

A low-angle, upward-looking photograph of several modern skyscrapers. The buildings are constructed with glass and steel, featuring repetitive window patterns and architectural details. They converge towards the top of the frame against a clear, light blue sky. The perspective creates a sense of height and scale.

# UNIT 12 ORGANISATIONAL BEHAVIOUR

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# ASSESSMENT CRITERIA

- LO4: Apply concepts and philosophies of organisational behaviour to a given business situation.
- P4. Apply concepts and philosophies of organisational behaviour within an organisational context and given business situation.



## CONCEPTS AND PHILOSOPHIES OF ORGANISATIONAL BEHAVIOUR

- Various Concepts and Philosophies have been developed to understand the behaviour of organisations and its people, to best mold or shape the culture, attitudes and behaviours of the business as a whole.



# CONCEPTS OF ORGANISATIONAL BEHAVIOUR

## ORGANISATION

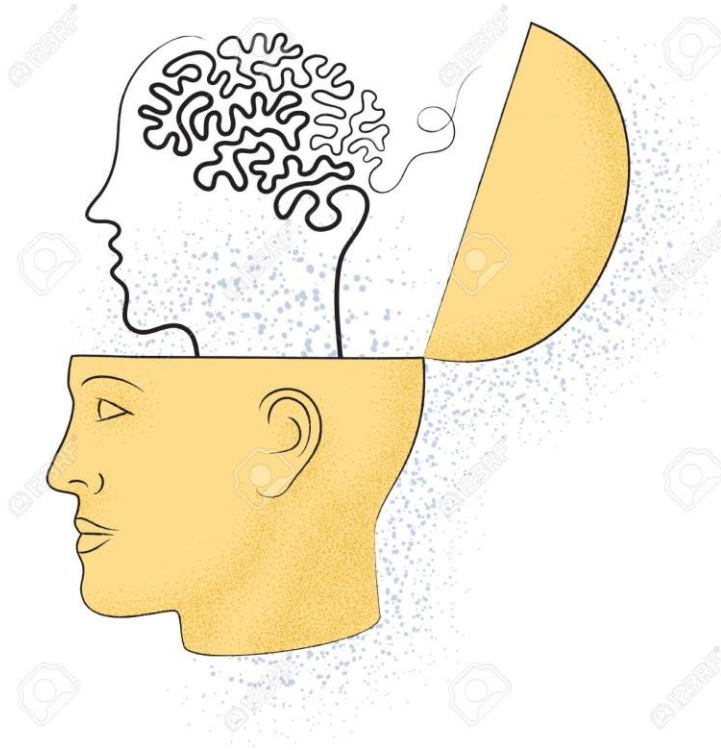
- Perception
- Individual Differences
- Motivation
- Empowerment



## PEOPLE

- Social System
- Mutual Interests
- Ethics
- <https://www.youtube.com/watch?v=xSnP9Y-5DEE>

# PHILOSOPHIES OF ORGANISATIONAL BEHAVIOUR



- Autocratic
- Custodial
- Collegial
- Supportive



## AUTOCRATIC

- This type of leadership is characterized by one person having complete control over all decisions made in the organisation with little or no input from team members.
- Autocratic Leaders rarely take ideas and inputs from followers and usually make decisions based on their own judgements, ideas and directives.



## CUSTODIAL

- The custodial concept is based on providing economic security for employees, through salary and other benefits that are believed to lead to employee loyalty and motivation.
- The custodial concept is financially centered.



## COLLEGIAL

- This concept supports the sharing of authority equally among a group of colleagues.
- This atmosphere is described as a space where all team members can work together to achieve goals.





## SUPPORTIVE

- Supportive Leadership refers to the ability of an individual or an organization to guide individuals, teams, or organizations toward the fulfillment of goals and objectives.
- This leadership style encompasses the emotions, training, development and time spent with supporting employees to achieve business goals.

# Four Models of Organizational Behavior

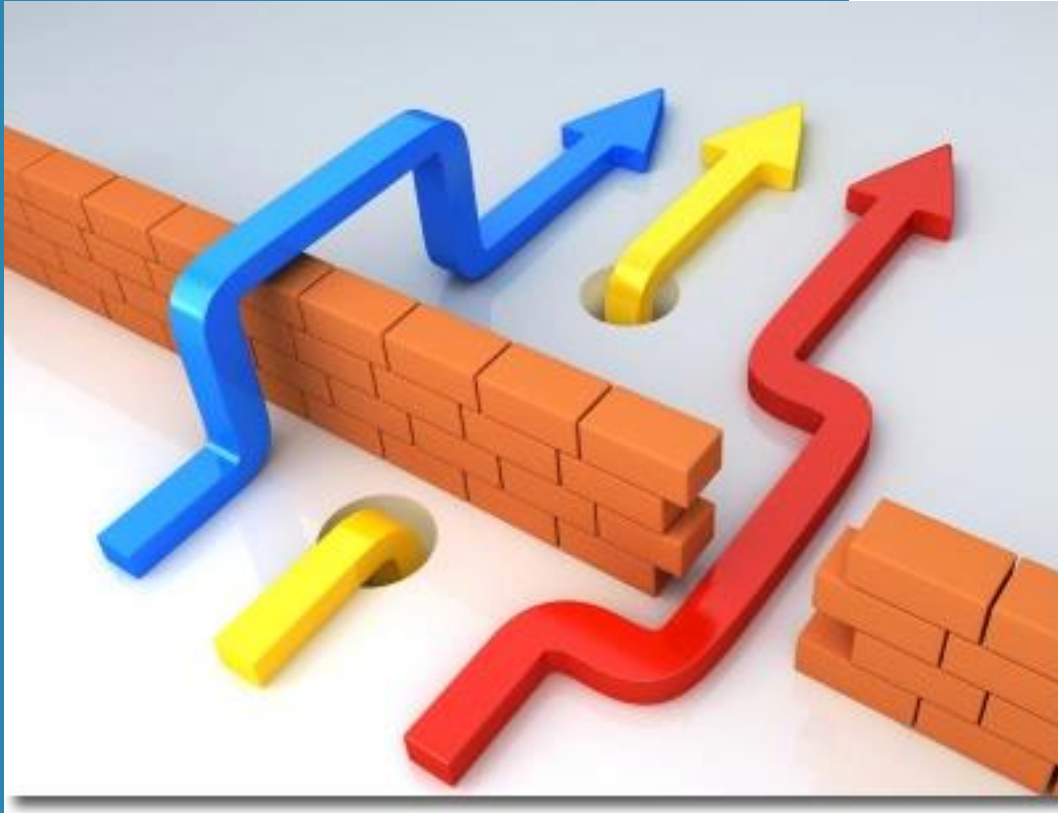
Key points	Autocratic	Custodial	Supportive	Collegial
<b>1. Basis of model</b>	Power	Economic resource	Leadership	Partnership
<b>2. Management orientation</b>	Authority	Money	Support	Teamwork
<b>3. Employee orientation</b>	Obedience	Security and benefits	Job performance	Responsible behavior
<b>4. Employee psychological result</b>	Depends on boss	Dependence on Org.	Participation	Self discipline
<b>5. Employee needs</b>	Subsistence	Security	States and recognition	Self actualization
<b>6. Performance result</b>	Minimum	Passive cooperation	Awakened drives	Moderate enthusiasm

# PATH-GOAL THEORY

- In order to achieve a goal, the path goal theory must be effectively applied.
- The theory must be based on a specific leader's style or behavior that best fits the employee and the work environment.
- The path goal theory aims to increase employees' motivation and empowerment.
- <https://www.youtube.com/watch?v=62Hs-4QJf5Q>



# CONTEMPORARY BARRIERS TO EFFECTIVE BEHAVIOUR



- Lack of Employee Involvement. This is perhaps the most common barrier to change management.
- Lack of Effective Communication Strategy.
- A Bad Culture Shift Planning.
- Unknown Current State.
- Organization Complexity.
- Fear of Unknown or Unfamiliar.
- Ineffective Leadership.

(Smith, 2017)



# SITUATIONAL RESISTANCE

## Managing Resistance

- A “Situational” Approach:
  - this proposes six methods for managing resistance that should be chosen based on contextual factors.

Method	Context
Education & Communication	resistance is due to lack of information
Participation & Involvement	Resistance is a reaction to a sense of exclusion from the process
Facilitation & Support	Resistance is due to anxiety and uncertainty
Negotiation & Agreement	Resistors in a strong position to undermine the change process
Manipulation & Cooperation	Other methods are too time consuming or resource demanding
Explicit & Implicit Coercion	Change recipients have little capacity to resist; survival of the org. is at risk without the change

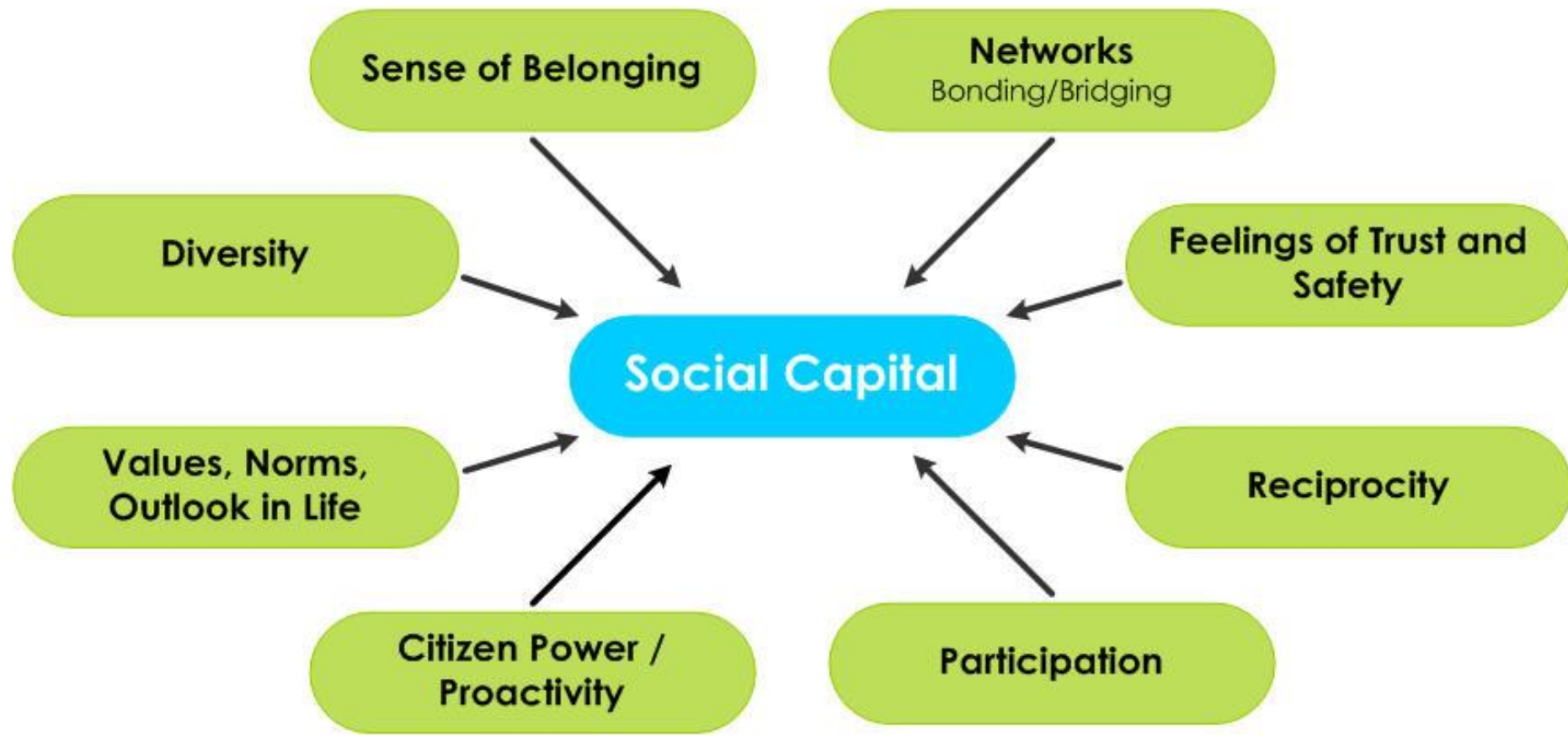
Images of  
Managing  
Change

Resistance to  
Change

Signs of  
Resistance:  
-Active  
-Passive

Why Change is  
Resisted?

Managing  
Resistance

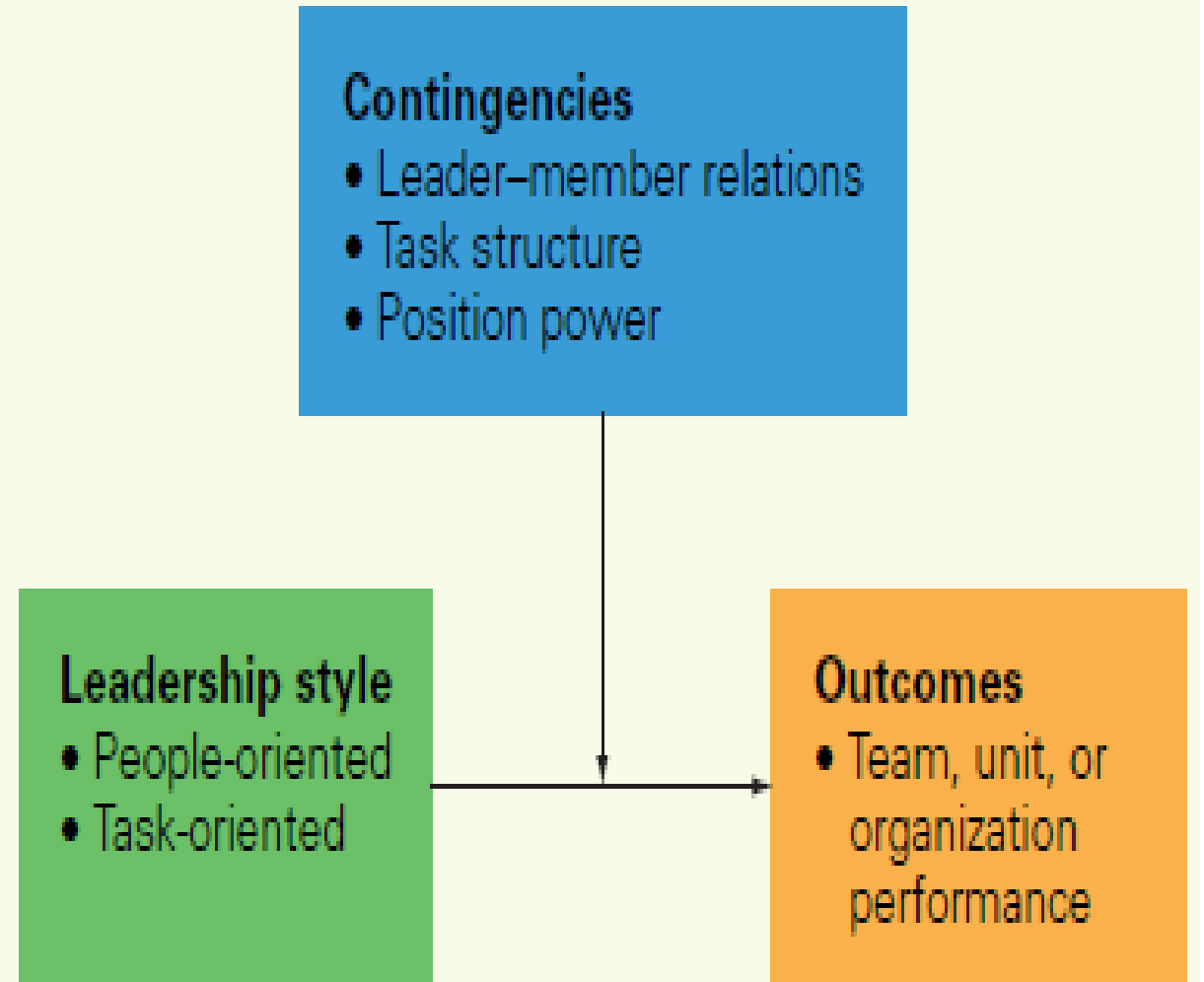


# SOCIAL CAPITAL THEORY

<https://www.youtube.com/watch?v=sts9upOA9EU>

# CONTINGENCY THEORY

- The contingency theory supports the idea that the organisation's system should be developed based on its unique needs.
- The theory assumes that the leader's ability to lead is contingent on various situational factors, including the leader's preferred style, capabilities and the behaviours of followers.
- It also takes into consideration other situations that might occur.
- <https://www.youtube.com/watch?v=uVJpHqqGEww>





# ASSESSMENT CRITERIA

- LO4: Apply concepts and philosophies of organisational behaviour to a given business situation.
- M4. Evaluate how concepts and philosophies of OB inform and influence behaviour within a given business situation.
- D2. Critically analyse and evaluate the relevance of team development theories, concepts and philosophies that influence behaviour in the workplace to improve business performance and productivity.



# CASE STUDY

- ABC India Ltd (ABCIL) was the pioneer in India in the field of logistics. But in the unorganized Indian logistics market it is not easy to maintain the edge with competition coming from other big players like railways freight, Container freight and even from unorganized local Full Truck Load (FTL) players. In the late 2000s the company was faced with declining margins in its traditional FTL business and despite its scale and customer relationships, It was feeling the heat of intense competition from large Full Truckload FTL competitors who constantly negotiated bargains with their larger customers to wean away those accounts. The company started looking into various options like to diversify into other segments of logistics which offered higher margins as well as better control over cargo, leading to better customer stickiness. It could venture more into 3PL supply chain solutions, with a focus on key industries, such as automotive, retail, telecom and pharmaceuticals. It also thought to set up its own warehouses at key strategic locations from where the distribution could be channelized and monitored. The other option to beat the heat was new cutting-edge technology addition beyond the scope of other competitors in the segment. There were plenty of scopes for technology improvisation—a step which could be difficult for small and medium competitors to adopt due to high cost. The leading logistics countries were already using hydraulic axle operated trailers and trucks and there was a suggestion in ABC too to go for these heavy vehicles. Hydraulic axle operated vehicles could come handy in transportation of Overweight Consignments (OWC) from factory/port to project sites.

# PATH-GOAL THEORY



- This theory is flexible and thus influence behaviour in a positive way. If employees have flexibility in the workplace, their behaviour is likely to be progressive.
- Supports employee motivation and satisfaction, which improves employee behaviour.
- Leader's behaviour can enhance the talents and abilities of subordinates.
- Has different leadership approaches in which a leader can use to tailor to different situations.
- Minimizes behavioural resistance.
- Keeps employees informed which motivates them.

- Method can fail if there is an ineffective leader. Ineffective leaders often influence employees negatively.
- The behaviour of employees is often dependent on that of the leader, so if the leader's attitude is poor, employee's attitude will be poor.



# SOCIAL CAPITAL THEORY



- Focuses on providing benefits for an individual in a team.
- Using this behavioural theory definitely improve employee and team leaders behaviour as they want to reap the benefits from the success of the team .
- Includes shared values, trust, corporation, understanding and norms which pushes employees to behave in a team-like fashion

- This theory is not easy to measure, thus leaders and subordinates by be demotivated in suing this approach as they will not have a way measure their progress, successes or failures.
- This theory nurtures behaviour that is getting worse rather than improving. If employees do not know where they are going wrong, they will have the same nonchalant attitude and behaviour towards their work, which would not improve.



# CONTINGENCY THEORY



- Flexibility in management style. This supports the view that different management styles are needed for different types of businesses. If a leader is able to lead based on an organisational culture, employee behaviour will prove positive as leadership styles are tailored to their traits.
- Employees' opinion matter. If employees are able to voice their opinion and have their views take precedence in the workplace, their behaviours will definitely improve. Also this theory supports keeping employees informed.

- This approach is complex to manage as the theory supports the belief that one leadership style is not for all situations. Although this may be so, selecting the right style can prove to be a tedious and complex task. This can lead to confusion and cause behavioural problems.
- This theory is difficult to test empirically. As such, some organisations may refrain from using this theory as the results may be unknown. This can influence behaviour as some employees may believe that this approach is incorrect based on non-proven results





# PATH-GOAL THEORY

- The Path-Goal Theory focuses on how a leader motivates employees to achieve an organisational goal.
- The theory suggests that a leader should alter their style of leading depending on the situation.
- While this theory is known to motivate employees based on its unique adaptation style and is considered useful for leaders in changing environments.
- The Path-Goal Theory does have its limitations, however, as it is very complex to implement, hard to empirically measure and the focus is on how a leader motivates employees and not the employee's motivational triggers.

# BEHAVIOURAL THEORIES

- The aim of behavioural theories is to achieve a common goal through effective leadership, no matter the style, behaviour or level of exchanges. The onus is therefore on the leader's adaptability to conform based on employee characteristics, task difficulty and working environment if they want to influence positive behaviour in the workplace.
- Every theory has positives and negatives and where one style is not working, it is the leader's task to figure out which one will work.
- Path Goal Theory, Situational Leadership and the Contingency Theory have all been studied, scrutinized, discussed and applied. The leaders in each can effectively change the behaviour of employees, providing that the right theory and attitude is used.

(Cote, 2017)

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