# Introduction

OB Def: A field study that investigates the impact that individuals, groups and structures have on behaviors within organizations. (individual->group->organization)

Organization: A consciously coordinated social unit:

* Composed of a group of people
* Functioning on a relatively continuous basis
* To achieve a common goal

Why interpersonal skills are important:

* Recognition of impact of developing skills is closely ties to the need for organizations to get and keep high performing employees
* Creating a pleasant workplace makes good economic sense

Today challenges

* Individual level
  + Differences
  + Job satisfaction
  + Motivation
  + Empowerment
  + Ethics
* Group Level
  + Working with others
  + Diversity
* Organization Level
  + Customer service
  + Innovation
  + Downsizing
  + Productivity
  + Effectiveness of employees



# Perception

Perception: Process of interpreting the messages of our senses to provide order and meaning to our environment. Components are:

* Perceiver
* Target
* Situation

Important because: Behavior is based on perception of reality, not reality itself

Attribution theory: How we judge differently depending on the meaning we attribute to a given behavior. When we observe what seems to be atypical behavior by an individual, we attempt to determine whether it is internally or externally caused. We rely on 3 rules:

* Distinctiveness: whether an individual acts similarly across a variety of situations. If the behavior is unusual, the observer is likely to make external attribution.
* Consensus: How individual behavior compares to others in same situation. If consensus is high, tendency to make external attribution.
* Consistency: Is the action repeated over time. High = internal attribution

Perceptual attribution errors:

* Selective perception: since we can’t observe everything, selective perception based on interests, background, experience and attitude
* Halo effect: Draw general impression of an individual on the basis of a single characteristic
* Contrast Effect: Reaction to one person is often influenced by other ppl we have recently encountered
* Projection: perceive others as you perceive yourself rather than as they really are.
* Stereotyping
* Prejudice
* Self-fulfilling prophecy: Person will behave in ways consistent with how other perceive them

# Personality

Personality: relatively stable set of psychological characteristics that influences the way an individual interacts with his environment, and how he feels, thinks and behaves

5 Factors model:

* Extraversion: Energized by spending time with others - Sociable Vs Shy
* Emotional Stability: Ability to withstand stress – Calm/Confided Vs Anxious
* Agreeableness: Defers to others - Tolerant/Cooperative Vs rude/cold
* Conscientiousness: Dependable/responsible Vs Careless/Impulsive
* Openness to Experience: Interest in novel things Vs Comfortable with the familiar

Locus of Control: Set of beliefs about whether one’s behavior is controlled mainly by internal or external factors:

* Internal: Believe that opportunity to control their behavior resides within themselves
* External: Believe that external forces determine their behaviors

Other personality traits:

* Self-monitoring: Ability to adjust behavior based on external situational factors
* Risk taking: Person’s willingness to take chances
* Narcissism: Grandiose sense of self importance
* Machiavellianism: Pragmatic, maintain emotional distance, belief that end justify the means
* Core self-Evaluation
  + Positive: See themselves as capable, effective and in control of environment
  + Negative: Dislike themselves, question their abilities
* Proactive Personality: Identify opportunity, show initiative, take action and persevere
* Type:
  + Type A: Aggressively involved in a chronic incessant struggle to achieve more in less time, and if required against opposing effect of others
  + Type B: rarely harried by the desire to obtain a widely increasing number of things or participate in an endless growing series of events in an ever decresing amount of time

Emotions: intense feelings that are directed at someone or something

Moods: feelings that tend to be less intense than emotions and lack contextual stimulus

Affect: Broad range of feelings that people experience – includes emotions and moods

Emotional Labor: Expression of the organizational desire emotions by an employee during his interpersonal interactions

Emotional Dissonance: Inconsistency between emotions felt and expressed/shown

Affective event theory: Employees react emotionally to things that happen to them at work and that this emotional reaction influences their job performance and satisfaction

Work environment -> Work Events -> Personal Disposition -> Emotional Reaction -> Job Satisfaction and Performance

# Motivation

Motivation: Extent to which persistent effort is directed towards a goal. Basic Characteristics are:

* Effort
* Persistence
* Direction
* Goals

McGregor

* Theory x: assumes employees is inherently lazy and will avoid work if they can and that they inherently dislike work. As a result, workers need to be closely supervised and comprehensive systems of controls developed with a hierarchical structure with narrow span of control at each and every level. According to this theory, employees will show little ambition without an enticing incentive program and will avoid responsibility whenever they can.
* Theory Y: Assumes employees are self-motivated and exercise self-control, and that they will seek out and accept responsibility and accomplish objectives they are required to. Satisfaction of doing a good job is strong motivation.

Maslow’s: 5 level hierarchical need theory of motivation that specifies that the lowest level unsatisfied need has the greatest motivating potential. Levels are:

* Self-Actualization
* Self-Esteem
* Belongingness
* Safety
* Physiological

Adelfer: 3 level hierarchal need theory that allows movement up and down the hierarchy. More than one need can be important at the same time. Levels are:

* Growth
* Relatedness
* Existence

Herzberg: 2 factor theory; motivators lead to satisfaction, Hygiene factors need to be met in order to not be dissatisfied. Factors fall either into:

* Hygene: Dissatisfied / not dissatisfied (Company policy, supervision, work conditions, salary, relationships with peers/subordinates, status, security
* Motivators: Motivated / not motivated (Growth, Advancement, Responsibility, Work itself, recognition, achievement)

McClelland’s need theory: People vary in the types of needs they have. Their motivation and how well they perform are related to what types of needs they have

* Need for ACHEIVEMENT
* Need for POWER
* Need for AFFILIATION

# Motivation

## Expectancy Theory

Focuses on 3 relationships:

* Expectancy: Effort/Performance: Perceived probability that given amount of effort will lead to performance. Improved by:
  + Ensure employees have proper skills for the job
  + Provide Training
  + Assign reasonable tasks
* Instrumentality: Performance/Reward: Belief that performing at a particular level will lead to reward. Improved by:
  + Observe and recognize performance
  + Deliver rewards as promised
  + Remind how previous performance led to reward
* Valence: Reward/Personal Goal: Degree to which rewards satisfies personal needs of the individual
  + Ask employees what rewards they value
  + Give rewards that are valued

## Goal Setting Theory

* Specific and difficult goals lead to higher performance.
* Difficult goals when accepted result in higher performance that easy goals.
* Feedback also leads to higher performance

Management by Objectives (MBO) is a systematic way to leverage goal setting. Foals should be:

* S - Specific
* M - Measurable
* A - Achievable
* R – Result oriented
* T – Time Bound

## Equity Theory

Motivation stems from a comparison of inputs invested and outcomes received, in comparison with inputs and outcomes of others in the group. Employee’s response to inequalities:

* Change inputs
* Change outcomes
* Adjust perception of self
* Adjust perception of others
* Choose a different referral
* Leave the field

Historically, equity theory focused on DISTRIBUTIVE JUSTICE: perceived fairness of amount and allocation of resources amongst individuals.

Other equity standpoints:

* PROCEDURAL Justice: Perceived fairness of the process used to determine the distribution of reward
* INTERACTIONAL Justice: Individual’s perception of the degree to which he is treated with dignity, concern and respect

Overall leads to: ORGANISATIONAL JUSTICE - overall perception of what is fair in the workplace

## Reinforcement

* Positive reinforcement: Following a response with something pleasant.
* Negative reinforcement: Following a response by the termination or withdrawal of something unpleasant.
* Punishment: Causing an unpleasant condition in an attempt to eliminate an undesirable behavior.
* Extinction: Eliminating any reinforcement that is maintaining a behavior

Schedule:

* Continuous
* Interval Schedule (Fix or variable)
* Ratio Schedule (Fix or variable)

## Ethics

Ethics: an area of study that deals with ideas about what is good and bad behavior: a branch of philosophy dealing with what is morally right or wrong.

## Pay

Money: Pay level is only moderately correlated to job satisfaction; Personality traits and individual factors correlate with the individual’s attitude towards money

**Profit Sharing**

* Pros:
  + Gives employees a sense of ownership
  + Align employees and org; only costs if company performs
* Cons: Weak Instrumentality

**Stock Ownership**

* Pros: Same as above + sense of ownership/stewardship towards the company
* Cons: Same as above + market conditions affects employee moral

**Gain sharing**

* Pros:
  + Aligns org / employee
  + Encourages teamwork / cooperation
* Cons:
  + Potential bonus liability even if corporation is not profitable
  + Employees might neglect objectives not in formula

**Skill Based Pay**

* Pros: Encourages employees to build skills; flexibility in task assignments
* Increased cost of training and labor as staff evolves

## Characteristic Model

VISAF

* Lead to experience and meaningfulness:
  + Skill Variety
  + Task Identity
  + Satisfaction
* Autonomy
* Feedback

Motivational Potential Score (MPS): (V+I+S)/3 \* A \* S

## Job Redesign

**Job Rotation:**

* Pros:
  + Reduces boredom
  + Increases motivation
  + Increase meaningfulness
* Cons:
  + Increase training / management / coaching costs
  + Creates disruptions in the host group

**Vertical Job Loading**

* Remove some controls while retaining accountability
* Grant additional authority; job freedom
* Give person a complete natural unit of work; Assign workers to specialized tasks, enabling them to become experts
* Make periodic reports directly available to workers themselves rather than supervisors
* Introduce new, more difficult tasks

**Alternative Work Arrangements**

* Flextime
  + Pros: Reduces absenteeism, Increases job satisfaction and productivity
  + Cons: Not applicable to every job, Reduces group interactions
* Job sharing: 2 or more (part-time) people split a job
  + Pros: Increases job sat and productivity
  + Cons: Finding compatible employee, negative perception on individual
* Work sharing: 2 or more (full-time) people split the work
  + Pros: Avoid layoffs, Cuts costs, Allow retain high skill workers
  + Cons: Reducing full time to part time
* Teleworking (Virtual office/Telework)
* Compressed work week
  + Pros: Reduce absenteeism by promoting work-life balance
  + Cons: Fatigue