Importance of organizational behavior in improving modern efficiency

The main objective of drafting this document is to justify importance of organizational behavior in today's context; Organizational behavior is targeted towards studying and analyzing behavior of different people within an organization. Organizational behavior is defined as " The study and understanding of individual and group behavior, and patterns of structure in order to help improve organizational performance and effectiveness" (Laurie J. Mullins, 2004). Therefore studying of organizational behavior is vital to improve efficiency in establishments. Essay will emphasize on following key aspects of Organizational behavior.

Leadership

Group Behavior

Training and development

Change management

Leadership can be defined as simply getting others to follow; there are many definitions to leadership. It is difficult, therefore, to generalize about leadership, but essentially it is a relationship through which one person influences the behavior or actions of other people. (Laurie J. Mullins, 2004). Leadership directly connected with motivation, interpersonal behavior and the process of communication. Leadership helps to develop team work and increase integrity within employees. Good leadership is important in the time of change; leaders should able to change people's perception from identifying change as a threat to see it as an existing challenge (Laurie J.

Mullins, 2004). The key aspects discussed above, depicts the importance of leadership within an organization.

Everyone in an organization belongs to one or more Group. Work is more group based activity and if an organization to be successful, it requires good team work. A group can be defined as " any number of people who (1) interact with one another; (2) are psychologically aware of one another; and (3) perceive themselves to be a group." (Laurie J. Mullins, 2004). Groups are the moral fiber of an organization and it is the key to performance. Not only members of groups should work efficient to gain organizational objectives but groups should work together with other groups to maximize the efficiency in the establishment. Teamwork is important within groups and following are some of the competencies that can be gained by teamwork; (Laurie J. Mullins, 2004).

Productivity can be improved

Quality of work and innovation will be maximized

Technological advantages

Employee motivation and commitment will be improved.

Training and development is one of the most vital aspects to increase performance and motivation within employees. It is well-known that training directly affects success of any organization. Organizational training is important to keep employees up to date with technology and to be knowledgeable with relevant job that they perform. Training also assists employees in career advancement and to improve their motivation.

Following are some of the advantages individuals and organizations can gain by performing training and development ;(Laurie J. Mullins, 2004).

Increase motivation, confidence and commitment of the employees.

Recognition and promotions

Satisfaction

Improve quality and skills of staff

Organizations are widely get affected by the external environmental aspects. Companies should adopt these external factors to ensure success in the business. These factors can be technology, government policies, globalization etc. In order to acclimatize to these external environmental factors, it is vital to have proper change management practices in place.

According to John F. Kennedy " Change is the law of life and those who look only to the past or present are certain to miss the future". This also can be applied to organizations, Example: It is vital for organizations to replace their exiting outdated technology along with the latest technology available in the world in order to maintain sustainability of the business. Change also can be raised within the organization itself.

Literature Review

Hellriegel, Slocum and Woodman suggests that:

… One way to recognize why people behave as they do at work is to view an organization as an Iceberg. What sinks ships isn't always what sailors can see, but what they can't see.

Following are the key areas to be discussed during understanding organizational behavior; (Laurie J. Mullins, 2004).

The behavior of people

The process of management

The Organizational context in which the process of management takes place.

organizational processes and the execution of work;

interactions with the external environment of which the organization is part

From the above framework we can identify 4 main aspects influence on organizational behavior; the individual, the group, the organization and the environment.

Any organization consists with individuals; individuals are main feature of any establishment. If needs of an individual and demands of the organization is incompatible, this can result in conflicts (Laurie J. Mullins, 2004). Therefore it is a responsibility of the management to integrate individual and organization to avoid frustration and conflicts.

Groups are gateway to performance in any organization. It is a fact that almost every individual within an organization is a member of a group. Group has a major capability of influencing behavior of an organization; therefore it

is important to understand group structure and behavior in order to maximize performance in an establishment.

Individuals and groups interact by using the structure of an organization; the organization structure is defined by management to meet goals within an organization.

External environment affects the organization in many different ways, for an example new technologies will lead to change in the organization. Interacting with environment will lead to opportunities and risks within the organization.

Leadership

There are many ways to examine leadership. Following are some of the approaches;

The qualities approach

The functional or group approach

Styles of leadership

Transformational leadership

The qualities approach is more concern about the persons, not the job itself. It suggests that attention should give to select leaders than training them. Qualities or traits approach depicts that " Leaders are born and not made".

The functional (Group) approach focuses not on the personality, but on the functions and contents of leadership. Unlike The qualities approach, functional approach believes that leadership could be learnt and developed.

Leadership style is the way in which the functions of leadership are carried out, the way in which the manager typically behaves towards members of the group. (Laurie J. Mullins, 2004).

Styles of managerial leadership can be categorized into three broader classifications;

The Authoritarian style: Power is with the manager. All the interactions are made via the manager. Manager is making the decisions and less opportunity for group members to take decisions.

The Democratic style: Power is more within the group. Leadership functions and decisions are made within the group and the manager is a member of the group.

Laissez-faire style: Manager is basically observing the members of the group working on their own. This is also called genuine style. Group members are given with freedom to make their own decisions and to do what they think is best. However leader must be readily available for any help needed.

Transformational leadership is more concern about how leaders revitalize or transform organizations. Transformational leadership is scattering higher level of motivation and commitments among followers. Transformational leadership consists with four basic components;

Idealized influence: Personality of the leader and the respect of the followers.

Inspirational motivation: the behavior of the leader which provides meaning and challenge to the work of the followers.

Intellectual stimulation: leaders who are innovative in finding new approaches for problem solving.

Individualized consideration: Leaders who put attention on developments of subordinates.

Group Behavior

There can be two types of groups within an organization;

Formal Groups

Formal Groups are part of organizational structure. Main objective of structuring formal groups within an organization is to achieve division of work and organizational objectives. Example: grouping employees with specific skills into a one group. Furthermore individuals with same status within an organization could form a formal group, i. e. Managers within an establishment can form separate formal group.

Informal Groups

There can be groups within an organization with informal structure. These groups are formed with social relationships and individual relationships. Objective of informal groups are to satisfy physiological needs and social needs. Informal groups consists with people from different parts of the organization and different status levels.

Following are the reasons to form groups within an establishment, (Laurie J. Mullins, 2004).

If specific task cannot be completed without relating multiple individuals.

To avoid conflicts within members, example: by sharing unpopular tasks.

Individuals to feel belonging to a group within an organization.

To follow correct behavior in an ambiguous situation

Protect their self from outside pressure and threats.

Cohesive groups will always generate benefits for the organization. Following are some of the factors affecting group performance and cohesiveness. (Laurie J. Mullins, 2004).

Membership: When groups are too large it is difficult to maintain the cohesiveness. It is always best to have manageable amount of members in a group.

Work environment: Individuals with similar job descriptions, sharing a common task with facing common problem will increase cohesiveness within an organization. Furthermore facilitating proper communication in the work environment directly affects the performance and cohesiveness of an organization.

Organizational factors: Factors like how manager encourage group will directly affects on group behavior.

Group development and maturity: Cohesiveness of a group also depends on how groups carryout task in each stage before executing the real one.

Training and Development

Training should consider as an investment in employees (Laurie J. Mullins, 2004). It is crucial to have a proper plan to gain maximum advantages over training. Therefore planned and systematic approach in training plays a key role in any organization.

Planned and systematic approach

Following are some of the key points involved in planned and systematic approach (Laurie J. Mullins, 2004);

There should be a commitment from entire organization for training.

Assessment of " training needs" to be evaluated.

Staff should feel the involvement.

A clear set of objectives and policy should define for the training.

Carefully plan the training program

Select most appropriate method of training

Link external courses and training programs for the system.

There should be an effective and proper system for review and evaluation.

Evaluation should be related to objectives.

Change Management

It is a well known fact that people do not accept change easily. Therefore managers should clearly identify reasons for resistant and initiate change by

adopting appropriate strategy. According to Christensen and Overdorf , there are three main factors affect organizational responses to change; (Laurie J. Mullins, 2004).

Resources: Access to high quality resources increases chances of people to accept change.

Processes: The pattern of communication, interaction, coordination and decision making to transform resources into products and services.

Values: Standards how employee set priorities.

There are three main ways managers could use to adopt with organizational change; (Laurie J. Mullins, 2004).

Create new organizational structure

Split new organizational from the existing one and define new processes and values.

Gain access to a new organization whose processes and values are similar to required change.

Furthermore Kotter and Cohn suggests following eight steps for successful change; (Laurie J. Mullins, 2004).

Create sense of urgency

Build a guiding team

Create visions

Communicate the vision and strategy

Empower action and remove obstacles

Produce Short-term wins to create credibility

Don't let up but maintain the momentum

Make change stick

Relevance in today's context

Leadership in today's context

" Yesterday's idea of the boss, who became the boss because he or she knew more than the person working for them, is yesterday's manager. Tomorrow's person leads through a vision, a shared set of values, and a shared objective."

Jack Welch

Leadership is essential in any organization to boost team work and integrity within individuals. Today's Establishments are focuses on discovering more leaders than appointing managers to maintain sustainability of the business. Organizations should emphasis to scatter many leaders across the establishment than suggesting one leader on the top of the hierarchy. In today's scenario companies are more concern about discovering leaders than trying to train individuals without any leadership qualities, i. e. qualities approach of leadership has become the trend of today's organizations. However identifying leaders within an organization has become a major challenge in today's context. To overcome this challenge organizations are

trying various methods to discover true leaders, one of the best examples from today's context is " Apple's Store Leader Program", where people will given with leadership opportunities after 24 month operational program covering all the aspects of managing and operating an Apple Store. (Apple – Jobs at Apple – Apple Store Leader Program (us). 2011)

Ray Croc quoted that " The quality of a leader is reflected in the standards they set for themselves". A good leader should continue to amplify his/her knowledge by experience and training.

Group behavior in today's context

Today organizations are captivating many advantages over forming formal groups within their establishments.

By providing structure of division of work and responsibilities within the company, employees are with clear agreement between them on their duties and responsibilities. This will lead to achieve company objectives more efficiently. Furthermore individuals with specific expert knowledge can be added into one group to gain more productivity end of the day. Another advantage of grouping employees is that unpopular tasks can be shared among persons, this leads to employee motivation. In today's context this strategy is widely used within organizations to maximize productivity and motivate employees.

Today's organizations are keener into forming Strategic Business Units (SBU) within their establishments. SBU can be defined as "

Autonomous division or organizational unit, small enough to be flexible and large enough to exercise control over most of the factors affecting its long-

term performance. Because SBUs are more agile (and usually

have independent missions and objectives), they allow the owning

conglomerate to respond quickly to changing economic or

market situations." (Strategic business unit (SBU) definition. 2011.).

Therefore each SBU is treated as a one group within the company with

different objectives. Example: Tacony Corporation is today organized into

four strategic business units: Sewing, Home Floor Care, Commercial Floor

Care and Ceiling Fans & Lighting.(Tacony Corporation: Strategic Business

Units)

Today's Training and Development

Most of the organizations are treating their employees as the most valuable

asset. Therefore employers are more concern about personal development

of each and every employee. Every organization allocate significant amount

of money for employee training programs. Following graph illustrate Sony's

Employee Training Programs in Japan in Fiscal Year 2009 (Sony Global –

Personnel Development. 2011)

However for organizations to get maximum return out of an employee

training program, it is essential to follow a Planned and Systematic approach

for each training program. Training needs can be identified within the

organization by introducing a " Training Requisition form", which can be

made available to every employee of the company. Filled Training requisition

forms will be evaluated by employee's line manager and forward it to HR

department. Alternatively, organizations can identify required training

programs and maintain " Annual Training Calendar" to keep track of each

program. Every employee can be given with a feedback form to fill and submit to HR department to accomplish evaluation and review process.

Change Management in Today's context

" Change Management" is one of the most widely discussed topics in today's context. In order to successfully implement change within an organization, appropriate change management practices are very essential.

Following are some of the challenges organizations face before, during and after implementing of change;

Resistant to change by employees

Insufficient time

Economical difficulties

Etc

Most of the organizations perform change due to new technologies, limited staff participation, limited resources etc. Today's organizations are using strategy of creating new culture within company to successfully implement change. Furthermore organizations are keener into providing high quality resources along with the change. Subsequently, employee resistant to change will reduce by significant percentage.

Implementation of change should happen gradually within organizations. Following graph illustrate the gradual implementation of change in today's organizational context;

If the change is large scale, most of the today's organizations are outsourcing the change management process to a consulting agency. These agencies are with subject matter experts to cater client requirement from the initiation to the post implementation of the project. Example; Accenture US.

Conclusion

For an organization to be successful, all the above discussed key aspects of organizational behavior should utilized within the establishment. Studying of organizational behavior has become one of the most essential topics in today's context. Organizational behavior helps managers to understand individuals better so they can improve productivity of the organization.