

HANDOUT PERILAKU ORGANISASI



**Oleh
ELSYE TANDELILIN, SE, MM**

**LAB MSDM FAKULTAS BISNIS DAN EKONOMIKA
UNIVERSITAS SURABAYA
SEMESTER GASAL 2010**

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**PERILAKU ORGANISASI
(32343J)**

DESKRIPSI MATAKULIAH:

Mata kuliah Perilaku Organisasi ini bertujuan untuk membekali mahasiswa tentang pengembangan sistem organisasi dan perilaku organisasi, terutama terkait dengan topik-topik seperti konsep dasar organisasi, disain dan struktur organisasi, dimensi-dimensi Organisasi, konsep dasar perilaku organisasi, sikap dan kepuasan kerja, personality, nilai-nilai, persepsi dan pengambilan keputusan individu, motivasi dan aplikasinya dalam organisasi serta dasar-dasar pembentukan kelompok dan tim kerja. Pelaksanaan sistem organisasi yang dibentuk akan berjalan lancar apabila didukung oleh perilaku organisasi yang tepat pula. Untuk membekali mahasiswa secara maksimal, maka pembelajaran pada mata kuliah ini tidak hanya ditekankan pada materi-materi yang bersifat kognitif (*knowledge and abilities*) , tetapi juga dilengkapi dengan ketrampilan-ketrampilan (*skills*) dan sikap/perilaku (*attitude/behavior*) tertentu.

TUJUAN INSTRUKSIONAL UMUM:

Setelah mempelajari Manajemen Keuangan, mahasiswa diharapkan mampu menganalisis alternatif-alternatif dalam bidang investasi, pembiayaan, dan manajerial, serta mengambil putusan yang tepat (*Intellectual Skills*) didasarkan pada *Character Building* yang relevan *Soft Skills*).

TUJUAN MATAKULIAH:

Setelah mempelajari mata kuliah ini, mahasiswa secara kognitif diharapkan mampu menghubungkan pembentukan system organisasi dengan pembentukan perilaku organisasi agar dapat berjalan beriringan . Selain aspek kognitif , mahasiswa juga diharapkan memiliki hal-hal sebagai berikut: keahlian/ketrampilan (*skills*) tertentu, meliputi ketrampilan mengelola waktu, keahlian mempresentasikan materi secara sistematis , keahlian berkomunikasi; (2) Perilaku/sikap (*behavior/attitude*) tertentu, meliputi komitmen, kejujuran, tanggung jawab, keberanian mengemukakan pendapatn, dan ketepatan waktu penyerahan tugas.

MATAKULIAH PRASYARAT:

1. Dasar-Dasar Manajemen Sumberdaya Manusia

BUKU TEKS WAJIB DAN BACAAN LAINNYA:

Robbins Stephen P and Judge Timothy A, 2011, *Organizational Behavior*, Fourteenth Edition, Pearson. New Jersey
Luthans Fred, *Organizational Behavior*, 2008 , 11 th Edition, McGraw Hill , New York
Daft Richard L, 2001, *Essentials of Organization Theory and Design*, South-Western

College Pub

Bedeian Arthur G & Zammuto Raymond F, 1991, Organizations Theory and Design,
The Dryden Press

METODE PENCAPAIAN TUJUAN:

1. Ceramah
2. Presentasi
3. Diskusi

EVALUASI PENILAIAN:

1. Tugas (30%)
2. Partisipasi kelas (20%)
3. Ujian (50%)

SATUAN ACARA PERKULIAHAN MINGGUAN :

MINGGU	TOPIK	TUGAS
1	<ul style="list-style-type: none">• Penjelasan silabus , tata cara perkuliahan , aturan perkuliahan dan tugas• Overview and Foundations of Organization	-
2	Presentasi dan diskusi kelompok materi minggu ke 1	Menyerahkan dan mempresentasikan secara kelompok tugas minggu 1
3	Organization Design and Structure & Chart	Literature Study terkait materi yang diajarkan
4	Presentasi dan diskusi kelompok materi minggu ke 3	Menyerahkan dan mempresentasikan secara kelompok tugas minggu 3
5	Organization Dimensions	Literature Study terkait materi yang diajarkan
6	Presentasi dan diskusi kelompok materi minggu ke 5	Menyerahkan dan mempresentasikan secara kelompok tugas minggu 5
7	Organizational Behavior, Attitudes and Job Satisfaction	Literature Study terkait materi yang diajarkan
UJIAN TENGAH SEMESTER		
8	Presentasi dan diskusi kelompok materi minggu ke 7	Menyerahkan dan mempresentasikan secara kelompok tugas minggu 7
9	Personality, Values, Perception and Individual Decision Making	Literature Study terkait materi yang diajarkan

10	Presentasi dan diskusi kelompok materi minggu ke 9	Menyerahkan dan mempresentasikan secara kelompok tugas minggu 9
11	Motivation and Its Applications	Literature Study terkait materi yang diajarkan
12	Presentasi dan diskusi kelompok materi minggu ke 11	Menyerahkan dan mempresentasikan secara kelompok tugas minggu 11
13	Foundations of Group Behavior and Work Team	Literature Study terkait materi yang diajarkan
14	Presentasi dan diskusi kelompok materi minggu ke 13	Menyerahkan dan mempresentasikan secara kelompok tugas minggu 13
UJIAN AKHIR SEMETER		
Aturan <ol style="list-style-type: none"> 1. Wajib membawa materi kuliah minimal materi minggu yang bersangkutan 2. Tugas mingguan harus sudah diletakkan di meja dosen sebelum perkuliahan dimulai 		

Dosen Pengasuh Mata Kuliah:

1. Elsyce Tandelilin, S.E., MM. (PJKM)
2. Drs,ec, Johny Rusdiyanto, MM

ATURAN PERKULIAHAN PERILAKU ORGANISASI

- 1. Wajib membawa materi perkuliahan**
- 2. Membentuk kelompok dengan anggota maksimal 4 orang dan membuat makalah yang ditugaskan serta wajib dikumpulkan sesuai dengan jadwal yang ditetapkan**
- 3. Kelompok yang ditunjuk untuk presentasi wajib mempersiapkan materi presentasi dalam bentuk power point presentation**
- 4. Setelah UTS makalah akan diperiksa dan dikembalikan kepada mahasiswa untuk direvisi dan harus dikumpulkan kembali sesuaikan dengan jadwal yang ditetapkan**
- 5. Setiap kelompok wajib menentukan obyek badan usaha yang berlokasi di Surabaya, harus kantor pusat (tidak boleh cabang) dan minimal memiliki 30 orang karyawan. Bila diperlukan surat pengantar akan disediakan oleh Fakultas.**
- 6. Pada prinsipnya penilaian bersifat objektif sehingga berkas ujian dan makalah akan dikembalikan. Diperkenankan komplain nilai ujian , makalah dan nilai diskusi.**
- 7. Disediakan waktu konsultasi tugas kelompok di luar jam perkuliahan dengan perjanjian terlebih dahulu.**
- 8. Konsultasi akan dilakukan bila anggota kelompok lengkap (yang anggota kelompok tidak lengkap tidak akan dilayani)**

TOPIK 1

OVERVIEWS AND THE FOUNDATION OF ORGANIZATION

Definition of Organization

- Groups of individuals and their interactions directed toward goal accomplishment
- Groups of people to reach specific goals and create interaction based on same interest and thinking.
- Groups of individuals whom formally announce their activities to realize it's vision and mission

What is an Organization?

- is a **social arrangement** which pursues collective goals, controls its own performance, and has a boundary separating it from its environment
- Is an **entity** (organization as an actual purposeful structure within a social context)
- as a **function** of how entities like businesses or state authorities are used (organization as a permanent structure).
- an **entity is being** (re-)organized (organization as task or action).

The Roles of Organization

- Organization is a **means** to an end to **achieve** its goals - which are to **create value** for its stakeholders or entities (stockholders, employees, customers, suppliers, community).
- Bring **together resources** to achieve desired goals and outcomes
- The **act of organizing** a business or business-related activity

The Roles of Organization

- Organization are potential agents for economic and social change as a part of social environment
- Organizations develop to realize it's vision and mission and to achieve goals
- Organizations are bedrock of modern civilization and decisions made in organizations – particularly business firm

Current Challenges

1. Global competition
2. Organizational turbulence
3. E-commerce Business World
4. Managing knowledge and information
5. Diversity
6. Ethics and social responsibility
7. Scarcity of Resources
8. Technological changes and innovation

WHAT SHOULD ORGANIZATION DO?

- Produce goods and services efficiently
- Facilitate innovation
- Use modern manufacturing and computer-based technology
- Adapt to and influence a changing environment
- Accommodate ongoing challenges and create values for stakeholders

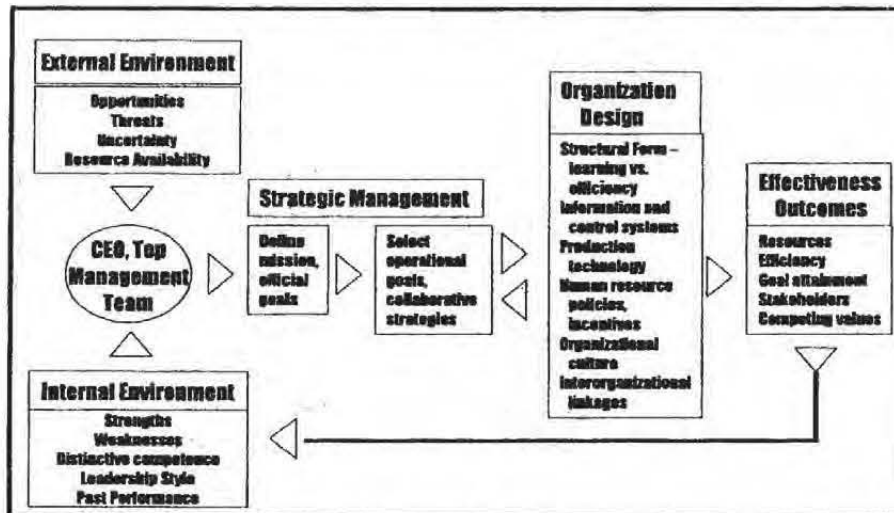
Internal Organization Dimensions and influence to

1. STRUCTURE AND CHART
2. FORMALIZATION
3. SPECIALIZATION
4. HIERACHY / LEVELING
5. INTERDEPENDENCIES
6. CULTURE
7. SIZE
8. TECHNOLOGY
9. DECISION MAKING PROCESS



**Organization
mindset and
behavior**

Top Management Role in Organization Direction, Design, and Effectiveness



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VISION AND MISSION

- **VISION** is answer the question, **"WHAT DO WE WANT TO BECOME"**. Vision statement consist of (1) Popular / Dream Statement, and (2) Scope of Geographical area
- **MISSION** is core business choices and activities to realize Vision and accommodate their stakeholders

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EXAMPLE: VISION statement

<ul style="list-style-type: none"> • TOYOTA USA • McDonald 	<ul style="list-style-type: none"> • To become the most successful and respected lift truck company in the U.S." • McDonald's vision is to be the world's best quick service restaurant experience. Being the best means providing outstanding quality, service, cleanliness, and value, so that we make every customer in every restaurant smile
<ul style="list-style-type: none"> • UBAYA • DHL 	<ul style="list-style-type: none"> • The First University in Heart and Mind • Customers trust DHL as the preferred global express and logistics partner, leading the industry in terms of quality, profitability and market share.

Types of Organizational Goals

1. **OFFICIAL GOALS** are the general aims of an organization ends, **ex:** to develop an win-win partnership, to improve customer satisfaction, to higher employee morale, to increase profit, etc.
2. **OPERATIVE GOALS** are the actual operating ends that organization will do in a specific period of time. **Ex:** increase 10% rate of occupation, to establish 3 new branch office, to minimize cost down to 15 % from current

Organizational Goals

- Organizational goals are **those ends** that an organization **seeks** to achieve by its existence and operation
- Organizational goals **inform** employees **where** the organization is going and **how** it plans to get there.
- Goals are statement describing what your organization **wishes to accomplish** all operational functions.

Goals Functions

- goals direct action and effort toward goal-related functional activities and away from unrelated activities
- goals energize employees. Challenging goals lead to higher employee effort than easy goals
- goals affect persistence. Employees exert more effort to achieve high goals.
- goals motivate employees to use their existing knowledge to attain a goal or to acquire the knowledge needed to do so.

Types of Organizational Goals

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Goal Type and Purpose

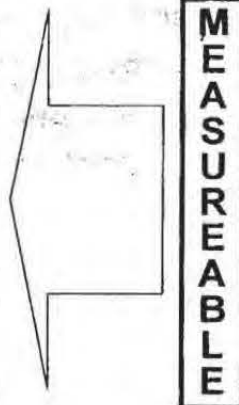
Type of Goals	Purpose of Goals
Official Goals:	Legitimacy, sustainability
Operative goals:	Employee direction and motivation Decision guidelines Standard of performance

Key Performance Indicators (KPI)

- also known as KPI or Key Success Indicators (KSI), help an organization define and measure progress toward organizational goals.
- are quantifiable measurements, agreed to beforehand, that reflect the critical success factors of an organization.
- As a mean to measure the successful of a performance or result activity.

Some KPI Examples.

- Sales volume
- Number of complaint
- Total of reject's product
- Number of absence
- Company profit
- Number of re-buying
- Number of calls
- Employee's failure
- Number of customer, etc



TOPIK 2

ORGANIZATION DESIGN, AND STRUCTURE & CHART

WHAT IS STRUCTURE?

- **STRUCTURE** is the internal differentiation and patterning of relationship
- **STRUCTURE** as the means by which the organization sets limits and boundaries for efficient performance
- **STRUCTURE** create a pattern of inter-related work activities and allows the organization to conduct, coordinate and control its work activities.

1. ORGANIZATION DESIGN

- Is the process of **choosing and implementing structures** that best arrange resources to accomplish the organization's mission and objectives.
- Because every organization faces its own set of unique problems and opportunities, **the best design** at any moment is the one **that achieves a good match between structure and situation**. No one design applies in all circumstances
- Consist of two design: **MECHANISTIC** and **ORGANIC**

Mechanistic Organizations

- **In mechanistic organizations:**
 - Tasks are broken down into highly specialized parts, and rigidly defined
 - Strict hierarchy
 - Centralization of knowledge and control of tasks
 - A great deal of vertical communication
- Also called a **tall structure**, people become relatively confined to their own area of specialization

Organic Organizations

- In organic organizations:
 - Employees contribute to common tasks
 - Tasks are adjusted and redefined through teamwork
 - Few rules, less hierarchy
 - Knowledge and control of tasks are located anywhere in the organization
 - A great deal of horizontal communication
- Organic organizations have a **flat structure** with only one or two levels of management

MECHANISTIC Vs ORGANIC

- | | |
|--|--|
| <ul style="list-style-type: none">• Tasks are broken down into specialized, separate parts.• Tasks are rigidly defined.• There is a strict hierarchy of authority and control, and there are many rules.• Knowledge and control of tasks are centralized at the top of the organization.• Communication is vertical. | <ul style="list-style-type: none">• Employees contribute to the common task of the department.• Tasks are adjusted and redefined through teamwork.• There is less hierarchy of authority and control, and there are few rules.• Knowledge and control of tasks are located anywhere in the organization.• Communication is horizontal. |
|--|--|

2. ORGANIZATION STRUCTURE AND CHART

- Can be defined as the **patterns of coordination and control, workflows, authority and communication** that channel the activity of its members
- **Reflects choice** managers make about how the best **coordinate and control** necessary activities of its employees
- Is **dynamic and changing over time** according to environment changes
- The most common method for depicting an organization's structure is an **ORGANIZATION CHART**

Purposes of Organization Structure

- Who's in charge?
- Who does what?
- Who communicates with whom?
- Chain of Command
- Hierarchical Referral
- Reporting Relationship
- Best Coordination

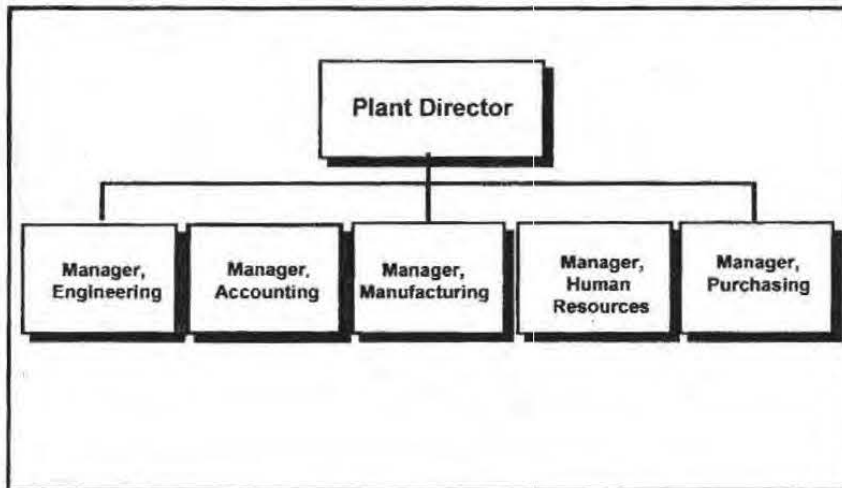
Types of Structure Grouping

- **Functional Grouping**
- **Divisional Grouping**
- **Multi-focused Grouping**
- **Matrix Grouping**
- **Horizontal Grouping**
- **Hybrid Grouping**

FUNCTIONAL GROUPING

- people with similar skills and performing similar tasks are grouped together into formal work units.
- Members of functional departments share technical expertise, interests & responsibilities.
- This structure common in business firms, with top management arranged by the functions of marketing, finance, production, human resource, etc.

Functional Grouping



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Strengths and Weaknesses of Functional Organization Structure

• STRENGTHS:

- Allows economies of scale within functional departments
- Enables in-depth knowledge and skill development
- Enables organization to accomplish functional goals
- Is best with only one or few products

• WEAKNESSES:

- Slow response time to environmental changes
- May cause decisions to pile on top, hierarchy overload
- Leads to poor horizontal coordination among departments
- Results in less innovation
- Involves restricted view of organizational goals

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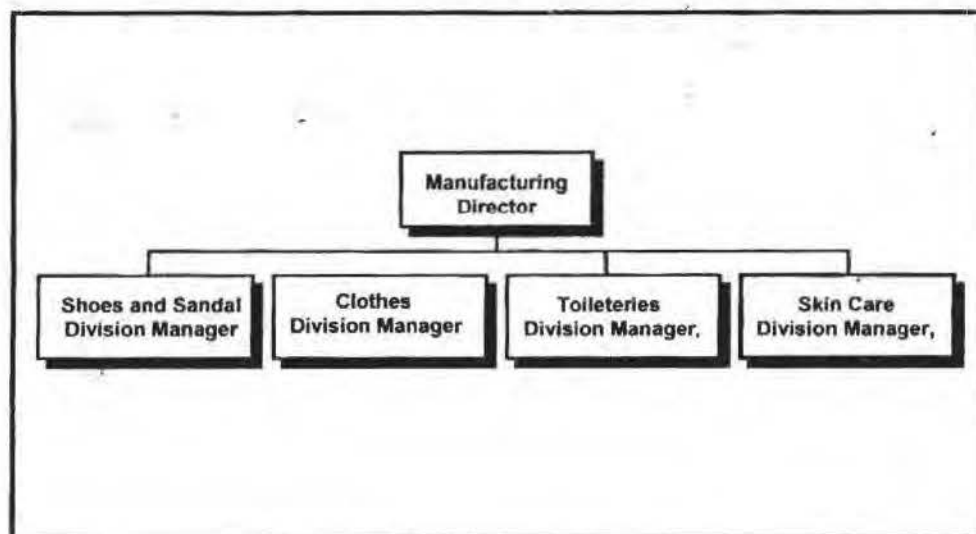
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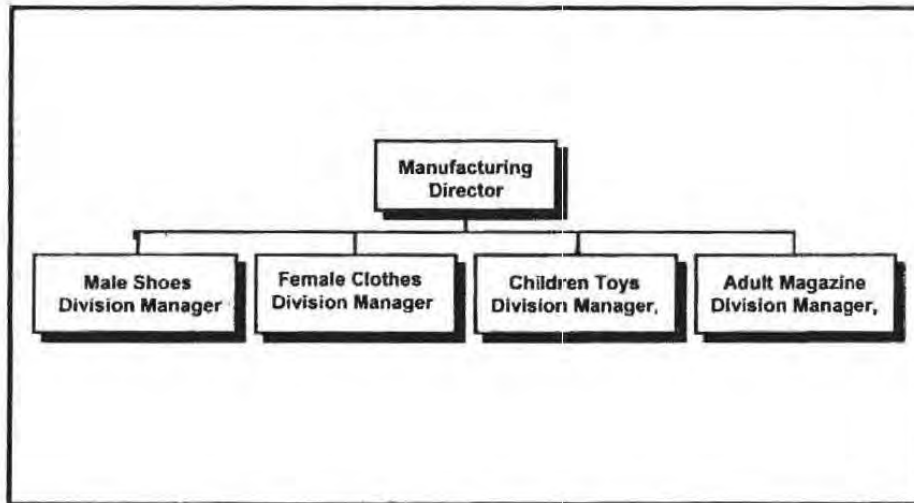
DIVISIONAL GROUPING

- is a structure that group of peoples work **on the same product or process**, serve **similar customers**, and/or are **located in the same area or geographical region**.
- The types of Divisional Grouping:
 1. **By Product / Market Structure**
 2. **By Customer Structure**
 3. **By Geographical Structure**
 4. **By Process Structure**

Division Grouping by Product/Market: An Example Chart



Division Grouping by Customer: An Example Chart

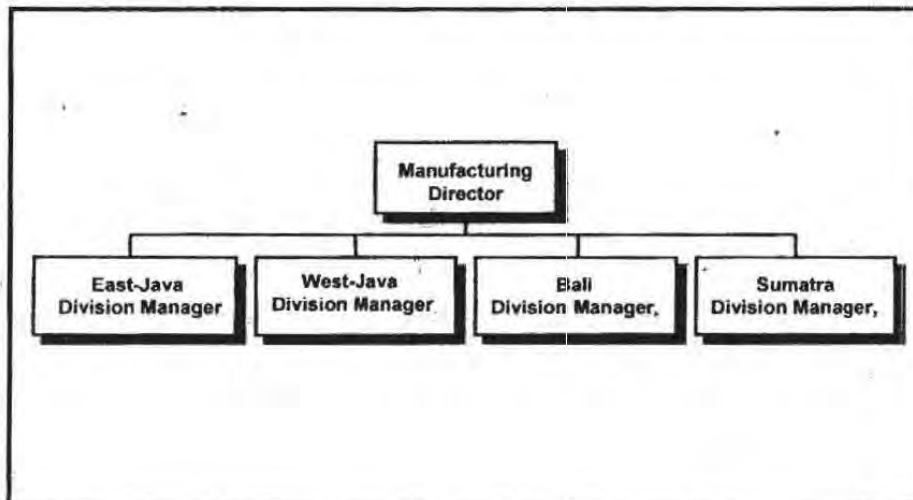


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Division Grouping by Geographical: An Example Chart

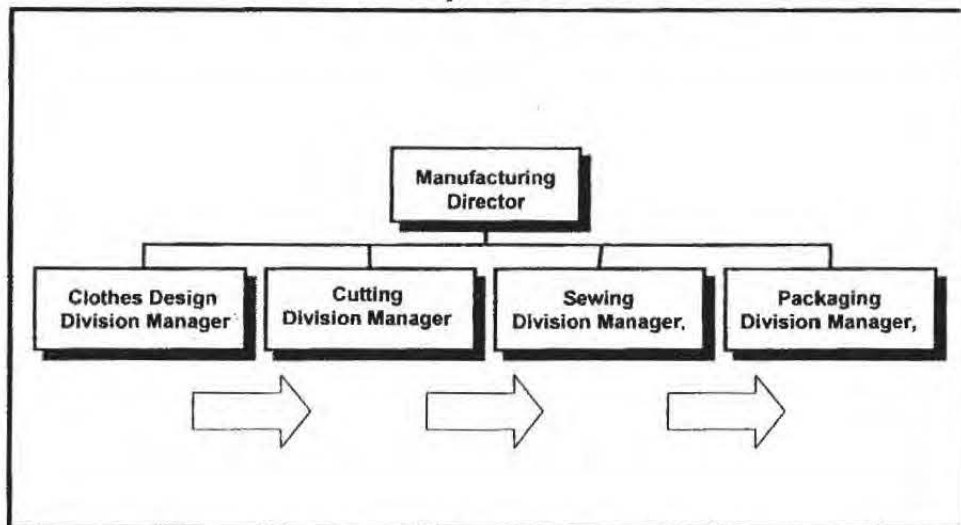


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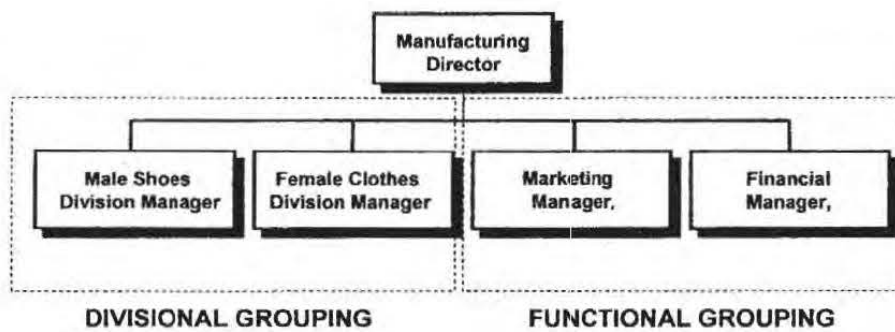
Division Grouping by Process: An Example Chart



Multi-focused Grouping

- Combining characteristics of functional grouping and divisional grouping. This grouping usually purposed to reach more efficiency in production activities and popular used in product manufacturing.

Multi-focused Grouping: An Example Chart

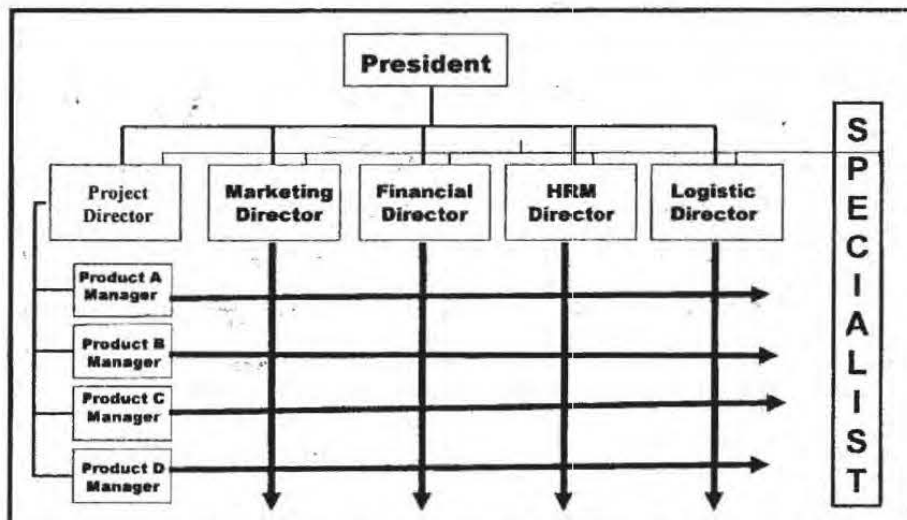


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Matrix Grouping



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Strengths and Weaknesses of Matrix Grouping

• STRENGTHS:

- Achieves coordination necessary to meet dual demands from customers
- Flexible sharing of human resources across products
- Suited to complex decisions and frequent changes in unstable environment
- Provides opportunity for both functional and product skill development
- Best in medium-sized organizations with multiple products

• WEAKNESSES:

- Causes participants to experience dual authority, which can be frustrating and confusing
- Means participants need good interpersonal skills and extensive training
- Is time consuming; involves frequent meetings and conflict resolution sessions
- Will not work unless participants understand it and adopt collegial rather than vertical-type relationships
- Requires great effort to maintain power balance

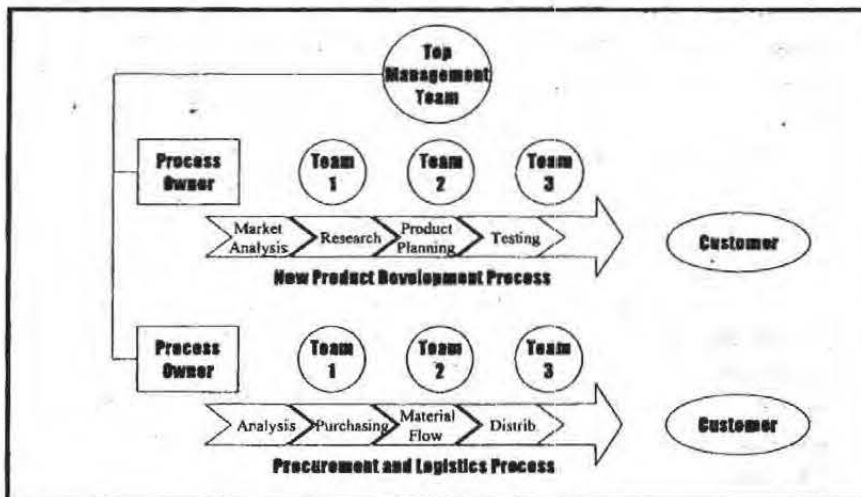
Horizontal Grouping

- Organizes employees around core processes by bringing together people who work on a common process so they can easily communicate and coordinate their efforts. The traditional vertical hierarchy with departmental boundaries is eliminated.

Horizontal Grouping Characteristics include

- Structure created around cross-functional core processes rather than tasks, functions, or geography
- Self-directed teams are the basis of organizational design
- Process owners have responsibility for each core process in its entirety
- Team members are given the skills and authority to make decisions central to the team's performance
- Customers drive the horizontal corporation with effectiveness measured by performance objectives.
- The culture is open, trustful and collaborative, with a focus on continuous improvement.

A Horizontal Structure



Strengths and Weaknesses of Horizontal Grouping

• **STRENGTHS:**

the ability to obtain talent and resources worldwide, achieving scale and reach without huge investments, being highly flexible and response to changing needs, and reducing administrative overhead costs.

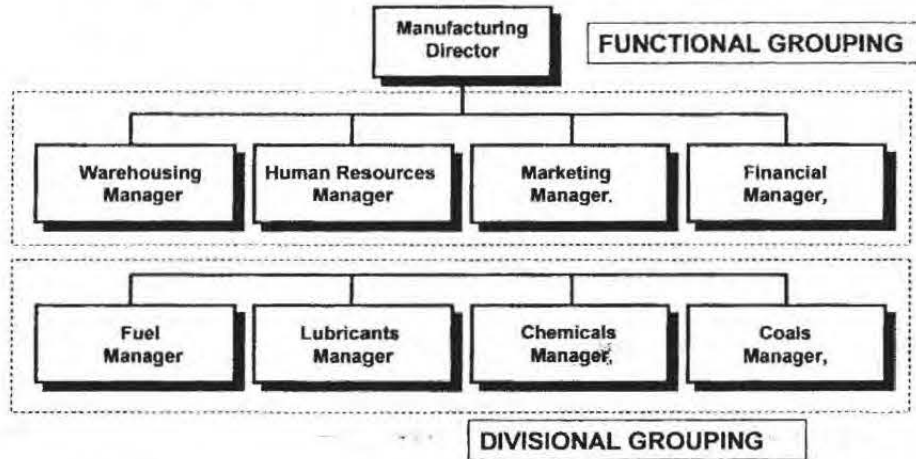
• **WEAKNESSES:**

lack of hands-on control of activities and employees, more time to manage relationships and conflicts with partners, risk of a partner failing, and weak employee loyalty and corporate culture.

Hybrid Grouping

1. **Combining characteristics of the functional and divisional grouping.** Functions that are important to each product or market are decentralized to self-contained units. However, other functions that require economies of scale and in-depth specialization are centralized at headquarters.
2. **Combining characteristics of functional and horizontal grouping.** In response to concerns at Ford regarding customer service, executives decided that the horizontal model offered the best chance to gain a faster, more efficient, and better integrated approach to customer service

Hybrid Grouping (Functional and Divisional Grouping)

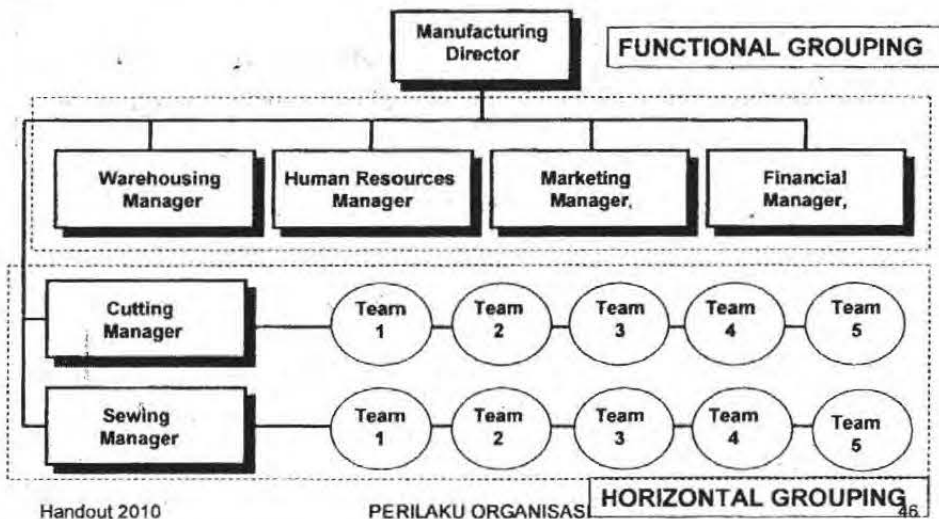


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Hybrid Grouping (Functional and Horizontal Grouping)



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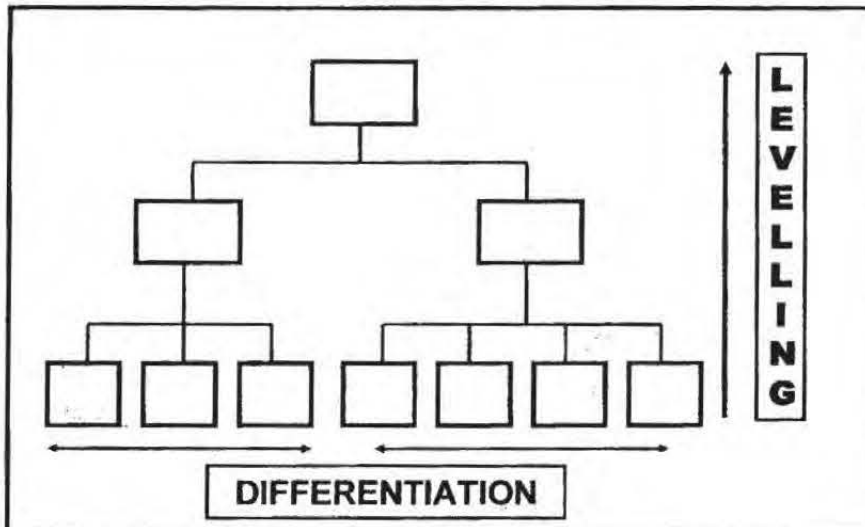
TOPIK 3

ORGANIZATION DIMENSIONS

ORG. STRUCTURE DIMENSIONS

- 1. Structuring of Activities and Span of control ----- (Leveling and Differentiation)**
- 2. Concentration of Authority ----- (Decision Making Process)**
- 3. Line control of Workflow ----- (interdependence)**
- 4. Specialization, Formalization and Standardization**

1. Structuring of Activities and Span of Control



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1. Structuring of Activities and Span of Control

- **LEVELLING** refers to the sum of hierarchical position of jobs within organization.
 - **DIFFERENTIATION** is the sum of subordinate's job which controlled by one functional department or division.
 - **SPAN OF CONTROL** refers to the number of subordinate lead by one manager in a functional depart or division
- **TALL or FLAT Organization**

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2. Concentration of Authority

- **CENTRALIZATION** refers to the extent to which decision making authority in the hand of Head Office management
- **DECENTRALIZATION** refers to the extent to which decision making authority has been delegated to lower levels of an organization ----- (delegate an autonomy)

3. Line Control of Workflow (INTERDEPENDENCE)

- **INTERDEPENDENCE** is whenever unit does not entirely control all the tasks, information, or resources necessary for competing a project. Its need coordination.
- Two primary types of interdependence. There are:
 1. **FUNCTIONAL INTERDEPENDENCE**
 2. **WORKFLOW INTERDEPENDENCE**

Types and Forms of Interdependence

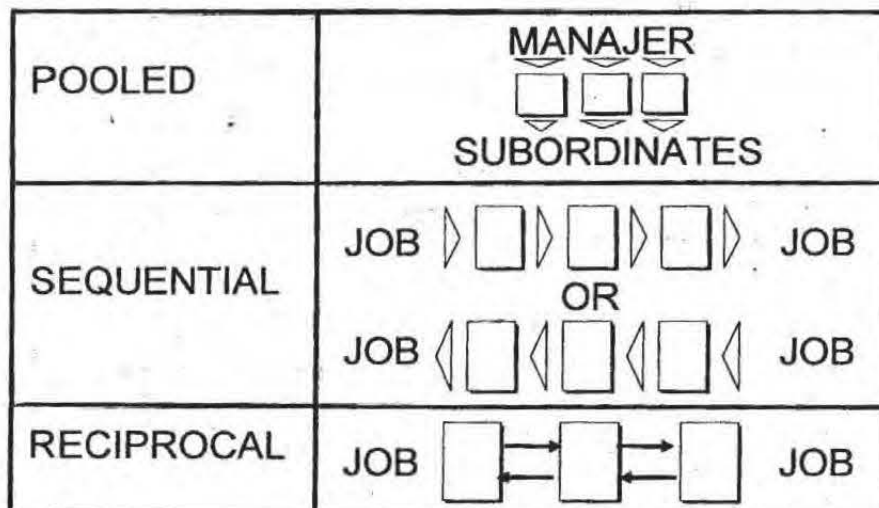
- **FUNCTIONAL INTERDEPENDENCE** is related to job specialization and its means that people who do similar jobs within organization often depend on each other to complete a project. There are 3 forms of interdependence: **Pooled, Sequential** and **Reciprocal**
- **WORKFLOW INTERDEPENDENCE** refers to the interdependence of employees across functional areas in producing a good/service, There are 2 forms of interdependence: **Sequential** and **Reciprocal**.

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FORMS OF INTERDEPENDENCE

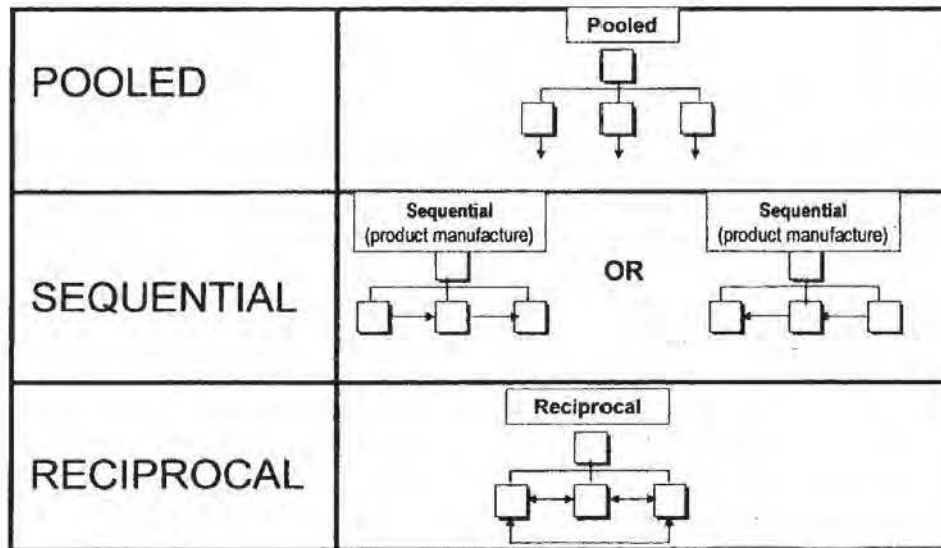


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FORMS OF INTERDEPENDENCE



4. 1. SPECIALIZATION

- Reflects the **choices** managers make about the division of labor within an organization.
- It explains **the distribution of official duties** and specialization reversely related to individualism
- There are 2 types of Specialization:
 - 1. HORIZONTAL SPECIALIZATION**
 - 2. VERTICAL SPECIALIZATION**

Horizontal Vs Vertical Specialization

- 1. HORIZONTAL SPECIALIZATION**
refers to the scope of a job, or the degree to which an employee performs a complete job
- 2. VERTICAL SPECIALIZATION**
refers to the degree of control an employee has over a job

Horizontal Vs Vertical Specialization

• HORIZONTAL SPECIALIZATION	The jobs of three tasks. One who assembles a component, an other who test it, and another who packages it. (one job multi employee)
• VERTICAL SPECIALIZATION	•A job of an employee who performs assemble task, test task and packaging task. (one employee multi tasks)

4.2. formalization

- The extent to which **RULES, POLICIES, PROCEDURES, INSTRUCTIONS** and **COMMUNICATIONS** are written.
- Referred to the term used for the policies, procedures, and methods that the organization has developed over time **to guide people in their jobs**; these guides often increase efficiency and consistency in the work and decisions made by personnel in the organization.

4.2. formalization

- **RULES** explains something to obey and forbidden by all individuals within organization
- **POLICIES** describe the decisions that establish to support the existence of activities.
- **PROCEDURES** describe the critical steps undertaken to achieve policy intent.
- **INSTRUCTIONS** describe an order or command to activities which someone responsible to handle
- **COMMUNICATIONS** is a process of transfer information within organization and to external entities

4.3. Standardization

- is the process of **developing and agreeing upon standard**. A **standard** is a document that establishes uniform engineering or *technical specifications, criteria, methods, processes, or practices*
- **standardization** refers to **measurements or assessments** conducted under exact, specified, and repeatable conditions to **measure unit's or activity's performance**.

TOPIK 4

ORGANIZATIONAL BEHAVIOR, ATTITUDES AND JOB SATISFACTION

Organizational Behavior

- A field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness
- The study of individual behavior and group dynamics in organizations
- Understand
- Predict
- Manage

Enter Organizational Behavior

organizational behavior (OB)

A field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness.

intuition

A feeling not necessarily supported by research.

systematic study

Looking at relationships, attempting to attribute causes and effects, and drawing conclusions based on scientific evidence.

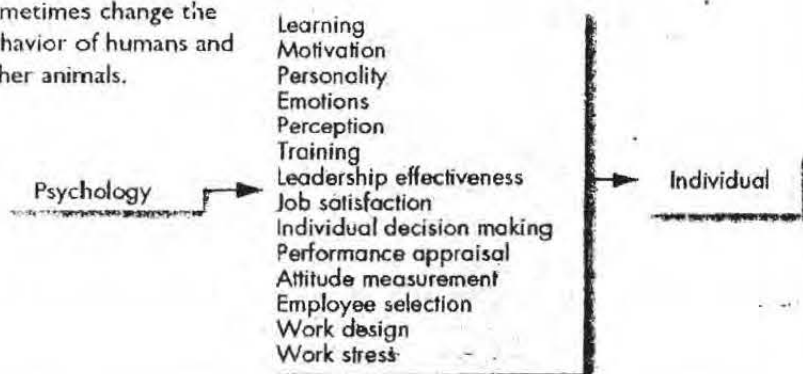
Why Study Org Behavior?

- Competitive advantage of an organization today is represented by:
 - Human resource of an organization and how they are managed.
 - Widely recognized as human capital, social capital and positive psychological capital.

Contributing Disciplines to the OB Field

psychology

The science that seeks to measure, explain, and sometimes change the behavior of humans and other animals.



Contributing Disciplines to the OB Field (cont'd)

sociology

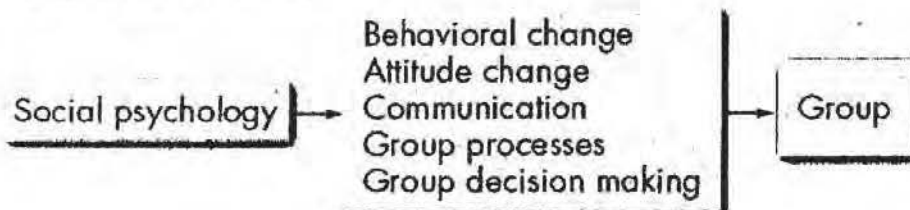
The study of people in relation to their fellow human beings.



Contributing Disciplines to the OB Field (cont'd)

social psychology

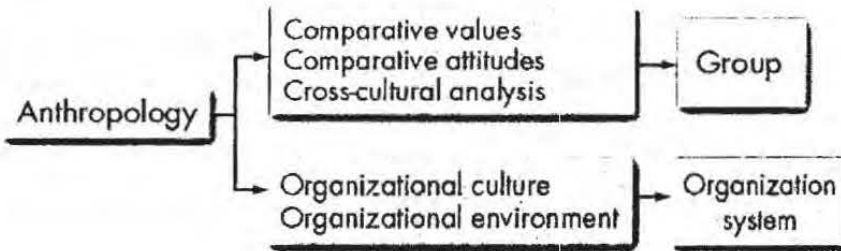
An area within psychology that blends concepts from psychology and sociology and that focuses on the influence of people on one another.



Contributing Disciplines to the OB Field (cont'd)

anthropology

The study of societies to learn about human beings and their activities.



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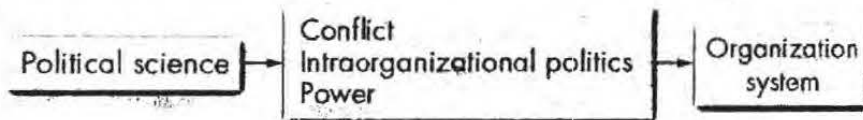
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Contributing Disciplines to the OB Field (cont'd)

political science

The study of the behavior of individuals and groups within a political environment.



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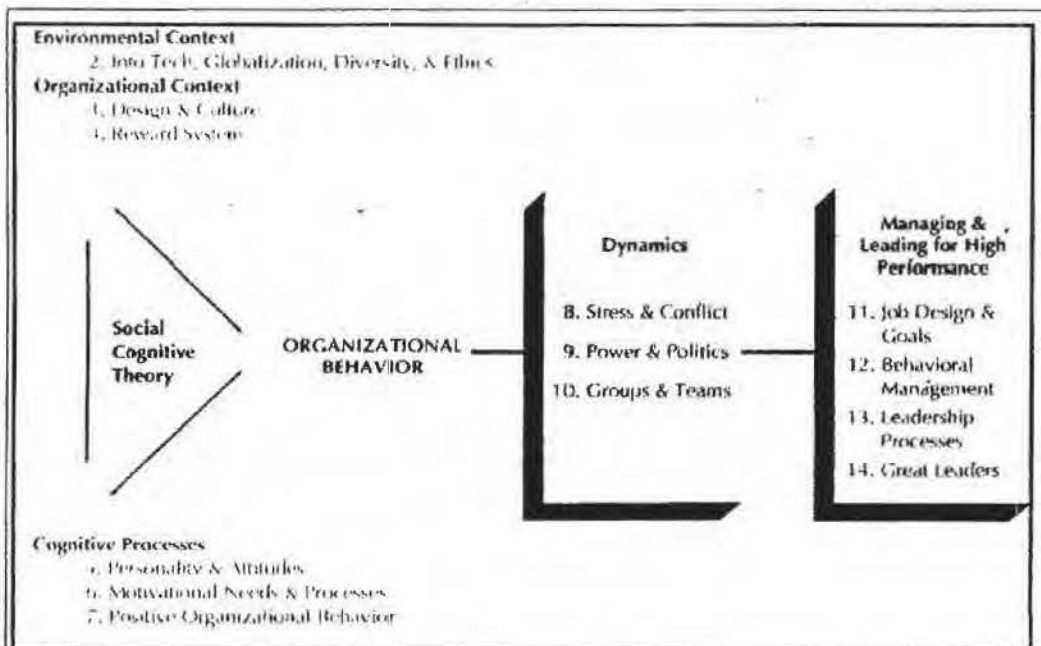
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Theoretical Frameworks for O.B.

- **Cognitive Framework**
 - Personality
 - Satisfaction, Commitment and Absenteeism Model
 - Attraction- Selection-Attrition Model
- **Behaviorist Framework**
 - Pavlov's Dogs
 - Environmental Contingencies
- **Social Cognitive Framework**
 - Allows for more complexities
 - More accepted framework

Conceptual Framework for the Text



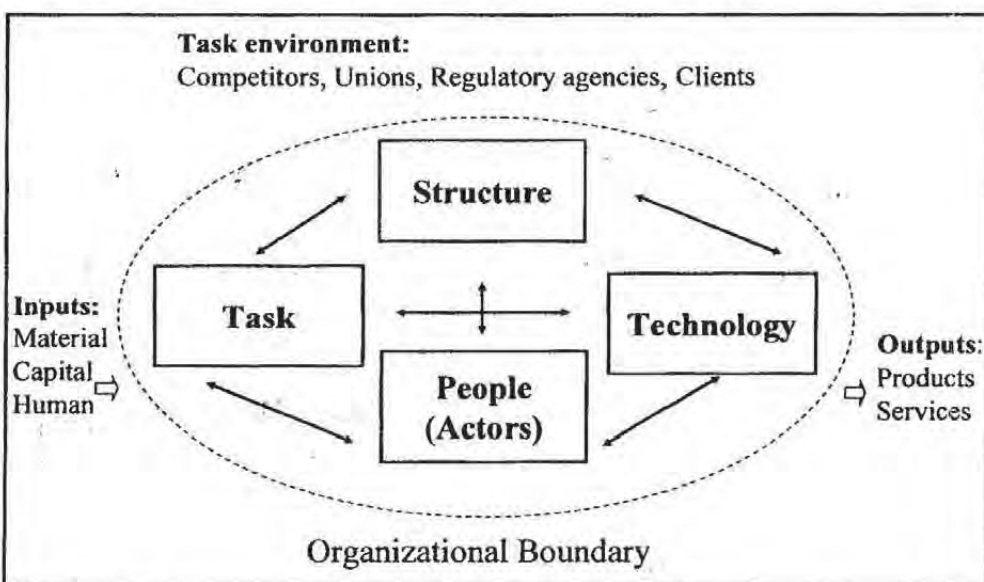
There Are Few Absolutes in OB

contingency variables

Situational factors: variables that moderate the relationship between two or more other variables and improve the correlation.



Open Systems View of Organization



Challenges and Opportunity for OB

- Responding to Globalization
- Managing Workforce Diversity
- Improving Quality and Productivity
- Responding to the Labor Shortage
- Improving Customer Service



Challenges and Opportunity for OB (cont'd)

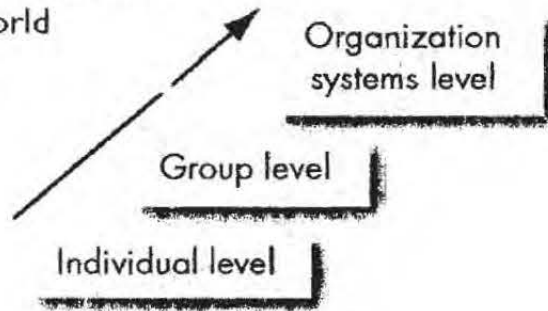
- Improving People Skills
- Empowering People
- Coping with "Temporariness"
- Stimulation Innovation and Change
- Helping Employees Balance Work/Life Conflicts
- Improving Ethical Behavior



Basic OB Model, Stage I

model

An abstraction of reality.
A simplified representation
of some real-world
phenomenon.



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The Dependent Variables

dependent variable

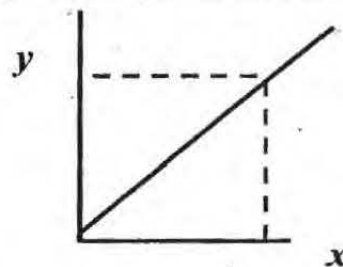
A response that is affected
by an independent variable.

productivity

A performance measure that
includes effectiveness and
efficiency.

efficiency

The ratio of effective output
to the input required to
achieve it.



effectiveness

Achievement of goals.

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The Dependent Variables (cont'd)



absenteeism

The failure to report to work.

organizational citizenship behavior (OCB)

Discretionary behavior that is not part of an employee's formal job requirements, but that nevertheless promotes the effective functioning of the organization.

turnover

The voluntary and involuntary permanent withdrawal from an organization.

The Dependent Variables (cont'd)

job satisfaction

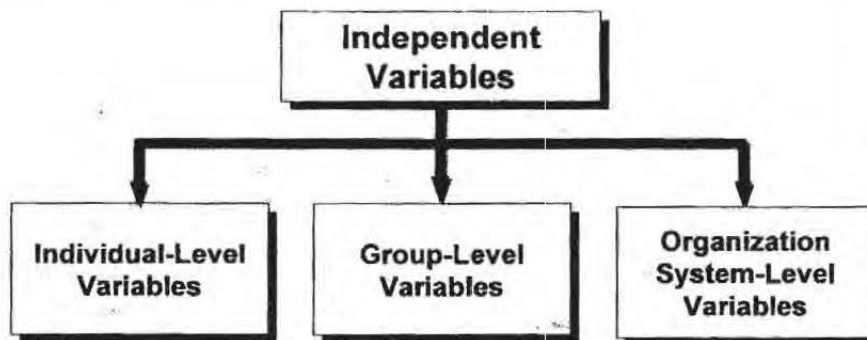
A general attitude toward one's job; the difference between the amount of reward workers receive and the amount they believe they should receive.



The Independent Variables

independent variable

The presumed cause of some change in the dependent variable.



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Attitudes and Job Satisfaction

Attitudes

Evaluative statements or judgments concerning objects, people, or events.

Cognitive component

The opinion or belief segment of an attitude.

Affective Component

The emotional or feeling segment of an attitude.

Behavioral Component

An intention to behave in a certain way toward someone or something.

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The Theory of Cognitive Dissonance

Cognitive Dissonance

Any incompatibility between two or more attitudes or between behavior and attitudes.

Desire to reduce dissonance

- Importance of elements creating dissonance
- Degree of individual influence over elements
- Rewards involved in dissonance

Measuring the A-B Relationship

- Recent research indicates that attitudes (A) significantly predict behaviors (B) when moderating variables are taken into account.

Moderating Variables

- Importance of the attitude
- Specificity of the attitude
- Accessibility of the attitude
- Social pressures on the individual
- Direct experience with the attitude

Self-Perception Theory

Attitudes are used after the fact to make sense out of an action that has already occurred.

Types of Attitudes

Job Satisfaction

A collection of positive and/or negative feelings that an individual holds toward his or her job.

Job Involvement

Identifying with the job, actively participating in it, and considering performance important to self-worth.

Organizational Commitment

Identifying with a particular organization and its goals, and wishing to maintain membership in the organization.

Types of Attitudes

Perceived Organizational Support (POS)

Degree to which employees feel the organization cares about their well-being.

Employee Engagement

An individual's involvement with, satisfaction with, and enthusiasm for the organization.

An Application: Attitude Surveys

Attitude Surveys

Eliciting responses from employees through questionnaires about how they feel about their jobs, work groups, supervisors, and the organization.



Attitudes and Workforce Diversity

- Training activities that can reshape employee attitudes concerning diversity:
 - Participating in diversity training that provides for self-evaluation and group discussions.
 - Volunteer work in community and social service centers with individuals of diverse backgrounds.
 - Exploring print and visual media that recount and portray diversity issues.

Job Satisfaction

- **Job satisfaction** is a positive attitude toward one's job and work experiences.
- Job satisfaction can predict absenteeism, turnover, and organizational citizenship.
- Job satisfaction has a complex relationship with job performance.
- **Measuring Job Satisfaction :**
 - Single global rating
 - Summation score

Job Satisfaction (cont...)

Job satisfaction is an important work attitude, reflecting a person's evaluation of the job, co-workers, and other aspects of the work setting

- What we know from job satisfaction studies:
- Majority of American workers at least somewhat satisfied with jobs.
- About 14% are "very satisfied."
- Job satisfaction declined 9% from 1995 to 2005.
- Job satisfaction higher in smaller firms (□50 employees) than larger ones (□5000).
- Job satisfaction and life satisfaction tend to run together

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How Employees Can Express Dissatisfaction

Exit

Behavior directed toward leaving the organization.

Voice

Active and constructive attempts to improve conditions.

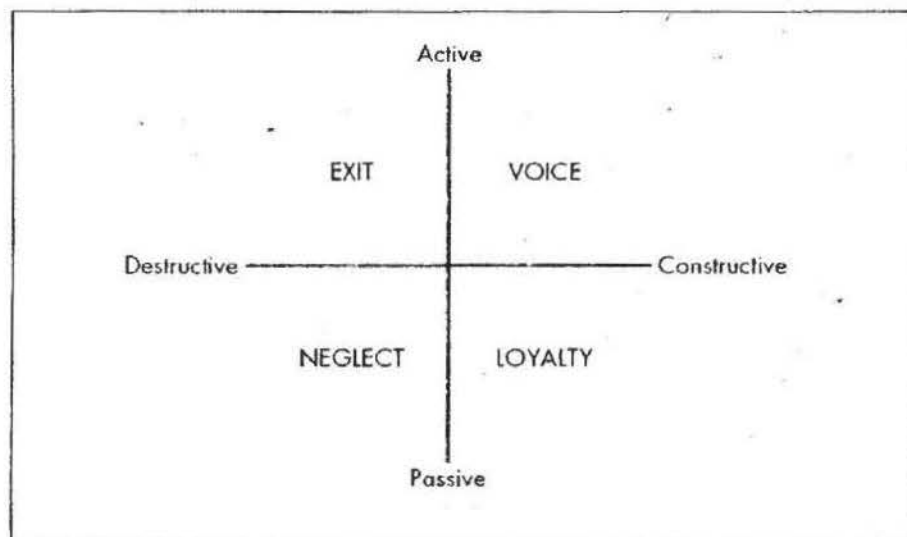
Loyalty

Passively waiting for conditions to improve.

Neglect

Allowing conditions to worsen.

Responses to Job Dissatisfaction



The Effect of Job Satisfaction on Employee Performance

- **Satisfaction and Productivity**
 - Satisfied workers aren't necessarily more productive.
 - Worker productivity is higher in organizations with more satisfied workers.
- **Satisfaction and Absenteeism**
 - Satisfied employees have fewer avoidable absences.
- **Satisfaction and Turnover**
 - Satisfied employees are less likely to quit.
 - Organizations take actions to retain high performers and to weed out lower performers.

Job Satisfaction and OCB

- **Satisfaction and Organizational Citizenship Behavior (OCB)**
 - Satisfied employees who feel fairly treated by and are trusting of the organization are more willing to engage in behaviors that go beyond the normal expectations of their job.



Job Satisfaction and Customer Satisfaction

- **Satisfied employees increase customer satisfaction because:**
 - They are more friendly, upbeat, and responsive.
 - They are less likely to turnover which helps build long-term customer relationships.
 - They are experienced.
- **Dissatisfied customers increase employee job dissatisfaction.**

TOPIK 5

PERSONALITY, VALUES, PERCEPTION and INDIVIDUAL DECISION MAKING

What Is Personality?

Personality

The sum total of ways in which an individual reacts and interacts with others, measurable traits a person exhibits

Personality Traits

Enduring characteristics that describe an individual's behavior

Personality

Determinants

- Heredity
- Environment
- Situation

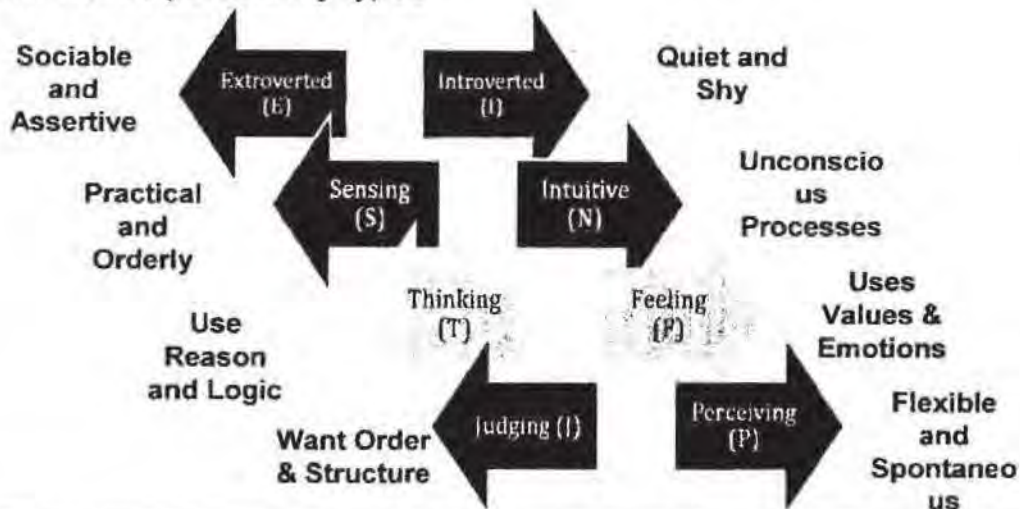
Personality Traits

Enduring characteristics that describe an individual's behavior

- The more consistent the characteristic and the more frequently it occurs in diverse situations, the more important the trait.
- Two dominant frameworks used to describe personality:
 - Myers-Briggs Type Indicator (MBTI®)
 - Big Five Model

The Myers-Briggs Type Indicator

- Most widely used instrument in the world.
- A personality test that taps four characteristics and classifies people into 1 of 16 personality types



Myers-Briggs (cont'd)

A Myers-Briggs Score

- Can be a valuable tool for self-awareness and career guidance

BUT

- *Should not* be used as a selection tool because it has not been related to job performance!

The Big Five Model of Personality Dimensions

Extroversion

Sociable, gregarious, and assertive

Agreeableness

Good-natured, cooperative, and trusting

Conscientiousness

Responsible, dependable, persistent, and organized

Emotional Stability

Calm, self-confident, secure under stress (positive), versus nervous, depressed, and insecure under stress (negative)

Openness to Experience

Curious, imaginative, artistic, and sensitive

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How Do the Big Five Traits Predict Behavior?

- *Research has shown this to be a better framework.*
- Certain traits have been shown to strongly relate to higher job performance:
 - Highly conscientious people develop more job knowledge, exert greater effort, and have better performance.
 - Other Big Five Traits also have implications for work.
 - Emotional stability is related to job satisfaction.
 - Extroverts tend to be happier in their jobs and have good social skills.
 - Open people are more creative and can be good leaders.
 - Agreeable people are good in social settings.

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Measuring Personality

Personality Is Measured by:

- Self-Report Surveys
- Observer-Rating Surveys
- Projective Measures
 - Rorschach Inkblot Test
 - Thematic Apperception Test



Source: Reprinted by permission of the publishers from Henry A. Murray, Thematic Apperception Test Manual, Cambridge, Mass.: Harvard University Press, copyright 1942 by the President and Fellows of Harvard College. © 1977 by Henry A. Murray.

Major Personality Attributes Influencing OB

- Core Self-Evaluation
 - Self-Esteem
 - Locus of Control
- Machiavellianism
- Narcissism
- Self-Monitoring
- Risk Taking
- Type A vs. Type B Personality
- Proactive Personality

Core Self-Evaluation: Two Main Components

Self-Esteem

Individuals' degree of liking or disliking themselves

Locus of Control

The degree to which people believe they are masters of their own fate

- **Internals (Internal locus of control)**
Individuals who believe that they control what happens to them
- **Externals (External locus of control)**
Individuals who believe that what happens to them is controlled by outside forces such as luck or chance

Machiavellianism

Machiavellianism (Mach)

Degree to which an individual is pragmatic, maintains emotional distance, and believes that ends can justify means

Conditions Favoring High Machs

- Direct interaction with others
- Minimal rules and regulations
- Emotions distract for others

Narcissism

A Narcissistic Person

- Has grandiose sense of self-importance
- Requires excessive admiration
- Has a sense of entitlement
- Is arrogant
- Tends to be rated as less effective



Self-Monitoring

Self-Monitoring

A personality trait that measures an individual's ability to adjust his or her behavior to external, situational factors

High Self-Monitors

- Receive better performance ratings
- Likely to emerge as leaders
- Show less commitment to their organizations



Risk-Taking

- **High Risk-Taking Managers**
 - Make quicker decisions
 - Use less information to make decisions
 - Operate in smaller and more entrepreneurial organizations
- **Low Risk-Taking Managers**
 - Are slower to make decisions
 - Require more information before making decisions
 - Exist in larger organizations with stable environments
- **Risk Propensity**
 - Aligning managers' risk-taking propensity to job requirements should be beneficial to organizations

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Personality Types

Type As

1. Are always moving, walking, and eating rapidly
2. Feel impatient with the rate at which most events take place
3. Strive to think or do two or more things at once
4. Cannot cope with leisure time
5. Are obsessed with numbers, measuring their success in terms of how many or how much of everything they acquire

Type Bs

1. Never suffer from a sense of time urgency with its accompanying impatience
2. Feel no need to display or discuss either their achievements or accomplishments
3. Play for fun and relaxation, rather than to exhibit their superiority at any cost
4. Can relax without guilt

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Personality Types

Proactive Personality

Identifies opportunities, shows initiative, takes action, and perseveres until meaningful change occurs

Creates positive change in the environment, regardless or even in spite of constraints or obstacles



Values

- **Definition:** Mode of conduct or end state is personally or socially preferable (i.e., what is right and good)
- **Basic convictions on how to conduct yourself or how to live your life that is personally or socially preferable – “How To” live life properly.**
- **Value System:** A hierarchy based on a ranking of an individual's values in terms of their intensity

Importance of Values

- Provide understanding of the attitudes, motivation, and behaviors of individuals and cultures
- Influence our perception of the world around us
- Represent interpretations of "right" and "wrong"
- Imply that some behaviors or outcomes are preferred over others

Types of Values—Rokeach Value Survey

Terminal Values

Desirable end-states of existence; the goals that a person would like to achieve during his or her lifetime

Instrumental Values

Preferable modes of behavior or means of achieving one's terminal values



Values in the Rokeach Survey

Terminal Values	Instrumental Values
A comfortable life (a prosperous life)	Ambitious (hardworking, aspiring)
An exciting life (a stimulating, active life)	Broad-minded (open-minded)
A sense of accomplishment (lasting contribution)	Capable (competent, effective)
A world at peace (free of war and conflict)	Cheerful (lighthearted, joyful)
A world of beauty (beauty of nature and the arts)	Clean (neat, tidy)
Equality (brotherhood, equal opportunity for all)	Courageous (standing up for your beliefs)
Family security (taking care of loved ones)	Forgiving (willing to pardon others)
Freedom (independence, free choice)	Helpful (working for the welfare of others)
Happiness (contentedness)	Honest (sincere, truthful)
Inner harmony (freedom from inner conflict)	Imaginative (daring, creative)
Mature love (sexual and spiritual intimacy)	Independent (self-reliant, self-sufficient)
National security (protection from attack)	Intellectual (intelligent, reflective)
Pleasure (an enjoyable, leisurely life)	Logical (consistent, rational)
Salvation (saved, eternal life)	Loving (affectionate, tender)
Self-respect (self-esteem)	Obedient (dutiful, respectful)
Social recognition (respect, admiration)	Polite (courteous, well-mannered)
True friendship (close companionship)	Responsible (dependable, reliable)
Wisdom (a mature understanding of life)	Self-controlled (restrained, self-disciplined)

Value Differences Between Groups

Executives		Union Members		Activists	
Terminal	Instrumental	Terminal	Instrumental	Terminal	Instrumental
1. Self-respect	1. Honest	1. Family security	1. Responsible	1. Equality	1. Honest
2. Family security	2. Responsible	2. Freedom	2. Honest	2. A world of peace	2. Helpful
3. Freedom	3. Capable	3. Happiness	3. Courageous	3. Family security	3. Courageous
4. A sense of accomplishment	4. Ambitious	4. Self-respect	4. Independent	4. Self-respect	4. Responsible
5. Happiness	5. Independent	5. Mature love	5. Capable	5. Freedom	5. Capable

Source: Based on W. C. Frederick and J. Weber, "The Values of Corporate Managers and Their Critics: An Empirical Description and Normative Implications," in W. C. Frederick and L. E. Preston (eds.) *Business Ethics: Research Issues and Empirical Studies* (Greenwich, CT: JAI Press, 1990), pp. 123-44



Generational Values

Cohort	Entered Workforce	Approximate Current Age	Dominant Work Values
Veterans	1950-1964	65+	Hard working, conservative, conforming; loyalty to the organization
Boomers	1965-1985	40-60s	Success, achievement, ambition, dislike of authority; loyalty to career
Xers	1985-2000	20-40s	Work/life balance, team-oriented, dislike of rules; loyalty to relationships
Nexters	2000-Present	Under 30	Confident, financial success, self-reliant but team-oriented; loyalty to both self and relationships

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Linking Personality and Values to the Workplace

Managers are less interested in someone's ability to do a specific job than in that person's flexibility.

•Person-Job Fit:

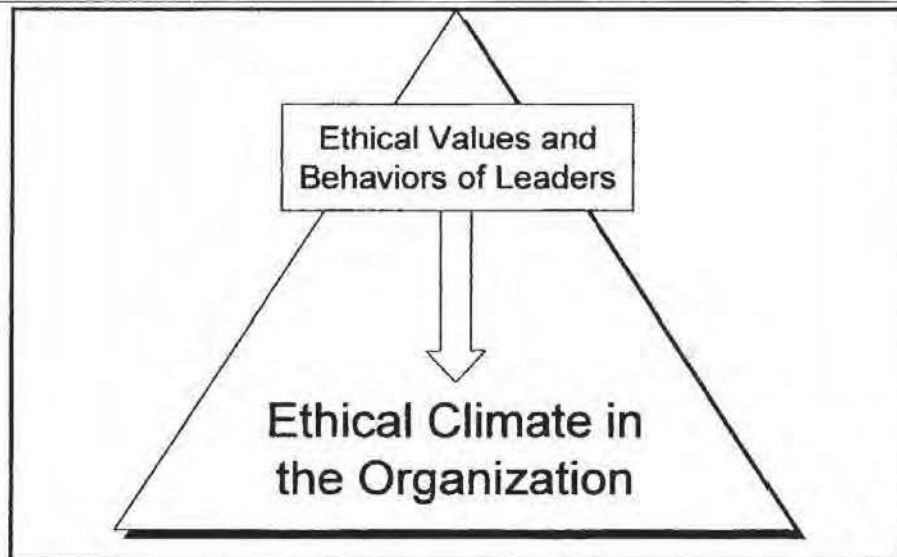
- John Holland's Personality-Job Fit Theory
 - Six personality types
 - Vocational Preference Inventory (VPI)
- Key Points of the Model:
 - There appear to be intrinsic differences in personality between people
 - There are different types of jobs
 - People in jobs congruent with their personality should be more satisfied and have lower turnover

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Values, Loyalty, and Ethical Behavior



Achieving Person-Job Fit

Personality-Job Fit Theory (Holland)

Identifies six personality types and proposes that the fit between personality type and occupational environment determines satisfaction and turnover

Personality Types

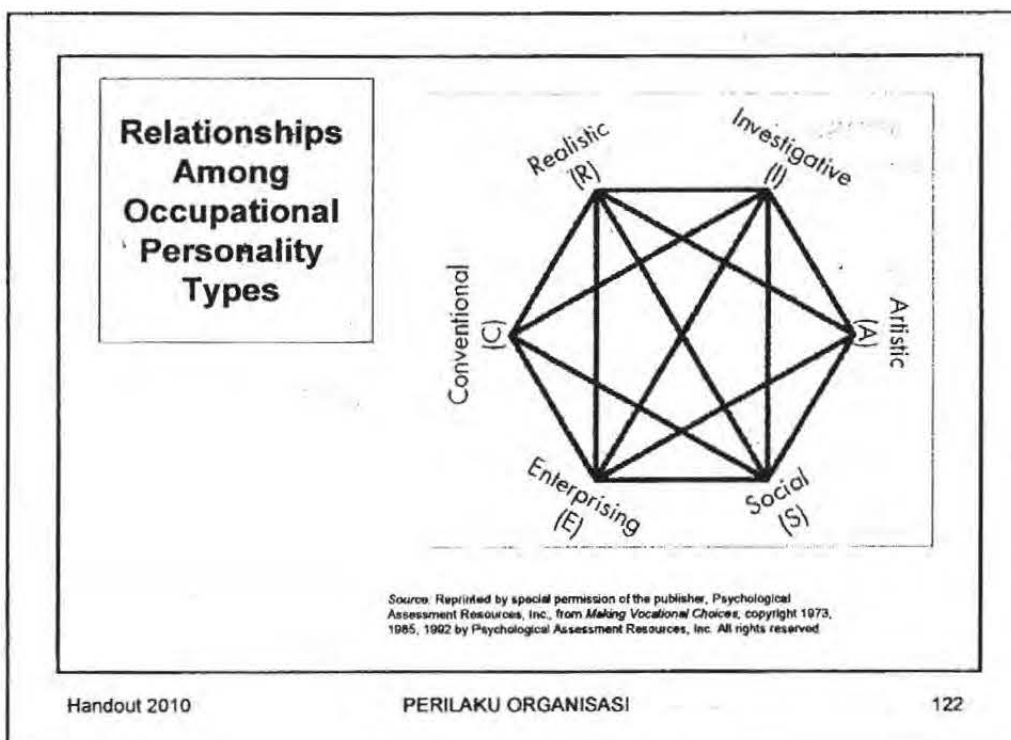
- Realistic
- Investigative
- Social
- Conventional
- Enterprising
- Artistic

Type	Congruent Occupation	Holland's Typology of Personality and Congruent Occupations
<i>Realistic</i> : Prefers physical activities that require skill, strength, and coordination	Mechanic, drill press operator, assembly-line worker, farmer	
<i>Investigative</i> : Prefers activities that involve thinking, organizing, and understanding	Biologist, economist, mathematician, news reporter	
<i>Social</i> : Prefers activities that involve helping and developing others	Social worker, teacher, counselor, clinical psychologist	
<i>Conventional</i> : Prefers rule-regulated, orderly, and unambiguous activities	Accountant, corporate manager, bank teller, file clerk	
<i>Enterprising</i> : Prefers verbal activities in which there are opportunities to influence others and attain power	Lawyer, real estate agent, public relations specialist, small business manager	
<i>Artistic</i> : Prefers ambiguous and unsystematic activities that allow creative expression	Painter, musician, writer, interior decorator	

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Organizational Culture Profile (OCP)

- Useful for determining person-organization fit
- Survey that forces choices/rankings of one's personal values
- Helpful for identifying most important values to look for in an organization (in efforts to create a good fit)

What is Perception?

- A process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.
- People's behavior is based on their perception of what reality is, not on reality itself.
- The world as it is perceived is the world that is behaviorally important.

Perceptions and Individual Decision Making

- **Problem**
 - A perceived discrepancy between the current state of affairs and a desired state
- **Decisions**
 - Choices made from among alternatives developed from data
- **Perception Linkage:**
 - All elements of problem identification and the decision making process are influenced by perception.
 - Problems must be recognized
 - Data must be selected and evaluated

Decision-Making Models in Organizations

- **Rational Decision-Making**
 - The “perfect world” model: assumes complete information, all options known, and maximum payoff
 - Six-step decision-making process
- **Bounded Reality**
 - The “real world” model: seeks satisfactory and sufficient solutions from limited data and alternatives
- **Intuition**
 - A non-conscious process created from distilled experience that results in quick decisions
 - Relies on holistic associations
 - Affectively charged – engaging the emotions

Common Biases and Errors in Decision-Making

- **Overconfidence Bias**
 - Believing too much in our own ability to make good decisions – especially when outside of own expertise
- **Anchoring Bias**
 - Using early, first received information as the basis for making subsequent judgments
- **Confirmation Bias**
 - Selecting and using only facts that support our decision
- **Availability Bias**
 - Emphasizing information that is most readily at hand
 - Recent
 - Vivid

More Common Decision-Making Errors

- **Escalation of Commitment**
 - Increasing commitment to a decision in spite of evidence that it is wrong – *especially if responsible for the decision!*
- **Randomness Error**
 - Creating meaning out of random events - superstitions
- **Winner's Curse**
 - Highest bidder pays too much due to value overestimation
 - Likelihood increases with the number of people in auction
- **Hindsight Bias**
 - After an outcome is already known, believing it could have been accurately predicted beforehand

Individual Differences in Decision-Making

- **Personality**
 - Conscientiousness may effect escalation of commitment
 - Achievement strivers are likely to increase commitment
 - Dutiful people are less likely to have this bias
 - Self-Esteem
 - High self-esteem people are susceptible to self-serving bias
- **Gender**
- Women analyze decisions more than men – *rumination*
- Women are twice as likely to develop depression
- Differences develop early

Organizational Constraints

- **Performance Evaluation**
 - Managerial evaluation criteria influence actions
- **Reward Systems**
 - Managers will make the decision with the greatest personal payoff for them
- **Formal Regulations**
 - Limit the alternative choices of decision makers
- **System-imposed Time Constraints**
 - Restrict ability to gather or evaluate information
- **Historical Precedents**
 - Past decisions influence current decisions

Ethics in Decision Making

- **Ethical Decision Criteria**

- **Utilitarianism**

- Decisions made based solely on the outcome
 - Seeking the greatest good for the greatest number
 - Dominant method for businesspeople

- **Rights**

- Decisions consistent with fundamental liberties and privileges
 - Respecting and protecting basic rights of individuals such as whistleblowers

- **Justice**

- Imposing and enforcing rules fairly and impartially
 - Equitable distribution of benefits and costs

Ethical Decision-Making Criteria Assessed

- **Utilitarianism**

- Pro: Promotes efficiency and productivity
 - Con: Can ignore individual rights, especially minorities

- **Rights**

- Pro: Protects individuals from harm, preserves rights
 - Con: Creates an overly legalistic work environment

- **Justice**

- Pro: Protects the interests of weaker members
 - Con: Encourages a sense of entitlement

TOPIK 6

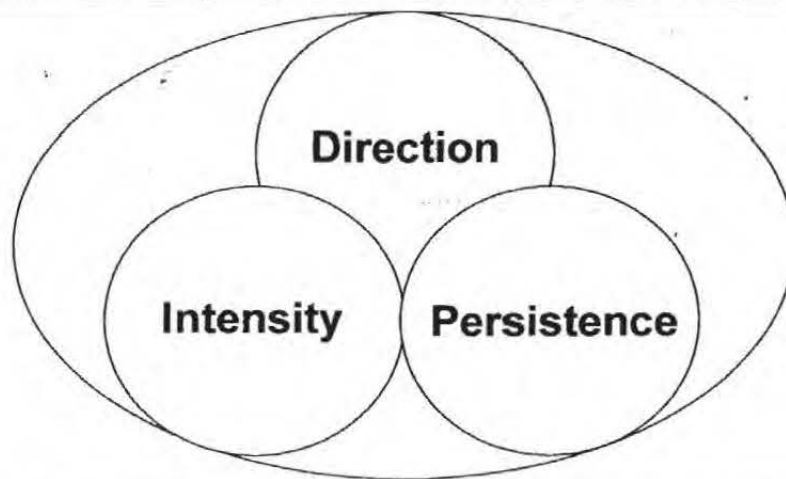
MOTIVATION AND ITS APPLICATIONS

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What Is Motivation?



Prentice Hall, 2001

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What is Motivation?

Motivation

The processes that account for an individual's intensity, direction, and persistence of effort toward attaining a goal.

Key Elements

1. **Intensity:** how hard a person tries
2. **Direction:** toward beneficial goal
3. **Persistence:** how long a person tries

Hierarchy of Needs Theory (Maslow)

Hierarchy of Needs Theory

There is a hierarchy of five needs—physiological, safety, social, esteem, and self-actualization; as each need is substantially satisfied, the next need becomes dominant.

Self-Actualization

The drive to become what one is capable of becoming.

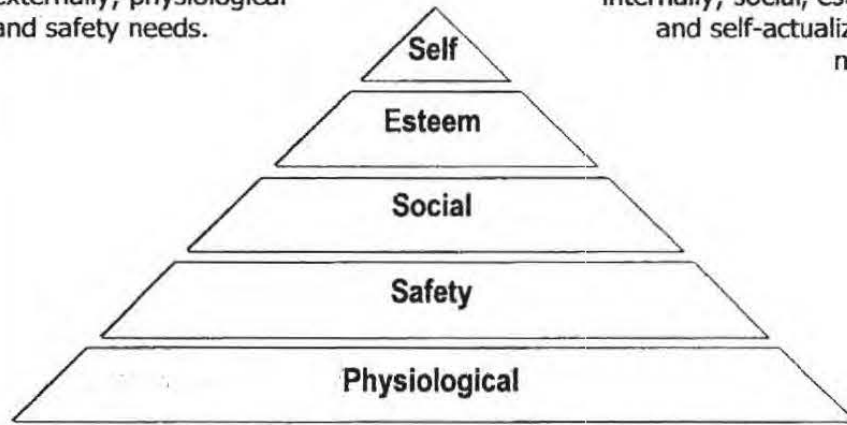
Maslow's Hierarchy of Needs

Lower-Order Needs

Needs that are satisfied externally; physiological and safety needs.

Higher-Order Needs

Needs that are satisfied internally; social, esteem, and self-actualization needs.



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Assumptions of Maslow's Hierarchy

Movement up the Pyramid

- Individuals cannot move to the next higher level until all needs at the current (lower) level are satisfied.
- Individuals therefore must move up the hierarchy in order

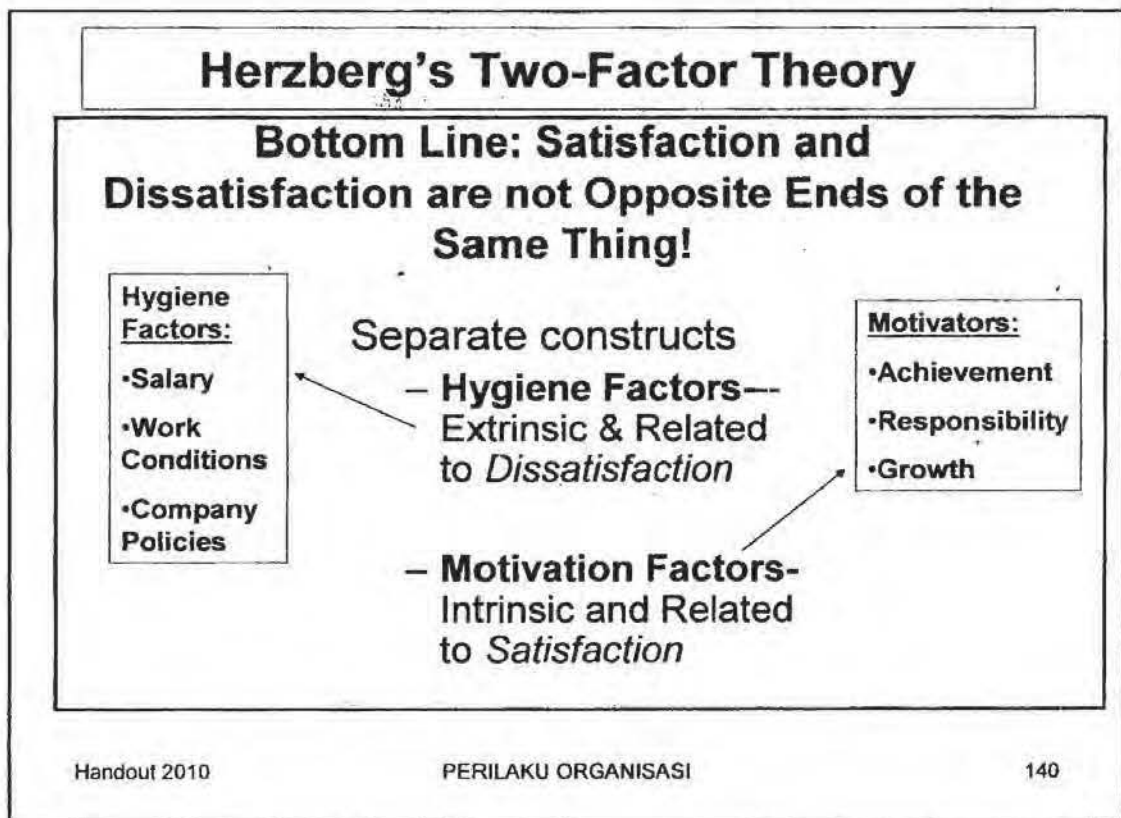
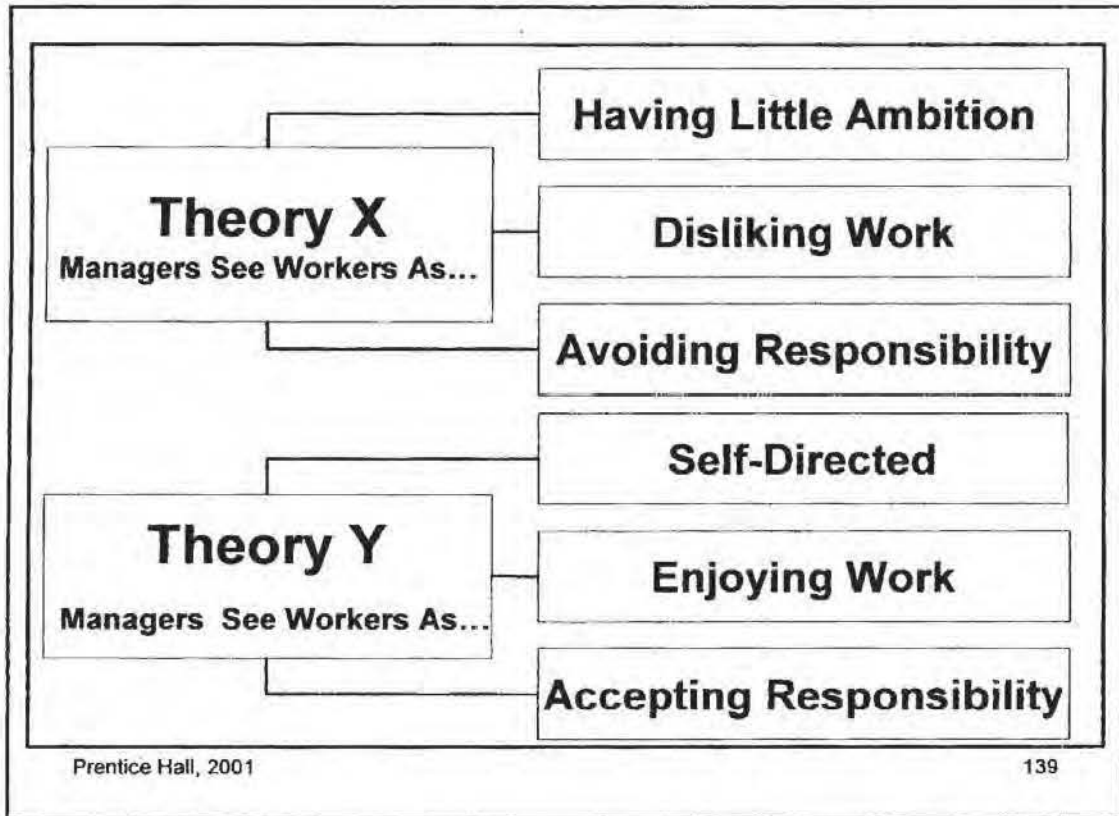
Maslow Application:

**A homeless person
will not be motivated to
meditate!**

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Comparison of Satisfiers and Dissatisfiers

Factors characterizing events on the job that led to extreme job dissatisfaction

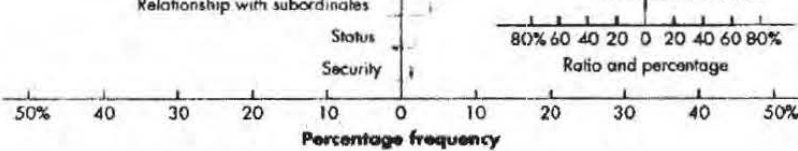
Company policy and administration
Supervision
Relationship with supervisor
Work conditions
Salary
Relationship with peers
Personal life
Relationship with subordinates
Status
Security

Achievement
Recognition
Work itself
Responsibility
Advancement
Growth

Factors characterizing events on the job that led to extreme job satisfaction

All factors contributing to job dissatisfaction

All factors contributing to job satisfaction



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Contrasting Views of Satisfaction and Dissatisfaction

Traditional view

Satisfaction Dissatisfaction

Herzberg's view

Motivators

Satisfaction No satisfaction

Hygiene factors

No dissatisfaction Dissatisfaction

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David McClelland's Theory of Needs

Need for Achievement

The drive to excel, to achieve in relation to a set of standards, to strive to succeed.

Need for Affiliation

The desire for friendly and close personal relationships.

Need for Power

The need to make others behave in a way that they would not have behaved otherwise.

Bottom Line:

Individuals have different levels of needs in each of these areas, and those levels will drive their behavior

Matching High Achievers and Jobs

Achievers prefer jobs that offer

Personal responsibility

Feedback

Moderate risks

Cognitive Evaluation Theory

Cognitive Evaluation Theory

Providing an extrinsic reward for behavior that had been previously only intrinsically rewarding tends to decrease the overall level of motivation.

Hint: For this theory, think about how fun it is to read in the summer, but once reading is assigned to you for a grade, you don't want to do it!

The theory may only be relevant to jobs that are neither extremely dull nor extremely interesting

What Would Herzberg Say? What Would Maslow Say?

THE WALL STREET JOURNAL



"What do you mean money isn't everything? This is a bank!"

Goal-Setting Theory (Edwin Locke)

Basic Premise: That *specific and difficult* goals, with *self-generated feedback*, lead to higher performance.

But, the relationship between goals and performance will depend on

- goal commitment
 - “I want to do it & I can do it”
- task characteristics (simple, well-learned)
- national culture

Goal Setting in Action: MBO Programs

Management By Objectives Programs

- Company wide goals & objectives
- Goals aligned at all levels
- Based on Goal Setting Theory

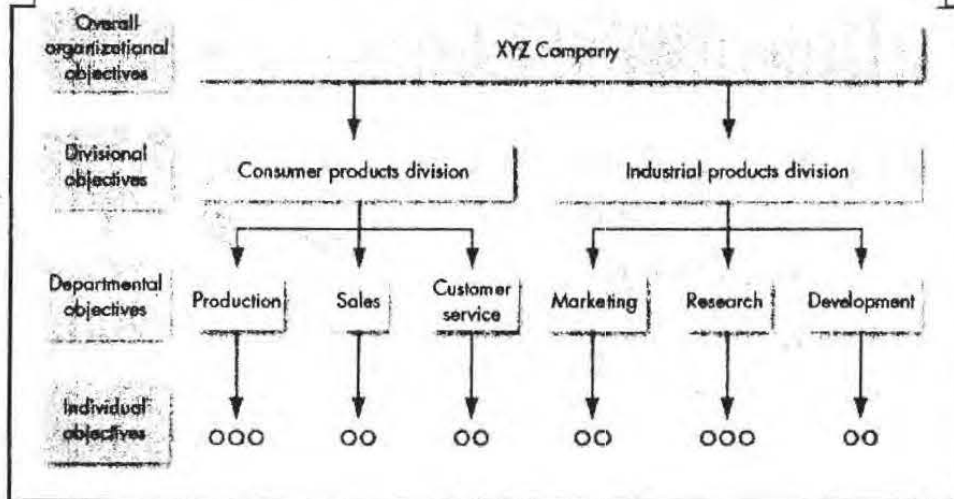
What is MBO?

MBO is A program that encompasses specific goals, participatively set, for an explicit time period, with feedback on goal progress.

Key Elements

1. Goal specificity
2. Participative decision making
3. An explicit time period
4. Performance feedback

Cascading of Objectives



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Linking MBO and Goal-Setting Theory

	<u>MBO</u>	<u>Goal-Setting Theory</u>
Goal Specificity	Yes	Yes
Goal Difficulty	Yes	Yes
Feedback	Yes	Yes
Participation	Yes	No (qualified)

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Why MBOs Fail

- Unrealistic expectations about MBO results
- Lack of commitment by top management
- Failure to allocate reward properly
- Cultural incompatibilities



Self-Efficacy

- An individual's feeling that s/he can complete a task (e.g. "I know I can!")
- Enhances probability that goals will be achieved

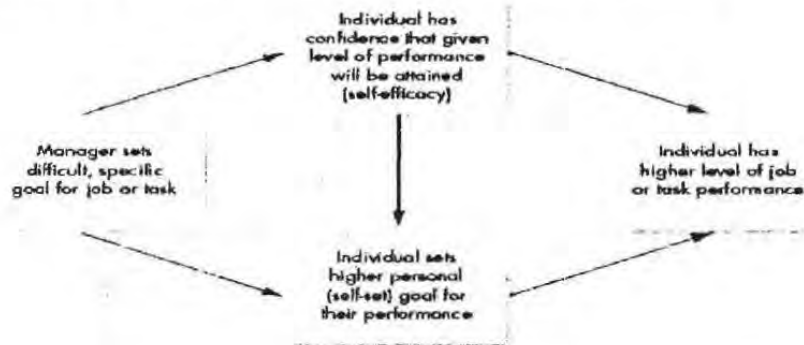
Not to be confused with:

Self Esteem, which is....

Individuals' degree of liking or disliking themselves.

Self-Efficacy and Goal Setting

Exhibit 6-7 Joint Effects of Goals and Self-Efficacy on Performance



Based on E. A. Locke and G. P. Latham, "Building a Practically Useful Theory of Goal Setting and Task Motivation: A 35-Year Odyssey," *American Psychologist*, September 2002, pp. 705-717.

Four Ways of Increasing Self Efficacy (Bandura)

1. Enactive Mastery
2. Vicarious Modeling
3. Verbal Persuasion
4. Arousal

Note: Basic Premise/Mechanism of *Pygmalion* and *Galatea* Effects

Reinforcement Theory

Argues that behavior is a function of its consequences.

Assumptions:

- **Behavior is environmentally caused.**
- **Behavior can be modified (reinforced) by providing (controlling) consequences.**
- **Reinforced behavior tends to be repeated.**

Equity Theory

Equity Theory

Individuals compare their job inputs and outcomes with those of others and then respond to eliminate any inequities.

Referent Comparisons:

Self-inside

Self-outside

Other-inside

Other-outside

Equity Theory (cont'd)

Ratio Comparisons*

Perception

$$O/I_A < O/I_B$$

Inequity due to being underrewarded

$$O/I_A = O/I_B$$

Equity

$$O/I_A > O/I_B$$

Inequity due to being overrewarded

*Where O/I_A represents the employee; and O/I_B represents relevant others.

Equity Theory (cont'd)

Choices for dealing with inequity:

1. Change inputs (slack off)
2. Change outcomes (increase output)
3. Distort/change perceptions of self
4. Distort/change perceptions of others
5. Choose a different referent person
6. Leave the field (quit the job)

Equity Theory (cont'd)

Propositions relating to inequitable pay:

1. Overrewarded hourly employees produce more than equitably rewarded employees.
2. Overrewarded piece-work employees produce less, but do higher quality piece work.
3. Underrewarded hourly employees produce lower quality work.
4. Underrewarded employees produce larger quantities of lower-quality piece work than equitably rewarded employees.

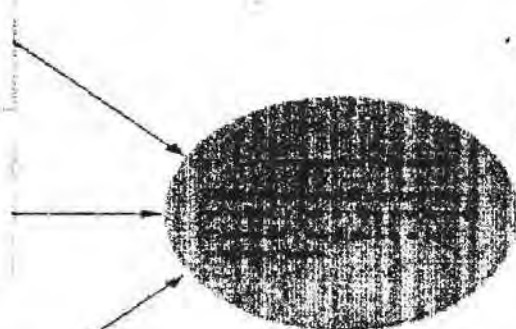
Justice and Equity Theory

Exhibit 6-9 Model of Organizational Justice

Distributive Justice
Definition: perceived fairness of outcome
Example: I got the pay raise I deserved.

Procedural Justice
Definition: perceived fairness of process used to determine outcome
Example: I had input into the process used to give raises and was given a good explanation of why I received the raise I did.

Interactional Justice
Definition: perceived degree to which one is treated with dignity and respect
Example: When telling me about my raise, my supervisor was very nice and complimentary.



Three types of Justice

Distributive Justice

Perceived fairness of the outcome (the final distribution).

"Who got what?"

Procedural Justice

The perceived fairness of the process used to determine the outcome (the final distribution).

"How was who gets what decided?"

Interactional Justice

The degree to which one is treated with dignity and respect.

"Was I treated well?"

Expectancy Theory

Exhibit 6-10 Expectancy Theory

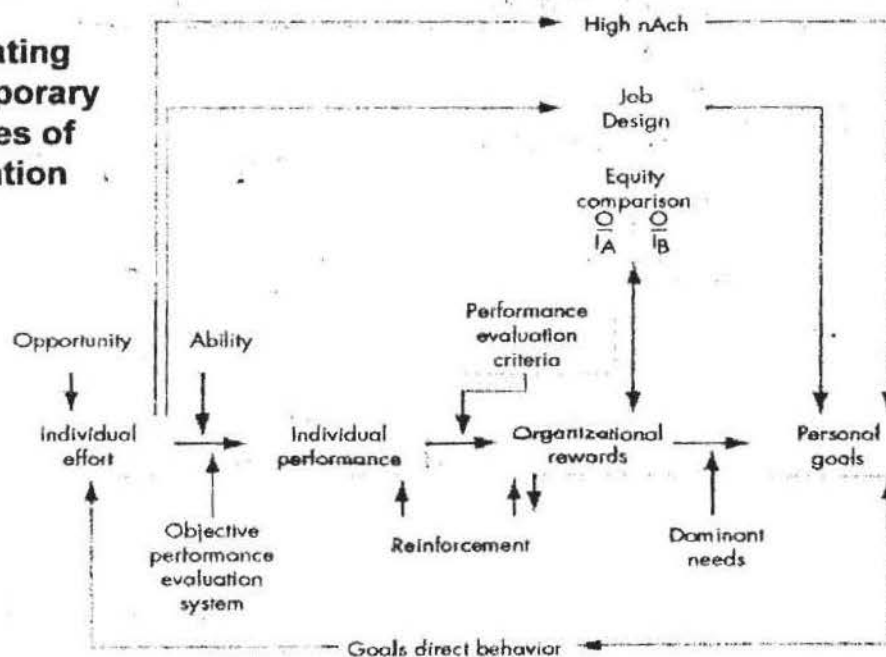


Expectancy Theory (cont....)

Bottom line

- All three links between the boxes must be intact or motivation will not occur. Thus,
 - Individuals must feel that if they try, they can perform
- And
- If they perform, they will be rewarded
- And
- When they are rewarded, the reward will be something they care about

Integrating Contemporary Theories of Motivation



Job Design Theory

Job Characteristics Model

Identifies five job characteristics and their relationship to personal and work outcomes.

Characteristics:

- 1. Skill variety**
- 2. Task identity**
- 3. Task significance**
- 4. Autonomy**
- 5. Feedback**

Job Design Theory (cont'd)

• Job Characteristics Model

- Jobs with skill variety, task identity, task significance, autonomy, and for which feedback of results is given, directly affect three psychological states of employees:
 - Knowledge of results
 - Meaningfulness of work
 - Personal feelings of responsibility for results
- Increases in these psychological states result in increased motivation, performance, and job satisfaction.

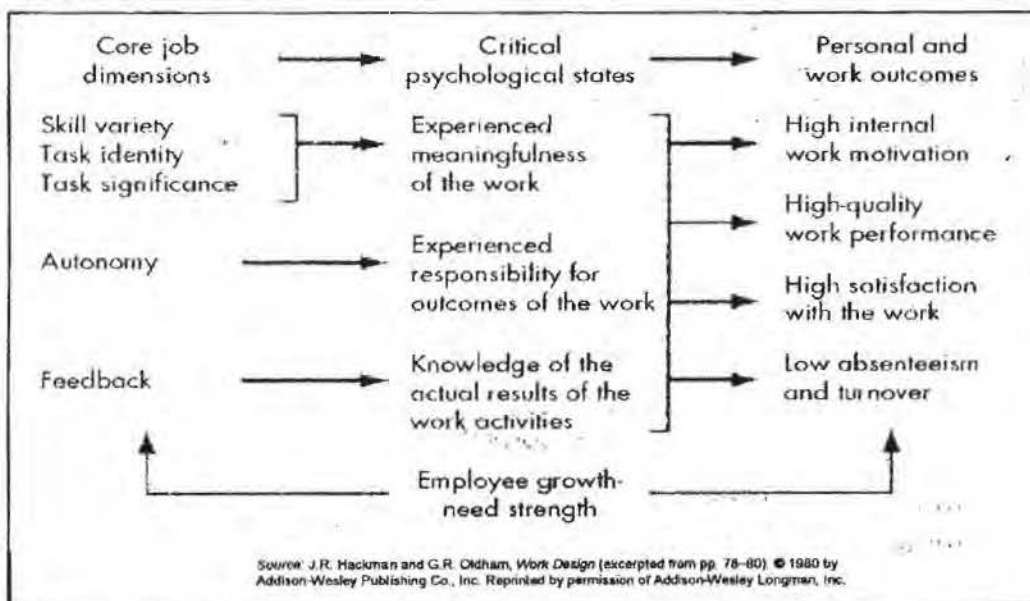
Examples of High and Low Job Characteristics

Characteristics	Examples
<u>Skill Variety</u>	
• High variety	The owner-operator of a garage who does electrical repair, rebuilds engines, does body work, and interacts with customers
• Low variety	A bodyshop worker who sprays paint eight hours a day
<u>Task Identity</u>	
• High identity	A cabinetmaker who designs a piece of furniture, selects the wood, builds the object, and finishes it to perfection
• Low identity	A worker in a furniture factory who operates a lathe to make table legs
<u>Task Significance</u>	
• High significance	Nursing the sick in a hospital intensive care unit
• Low significance	Sweeping hospital floors
<u>Autonomy</u>	
• High autonomy	A telephone installer who schedules his or her own work for the day, and decides on the best techniques for a particular installation
• Low autonomy	A telephone operator who must handle calls as they come according to a routine, highly specified procedure
<u>Feedback</u>	
• High feedback	An electronics factory worker who assembles a radio and then tests it to determine if it operates properly
• Low feedback	An electronics factory worker who assembles a radio and then routes it to a quality control inspector who tests and adjusts it

Prentice Hall, 2003

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The Job Characteristics Model



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Job Design Theory (cont'd)

Skill Variety

The degree to which a job requires a variety of different activities (how many different skills are used in a given day, week, month?).

Task Identity

The degree to which the job requires completion of a whole and identifiable piece of work (from beginning to end).

Task Significance

The degree to which the job has a substantial impact on the lives or work of other people.

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Job Design Theory (cont'd)

Autonomy

The degree to which the job provides substantial freedom and discretion to the individual in scheduling the work and in determining the procedures to be used in carrying it out.

Feedback

The degree to which carrying out the work activities required by a job results in the individual obtaining direct and clear information about the effectiveness of his or her performance.

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Computing a Motivating Potential Score

$$\text{Motivating Potential Score (MPS)} = \left[\frac{\text{Skill variety} + \text{Task identity} + \text{Task significance}}{3} \right] \times \text{Autonomy} \times \text{Feedback}$$

People who work on jobs with high core dimensions are generally more motivated, satisfied, and productive.

Job dimensions operate through the psychological states in influencing personal and work outcome variables rather than influencing them directly.

Job Design and Scheduling

Job Rotation

The periodic shifting of a worker from one task to another.

Job Enlargement

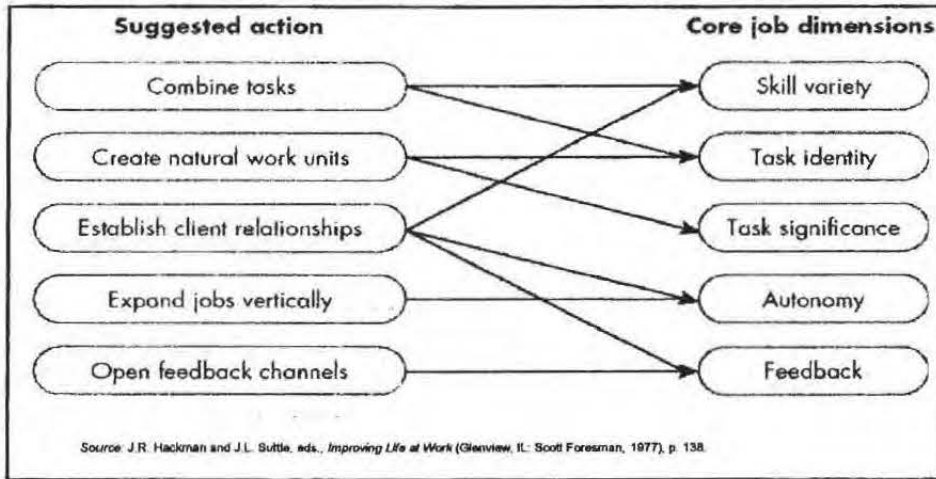
The horizontal expansion of jobs.

Job Enrichment

The vertical expansion of jobs.



Guidelines for Enriching a Job



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Alternative Work Arrangements

Flextime

Employees work during a common core time period each day but have discretion in forming their total workday from a flexible set of hours outside the core.

Job Sharing

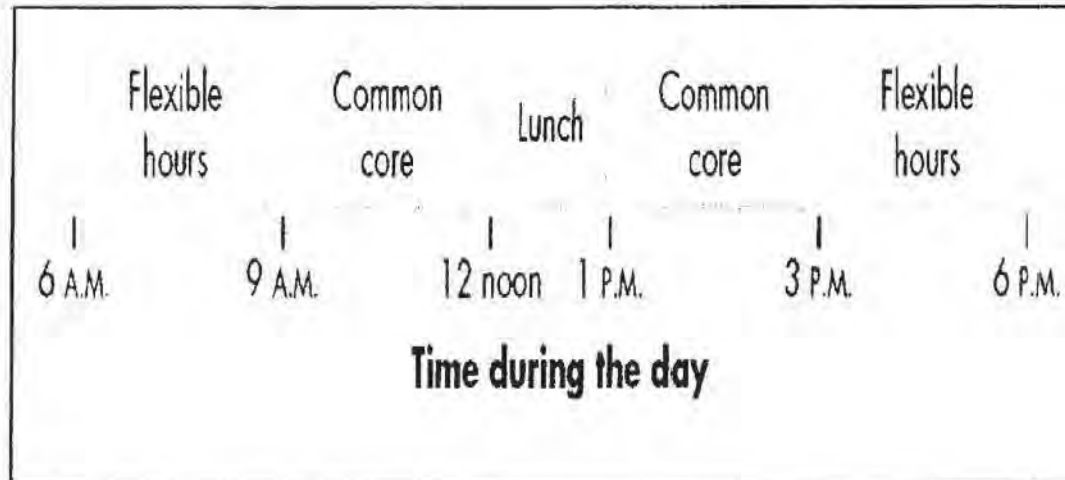
The practice of having two or more people split a 40-hour-a-week job.

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Example of a Flextime Schedule



Alternative Work Arrangements, cont...

Telecommuting

Employees do their work at home on a computer that is linked to their office.

Categories of telecommuting jobs:

- Routine information handling tasks
- Mobile activities
- Professional and other knowledge-related tasks



Telecommuting

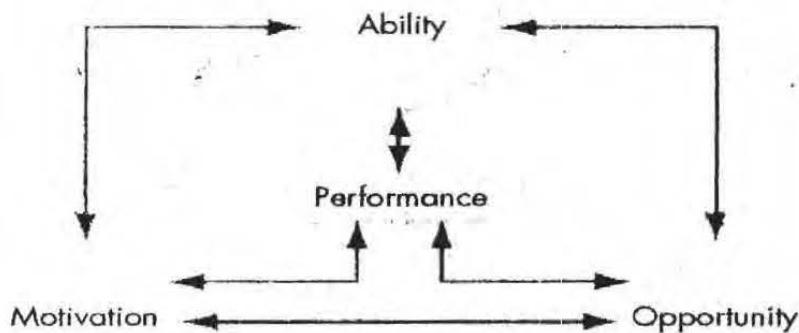
- Advantages

- Larger labor pool
- Higher productivity
- Less turnover
- Improved morale
- Reduced office-space costs

- Disadvantages (Employer)

- Less direct supervision of employees
- Difficult to coordinate teamwork
- Difficult to evaluate non-quantitative performance

$$\text{Performance} = f(A \times M \times O)$$



Source: Adapted from M. Blumberg and C.D. Pringle, "The Missing Opportunity in Organizational Research: Some Implications for a Theory of Work Performance," *Academy of Management Review*, October 1982, p. 565.

What is Employee Involvement?

Employee Involvement Program

A participative process that uses the entire capacity of employees and is designed to encourage increased commitment to the organization's success.

Examples of Employee Involvement Programs

Participative Management

A process in which subordinates share a significant degree of decision-making power with their immediate superiors.

Examples of Employee Involvement Programs (cont'd)

Representative Participation

Workers participate in organizational decision making through a small group of representative employees.



Works Councils

Groups of nominated or elected employees who must be consulted when management makes decisions involving personnel.

Board Representative

A form of representative participation; employees sit on a company's board of directors and represent the interests of the firm's employees.

Examples of Employee Involvement Programs (cont'd)

Quality Circle

A work group of employees who meet regularly to discuss their quality problems, investigate causes, recommend solutions, and take corrective actions.

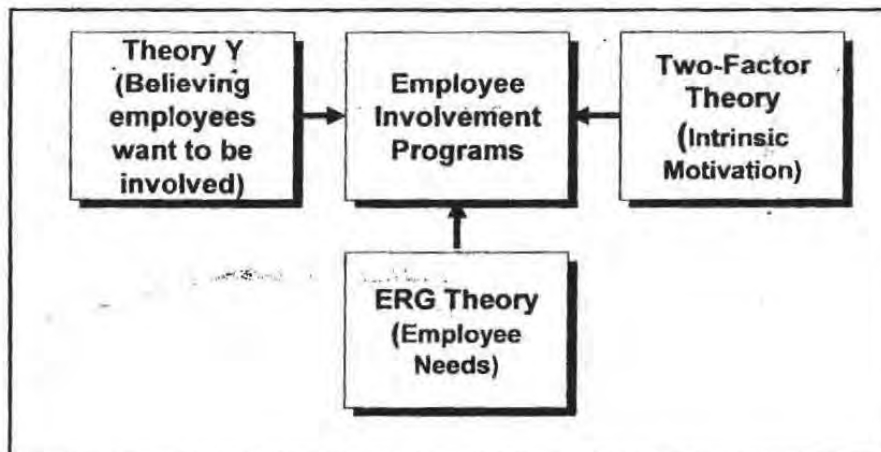


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Linking EI Programs and Motivation Theories



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Rewarding Employees: Four Aspects

- **What to Pay (Internal vs. external equity)**
- **How to Pay (e.g Piece rate, merit based, bonuses, profit sharing, gain sharing, ESOPs, skill-based pay)**
- **What Benefits to Offer (e.g., Flexible benefits)**
- **How to Recognize Employees**

Rewarding Employees: Variable Pay Programs

Variable Pay Programs

A portion of an employee's pay is based on some individual and/or organization measure of performance.

- Piece rate pay plans
- Profit sharing plans
- Gain sharing plans



Variable Pay Programs (cont'd)

Piece-rate Pay Plans

Workers are paid a fixed sum for each unit of production completed.



Profit-Sharing Plans

Organization wide programs that distribute compensation based on some established formula designed around a company's profitability.

Gain Sharing

An incentive plan in which improvements in group productivity determine the total amount of money that is allocated.

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Rewarding Employees

Employee Stock Ownership Plans (ESOPs)

Company-established benefit plans in which employees acquire stock as part of their benefits.



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Skill-Based Pay Plans

Pay levels are based on how many skills employees have or how many jobs they can do.

Benefits of Skill-based Pay Plans:

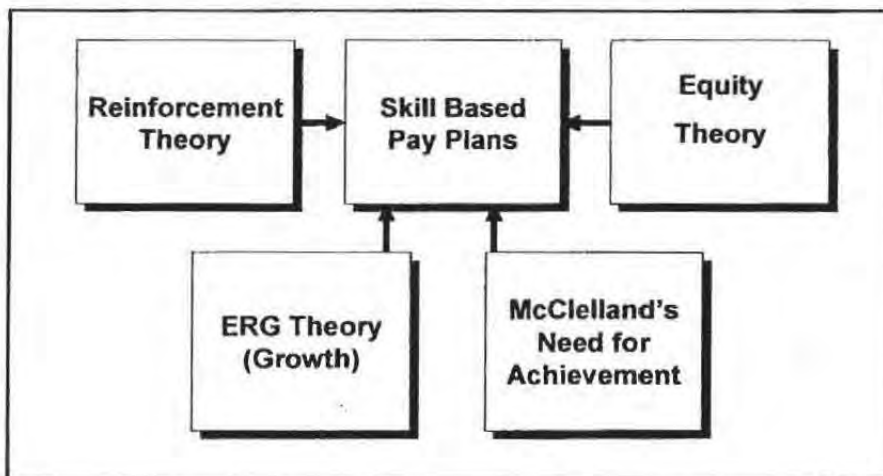
1. Provides staffing flexibility.
2. Facilitates communication across the organization.
3. Lessens "protection of territory" behaviors.
4. Meets the needs of employees for advancement (without promotion).
5. Leads to performance improvements.

Skill-Based Pay Plans (cont'd)

Drawbacks of Skill-based Pay Plans:

1. Lack of additional learning opportunities that will increase employee pay.
2. Continuing to pay employees for skills that have become obsolete.
3. Paying for skills which are of no immediate use to the organization.
4. Paying for a skill, not for the level of employee performance for the particular skill.

Linking Skill-based Plans and Motivation Theories



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Flexible Benefits

Employees tailor their benefit program to meet their personal need by picking and choosing from a menu of benefit options.

Core-Plus Plans:
a core of essential benefits and a menu-like selection of other benefit options.

Modular Plans:
predesigned benefits packages for specific groups of employees.

Flexible Spending Plans:
allow employees to use their tax-free benefit dollars to purchase benefits and pay service premiums.

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Employee Recognition Programs

- **Intrinsic rewards:** stimulate intrinsic motivation
 - Personal attention given to employee
 - Approval & appreciation for a job well done
 - Growing in popularity and usage
- **Benefits of programs**
 - Fulfill employees' desire for recognition
 - Inexpensive to implement
 - Encourages repetition of desired behaviors
- **Drawbacks of programs**
 - Susceptible to manipulation by management

Implications for Managers

- **In Order to Motivate Employees**
 - Recognize individual differences.
 - Use goals and feedback.
 - Allow employees to participate in decisions that affect them.
 - Link rewards to performance.
 - Check the system for equity.

TOPIK 7

FOUNDATIONS OF GROUP BEHAVIOR AND WORK TEAM

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Defining and Classifying Groups

Group(s)

Two or more individuals interacting and interdependent, who have come together to achieve particular objectives.

Classifying Groups

Formal Group

A designated work group defined by the organization's structure.

Informal Group

A group that is neither formally structured nor organizationally determined; appears in response to the need for social contact.

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Subclassifications of Groups

Formal Groups Informal Groups

- **Command Group**
 - A group composed of the individuals who report directly to a given manager
- **Task Group**
 - Those working together to complete a job or task in an organization but not limited by hierarchical boundaries
- **Interest Group**
 - Members work together to attain a specific objective with which each is concerned
- **Friendship Group**
 - Those brought together because they share one or more common characteristics

Why People Join Groups

- **Security**
- **Status**
- **Self-esteem**
- **Affiliation**
- **Power**
- **Goal Achievement**



The Five-Stage Model of Group Development

Forming Stage

The first stage in group development, characterized by much uncertainty.

Storming Stage

The second stage in group development, characterized by intragroup conflict.

Norming Stage

The third stage in group development, characterized by close relationships and cohesiveness.



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...Group Development (cont'd)

Performing Stage

The fourth stage in group development, when the group is fully functional.

Adjourning Stage

The final stage in group development for temporary groups, characterized by concern with wrapping up activities rather than performance.

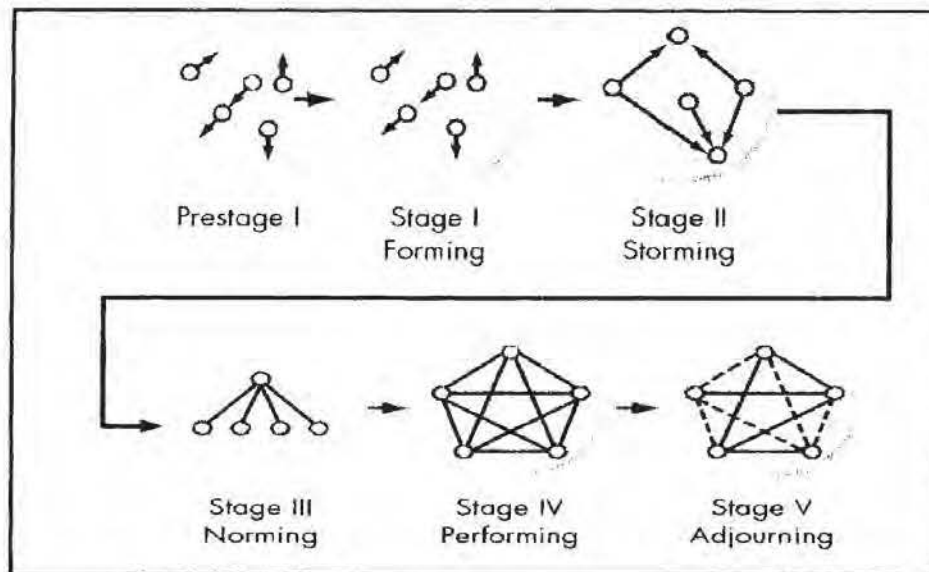


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Stages of Group Development



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Critique of the Five-Stage Model

- Assumption: the group becomes more effective as it progresses through the first four stages
 - Not always true – group behavior is more complex
 - High levels of conflict may be conducive to high performance
 - The process is not always linear
 - Several stages may occur simultaneously
 - Groups may regress
- Ignores the organizational context



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An Alternative Model for Group Formation

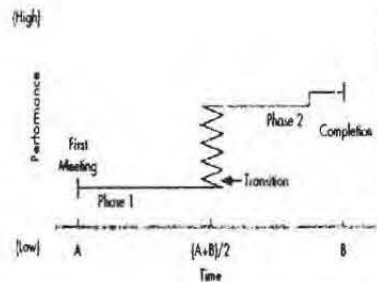
Temporary groups with deadlines don't follow the five-stage model

•Punctuated-Equilibrium Model

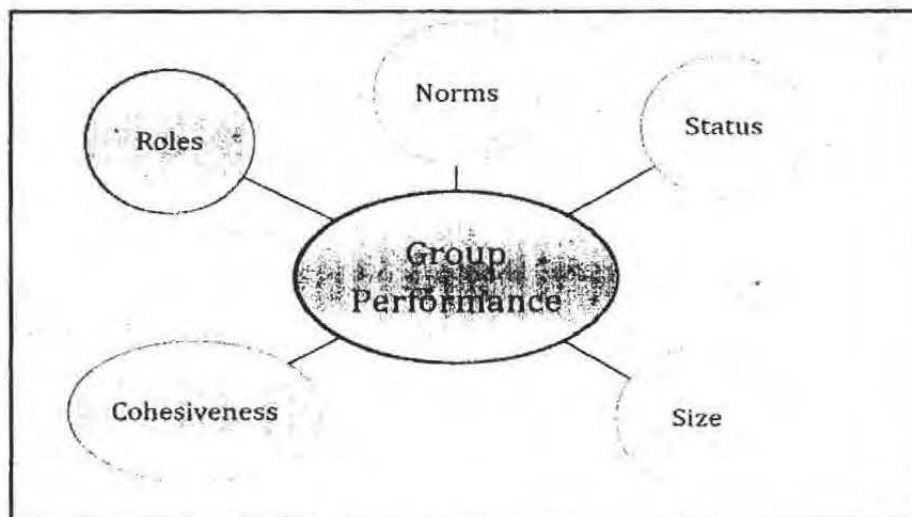
- Temporary groups under deadlines go through transitions between inertia and activity—at the halfway point, they experience an increase in productivity.

– Sequence of Actions

1. Setting group direction
2. First phase of inertia
3. Half-way point transition
4. Major changes
5. Second phase of inertia
6. Accelerated activity



Group Properties



Group Property 1: Roles

- **Role**
 - A set of expected behavior patterns attributed to someone occupying a given position in a social unit
- **Role Identity**
 - Certain attitudes and behaviors consistent with a role
- **Role Perception**
 - An individual's view of how he or she is supposed to act in a given situation – received by external stimuli
- **Role Expectations**
 - How others believe a person should act in a given situation
 - *Psychological Contract*: an unwritten agreement that sets out mutual expectations of management and employees
 - A situation in which an individual is confronted by divergent role expectations

Group Property 2: Norms

- **Norms**
 - Acceptable standards of behavior within a group that are shared by the group's members
- **Classes of Norms**
 - Performance norms - level of acceptable work
 - Appearance norms - what to wear
 - Social arrangement norms - friendships and the like
 - Allocation of resources norms - distribution and assignments of jobs and material

Group Property 2: Norms

Norms

Acceptable standards of behavior within a group that are shared by the group's members.

Classes of Norms:

- **Performance norms**
- **Appearance norms**
- **Social arrangement norms**
- **Allocation of resources norms**

Group Norms and the Hawthorne Studies

- A series of studies undertaken by Elton Mayo at Western Electric Company's Hawthorne Works in Chicago between 1924 and 1932.
- **Research Conclusions:**
 - Worker behavior and sentiments were closely related.
 - Group influences (norms) were significant in affecting individual behavior.
 - Group standards (norms) were highly effective in establishing individual worker output.
 - Money was less a factor in determining worker output than were group standards, sentiments, and security.

Group Property 2: Norms (cont'd)

Deviant Workplace Behavior

Antisocial actions by organizational members that intentionally violate established norms and result in negative consequences for the organization, its members, or both.



Typology of Deviant Workplace Behavior

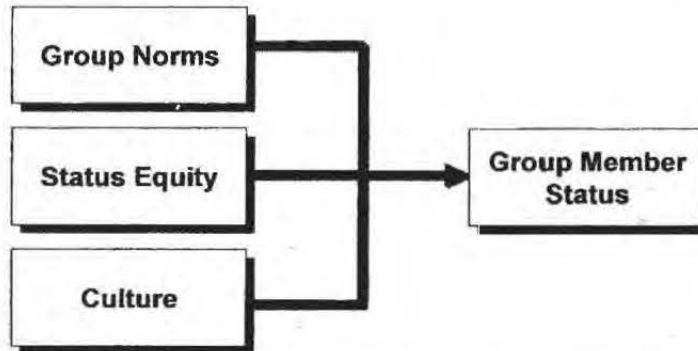
Category	Examples
Production	Leaving early Intentionally working slowly Wasting resources
Property	Sabotage Lying about hours worked Stealing from the organization
Political	Showing favoritism Gossiping and spreading rumors Blaming coworkers
Personal Aggression	Sexual harassment Verbal abuse Stealing from coworkers

Source: Adapted from S. L. Robinson, and R. J. Bennett, "A Typology of Deviant Workplace Behaviors: A Multidimensional Scaling Study," *Academy of Management Journal*, April 1995, p. 565.

Group Property 3: Status

Status

A socially defined position or rank given to groups or group members by others.



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Group Property 4: Size

- Group size affects behavior
- Size:
 - Twelve or more members is a "large" group
 - Seven or fewer is a "small" group
- Best use of a group:

Attribute	Small	Large
Speed	X	
Individual Performance	X	
Problem Solving		X
Diverse Input		X
Fact-finding Goals		X
Overall Performance	X	

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Issues with Group Size

- Social Loafing
 - The tendency for individuals to expend less effort when working collectively than when working individually
 - *Ringelmann's Rope Pull*: greater levels of productivity but with diminishing returns as group size increases
 - Caused by either equity concerns or a diffusion of responsibility (*free riders*)
- Managerial Implications
 - Build in individual accountability
 - Prevent social loafing by:
 - Setting group goals
 - Increase intergroup competition
 - Use peer evaluation
 - Distribute group rewards based on individual effort



Group Property 5 : Composition

Group Demography

The degree to which members of a group share a common demographic attribute, such as age, sex, race, educational level, or length of service in the organization, and the impact of this attribute on turnover.

Cohorts

Individuals who, as part of a group, hold a common attribute.



Group Property 6 : Cohesiveness

Cohesiveness

Degree to which group members are attracted to each other and are motivated to stay in the group.

Increasing group cohesiveness:

1. Make the group smaller.
2. Encourage agreement with group goals.
3. Increase time members spend together.
4. Increase group status and admission difficulty.
5. Stimulate competition with other groups.
6. Give rewards to the group, not individuals.
7. Physically isolate the group.

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Relationship Between Group Cohesiveness, Performance Norms, and Productivity

		Cohesiveness	
		High	Low
Performance norms	High	High productivity	Moderate productivity
	Low	Low productivity	Moderate to low productivity

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Group Tasks

- **Decision-making**

- Large groups facilitate the pooling of information about complex tasks.
- Smaller groups are better suited to coordinating and facilitating the implementation of complex tasks.
- Simple, routine standardized tasks reduce the requirement that group processes be effective in order for the group to perform well.

Group Decision Making

Groupthink

Phenomenon in which the norm for consensus overrides the realistic appraisal of alternative course of action.

Groupshift

A change in decision risk between the group's decision and the individual decision that member within the group would make; can be either toward conservatism or greater risk.

Groupthink

- **Symptoms:**

- Group members rationalize any resistance to the assumptions they have made
- Members apply direct pressures on those who express doubts about shared views or who question the alternative favored by the majority
- Members who have doubts or differing points of view keep silent about misgivings
- There appears to be an illusion of unanimity

- **Minimize Groupthink by:**

- Reduce the size of the group to 10 or less
- Encourage group leaders to be impartial
- Appoint a "devil's advocate"
- Use exercises on diversity



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Group Decision-Making Techniques

Interacting Groups

Typical groups, in which the members interact with each other face-to-face.

Nominal Group Technique

A group decision-making method in which individual members meet face-to-face to pool their judgments in a systematic but independent fashion.



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Group Decision-Making Techniques

Brainstorming

An idea-generation process that specifically encourages any and all alternatives, while withholding any criticism of those alternatives.

Electronic Meeting

A meeting in which members interact on computers, allowing for anonymity of comments and aggregation of votes.



Evaluating Group Effectiveness

Effectiveness Criteria	TYPE OF GROUP			
	Interacting	Brainstorming	Nominal	Electronic
Number and quality of ideas	Low	Moderate	High	High
Social pressure	High	Low	Moderate	Low
Money costs	Low	Low	Low	High
Speed	Moderate	Moderate	Moderate	Moderate
Task orientation	Low	High	High	High
Potential for interpersonal conflict	High	Low	Moderate	Low
Commitment to solution	High	Not applicable	Moderate	Moderate
Development of group cohesiveness	High	High	Moderate	Low