



ISTANBUL UNIVERSITY

ORGANIZATIONAL BEHAVIOR AND LEADERSHIP

FUNDAMENTALS

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CORE GOALS & CONCEPTS

Effectiveness: adequate to accomplish a purpose; producing the intended or expected result

Efficiency: accomplishment of or ability to accomplish a job with a minimum expenditure of time and effort or able to accomplish something with the least waste of time and effort; competency in performance.

Sustainability: the quality of not being harmful to the environment or depleting natural resources, and thereby supporting long-term ecological balance



Leadership in English-speaking countries is derived from an old Anglo-Saxon word, *loedan*, meaning a way, road, path or journey.

Management is derived from the Italian *manaeggio* originating in the Latin word for hand, *manus*. So, to manufacture something means, literally, to make things by hand, and in the 19th century workers were employed by *manufactories*.

Organization is derived from the Greek word *organon*, meaning a tool or device. So an organization can be viewed simply as a device for getting things done as efficiently and effectively as possible.



ORGANIZATION

Organizations are collections of people working together to achieve a common purpose.

- It is intended to comply human needs directly or indirectly by producing goods and services with combining and using resources of production.
- Natural Resources
- Effort
- Capital
- Entrepreneur
- Information

A mission statement describes the organization's purpose for stakeholders and the public.

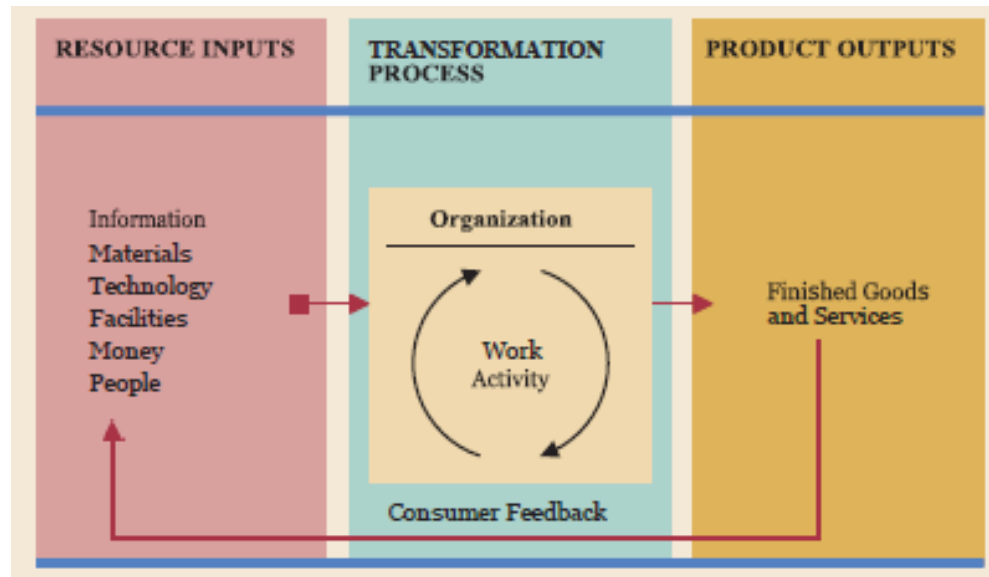
Strategy guides organizations to operate in ways that outperform competitors.



ORGANIZATIONAL ENVIRONMENT AND STAKEHOLDERS

Open systems; transform human and material resource inputs into finished goods and services.

The value chain is a sequence of activities that creates valued goods and services for customers.



ORGANIZATIONAL BEHAVIOR AND MANAGEMENT

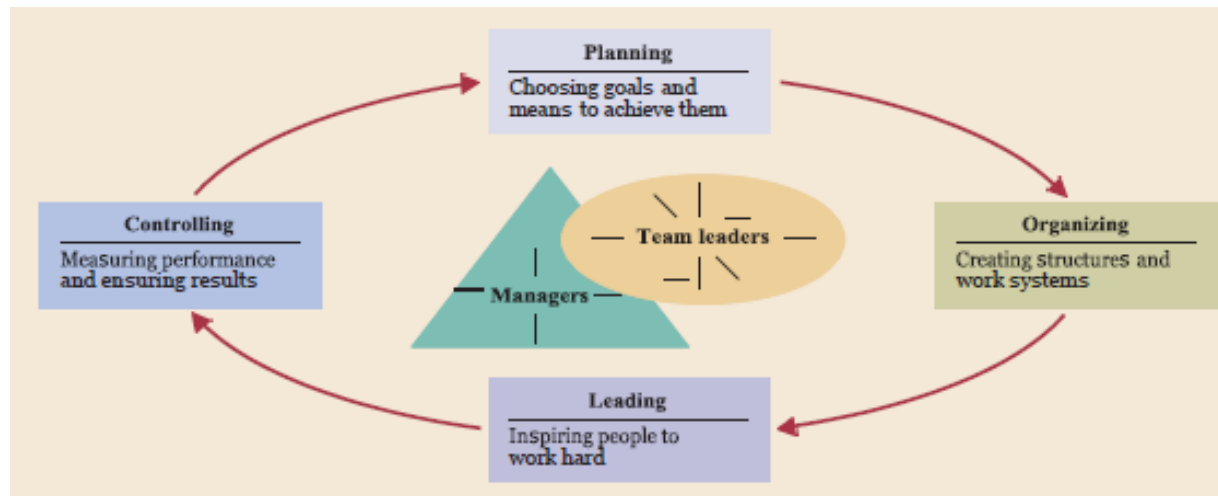
Managers are persons who support the work efforts of other people.

An **effective manager** helps others achieve high levels of both performance and satisfaction.

Task performance is the quantity and quality of work produced.

Job satisfaction is a positive feeling about one's work and work settings.

MANAGEMENT PROCESS

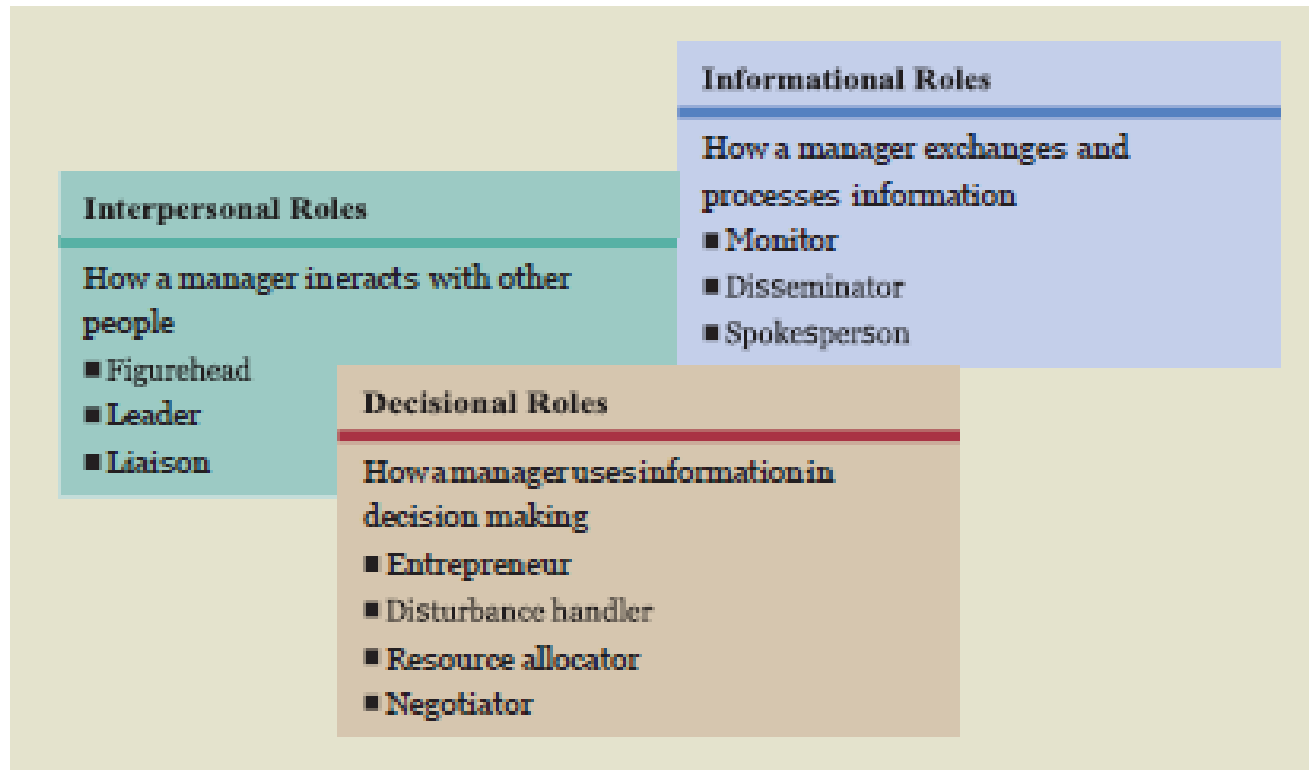


Basic managerial process

- **Planning**—defining goals, setting specific performance objectives, and identifying the actions needed to achieve them
- **Organizing**—creating work structures and systems, and arranging resources to accomplish goals and objectives
- **Leading**—instilling enthusiasm by communicating with others, motivating them to work hard, and maintaining good interpersonal relations
- **Controlling**—ensuring that things go well by monitoring performance and taking corrective action as necessary



MINTSBERG'S 10 ROLES OF EFFECTIVE MANAGERS



Social capital is a capacity to get things done due to relationships with other people.

A **skill** is an ability to turn knowledge into effective action.



SKILLS IN WORKPLACE

A **skill** is an ability to translate knowledge into action that results in a desired performance.

Technical Skills A **technical skill** is an ability to perform specialized tasks.

Human Skills Central to all aspects of managerial work and team leadership are **human skills**, or the ability to work well with other people

An important emphasis in this area of human skills is **emotional intelligence**, or EI

The core elements in emotional intelligence are:

- *Self-awareness* — ability to understand your own moods and emotions
- *Self-regulation* —ability to think before acting and to control disruptive impulses
- *Motivation*—ability to work hard and persevere
- *Empathy* —ability to understand the emotions of others
- *Social skill* —ability to gain rapport with others and build good relationships

Conceptual Skills involves the ability to see and understand how systems work and how their parts are interrelated, including human dynamics. Conceptual skill is used to identify problems and opportunities, gather and interpret relevant information, and make good problem-solving decisions.



MORAL MANAGEMENT

Having the essential managerial skills is one thing; using them correctly to get things done in organizations is quite another.

An **immoral manager** chooses to behave unethically.

An **amoral manager** fails to consider the ethics of a decision or behavior.

A **moral manager** makes ethical behavior a personal goal.



Ethics mindfulness is an enriched awareness that causes one to consistently behave with ethical consciousness.

GENERAL MANAGEMENT THEORIES



F Taylor

Theory of Scientific Management

- Time and motion study
- Differential Piece Rate Plan



Henri Fayol

Administrative Theory

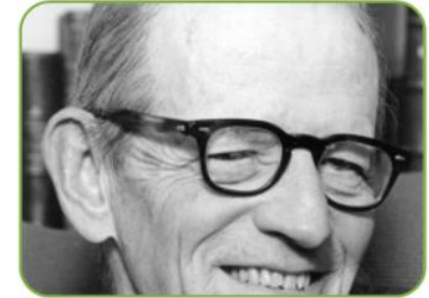
- 14 principles
- Planning, Organizing, Commanding, Coordinating, Controlling



Max Weber

Bureaucratic Theory

- Division of Labor
- Formal Structure
- Management by Rules



Elton Mayo

Behavioral Theory of Management

- Psychological stimulus
- Better work environment

MANAGEMENT THEORIES

1. Classical Management Theory

Classical management theory is based on the belief that workers only have physical and economic needs and prescribes specialization of labor. Classical theories recommend centralized leadership and [decision-making](#) and focus on profit maximization. Three streams of classical management theory are - [Bureaucracy \(Weber\)](#), [Administrative Theory \(Fayol\)](#), and [Scientific Management \(Taylor\)](#).

2. Behavioral Management Theory

The [behavioral management theory](#) is focused on the human aspects of work. They are also often referred to as the human relations movement. These theories aspire to gain a better understanding of human behavior at work to improve productivity. It focuses on behavioral aspects like motivation, conflict, expectations, and [group dynamics](#).

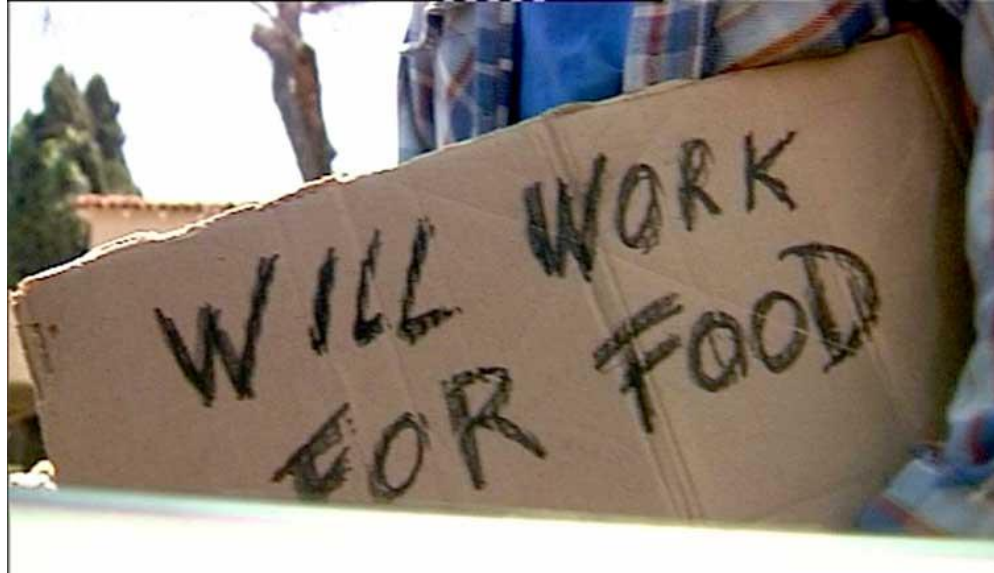
3. Modern Management Theory

Modern management theory emphasizes the use of systematic mathematical techniques to analyze and understand the inter-relationship of management and workers in all aspects. Three streams of modern management theories are - [Quantitative Approach](#), [System Approach](#), and [Contingency Approach](#).



HUMAN FACTOR IN CLASSICAL MANAGEMENT

- Human Beings are lazy and not trustable
- Only work under discipline and close control
- Human costs are the only ones that can be controlled
- The only way to maximize profit is standardize work so least capable workers can work longer hours
- They are only motivated with money because they have a stomach to fulfill



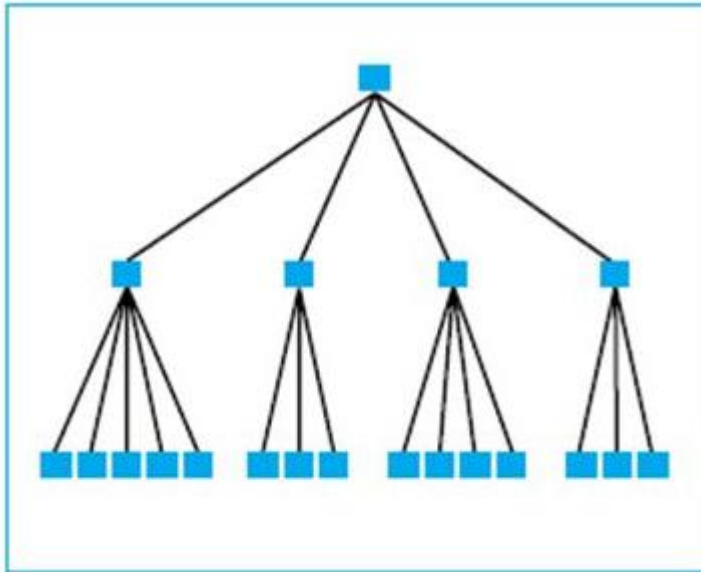
BEHAVIORAL THEORY OF MANAGEMENT

- Understand and clarify the needs of Human Factors in organizations
- Define and analyze capabilities and potential
- Harmonize organizational goals with human needs
- Use the potential of Human Factors in the most effective and creative way to reach the goals
- Motivate them to maximize the final profit of the organization
- They have feeling because they have a heart



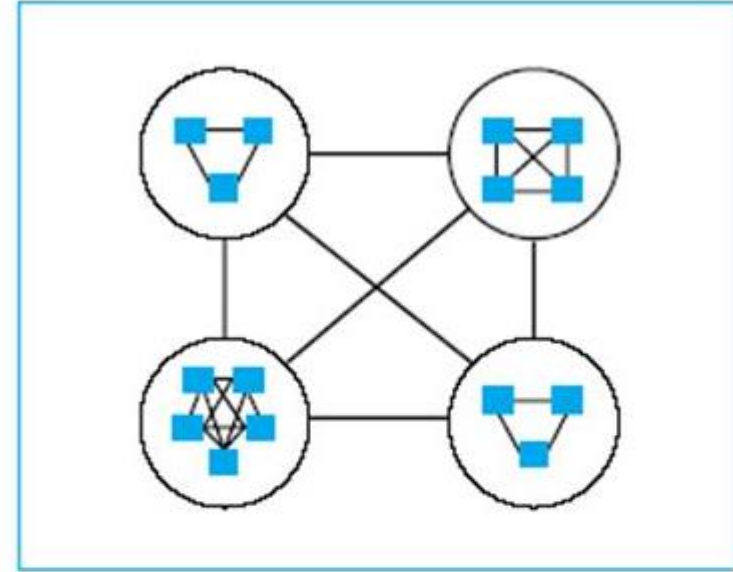
ENVIRONMENT & STRUCTURE OF THE ORGANIZATION

Mechanistic structure



- High horizontal differentiation
- Rigid hierarchical relationships
- Fixed duties
- High formalization
- Formalized communication channels
- Centralized decision authority

Organic structure



- Low horizontal differentiation
- Collaboration (both vertical and horizontal)
- Adaptable duties
- Low formalization
- Informal communication
- Decentralized decision authority

CHANGE OF THEORIES OVER THE TIME

1910-1930

- STANDARDIZATION
- FUNCTIONAL EXPERTISE
- FORMALITY OF PROCESSES
- ECONOMIC RATIONAL BEHAVIOR
- MECHANICAL ORGANIZATIONAL STRUCTURE
- WORKERS HAVE A STOMACH TO FULLFIL

Classical Theory

1930-1940

- INFORMAL GROUPS
- SOCIAL ORGANIZATION
- MOTIVATION
- LEADERSHIP
- WORKERS HAVE A HEART THAT GUIDES THEIR DECISIONS
- BOUNDED RATIONALITY

Behavioral Theory

1940-1950

- STATISTICAL METHODS
- QUANTITATIVE DECISION MAKING
- LINEER PROGRAMMING
- OPERATION MANAGEMENT
- SIMULATION AND MODEL TESTING
- WORKERS HAVE A BRAIN THAT GUIDES THEIR ACTIONS

Modern Theory

1950-1960

- SYSTEMATIC APPROACH
- CHANGING DEMANDS OF ENVIRONMENT
- GLOBAL COMPETITION
- MARKETING VS PRODUCTION
- STRATEGIC MANAGEMENT



CHANGE OF THEORIES OVER THE TIME

1960-1980

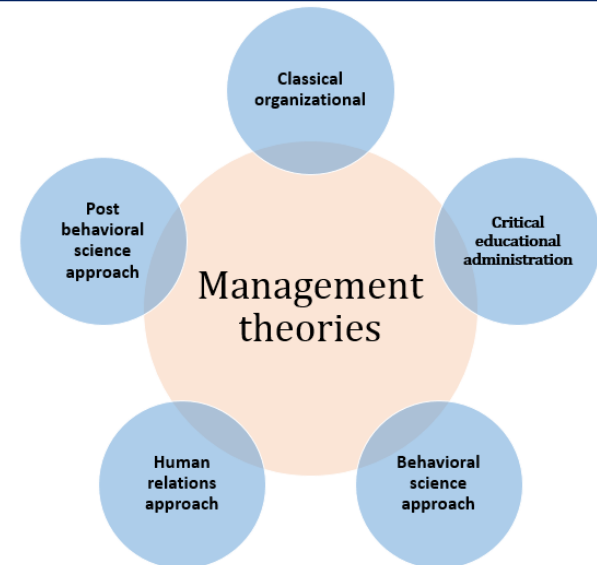
- NO SINGLE UNIVERSAL BEST APPROACH
- IMPORTANCE OF ENVIRONMENT
- DYNAMIC BALANCE AND CHANGE
- CRISIS MANAGEMENT
- ADAPTATION TO CHANGES
- HUMAN CAPITAL AND TEAMWORK

1980-1990

- SUSTAINABILITY
- CUSTOMER RELATIONSHIP MANAGEMENT
- GLOBAL COMPETITION
- CROSS CULTURAL BORDERS VS NATIONAL BORDERS
- GLOBAL WORLD IS THE PLAYGROUND

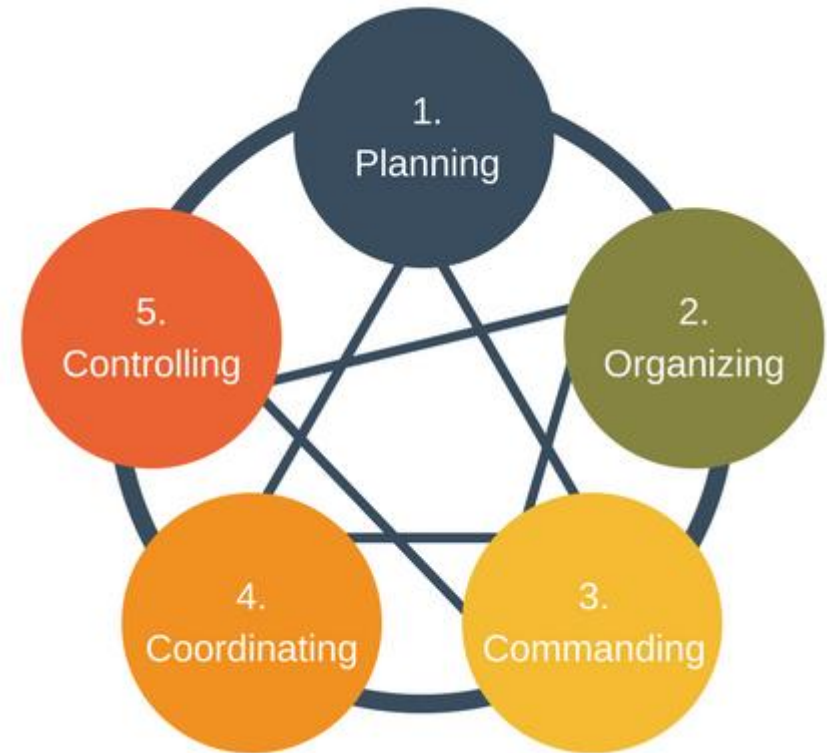
1990-2000

- CORE COMPETENCIES
- MANAGEMENT WITH SCARCE RESOURCES
- PROFESSIONAL MANAGEMENT AND AGENCY THEORY AND PROFESSIONAL MANAGEMENT
- INSTITUTIONALIZATION
- STRATEGIC LEADERSHIP



MAIN FUNCTION OF MANAGEMENT

- Effective use of resources
- Leading and managing change
- Fair distribution of the tasks
- Direct and control the activities
- Motivate employees to reach the desired goals
- Overcome daily problems
- Handle and resolve the conflicts
- Manage groups as departments
- Get things done through people



SYSTEMS OF ORGANIZATION

- **TECHNICAL SYSTEMS**
- **ECONOMICAL SYSTEMS**
- **SOCIAL SYSTEMS**

MANAGEMENT SKILLS

- **Technical skills:** apply specialized knowledge or expertise
- **Human skills:** work with, understand and motivate people
- **Conceptual skills:** ability to analyze and diagnose situations

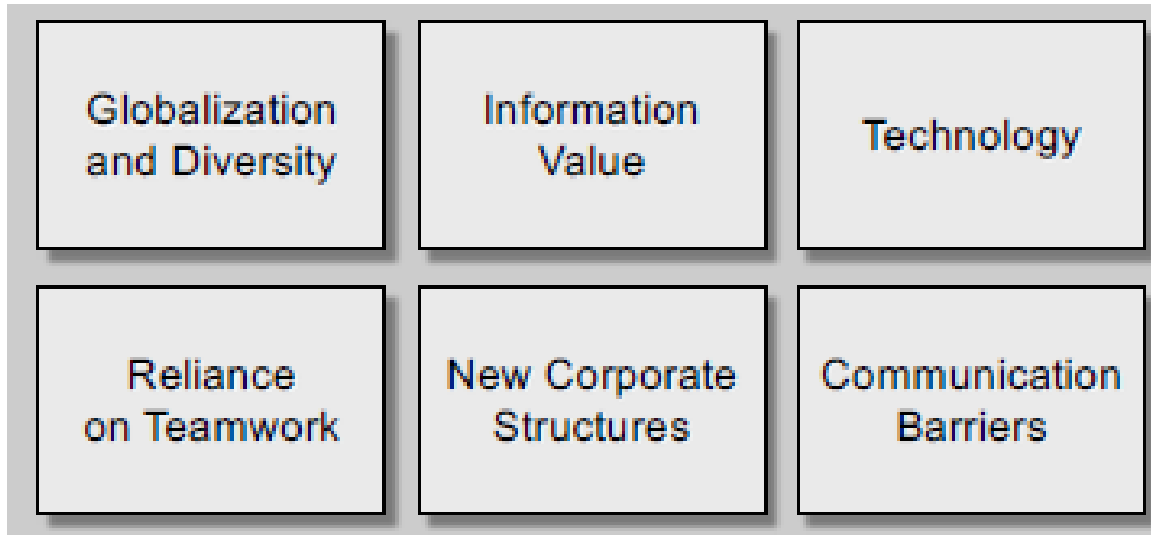
A field of study that investigates the

* impact of individuals, groups, and structure on organizations

* apply such knowledge toward improving an organization's effectiveness.



CHALLENGES OF ORGANIZATIONAL BEHAVIOR



MANAGEMENT AND LEARNING ORGANIZATIONS

1. Organizations that **know**
2. Organizations that **adapt**
3. Organizations that **think**
4. Organizations that **learn**

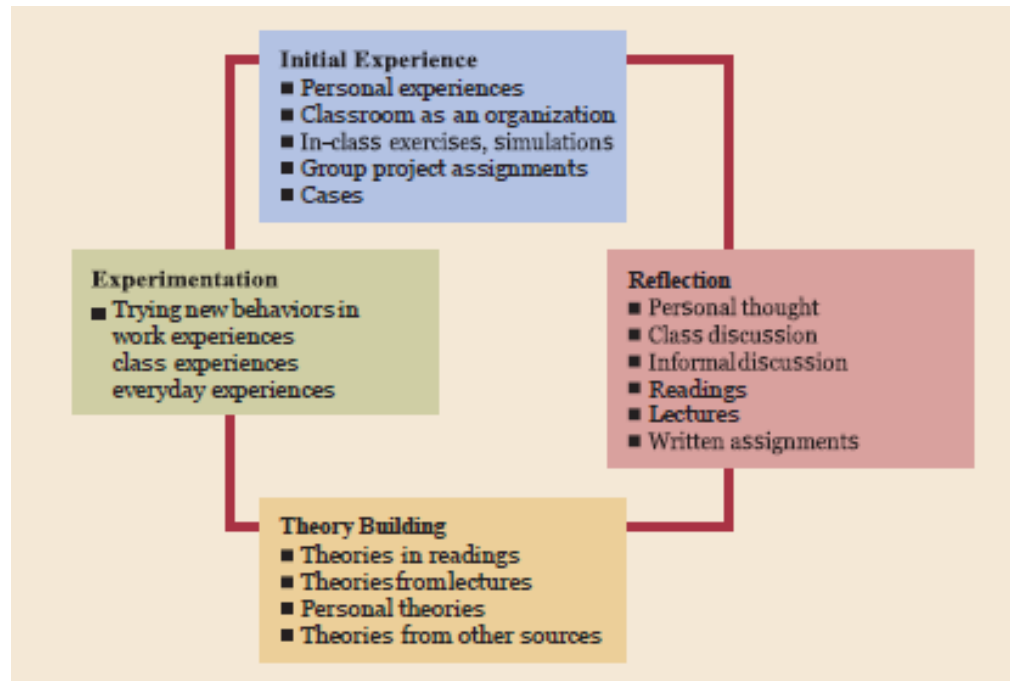


LEARNING ABOUT ORGANIZATIONAL BEHAVIOR

Learning is an enduring change in behavior that results from experience.

Lifelong learning is continuous learning from everyday experiences.

Organizational learning is the process of acquiring knowledge and using information to adapt to changing circumstances.



Experimental Learning Cycles of OB



SEVEN LEARNING STYLES

- *Visual learner* — learns by watching and viewing images and diagrams.
- *Print learner* —learns by reading and writing things down.
- *Auditory learner* —learns by listening and repeating verbal presentations.
- *Interactive learner* —learns through conversation and sharing information.
- *Haptic learner* —learns hands-on by drawing and putting things together.
- *Kinesthetic learner* —learns by doing and active involvement.
- *Olfactory learner* —learns through associative senses of smell and taste.



STRATEGIC MANAGEMENT

- Know your self, know your, enemy, know the battlefield, and there will be no wars that you can not win.
- If you do not know one of them to win or to loose is coincidental (tactics in ambiguous situations)
- If you do not know two of them you will loose the battle



TRANSFORMING ORGANIZATIONS & MANAGEMENT

- EFFECTIVE MANAGEMENT AND LEADERSHIP REQUIRES

1. Cognitive Intelligence (1920 – 1940)
2. Emotional Intelligence (1940 – 1960)
3. Social Intelligence (1960 – 1980)
4. Cultural Intelligence (1980 – 2000+)

- **COGNITIVE** – ORGANIZE WORKING STYLES, SCHEDULES AND ENVIRONMENT
- **EMOTIONAL** – ORGANIZE RELATIONS, FEELINGS, ATTITUDES AND MOTIVATION
- **SOCIAL** – ORGANIZE COORDINATION, COLLABORATION, AND TEAM SPRIT
- **CULTURAL** – ORGANIZE AWARENESS, FLEXIBILITY, ADAPTATION AND DIVERSITY



EVOLUTION OF ORGANIZATIONAL PROCESS

- NUMBER OF THE PRODUCTS (EFFECTIVENESS)
- COST OF THE PRODUCTS (EFFICIENCY)
- QUALITY OF THE PRODUCTS (EFFECTIVENESS)
- BRAND OF THE PRODUCTS (EFFECTIVENESS)
- QUALITY OF THE PROCESS (EFFICIENCY)
- CUSTOMER SEGMENTATION (SUSTAINIBILITY)
- PRODUCT CUSTOMIZATION (SUSTAINIBILITY)
- SERVICE CUSTOMIZATION (SUSTAINIBILITY)

- PERSONNEL MANAGEMENT
- HUMAN RESOURCES MANAGEMENT
- HUMAN RELATIONS MANAGEMENT
- HUMAN CAPITAL MANAGEMENT



GOALS OF ORGANIZATIONS / OB

ORGANIZATION

- PERSONNEL MANAGEMENT
- HUMAN RESOURCES MANAGEMENT
- HUMAN RELATIONS MANAGEMENT
- HUMAN CAPITAL MANAGEMENT

ORGANIZATIONAL BEHAVIOR

- ANALYZE CHALLENGES
- ANALYZE RELATIONS
- ANALYZE BEHAVIOR
- ADAPT BEHAVIOR TO THE DEMANDS

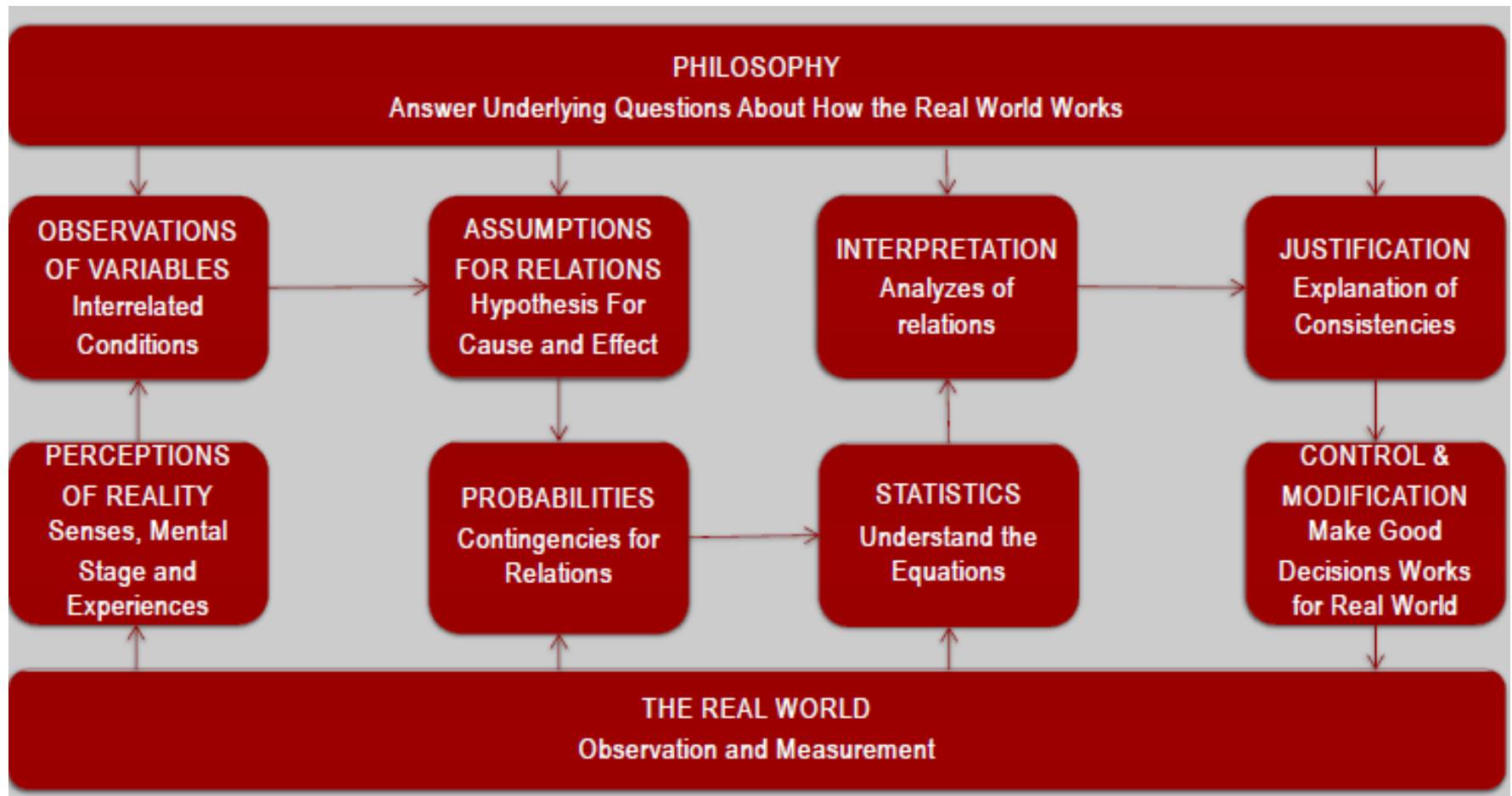


MAIN ASSUMPTIONS OF OB

- OB Takes a **Contingency Approach**: There are **no certain laws** like in physical sciences, human beings are complex and we are not alike.
- OB Uses **Systematic Study**: Looking at relationships, attempting to attribute **causes and effects**, and basing our conclusions on scientific evidence (data gathered under controlled conditions, measured and interpreted in a reasonably absolute manner.)
- OB **Looks at Consistencies**: Fundamental consistencies are very important because they allow **predictability**.



RESEARCH IN SOCIAL SCIENCES



ANALYSIS OF BEHAVIOR

- UNDERSTAND THE BASIS OF BEHAVIOR
- ANALYZE THE MAIN RELATIONS OF BEHAVIOR
- PREDICT THE BEHAVIOR
- DEVELOP AND CHANGE THE BEHAVIOR

UNDERSTAND THE BASIS BEHAVIOR

- GOAL ORIENTED ACTION, PURPOSEFUL ACT
(NEEDS, MOTIVES, DECISION MAKING)
- RESPONSE TO ENVIRONMENTAL STIMULI
(PERCEPTION, ATTITUDES, VALUES, GROUPS)



PREDICTED BEHAVIOR

◦ BEHAVIOR IS PREDICTABLE IF YOU CAN ACCESS

- HOW THE PERSON PERCEIVES THE ENVIRONMENT
- WHAT IS IMPORTANT FOR HIM OR HER
- ACCEPTED RULES AND NORMS IN THE ENVIRONMENT

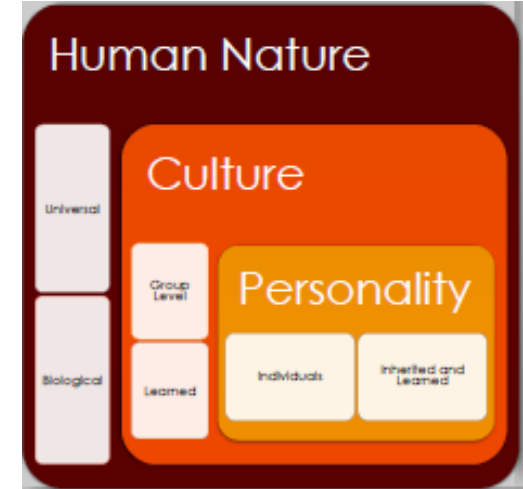
◦ BEHAVIOR MAY NOT SEEM TO BE RATIONAL TO AN OUTSIDER IF YOU DON'T

- PERCEIVE THE ENVIRONMENT IN THE SAME WAY
- HAVE THE ACCESS TO THE SAME INFORMATION
- KNOW ABOUT THE ACCEPTABLE AND DESIRED BEHAVIORS



PREDICTION OF BEHAVIOR

- At the broadest level, all human beings share certain biological reactions. We eat when we are hungry, for example. At the narrowest level are the personality characteristics that are unique to each of us as individuals. Culture occurs at an intermediate level based on shared experiences within a particular society.



SOCIAL PERCEPTION

“We look at a person and immediately a certain impression of his character forms itself in us. A glance, a few spoken words are sufficient to tell us a story about a highly complex matter. We know that such impressions form with remarkable rapidity and with great ease” (Asch, 1946)

MISCONCEPTION

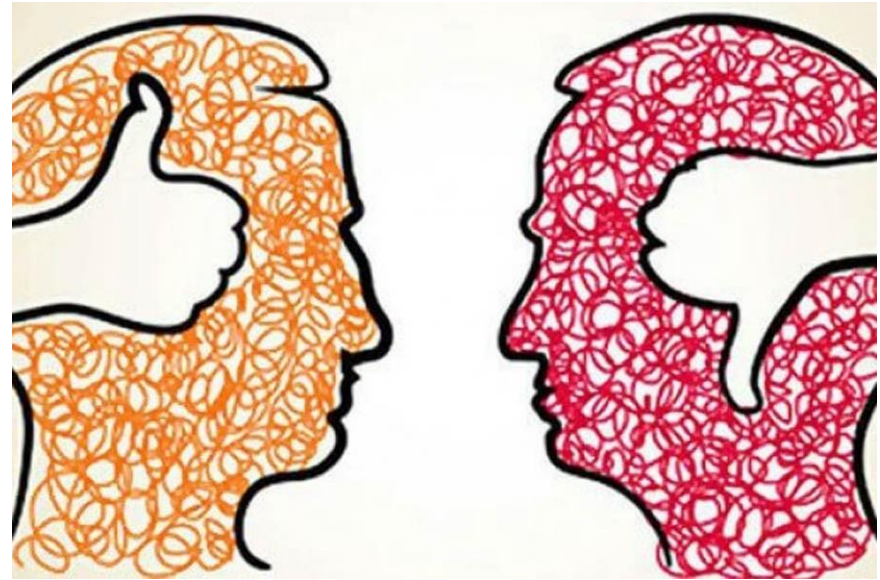
‘...if people who do not understand each other at least understand that they do not understand each other, then they understand each other better than when, not understanding each other, they do not even understand that they do not understand each other’ (Ichheiser, 1949)

Social perception refers to **identifying and utilizing social cues to make judgments about social roles, rules, relationships, context, or the characteristics** (e.g., trustworthiness) of others. ... Observations serve as the raw data of social perception—an interplay of three sources: persons, situations, and behavior.



PERCEPTIONAL ERRORS IN SOCIAL PERCEPTION

- STREOTYPE
- HALO EFFECT
- CONTRAST EFFECT
- CONCEALED PERSONALITY



Stereotypes-We always have a tendency to classify people to a general groups /categories in order to simplify the matter. For example-Women are always good homemakers and can do well in work life balance

Halo Effect-We misjudge people by concentrating on one single behavior or trait. It has deep impact and give inaccurate result most of the time. For example we always have an impression of a lazy person can never be punctual in any occasion.

PERCEPTIONAL ERRORS IN SOCIAL PERCEPTION

Contrast Effect-We again sometimes judge people in comparison to others . This example generally found in sports, academics and performance review

Concealed Personality - In recent developmental studies, masking has evolved and is now defined as concealing one's emotion by **portraying another emotion**. It is mostly used to conceal a negative emotion (usually sadness, frustration, and anger) with a positive emotion.

Selective Perception-People generally interpret according to their basis of interests, idea and backgrounds.It is the tendency not to notice and forget the stimuli that cause emotional discomfort.For example we might think that fresher graduates with above 80 % marks will exceptionally do well in technical interviews of respective subjects

Projection-This is very common among Perceptual errors. Projection of one's own attitude, personality or behavior into some other person. For example- To all honest people, everybody is honest.

Impression-We all know the term "first impression is the last impression" and we apply that too .For example-During the time of hiring, thought like this "The most decent and modest person in the interview can do very well in every roles and responsibilities " always arise.



STRATEGIES FOR IMPROVING PERCEPTUAL SKILLS

7 Strategies

1. Knowing Oneself Accurately: One of the powerful ways to minimize perceptual distortions is to know yourself
2. Emphathize with Others
3. Have a Positive Attitude
4. Postpone Impression Formation
5. Communicating Openly
6. Comparing One's Perceptions with that of Others
7. Introducing Diversity Management Programs

