Fifth Edition

ORGANISATIONAL BEHAVIOUR

Individuals, Groups and Organisation

IAN BROOKS

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Pearson

NOTE THAT ANY PAGE CROSS REFERENCES REFER TO THE PRINT EDITION

For Hannah, Cara, Connor, Lucy and Bernie

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Preface

This significantly updated and amended fifth edition provides an introduction to organisational behaviour. It is intended for students on a range of courses including:

- Business Studies/Business Administration or similar business and management undergraduate degrees often at level 1 or 2;
- Modules in Working with People, Organisational Behaviour, Managing and Organising or similar subject titles including introductory programmes for advanced HRM;
- Post experience/postgraduate and professional courses, part of which comprise Organisational Behaviour as an introduction or underpinning of management, HRM, the management of change, cross-cultural management, or business strategy.
- A general reader as a focused and lively updated introduction to the subject.

This edition aims to be more accessible than the market leaders in the field. It provides a succinct and focused, yet robust, coverage of the subject. In my experience, many undergraduate students find a larger text inaccessible and rather daunting.

The text includes considerable new material of relevance to the modern twenty-first-century workplace (e.g. modern communication technologies, cross-cultural management, generational change) and changing forms of employment (e.g. gig economy) and places OB in the international or global context that it warrants. Many OB texts virtually ignore cultural difference, which at best is forgetful and at worst blinkered and ethnocentric. Most OB texts tend also to ignore the changing nature of both the workplace and the generational changes taking place among students, employees, managers and in wider society.

Considerable research was undertaken prior to the design of the text to ascertain the needs of students and tutors in this regard. Their responses and advice have directly influenced the design objectives and content of the text, for which I am very grateful.

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Exciting new contents – major updates for the fifth edition

I have attempted to take on board both reviewer comments and my own and others' teaching and senior management experiences and have, as a consequence, embraced many new developments in the world of work and existing phenomena which exert a profound impact on behaviour in and around organisations. The fifth edition better reflects the realities of today's workplace, a workplace that most students of this subject will enter shortly with aspiration, understanding, enthusiasm and, of course, some innocence. The text has improved currency and hence relevance for students while also maintaining the core and

essence of OB: most of the key contents that comprise this wonderful subject remain and form the basic structure of the text.

New materials

- The book includes significant explanatory academic and practical material on national culture in Chapter 1 and then in all subsequent chapters in the context of the subjects covered. This provides an ongoing critique of Western models (where appropriate), the inclusion of some non-Western theories and the impact that culture has on OB in various geographical contexts. Many fascinating insights, particularly for the uninitiated, are revealed: for example, did you know that despite 'Western' fascination with 'leadership', there is no direct translation of that word in many 'Eastern' languages.

- Inclusion of a major section on the gig economy and boundaryless careers and reference elsewhere where relevant. The world of work is changing with profound individual, organisational and societal implications. These impact the subject of OB which hitherto tended to assume traditional employment patterns. We explore some of the consequences of change both for these involved and for the subject of OB, for example, its impact on the psychological contract, on motivation and on management and leadership.

- Consideration of generational changes, responding to reviewers and tutors' arguments that some traditional theory assumes stable, homogeneous contexts and that 'today's' young people have experienced radically different contexts from those of their parents and grandparents. We explore the attitudes, values and behaviours of Baby Boomers through to Generation X, Y and Z, and the hypothesis that there are significant implications for behaviour in organisations. One's own experiences are such that recognition of generational differences reflects the realities one can observe.

- There is further updated material on many contemporary themes in OB, for example: the impact of modern communication technologies; emotional intelligence; cultural intelligence; emotional labour; work–life balance (WLB); knowledge workers; communities of practice; pay and motivation; self-motivation; networking; virtual teams, virtual organisations and networked structures; cross-cultural working; family business and Chinese family business; blue ocean strategy; more on change and change management, and further material on diversity including institutionalism racism and 'culture of fear'.

- We have added further real-life cases (some amended/disguised), often from recent graduates in work.

- A glossary of terms added for the first time.

We have removed some older, less relevant or repetitive material while preserving those key seminal contributions in each chapter: it is a blend of the old and good and the new and exploratory.

About the author

Dr Ian Brooks 'retired' in the summer of 2016, after over fifteen years as Dean of the Northampton Business School and later Executive Dean at the University of Northampton, and entered the gig economy. In his executive role he held strategic responsibility for university-wide internationalisation and for developing academic partnerships with education organisations at home and overseas. He helped establish new franchise and similar academic/business arrangements in New Zealand, Hong Kong, Singapore, Malaysia, Myanmar, India, Sri Lanka, Mauritius, Ghana, Kenya, Dubai (all involving travel to and around those locations, of course) and in the United Kingdom.

Whilst a tutor he taught OB, organisational change and business strategy and has published in many peer-reviewed journals (see Research Gate) in OB, cultural change and strategy. Ian has a first degree from Nottingham University and an MBA from Bath University. His PhD focused on organisational and professional culture and change.

In 'retirement' Ian does a little writing (hence this fifth edition) and international educational consultancy and is a visiting professor of the University of Northampton.

Ian was born in Gloucester and lived in Dubai for seven years in the 1980s. He is married with children in work and at university.

Acknowledgements

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CHAPTER 1

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Organisational behaviour in an international context

Learning outcomes

On completion of this chapter you should be able to:

- understand the nature and scope of organisational behaviour (OB) in the international context in which we operate;
- understand the value of a behavioural approach to working in and managing organisations;
- recognise that organisational behaviour is ever changing;
- know how this text is structured;
- understand the concept of national culture, the context of OB;
- understand the impact of culture and Hofstede's dimensions of culture, appreciating the major differences that exist globally;
- understand the importance of and difference between *culture shock* and *culture shift*; and
- understand the importance of the four themes of diversity, change, conflict and communications to the study of organisational behaviour.

Key concepts

- individual behaviour
- group behaviour
- organisational behaviour
- organisational analysis
- quality of work life/work–life balance
- international context
- national culture
- dimensions of culture
- culture shock

- culture shift
- new organisational behaviours and forms
- multidisciplinary study
- theory to practice
- diversity
- change
- conflict
- communications

Introduction

This introductory chapter outlines the nature of organisational behaviour. It describes how this text is structured and styled to enable the reader to understand the often-theoretical subject matter in the context of modern organisational practice. Organisational behaviour (OB) is the study of human behaviour in organisational contexts, with a focus on both individual and group processes and actions. Hence, it involves an exploration of organisational and managerial processes in the dynamic context of the organisation and is primarily concerned with the human implications of such activity. We recognise that OB is impacted by national cultures and subject to continual change and challenges resulting from globalisation and socio-political and economic changes. Hence, this OB text differs from many by exploring the international, cultural, context in which many, if not most, organisations and employees now operate. National cultures profoundly impact OB. Furthermore, most of the theories covered in this subject derive from the United States and 'Western' cultural models. Throughout this text we refer to theories and practices from other global locations and consider the ethnocentric nature of some traditional research. In this chapter, we explore the impact of national culture generically on people and, therefore, on OB and explain the contribution made by Hofstede to our understanding of cultural difference and its impact on organisations.

What is organisational behaviour?

Organisational behaviour (**OB**) *is the study of human behaviour in organisational contexts with a focus on both individual and group processes and actions. Hence, it involves an exploration of organisational and managerial processes in the dynamic context of the organisation and is primarily concerned with the human implications of such activity.* The subject is rooted in the behavioural sciences, notably sociology and psychology, and underpins in many respects the study of management. It is an applied behavioural science which seeks to draw on a broad and extensive theoretical and practical knowledge base to advance our understanding of the complexities of human behaviour in organisations and to inform management thinking and activity. Both OB and management are social sciences informed partly by research and partly by debate in the traditional subject disciplines of psychology, sociology and, to an extent, anthropology, political science and economics.

Psychologists are generally concerned with the study of individual human behaviour and the personality system, whereas a branch of that subject, social psychology, looks at group, including organisational, behaviour. Sociologists focus on social behaviour and are particularly concerned about societal structures, conflict and control. Anthropologists explore culture; that is, the symbolic, attitudinal and behavioural factors which unite various social groups. In so far as it relates to OB, political science is the study of power and control between individuals and groups, whereas economics attempts to provide a rational explanatory framework for individual and organisational activity. As organisational behaviour has roots in many traditional academic fields, it is considered to be a multidisciplinary subject.

Human behaviour in organisations is complex as it is affected by, and in turn influences, an array of factors, including managerial action, changing competitive circumstances and new technologies. People in organisations interact with their environment, with stakeholders and with others in the organisation. There are significant differences in personality between individuals, many people behave differently in groups than when working alone

and most are influenced by the norms and values of the organisation and of the society in which they live and work. These influences and interconnections make the study of OB inherently interesting and enlightening, especially for those concerned with human or people issues in organisations.

Why study organisational behaviour?

A knowledge of OB should enable you to explain and even predict human behaviour in organisations and potentially to manage and control it if appropriate. Additionally, OB is both informed by and contributes to organisational theory and management theory and, as a consequence, it forms an integral part of most undergraduate and postgraduate programmes in business studies, management and leadership. Moreover, it is an important subject for all who work and manage in organisations.

Many of the theories and arguments presented in this text have value to the work of managers and other employees in organisations. Even for students with little or no formal organisational work experience, the ability to apply OB to 'organisational' contexts should prove both possible and valuable. Your family, your circle of friends, your sports or other clubs and the university or college in which you study are all organisations. Organisational behaviour is relevant to your work, study and play. You will have witnessed considerable change already in your lifetime and will certainly experience more in the decades to come. Organisational theory, some of which was developed a hundred years ago, is not necessarily redundant as it continues to influence and predict organisational behaviour. However, technology and globalisation are having a profound impact on organisational norms and ways of working and interacting with colleagues.

As a result of studying this subject, you may possibly alter your 'management philosophy' including, perhaps, long-harboured beliefs. You may also obtain the answers to outstanding questions about issues such as: how people are motivated or led, how groups or teams function, why the structure of an organisation influences the behaviour of people who work in it, and how both the culture and power relationships in organisations affect human behaviour at work.

The study of OB should enable you to diagnose organisational problems with some insight and expertise. Following that diagnosis, you may be able to develop solutions to problems, ways of dealing with difficult 'human' issues or, perhaps crucially, ways of avoiding certain problems in the first place. In short, there is something very practical about many of the theories presented in this text: you, the scholar and the 'manager', will, however, need to interpret and apply them to the particular context in which you operate. That, if achieved, would represent a highly worthwhile, constructive and meaningful learning experience and should make you a more effective manager.

Organisational behaviour today

Organisational behaviour, like organisations themselves, is changing. Although most of the important underpinning theory and seminal works were published in the twentieth century, they still have relevance today. However, globalisation, cultural difference, information and communications technology and societal expectations and norms are profoundly impacting behaviour in and of organisations.

This text includes many examples of such changes. These changes will continue often in unpredictable ways: the world of work will change. We cover many more recent changes in this text, including the growth of newer, more flexible ways of working, the 'gig economy' and 'boundaryless careers', for example. We explore, often through short case studies, the way in which social media and mobile communications are impacting the way real people work. There are generational divides impacting behaviour in organisations and new organisational forms often accommodating those changes.

We also explore in this text the frequent criticism of organisational behaviour as being driven by a Western, usually Anglo-American, model and include multiple illustrations of how different cultures behave differently in organisations. It is vital for people in organisations to recognise that their own cultural perspectives may vary considerably from others who come from different countries or who adhere to different values. Ethnocentrism characterises many theories and perspectives in OB, so we attempt to illustrate that cultural difference is very much alive and a constant feature of organisations, particularly for managers and workers who in the course of their work life interact internationally. At the very least, we hope to reduce 'culture shock' when people encounter organisations, groups and individuals holding very different cultural understandings.

A subsequent edition of this text may offer sufficient evidence to include consideration of the impact of robotisation on organisational behaviour. We know already that in certain manufacturing environments, robots have in a large measure replaced low- and medium-skilled labour. These technologies are now being applied to clerical work, and although estimates vary, most commentators now believe that this will significantly impact the nature and terms of employment for many administrative employees in the next two decades.

Four themes: diversity, change, conflict and communications

Four themes inform and influence a number of the topics covered in the text. These themes – diversity, organisational change, conflict and communications – often form separate chapters in OB texts. However, in an attempt to illustrate the interconnectedness of organisations and the all-embracing significance of these four themes, they are integrated into each key chapter.

Diversity, change, conflict and communications are omnipresent in organisations. They are part of the fabric and reality of organisational life. The degree of success in the management of diversity, change, conflict and communications will influence human productivity and well-being and, hence, the competitiveness of the organisation and its ability to meet its objectives.

The four themes closely relate to the main topics covered in this text, such as motivation, teamwork, structure, politics and culture. For example, organisational culture is often seen as 'an intangible glue' (Morgan, 1986) which binds people together. As such, it is argued, culture reduces potential conflict in organisations which have a strongly held value and belief system. Organisational change often goes hand in glove with cultural change; an appreciation of the former involves knowledge of the latter, whereas communication, in its broadest sense, is the mechanism whereby culture is learned and changed. Hence, these four themes improve our understanding of and enrich the concept of culture and the other topics covered. This approach should enable you to understand better the complexity of organisational reality.

Diversity in the workplace

Most organisations employ a diverse array of people, and most, if not all, work in a wider diverse context. Chapter 3 explores individual differences and demonstrates how such differences can influence how organisations function. However, in addition to generic differences in personality, perception, learning, communication styles and so forth, there is also diversity of gender, age, race or ethnicity, abilities and disability, religious belief and sexual orientation. Organisations are rich human environments – environments which require of all employees and leaders recognition, tolerance and, hopefully, celebration of individual and group differences. Within each chapter, we will attempt to reflect on diversity in the context of organisational behaviour. Moreover, we ask the reader to reflect further on this vital aspect of organisation.

Traditionally, it is fair to say, people were generally not expected to allow their personal or home lives to impact their working lives. There is now increasing recognition that people do manage complex lives and need to balance the range of demands on their time, energy and emotions. In more recent years the term 'work-life balance' (WLB) has been used to refer to the holistic recognition of employees' broader life commitments. The pressures to achieve some form of balance varies between different people, at different stages of their lives, and is often related to gender and cultural background as well as personal circumstances. WLB is a key aspect of diversity and, hence, management in organisations. Increasingly, many people are concerned about quality of life (QL) and quality of work life (QWL) issues and seek a balance between the material wealth that demanding and full employment can bring and the benefits of fewer workplace commitments or more enjoyable and fulfilling commitments. Consider how individuals in different circumstances – perhaps yourself – may require or consider WLB and QL or QWL.

Global change leading to organisational change

Few if any organisations can claim to operate in a stable environment. Change is often rapid, complex in its implications and even unpredictable, but it is more often gradual or incremental: without change, most organisations become redundant. Change can and does take many forms. It can directly impact the nature and level of competition, for example, while transformational technology can make old products, services or organisational processes redundant. Witness the mass closure of high street banking facilities (refer to Mini-case 1.1).

MINI-CASE 1.1
The closure of high street banks

Over 600 bank branches closed in Britain alone in the financial year to April 2017. Over-the-counter transactions have declined in the United Kingdom by over a third in the previous five years, while online and mobile transactions had quadrupled during the same time period. Increasingly, cash transactions are being replaced by card or other technologies. Customer acceptance of the convenience and security of remote banking is growing, particularly among the young. But there are consequences for employees of banks and for some customers. Alongside these changes, the hitherto often prised and relatively well rewarded job of 'working for a bank' is evaporating. For some the nature of the job is changing as new roles require remote, not face-to-face, customer service skills. Alongside these changes has been the rapid growth of call centres, often located overseas. Many people, it is argued, have been left behind in these changes, which continue apace.

Everyone in the workplace faces change, sometimes requiring quite dramatic personal, group or organisational responses. People are profoundly affected by change. It is not surprising, therefore, that change impacts all aspects of the study and understanding of organisational behaviour. One cannot fully understand management or leadership without an appreciation of the changing external and internal context in which people operate. In fact, leadership is often defined as the ability to achieve significant and sustainable change in an organisation.

Similarly, power, politics and conflict in organisations both influence and are influenced by changes in organisations and their objectives and ways of working. Being aware of change and its unpredictability is an essential requirement for all who wish to understand behaviour in organisations.

Conflict and communication

Communication *is the process of sending, receiving and understanding information.* It sounds quite simple, but communication problems are frequently noted by employees as a key organisational weakness. It is all too often a source of frustration, conflict and uncertainty for some. It is doubtful, in fact, that any medium or large organisation actually satisfies all of its employees', including managers', needs for communication. People differ immensely; so do their needs for communication and the timing and forms in which it takes place.

Communications are interpreted by the receiver (and the sender) such that even 'simple' messages are often understood or interpreted in different ways by different people. Communication becomes not merely transference of information by an exchange of shared meaning. The former is often difficult in large complex organisations, while the latter is particularly challenging. Even in one-to-one communications between people, we know we are often left saying 'What did she mean by that?' or 'Slow down, I can't take all that in at once.' In an organisation where communicators compete to get their message across, achieving shared meaning is often an unobtainable ideal. Communications is as much about active listening and understanding as it is about sending information. Even our body language communicates – often not the sort of message we intend the world to receive.

The process of communications in an organisation is closely related to employee motivation, to team and group work, management and leadership and the structure of organisations and to the political processes of organisation. Hence, it is a fundamental aspect of organisational behaviour, and managers and leaders at all levels in organisations need to understand communication processes in order to achieve sustained success.

Just as the intricacies of communication are often a mystery, particularly to those with little organisational life experience, so too is organisational conflict. Yet conflict is a natural part of organisational life, both in a macro sense with potential for fundamental difference between, for example, 'workers' and 'management' and in the minutiae of individual, group and department dealings which take place daily in all organisations. Chapter 8 refers to radicalism and pluralism, two perspectives which can be taken when viewing organisations. In both approaches the acceptance of difference between individuals and groups within organisations is accepted as commonplace and inevitable. Differences in personal objectives, resource levels, gender, ethnic background or culture and motivation levels can all create conflict. In reality, a unity of interest within organisations simply does not exist; people want different things from their workplace.

Overview of the text

In order to make the study of OB manageable, we have subdivided the broad subject into eight further chapters:

- Organisational theory – **Chapter 2** outlines the development of thinking about organisations and management. It recognises that the way we work, think and behave in organisations is, in part, a product of organisational norms and accepted ways of organising. It also recognises that major changes are taking place in the modern, globalised, world. Knowledge of organisation and management theory gives you a particular insight into the development of modern organisations. We explore contemporary views and research and look at organisations from various perspectives. The impact of globalisation, new evolving labour market conditions (e.g. the growth of the gig economy and boundaryless careers) and ICT are changing organisation and working norms; we illustrate this in text and cases written by young people in the modern workplace.

- Consideration of the individual – **Chapter 3** focuses upon each person's unique set of attitudes, perceptions and values which influence their personality and behaviour. This personality set affects the way people work, how they communicate with others and their propensity to cooperate in teams and be motivated and managed. Hence, the chapter looks at personality and perception, values and attitudes, learning and decision making. It also explores how cultural and national norms and behaviours can impact organisational behaviour.

- The examination of human motivation – **Chapter 4** remains largely, but not exclusively, at the level of the individual. This is a critically important aspect of OB and of management theory and practice. The chapter explores some of the extensive and wide-ranging theoretical work and empirical research findings which inform our understanding of how people are motivated, and indeed demotivated, in the workplace. It also looks at cultural and international differences in motivating factors. We also explore how generational changes from Baby Boomer through Generations X and Y to Z are likely to differ in their values, attitudes, behaviours and motivational needs.

- Groups and teams – **Chapter 5** begins with the definitional differences between groups and teams and explores the various personality types that are thought to make up a successful team. We explore the process of group formation and the nature, causes and consequences of inter- and intra-group conflict and communications, partly using real-world mini-cases, in addition to the characteristics of successful group work. Different cultures have different norms, some being far more collectivist in their orientation, others more individualist. We explore this dimension and reflect on its significance for organisational behaviour.

- Exploring the nature of management and of leadership – **Chapter 6** discusses some of the principal schools of thought in this regard and examines contemporary thinking, particularly about leadership. The chapter also seeks to determine the qualities of successful leadership and explores the intrinsically behavioural nature of both leadership and followership. We look at how national culture can impact matters like the power distance between individuals and its impact on leadership and management.

- Examining how organisations are structured and controlled – **Chapter 7** discusses traditional and new emerging developments in how organisations are structured, how

reporting arrangements play out and, increasingly, how the flexible organisation and 'flexible workforce' is developing. We also explore newer forms – delayed, networked and virtual organisations.

- Exploring the constant struggle for control in organisations – **Chapter 8** investigates power, politics and conflict. We look at powerlessness and empowerment, again in an international context.

- Focusing on the concept of organisational culture – **Chapter 9** recognises how important the study and awareness of culture at all levels has become. It is widely believed that the culture of a company may have a major bearing on its attempts to change, on both the process and the outcome of managerial decision making, on its competitiveness and upon its performance.

In the interests of focus and brevity, this text does not provide detailed coverage of all the topics that are often considered within the 'territory' or remit of organisational behaviour. These include aspects of human resource management (HRM), organisational development and stress, for example. Certainly, OB underpins and informs these functional areas, and knowledge of OB is a useful, if not essential, prerequisite for any HR manager and all managers who, as part of their line responsibilities, work with people. It is, however, not essential for an OB text to discuss the various HR considerations which are well covered elsewhere. These topics are important yet would, if covered in appropriate detail, necessitate a far weightier and less accessible tome than this.

Case studies and examples

Each chapter in the text contains a number of mini-cases which serve to illustrate a particular aspect of the material covered. They aim to provide an insight into a 'real-life' scenario and are worthy of further discussion. Many of these mini-cases are inspired by actual people and real events, some disguised for reasons of confidentiality.

Some of the scenarios can be critically analysed or explored from a number of perspectives. Some encourage a management problem-solving approach, whereas others invite fresh insights in order to better understand organisational behaviour. Some reflect on the personalised, but probably not entirely unique, experience of an individual.

ILLUSTRATION IN FILM

Throughout the text, a number of inserts focus on the learning which can be achieved by viewing and discussing an excerpt from a well-known film, usually a 'classic' – many classic films have a good story to tell; that is why they are classics – if not contemporary or television programme in the context of the theory being discussed. Some films and TV programmes contain a wealth of learning experiences of relevance to human behaviour, individually or collectively, in organisations. Ideally, in each case you or your tutor would access the film or programme in question and incorporate it into the learning experience. The lessons are often more memorable than the words available to us!

Figure 1.1 illustrates the structure of this text. It indicates the main topic of each chapter, plus the four themes that are integrated throughout and the three levels of analysis: individual, group and organisation. The whole is enclosed in a circle, illustrating the global context in which organisations operate, reminding you of the significance of context in the study and appreciation of OB. The relentless trend towards globalisation, driven by technology in the fields of communication and information dissemination, together with the rapid pace of socio-political changes, are creating the highly dynamic global environment within which organisations now have to operate. Change in organisations can be said to be
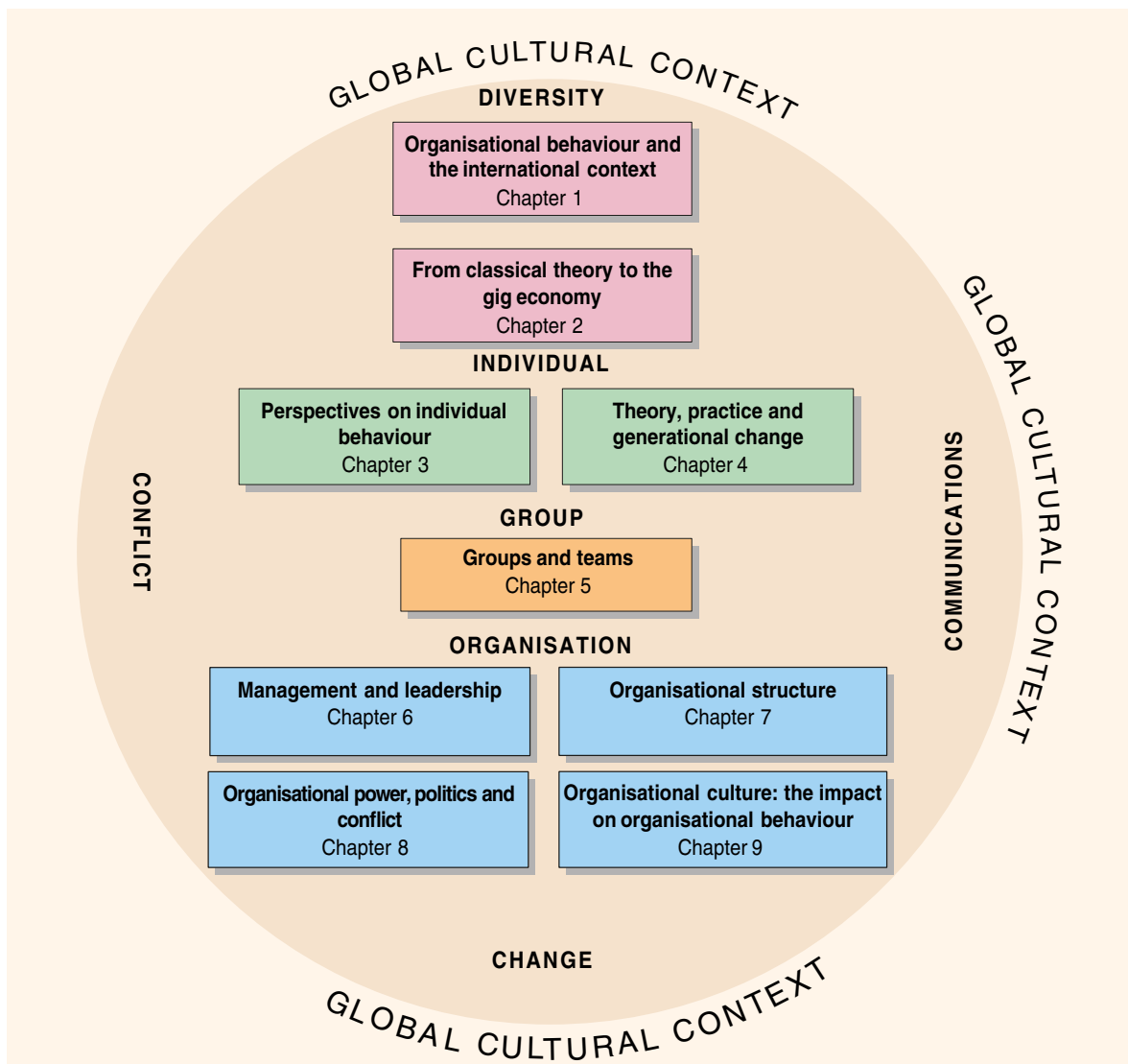
Figure 1.1 The structure of this text