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ORGANIZATIONAL BEHAVIOR

ATLANTIC INTERNATIONAL UNIVERSITY (AIU)

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ORGANIZATIONAL BEHAVIOR

Introduction

Rayon Sport Football Club is a very well-known soccer team in Rwanda. Every little child dreams to be its player one day or the other despite the genocide of 1994 which fell on the team with a deadly blow. It was created by simple citizens in rural areas in the southern province of Rwanda. Everyone had 'their say' on the team's organization and leadership. Today, Rayon Sport FC is in the capital city of Rwanda where it is making the difference. One player Jimmy Gatete, most loved of Rwandan strikers of all time said in an interview, "there is no single Rwandan player who does not wish to be in Rayon Sport FC." The team does not have much money to compete with other teams in the city but still has many wins with national and regional successes.

Whether we consider sports teams, companies or individual farms, what matters most is people and their work. When people decide to work hard in organizations as individuals and as teams, it inevitably appears on the organizational turnovers. That happens only when they interact and feel happy about themselves in the organization. It is therefore interesting to understand dynamics behind people satisfaction at the workplace. Obviously, it requires respect of human interest, goals, talents, emotions and personalities. Organizational behavior is the study of those elements at the work place.

Organizational Behavior is a very large and complex course but a critically important one in our modern organizational framework. Its advanced behavioral science theories and applications are used in organizational management. Many writers and researchers had begun to ask pertinent questions about contemporary organizations including, "Whose interests are served by organizational Behavior?" Others are calling for experts to take a more critical approach to this study and research.

Discussion questions

In this paper, I will discuss on focus questions like:

- What is really Organizational Behavior (OB)?
- What are the foundations of organizational behavior?
- What are the challenges facing contemporary managers
- What is diversity and what is its implication for people in management?
- Why are ethics and social responsibilities an important issue in studying organizational behavior?

Case study:

The Case of Peace Mukankusi Kabera' s supermarket

In my country Rwanda, it has been a tag of war to make organizations understand that Organizational Behavior is what they needed to stay competitive in a market that is attracting more and more investors. As a matter of fact, many business owners limited their hiring efforts to friends and family, neglecting the wider pool of talent that might be available yet at the present time, international companies like in telecommunication MTN and Tigo, important financial institutions like KCB (Kenya Commercial Bank), ECOBANK, FINA, etc... are already installed and others are on the way. Nevertheless, people are beginning to embrace the new wave of change seeing how Organizational Behavior can help them hire and keep competent staff. All this started when the William Davidson Institute at the University of Michigan, Dearborn, partnered with Rwanda's School of Finance and Banking in Kigali and Goldman Sachs to educate women entrepreneurs through the 10,000 Women program, the institutions knew they were up against a significant challenge. Torn apart by civil war which ended up in genocide during which millions were killed others displaced, Rwanda is trying to rebuild itself but continues to suffer from a low gross domestic product., it ranks 150th among 228 nations tracked by U.S. agencies. Instructors in the 10,000 Women program declare they have been encouraged by the participants' progress during the first two sessions in 2008 and 2009. About 30 women participated in the third Entrepreneur Certificate Program which was held from September 2009 to January 2010. In that program Julie Anne Felker, an assistant professor of organizational behavior at the University of Michigan's College of Business, trained entrepreneurs like Peace Mukankusi Kabera. The focus was on organizational management and employee relations.

Self-Evaluation with Organization's management in view

Kabera, a 45-year-old owner of Pioneer Supermarket in Kigali City, says many entrepreneurs like her had never learned human resources strategies and organizational management skills. "It has been difficult for me to manage my employees as well as handle my customers and my competitors," she says.

Kabera, who opened her supermarket in 1994, says it is only after the training she realized how important it is to use standardized recruitment procedures. "This has helped me [find] workers who are qualified and have experience in doing business. I now also know the importance of creating a positive work environment, delegating, training my workers, giving them time to speak out about their grievances and empowering them."

In the educational process, instructors had decided to address the need for the participants to first keep in mind their status of entrepreneurs and business owners, Felker said. "We also wanted them to understand the way that their human resources management activities, including hiring and managing employees, could affect their

business operations." Through evaluation of their personal skills, adds Felker, "we helped [the entrepreneurs] identify the values and styles that were important to them and to the success of their enterprises. Then we helped them determine how those values would impact the way they recruited, retained and managed their employees." The diverse backgrounds within the groups of participants posed an initial challenge. Some of them had already mature businesses while others were still on the stage of thinking about becoming entrepreneurs. It was of prime importance to determine how to be meaningful to all of them by the same occasion.

Felker gave those women scholars the exercise of telling her a typical job description. They generally agreed that they use to choose single women, age between 25 and 30; but when asked how many of them fit that description, few of them could raise their hands.

Changing the mindset

Felker succeeded in making women entrepreneurs accept the idea that employees are willing to contribute to the business's success. "The key is to help employees understand how their success can be linked to the company's." Felker says.

It appears that implementing such a concept presents challenges she had to acknowledge, since it meant that business owners needed to change their mindset , empower and include employees in the decision making process instead of maintaining the traditional command-and-control model.

Kabera had to confess that the organizational management skills she learned gave her more insight into human behavior, which in turn helped her lead her employees into identifying themselves with their job roles and work participation. "It also let me see how their [job-related] performance was an important factor in their own self-worth," Kabera notes. As a result, she now tries to delegate more of the work to her employees, further adding to their sense of empowerment.

While her employees contribute more responsibly, Kabera has time to think on strategic issues. "For example, I no longer have to rush to fill inventory because my employees already know what is missing and can decide to buy without waiting for orders from me," she says. "They can also directly contact our customers to answer questions or to clear up misunderstandings."

Kabera thought of motivational effects for her employees like modifying their compensation packages right by the knowledge she gained from the 10,000 Women program. "Before the training, I believed that compensation consisted only of salary," she says. "But now I realize that I can supplement it with other benefits, like providing some gifts to the best workers or giving some bonuses at the end of the year."

All kinds of changes Kabera implemented have clearly proved to be in the organization's best interests because they provided an increase in customer traffic, and in sales profits.

It is still too early to come to fast conclusions, with this single example but there is clear difference between kabera's supermarket before the organizational behavior training and after.

Case written by: Knowledge@Wharton, Rwandan Business Owners Embrace New Ideas for Managing Employees. Published: April 28, 2010.

Definitions:

Organizational Behavior can have a number of definitions but all related to employees at work. It finds roots in many other fields of studies around management.

- Organizational behavior can be defined as a study field combining many other fields of study. Its aim is to help understand and manage better employees in an organization;
- It can also be defined as the study of people's thoughts, feelings and attitudes in organizations;
- It can be defined again as a systematic and analytical study followed by the application of skills and knowledge about people's personality, cultural backgrounds and perceptions in an organization's setting.

From these definitions it is apparent that OB is a field of study. With OB, I will look consider the three levels and perspectives:

- Individuals
- Groups
- Organization

It draws its study from the fields of Human resources, management, Business Ethics, Business Communication and even sociology.

It is true that organizations do not have either organizational behavior departments or any structure that may spearhead a position of Organizational Behavior specialist. It is necessary to understand, predict and influence what people are thinking within the organization. It is not just for managers but also marketing specialists, computer programmers, economists and everyone at work. All departments' leaders need to know how to handle the issue of conflicts, communicate appropriately, and influence groups for the good of the organization and make decisions based on knowhow. It can help one to assess them objectively and improve their interpersonal communication within the organization.

Organizations existed since people learned to work together. They varied from the humble individual farm in the remotest village of Rwanda to the modern multinational company with complex systems operating in Japan, USA or elsewhere in Europe. The scope will also reach the business people as well as politicians, church leaders; school teachers and the family level. This range will include the one with participative (democratic), autocratic (dictatorship) or delegative (delegating others) leadership style.

Contributing disciplines to the organizational behavior field are:

- Psychology
- Political science
- Anthropology
- Sociology
- Medicine (to some extent with the study of stress effects and cure)

Reasons behind studying organizational behavior:

- Understand organizational events
- Influence organizational events (come up with ideas and recommendations for organizational action)
- Predict organizational events
- ✚ Organizational behavior is a study that answers practical questions
- ✚ It varies between people and across different situations. This means that managers should choose tools and techniques appropriate to the situation they face.
- ✚ It makes use of scientific method and inquiry.

Challenges for organizational behavior

Managing employees' behavior is a challenging task for the reasons underlined below:

- Diversity: people behave differently by their beliefs (religions), gender, races/ethnics/tribes, social standings, nationalities and level of education.
- Personality traits are different from person to person
- National understanding of ethical values is different from country to country
- Personal purpose/goals are different depending on individuals
- New organizational forms are different from organization to organization
- Human rights at the workplace must be respected
- Knowledge and information are very important but at varied levels from organization to organization.

Reference: Created based on ideas and information found in Caruso, D., & Salovey, P. (2004). *The emotionally intelligent manager: How to develop and use the four key emotional skills of leadership*. San Francisco: Jossey-Bass; Scott, E. (2008).

Wood et al, Managers and organizational behavior (2004).

How is organizational behavior research conducted?

Trusting a study is not automatic but it requires a systematic approach to convince anyone. Organizational behavior researchers have a number of tools to analyze how individuals, groups and organizations behave. They use observations, reading reports and information from individuals working within organizations and then set out the study using all variables. There are many research methods but I will just discuss a few of them in the next section.

- ❖ Surveys: It consists of setting a number of questions for individuals to answer them and then analyze these answers. These surveys are classified in categories like,
 - Goal setting which is about giving the response key and then ask workers to provide individual rating from one to five;
 - Field studies which consists of dividing employees into two groups based on the information of goal setting; when you want to see its efficiency and then one group will be informed on goal setting while the other will not. The results speak for themselves;
 - Laboratory studies which simply consist of giving one group of employees being assigned one condition and the other group remains with the control condition. For example if you want to hire and fire some employees one is checking on the effect it has on remaining employees. Definitely it does not necessarily give exactly what it may give in a real setting because it would be illegal.
 - Case studies which are detailed descriptions of one industry to the point that one can draw conclusions about circumstances and people.
 - Meta-analysis simply consisting of analyzing what other researchers have provided on a certain topic. Reliability is in consistency of the measurement and the validity is in the truthfulness of the measurement.

Communication

Human beings being social being in general, it is important to note that they have always been communicative. In the army, when communication is cut off, there are many chances to fall into enemy positions unknowingly. An organization's communication strategies are as important as its production strategies. When an organization plans its success but forgets communication strategies, it is planning to fail inevitably. Communication is a way of coordinating actions and achieving goals. Almost ninety percent of leaders' time is spent in communication and the greatest leaders have been and still are great communicators.

In organizations communication plays the role of transmitting information, coordinating efforts and activities and sharing emotions and/or feelings which is important for the bonding together of the corporate team. Noise or a misplaced word can distort

communication and thus endangers the future relationship of both the sender and the receiver.

Hindrances to effective communication

The foremost problem is the illusion that communication has taken place. Other barriers to effective communication are:

- Filtering which consists of withholding for one reason or the other and then release a chosen part of it.
- Selective perception; here it refers to human attitudes which always tend to perceive what is related to our own needs.
- Information overloads which happens due to too much information we receive from unwanted and wanted sources to the extent that we are unable to process internally.
- Emotional disconnect which occurs when the receiver is emotional upset. Then he/she tends to distort or even ignore part of the sender's information.
- Lack of source credibility or familiarity; it happens when the sender's credibility has been questionable in the past or if the receiver is not familiar with the sender, there is reason to filter the communication.
- Gossip in the workplace prevents effectiveness of formal communication because employees are more likely to trust their peers than their manager.
- Semantics are meanings of one word which may be diversified to someone while to another the same word means nothing at all. This happens in organizations too.
- Gender may also cause a sender of a different gender to be misinterpreted by a receiver. For example, males' metaphors are different from females.
- There can be also differences of perception of one word from the sender to the receiver. This can create room for misinterpretation.
- To verbal communication, poor listening is a great barrier to communication.

Types of communication

There are three types of communication:

- Verbal communication which is an oral way and is a direct expression of spoken words from person to person.
- Nonverbal communication which uses tone of voice, facial expressions, body stances and other forms of gesturing. It has been proven by researchers that nonverbal communication plays a more important role in communication than it was believed in the past. Interviews can be revealing of a prospective employee's personality by observing their attitude.
- Written communication which can also be called printed messages includes letters, e-mails, proposals, memos, training manuals and operating policies. It can be in hard copy or soft but seen on a screen.

All these three forms of communication are useful to the organization's success,

Managing diversity

Our world is becoming like a village by the speed of technology in almost all aspects of life and thus even the workforce is following the same curve being diverse in all parts of the planet earth. It is increasingly becoming important to use diversity of culture, race, gender, age and even physical abilities or disabilities in organizations. For this reason, managers are confronted with hard to crack challenges in putting to work this diverse workforce. This paragraph is about managing cultural and demographic diversity.

Doing Good as a Core Business Strategy:

The Case of Goodwill Industries

Goodwill Industries International is an advocate for diversity for more than one hundred years. It started in 1902, when a missionary began an operation of enlisting from his parish immigrants who were struggling in Boston, Massachusetts and gave them the job of cleaning and repairing both clothes and other goods which were sold later on. Thus Goodwill was the first social enterprise and built up respect for diversity. To this day, it is common to find people of diverse cultural backgrounds including diversity in color, race, gender, physical ability, even former criminals etc... In 2008, more than 172,000 people were employed, who were paid billions as a salary at the same time being equipped for better production in the society. This organization has decided that diversity is their organizational norm, and as a result, employees do not have problems handling issues of stereotypes or discrimination. In an organization of individuals with such wide-ranging backgrounds, there is no wonder that values and beliefs are so varied.

The management and operations are decentralized within the organization with more than a hundred independent community-based Goodwill stores. They are regional businesses, independent and nonprofit seeking human services organizations. One might wonder how in spite of its decentralization, the company could maintain its core values. For example, Seattle's Goodwill helps the city's immigrants and other individuals who do not have basic education and English language skills while at Goodwill Industries of Kentucky, the organization recently invested in custom software to balance daily sales at stores to facilitate operations for managers to have more time working on managing employees.

One of Goodwill's successes is the ability of innovation. When technology intervened in our society and became necessary for most jobs, Goodwill developed training programs to fully equip individuals for better productivity as workers, and in 2008 Goodwill was able to provide more than one million people with career services. Goodwill entered into the digital age as a whole. Currently, it is possible to find Goodwill on Facebook, Twitter, and YouTube. The organization is seizing all opportunities for sustainability. For example, at the beginning of 2010, Goodwill received a \$7.3 million grant from the U.S.

Department of Labor, which will provide funds to prepare individuals to enter the rapidly growing green industry of their choice. Goodwill discovered long ago that diversity is an asset rather than a liability.

Interpreted after the case written by Carlene Reynolds, Talya Bauer, and Berrin Erdogan to accompany Bauer, T., & Erdogan, B. (2009). *Organizational behavior* (1st ed.).

Demographic diversity

If managed efficiently, demographic diversity presents a variety of advantages including higher creativity in decision making because one is drawing from different backgrounds; better understanding and service of customers because these people are able to make products which are appealing to a broader range of customers; more satisfied staff; higher stock prices because when the international bureau of standards declare a company as having high quality products, this creates a rise in its stock prices the next month if not next week; lower litigation expenses and higher company performance.

However, if not managed right, this diversity can bring very tough challenges like similarity-attraction phenomenon keeping in mind that people always tend to hire others of the same kind, race, gender, ...; fault lines which occur for example when people of the same age women or men tend to form their subgroup within the organization and stereotypes.

Cultural diversity

The term Culture is a shared pattern of beliefs, feelings and adaptation, which people carry in their minds. (Leighton & Hughes, 1961). Understanding the role of national culture for organizational behavior may be a key to competitive advantages in our career. The culture in some countries is individualistic, in others it is collectivist. It has also other differences it carries from country to country like low power distance (for most of the western countries where people do not view unequal distribution of power as acceptable), high power distance (in most Asian, African, south America and Caribbean countries where people view unequal distribution of power as relatively acceptable); low uncertainty avoidance (whereby people feel comfortable in uncertain situations) and high uncertainty avoidance (whereby people do not tolerate uncertain and ambiguous situations); valuing masculinity (where people highly value achievement, competitiveness and acquiring money and other material things); femininity (culture in which people highly value good relationship and supporting the weak).

The culture on these four dimensions; individualism/ collectivism; power distance; uncertainty avoidance; masculinity/femininity affects a lot the convenient type of management style, reward systems, employee selection, and ways of motivating

employees. It is therefore important to first be familiar with the culture diversity before any decision making process.

On the other hand, Ethics and the national culture are intermarried factors. In every culture, there are specific ethical values related to it. For instance, in the country of Uganda (East African country), integrity in finances is seen as not necessary because people believe that it is impossible to prosper without some element of cheating the other party. However in France, cheating is a terrible crime as embedded in their culture.

Tsui, A. S., Nifadkar, S. S., &Ou, A. Y. (2007). Cross-national, cross-cultural organizational behavior research: Advances, gaps, and recommendations. *Journal of Management*, 33, 426–478.

Ergeneli, A., Gohar, R., &Temirbekova, Z. (2007). Transformational leadership: Its relationship to culture value dimensions.

Who leads an organization?

It has been said that everything rises or falls on leadership. To have a highly performing organization means having a good leader. In this paragraph I am going to share in brief on trait approaches to leadership. Leaders are supposed to be creators and changers of an organization's culture. There is a direct relation between the leader's style and the organization's culture. It means that, on one hand when leaders reward MUTUAL support, the organization's culture tends to be more supportive and relationship oriented. On the other hand when leaders are rewarding what is related to performance, the organization's culture tends to be more performance oriented and competitive. Thus in these ways or in many more others, leaders actions influence the cultures their organizations have.

In this way, we understand that the leader's influence by all means is primarily through role modeling more than through seminars or storytelling. By monitoring the leader's behaviors, employees can know acceptable and unacceptable behaviors in the organization.

There are four situational types of leadership styles but three are most popular:

- The directive style which is applied for employees with little skills in their work or work only when told to or are facing a dilemma in their duties.
- The second is supportive and is used to employees facing a repetitive, stressful or tiresome.
- The third is participative and is applied with employees who are well skilled; if they can work without being controlled or when the decision is within their responsibility.

In summary, leaders shape and maintain an organization's culture by their day to day actions and reactions.

Arnold, J. T. (2007, April). Customers as employees. *HR Magazine*, 77–82. Kristof-Brown, A. L., Zimmerman, R. D., & Johnson, E. C. (2005). Consequences of individuals' fit at work: A meta-analysis of person-job, person-organization, person-group, and person-supervisor fit.

Recommendations

I wish to recommend organizational behavior to all who are in leadership positions because we are living a fast paced world and the work's nature is changing almost at the same speed. Techniques which used to work in the past tend to be useless and obsolete with today's huge technological changes. The digital era has brought many transformations in every day's management by the fact that information is circulated all over the world in an incredible pace. The leadership position involves therefore a lot of reading and pondering over new technologies for the enhancement of successful work productivity. The leader's personality should always reflect the organization's core values to keep its identity through all changes it may undergo. Organizational behavior will assist managers in their quest for better performance by its very nature that transcends many study fields and draws out the best for leadership. Multiculturalism is gradually setting up its shadow in all countries leaving in ruins outdated old fashioned principles of management which were once powerful means of managing organizations. Organizational behavior is a study that analyzes people's behaviors at work, demographic diversity, cultural diversity, personality traits, stress and stress management; leadership styles and how leaders can influence positive change to the extent of creating and maintaining highly performing cultures in the organization; thus making room for the corporate to increase turnovers.

Conclusion

This paper is written to familiarize us with the concept of organizational behavior. We have covered methods organizations might use to address issues related to the way people behave at work. A large number of factors have been covered, both within an individual, group and organization and within the environment that may influence a person's behaviors and attitudes. I am convinced that in the near future, our society is likely to experience a major shift in the way organizations function, resulting from rapid technological advances, social awareness, and cultural blending. Organizational behavior studies hope to enhance an organization's ability to cope with these issues in order to make a significant benefit for organizations and their employees alike.

We traced the implications of demographic and cultural diversity for organizational behavior. Management of diversity, stress which is currently a major concern for companies and workers all over the world, the importance of effective communication in organizations, and finally the leadership skills along with group and/or team development effectively promises a number of benefits for companies and may be a

competitive advantage. Yet, challenges such as natural human tendencies to associate with those similar to us and using stereotypes, conflicts which range from simple annoyance to physical violence create at the same time a door of opportunity for creativity and innovation. We all understand that without a certain level of difficulty human kind is unable to think creatively. Facility induces laziness. Leaders being called to making decisions are confronted with either easy decision making but sometimes have to deal with decision-making that require thorough consideration of circumstances around that process. For this reason, there are characteristic traits of leader who deserves to be in that role including ethics whereby both servant leadership and authentic leadership are the most in focus. A leader must demonstrate attitudes and behaviors that address employee, organizational, and stakeholder needs. It requires understanding and flexibility on the part of leaders. We analyzed the organizational culture, how it is created and how necessary changes can be introduced and installed in the organization despite the fact that changes are often resisted but the possibility of recruiting a number of opinion leaders to help promote the coming change. For changes that require job losses, it is important to remain ethical. The last element is that even though values held in culture are not in line with the organization's success, leaders must be role models for the change, make rules and serve as agents of change.

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