

1 ORGANISATIONAL BEHAVIOUR IN THE BUSINESS ENVIRONMENT

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LEARNING OUTCOMES

BY THE END OF THIS CHAPTER, YOU SHOULD BE ABLE TO:

- Define organisational behaviour (OB) and discuss its goals as a field of study.
- Identify the major disciplines that contribute to understanding OB.
- Demonstrate evidence of the value of OB for managers and organisations.
- Identify the main methods used in OB research.
- Identify the major levels of analysis in OB and the interplay among them.
- Summarise contemporary issues facing the field of OB.



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THIS CHAPTER DISCUSSES...

What is Organisational Behaviour? **2** | Why does Organisational Behaviour matter? **5** | Where does OB knowledge come from? **8** | Research methods in OB **9** | Contemporary Challenges in OB **11**

INTRODUCTION

Take a moment and picture yourself starting your workday 10 years from today. What would make that day great? You might think about doing work that you love, feeling accomplished or recognised by others, working with motivated colleagues, having meaningful conversations and interactions with your co-workers and making a difference in the lives of others. Your ideal workday likely included elements that enhance your well-being and the well-being of others as well as doing great work to benefit your company. If so, your goals are in alignment with the goals of the field of Organisational Behaviour, which highlights both the well-being of employees as well as the performance of the organisation. Within this book, you will study how people think, act and react in the workplace and the influence of many factors on their behaviour. If you have ever wondered about how people act and think the way they do in the workplace, you have been thinking about organisational behaviour (likely without knowing it). By studying concepts and research in OB, you will be able to understand and ultimately affect attitudes and behaviours at your current or future place of work. You will also find personal insight into your preferences and patterns, and ideas for improving your workplaces. You will also be better able to enter into conversations with others about their work, regardless of their industries and positions, by studying the context of work.

This chapter provides an introduction and background in the field of OB. It is broken down into four important questions to consider when studying organisational behaviour: (1) What is organisational behaviour? (2) Why does organisational behaviour matter? (3) What are the sources of OB knowledge? (4) Why is OB more important today than ever? Addressing these questions will give you a solid basis for understanding the field and help you better interact with other people in work regardless of where your career takes you.

WHAT IS ORGANISATIONAL BEHAVIOUR?

organisational behaviour is a field of study that seeks to understand and improve organisational effectiveness by examining factors about individuals, teams, and organisational culture and structure and the way they interact.

What is this business about ‘**organisational behaviour**’? Do organisations really behave? Perhaps not, but people certainly do. The field of OB is really about understanding how people think, act and react in the workplace, and the influence of many factors on their behaviour, including issues around individuals, their relationships with others such as their co-workers and boss, the group or department they are in, and the structure and culture of the organisations they work in. As a field, OB is ultimately concerned with using this information to promote certain desirable attitudes and behaviours of employees as well as the effectiveness of the organisation more broadly.

ORGANISATIONAL BEHAVIOUR IS MULTI-LEVEL

Because factors about people, their relationships and the broader organisational context all affect how people act in the workplace, the field is inherently *multi-level*. By multi-level we mean that individuals operate within groups, and groups operate within organisations, and likewise, organisations operate within a larger environmental context. If we fail to consider the context, we are missing a key piece of the puzzle.

It is unwise to consider one employee or his/her role in isolation. Individual employees both influence and are shaped by their environment. Think about how you act in various settings. If someone saw you give a formal presentation in class, they might draw a conclusion that you are a smart dresser, articulate and formal. However, if they saw you with your friends in a relaxing setting, they might draw a different conclusion. Your behaviour is shaped by the norms around you. However, you also shape those norms. If you were very upset, you might shape the mood of those around you. Likewise, employees' input, personality, knowledge, and so on, have an influence on work teams. Teams are part of departments and departments are part of organisations with their own history, values, culture, policies, and so on. Finally, the whole organisation is all part of a larger environmental context including the market, the economic situation, local, national and global regulations and national culture(s). These influences go from top down, for example from the environment or the organisation to the individual, and in a bottom-up fashion from the individual to the organisation (see Figure 1.1).

While studying OB, it is useful to take a **systems thinking** approach. This means that if we want to understand a problem, we need to keep in mind how that problem is part of an overall system. In the context of organisational behaviour, systems thinking helps us to realise that an organisation is a system made of different parts that affect and are affected by one another. Similarly, the organisation interacts with its larger environment. Systems thinking has its roots in General Systems Theory, which was originally a theory developed from the physical sciences. Ludwig von Bertalanffy (1968) and Kast and Rosenzweig (1972), who later brought this to the field of OB, suggested that a system is a complex structure of interacting elements and that they are open to, and interact with, their environment. Systems theory suggests that the organisation is a system made of interrelated and interdependent parts. One can study each component in isolation, but when we do so, we fail to capture the essence of the whole. Take, for example, the argument illustrated in the 'Building your Employability Skills' box. How might each individual approach the issue differently and what effect might this interaction have on the rest of the team or department? Likewise, how does the larger workplace context affect this argument?

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BUILDING YOUR EMPLOYABILITY

Managing Conflict

In your role as manager, a dispute between two employees, Mike and John, is brought to your attention. Both employees came to talk to you independently about an issue they cannot seem to work through themselves. Mike and John's desks are next to each other, separated by a small divider. Mike complains that John is loud. Mike is 'constantly distracted and frustrated' by him. John argues that he has been respectful of Mike, but 'has to do his job', which includes taking calls and meeting with others. How do you help Mike and John resolve their issues? What effect might their disagreement have on the rest of the department?

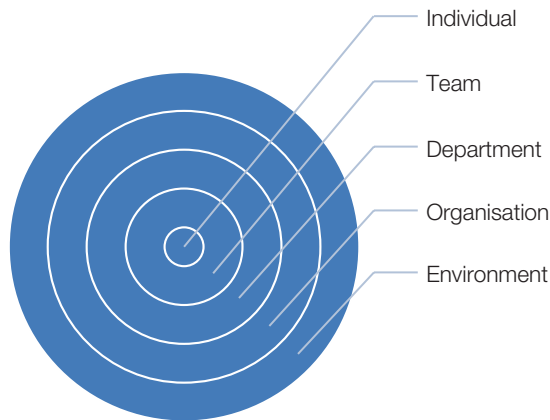


Figure 1.1 The multi-level nature of the field of OB

As you read the chapter, be sure to keep in mind what level the material is focused on – is it the individual, the team, the organisation? – and remember that they are all influenced by and influencing other levels.

As you are reading each of the chapters in the text, it may feel as if they are independent and unrelated. Try to take a systems perspective and remind yourself that they do influence and are influenced by each other. The chapters of this text are grouped in meaningful sections, or parts, that can be best understood through a systems perspective. Part 1 covers individual differences that reflect the innermost ring of Figure 1.1. In this section, you will read about how people vary in personality ▶See Chapter 2◀, the way they perceive information ▶See Chapter 3◀, their attitudes and values ▶See Chapter 4◀ and how they are motivated ▶See Chapter 5◀. When reading these chapters, it is easy to think about how employees bring these differences to the workplace. However, we would encourage you to also think about how motivations, attitudes and perceptions are shaped and influenced by the situations, life stages and environments in which they are embedded. Part 2 of the text presents information about bringing diverse individuals together to achieve organisational goals through the management of behaviour at work. This section highlights the relationships between managers and employees and among employees themselves. You might consider this section as the interplay of the first three rings in Figure 1.1. Topics such as leadership ▶See Chapter 6◀ and power and control ▶See Chapter 8◀, groups and teams ▶See Chapter 7◀ and managing diversity ▶See Chapter 10◀ highlight the importance of relationships in the workplace, to name a few. Finally, the last section of the text focuses on organisational processes that shape both individuals (Part 1) and relationships (Part 2) in a top-down manner. These processes include formal processes such as policies and programmes and informal processes such as agreed-upon norms in the areas of socialisation ▶See Chapter 11◀, culture ▶See Chapter 12◀ and communication ▶See Chapter 14◀. However, we often forget that these formal and informal processes are indeed written, shaped and reinforced by individuals, in a bottom-up fashion. We truly need to take a systems approach when considering the complexities of organisational life.

While reading these chapters, if you have work experience, try to think of how these aspects of the workplace affected your own behaviour. For example, you might think about how your personality and that of others affected the way you worked with others on a team ▶See Chapters 2 and 7◀ and how that team operated within the larger culture of the organisation ▶See Chapter 12◀. If you

do not have formal work experience, sports teams, schools and families may operate in a similar way. Additionally, you might think about how you motivate yourself to study ▶See Chapter 5◀ and how you communicate with your lecturers or instructors ▶See Chapter 14◀.

ORGANISATIONAL BEHAVIOUR IS MULTI-DISCIPLINARY

Just as organisational behaviour involves a complex interplay across various levels of analysis, the field itself draws from a variety of fields of research. In order to better understand individual-level phenomena such as personality and job performance, OB draws from **work and organisational psychology**, which is a field dedicated to applying psychological research and principles to the workplace. Research in **cognitive psychology**, a field dedicated to studying the informational processes of the mind, informs our discussion on perception. In order to understand groups and teams, and emotions, OB draws from **social psychology**, which studies the effects of group dynamics on individual well-being. At the organisational level, theories of **sociology and anthropology** help us to understand the structure of the organisation and inform our understanding of culture and values. Whereas psychology generally focuses on individuals, sociology and anthropology have a more macro-level focus on institutions. Sociology teaches about patterns of social relationships whereas anthropology studies the evolution of human characteristics and cultures.

You are probably less familiar with interdisciplinary fields than with more traditional 'vertical' fields such as accounting, marketing or finance. OB cuts across lots of other fields that provide us with some understanding of how people behave in different situations as well as information about work in general, bringing them together with the goal of understanding how and why people act at work. Additionally, there is a concern for both the employee – the person – and the workplace – the bottom line. You may see elements of many different fields, but what makes OB unique is that it brings them all together with the goal of understanding human behaviour at work. While you read about the #MeToo movement, think about how various fields might approach this issue, and how the field of OB might consider both employee well-being and the bottom line of the companies experiencing these injustices.

WHY DOES ORGANISATIONAL BEHAVIOUR MATTER?

First of all, OB matters because the concepts within OB, and in this textbook, do affect the success of a company and the experience of its employees working there. In a 2003 study, Fulmer, Gerhart and Scott suggested that organisations that value the research outcomes within organisational behaviour outperform their counterpart organisations. The study compared the 100 Best Companies to Work for in America with organisations matched for size and industry. The results showed that not only did employees from the 100 best companies have more positive attitudes towards their workplaces, but also these organisations outperformed their counterpart organisations financially. Furthermore, organisations who took a more systematic approach to making changes in their organisation, following good OB practice (called organisational behaviour modification), experienced a 17% increase in performance (Stajkovic and Luthans, 1997). This practice involves identifying, measuring, analysing, intervening in and

#MeToo

The 'me too' movement was instigated by Tarana Burke to help victims of sexual violence. The website (www.metoomvmt.org) highlights how the 'vision from the beginning was to address both the dearth in resources for survivors of sexual violence and to build a community of advocates, driven by survivors, who will be at the forefront of creating solutions to interrupt sexual violence in their communities'. Although the movement began in 2006, it went 'viral' in 2017 when actor Alyssa Milano brought #MeToo to Twitter denouncing sexual misconduct allegations against film producer Harvey Weinstein. The #MeToo movement quickly gained momentum, cutting across industry and national borders, as a 'beacon of hope that the attention placed on sexual harassment allegations at this time will result in fewer infractions and less tolerance in the workplace for inappropriate sexual behavior in the future' (Atwater *et al.*, 2019, p. 2).



The movement has sparked substantial dialogue and action in individuals and employees. According to a study within the harassment-free workplace series of the Society of Human Resource Management in 2018, one in three executives reported changing their behaviour in the wake of the #MeToo movement, with concerns not only to reduce the occurrence of harassment but also for the morale, engagement and productivity of the staff. Many organisational responses include expanding training in the areas of sexual harassment and assault, implicit bias, and diversity and inclusion.

Some responses to the #MeToo movement have suggested the movement has highlighted an unequal power distribution, such that those who feel more powerful are more likely to abuse. An article in the *Washington Post*, by Jena McGregor, blames a focus on 'super star' employees that creates a sense of privilege, entitlement and a view that rules do not apply, which in turn, can foster abuse.

Others have written about a #MeToo backlash, in which men became more reluctant to engage with women in certain circumstances for fear of blame (Atwater *et al.*, 2019). The authors' research suggested that although there have been positive outcomes such as an increase in willingness to report sexual harassment among women and a commitment to reducing inappropriate behaviour of men, some intentional and unintentional backlash also occurs. For example, 41% of men reported that men may be more reluctant to engage in one-to-one meetings with women and 22% of men and 44% of women predicted that women may be more likely to be excluded from social interactions.

Questions

- 1 Identify the main areas of organisational behaviour impacted by the #MeToo movement.
- 2 Taking a systems thinking approach, how might even one instance of harassment affect the organisation at large?
- 3 What can you do to reduce the occurrence of sexual harassment in your workplaces and schools?

Sources

Atwater, L.E., Tringale, A.M., Sturm, R.E., Taylor, S.N. and Braddy, P.W. (2019) Looking ahead: How what we know about sexual harassment now informs us of the future. *Organizational Dynamics*, 48(4), 1–9.
<https://metoomvmt.org/>
<https://shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/Harassment-Free%20Workplace%20Series%20Executive%20View%20Topline.pdf>
<https://www.washingtonpost.com/news/on-leadership/wp/2017/12/19/the-metoo-movement-is-a-warning-sign-about-the-star-system-at-many-companies/>



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evaluating employees' behaviours in contrast to changes made more haphazardly. These studies highlight the importance of not only the content of OB but also its systematic approach.

While this is all well and good, you might be asking yourself, why does OB matter to *me*, personally? Here are a few reasons why understanding OB may matter to you, regardless of where your career takes you:

1 It will provide you with a better understanding of the world of work: Chances are you will have a job at some point in your life, and it will likely make up a significant percentage of your waking hours. Insights coming from OB can help you to work better, to promote more positive relationships with your co-workers and boss, and even to know when quitting your job might be the best move for you. Because OB is the study of why people behave as they do in work settings, it is probably the most applicable material to any job. The content that we will cover has to do with all human behaviour in the workplace and often more generally – it'll give you insights into working with other people, managing stress, and structuring jobs and companies.

Many people are promoted into management positions based on technical expertise, with little understanding of people – how to manage them, who to hire, how to work through conflict and what motivates people. Even if you don't study OB at degree level or pursue a job in HR or management, the knowledge and skills you learn in this OB module and those after it will be useful regardless of what you do.

2 It promotes self-insight and personal growth: In addition to improving your skills working with others, studying OB can be a bit like pointing a microscope at yourself. Because the field is about understanding people in the workplace, it is personally relevant to you. When you study personality ▶See Chapter 24, you might consider dimensions of your own personality and how they may impact the way you behave and how others respond to you. By studying perception ▶See Chapter 34, you might consider the way you accurately (or inaccurately) categorise events or the factors that shape how you see yourself and the world. In studying attitudes and values ▶See Chapter 44, especially in relation to organisational structure and culture ▶See Chapter 124, you might have a better understanding of the kind of workplace where you might find the most meaning and satisfaction. By studying leadership ▶See Chapter 64 and power and authority ▶See Chapter 84, you might consider what type of boss inspires you and what type of leader you might like to be. And considering emotions and stress may give you insights into how to maintain and promote your own psychological health. Finally, understanding team dynamics ▶See Chapter 74 and communication ▶See Chapter 144 might help you to make sense of how people speak to you and what they mean, and how to avoid and learn from conflict.

3 It gives you the ability to speak with others from various disciplines: One of the things I like about having a background in OB is that I am able to talk to a lot of different people about their jobs. I have friends in diverse fields – engineering, medicine, music, journalism, education – but since I have a background in understanding people at work, I feel I can talk to almost anyone about any job. After studying OB, you might not understand the *content* of their work; you will have a better understanding of the *context* of the workplace. Sure, you won't know the ins and outs of any of it, but you will be able to find common ground.

WHERE DOES OB KNOWLEDGE COME FROM?

People are familiar territory – it is often said that psychology is the science of the obvious. As OB draws heavily on psychology, you may feel this as well. What you read may make sense to you. You might think you know the material already. Granted there will be some new terms and words you've never heard before, but for the most part, you may have some notion from your own life, experience and reading about what you think this is about. One grave mistake students make is opening their book, glancing at it and saying 'I know this stuff.' That is nearly a guaranteed recipe for failure. Just because it may seem at first glance less scary (few formulas, equations, Greek symbols) that does not mean it is purely intuitive either. As OB is a social science, the learning is based on research. Sometimes the research might coincide with your own thoughts on these topics, but other times it might cause you to rethink your own ideas.

It is good to keep in mind that OB may seem like common sense. The thing is, common sense is usually evoked *after* we have all the facts and make sense of them. So you might have read through the answers to the above questions and believed them to be common sense, but according to **hindsight bias**, you overestimate the accuracy of your intuition, believing that you 'knew it all along'. This tendency comes from a desire to make sense of our lives; to be able to understand – and anticipate – events in our world.

hindsight bias

refers to the tendency, after an event has occurred, to overestimate our ability to have foreseen the outcome.

SPOTLIGHT ON SKILLS

There has been a lot of discussion by academics and practitioners about using evidence-based management. Why is it important for organisations? How do you or would you look for information and evidence to make decisions in your organisation?

To help you answer these questions, visit bloomsbury.pub/organisational-behaviour to watch the video of Carla DiBenedetto from Cook Medical talking about evidence-based management.



evidence-based practice

means basing decisions on the best presented scientific evidence.

Managers might fall into the same hindsight bias trap in making sense of the accuracy of their own intuition or personal feeling on a decision. One way to prevent this is to balance the use of intuition in decision-making with **evidence-based practices**. Through evidence-based practice, managers become more scientific about how they think about organisational problems and changes (Rousseau, 2006). They rely on information from social science and OB research to make decisions. The criminologist Lawrence W. Sherman summed it up well when he said, 'We are all entitled to our own opinions, but not to our own facts' (2002, p. 223). In the 'In Reality ...' feature, read about ways in which our intuition might not serve us well, but evidence-based practices could improve our effectiveness and efficiency in brainstorming.

So how and where do we get this evidence?