The Field of Organizational Behaviour

What is Organizational Behaviour?

• Organizational Behavior (OB): The field that seeks to understand individual, group, and organizational processes in the workplace.

• Four central characteristics of OB:
  1. Firmly grounded in the scientific method.
  2. Studies three levels – individuals, groups, and organizations.
  3. Interdisciplinary in nature (e.g. psychology, sociology).
  4. Used as a basis for enhancing organizational effectiveness and individual well-being. We take a Theory Y approach instead of a Theory X approach.

• Two key assumptions of OB:
  1. Organizations are open systems that interact with the environment.
  2. No one best approach / Contingency approach.

History of Organizational Behaviour;

Scientific Management – Frederick Winslow Taylor

• Focus on job performance and on increasing it through greater efficiency.
• Conduct time-and-motion studies (see next slide) and eliminate waste motion.
• Credited: First careful study. Criticized: Dehumanizing, automatons.

Human Relations Movement – Elton Mayo

• In applying Scientific Management, output did not keep up and keep going up when lighting increased.
• Takeaway: In addition to efficiency, social factors e.g. recognition and group norms influence organizational behavior / job performance.
• Hawthorne effect: Tendency for people being studied to behave differently than they ordinarily would.

Classical Organizational Theory – Fayol and Weber

• Organizational version of Scientific Management.
• Henri Fayol: Division of labour.
• Max Weber: Bureaucracy (e.g. formal rules and regulations).

Today’s Organizations and Implications for OB;

Globalization:

Past
• Business operated and competed locally.

Today
• Globalization (interconnectedness) and multi-national enterprises (MNEs) (e.g. Walmart).
• Expatriates, culture shock, repatriation, adjustment is u-shaped, optimism and excitement → confused and reject → understand and accept.
• Culture shock caused by parochialism (belief there is one way) and ethnocentrism (belief my way is the best way).
• Convergence hypothesis (North American findings are best and apply universally) versus divergence hypothesis (findings are country-culture specific) (e.g. social loafing, quick decision-making).