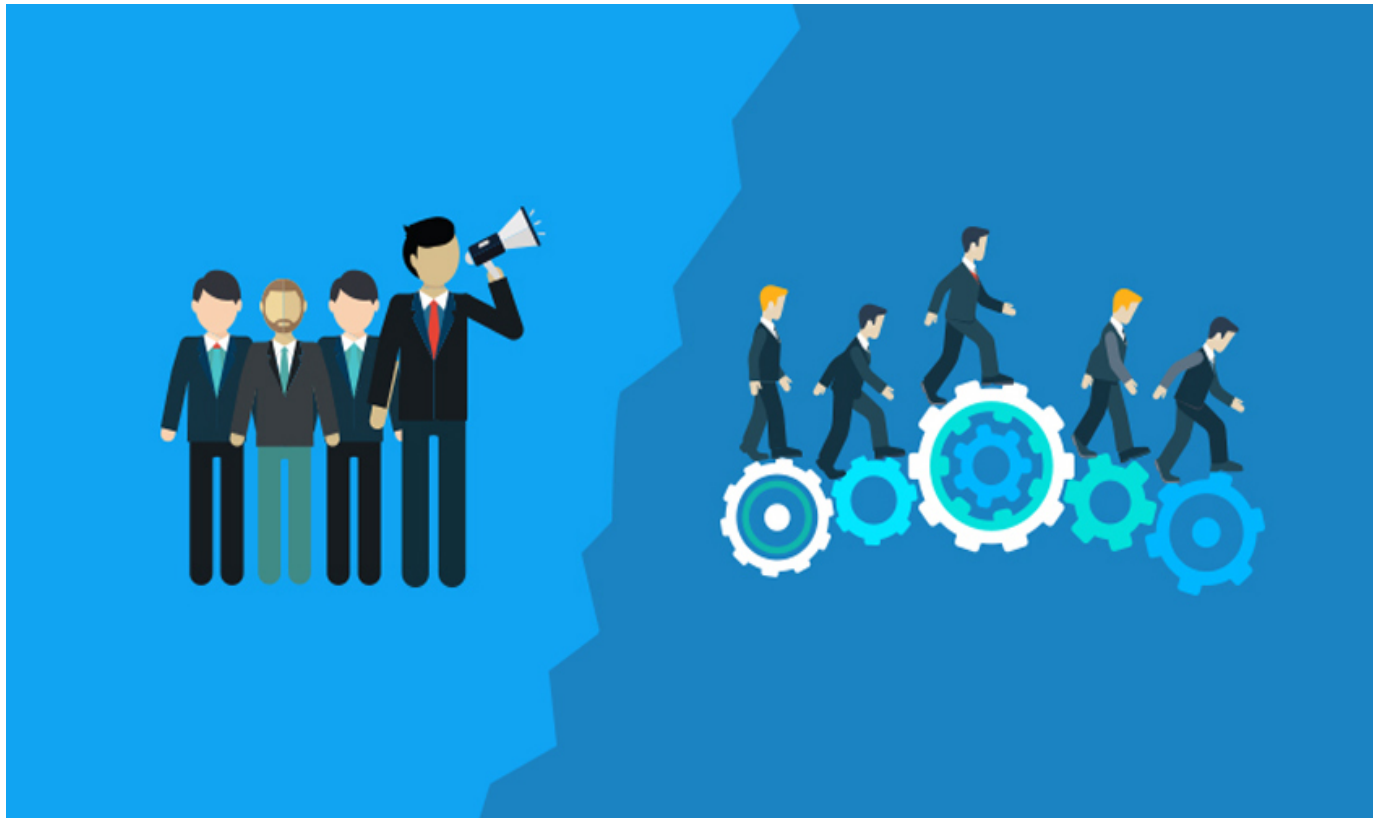


# Fundamentals of Management

1



# Part Four: Leading

2

## • Chapter Nine: Foundations of Individual Behavior

- Identify the focus and goals of organizational behavior (OB).
- Explain the role that attitudes play in job performance.
- Describe different personality theories.
- Describe perception and the factors that influence it.
- Discuss learning theories and their relevance in shaping behavior.
- Discuss contemporary issues in OB.



# A Good Manager

3

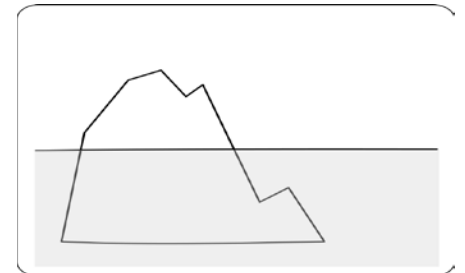
- A good manager works to get to know the unique individual characteristics of the people on his or her team to be able to effectively manage each of them.
  - A good manager treats all employees the same.



# Organizational Behavior

4

- **What are the focus and goals of organizational behavior?**
  - Organizational Behavior is the study of the actions of people at work.
    - ✦ What we see when we look at an organization is its visible aspects:
      - Strategies – Objectives – Policies and Procedures – Structure – Technology – Chain of Command, Etc.
    - ✦ But, under the surface are other elements that managers need to understand – elements that influence behavior at work.
      - A challenge in understanding OB is that it addresses issues that aren't obvious. Like an iceberg, OB has a small visible dimension and a much hidden portion.



# Organizational Behavior

5

- Organizational Behavior focuses on three major areas:
  - Individual Behavior
    - ✦ Includes such topics as attitudes, personality, perception, learning, and motivation.
  - Group Behavior
    - ✦ Includes norms, roles, team building, leadership, and conflict.
  - Organizational
    - ✦ Includes structure, culture, human resource policies and practices.

3



# Organizational Behavior

6

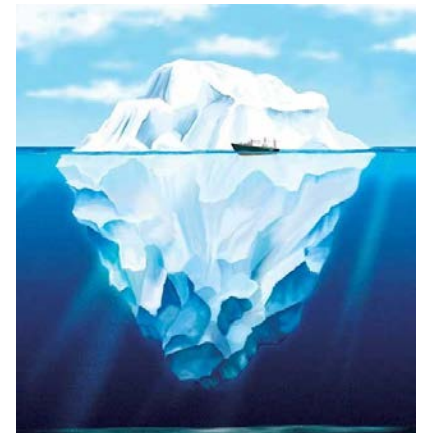
- Organization as an Iceberg

- Visible Aspects

- ✦ Strategies – Objectives – Policies and Procedures – Structure – Technology – Formal Authority – Chains of Command

- Hidden Aspects

- ✦ Attitudes – Perceptions – Group Norms – Informal Interactions – Interpersonal and Intergroup Conflicts



# Goals of Organizational Behavior

7

- The goals of Organizational Behavior are to explain, predict and influence behavior.
  - Managers need to be able to explain why EE's engage in some behaviors rather than others, predict how EE's will respond to various actions and decisions, and influence how EE's behave.



# Goals of Organizational Behavior

# 6

8

- Six important EE behaviors that managers are especially concerned with explaining, predicting, and influencing include the following:
  - 1: Employee Productivity
    - ✦ A performance measure of both work efficiency and effectiveness.
  - 2: Absenteeism
    - ✦ The failure to show up for work.
      - Although absenteeism can't be totally eliminated, excessive levels have a direct impact on the organization functioning.
  - 3: Turnover
    - ✦ The voluntary and involuntary permanent withdrawal from an organization.
      - It can be a problem because of increased recruiting, selection, training costs, and work disruptions.



# Goals of Organizational Behavior

# 6

9

- Six important EE behaviors that managers are especially concerned with explaining, predicting, and influencing include the following:
  - 4: Organizational Citizenship Behavior
    - ✦ Discretionary behavior that's not part of an EE's formal job requirements, but which promotes the effective functioning of the organization.
      - Is limited if EE is overloaded, stressed, or has work-family conflict.
  - 5: Job Satisfaction
    - ✦ An EE's general attitude toward his/her job.
      - Satisfied EE's are more likely to show up for work, have higher levels of performance, and stay with an organization.
  - 6: Workplace Misbehavior
    - ✦ Any intentional EE behavior that is potentially harmful to the organization or individuals within the organization.
      - Shows up as: deviance, aggression, antisocial behavior, and violence.

# Attitude

10

- What role do attitudes play in job performance?
  - Attitudes are evaluative statements, either favorable or unfavorable, concerning objects, people, or events.
    - ✦ They reflect how an individual feels about something.



# Attitude

11



- What are the three components of an Attitude?

1. Cognitive Component

- ✦ This component of an attitude is made up of the beliefs, opinions, knowledge, and information held by a person.
  - I feel strongly that smoking is unhealthy.

2. Affective Component

- ✦ This component is the emotional or feeling part of an attitude.
  - I don't like people who smoke.

3. Behavioral Component

- ✦ This component refers to an intention to behave in a certain way toward someone or something.
  - I will avoid hanging out with others who smoke.

# Attitude

12

- Looking at attitudes as being made up of three components – cognition, affect, and behavior – helps to illustrate their complexity and helps us better understand what “precedes” someone’s response, reaction, or behavior.
- Managers are trying to explain, predict, and influence people’s behavior, and knowing that there’s more to “attitude” than just the emotional part helps us better know how to do just that.



# Attitude

13

- Attitudes managers have particular interest in, include:
  - Job Satisfaction
    - ✦ An EE's general attitude toward the job.
  - Job Involvement
    - ✦ The degree to which an EE identifies with the job, actively participates in it, and considers performance for self-worth.
  - Organizational Commitment
    - ✦ Represents an EE's orientation toward the organization in terms of loyalty to, identification with, and involvement in the organization.



# Understanding Attitudes

14

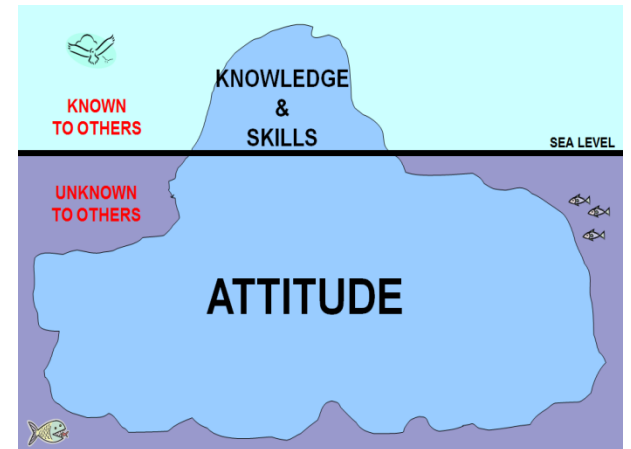
- Managers should be interested in their EE's attitudes because they influence behavior in the following ways:
  - Satisfied and committed EE's have lower rates of turnover and absenteeism. And, satisfied EE's perform better on the job.



# Employee Engagement

15

- Employee Engagement – a concept associated with job attitudes – happens when employees are connected to, satisfied with, and enthusiastic about their jobs.
  - Top Five Factors Contributing to EE Engagement:
    1. Respect
    2. Type of Work
    3. Work-Life Balance
    4. Providing Good Service to Customers
    5. Base Pay



# Employee Engagement

16

- Having highly engaged EE's produces benefits and costs.
  - Highly engaged EE's are 2 ½ times more likely to be top performers than their less-engaged coworkers.
  - Companies with highly engaged EE's have higher retention rates, which help keep recruiting and training costs low.
    - ✦ Both of these outcomes – higher performance and lower costs – contribute to superior financial performance.





# Cognitive Dissonance

17

- Research suggests that people seek consistency among their attitudes and between their attitudes and their behavior.
  - Individuals try to reconcile differing attitudes and align their attitudes and behavior so that they appear rational and consistent – either by altering their attitudes or their behavior, or by developing a rationalization for the discrepancy.

**CONSISTENCY**  
**IS** 

# Cognitive Dissonance

18

- Cognitive Dissonance is the state of having inconsistent thoughts, beliefs, or attitudes, especially as relating to behavioral decisions and attitude change.
  - No one can avoid dissonance.
    - ✦ For example, you know you should floss every day, but you don't.
      - There is an inconsistency between attitude and behavior.



# Cognitive Dissonance

19

- People cope with cognitive dissonance by evaluating the following three things:
  - The importance of the factors creating the dissonance.
  - The degree of influence one believes he has over those factors.
  - The rewards that may be involved in dissonance.
    - ✦ If the issues underlying the dissonance are of minimal importance, if an individual perceives that the dissonance is externally imposed and is substantially uncontrollable, or if the rewards are significant enough to offset it, the individual will be compelled to reduce it.

**COPE**

# Cognitive Dissonance

20

- **Employees will try to reduce cognitive dissonance.**
  - If EE's are required to do things that appear inconsistent to them or that are at odds with their attitudes, managers should remember that pressure to reduce the dissonance is not as strong when the EE perceives that it is externally imposed and uncontrollable. It also decreases if rewards are significant enough to offset the dissonance.
    - ✦ Managers should identify external forces such as competitors, customers, or other factors when explaining the need to perform some work the individual may have some dissonance about. Or, the manager can provide rewards that the individual desires.



# Personality

21

- An individual's Personality is a unique combination of emotional, thought, and behavioral patterns that affect how a person reacts to situations and interacts with others.
  - Just like attitudes, personality affects how and why people behave the way they do.
    - ✦ 78 % of employers say that personality is the most important attribute in a job candidate.

Miss Personality



# Myers-Briggs Type Indicator (MBTI)

22

- MBTI is one of the more widely used methods of identifying personalities.
  - The MBTI uses four dimensions of personality to identify 16 personality types based on the responses to a questionnaire.
    - ✦ The MBTI Assessment is used by 80% of Fortune 500 companies.

**The Myers-Briggs™  
Type Indicator**  
(The Keirsey Temperament Sorter)

<b>E</b> Extroverted (Expressive)	<b>S</b> Sensing (Observant)	<b>T</b> Thinking (Tough-Minded)	<b>J</b> Judging (Scheduling)
<b>I</b> Introverted (Reserved)	<b>N</b> Intuitive (Introspective)	<b>F</b> Feeling (Friendly)	<b>P</b> Perceiving (Probing)

# MBTI

23

4

- The 16 personality types are based on 4 dimensions:

1. Extroversion vs. Introversion (EI)

- ✦ Describes an individual's orientation toward the external world of the environment (E) or the inner world of ideas and experiences (I).

2. Sensing vs. Intuition (SN)

- ✦ Indicates an individual's preference for gathering data while focusing on a standard routine based on factual data (S) to focusing on the big picture and making connections among the facts (N).

3. Thinking vs. Feeling (TF)

- ✦ Reflects one's preference for making decisions in a logical and analytical manner (T) or on the basis of values and beliefs and the effects the decision will have on others (F).

4. Judging vs. Perceiving (JP)

- ✦ Reflects an attitude toward how one deals with the external world – either in a planned and orderly way (J) or preferring to remain flexible and spontaneous (P).

# Big Five Model of Personality

24

- Another way of viewing personality is through a five-factor model of personality.

5

1. Extraversion

- ✦ The degree to which someone is sociable, talkative, and assertive.

2. Agreeableness

- ✦ The degree to which someone is good-natured, cooperative, and trusting.

3. Conscientious

- ✦ The degree to which someone is responsible, dependable, persistent, and achievement oriented.

4. Emotional Stability

- ✦ The degree to which someone is calm, enthusiastic, and secure (positive) or tense, nervous, depressed, and insecure (negative).

5. Openness to Experience

- ✦ The degree to which someone is imaginative, artistically sensitive, and intellectual.



# Big Five Model of Personality

25

- The best predictor of job success is the Conscientious Dimension in the Big Five Model of Personality



# Emotional Intelligence

26

- Emotional Intelligence refers to an assortment of non-cognitive skills, capabilities, and competencies that influences a person's ability to cope with environmental demands and pressures.
  - People who understand their own emotions and are good at reading others' emotions may be more effective in their jobs.



# Emotional Intelligence

27

- **Emotional Intelligence is composed of five dimensions.**

1. **Self-Awareness**

- ✦ Being aware of what you're feeling.

2. **Self-Management**

- ✦ Managing you own emotions and impulses.

3. **Self-Motivation**

- ✦ Persisting in the face of setbacks and failures.

4. **Empathy**

- ✦ Sensing how others are feeling.

5. **Social Skills**

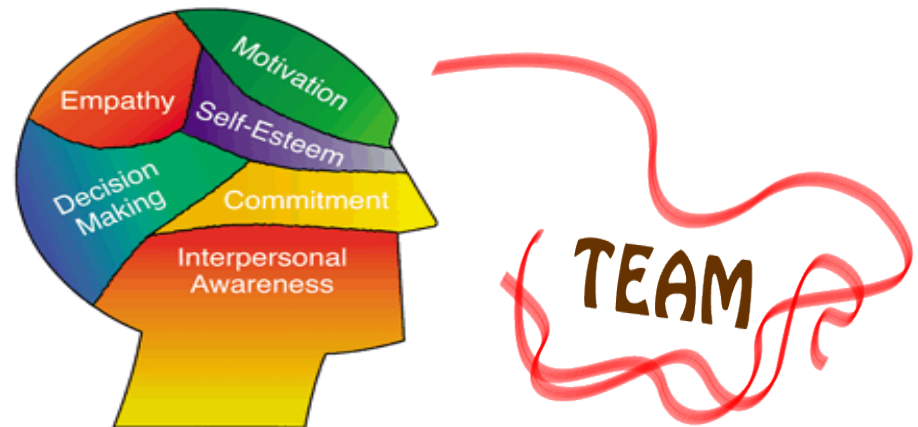
- ✦ Adapting to and handling the emotions of others.



# Emotional Intelligence

28

- Emotional Intelligence skills are twice as important in contributing to excellence as intellect and expertise alone.
  - Emotional Intelligence, not academic IQ, characterizes high performers within an organization.
  - EI contributes to team effectiveness.



# Personality Traits

29

- Personality Traits have proven most powerful in explaining individual behavior in organizations.
- Locus of Control
  - ✦ (Internal LOC) belief that one control's their own fate
  - ✦ (External LOC) belief that what happens is due to luck or chance.
- Machiavellianism (Mach)
  - ✦ A technique in gaining and manipulating power.
  - ✦ Pragmatic, emotionally distant, and belief of ends justifies means.
    - In jobs that require bargaining skills (a labor negotiator) or that have substantial rewards for winning (a salesperson), high Machiavellian EE's are productive.



# Personality Traits

30

- Personality Traits have proven most powerful in explaining individual behavior in organizations.



- Self-Esteem

- ✦ Self-Esteem is directly related to expectations for success.
- ✦ People differ in the degree to which they like or dislike themselves.
  - Persons with high self-esteem believe they possess the ability to succeed at work. They will take more risks in job selection and are more likely to choose unconventional jobs.
  - Persons with low self-esteem are more susceptible to external influence, and are dependent on positive evaluations from others. They are more likely to seek approval and conform their beliefs and behaviors to please others.



# Personality Traits

31

- Personality Traits have proven most powerful in explaining individual behavior in organizations.



- Self-Monitoring

- ✦ Individuals can show adaptability in adjusting their behavior to external, situational factors. Highly sensitive to external cues and can behave differently in different situations.
  - High self-monitors tend to pay closer attention to the behavior of others and are capable of conforming. These persons will be successful in management positions.

- Risk Taking

- ✦ Willingness to take chances. Rapid decision-making ability.
  - High risk takers will be successful as stock trader or entrepreneur. Low risk takers will be successful in accounting.

# Personality and Jobs

32

- Psychologist, John Holland, states that an employee's satisfaction with his or her job, as well as, the likelihood of leaving that job, depends on the degree to which the individual's personality matches the job environment.
  - His theory proposes that satisfaction is highest and turnover lowest when personality and occupation are compatible.





# Holland's Personality-Job Fit

33



- 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 involving thinking, organizing, and understanding
  - ✦ Analytical, original, curious, independent
    - Biologist, economist, mathematician, news reporter

- Social

- Prefers activities that involve helping and developing others
  - ✦ Sociable, friendly, cooperative, understanding
    - Social worker, teacher, counselor, clinical psychologist

# Holland's Personality-Job Fit

34



- Conventional

- Prefers rule-regulated, orderly, and unambiguous activities
  - ✦ Conforming, efficient, practical, unimaginative, inflexible
    - Accountant, corporate manager, bank teller, file clerk

- Enterprising

- Prefers verbal activities that offer opportunities to influence others and attain power
  - ✦ Self-confident, ambitious, energetic, domineering
    - Lawyer, real estate agent, public relations specialist, small biz manager

- Artistic

- Prefers ambiguous and unsystematic activities that allow creative expression
  - ✦ Imaginative, disorderly, idealistic, emotional, impractical
    - Painter, musician, writer, interior decorator

# Personality and Jobs

35

- Managers should be interested in their EE's personalities, because those personalities influence their behavior in the following ways:



- Job-Person Compatibility

- ✦ Managers are likely to have higher-performing and more-satisfied EE's if consideration is given to matching personalities with jobs.

- Understanding Different Approaches to Work

- ✦ By recognizing that people approach problem solving, decision making, and job interactions differently, a manager can better understand the approach and be more equipped in dealing with it.

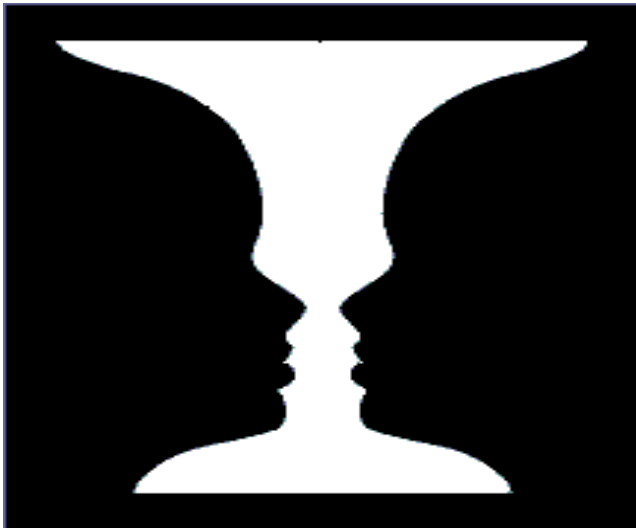
- Being a Better Manager

- ✦ Being a successful manager and accomplishing goals means working well together with others both inside/outside the organization.
  - To work effectively together, you need to understand each other.

# Perception

36

- Perception is a process by which we give meaning to our environment by organizing and interpreting sensory impressions.
  - Individuals may look at the same thing, but perceive it differently.



# Perception

37

- Individuals may look at the same thing, but perceive it differently.
  - One manager can interpret the fact that an EE regularly takes several days to make important decisions as evidence that the EE is slow, disorganized, and afraid to make decisions.
  - Another with the same EE might interpret the same tendency as evidence that the EE is thoughtful, thorough, and deliberate.



# Perception

38

- A number of factors operate to shape and sometimes distort perception. These factors can reside in:
  - The Perceiver
    - ✦ Personal characteristics; such as, attitudes, personality, motives, interests, past experiences, etc. influence the interpretation.
  - The Object or Target being perceived
    - ✦ Because targets are not looked at in isolation, the relationship of a target to its background influences perception (i.e. beauty); as does our tendency to group close and similar things together.
  - The Context of the Situation in which the perception is made
    - ✦ The time at which an object or event is seen can influence attention, as can location, lighting, temperature, and a other situational factors.

# Perception

39

- When we observe people, we attempt to develop expectations of why they behave in certain ways.
  - Our perception and judgment of a person's actions, therefore, will be significantly influenced by the assumptions we make about the person's internal state.

The  
Perception  
Process

# Attribution Theory

40

- Attribution Theory explains how we judge people differently depending on how we attribute the behavior.
  - When we observe an individual's behavior, we attempt to determine whether it was internally or externally caused.
    - ✦ Internal - behavior is believed to be under the control of the individual.
    - ✦ External - behavior results from outside causes. The person is seen as have been forced into the behavior by the situation.
      - The determination depends on three factors:  
(1) Distinctiveness, (2) Consensus, and (3) Consistency



# Attribution Theory

41

- **1. Distinctiveness**

- Refers to whether an individual displays a behavior in many situations or whether it is a particular situation. If the behavior is unique, the observer will attribute it to an external factor.

- **Does the person behave this way in other situations?**

- Yes: Low Distinctiveness = Internal Attribution
- No: High Distinctiveness = External Attribution

HIGH |  
LOW

# Attribution Theory

42

- **2. Consensus**

- If everyone who is faced with a similar situation responds in the same way, we can say the behavior shows consensus. If the consensus is high, it would receive an external attribution.

- **Do other people behave the same way in similar situations?**

- Yes: High Consensus = External Attribution

- No: Low Consensus = Internal Attribution

HIGH |  
LOW

# Attribution Theory

43

- **3. Consistency**
  - The more consistent the behavior, the more the observer is inclined to attribute it to internal causes.
- **Does the person behave this way consistently?**
  - High Consistency = Internal Attribution
  - Low Consistency = External Attribution

HIGH |  
LOW

# Fundamental Attribution Error

44

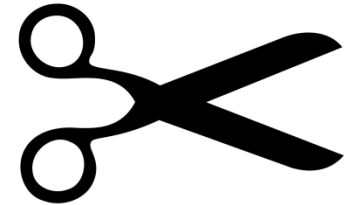
- When we make judgments about the behavior of other people, we have a tendency to underestimate the influence of external factors and overestimate the influence of internal or personal factors.
  - Individuals also tend to attribute their own success to internal factors such as ability or effort while putting the blame for failure on external factors such as luck (or an “unfair” test).
    - ✦ This self-serving bias suggests that feedback provided to EE’s in performance reviews will be predictably distorted by them, whether it is positive or negative.



# Perception

45

- All of us use a number of shortcuts to judge others. There are pros and cons to this method of judgment.
  - Selectivity
    - ✦ People assimilate certain bits and pieces of what they observe depending on their interests, background, experience, and attitudes.
  - Assumed Similarity
    - ✦ People assume that others are like them.
  - Stereotyping
    - ✦ People judge others on the basis of their perception of a group to which the others belong.
  - Halo Effect
    - ✦ People form an impression of others on the basis of a single trait, i.e. intelligence, enthusiasm, attractiveness, etc.





# Learning

47

- Social Learning Theory – Learning both through observation and direct experience.
  - Influence of role models, such as, parents, teachers, peers, celebrities, managers, and so forth, is central to social learning.



# Social Learning

48

- Four processes determine the amount of influence role models have:
  1. Attentional Processes
    - ✦ People learn from a model when they recognize and pay attention to its critical features.
  2. Retention Processes
    - ✦ A model's influence will depend on how well the individual remembers the model's action, even after the model is no longer readily available.
  3. Motor Reproduction Processes
    - ✦ After a person has seen a new behavior by observing the model, the watching must become doing.
  4. Reinforcement Processes
    - ✦ Individuals will be motivated to exhibit the modeled behavior if positive incentives or rewards are provided. Reinforced behaviors will be given more attention, learned better, and performed more often.



# Learning

49

- Four Ways to Shape Behavior:

- Positive Reinforcement

- ✦ Follow a desired behavior with something pleasant.
  - Praising an EE for a job well done.

- Negative Reinforcement

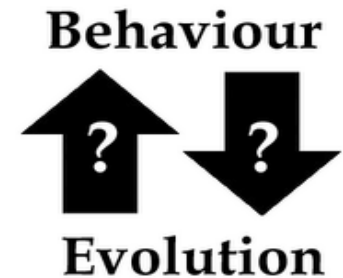
- ✦ Follow a desired behavior by terminating or withdrawing something unpleasant.
  - Telling an EE you will not dock their pay if arrive on time.

- Punishment

- ✦ Penalizes undesirable behavior.
  - Suspending an EE for showing up drunk to work.

- Extinction

- ✦ Not reinforcing (ignoring) a behavior, making it gradually disappear.



# Understanding Perception

50

- Managers should be interested in perception because it helps them understand EE behavior.
  - Managers need to recognize that their EE's react to perceptions, not to reality.
    - ✦ If individuals perceive appraisals to be biased or wages low, they'll behave as if those conditions actually exist.
  - EE's organize and interpret what they see, so there is always the potential for perceptual distortion.
    - ✦ The message is clear – pay close attention to how EE's perceive both their jobs and management actions.



# Contemporary Issues

51

- **Two Organizational Behavior issues having major influence on managers' jobs today, are:**
  - Generational differences affecting the workplace.
    - ✦ Conflicts and resentment can arise over issues such as appearance, technology, and management style.
  - Negative behavior in the workplace.
    - ✦ Rudeness, hostility, aggression, and other forms of workplace negativity have become all too common in today's organizations.
      - Screen potential EE's for certain personality traits.
      - Respond immediately and decisively to negative behavior.
      - Pay attention to EE attitudes.

*The*  
E N D