

# Important aspects of organisational behaviour for good performance



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#### **1. Abstract**

The below report will focus on two aspects of organisational behaviour and how these two aspects are required for good performance within a company. This report will look at organisational behaviour in relation to leadership and creativity and will review theories on each aspect. Recommendations will also be provided on how each aspect can be used to enhance the performance of a company, and what could happen if the wrong style of leader or innovation and creativity is not being fully utilised within the company.

#### **2. Introduction**

This report will look at two aspects of organisational behaviour and how they are important for good performance within a company, there are many areas

of organisational behaviour which could be looked at. However this report will review Leadership and Creativity, the report will also provide recommendations for organisations and how to improve the effectiveness in each of the two areas above as well as some theories for each aspect to provide a full understanding.

Organisational behaviour has many definitions however it can be defined as “ the study and understanding of individual and group behaviour and patterns of structure In order to help improve organisational performance and effectiveness” (Mullins, 2013, p5), on the other hand organisational behaviour can be perceived as “ a field of study that investigates the impact that individuals, groups and structure have on behaviour within organizations” (Robbins, 2003, p8). Hence by understanding how an individuals’ behaviours affect others and the company itself, a company can work to build an organisations behaviour and culture which will enhance the company’s productivity and effectiveness and utilise staff in the most effective way.

### **3. Leadership**

Leadership can be defined as “ the collective activities of organizational members to accomplish the tasks of setting direction, building commitment, and creating alignment” (Martin and Ernst, 2005) leadership can also be defined as “ the act of providing direction, energising others and obtaining their voluntary commitment to the leaders vision” (Bloisi, 2007, p648) both of these definitions show that leadership has a big influence in group, it also shows some of the roles they do such as organising people and setting the overall direction for the group.

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It can be argued that leaders are born, and managers are made but what is the difference between the two. Bloisi refers to managers as typically devoting much of their working day to items such as managing resources, projects or deadlines (Bloisi, 2007). Whereas leaders excite people about the visions they have of potential opportunities and empower other people to excel. The key differences are that managers usually have titles to show their responsibility but with leaders they do not necessarily need a title to exert their influence on people, in some instances leaders may not have a managerial role at all. It is important to understand the difference between a leader and manager as having a manager in a role which would be better suited to a leader may cause productivity to fall as leaders empower teams to be creative and innovative, whereas a manager will focus on ensuring deadlines and processes are followed.

There are studies regarding what makes an effective leader which include traits and behaviours/styles of leaders. Stogdill 1974; House and Baetz 1979 (as cited in Arnold et al, 2004.) which identified 5 main characteristics that leaders have compared to those who are not leaders, these are Intelligence, dominance or a need for power, self-confidence, energy or persistence and knowledge of the task. These characteristics may work in some organisations, but it does not mean that someone with these traits will be an effective leader in all circumstances, such a company that has a flat structure as a dominant or leader who needs power would not be an effective leader in this situation.

A study done by Rensis Likert 1961 (as cited in Arnold et al, 2004.) focuses on effective leadership behaviours, it identified four main groups of <https://assignbuster.com/important-aspects-of-organisational-behaviour-for-good-performance/>

behaviours the exploitative autocratic, the benevolent authoritative, the participated and the democratic. In this instance each of these groups of behaviours fit for different companies, the exploitative autocratic would be ideal in a work environment which focused on getting the most production work done by the team by taking charge and handing out assignments to others. The benevolent authoritative, this style would be ideal for a company where a leader keeps employees engaged and working but they still understand that the leader is in full control. The participated and the democratic is seen as the ideal styles for companies that are very creative and innovative, as they engage people to work together but also distribute responsibility which provides the freedom for staff to spread their wings. By doing this they also provide a sense of empowerment to the staff and increase their performance and job satisfaction. These two styles provide subordinates the ability to think or change the processes to make them more effective and encourage free thinking and group problem solving instead of dictating a solution to the team that they may not agree with. When looking at leaders it is important to understand what type of leader would fit into the company and what attributes would best work in both the company but also the department as if a leader is appointed to a company which doesn't match up to the attributes of the leader it can cause issues within the team such as poor performance within the team and company by lowering team creativity, innovation but also the teams effectiveness and job satisfaction which in turn could potentially cause staff to leave.

For example, an ideal leader and how they have positively affected the company would be Apple, each area has a leader who knows their area of

speciality and encourages teamwork within the company while also allowing them to be autonomous within their specified areas (Steve Jobs Legacy, 2011). This provides the staff to effectively work on not only their own daily work but also new ideas that benefit the company.

However, the contingency theory “ emphasises that a leader effectiveness is not independent form situational factors that influence the tasks to be undertaken” (Bloisi, 2007, p657) there are 4 primary factors associated with leadership effectiveness and these are, the leader’s cognitive style, the leader’s observable behaviour, work related situational variables and the behaviour of followers. By reviewing these four areas some leaders can be more effective in certain situations than others and it is important to asses the kind of leader they are and match the leader up to utilise their skills and abilities in the most effective way.

#### **4. Creativity**

It is important to understand the need for creativity and innovation and how it affects organisational behaviour the first step is to understand what innovation and creativity is, by doing this it allows you to then understand the challenges that creativity and innovation face but also how they can be part of organisations behaviour. It can also be said that creativity and innovation are inseparable as creativity is the idea and innovation is putting the idea into practice.

According to Bessant & Tidd define creativity “ the making and communicating of meaningful new connections to help us think of many possibilities... to help us think of new and unusual possibilities; and to guide

us in generating and selecting alternatives.” (Bessant and Tidd, 2011, p10.). Creativity has also been defined as “ the application of imaginative thought which may lead to new ways of seeing things results in innovative solutions to a problem or the initiations of change (Mullins, 2013, p 190) reviewing both definitions you can see that they both mention that creativity can create a difference in organisations by either creating new ideas or providing solutions to current problems.

The importance of creativity as a skill as a leader is becoming more apparent as with a complex and uncertain environment, an organisation that develops creativity is now essential to maintain a competitive advantage within any business. This has been emphasized by the chartered management institute as they believe that developing and exploiting people’s creativity and innovation is generally considered key to competitive advantage, in the rapidly changing business and society environment (Mullins, 2013).

Creativity can be enhanced by creating an environment which will stimulate and provide a challenge to staff to overcome. The democratic- participative leadership style has been identified as ideal styles of leadership, this is because this style is more supportive and encourages involvement which is required to build a more creative and innovative work culture which has been reviewed in more detail in the leadership section of this report.

Innovation is normally linked in with creativity as by being creative allows us to innovate and see new opportunities in not just business, but this can happen in all aspects of life. Bessant & Tidd refers to Peter Drucker’s definition of Innovation which is “ the specific tool of entrepreneurs, the

means by which they exploit change as an opportunity for a different business or service. It is capable of being presented as a discipline capable of being learned, capable of being practised" (Bessant and Tidd, 2011, p. 10). Another definition of innovation is " the translation of new ideas into commercial products, processes and services" (Bessant and Tidd, 2007, P29) both definitions are useful as it shows that innovation can be learned but also shows that innovation can be on its own as innovation is normally the how of implementing creative ideas.

Creativity and innovation face many challenges in a business setting, this can depend on the type of business that is trying to be creative or innovative as large businesses and smaller businesses face similar challenges, but they are not affected in the same way by them. Some key challenges are the management structure in a business and how it affects creativity and innovation.

The management structure in a small or large business is usually the same when comparing businesses of similar sizes to one another, large businesses have managers who are professional and try to maximise value where possible while smaller companies are run by the main owner which gives rise to them not being objective about the business as Bride and O'Neil reference by saying " a key feature of a small business is the inability, unwillingness of their owners to be objective about them" (Bridge and O'Neil, 2013, p. 96).

Looking at larger businesses, the staff who are working on the front of the business might have several new ideas for the company however the main issue they are faced with is that in order to get that idea heard it has to be



passed to several middle managers first. They may then dismiss the idea before it reaches someone who can make a decision and run with it, this can affect the staff in a way where people don't voice these new ideas which ends up hindering creativity and innovation and the company.

While companies try to build up the culture of innovation within the business if the middle managers are not on board with the idea it can stop innovation in its tracks. Bessant & Tidd refer to how culture affects innovation and creativity " Creativity is not something that just happens to people; it is actively and deliberately employed, monitored and managed. Creativity can be enhanced and nurtured" (Bessant and Tidd, 2011, p. 160). By ensuring that this happens especially in larger businesses where the gap between the idea and the people who can implement the idea is larger than that of a small business is paramount to ensure that the company does not stagnate or lose out to the competition.

However there can be personal blocks to creativity and Goodman (as cited in Mullins 2016) identified 6 common blocks to personal creativity which are, perceptual which is a habitual or stereotyping, emotional this is the feeling of fear of anxiety about giving an idea that could be seen as foolish, process which can be the lack of ability or skills, communication style or skills unstable for dealing with the problem, environmental and culture of the company which could hinder ideas.

The above can be linked to a company such as Apple as they went from creating computers and branched out into the phone and tablet industry and are now one of the leading brands in providing new ideas and products in the

technology industry. They have done this by having a staff be open to new ideas and providing a flat management team where everyone can contribute ideas to the company to investigate and potentially work on (Steve Jobs Legacy, 2011). As seen at Apple creativity and innovation can create new ideas and more effective solutions to problems which in turn will allow people to be more effective in their job but also be empowered to think of new ideas that the company can then use in day to day work or new products to sell.

## **5. Conclusion**

This report has reviewed two aspects of organisational behaviour which can help to improve or enhance the company's performance. These include leadership and creativity and different types of leaders and how each leadership style can fit into different types of companies. It has also looked at what can happen when the wrong type of leader is put into a job which does not match their style or attributes. The report has also looked at creativity and innovation and how providing a culture of innovation and creativity can help the company and the departments of a company.

## **6. Recommendations**

In terms of recommendations for companies it all depends on the type of company it is or wishes to be as different companies would require different leaders and leadership styles, each time a new leader is require attention must be paid to the type of leader that would ideal fit into the company and the department. In terms of creativity and innovation this report has advised that the ideal styles for leaders to enhance these are democratic or participative leadership styles this is because this style is more supportive

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and encourages involvement which is required to build a more creative and innovative company.

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