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What Is Organizational Behavior?

Chapter 1

Agenda

- Groups...discussion starter topics?
- Text resources – “quizzes” are like test
- Today’s lecture
 - What is organizational behavior?
 - Does it matter?
 - How do we “know” things about OB?
- Exercises

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What is Organizational Behavior?

- Think of the single worst coworker you’ve ever had
- What did he or she do that was so bad?
- Think of the single best coworker you’ve ever had
- What did he or she do that was so good?



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What is Organizational Behavior (OB)?



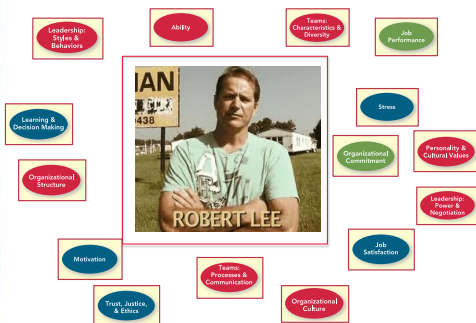
You tell me...

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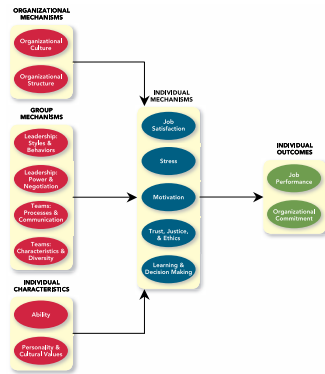
What OB topics are in this video?



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Does OB Matter?

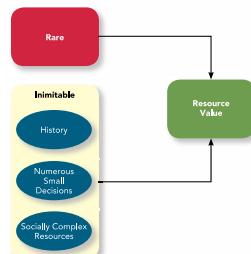
- Do firms who do a good job managing OB concepts become more profitable as a result?





Does OB Matter?

- The resource-based view of the firm



Does OB Matter?

1. SAS	23. Goldman Sachs	63. Deloitte
2. Boston Consulting	24. Whole Foods	65. Adobe Systems
3. Wegmans	34. Quicktrip	67. Publix
4. Google	35. Genentech	71. Marriott
5. NetApp	44. Intuit	72. Microsoft
6. Zappos.com	48. Bulb-A-Bear Workshop	73. PricewaterhouseCoopers
9. REI	49. American Express	74. Nordstrom
10. Dreamworks Anim.	51. Intel	77. Ernst & Young
12. Scottrade	53. Four Seasons Hotel	82. Teach for America
15. Mercedes-Benz USA	57. Allac	86. KPMG
20. Cisco	58. General Mills	98. Starbucks
21. Container Store	59. Hasbro	99. Accenture

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Does OB Matter?

SURVEY QUESTION ABOUT OB PRACTICES	COVERED BY CHAPTER
What is the proportion of the workforce whose jobs have been subjected to a formal job analysis?	2
What is the proportion of the workforce who are administered attitude surveys on a regular basis?	6
What is the proportion of the workforce who have access to company incentive plans, profit-sharing plans, and/or gain-sharing plans?	6
What is the average number of hours of training received by a typical employee over the last 12 months?	8, 10
What is the proportion of the workforce who have access to a formal grievance procedure and/or conflict resolution system?	7
What proportion of the workforce are administered an employment test prior to hiring?	9, 10
What is the proportion of the workforce whose performance appraisals are used to determine compensation?	6

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Retention
Sales/employee
Market value
profitability

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So What's So Hard?

- The Rule of 1/8:
 - "One must bear in mind that 1/2 of organizations won't believe the connection between how they manage their people and the profits they earn. 1/2 of those who do see the connection will do what many organizations have done—try to make a single change to solve their problems, not realizing that the effective management of people requires a more comprehensive and systematic approach. Of the firms that make comprehensive changes, probably only about 1/2 will persist with their practices long enough to actually derive economic benefits."
- Bottomline: less than 12%...it's hard...TMI

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How Do We Know Things About OB?

- Where does the knowledge in this textbook come from?
- Understanding that requires an understanding of how we know things, in general



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How Do We Know Things about OB?

- How do we know about what causes:
 - People to get sick?
 - People to stay healthy?
 - Children to grow up happy?
 - Children to be well-behaved?
 - Employees to be satisfied with their jobs?
 - Employees to be skilled at their jobs?

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How Do We Know Things about OB?

- Methods of Knowing
 - Experience
 - Intuition
 - Authority
 - Science
- What are the benefits of the last one, relative to the other three?

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How Do We Know Things about OB?

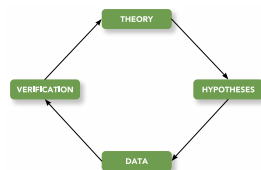
- OB on Screen: *Moneyball*
 - What method of knowing does the head scout utilize?
 - What method does "Google Boy" embrace?



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How Do We Know Things about OB?

- Scientific method



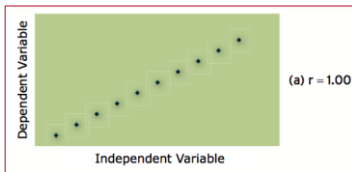
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How Do We Know Things about OB?

- The correlation
 - Perfect positive relationship: 1
 - Perfect negative relationship: -1
 - Strength of the correlation inferred from judging the compactness of a scatterplot of the X-Y values
 - More compact = stronger correlation
 - Less compact = weaker correlation

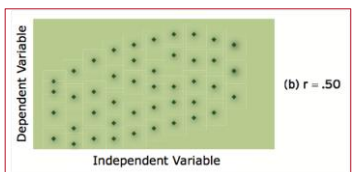
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The Correlation



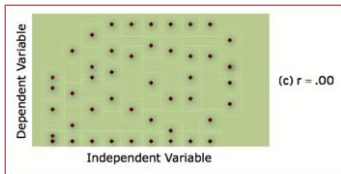
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The Correlation



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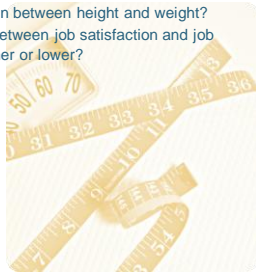
The Correlation



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The Correlation

- How big is "big"?
 - What's the correlation between height and weight?
 - Will the correlation between job satisfaction and job performance be higher or lower?



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The Correlation

- Important Disclaimer
 - Correlation does not prove causation
- Proving causation requires:
 - Correlation
 - Temporal precedence
 - Elimination of alternative explanations

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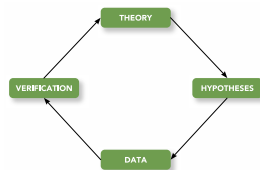
How Do We Know Things about OB?

- The correlations from multiple studies get averaged together using a technique called meta-analysis
- Meta-analyses can then form the foundation for evidence-based management--the use of scientific findings to inform management education and practice

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How Do We Know Things about OB?

- Well-supported theories become helpful tools for answering *why* questions, including:
 - Why your best and worst coworkers act so differently
 - Why you sometimes think, feel, and act a certain way



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Summary: Takeaways

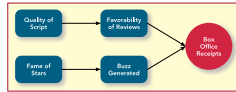
- What is organizational behavior?
- Does it matter?
- How do we “know” things about OB?
- Let’s take a 10-minute break



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Exercise 1: *Is OB Common Sense?*

- Let's build a theory similar to the one at the right, for one of these outcomes:
 - Job satisfaction
 - Strain
 - Motivation
 - Trust in supervisor



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Exercise 2: Introspection

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Exercise 3: Perspective

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Exercise 3: Perspective



What do you see?

31

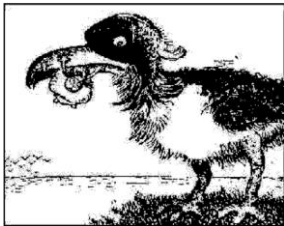
Exercise 3: Perspective



What do you see?

32

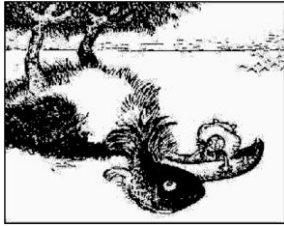
Exercise 3: Perspective



What do you see?

33

Exercise 3: Perspective



How about now?

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Exercise 3: Perspective



What do you see?

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Next Time

- Job Performance
- Chapter 2



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Looking ahead...

- Bring book to class
- Read end of chapter “Takeaways” & “Case” before each session:
 - Tuesday: Chapter 1
 - Wednesday: Chapter 2
 - Thursday: Chapter 3
 - Friday: Chapter 4

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Last...

- What did you learn about **you** today?
- What did you learn about **someone else** today?

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