

Washington University of Virginia
BUS 510E ORGANIZATION THEORY
Lecture Notes #5

Organizational Behavior

Primary References

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 Hergenhahn, B. R. *An Introduction to the History of Psychology*, 4th ed. Belmont, CA: Wadsworth/Thomson Learning, 2001.
 Kast, Fremont E. and James E. Rosenzweig. *Organization and Management: A Systems and Contingency Approach*, 4th ed. New York: McGraw-Hill Publishing Company, 1985. See Part 5. The Psychosocial System.

I. Individual Diversity, Attitudes, and Job Satisfaction

Organizational Behavior (OB) is a field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness.

I. Differences between Individuals

Elements of Individual Diversity

Diversity	Elements				
Biographical Characteristics	Age, Gender, Race and ethnicity, Disability, Others - Tenure, Religion				
Ability = Capacity to perform the various tasks in a job	Intellectual Ability	<ol style="list-style-type: none"> 1. Quantitative Aptitude 2. Verbal Comprehension 3. Perceptual Speed 4. Inductive Reasoning 5. Deductive Reasoning 6. Spatial Visualization 7. Memory 			
	Psychological Ability - Personality - Related to Emotion and Values	<table style="border: none;"> <tr> <td style="border: none;"> <ol style="list-style-type: none"> 1. Emotional Stability 2. Extroversion 3. Openness to Experience 4. Agreeableness 5. Conscientiousness </td> <td style="border: none; padding-left: 10px;">} Values</td> <td style="border: none;"> <p>Terminal Values: self-respect, freedom, equality, happiness</p> <p>Instrumental Values: Justice, moderation, courage, honest responsibility, cooperation, generosity, patience, humble</p> </td> </tr> </table>	<ol style="list-style-type: none"> 1. Emotional Stability 2. Extroversion 3. Openness to Experience 4. Agreeableness 5. Conscientiousness 	} Values	<p>Terminal Values: self-respect, freedom, equality, happiness</p> <p>Instrumental Values: Justice, moderation, courage, honest responsibility, cooperation, generosity, patience, humble</p>
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Physical Ability	<ol style="list-style-type: none"> 1. Strength Factors - Dynamic, Trunk, Static, and Explosive Strength 2. Flexibility Factors - Extent and Dynamic Flexibility 3. Other Factors - Body coordination, Balance, Stamina 				

2. Attitudes

are evaluative statements or judgments concerning objects, people or events.

The Components of an Attitude

<i>Components of an Attitude</i>	<i>Examples</i>
Cognitive = evaluation	My pay is low.
Affective = feeling	I am angry over how little I'm paid.
Behavioral = action	I'm looking for other work

3. Job Satisfaction

is a positive feeling about one's job resulting from an evaluation of its characteristics. The main causes of job satisfaction are:

Major Causes of Job Satisfaction

<i>Major Causes</i>	<i>Explanation</i>
Job conditions	Interesting jobs that provide training, variety, independence, and control satisfy most employees. A strong correspondence between how well people enjoy the social context of their workplace and how satisfied they are overall.
Compensation	Money motivates people, but relationship between the pay and job satisfaction disappears after a certain level of compensation is provided.
Personality plays a role	People who have positive core self-evaluations - who believe in their inner worth and basic competence - are more satisfied with their jobs than those with negative core self-evaluations. Core self-evaluations - Bottom-line conclusions individuals have about their capabilities, competence, and worth as a person.

A. Managers should be interested in their employees' attitudes because attitudes give warnings of potential problems and influence behavior. Satisfied and committed employees, for instance, have lower rates of turnover, absenteeism, and withdrawal behaviors. They also perform better on the job. Given that managers want to keep resignations and absences down - especially among their most productive employees - they'll want to do things that generate positive job attitudes. As one review put it, "a sound measurement of overall job attitude is one of the most useful pieces of information an organization can have about its employees."

B. The most important thing managers can do to raise employee satisfaction is focus on the intrinsic parts of the job, such as making the work challenging and interesting. Although paying employees poorly will not likely attract high-quality employees to the organization, or keep high performers, managers should realize that high pay alone is unlikely to create a satisfying work environment. Creating a satisfied workforce is hardly a guarantee of successful organizational performance, but evidence strongly suggests that whatever managers can do to improve employee attitudes will likely result in heightened organizational effectiveness.

II. Emotion-Mood, Personality, and Values

A. The Basic Emotions

There are so many emotions: anger, contempt, enthusiasm, envy, fear, frustration, disappointment, embarrassment, disgust, happiness, hate, hope, jealousy, joy, love, pride, surprise, and sadness. However, Rene Descartes identified **six simple and primitive passions**: wonder, love, hatred, desire, joy, and sadness. He argued that all the others are composed of some of these six or are species of them. Many researchers have agreed on six essentially universal emotions:

anger, fear, sadness, happiness, disgust, and surprise.

B. The Basic Moods

The Basic Moods - Positive or Negative Affect

High Negative Affect	Tense	Alert	High Positive Affect
	Nervous	Excited	
	Stressed	Elated	
	Upset	Happy	
Low Positive Affect	Sadness	Content	Low Negative Affect
	Depressed	Serene	
	Bored	Relaxed	
	Fatigued	Calm	

C. OB Application of Emotions and Moods

OB Application of Emotions and Moods

Category	OB Applications of Emotions and Moods
Selection or Recruiting	Hiring employees with high emotional intelligence is important for companies such as Starbucks.
Decision Making	Decision making requires rationality. People in good moods or positive emotions enhance problem-solving skills.
Creativity	People in good moods tend to be more creative than people in bad moods. They produce more ideas and more options, and other think their ideas are original.
Motivation	Moods and emotions are important on motivation.
Leadership	Effective leaders rely on emotional appeals to help convey their messages. When leaders feel excited, enthusiastic, and active, they may be more likely to energize their subordinates and convey a sense of efficacy, competency, optimism, and enjoyment. See Napoleon.
Negotiation	Negotiation is an emotional process: angry negotiators who have less information or less power than their opponents have significantly worse outcomes.
Customer Service	A worker's emotional state influences customer service, which influences levels of repeat business and of customer satisfaction.
Job Attitudes	People who had a good day at work tend to be in a better mood at home that evening, and vice versa. People who have a stressful day at work also have trouble relaxing after they get of work.
Deviant Workplace Behaviors	People who feel negative emotions, particularly anger or hostility, are more likely than other to engage in deviant behavior at work.
How Managers can Influence Moods	Managers can use humor and give their employees small tokens of appreciation for work well done. If leaders are in good moods, group members are more positive, and as a result they cooperate more.

C. Personality

1. The Meyer-Brigs Type Indicator (MBTI):

The MBTI is the most widely used personality-assessment instrument in the world. It is a 100-question personality test that asks people how they usually feel or act in particular situations.

<i>Myers-Brigs Type Indicator</i>	<i>Personal</i>
Extraverted versus Introverted	Extraverted - outgoing, sociable, assertive Introverted – quiet and shy
Sensing versus Intuitive	Sensing – practical, in routine and order Intuitive – relying on unconscious processes
Thinking versus Feeling	Thinking – to use reason and logic Feeling – to rely on personal values and emotions
Judging versus Perceiving	Judging – want control and prefer their world to be ordered and structured Perceiving – flexible and spontaneous

Notes: These classifications together describe 16 personality types, with every person identified with one of the items in each of the four pairs – Introverted/Intuitive/Thinking/Judging.

2. The Big Five Personality Model

<i>Big Five Personality Traits</i>	<i>Why Is It Relevant?</i>	<i>What Does It Affect?</i>
Emotional Stability: calm, self-confident, secure versus nervous, depressed, and insecure	1 Less negative thinking and fewer negative emotions 2 Less hyper-vigilant	1 Higher job & life satisfaction 2 Lower stress levels
Extroversion: sociable, gregarious, and assertive	1 Better interpersonal skills 2 Greater social dominance 3 More emotionally expressive	1 Higher performance 2 Enhanced leadership 3 Higher job & life satisfaction
Openness to Experience: Imagination, sensitivity, and curiosity	1 increased learning 2 More creative 3 More flexible and autonomous	1 Training performance 2 enhanced leadership 3 More adaptable to change
Agreeableness: good natured, cooperative, and trusting	1 Better liked 2 More compliant and conforming	1 Higher performance 2 Lower levels of deviant behavior
Conscientiousness: responsible, dependable, persistent, and organized	1 Greater effort and persistence 2 More drive and discipline 3 Better organized and planning	1 Higher performance 2 Enhanced leadership 3 Greater longevity

D. Values are **basic convictions** 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. The Value System is a hierarchy based on a ranking of an individual's values in terms of their intensity.

Terminal and Instrumental Values in the Rokeach Value Survey

Terminal Values	Instrumental Values
Desirable end-states of existence; the goals a person would like to achieve during his or her lifetime	Preferable modes of behavior or means of achieving one's terminal values
A comfortable life (a prosperous life) An exciting life (a stimulating, active life) A sense of accomplishment (lasting contribution) A world at peace (free of war and conflict) A world of beauty (beauty of nature and the arts) Equality (brotherhood, equal opportunity for all) Family security (taking care of loved ones) Freedom (independence, free choice) Happiness (contentedness) Inner harmony (freedom from inner conflict) Mature love (sexual and spiritual intimacy) National security (protection from attack) Pleasure (an enjoyable, leisurely life) Salvation (saved, eternal life) Self-respect (self-esteem) Social recognition (respect, admiration) True friendship (close companionship) Wisdom (a mature understanding of life)	Ambitious (hardworking, aspiring) Broad-minded (open-minded) Capable (competent, efficient) Cheerful (lighthearted, joyful) Clean (neat, tidy) Courageous (standing up for your beliefs) Forgiving (willing to pardon others) Helpful (working for the welfare of others) Honest (sincere, truthful) Imaginative (daring, creative) Independent (self-reliant, self-sufficient) Intellectual (intelligent, reflective) Logical (consistent, rational) Loving (affectionate, tender) Obedient (dutiful, respectful) Polite (courteous, well-mannered) Responsible (dependable, reliable) Self-controlled (restrained, self-disciplined)

E. Linking an Individual's Personality and Values to the Workplace

Holland's Typology of Personality and Congruent Occupation

Type	Personality Characteristics	Congruent Occupations
Realistic: Prefers physical activities that require skill, strength, and coordination	Shy, genuine, persistent, stable, conforming, practical	Mechanic, drill press operator, assembly-line worker, farmer
Investigative: Prefers activities that involve thinking, organizing, and understanding	Analytical, original, curious, independent	Biologist, economist, mathematician, news reporter
Social: Prefers activities that involve helping and developing other	Sociable, friendly, cooperative, understanding	Social worker, teacher, counselor, clinical psychologist
Conventional: Prefers rule-regulated, orderly, and unambiguous activities	Conforming, efficient, practical, unimaginative, inflexible	Accountant, corporate manager, bank teller, file clerk
Enterprising: Prefers verbal activities in which there are opportunities to influence others and attain power	Self-confident, ambitious, energetic, domineering	Layer, real estate agent, public relations specialist, small business manager
Artistic: Prefers ambiguous and unsystematic activities that allow creative expression	Imaginative, disorderly, idealistic, emotional, impractical	Painter, musician, writer, interior decorator

Personality-job fit theory: A theory that identifies six personality types and proposes that the fit between personality type and occupational environment determines satisfaction and turnover.

III. Perception and Making Judgments

A. Perception

Perception is a process by which individuals organize and interpret their sensory impression in order to give meaning to their environment. **Factors influencing Perception** include three factors: perceiver, target, and situation

Factors Affecting Perception

Perceiver (Personal characteristics)	Target (Characteristics of target)	Environment
Attitudes Motives, Interests Experience Expectations	Novelty (New) Motion, Sounds, Size Background Proximity, Similarity	Time Working setting Social setting

B. Perception and Making Judgments

Attribution Theory: When we observe an individual's behavior, we attempt to determine whether it was **internally or externally caused**, depending on three factors: distinctiveness, consensus, and consistency. *Internally caused behaviors* are those we believe to be under the personal control of the individual. *Externally caused behavior* is what we imagine the situation forced the individual to do.

Distinctiveness	Consensus	Consistency
It refers whether an individual displays different behaviors in different situations	If everyone who faces a similar situation responds in the same way, we can say the behavior shows consensus.	If an individual who faces a similar situation takes the same action, we can say his behavior shows consistency

C. Common Shortcuts in Judging Others

Category	Explanation
Selective Perception	The tendency to selectively interpret what one sees on the basis of one's interests, background, experience, and attitudes.
Halo Effect	The tendency to draw a general impression about an individual on the basis of a single characteristic.
Contrast Effects	Evaluation of person's characteristics that is affected by comparisons with other people recently encountered who rank higher or lower on the same characteristics.
Stereotyping	Judging someone on the basis of one's perception of the group to which that person belongs.

IV. Motivation

Motivation is the Processes that account for an individual's **intensity**, **direction**, and **persistence** of effort toward attaining a goal.

A. Early Theories of Motivation

1. Hierarchy of Needs Theory

Abraham Maslow's hierarchy of five needs is physiological, safety, social, esteem, and self-actualization, in which, **as each need is substantially satisfied, the next need becomes dominant**. Maslow separated the five needs into higher and lower orders. Physiologic al and safety needs were **lower-order needs**; and social, social, and self-actualization were **higher-order needs**. The difference is that higher-order needs are satisfied internally (within the person), whereas lower-order needs are predominantly satisfied externally (by things such as pay, union contracts, and tenure).

Maslow's Hierarchy of Needs Theory

Hierarchy	Lower or Higher Needs	Internal or External Satisfaction
5 Self-actualization	Higher Needs	Needs are satisfied internally (within person)
4 Esteem		
3 Social		
2 Safety	Lower Needs	Needs are satisfied externally (pay, union contracts, tenure)
1 Physiological		

2. Theory X and Theory Y

- (1) **Theory X**: Under Theory X, managers believe employees inherently dislike work and must therefore be directed or even coerced into performing it.
- (2) **Theory Y**: Under Theory Y, in contrast, managers assume employees like work, are creative, seek responsibility, and can exercise self-direction.

3. Two-Factor Theory_or Motivation Hygiene Theory

An individual relates intrinsic factors to job satisfaction and associates extrinsic factors with dissatisfaction. Herzberg considered hygiene factors of job satisfaction – quality of supervision, pay, company policies, physical working conditions, relationships with others, and job security.

4. McClelland's Theory of Needs

@1 **Need for achievement** is the drive to excel, to achieve in relation to a set of standards, to strive to succeed.

@2 **Need for power** is the need to make others behave in a way in which they would not have behaved otherwise.

@3 **Need for affiliation** is the desire for friendly and close interpersonal relationship.

B. Contemporary Theories of Motivation

1. **Self-Determination Theory** is concerned with the **beneficial effects of intrinsic motivation** and the **harmful effect of extrinsic motivation**. It is assumed that people prefer to feel they have control over their actions, so anything that makes a previously enjoyed task feel more like an obligation that a freely chosen activity will undermine motivation. It has focused on **cognitive evaluation theory** which assumes that extrinsic rewards will reduce intrinsic interest in a task. A recent outgrowth of self-determination theory is **self-concordance**, which considers the degree to which people's reasons for pursuing goals are consistent with their interests and core values.

2. **Goal-setting Theory** says that specific and difficult goals with feedback lead to higher performance. It assumes an individual is committed to the goal and is determined not to lower or abandon it, since, the individual believes he or she can achieve the goal and wants to achieve it. **Management by objectives** emphasizes participatively set goals that are tangible, verifiable, and measurable.

3. **Self-Efficacy Theory** (also known as social cognitive theory or social learning theory) refers to an individual's belief that he or she is capable of performing a task. The higher your self-efficacy, the more confidence you have in your ability to succeed.

4. **Reinforcement Theory** says that behavior is a function of its consequences. **Behaviorism** argues that behavior follows stimuli in a relatively unthinking manner. The **social learning theory** views that we can learn through both observation and direct experience. Four processes determine their influence on an individual. (1) **Attention processes**: People learn from a model only when they recognize and pay attention to its critical features. (2) **Retention Processes**: A model's influence depends on how well the individual remembers the model's action after the model is no longer readily available. (3) **Motor reproduction processes**: After a person has seen a new behavior by observing the model, watching must be converted to doing. (4) **Reinforcement processes**: Individuals are motivated to exhibit the modeled behavior if positive incentives or rewards are provided.

5. **Equity Theory or Organizational Justice** says that individuals compare their job inputs and outcomes with those of others and then respond to eliminate any inequalities. There are four referent comparisons: self-inside, self-outside, other-inside, and other-outside. Employees who perceive inequality will make one of six choices: change their inputs, change their outcomes, distort perception of self, distort perceptions of others, choose a different referent, and leave the field (quit the job). There are three kinds of organizational justice to be considered. (1) **Distributive justice** – perceived fairness of outcome (I got the pay raise I deserved). (2) **Procedural justice** – perceived fairness of process used to determine outcome (I had input into the process used to give raises and was give a good explanation of why I received the raise I did). (3) **Interactional justice** – perceived degree to which one is treated with dignity and respect (When telling me about my raise, my supervisor was very nice and complimentary).

6. **Expectancy Theory** says that the strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual. Employees will be motivated to exert high level of effort when they believe it will lead a good performance appraisal that a good appraisal will lead to organizational rewards such as bonuses, salary increases, or promotions; and that rewards will satisfy the employees' personal goals. The theory focuses on three relationships: **effort-performance**, **performance-reward**, and **rewards-personal goals** relationships.

@ Integration of Contemporary Theories of Motivation

C. Applications of Motivation

<i>Applications</i>	<i>Explanation</i>
Motivating by Job Design	<ol style="list-style-type: none"> 1. The job characteristics model - skill variety, task identity, task significance, autonomy, and feedback 2. Job redesign by job rotation and job enrichment 3. Alternative work arrangement - flexible time, job sharing, telecommuting
Employee Involvement	<ol style="list-style-type: none"> 1. Participative management 2. Representative Participation
Using Rewards to motivate employees	<ol style="list-style-type: none"> 1. What to pay - internal and external equity 2. How to pay - variable pay program 3. Flexible benefits 4. Intrinsic rewards - employee recognition programs

V. Group Behavior Dynamics

The Group is two or more individuals, interacting and interdependent, who have come together to achieve particular objectives: they are formal, informal, command, task, interest, and friendship groups. Group properties are based on roles, norms, status, size, and cohesiveness of the group.

A. Strength and Weakness of Group Decision Making

<i>Category</i>	<i>Explanation</i>
Strength	<ol style="list-style-type: none"> 1 Groups generate more complete information and knowledge. 2 Groups offer increased diversity of views. 3 Groups lead to increased acceptance of a solution.
Weakness	<ol style="list-style-type: none"> 1 There are conformity pressure 2 Group discussion can be dominated by one or a few members. 3 Group decisions suffer from ambiguous responsibility
Effectiveness and Efficiency	<ol style="list-style-type: none"> 1 Group decisions are more accurate than the decisions of the average individuals in a group but less accurate than the judgments of the most accurate. 2 If creativity is important, groups tend to be more effective. 3 If effectiveness means the degree of acceptance the final solution achieves, the not again goes to the group.

B. Group Decision-Making Techniques

<i>Techniques</i>	<i>Explanation</i>
1. Interacting Groups	Typical groups in which members interact with each other face to face.
2. Brain-storming	An idea-generation process that specifically encourages any and all alternatives while withholding any criticism of those alternatives.
3. Nominal Group Technique	A group decision-making method in which individual members meet face to face to pool their judgments in a systematic but independent fashion.
4. Electronic Meeting	A meeting in which members interact on computers, allowing for anonymity of comments and aggregation of votes.

C. Creating Effective Teams - Team Effective Model

<i>Factors</i>	<i>Sub-factors for Team Effectiveness</i>
1 Context	1 Adequate resources; 2 Leadership and structure 3 Climate of trust; 4 Performance evaluation and reward systems
2 Composition	1 Abilities of members; 2 Personality 3 Allocating roles; 4 Diversity 5 Size of teams; 6 member flexibility 7 member preferences
3 Process	1 Common purpose; 2 Specific goals 3 Team efficacy; 4 Conflict levels; 5 Social loafing

VI. Communication

(See Lecture #8 for Communication and #11 for Leadership)

VII. Leadership

VIII. Influence, Power, and Politics

(See Lecture #11 Corporate Governance and Leadership)

(End of Lecture Notes #5)