

Managing People and Organizations

Prepared by Dr. Usama Al-Fendi

MGM603

Managing People and Organizations

Lecture 1



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Course Outlines

Part 1: introduction to organizational behavior

An overview of organizational behavior

The changing environment of organizations

Part 2: individual behaviors and processes in organizations

Individual characteristics

Individual values, perceptions, and reactions

Motivating behavior

Motivating behavior with work and rewards

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Part 3. Social and group processes in organizations

Groups and teams

Decision making and problem solving

Communication

Managing conflict and negotiating

Part 4. Leadership and influence processes in organizations

Traditional leadership approaches

Contemporary views of leadership in organizations

Power, influence, and politics

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Part 5. Organizational processes and characteristics

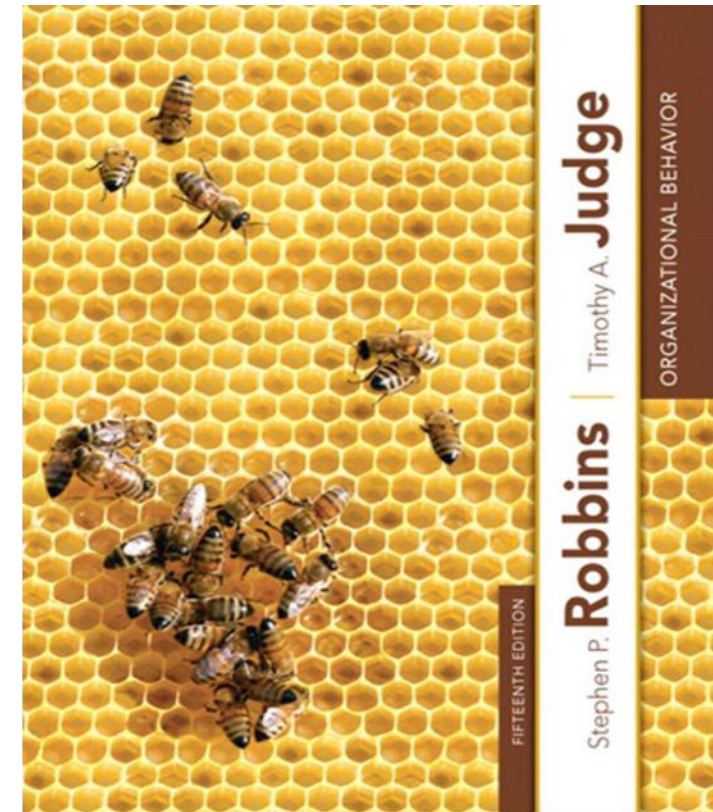
Organizational structure and design

Organizational culture

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REFERENCES



An Overview of Organizational Behavior

Outcomes of the chapter:

- Define the organizational behavior and describe how it impacts both personal; and organizational success.
- Identify the basic management functions and essential skills that compromise the management process and relate them to organizational behavior.
- Describe the strategic context of organizational behavior and discuss the relationships between strategy and organizational behavior.

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An Overview of Organizational Behavior

Outcomes of the chapter:

- Identify and describe contextual perspectives on organizational behavior.
- Describe the role of organizational behavior in management for effectiveness and discuss the role of research in organizational behavior.

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Managing Growth at Google

Google search engine was created at 1998 by Larry Page and Sergey Brin with the goal of making world's information available to every one.

The founders of google realized that google explosive growth needed to be closely monitored and that its employees needed to continue feeling like an important part of the team.

The founders wanted to make google an engaging place to work and set out to design the organization and its culture in away that would appeal to its current and future employees.

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Managing Growth at Google

***Imagine that:** the founders of google asked you for advice during the early days of google what advice would you give them about the roles of its people in its future success and how to setup the company to maximize the employees innovations and loyalty.*

What's organizational behavior :



The field of organizational behavior attempt to understand human behavior in organizational settings, the organization itself, and the individual organizations interface. As illustrated here this area is highly interrelated. Thus although its possible to focus on only one of these area at a time, complete understanding of organizational behavior requires acknowledge of three area.

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The Nature of Organizational Behavior

The Nature of Organizational Behavior :

- Each individual brings the organizations a unique set of personal characteristics, unique personal background and set of experience from other organizations.
- But the individual don't work in isolation. They come in contact with other people and with organizations in a variety of ways.
- An organization of course exist before a particular person joins it and continues to exist after he or she leave. The organizational it self represents a crucial third perspective from which to view organizational behavior.

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How organizational behavior impacts personal success?

You might think I don't know any organizational behavior why this topic important?

- Understanding why people behave in their organization and why they do what they do.
- OB gives any one the knowledge and the tools they need to be effective at any organizational level.
- The study of OB can greatly clarify the factors that affect how manager manage.
- Hence the field attempts to describe the complex human context of organization, and define opportunities, problems, challenges, and issues associated with that realm.

Home-Depot Case Study:

Summary of turnover in Home-Depot:

- The individuals don't work in isolations they come in contact with other people and with the organization in different ways (they have different needs and cultures).
- Points of contact include coworkers, managers, formal policies and procedures in organization.
- In additions the individual overtime change as a result of a function the individual experience and maturity as well as through work experiences and organizational developments.
- So the organization is affected by the absence and eventual absence of individuals.
- Clearly then managers must also consider how the individual and organization interact.

Home-Depot Case Study:

The consultant who studying turnover at the Home-Depot came over to:

- The necessity of the orientation procedure and the initial training of the newcomer.
- Needs to study the culture and structure of Home-Depot.
- Needs to understand factors such as firms' performance and reward systems.
- decision making techniques and communication pattern.

Conclusion of this case: *the field of organizational behavior interacts and explains many of the complicated factors to make the managers understand some of the dynamics of how individuals are introduced and interact with the broader organizational context. And also provide unique and important opportunities to enhance personal and organizational effectiveness.*

Global Mindset

- A global mindset reflects your ability to influence people, groups, and organizations from different backgrounds and culture.
- Multinational companies' ability to create globally integrated systems depends on their:
 - 1- Ability to get employees, managers, and executives able to understand and adapt to the realities of globalization economies.
 - 2- Ability to integrate talent from many parts of the world faster and more effectively than other competitors.

- Because global mindset is learned, experiences can influence it in a positive and a negative manner.
- Every year the financial services of HSBC send promising new hires and managers in long-term business experiences abroad to build a cohort international officers, the locations include western countries as well as Saudi Arabia , Indonesia, and Mexico.
- To make career at HSBC manager must perform this mission
- This enables HSBC to continuous supply of globally minded managers capable of cross-boarder learning.



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Case study (HSBC)

How organizational behavior impacts organizational success?

- By applying OB knowledge in the organization about individuals and groups the effect on the organization structures on workers behavior with the conditions can be created that make the organization more effective, and perform well.
- By listening to the employees, recognizing their work, building trust, and behave ethically, managers have boosted such performance measures as operating earning and return on investments.
- In addition to financial performance and job satisfaction, OB influences the rate of turnover and absenteeism which can be worth of millions of dollars to organizations.

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Summery of Why study OB?

- *Studying OB can help you in :*

- ✓ Become a better employee
- ✓ Become a better manager
- ✓ Understand why people behave and why the do what they do.
- ✓ Help you focus on developing a global mindset.

- **Organizations that successfully implement OB principles have**

- ✓ Motivated, engaged employees whose goals align with business strategy.
- ✓ Strong leadership and direction.
- ✓ Better bottom lines

The managerial Context of OB?

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The Managerial Contexts of OB can be viewed from perspective of:

- 1- Basic Management Functions,
(Planning, Organizing , Leading and Controlling)
- 2- Critical Management Skills,
(Technical , Interpersonal , Conceptual, and Diagnostic)
- 3- Overall Human Resources Management.

Functions of Management:

Planning	Determining an organization's desired future position and best means of getting there.
Organizing	Designing jobs, grouping jobs into units, and establishing patterns of authority between jobs and units.
Leading	Getting the organizations' members to work together toward the organizations' goals.
Controlling	Monitoring and correcting the actions of the organization and its members to keep them directed toward their goal.

Functions of Management:

Planning:

- *Deciding in advance :*
 - ✓ What to do
 - ✓ How to do
 - ✓ When to do
 - ✓ Who is going to do it
- *Bridges a gap between where we are today and where we want to reach.*
- **Sets the goals of the organization.**

Functions of Management:

Planning:

- It is the basic function of management.
- deciding in advance the most appropriate course of actions for achievement of pre-determined goals.
- Thus, planning is a systematic thinking about ways & means for accomplishment of pre-determined goals.
- Planning is necessary to ensure proper utilization of human & non-human resources. It is an intellectual activity and it also helps in avoiding confusion, and uncertainties.

Functions of Management:

Organizing:

- It is the process of bringing together physical, financial and human resources and developing productive relationship amongst them for achievement of organizations' goals.
- According to Henry Fayol, "To organize a business is to provide it with everything useful or its functioning i.e. raw material, tools, capital and personnel's". To organize a business involves determining & providing human and non-human resources to the organizational structure.

Functions of Management:

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Organizing:

- **Establishing the framework of working:**
 - How many units or sub-units or departments are needed.
 - How many posts or designations are needed in each department.
 - How to distribute authority and responsibility among employees
- Once these decisions are taken, organizational structure gets set up.**

Functions of Management:

Leading:

- Giving direction or instruction to employees to get the job done.
- Leadership qualities are required.
- Motivating employees by providing different types of incentives.
- Communicating with them at regular intervals.
- It is that part of managerial function which moves the organizational methods to work efficiently for achievement of organizational purposes. It is considered life-spark of the enterprise which sets it in motion of the action of people because planning, organizing and staffing are the more preparations for doing the work.
- Leading is that inert-personnel aspect of management which deals directly with influencing, guiding, supervising, motivating subordinate for the achievement of organizational goals.

Functions of Management:

Leading:

- **Supervision-** *implies overseeing the work of subordinates by their superiors. It is the act of watching & directing work & workers.*
- **Motivation-** *means inspiring, stimulating or encouraging the sub-ordinates with zeal to work. Positive, negative, incentives may be used for this purpose.*
- **Leadership-** *may be defined as a process by which manager guides and influences the work of subordinates in desired direction.*
- **Communications-** *is the process of information, experience, opinion etc. from one person to another. It is a bridge of understanding*

Functions of Management:

Controlling:

- Matching **actual** performance with the planed goal.
- If problem, tries to find out the reasons of **deviation**.
- Suggesting corrective measures come on the path of the plan.
- It implies measurement of accomplishment against the **standards** and correction of deviation if any to ensure achievement of organizational goals.
- The purpose of controlling is to ensure that everything occurs in conformities with the standards.
- An efficient system of control helps to predict deviations before they actually occur.
- According to Theo Haimann, “*Controlling is the process of checking whether or not proper progress is being made towards the objectives and goals and acting if necessary, to correct any deviation*”.

Functions of Management:

Controlling:

- Therefore controlling has following steps:
 - ✓ Establishment of standard performance.
 - ✓ Measurement of actual performance.
 - ✓ Comparison of actual performance with the standards and finding out deviation if any.
 - ✓ Corrective action.

Critical Managerial Skills:

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Technical skills	Skills necessary to accomplish specific tasks within the organizations.
Interpersonal skills	Ability to effectively communicate with, understand, and motivate individuals and groups.
Conceptual skills	Ability to think in abstract
Diagnostic skills	Ability to understand cause-and-effect relationships and to recognize the optimal solutions to the problem.

Critical Managerial Skills

Technical skills:

Technical skills involve skills that give the managers the ability and the knowledge to use a variety of techniques to achieve their objectives. These skills not only involve operating machines and software, production tools, and pieces of equipment but also the skills needed to boost sales, design different types of products and services, and market the services and the products.

Example:

- The chairman and CEO of Xerox cooperation, Ursula Burns, started her career as mechanical engineer
- Manager with strong technical skills include Rex Tillerson (CEO of EXXON Mobil) who started his career as production engineer.

Critical Managerial Skills

Interpersonal skills:

The human or the interpersonal skills are the skills that present the managers' ability to interact, work or relate effectively with people. These skills enable the managers to make use of human potential in the company and motivate the employees for better results.

Examples :

- **Howard Schultz** is the CEO of Starbucks who is able to relate to employee by demonstrating respect and dignity. Schultz remains committed to providing health care benefits despite rising health care costs and has created educational opportunities for Starbucks partner. These qualities inspired others through out the organizations and make them work hard to help Starbucks reach its goals.

Critical Managerial Skills

Conceptual skills:

These involve the skills of the managers present in terms of the knowledge and ability for abstract thinking and formulating ideas. The manager is able to see an entire concept, analyze and diagnose a problem, and find creative solutions. This helps the manager to effectively predict hurdles their department or the business as a whole may face (big picture).

Examples :

- After Steve Woznick , and Steve Jobs built their own small computer for their design in garage, Woznick essentially saw new toy they could be tinker with. That should start a company to sell computer, the result ? **Apple**. In subsequent years, Jobs also used his conceptual skills to identify to potential in digital media technology leading to the introduction of such product like **iPad**.

Critical Managerial Skills

Diagnostic skills:

Diagnostic skills go almost hand-in-hand with the conceptual skills listed above. While conceptual skills are used to better **understand** a problem, diagnostic skills are used **to find a way** to effectively solve the problem. In this way, diagnostic skills and conceptual skills are **two sides of the same managerial coin**. Of course, diagnostic skills aren't only used to help find solutions to difficult problems. Any issue that crops up at a workplace can be easier to deal with when a manager has strong diagnostic skills. The key is to develop the ability to use these skills quickly and without the need for long deliberation.

Examples :

- When Ed Whitacre was CEO of SBC he recognized that although SBC performs well in communication market it lacked of strong brand name in business environment. SBC would buy AT&T (for 16 billion) after completing acquisition the company changed its name from SBC to AT&T .

Human Resources Management (HRM)

- **Human Resources Management (HRM):**

- The set of organizational activities directed at attracting, developing, and maintaining an active workforce.

Questions OB helps HR managers to answer

- 1- which applicants should be hired ?
- 2- which rewards will be motivating than others?

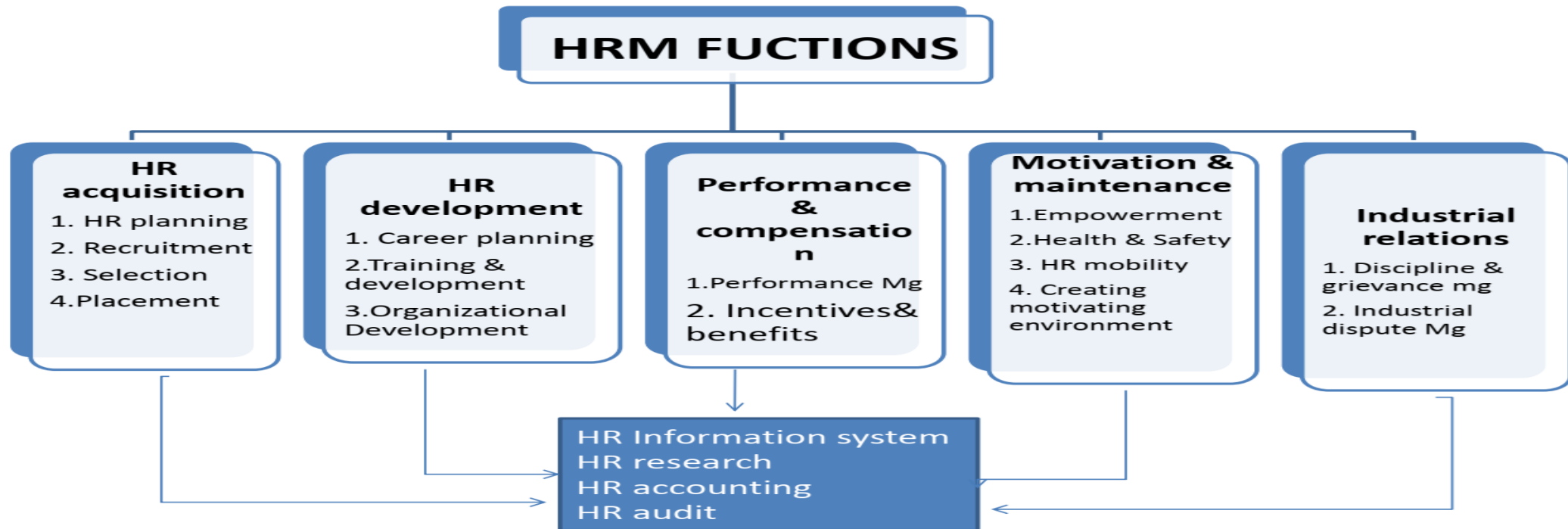
Human Resources Management (HRM)

- Human resource management can be defined as – “ *employing people, developing & utilizing their resources, maintaining and compensating their services in tune with the job and organizational requirements*”

Human Resources Management (HRM)

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Human Resources Management (HRM)

Nature of HRM:

- **Inherent part of management-** selecting people, training, motivating, appraising their performance for improving their quality.
- **Pervasive function-**present in all levels of mg in an organization
- **Action oriented-**solve problem through rational(balanced) policies rather than record keeping
- **People oriented-**HRM is all about people at work. Assign jobs, produce results, reward, motivate them towards improvements in productivity
- **Future oriented-** Effective HRM helps organization meet its goals
- **Development oriented-**HRM develops full potential of employees through reward, training, job rotation.

Human Resources Management (HRM)

Nature of HRM:

- **Integrating mechanism:** HRM maintains cordial relationship between people working at various levels in organization.
- **Comprehensive function:** Workforce signifies people working at all levels, HRM differs with form & shape but the basic objective of effective utilization of human resource remains the same.
- **Continuous function:** HRM is not a one shot deal it requires constant awareness and alertness of human relations in every day operation.
- **Based on human relation:** Every person has different need, perception and expectations. The manager should give due attention to these factors.

Human Resources Management (HRM)

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Example:

- Recent years announcement by Walmart. In early of 2015 the firm began giving pay raises to 500,000\$ workers. At the same time the company indicated that it was changing the method it to hire and train new employees. The managers expect that the higher wags and the new HR practices will enable the company to better hire new employees and retain the existing one.
- Hence this significant and expense decision by Walmart had its origin in theories and researches from OB and will be implemented by HRM

The strategic context of organizational behavior:

- Successful business strategy are grounded in creating and maintaining sustainable *competitive advantages*, which exists any time an organization has an edge over rivals in attracting customers and defending it self against competitions.
- The effective management of people is the key to the creation of a competitive advantage and business strategy execution.
- As former of General electric CEO “ We now know where limitless of productivity comes from. It comes from challenged, empowered, rewarded team of people” which is related to the relation between management and OB.

The strategic context of organizational behavior:

Sources of competitive advantages:

Competitive advantages is any thing that gives a firm an edge over rivals in attracting customers and defending it self against competitions.

▪ Sources of competitive advantages as following:

- *Innovation:* developing new products, services, and markets and improving current ones
- *Distribution:* dominating distribution channels to block competition
- *Speed:* excelling at getting your product or service to consumers quickly
- *Convenience:* being the easiest for customers to do business with
- *First to market:* introducing products and services before competitors
- *Cost:* being the lowest-cost provider
- *Service:* providing the best customer support before, during, or after the sale
- *Quality:* providing the highest-quality product or service
- *Branding:* developing the most positive image

The strategic context of organizational behavior:

Types of Business strategies:

There are three primary business strategies are :

1- Cost Leadership: Striving to be the lowest cost producer for a particular level of quality. Which makes complete advantage of *operational excellence* (Maximizing the efficiency of manufacturing or developing the product to minimize cost”

2- Differentiations: developing a product or services that have unique characteristics than the other competitors.

3- Specifications: focusing on the production of a very limited range of products or services in order to gain maximum productivity, expertise and leadership in the targeted field. Companies that specialize say they get a better return on investment.

Contextual Perspective of Organizational Behaviors A history

- First formal study of OB (1890's), following the industrial relations movement by Adam Smith.
- 1890's Fredrik Taylor developed OB on the belief that productivity is maximized when organizations are rationalized with precise sets of instructions based on time-and-motions studies. Their idea known as *scientific management*

Contextual Perspective of Organizational Behaviors A history

Scientific management Guiding principles:

- 1- Replace rule-of-thumb work methods with methods based on scientifically studying the task using time-and-motion studies.
- 2- Scientifically select, train, and develop all workers rather than leaving them to passively train themselves.
- 3- Managers provide detailed instructions and supervision to workers to ensure that they are following the scientifically developed method.
- 4- Divide work nearly equally between workers. Managers should apply scientific management principles to planning the work, and workers should actually perform tasks.

Contextual Perspective of Organizational Behaviors A history

- **Human relations movement** : Treats workers' orientations, values, and feelings as important part of organizational dynamic and performance.
- **Organization as open system** : (*system* : a set of interrelated elements functioning as whole)
 - The theory of the system was development in the physical science but it was transferred to management science.
 - According to this perspective an organization system receives four kinds of inputs from its environment (material, human, financial, and information). The organization managers combine and transform these inputs and return them to the environment in the form of product or services. Then the systems receives feedback from the environments regarding these output.



Thank You