cooperation)

**• System model** – based on the confidence and self motivation

**Organizational Communication**

Communication is an essential aspect of every organization.

Organizational communication theory suggests that there are five main functions of communication. They are as follows:

1. **Management** - Communication manages employee behavior regarding roles, compliance, etc.

2. **Feedback** - Communication initiates feedback for employees in terms of performance.

3. **Information** - Communication creates information exchange within the organization.

4. **Persuasion** - Communication can result in persuasion; for example, leaders encourage employees to commit to the organization's mission.

5. **Emotional sharing** - Communication leads to emotional sharing in organizational groups. It allows members to express their satisfaction or dissatisfaction.

A communication process consists of steps between a source and a receiver that determines the transfer and understanding of meaning.

The communication process represents the method through which a sender conveys a message to a receiver.

There are eight main elements of a communication process diagram, which are:

The **sender**: the one who sends the communication message.

**Encoding**: the process of encoding the communication message

into words, symbols, and gestures that can convey meaning.

The **message** is the content of the information encoded into words, signs, or symbols.

The **channel**: the medium, known as communication channels, is where the communication message can be distributed.

The **receiver**: the one who receives the communication message.

**Decoding**: decoding the communication message into its intended meaning by the receiver.

**Noise**: anything that may interfere with the communication process between the sender and the receiver.

**Feedback** occurs when the sender and receiver check with each other to ensure the communication message has conveyed its

intended meaning.

We can categorize small group networks based on three characteristics They are as follows:

**Chain** - Using this setup, the group adheres to formal hierarchies. The group is made up of three levels of hierarchy. The leader is at the top of the chain, and subordinates report to and communicate with their respective direct leader.

**Wheel** - The wheel also follows a somewhat hierarchical structure with one designated leader. However, the difference is that each member

communicates directly with the group leader.

**All-channel** - Using this structure, all members communicate freely with one another. The group functions without a formal or informal leader

The **grapevine**, also known as word-of-mouth

communication, is an informal method of communication.

Organizational Communication Strategies

**Meetings** - these can be in-person meetings in the office or online meetings using platforms like Zoom or Teams.

**Phone calls/conference calls** ensure that internal and external communication flows effectively.

Organizational Communication Examples

**Written communication**: when we write an email, a text, or when reading a book or a post on social media, we use written language to communicate information.

**Non-verbal communication**: we all communicate through body language. We sweat when hot, nervously play with keys when in a hurry, pupils dilate when we fall in love. These body cues are a communication channel.

**Visual communication**: pictures or icons give important information — speed limits, restroom signs, poison logos — examples of visual communication.

Common communication barriers:

**Selective perception**: Receiver might not register everything the sender communicates due to needs, experience, or motivation.

**Filtering**: Sender twists the message to make it more favorable.

**Overload**: Too much information prevents effective communication.

**Language**: Different native languages, slang, or acronyms can create confusion.

**Emotions**: Emotional states (e.g., anger) affect message interpretation.

**Apprehension**: Anxiety about communicating through certain methods hinders communication.

**Misinterpretation**: Lies or deception cause misunderstanding.

Communication Barriers Types

**Language barriers**: Lack of a common language or heavy accents complicate communication.

**Psychological barriers**: Mental blocks or emotional issues affect communication.

**Physiological barriers**: Physical conditions like stuttering or throat disease hinder articulation.

**Physical barriers**: Distance or obstructions physically prevent communication.

**Perceptual barriers**: Bias distorts how people perceive messages.

**Cultural barriers**: Different cultures have different perceptions, affecting understanding.

**Gender barriers**: Men and women communicate differently, impacting understanding.

**Technological barriers**: Some struggle with using new technology.

**Interpersonal barriers**: Relationship dynamics affect how communication happens.

There are two ways to overcome communication barriers:

**Specific**: where you target individual communication barriers and find an appropriate solution for each one.

**General**: where you encourage a different organization's culture that is more patient and focuses on those issues.

Strategic Analysis

**Strategic analysis** is a process that can help businesses and individuals to better understand their goals, what obstacles might get in their way and how to overcome those obstacles. The strategic analysis includes both Internal and external analysis.

**Internal analysis** is aimed to assess the business's tangible and intangible resources and assets, to see the overall business health.

The **external analysis** is aimed to examine all the factors in the external environment that may have an impact on business operations.

**Mission** is the statement communicating how the vision can be achieved.

**Objectives** are more defined milestones with

timeliness guiding the company of how its goal along with vision and mission can be achieved.

**Strategies** are defined ways of how a business is going to achieve its vision, mission and objectives.

The **vision statement** is formed to identify the desired future positioning of the business.

The **internal analysis** includes Financial ratio analysis, Kaplan and Norton’s balanced scorecard model and Elkington’s Triple Bottom Line model.

The **financial ratio analysis** is an effective method for businesses to analyse their financial performance.

Strategic positioning refers to the position a company holds within a marketplace.

**Financial performance** is a subjective measure of how well a company uses assets and generates revenues.

**Balance Sheet: Definition**

A balance sheet is a type of financial statement.

The balance sheet tells us the value of a business at a certain point in time. It shows what the company owns (assets) and owes to others (liabilities).

The balance sheet is one of the three main financial

statements of a business, along with the income statement and cash flow statement.

The three main components of a balance sheet are assets, liabilities, and equity

**Assets** are what the company owns, such as buildings, stock, or cash.

**Liabilities** are what the company owes to creditors and banks, such as bank loans or unpaid bills.

**Equity** is anything invested in a company by its owners.:

Balance Sheet: Assets

**Assets** are anything that a business owns. They can be classified into fixed assets and current assets.

**Fixed assets** (or non-current assets) are a company’s possessions that will not be sold in the near future.

Current assets are a company’s possessions used in production or to pay for raw materials.

Balance Sheet: Liabilities

**Liabilities** are what a company owes to creditors or the bank. They can be divided into current liabilities and long-term liabilities.

**Current liabilities** are what a business owes in the short run. These are debts that will be paid back within a year.

Balance Sheet: Total equity

Total equity is a business's capital that belongs to shareholders.. In this case, total equity is used to pay for the company's debts.

Equation of a balance sheet

‘Balance’ means that two things should be equal.

**'Net assets employed'** refers to the value of assets belonging to the business.

This is the exact amount of money invested in the

business by the shareholders, known as total equity or capital employed.

Net assets = Assets - Liabilities

Assets=Liabilities+TotalEquity

**Liquidity** – Analysis of how capable the company is to pay off immediate debts using its current assets.

**Gearing** – Calculated by the ratio of long-term liabilities to capital employed. It shows how much of the company’s capital is funded by long-term liabilities.

**Efficiency Ratios** – Measure the company’s ability to use its assets and manage its debts effectively.

**Profitability** – Analysis of the company’s capability of making a profit from its offered goods or services.

Additional tools to analyze financial performance include:

**Balance Sheet** – Describes the organization's financial position at a designated period.

**Income Statemen**t – Shows the organization's income and expenditure at the selected period.

EXTERNAL ANALYSIS

The 5 Forces:

**Rivalry among existing competitors** – Identifying the existing competitors in the market and their competitiveness.

**Threats of new entrants** – Considering how easy and costly it is for competitors to enter the market. Low barriers are a disadvantage, while high barriers favor the company with brand loyalty and high switching costs.

**Threats of substitutes** – If many substitutes exist for a company’s goods and services, it’s a threat; if few substitutes exist, businesses have power over pricing and customer loyalty.

**Bargaining power of buyers** – Considering the number of customers, their price sensitivity, and ability to find substitutes.

**Bargaining power of suppliers** – Fewer suppliers give suppliers more power; more suppliers give the company more power to choose and negotiate better prices.

External Analysis: PESTLE Analysis

**PESTLE analysis** examines the external environment that may impact business operations. The main elements are:

**Politica**l – Tax, financial stability, changes in legislation.

**Economic** – Economic growth or employment rates.

**Social** – Demographic influences or lifestyle factors.

**Technological** – Technology innovations.

**Legal** – Tax policies or employment laws.

**Environmental** – Regulations on pollution.