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THE NATURE OF MANAGEMENT AND ORGANIZATIONAL BEHAVIOUR

INTRODUCTION



- The scope for the examination of behaviour in organisations is very wide.
- There are many interrelated factors which influence the behaviour and performance of people as members of a work organisation.
- It is important to recognise the role of management as an integrating activity and as the cornerstone of organisational effectiveness.
- People and organisations need each other.
- The manager needs to understand the main influences on behaviour in work organisations and the nature of the people-organisation relationship.

THE INTRODUCTION



- We live in an organisational world.
- Organisations of one form or another are a necessary part of our society and serve many important needs.
- The decisions and actions of management in organisations have an increasing impact on individuals, other organisations and the community. Organisations play a major and continuing role in our lives .
- It is important, therefore, to understand how organisations function and the pervasive influences which they exercise over the behaviour of people.

INTRODUCTION

- Business and public organisations have come to realize the importance that an understanding of human behavior plays in determining a manager's effectiveness, and courses on people skills have been added to many curricula.



INTRODUCTION



- The importance of developing managers' interpersonal skills is closely tied to the need for organizations to get and keep high-performing employees. Regardless of labour market conditions, outstanding employees are always in short supply
- A national study of the U.S. workforce found that wages and fringe benefits are not the main reasons people like their jobs or stay with an employer.

INTRODUCTION



- Far more important is the quality of the employee's job and the supportiveness of the work environment.
- So having managers with good interpersonal skills is likely to make the workplace more pleasant, which, in turn, makes it easier to hire and keep qualified people. In addition, creating a pleasant workplace appears to make good economic sense.

INTRODUCTION



- Technical skills are necessary, but they are not enough to succeed in management.
- In today's increasingly competitive and demanding workplace, managers can't succeed on their technical skills alone.
- They also have to have good people skills.

Concept of Organisational Behaviour and management

Definitions of an Organisation.

- An organisation is defined as 'a social entity brought into existence and sustained in an ongoing way by humans to serve some purpose, from which it follows that human activities in the entity are normally structured and coordinated towards achieving some purpose or goal'-Rollinson.
- A collection of people working together for a common objective.



Concept of Organisational Behaviour and management

Definitions of an Organisation contd.

- *Organisations are also defined as 'social arrangements for the controlled performance of collective goals' - Buchanan & Huczynski.*



Why Study Organisational Behaviour?



- 1. We study organisational behaviour because of the need to study the structure, the functioning and performance of organisations, and the behaviour of groups and individuals within them.*
- 2. Everyone in modern society is affected by the existence and behaviour of organisations.*
- 3. We are members of organisations of one sort or the other most of our lives.*

The study of OB embraces an understanding of:

- *The behaviour of people*
- *The process of management*
- *The organisational context of management*
- *Organisational processes and the execution of work*
- *Interactions with the external environment of which the organisation is part.*



The meaning of OB

OB is a convenient shorthand that refers to the numerous interrelated influences on, and patterns of behaviour of people within organisations.

Porter, Lawler and Hackman



Organizational Behaviour



- **Organizational behaviour** (often abbreviated as OB) is a field of study that investigates the impact that individuals, groups, and structure have on behaviour within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness. Organizational behaviour is a field of study, meaning that it is a distinct area of expertise with a common body of knowledge. What does it study? It studies three determinants of behavior in organizations: individuals, groups, and structure.

Organizational Behaviour contd.



- OB applies the knowledge gained about individuals, groups, and the effect of structure on behaviour in order to make organizations work more effectively.
- OB is concerned with the study of what people do in an organization and how their behaviour affects the organization's performance and because OB is concerned specifically with employment-related situations, you should not be surprised to find that it emphasizes behavior as related to concerns such as jobs, work, absenteeism, employment turnover, productivity, human performance, and management.

Definition



- Organisational behaviour is concerned with the study of the behaviour of people within an organisational setting.
- It involves the understanding, prediction and control of human behaviour and the factors which influence the performance of people as members of an organisation.
- Organisational behaviour does not encompass the whole of management; it is more accurately described in the narrower interpretation of providing a behavioural approach to management.

Definition contd.



- In practice we are referring to the behaviour of individuals, or sections or groups of people, within the organisation.
- The term 'organisational behaviour' is a shorthand way to refer to the multiplicity of interrelated influences on, and patterns of, behaviour of people within organizations.

A framework of Study



- The behaviour of people, however, cannot be studied in isolation.
- It is necessary to understand interrelationships with other variables which together comprise the total organization.
- These involve interactions among the formal structure, the tasks to be undertaken, the technology employed and methods of carrying out work, the process of management and the external environment.
- The study of organisational behaviour embraces therefore an understanding of:

A framework of Study contd.



- the behaviour of people;
- the process of management:
- the organisational context in which the process of management takes place;
- organisational processes and the execution of work; and
- interactions with the external environment of which the organisation is part.

This provides us with a basic, but convenient, framework of study.

A framework of Study contd.

- i.e.- the individual, the group, the organisation, and the environment - which collectively influence behaviour in work organisations.



The Individual



- Organisations are made up of their individual members.
- The individual is a central feature of organisational behaviour and a necessary part of any behavioural situation, whether acting in isolation or as part of a group, in response to expectations of the organisation, or as a result of influences of the external environment.
- Where the needs of the individual and the demands of the organisation are incompatible, this can result in frustration and conflict.
- It is the Management task to provide a working environment which permits the satisfaction of individual needs as well as the attainment of organisational goals

The Group



- Groups exist in all organisations and are essential to their working and performance.
- The organisation is comprised of groups of people and almost everyone in an organisation will be a member of one or more groups.
- Informal groups arise from the social needs of people within the organisation.
- People in groups influence each other in many ways, and groups may develop their own hierarchies and leaders.

The Group contd



- Group pressures can have a major influence over the behaviour and performance of individual members.
- An understanding of group structure and behaviour complements our knowledge of individual behaviour and adds a further dimension to organisational behaviour.
- Individuals and groups interact within the structure of the formal organisation.

The Organisation



- Structure is created by management to establish relationships between individuals and groups, to provide order and systems and to direct the efforts of the organisation into goal-seeking activities.
- It is through the formal structure that people carry out their organisational activities in order to achieve aims and objectives.
- Behaviour is affected by patterns of organisation structure, technology, styles of leadership and systems of management through which organisational processes are planned, directed and controlled.

The Environment



- The organisation functions as part of the broader external environment of which it is part.
- The environment affects the organisation through, for example, technological and scientific development, economic activity, social and cultural influences and governmental actions.
- The increasing rate of change in environmental factors has highlighted the need to study the total organisation and the processes by which the organisation attempts to adapt to the external demands placed upon it.

The Environment contd.



Three disciplines have made an important contribution to the field of organisational behaviour and they include:

- Psychologists are, broadly speaking, concerned with the study of human behaviour, with traits of the individual and membership of small social groups. The main focus of attention is on the individual as a whole person, or what can be termed the 'personality system', including for example perception, attitudes and motives.

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The Environment contd.



- Sociologists are more concerned with the study of social behaviour, relationships among social groups and societies, and the maintenance of order. The main focus of attention is on the analysis of social structures and positions in those structures, for example the relationship between the behaviour of leaders and followers.

The Environment contd.



- Anthropologists are more concerned with the science of mankind and the study of human behaviour as a whole. As far as organisational behaviour is concerned the main focus of attention is on the cultural system, the beliefs, customs, ideas and values within a group or society, and the comparison of behaviour among different cultures. People learn to depend on their culture to give them security and stability.

The Environment contd.

- The contribution of relevant aspects of psychology, sociology and anthropology aid our understanding of the behaviour of people in work organisations, and underpin the field of organisational behaviour.



ORIENTATIONS TO WORK



People differ in the manner and extent of their involvement with, and concern for work. *Goldthorpe et al.* identified three main types of orientation to work- instrumental, bureaucratic and solidaristic.

- Individuals with an instrumental orientation defined work not as a central life issue but in terms of a means to an end. There is an economic involvement with work, and a clear distinction between work-related and non-work-related activities

ORIENTATIONS TO WORK contd

- Individuals with a bureaucratic orientation defined work as a central life issue. There is a sense of obligation to the work of the organisation and a positive involvement in terms of a career structure. There is a close link between work-related and non-work-related activities, an overlap of work and non work activities.



ORIENTATIONS TO WORK contd

- Individuals with a solidaristic orientation defined the work situation in terms of group activities. There is an ego involvement with work groups rather than with the organisation itself. Work is more than just a means to an end. Non-work activities are linked to work relationships.



ORIENTATIONS TO WORK contd

- There are many aspects to management in work organisations, but the one essential ingredient of any successful manager is the ability to handle people effectively. The manager needs to be conversant with social and human skills, and have the ability to work with and through other people. Without people there can be no organisation and no meaningful activity. Behind every action or document in an organisation, there are people.



ORIENTATIONS TO WORK contd



- “The only thing that differentiates us from our competitors is our people, the equipment, the building- they are all the same. It is the people who make the difference. Effective management of Human Resources becomes an issue for everyone”. (Chuck Nielson, Vice President of Human Resource, Texas Instruments).

Patterns of human behaviour



- It is the responsibility of management to manage.
- But organisations can only achieve their aims and objectives through the coordinated efforts of their members. It is the job of management to get things done through other people.
- This involves the effective management of human resources.

Patterns of human behaviour contd.



- Unlike physical resources, people are not owned by the organisation. People bring their own perceptions, feelings and attitudes towards the organisation, systems and styles of management, their duties and responsibilities, and the conditions under which they are working. Human behaviour is complex. Patterns of behaviour are influenced by a complex combination of individual, social and cultural factors.
- Tensions, conflicts and politics are almost inevitable, as are informal structures of organisation and informal unofficial working methods.

The organizational iceberg



- One way to recognize why people behave as they do at work is to view an organization as an iceberg.
- What sinks a ship is not always what sailors can see, but what they cannot see. Hellriegel, Slocum, and Woodman.

The organizational iceberg contd.

The Organisation iceberg Formal (overt) aspects

- Customers
- Technology
- Formal goals
- Organisational design
- Financial resources



The organizational iceberg contd.

- Physical facilities
- Rules and regulations
- Surface competencies and skills

The Organisation iceberg (covert) aspects

- Attitudes
- Communication
- Informal team processes
- Personality



The organizational iceberg contd.

- Conflict
- Political behaviour
- Underlying competencies and skills



The people organisation relationship



- Generally, the majority of people come to work with the original attitude of being eager to do a good job, and desirous of performing well and to the best of their abilities.
- Where actual performance fails to match the ideal this is largely a result of how staff perceive they are treated by management and the management function.

The people organisation relationship contd.



- Many problems in the people-organisational relationship arise not so much from what management does, but the manner in which it is done.
- Often, it is not so much the intent but the manner of implementation that is the root cause of staff unrest and dissatisfaction.

The people organisation relationship contd.

- For example, staff may agree on the need to introduce new technology to retain the competitive efficiency of the organisation, but feel resentment about the lack of pre-planning, consultation, retraining programmes, participation in agreeing new working practices and wage rates, and similar considerations arising from the manner of its introduction.



The people organisation relationship contd.



- Attention must be given to the work environment, and appropriate systems of motivation, job satisfaction and rewards.
- People and organisations need each other. Attention should be focused, therefore, on improving the people-organisation relationship.

The people organisation relationship contd.

- The general movement towards flatter organisation structures, flexible working and greater employee involvement has placed increasing emphasis on an integrating rather than a hierarchical/controlling style of management.



THE PSYCHOLOGICAL CONTRACT



- One significant aspect of the relationship between the individual and the organisation is the concept of the psychological contract.
- This is not a written document, but implies a series of mutual expectations and satisfaction of needs arising from the people-organisation relationship.

THE PSYCHOLOGICAL CONTRACT



- It involves a process of giving and receiving by the individual and by the organisation.
- The psychological contract covers a range of expectations of rights and privileges, duties and obligations, which do not form part of a formal agreement but still have an important influence on people's behaviour. (Examples)

Individuals' expectations

- The nature and extent of individuals' expectations vary widely, as do the ability and willingness of the organisation to meet them.

These may include that the organisation will,

for example:

- provide safe and hygienic working conditions;
- make every reasonable effort to provide job security;



Individuals' expectations contd.



- attempt to provide challenging and satisfying jobs and reduce alienating aspects of work;
- adopt equitable personnel policies and procedures;
- allow staff genuine participation in decisions which affect them;
- implement best practice in equal opportunity policies and procedures;

Individuals' expectations contd.



- provide reasonable opportunities for personal development and career progression;
- treat members of staff with respect;
- demonstrate an understanding and considerate attitude towards personal problems of staff.

Individuals' expectations contd.

- These expectations are not necessarily required by law but, they relate more to the idea of a social responsibility of management.



The organisation's expectations



- The organisation will also have implicit expectations of its members, for example: to accept the ideology of the organisation; to work diligently in pursuit of organisational objectives;
- not to abuse goodwill shown *by* management;
- to uphold the image of the organisation;

The organisation's expectations contd.

- to show loyalty;
- not to betray positions of trust;
- to observe reasonable and acceptable standards of code of conduct e.g. dress code and appearance.



The organisation's expectations contd.



- The organisational side of the psychological contract places emphasis on expectations, requirements and constraints which often differ from, and may be in conflict with, an individual's expectations.
- These affect relationships between people and organisation and have an influence on behaviour