

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, automations.

Human Relations Movement – Elton Mayo

- In applying Scientific Management, output did not go 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).