

Management Behavior

Introduction

All activities in this world take place through people coming and working together. This is specifically true for modern organizations. These organizations conduct business and make goods and services available to everyone. Most of the people also work for such organizations and hence it becomes important to understand the various ways in which organizations are structure and the way they operate. These are not random and require administration and planning. Many authors have studied the evolving structure of organizations and the way they should operate and be structured to improve productivity and lives of stakeholders. This gives rise to organizational theory, which is the focus of this report.

Various theories related to this have been proposed since nineteenth century. This report presents the Systems theory and its relation to management practice. Two different motivational theories and their application are discussed. Finally the importance of team work is highlighted and the impact of technology on team work in an organization is studied.

Systems approach to organizations

A systems approach to organizational theory lays emphasis on the interaction of various parts within an organization and that of organization with the external environment. Milakovich and Gordon (2008, pp 176) define this approach by saying that this is a theory *that views organizations not as simple closed bureaucratic structures separate from their surroundings, but as highly complex entities facing considerable uncertainty in their operations, and constantly interacting with their environment*. This is one of the modern organizational theories and puts emphasis on non linear relationship among various variables where change in one may lead to huge changes in others.

Management practice related to this view of organization looks at an organization from a broader perspective. Managers following this approach recognize the importance of various parts and their inter-relations. They make sure that no function operates in silo. So marketing interacts with R&D, engineering with production etc. This is different than the classical situation in which managers focused on one process and then moved their attention to other one.

The above paragraph represents two approaches to management in various organizations – one looks at organizational as a whole and lays emphasis on interactions and interrelations of various processes, while the other one looks at various functions in silos, tries to improve each one of them individually and hopes that the overall organization improves in the process. Management practice following system theory works with the following components

- **Inputs:** Materials, human resource, finance, equipment, technology etc
- **Transformational processes:** Technological and managerial capabilities that turn inputs into outputs
- **Outputs:** Finished products and services
- **Feedback:** Information regarding organizational and results produced in relation with the environments

One management approach sees all the above components as whole and part of a single entity, while other considers them as individual parts.

Management structure and culture and its effect on business performance

According to Hill et.al. (2008, pp 309), management structure *specifies the firm's formal reporting relationships, procedures, controls and authority and decision making processes*. A good management structure is essential for a firm to operate efficiently and be successful. However, not everything can be formalized and there are informal guidelines that guide every employee. There are accepted ways in which people are expected to speak, interact and behave. This is defined by culture of an organization. A culture of an organization sets the role of a person in a particular position defined by the formal structure. Structure defines positions of individuals, but the style of working and the effort put in is defined by the culture. For example, a structure might define that customer executives are supposed to resolve the queries of customers, but it does not define how a particularly difficult customer can be handled. This is done by the culture.

Both structure and culture of an organization have a huge impact on business performance. Especially culture has much more impact on performance than realized by organizations (Kotter

and Heskett, 1992). Structure and culture of an organization determines how fast information flows, how adaptable the organization is and the co-operation level along with mutual trust among the employees. Excelling in these is necessary for an organization to be successful in today's dynamic environment. Culture defines the level of motivation and commitment among the employees and this has direct impact on their output. A very rigid structure can lead to impersonal attitude affecting interaction and leading to dropping motivation and indifference, resulting in dropping business performance. Structure can be defined, but culture needs be carefully shaped over time to achieve the desired results.

Factors influencing individual performances

Any organization is a sum of the individuals and the organizational performance is determined by individual performance of the employees. This performance is influenced by the following factors

- **Ability:** Skills, character traits and knowledge used while performing tasks. This does not vary over short periods.
- **Effort:** Amount of time and energy that an employee is willing to spend at work. More effort points to greater commitment towards work leading to better performance.
- **Motivation:** How well can managers handle the employees and get the best out of them by keeping them engaged towards organization's goals.
- **Expectation and satisfaction:** Every employee has some expectations such as equal treatment from organizations. How well these expectations are met defines satisfaction for the employee.
- **Perception of role:** Everyone wants to be engaged with important work. An employee tends to work harder if the role is deemed important.
- **Environmental factors:** These refer to the factors such as working conditions, availability of equipments to do the task and the time available.
- **Feedback:** Feedback from the management regarding performance of a person can help employees perform better.

Motivational Theories

Motivation is strongly linked with employee performance and has been a subject of study for a long time. Latham (2007) cited various authors that have explored this link and concludes that motivated employees perform better leading to success of an organization. Two motivational theories and their application at workplace is discussed below

- **Incentive theory:** This theory says that a tangible or intangible reward after an employee achieves desired results can cause that behavior to occur again. Thus successful completion of tasks can be associated positively with higher rewards and when repeated often, this becomes a habit. The effect is greater if the reward is given immediately and this effect reduces as the time interval increases. It increases positive reinforcement and induces the same action again for want of rewards in future. This theory is extensively used in the organizations. Most of the companies employ some sort of incentive structure and periodic rewards. A lot of companies these days give out spot awards to employees, making sure that the time interval between action and reward is minimized. These rewards are both in monetary terms as well as in terms of recognition, appraisal, promotion etc.
- **Maslow's Hierarchy of needs:** Maslow developed his theory based on needs hierarchy. Highlights of the theory are
 - o Humans have wants that influence their behavior and only unsatisfied needs can influence behavior
 - o Human needs can be arranged in order of importance
 - o A person moves on to next level of need only when the one below is satisfied
 - o List of needs from basic to complex are physiological (hunger, thirst, sleep, sex etc), safety (security, protection from emotional and physical harm), social (friendship, love, belonging, affection etc), esteem (achievement, recognition, self respect, status etc) and self actualization.
 - o Further a person moves from basic towards complex needs, greater is the increase in humanness, psychological health and individuality of a person.

Many organizations adopt elements of this theory in order to increase employee motivation and improve performance. Following are the steps taken by organizations for each level of need defined by Maslow:

- Physiological needs: Pay good salaries and provide time for breaks and recuperation.
- Safety needs: Provide working conditions that are safe and secure. Freedom from threats and job security also form an essential part of this need level.
- Social needs: Develop a sense of community at workplace and reinforce team dynamics while developing a feeling of acceptance and belonging.
- Esteem needs: Give out rewards, recognize achievements, make employees feel valued and make sure that employees feel that their work is important.
- Self actualization: Allocate stimulating and challenging work that foster innovation and creativity.

Organizations do not tend to explicitly invoke this theory, but they adopt elements of this theory and achieve higher performance out of it. Landy and Conte (2009) highlighted this point by giving an example where better menus at cafeteria help improve performance of employees. Better menus fulfilled the basic physiological need of employees at the workplace and moved them up the ladder, thereby increasing motivation as well as performance.

Factors impeding team work in an organization

Team work is essential for success of any organization and top management tries hard to foster team work among its employees. Following factors, however, can curtail the culture of team work in an organization

- **Bad team culture with lack of trust:** This is the worst situation for a team. Lack of trust means that there is no debate and openness required to arrive at decisions. This leads to team members working in silos and are limited to their own thoughts and capabilities.
- **Lack of commitment and engagement from leadership:** Lack of clarity on mission and vision of an organization leaves the employees groping in dark as they do not know the

end goal. Without an engaging team leader who puts effort in developing the team spirit, the desired results would be difficult to achieve.

- **No set goals:** There is a need to establish SMART (Specific, measurable, achievable, realistic and time-bound) goals for individuals as well as teams, without which team would not know what to achieve.
- **No personal accountability:** Team goals can only be realized when individuals complete their commitments. Lack of this accountability leads to some members slacking off and that affects the performance of the whole team.
- **Underdeveloped communication channels:** Good communication is essential for success of teams, especially those that composes people at different geographical locations. Without proper channels, there would be not debate and decisions cannot be arrived at.

Impact of Technology on Organizations and team work

Technology has been changing the way organizations work and the way employees work in organizations. Today, most of the companies are exploiting social networking in order to increase their reach. Organizations are acquiring ability to acquire and process data faster, making them more responsive and adaptive to the changing conditions. Technology has allowed information to travel fast and this helps organizations make rapid changes and arrive at decisions faster. It also allows an organization to integrate themselves better with organizational results and behavior.

Specifically with regards to team work, technology has helped organizations take big strides. Development of virtual teams has been made possible and team spirit can be enhanced even among people situated at different geographical locations and time zones. Talented employees can now be used not only for a local division but for the benefit of the entire organization. Various collaboration tools are available to enhance team work and increase productivity. Various routine jobs are eliminated, allowing teams to focus on more innovate and critical work, increasing both the satisfaction and performance.

References

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