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chapter 1
Introducing contemporary organizational behaviour

Key concepts
- class
- constructivist approach
- employee misbehaviour
- employment relationship
- gender
- management
- managerial behaviour
- positivist approach
- psychological contract
- qualitative research
- quantitative research
- strategic choice
- verstehen

Chapter outline
- Introduction
- The meaning of organizational behaviour
- Why study organizational behaviour?
- A framework for studying organizational behaviour
- Managing work organizations
- The influence of class, gender, race, ethnicity and disability on organizational behaviour
- Researching organizational behaviour
- Summary and end-of-chapter features
- Chapter case study: Managing change at Eastern University

Chapter learning outcomes
After completing this chapter, you should be able to:
1. Explain the basic characteristics of work organizations and their connections to the wider social context
2. Define the term ‘organizational behaviour’
3. Describe the contribution to the field of organizational behaviour of three disciplines: psychology, sociology and anthropology
4. Explain the nature and importance of the employment relationship and the psychological contract
5. Appreciate the meanings and complexities behind the words ‘management’ and ‘organization’
6. Demonstrate an understanding of why behaviour may vary because of an organization’s strategy, structure, technology and environment
7. Identify the key changes occurring in the world and the effect that they are likely to have on organizational behaviour
8. Describe the evolution of organizational behaviour as a field of research and learning, and explain an integrated framework for conceptualizing organizational behaviour
9. Describe the challenges of conducting research on organizational behaviour.
Organizations influence the fate of people, communities and national economies. The 2008 global financial crisis (GFC) has reminded us that the nature of bankers’ behaviour is crucial to maintain employment, economic growth, living standards and welfare (Bakir, 2013). Since 2008, many people have been feeling far more insecure and experiencing acute anxiety at work (Noon et al., 2013), and the effects of economic austerity on employment and living standards have brought the fate of workers to the fore (Atzeni, 2014). Managers believe that managing people is the most important as well as the most demanding aspect of their job. As a result, an introduction to the fundamentals of work and organizational behaviour is considered to be central to understanding what constitutes ‘effective’ management.

The starting point for exploring organizational behaviour is to explain what is meant by an organization. This is a physical and legal structure within which people undertake paid work. And it is the people of course, rather than the organization, who undertake the relevant behaviours. Workers sell their mental or physical skills to organizations, and they also buy the goods or services that organizations provide. Our ‘experience’ of organizations, as employees, customers or stakeholders, may be good, bad or indifferent, and standard approaches to organizational behaviour explain this using a variety of individual, group or organizational processes.

Theoretical accounts typically centre on how the behaviour of individuals evolves and adapts; how it is shaped by group dynamics; and how organizations are structured to establish the limits within which work behaviour can vary. It looks at why organizational controls occur in the way they do, and how organizational processes have an impact on societal and ecological stability or instability. The emphasis is on how theories of organizational behaviour underscore management practices as well as organizational efficiency and effectiveness.

Critical workplace scholars take it as given that organizational behaviour can only be understood in the context of the wider sociocultural, political and economic factors that profoundly influence the organization and its members – as attested to by the extraordinary 2008 GFC. As with previous recessions, there is ample evidence that the economic and financial meltdown has caused a psycho-
logical meltdown, an emotional state in which people, whether employed or not, feel extremely vulnerable and afraid for their futures (Allen, 2014; Furness, 2008). We already know that the current situation of joblessness and precarious flexible working arrangements, such as zero-hours contracts, is – perhaps not surprisingly – having a damaging effect on the men and women, and their families, who experience it (Anderssen, 2009; Freedland, 2014; Helm, 2013). In concrete terms, it can mean underemployment or long-term unemployment, immense upheaval and dislocation, and poverty. In psychological terms, individuals may experience emotions of guilt, shame and fear, as well as problems related to mental health. Writing about the 1980–81 economic recession in Britain, this writer characterized its social effects as the ‘fear syndrome’, which was succinctly expressed by a trade union leader this way: ‘We’ve got three million on the dole, and another 23 million scared to death’ (R. Todd, quoted in Bratton, 1992: 70).

In this chapter, we emphasize that globalized capitalism has a significant impact on the way workers undertake paid work and behave in organizations. We explore the process of management using a three-dimensional model to help us understand that any social action by managers and other employees is not isolated from the rest of society but is deeply embedded in it. Furthermore, as an introduction to later chapters, we will discuss how the dynamics of class, gender, disability, race and ethnicity underpin contemporary organizational behaviour, and we will then examine the challenges of researching behaviour in workplaces.

The meaning of organizational behaviour

This book is about how people in capitalist societies are organized and managed in private and public organizations. Capitalism is a system for organizing economic activity. Although capitalist activities and institutions began to develop in Europe from the 1400s, modern capitalism has come to define the immense and largely unregulated expansion of commodity production, its related market and monetary networks and rule of law related to capitalism. The leitmotif of capitalism is the need to maximize profit from the ‘rational’ organization of work and the exchange of goods or the delivery of services (see Chapter 3), rather than to satisfy the material needs of the producers. Capitalist modernity gives rise to a kind of work organization and society that is qualitatively distinct from any of those that preceded it (Sayer, 1991).

Theorizing about work organizations has deep historical roots. Well before the publication of any textbook on ‘organizational behaviour’, Adam Smith’s The Wealth of Nations (1776) and Karl Marx’s Das Kapital (1867) provided seminal accounts of how early factory owners organized and managed people. This current textbook has two broad goals. First, it aims to help readers understand how people living in this era of mature global capitalism undertake paid work, how they interact with each other in organizations, and how the decisions made by managers affect others. Second, it aims to help readers learn to influence the processes and shape events within organizations.

What are organizations?

So what is distinctive about work organizations? A work organization is a socially designed unit or collectivity that engages in activities to accomplish a goal or set of objectives that are centrally monitored; it has an identifiable boundary and is linked to the external society. It can be distinguished from other social entities or collectivities – such as a family, a clan or tribe, or a complex society – by five common characteristics.
First, when we state that an organization is ‘a socially designed unit or collectivity’, we mean that one essential property is the presence of a group of people who have something in common, and who deliberately and consciously design a structure and processes. We use the term ‘social structure’ to refer to those activities, interactions and relationships that take on a regular pattern.

Some form of hierarchy exists in organizations. There are standard methods of doing things and control techniques that are coordinated and repeated every day. Sociologists refer to this as the ‘formal social structure’. Many aspects of the formal social structure are explicitly defined in organizational charts, job descriptions and appraisal documents. However, human activities emerge in the workplace that are not expressed in charts or written job descriptions. This covers an array of human behaviour including the communication of rumours – the ‘grapevine’ – misbehaviour such as the sabotaging of a computer by a disgruntled employee, and trade union action. These activities are referred to as the ‘informal social structure’. The formal and informal social structures are the basic building blocks of an organization.

The second common characteristic of organizations is that human activity is directed towards accomplishing ‘a goal or set of objectives’. For-profit organizations have financial goals – specific targets towards which human action is oriented, normally those of profit maximization. For Bakan, the modern for-profit organization is a ‘pathological institution’ that strives for profit and power and primarily exists ‘to pursue, relentlessly and without exception, its self-interest, regardless of the often harmful consequences it might cause to others’ (2004: 1–2). This means that making money is the first priority for for-profit businesses. They survive by minimizing their costs in any way they can within the law. Global corporations with operations in a number of different countries escape overall surveillance by particular nation states and avoid paying taxes when possible; many also try to avoid spending on cleaning up the pollution they create, the cost being picked up by the governments in the countries where they operate (Benn et al., 2014; Monbiot, 2014; Stiglitz, 2006). Benevolent non-profit organizations have goals such as helping the destitute, educating students, caring for the sick or promoting the arts. In addition, most organizations have survival as a goal.

The third characteristic that distinguishes modern organizations is the ‘centralized monitoring’ of the work activities they both permit and entail. As Giddens observed: ‘Who says modernity says not just organizations, but organization – the regularised control of social relations across indefinite time-space distances’ (1991: 15). The neo-liberal globalizing tendencies and technological innovations have altered previously established patterns of work (Atzeni, 2014), and call for a new conceptualization and understanding of monitoring processes and organizational behaviour.

The fourth characteristic of organizations is the existence of an ‘identifiable boundary’ that establishes common membership, distinguishing between the people who are inside and outside the organization. Changes in the global division of labour and strategies to maximize flexibility have created new organizational configurations called ‘boundaryless organizations’ (Anand and Daft, 2007).
The fifth characteristic of organizations is the presence of the ‘external society’, which focuses on the connection between an organization’s internal activities and the larger society. The ‘societal effects’ can be strong with regard to employment relations and institutions, influencing management behaviour within national and global organizations (Kornelakis, 2014).

However, big corporations can also strongly shape the macro-level processes, which we discuss in more detail below, to reinforce preferences for ‘power over’ workplace decisions (Dundon et al., 2014; Zižek, 2014). The impacts or ‘outcomes’ of organizations on society may include consumer satisfaction or dissatisfaction, political lobbying, pollution of the ecosystem and other by-products of the organization’s activities. In Western capitalist economies, argues Stiglitz (2006), big corporations have used their economic muscle to protect themselves from bearing the full social consequences of their actions. Despite the rhetoric about organizations being ‘socially responsible’, the law ‘compels executives to prioritize the interests of their companies and shareholders above all others and forbids them from being socially responsible – at least genuinely so’ (Bakan, 2004: 35).

Types of organization

Organizations vary in their size, in the product or services they offer and in their purpose, ownership and management. An organization’s size is normally defined in terms of the number of people employed. We are all familiar with very small organizations such as independent newsagents, grocery stores and hotels. Larger organizations include the Ford Motor Company, Lloyds Bank, Google and governments. Organizations can be grouped into four major categories according to their products:

- **food production and extraction** (for example, farms, forestry and mining)
- **manufacturing** (for example, apparel, cars and mobile phones)
- **services** (for example, tourism and train and air transportation)
- **information processing** (for example, market research).

The growth in the number of people employed in the service and information processing categories defines the *post-industrial economy*.

Work organizations can also be categorized into those that operate for profit, and not-for-profit institutions, as described above. The purpose of for-profit organizations is to make money, and they are judged primarily by how much money is made or lost: the bottom line. Not-for-profit organizations, such as registered charities, art galleries and most hospitals, measure their success or failure not by profit but in some other way. A university, for example, might measure its success by the total number of students graduating or obtaining grants from research bodies.

The primary purpose of an organization is linked to who owns and manages the organization. An individual or a family may own and manage a small business, employing a few other people. Not all businesses are incorporated (that is, are companies), but also only a few individuals own many companies. It is estimated that just one-third of US Fortune 500 companies (the top 500 companies in the USA) are family controlled. Privately owned organizations are a large part of the British and North American economy. Private companies may have corporate shares (that is, they are part-owned by other companies), but these shares are typically not traded publicly on a stock market.

In contrast, publicly held organizations issue shares that are traded freely on a stock market and are owned by a large number of people. These organizations normally pay dividends – a proportion of their profits – to their shareholders. The owners are the organization’s principals, and these individuals either manage the activities of the organization themselves or employ agents (the managers) to manage it on their behalf. Privately and publicly owned organizations have the
rights, privileges and responsibilities of a ‘person’ in the eyes of the law. But because a company is not actually a ‘person’ as such, its director or directors are held responsible for its actions, and directors have been fined and even jailed for crimes committed by ‘the organization’.

Now we have reviewed the basic characteristics and types of work organizations, we can look more directly at the meaning and scope of organizational behaviour.

**What is organizational behaviour?**

As a field of study, organizational behaviour is not easy to define because it draws upon numerous disciplines, theoretical frameworks and research traditions. The task is not made easier by the use of different labels for similar fields: organizational behaviour and organization theory, for instance. Organizational behaviour is sometimes seen as the domain of psychologists and tends to focus on micro-level studies of individuals and groups in organizations. Organizational theory, on the other hand, is seen as the domain of sociologists and tends to focus on macro-level studies of groups and organizations following what is sometimes called the ‘contingency’ approach: the idea that organizations adapt to take into account situational or contextual factors, such as technological advances or the political landscape. Within both fields there is a collection of ‘conversations’ – from individuals with different standpoints on organizational theories – each offering a competing theory and interpretation of what goes on in an organization. Arguably, the existence of two terms is a matter of semantics since there is a consensus across the areas studied that this field embraces a wide range of issues and perspectives (Clegg et al., 2006).

This textbook follows convention by focusing in the earlier chapters on organizational behaviour and, in Parts 3 and 4, on organizational theory. We take the position that organizations are arenas of situated social behaviour (that is, places in which particular kinds of social behaviour take place), which are both explicitly organized by management theory and practices, and fashioned consciously and unconsciously by values, beliefs, a community of practices, gender, ethnicity and national employment relations systems and practices (Clegg and Hardy, 1999).

Organizational behaviour is, in other words, embedded in the wider social, cultural and institutional fabric of society. It is best understood as a series of complex active processes in which people participate, both formally and informally, at several levels including the micro, macro and global (Figure 1.1), in ways that are shaped by organizational roles and power.

A wider, more inclusive definition would recognize the importance of ‘social embeddedness’ and the external as well as internal forces that affect the behaviour of people in organizations. We can define organizational behaviour as:

* A multidisciplinary field of inquiry, concerned with the systematic study of formal organizations, the behaviour of people within organizations, and important features of the social context that structures all the activities occurring inside the organization.

As a field of inquiry, organizational behaviour is ‘multidisciplinary’. It draws on a diverse array of social science disciplines, including psychology, sociology, anthropology, economics and political science.
Psychology literally means ‘the science of the mind’. The research of industrial or work psychologists examines how individuals think, feel and behave, and connects directly to key concepts of perception, learning and motivation.

Sociology is the systematic study of the pattern of social relationships that develop between human beings, with a particular focus on the analysis of modernity. It connects most directly to understanding the concept of self-identity and the effects of macro- and global structures in buttressing or undermining organizational structures and processes.

Anthropology is the scientific study of the origin, and the social and cultural development, of human societies. It connects most directly to the concept of multiculturalism, focusing, for example, on concepts of ethnocentrism, cultural relativism and culture shock.

Politics is the study of individual and group behaviour within a political system. Politics contributes to understanding the key concept of power and how individuals and groups manipulate power for self-interest.

Economics examines the role of the state and the production and distribution of wealth, and directly connects to the inequality debate. Each of these social science disciplines produces a distinctive body of ‘knowledge’ for enquiring into and interpreting behaviour in organizations. This multidisciplinary framework and the major contributions to the study of organizational behaviour are shown in Table 1.1.

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<td>Individual</td>
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<tr>
<td>Sociology</td>
<td>Class relations, Control processes, Power, Gendering of work, Bureaucracy, Technology processes, Conflict, Identity, Group interaction</td>
<td>Group organization</td>
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<tr>
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<td>Power, Rational choice, Inequality</td>
<td>Decision making</td>
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Table 1.1 Towards a multidisciplinary approach to organizational behaviour

Chiara Amati is Lecturer in Human Resource Management at Edinburgh Napier University, UK. She is a Chartered Occupational Psychologist who joined Edinburgh Napier University Business School in 2010; she teaches on the MSc in HRM and on related undergraduate courses. Chiara’s main area of expertise is the emotional experience of individuals and leaders at work, which includes an interest in aspects of job satisfaction, motivation, engagement and workplace stress. Chiara also works for the Keil Centre, a consultancy company that specializes in applying psychology and human factors expertise for organisational success.

In the ebook click on the play button to watch Chiara talking about the contribution of psychology and the medical model to the evidence-based approach in organizational behaviour.
Organizational behaviour is influenced – if not determined – by microstructures composed of, for example, job design, face-to-face communicating, ethical practice and leadership style. It also includes human thinking, feeling or perceiving, and values. In contrast to most North American and many British texts, we examine power struggles, alienation, bullying, racial, ethnic and gender discrimination, sabotage, conflict and resistance, and other forms of misbehaviour involving managers and workers.

In turn, the organization’s microstructures can only be understood by reference to external contexts and developments. Macrostructures, composed of class relations, cultural, patriarchal, economic and political systems – the external environment – represent the ‘macrocosm’ or the immediate outer world that affects organizational life and behaviour. Global structures composed of international organizations, such as the World Bank, the International Monetary Fund and the International Labour Organization, and patterns of global communications, trade and travel also surround and permeate work organizations.

Micro-, macro- and global structures surround people and influence organizational behaviour. These social structures are also interrelated: they are shaped by each other, and any action or change in one stimulates or affects actions in the others. Consider, for example, a change in the patterns of global trade and investment. In France, the change might cause the government to amend ‘macro’ public policy by increasing the length of the working week, with politicians claiming that this will improve labour productivity and increase France’s international competitiveness. The change in the macrostructure might in turn generate action inside the organization, the microcosm zone, as workers stop work and take to the streets to protest against the government policy. We can think of these three levels of social structures – global, macro and micro – as concentric circles radiating out from people in the workplace, as shown in Figure 1.1.

**Why study organizational behaviour?**

At this point, the sceptical reader may be thinking ‘I cannot see the practical use of organizational behaviour. I don’t see how it helps the manager.’ Organizational behaviour is more than just an intellectual exercise – it is an applied social science with practical, everyday management uses. Its practical use is to make the student and manager more attentive to unexamined common assumptions that may be influencing their decision making. It is best understood as a set of intellectual tools designed to help explain, predict and control organizational activities (Figure 1.2). These three goals of organizational behaviour represent increasing levels of sophistication. As with all the social sciences, students and managers often find that organizational behaviour draws attention to competing theories, conflicting evidence, ambiguities and paradoxes, issues we explore throughout the text.

The first goal of organizational behaviour is to explain and understand the behaviour of people in complex organizations. Social science often struggles to do this because, unlike the natural sciences, the subject under scrutiny – human behaviour – is highly changeable. People’s perceptions change with experience, and behaviour is shaped by complex
social rules. For example, there are profound differences in social norms or ‘rules’ both between countries and across subcultures in the same country. There are different cultural mores and norms concerning mundane everyday behaviour, for instance how and when to shake hands, how much eye contact should be made and how close people should stand to each other in social settings. These observations affect how organizational behaviour theorists explain things, as well as set limits to our understanding. It would be unreasonable to discover universal laws governing human behaviour at work consistently across the cultures of Europe, North America and the Pacific Rim, for example.

The second goal of organizational behaviour is prediction. Both outside and inside the organization, predicting the behaviour of other people is an inherent requirement of everyday life. In other words, we want to be able to say that if X happens, then Y will occur. Our lives are made easier by our ability to predict when people will respond favourably to a request or when workers will respond favourably to a new reward system. So-called ‘common-sense’ predictions of human behaviour are often unreliable. Organizational behaviour theorists make generalizations from one setting to another about employee behaviour as systematically as possible in light of available research and theory.

Prediction and explanation are not the same. Accurate prediction usually precedes understanding and explanation. Through observation and experience, we are all capable of predicting the downward direction of an apple when it falls off a tree, but unless we have knowledge of the theory of gravity developed by Isaac Newton (1642–1727), we cannot fully explain why the apple falls to the ground. In the work context, organizational behaviour will help us explain (for instance) why individuals are less or more motivated when certain aspects of their job are redesigned, why various aspects of team processes cause misbehaviour and why networks and new forms of organization can have negative effects on performance.

The third goal of organizational behaviour is control, or the ability to manage change. As already noted, organizations can be characterized as ‘structures of control’, even though many regard the control or manipulation of human behaviour as unethical. There is an array of interventions inspired by organizational behaviour that are designed to control aspects of employees’ behaviour. These include job design (Chapter 2), which attempts to control employees’ commitment and motivation, groups and teams (Chapter 10), which aims to control the cohesion and performance of teams, and organizational culture (Chapter 17), which seeks to influence the values and beliefs shared by managers and workers. We will explore other interventions to control organizational behaviour in more detail in other chapters.

The ability to explain, predict and control organizational behaviour is a necessary prerequisite for making informed choices and for influencing organizational action. According to Chris Grey, ‘Theory is a weapon used to bludgeon others into accepting practice’ (2005: 14). The key question is ‘What is really happening in workplaces?’ To address this question we need to analyse the values and priorities embedded in management behaviour, as well as investigate the effects of organizing and management action. As we have already explained, organizations are social structures, designed and created by people who have the capacity to shape and change them.

It can be argued that organizational behaviour theory is indispensable to students, managers and workers alike because it provides different concepts and
A framework for studying organizational behaviour

The American sociologist C. Wright Mills (1916–62) argued that we can only gain a full understanding of human experience when we look beyond individual experiences and locate those experiences within the larger economic, political and social context that structures them. Mills wrote, the ‘sociological imagination allows us to grasp the interplay of man [sic] and society, of biography and history, of self and world’ (1959/2000: 4). We agree with Mills here, and suggest that the behaviour of managers, and the agency of individuals and work groups, cannot be fully understood without reference to the outer organizational context. While we focus here primarily on issues related to workplace behaviour in advanced capitalist economies, it is important to remind ourselves that 73 per cent of the world's workers live in developing economies (Ghose et al., 2008).

The workplaces employing the other 27 per cent of workers are arenas of competing social forces that mirror and generate paradox, tension, misbehaviour, conflict and change. This characterization of the organization as an ‘arena’ provides a theoretical framework for examining the behaviour of managers and other employees in relation to politics, gender, power and ideology (for early literature on this, see, for example, Clegg and Dunkerley, 1980; Esland and Salaman, 1980).

There are many valid ways of studying organizational behaviour, but by recognizing the interplay between the global, macrosocial and microsocial dimensions, we are led to acknowledge the dynamic linkages between external forces on the one hand, and internal management processes and individual and group agency on the other. These collectively control and shape how people and work are organized and managed. At the risk of oversimplification, we illustrate the multifaceted and interdisciplinary nature of organizational behaviour in Figure 1.3. This offers a simple integrative or ‘open’ model for studying organizational behaviour (Nadler and Tushman, 1997). It is divided into four major components:

- **global and macro-environmental** forces as inputs from the external context
- **processes** for converting the inputs into outputs in a managerial context
- an **evaluation** of the outputs
- a **feedback loop** that links the processes and external forces with feedback information on the organization's outcomes.

The external context: the STEPLE framework

In examining the external context, we use three concepts in this section – key drivers, scenario planning and **STEPLE analysis** – to examine the wider global and macro-influences, the ‘inputs’ that are most crucial for studying people in work organizations. An analysis of the key drivers helps with focusing on what is most important to the organization, and on where to invest for the greatest effect; scenario planning builds on key drivers to identify one or more probable events or develop-
ments and what their consequences or effects would be on the organization; and the STEPLE framework provides a wide-ranging audit of the organization’s external context with the purpose of using this information to guide strategic decision making. Similar acronyms are PESTLE and PEST (Macintosh and Maclean, 2014; Morrison, 2013). STEPLE stands for Social, Technological, Economic, Political, Legal and Ecological. The following discussion is meant to be illustrative – rather than exhaustive – of how the external context affects organizational processes.
Social influences include cultural influences, changing values and demographics, for example the ageing populations in many Western societies. Technological influences refer to innovations such as the Internet, robotics and the rise of composite materials. For example, Epson’s new inkjet cartridges used in home printing will, it is argued, turn its business model ‘upside down’, with profit coming from expensive printers rather than throw-away ink cartridges (Collinson, 2014). Economic refers to globalization and macro-economic factors such as the 2008 GFC, the Euro crisis and differential economic growth rates in the European Union and around the world. Political factors highlight the impact of government and global conflict such as the escalation of the Ukraine crisis in 2014 and Russian sanctions (Monaghan and Inman, 2014). Legal embraces legislative changes such as financial regulations, and finally Ecological refers specifically to ‘green’ or low-carbon issues such as land, sea and atmospheric pollution. For managers, it is important to analyse how these global and macro-factors are changing today and how they are likely to change in the future, identifying the opportunities, risks and implications for the organization.

Globalization underscores the need to examine the organization within its totality, the embedded nature of organizational behaviour and the processes by which those with most power respond to the demands of the external context. However, globalization itself is a thoroughly contested concept, depending on whether it is viewed as primarily an economic, a political or a social phenomenon (Piketty, 2014; Saul, 2005; Scholte, 2005; Stiglitz, 2013).

The fact that we live in a globally interconnected world has become a cliché. As part of this interconnected world, the acceleration of the globalization of economic activity is one of the defining political economic paradigms of our time. In the early twenty-first century, globalization is arguably about the unfettered pursuit of profit (Hertz, 2002). The international management literature gives accounts of how higher profits can be realized by relocating production operations abroad, and by economies of scale. The STEPLE framework reminds us that organizations are embedded within their own social, economic, political and legal spheres, and that levels of corporate taxation, employment standards and other ‘business-friendly’ incentives can affect their profits. Since capital is portable (that is, it can be employed in different countries), it is possible for global corporations to indulge in an endlessly variable geometry of profit searching (Castells, 2000a). The logic of unfettered globalization means that any labour-intensive, value-added activity is likely to migrate from high-wage to low-wage economies — that is to say, from rich, developed countries like the USA and Western Europe to developing countries such as Brazil, Bangladesh, India and Vietnam.

**stop...**

What are the strengths and weaknesses of STEPLE analysis?

**...and reflect**

Iain Nelson has spent 27 years as a Principal Consultant and Manager with the International Training Service, and 4 years as an Internal Learning and Development Advisor with Petroleum Development Oman. As a freelance consultant, his clients include Unilever, Roche Products, Alcan, BP, Chevron, Lothian and Borders Police, British Council, ITF Nigeria, Total and Indian Railways.

Iain’s core expertise is developing managers as learning specialists competent to design and deliver a company’s corporate objectives and associated strategic business initiatives.

In the ebook click on the play button to watch Iain talking about using STEPLE analysis to scan an organization’s environment, and then answer the following question:

- What data-gathering methods does Iain suggest that managers use to scan their organization’s external environment to identify potential good and bad influences?
Since the 2008 GFC, the whole tide of economic thinking has begun to question this neo-liberal economic model, which has dominated the economic policies of governments in the European Union and North America for the last 36 years. In the past, economic thinking has been subject to critical scrutiny and democratic debate. In the 1930s, following the first Great Depression, modern economics was defined by the fierce arguments between Friedrich von Hayek (1899–1992) and John Maynard Keynes (1883–1946) over the merits of unfettered free markets and government intervention in the economy (Wapshott, 2011).

Today, arguments over ‘light-touch’ global capitalism (see, for example, Kwarteng et al., 2012) and the role of government in a progressive political economy (see, for example, Piketty, 2014; Sainsbury, 2013) rage as fiercely as they did 85 years ago. New conversations on political economy need to be based on a better understanding of the process of sustainable economic growth, one that better balances goals around profit, people, social justice and protection of the planet. One such model, drawn from policies and practices in the Nordic countries, is the ‘Common Weal’ programme. Developed by the Jimmy Reid Foundation, it calls for a new progressive economy based on high-quality, high-pay jobs, an active encouragement of employee ownership and involvement, social justice and a reversal of anti-trade union legislation (McAlpine, 2014).

A review of competing economic models is, of course, well beyond the scope of this text, but for our purpose, as politicians predict the end of the Great Recession, the primary issue is how economic globalization is affecting organizational behaviour and workers’ well-being.

How have external environment factors impacted on work organizations that you, or members of your family or your friends, have been a part of? How did these external factors influence the behaviour of people in the organization?

...and reflect

IN THE EBOOK ACCESS THE CRITICAL INSIGHT ON EMBEDDING ORGANIZATIONS IN A CAPITALIST SOCIETY.

The organizational context

The structure of the organization is formed from the interaction between individuals, groups and organizational controls. Organizational context describes the regular, patterned nature of work-related activities, technology and processes that is repeated day in and day out. There are at least six identifiable variables that impact on the active interplay of people within the structure of the organization: strategy, structure, work, technology, people and control processes.

In an organizational context, strategy refers to what senior managers do over time to accomplish an organization’s goals. Structure is defined as the manner in which an organization divides up its specific work activities, and coordinates and controls these activities. The structure of organizations can take many forms. Much debate on changing organizational forms has centred on the argument of whether organizations have shifted from bureaucratic forms with highly specialized tasks and a hierarchical authority, to post-bureaucratic forms with low specialization and ‘flat’ authority. Chapter 15 examines developments in organizational design.

Work refers to the physical and mental activities that are carried out to produce or achieve something of value. The way people interact within the organization will be strongly influenced by the way in which work activities are designed, for example how tasks are divided into various jobs, and the degree of autonomy employees have over their work. The names Frederick Taylor and Henry Ford have become synonymous with work design in today’s organizations. Their ideas and others are critically examined in Chapter 2.
The financial system: ‘in every nook and cranny of society’

The term ‘globalization’ has become widely used in the analysis of capitalism in recent years, even if the definition of globalization has never been finally settled. Some writers, such as Lapavitsas (2011), concentrate instead on the term ‘financialization’ as it reflects the central place of the financial sector in modern capitalist economies. Lapavitsas points out that global flows of capital and the global spread of huge banks is in any case a major part of the phenomenon of globalization (Lapavitsas, 2011: Ch. 1). The financial system is ubiquitous and is found in ‘every nook and cranny of society including housing, education, health and other areas of life that were previously relatively immune’ (Lapavitsas, 2013).

The theorization of the financial sector has long been a concern among Marxist scholars, who have focused on explaining how the role of finance has changed in mature capitalism over the last 30 years. Lapavitsas (2011, 2013) argues that big businesses have become ‘financialized’. They have sufficient profits to finance investment, are less reliant on loans and can engage in financial activities themselves, using their own funds. Large banks are less involved with business and find their profits by trading on international stock exchanges and from lending to households. As Lapavitsas (2013) puts it:

Households have become ‘financialized’ too, as public provision in housing, education, health, pensions and other vital areas has been partly replaced by private provision, access to which is mediated by the financial system.

Households also possess financial assets such as savings and endowment policies so that they become dependent upon the services of the financial sector, and this stimulates an outlook or mentality that involves financial calculation and the hegemony of market rationality. As an example, Lapavitsas (2013) refers to the way in which people perceive house purchase not just in terms of the use of a house, but as an ‘investment’.

The financial sector now obtains much of its profit from debtors who pay interest on their mortgages and credit cards. Those who are lucky enough to be creditors provide a source of income to the financial sector by paying fees and charges on pension funds and insurance.

The crash of 2007–09 showed how a financialized world is prone to bubbles and crises, and how it has contributed to the rise in inequality of income and wealth experienced in the advanced economies since the 1980s.

Modern financial elites are prominent at the top of the income distribution, set trends in conspicuous consumption, shape the expensive end of the housing market, and transform the core of urban centres according to their own tastes. (Lapavitsas, 2013)

Lapavitsas (2013) has criticized the commitment of vast amounts of resources and talent to the creation of wealth through financial transactions, rather than productive activity. However, little has been done to control the powers of banks, which have become too big to fail and have had their existence guaranteed by governments, at great expense to tax payers.

Stop! Think about how you are already involved with financial institutions or may become so in the future. Do you think you may need to borrow money from a bank or building society to buy a house or to finance the lifestyle you aspire to? Have you considered pursuing a career in the financial sector, and is its high ‘bonus culture’ one of its attractive features?

Sources and further information

Note: This feature was written by David Denham, Honorary Research Fellow in Sociology, Wolverhampton University, UK.

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**hegemony**: a term derived from Karl Marx’s historical materialism and his theory of social classes. According to Marx, each ruling class leads and dominates over others, which includes the dissemination of ideas

**technology**: the means by which organizations transform inputs into outputs, or rather the mediation of human action. This includes mediation by tools and machines as well as rules, social convention, ideologies and discourses

**Technology** affects the quality of work and the behaviour of individuals, groups and operating processes. Here we note that technology is a multidimensional concept. The key challenge for management within the approach being adopted in this textbook, which places the worker at the centre of the agenda, is to identify the circumstances in which technology can result in both high efficiency and higher levels of employee satisfaction and dignity. Chapter 16 examines the relationship between technology and behaviour.

In studying the fifth variable – **people** – critical scholars have long held that people entering the workplace are not isolated unique individuals, but the bearers of an objective structure of social relations shaped not only by psychology, but also by history and by culture (see, for example, Clegg and Dunkerley, 1980). This perspective means distinguishing between workers and employers or their agents, that is, managers. The formal relations between these two groups constitute the **employment relationship**. The nature of the employment relationship is an issue of
central importance to understanding organizational behaviour. What, then, is the essence of the employment relationship?

There are two types of employment relationship in organizations: the *individual* employment relationship and a *collective* employment relationship (Farnham, 2015). The individual relationship is between the employer and the individual employee. This signifies the terms (wage or salary) and conditions (duties and obligations) of the relationship, which are normally determined by the employer. Collective employment relationships are between an employer and a group of employees or workers, where the terms and conditions of employment are determined *jointly* by collective bargaining between the employer and a trade union representing the employees – we examine the role of unions in Chapter 8.

The employment relationship is, first and foremost, an *economic relationship* between an employer and an employee – a *pay–effort bargain* – that places an obligation on both the employer and the employee. In exchange for a payment, the employee is obligated to carry out physical or intellectual duties and obligations, as directed by the employer or manager. Figure 1.4 shows that markets and the state may mediate the employment relationship.

*Market* conditions directly affect the organization’s revenue and/or operating costs, with resulting changes to the terms and conditions of employment. For example, in early 2015, with the price of Brent crude oil at a 5-year low, oil and gas corporations announced plans to cut the wages of Scottish workers by 15 per cent (Williamson, 2015). The *state* influences the employment relationship directly through laws on pay (for example, the minimum wage), equity (such as ‘equal pay for work of equal value’) and conditions (for example, hours of work). Indirectly, it also influences the general ‘character’ of managerial behaviour towards employment relations (Edwards, 2003).

There are three points to understand about the employment relationship. First, it permits the employer to buy a *potential* level of labour. The primary task of the employer or manager is to transform this potential into actual value-added labour in the most cost-effective way. Much of mainstream organizational behaviour theory is designed to help managers narrow the gap between employees’ potential and their actual performance. Second, the employment relationship is based on employer or managerial *power* (see Chapter 14), and critical studies emphasize how the power imbalance is exercised (Burchill, 2014). Third, *conflict* is structured into the pay–effort ‘bargain.’ The ‘pay’ side of the bargain is a cost that, all things being equal, reduces profit and therefore, from the employer’s perspective, needs to be minimized. As Brown (1988: 57) observes, ‘Conflict is structured into employment relations’ as the logic makes the pay to one group the cost to the other. The ‘effort’ element is also a potential source of conflict because it is inherently difficult to determine and is subject to disruptive change (see Chapter 18).

Sennett’s (2012) research sheds light on the social dimension of the employment relationship. He suggests that workers forge informal bonds and friendships with...
co-workers including managers, and that although these do not transform work into a conflict-free Garden of Eden, they do help to make work less soulless and to create civility in the organization (2012: 148–9). We should further note that women and men enter organizations as the bearers of their own values, social norms, mores and history that help to shape their individual beliefs and values about work. These observations suggest that employment relations are deeply textured and profoundly sociological (Bratton and Denham, 2014). Figure 1.4 shows a second dimension of the employment relationship: a psychological contract. This concept is a metaphor that captures a wide variety of largely unwritten expectations and understandings of the employer and employee about their mutual obligations. Rousseau (1995: 9) defines it as ‘individual beliefs, shaped by the organization, regarding terms of an exchange agreement between individuals and their organization’. In the context of the ‘downsizing’, transformative change and flexible, non-unionized work regimes that were seen in the 1990s, the psychological contract has become a fashionable framework for analysing the employment relationship (Saunders and Thornhill, 2006). We examine the psychological contract in more detail in Chapter 5.

At the heart of the employment relationship are objectives related to efficiency, equity and voice (Budd, 2004). Efficiency is a standard of economic performance. Equity encompasses notions of ‘fairness’ and ‘dignity’ in employment and personal treatment. Voice is the ability of individuals and groups to have a meaningful input into work-related decisions. Efficiency is the objective of employers, whereas equity and voice are workers’ objectives. The extent to which these three objectives are met will shape the employment contract and psychological contract, which act as a lever to increase the motivation and performance of both the individual and the group.

Analyses of the work regimes and changes imposed by management vary greatly between organizations and between countries. Over the last three decades, neo-liberal reforms have been introduced under different political regimes in diverse economies, and these have also been accepted or opposed by workers and societies in different forms and to different degrees (Atzeni, 2014). This diversity makes it more important to underline that the employment relationship is embedded in the fabric of society, which helps us to analyse the nature of individual, group and management behaviour and their differences.

Understanding the dynamics of the employment relationship and behaviour in the workplace is both complex and fascinating, and requires us to look at the concepts of personality and self-identity (see Chapter 4). The dynamics of both are shaped by perceptions and emotions (see Chapter 5). Employee misbehaviour – which can take the form of resistance, lying and stealing – tends to be under-reported, but these ‘warts’ constitute part of organizational reality (Ackroyd and Thompson, 1999). Critical narratives also emphasize that class, gender, race, ethnicity and disability also make an overwhelming difference to the organizational reality (Alvesson and Billing, 1997; Hearn et al., 1989; Wajcman, 1998; Wilson, 2003).

We therefore approach the study of ‘people’ in work organizations by viewing them not as atomized, unique individuals, but as the bearers of an objective structure of social relations shaped by life experiences, values, expectations and history. As others have observed:

The time-honoured distinctions between three levels of analysis – the individual, the organization, and the environment – are clearly breaking down.

The previous certainty of discrete, self-contained individuals, fully informed by their roles in organizations, has been shattered. (Clegg et al., 1999: 9)

We need to adopt a multidimensional approach to studying organizational behaviour. And, given the general nature of the divergence of interests between the managers and those who are managed, our reciprocal model contains control...
processes. Control systems enable managers to accomplish the organization's objectives and to deal with uncooperative and underperforming subordinates. Numerous studies suggest that formal organizations are, in essence, 'structures of control' (Clegg and Dunkerley, 1980; Salaman, 1979; Thompson and McHugh, 2009). If we accept this premise, the question is, how exactly is this control exercised and by whom, and why is control necessary anyway? Control may be exercised directly by technology or indirectly by peer pressure within groups, by the organizational culture, or by an array of management practices designed to make people's behaviour more predictable and controllable (Townley, 1994).

The evaluative context

An organization's processes are not an end in themselves but are explicitly related to the goals of the overarching organization. The evaluative context addresses the much-researched question 'Do certain behaviours actually lead to high-performance organizations?' Issues of individual, operating, financial and environmental performance are all involved. But although there is well-documented evidence that a combination of specific organizational behaviour variables is associated with positive performance outcomes, the association is by no means uncontested. Any serious analysis of the goals of management brings into focus the build-up of internal contradictions and the control of 'strategic tensions' (Boxall et al., 2008a). Among the most challenging are the tensions between maximizing profit or shareholder return and employee security and dignity, between profit and degradation of the environment, between organizational control and employees' motivation, and between managerial autonomy and social responsibility.

Managing work organizations

The centralized monitoring of work activities that the modern organization both permits and entails is strongly influenced by what happens outside its boundaries, as well as by management decisions and actions within the organization. The term 'manager' refers to an occupational group that organizes, coordinates and makes decisions about what work is to be done, how it is to be done and by whom. Managers can adopt a wide array of means to accomplish their ends. These may range from communicating, motivating and coercing, to using complex technologies. Taken together, these constitute the manager's repertoire for 'getting things done through people,' and each individual manager may be more or less skilled in or disposed towards using a particular process. This section aims to provide a short overview of the nature of management, and to consider how managerial behaviour affects the behaviour of other employees.

The meaning of management

The words 'manage' and 'manager' are derived from the Italian word maneggiare – to handle or train horses (Williams, 1983). In Peter Drucker’s canonic text, The Practice of Management, management is seen as both a function and a social group. The emergence of management as a social group is seen as one of the most significant events in Western society (Drucker, 1954/1993: 4). Henri Fayol (1841–1925), a French businessman who is regarded as the ‘father of modern management’, identified management as a series of four key activities that managers must continually perform: planning, organizing, directing and controlling – the ‘PODC’ tradition (Figure 1.5).
The classic management cycle presents the job of the manager in a positive way, and to this day all mainstream management textbooks present management as having the four central functions outlined above. For Fayol, *planning* meant studying the future and drawing up a plan of action; *organizing* meant coordinating both the material and the people aspects of the organization; *directing* referred to ensuring that all efforts were focused on a common goal; and *controlling* meant that all workplace activities were to be carried out according to specific rules and orders.

**The process of management**

To study behaviour in workplaces, we need to address two related questions: ‘What do managers do?’ and ‘Why do managers do what they do?’ The nature of managerial work is an amorphous topic in the literature. Since the mid-twentieth century, studies have offered a comprehensive picture of what managers do. Many are in the Fayolian genre; that is, managerial behaviour is represented as a rational and politically neutral activity. Other studies offer a more complex account, emphasizing the politics of management (Braverman, 1974) or the building of reciprocal social networks (Mintzberg, 1973). Harry Braverman provides a critique on the degradation that traditional management ideas bring to modern work. We examine Braverman’s critique in Chapter 16.

Henry Mintzberg’s multifaceted model of managers’ work identifies three sets of behaviours: interpersonal, informational and decisional (Mintzberg, 1989). He usefully distinguishes three different **interpersonal roles** – figurehead, leader and liaison – that arise directly from the manager’s formal authority. By virtue of these interpersonal encounters with both other managers and non-managers, the manager acts as a ‘nerve centre’ for the dissemination of information.

The manager’s three **informational roles** – monitor of information, disseminator of information and spokesperson – flow from the interpersonal roles. Finally, the manager performs four **decision-making roles**, those of entrepreneur, disturbance handler, resource allocator and negotiator. The extent to which managers perform these functions will depend on their position in the organization’s hierarchy and their specific functional responsibilities. For example, we would expect human resource managers to give relatively more attention to the disturbance-handling and negotiating roles, given the nature of their work.

Unsurprisingly perhaps, studies have found that the relative importance of managerial work varies not only according to the individual’s position in the management hierarchy, but also with the level of education of their co-workers. Interestingly, too, managerial work in ‘creative milieus’ may not follow the conventional activities. Evidence shows that, in research-intensive organizations, managers not only coordinate day-to-day work, but, as scientists, play a major role in scaffolding the research projects, so that ‘conventional management practices

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**Figure 1.5 The classic Fayolian management cycle**

Does Fayol’s canonic account of management match your experience of workplace reality? For example, do managers ‘directing’ activities always motivate employees? **...and reflect**

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and managerial concerns come, at best, second’ (Sundgren and Styhre, 2006: 32). Despite claims to the contrary, surveys of managerial work exhibit striking parallels with the classic Fayolian management cycle (Table 1.2) (Hales, 1986).

### Table 1.2 Summary of managerial work

<table>
<thead>
<tr>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acting as the figurehead or leader of an organizational unit</td>
</tr>
<tr>
<td>Liaising with other managers</td>
</tr>
<tr>
<td>Monitoring, filtering and disseminating information</td>
</tr>
<tr>
<td>Allocating resources</td>
</tr>
<tr>
<td>Handling conflicts and maintaining workflows</td>
</tr>
<tr>
<td>Negotiating with other managers or representatives</td>
</tr>
<tr>
<td>Being creative and innovative</td>
</tr>
<tr>
<td>Planning</td>
</tr>
<tr>
<td>Controlling and directing subordinates</td>
</tr>
</tbody>
</table>

Source: Based on Hales (1986)

Much of the earlier research on management has an Anglo-American bias. Some more recent studies have, however, challenged the universality of managerial behaviour, and have emphasized the importance of factoring gender and cross-cultural considerations into the analysis (Alvesson and Willmott, 1996; Willmott, 1989). Others suggest that managerial behaviour is ‘gendered’, while others counterargue that the behaviour of male and female managers is largely determined by structural, control and market imperatives – in other words, there is no such thing as ‘female’ management behaviour (Wajcman, 1998).

An alternative, less flattering picture of managerial behaviour is indicated in studies on workplace bullying and sexual harassment (Bolton, 2005; Hoel and Beale, 2006). Bullying and harassment in workplaces is not a new phenomenon. Indeed, in the context of profit maximization and managerial control, bullying is part of the management repertoire of getting things done through people, and reflects the significance of the unequal balance of power in workplaces.

### An integrated model of management

The different dimensions of managers’ work are brought together in the three-dimensional model shown in Figure 1.6. The vertical axis lists activities that answer the first question we raised earlier – ‘What do managers do?’ The horizontal axis shows the contingencies, and relates to the second question, addressed later in this chapter, ‘Why do managers do what they do?’ The diagonal axis relates to the third question ‘How do managers do what they do?’ These are topics that are examined throughout this book.

The set of managerial activities is similar to those found in the classic Fayolian management cycle. The contingencies are those forces and events, both outside and inside the organization, that affect management behaviour, as shown in Figure 1.3. The third dimension, managerial behaviours, lists various means by which managers communicate ideas, gain acceptance for them and motivate others to change in order to implement these ideas. Managers use technical, cognitive and interpersonal processes and skills to accomplish their work. Power is included in the list because it is part of the influence process. Management involves a blend of processes, and individuals will vary in terms of their capacity or inclination to use them, but these processes are ultimately about human interaction and relationships.

The model suggests that management is a multidimensional integrating and controlling activity that permeates every facet of paid work experience and profoundly shapes employment relationships and human behaviour. It does not
assign values to the relationships, and does not claim to be predictive. The model is, however, a useful device that helps us to explore how management functions are translated into means, such as leadership processes, and equally how various contingencies influence behaviour in workplaces.

### The influence of class, gender, race, ethnicity and disability on organizational behaviour

Anyone who takes even a cursory look inside a contemporary organization will most likely see a diverse workforce. Although different groups may be segregated into specific jobs, the presence of women and visibly identifiable minority groups will be evident. Together, people of Afro-Caribbean, Bangladeshi, Pakistani, Asian, Chinese and East European origin account for an increasing proportion of the British workforce, and the same is true in many other European Union states and other countries that have expanded their populations through immigration, such as Australia and Canada. Studying diversity is not simply a matter of learning about other people’s cultures; it also involves discovering how social class, gender, race and ethnicity and disability frame people’s opportunities and work experiences. It may come as a surprise, therefore, to learn that academic journals and most mainstream textbooks in the organizational behaviour field show little interest in social class, gender, race/ethnicity and disability. Why is this? We address this serious question more fully in Chapter 8, but to frame our discussion at the outset, we suggest that class relationships, for example, are so deeply embedded in capitalist employment relations as to become all but invisible.

We focus on diversity and equity here not because they are an interesting yet benign fact of the modern workplace, but because we consider that social class, gender, race, ethnicity and disability underpin contemporary organizational behaviour.
A social class is defined as a large group of people in a given society who have a similar degree of access to a material resource such as income, wealth or property. The sociological analysis of social class has been important in allowing us to predict, explain and manage work-based conflict. Gender refers to the attitudes, feelings and behaviours members of a society typically associated with being male or female. It is a dimension of social organization, affecting how we interact with others, how we think about our identity, and what social behaviours and roles are expected of men and women both in general and in the workplace in particular. Gender is embedded in the modern organization. It is associated with hierarchy, because men and women tend to be found in different positions, as judged by their access to resources and power.

Although early theories of ‘race science’ and eugenics were thoroughly discredited scientifically, the notion of race remains a highly contested concept (Bratton and Denham, 2014: 12). ‘Race’ and ethnicity are complex sociological concepts to introduce into organizational behaviour. The notion of race, like gender, can be understood as a social and ideological construct. The notion of race as a social construct downplays the extent to which sections of the population may form a discrete ethnic group – that is, learn and share certain characteristics on the basis of common historical origins, patterns of social interaction and a sense of identity.

Whereas the concept of ‘race’ implies something biological and permanent, ‘ethnicity’ is purely social in meaning (Giddens and Sutton, 2013; Tong, 1998). It refers to the shared cultural practices and heritage of a given category of people that set them apart from other members of society. Britain is a multiethnic society in which English is the official language, yet many people speak other languages at home, including Hindi, Punjabi and Mandarin. Ethnic differences are learned, and for many people ethnicity is central to their individual identity. The concepts of race and ethnicity are fundamental to an awareness of racism and discrimination in society and the workplace.

Although it is important to examine class, gender and ethno-racial issues in the workplace in order to generate a broad and critical view of organizational behaviour, here we wish to introduce another important under-researched area of inequality and disadvantage in the workplace: disability. Research on disability has been extremely limited as disability has tended to be analysed primarily within a ‘medical model.’ The common assumptions about disability focus on disabled people’s lack of abilities. A critical perspective on disability draws to our attention how the capitalist mode of production is itself disabling for some people, and calls both for the ‘normalization’ of disabled individuals as socially valued members of society, and for an end to inequitable treatment in the workplace (Oliver, 1996).

To understand the significance of social class, gender, race, ethnicity and disability is to give emphasis to power imbalances, and to put the behaviour of individuals and groups in the organization into a wider social context. However, no book can contain everything: the material we have chosen inevitably not only reflects our personal bias, but is also highly selective. Although we draw mainly from the narrow field of workplace psychology and sociology, we cannot cover everything, even in a cursory fashion.

Have you experienced or observed discrimination in the workplace or at college or university based on class, gender, race or ethnicity, or disability? What form did it take? How did management handle the discrimination?

In our view, the various permutations of employment relationships stemming from the variables of class, gender, race, ethnicity and disability are necessary factors in explaining the social world of work and contemporary organizational
behaviour. And while these variables are examined in far more detail in Chapter 8, we do not suggest that this book single-handedly redresses the imbalance in teaching and writing on these topics. Here we can do little more than skim the surface, but we hope that by adding these issues to the work behaviour equation, we can encourage more lecturers in organizational behaviour to give major coverage to these important issues, and support more students in asking serious questions about issues of diversity and equity.

The appeal of ‘temporary’ workers

Historically, employers have adjusted how work is performed to maximize profitability. The replacement of cottage industries with factories, for example, was designed to increase employers’ control over workers, and thus over the profits that could be wrung out of them (Marglin, 1974). Recent employer interest in using more temporary workers – often hired through a third-party agency – is simply another adjustment in organizational form in the pursuit of maximal profits.

Of course, temporary employment is not always bad. For example, actors Russell Crowe and Nicole Kidman are temporary workers – filming movies as it suits them. But most temporary workers are not independently wealthy. Indeed, temporary work is an important aspect of the broader concept of the precariousness of employment. Precarious employment can be defined as ‘paid work characterized by limited social benefits and statutory entitlements, job insecurity, low wages and high risks of ill health’ (Vosko, 2006: 4).

One reason employers find precarious employment so attractive is that it is often possible to arrange things so that workers are categorized as ‘independent contractors’ instead of ‘employees’. Independent contractors frequently fall outside the purview of protective employment legislation – laws that stipulate minimum wages, maximum hours of work and compensation for workplace injuries. When workers are contracted through a temporary work agency, it is often difficult to determine who is even the true employer – the agency or the employer who contracts with the workers.

Australia’s hotel industry, for example, frequently obtains staff via temporary work agencies. These temporary workers reduce the hotels’ recruitment and wage costs, as well as accommodating seasonal (and sometimes daily) fluctuations in demand for cleaning and culinary staff. These temporary employees face significant instability in terms of pay, hours of work and duties, as well as few opportunities to increase their skills or seek permanent employment (Knox, 2010).

Permanent employees also report feeling pressured to work faster or harder for fear of being replaced. In effect, the presence of precarious workers disciplines permanent staff to work harder. And there is significant research linking precarious employment with negative health and safety outcomes. This includes a greater likelihood of experiencing a workplace injury, as well as poorer mental health and cardiovascular morbidity (McNamara et al., 2011).

Such precariousness of employment often overlaps with other forms of vulnerability. For example, international migrant workers often face this type of employment, but migrant workers’ willingness to enforce the rights they do have may be further eroded due to their lack of citizenship. For example, David Gibney, an Irish worker who spent 2 years in Melbourne, notes that:

Irish workers in Australia on a 457 visa are often exploited due to the fact their visa is tied to their employer and the withdrawal of their contract can often mean having a number of weeks to either find alternative sponsorship or to exit the country. (Irish Times, 2014)

Migrant workers from non-English-speaking countries may also face linguistic and social isolation, further reducing their willingness to rock the boat. Some governments are responding to the seemingly systemic exploitation of migrant workers with new legislation. For example, the New Zealand government is considering criminalizing the abuse of migrant workers. This follows reports that migrant workers hired to rebuild Christchurch in the wake of the 2013 earthquake were not paid for months and were often required to work on weekends for free (Su, 2014).

Stop! Do you think that temporary or agency work has any usefulness? If so, in what circumstances or under what restrictions? What balance should be struck between employers’ rights to (re)organize work in the most profitable way and workers’ rights to decent pay and safe workplaces? Do individuals who are not citizens of the country they are working in need and deserve additional protection in the workplace?

Sources and further information


Note: This feature was written by Bob Barnetson, Associate Professor of Labour Relations, Athabasca University, Canada.
Researching organizational behaviour

It has been said that what you see depends on where you stand, and this is especially true when studying organizational life. How researchers approach their study of work and organizations depends on their life experiences and a whole series of assumptions they make about people and society. Although this is acknowledged in most standard textbooks, accounts of organizational behaviour tend to be presented in a sanitized, matter-of-fact way, as an uncontested field of study devoid of controversy. Yet there are profound differences of opinion among academics about how work and organizations are designed, how people are managed and how they should be studied. Much of the controversy stems from competing theoretical perspectives, which we can define for our purposes as frameworks of interconnected beliefs, values and assumptions that guide our thinking and research on the nature of the social world. In organizational behaviour, these rival perspectives or ideologies tend to be reflected in different schools of thought, each of which disseminates its research findings through particular academic journals (Burrell and Morgan, 1979; Mills et al., 2005).

When people ask, ‘What’s your perspective on this?’, they might just as well be asking, ‘What is your bias on this?’ because each perspective reflects a particular bias based on our life experience, how we see an issue and our vested interests. Thus, perspectives are the theoretical ‘lenses’ or ‘road maps’ that we use to view the social world. When we refer to a perspective on organizational behaviour, we are therefore speaking of an interconnected set of beliefs, values and intentions that legitimize academic and organizational behaviours. Before we continue further with our educational journey in organizational behaviour, it is worth considering two fundamental questions: ‘What major perspectives do academics adopt when studying behaviour in work organizations?’ and ‘To what extent can researchers construct a truly objective account of behaviour in work organizations?’

Major theoretical perspectives on organizational behaviour

Organizational behaviour theorists using one or more theoretical perspectives or ‘lenses’ offer many competing explanations to the question ‘Why do people in organizations do what they do?’ At the risk of glossing over a multiplicity of theoretical perspectives that academics identify with and defend with passion, it is possible to identify four competing ideological camps into which many, or most, academics fall. These are the managerialist, the conflict, the symbolic-interactionist and the feminist camps. These perspectives or paradigms will serve as useful points of reference for understanding the competing views discussed throughout the remainder of the book.

The managerialist perspective

The managerialist perspective is also referred to as the structural-functionalist perspective in sociology, and is adhered to by most researchers studying organizations. Managerialists view organizations as complex systems whose parts work together to promote consensus and stability. They are interested in order, employee commitment and performance issues, with a partisan preference for managers rather than the managed. Although there are variations and tensions, functionalists make a number of core assumptions about the nature of organizational behaviour.

In their view, the question ‘Why do managers do what they do?’ is largely explained by the fact that managers serve as the ‘agents’ of owners and investors, and that, as agents, they strive to maximize efficiency and profits. Managers strive to be rational. That is, they systematically apply various techniques to accomplish some given goal. The organization itself is characterized as a paragon of rational decision-making.
making. Managers do what they do because of the imperatives of ‘the market’. Those who do not manage in this way are deemed to be ‘unsuccessful’. The managerialist perspective therefore becomes inseparable from the notion of efficiency and effectiveness. The focus of much of the research endeavour is on finding the ‘winning formula’ so that more managers can achieve prescribed goals by successfully shaping the behaviour of others.

Within the mainstream managerialist school, there are differences of view. The contingency literature focuses largely on the internal authority structure of the organization, and acknowledges that different technologies, depending upon their complexity, strongly explain managerial behaviour and impose different kinds of demands on people and organizations (Woodward, 1965). The strategic choice literature (see Figure 1.3) emphasizes that managerial behaviour is ‘bounded’ by such factors as cognitive capacity, imperfect information, organizational politics, strategic business decisions, workers’ resistance and managers’ beliefs, values and philosophies. Common to most variations of the managerialist paradigm is a failure to connect organizational behaviour to the larger dominant political economic paradigm of neo-liberalism.

The critical perspective

The critical management perspective views capitalism and organizations as a system that is both economically exploitative and socially alienating. The work organization is understood as an arena of inequality, exploitation and structured antagonism that generates conflict. Accordingly, understanding managerial behaviour is related to action to reduce the indeterminacy that results from the unspecified nature of the employment relationship. In turn, employees’ misbehaviour and open conflict between employers and employees reflects some level of individual or collective discontent with the employment relationship. Critical theorists are interested in power, control, the degradation of work, inequality and conflict, with a partisan preference for the less powerful – the managed rather than the managers.

As is the case with the mainstream managerialist perspective, the critical management perspective is based on many theoretical ideas. Obviously, the starting point is criticism itself, that is, an identification of the limitations, paradoxes, contradictions and ideological functions of the orthodox standpoint (Thompson and McHugh, 2009).

The symbolic-interactionist perspective

The behaviours of managers and other employees interacting in the workplace are the typical social behaviours that catch the attention of symbolic interactionists. Whereas managerialist and conflict theorists both analyse macro-level patterns of behaviour, the symbolic-interactionist perspective generalizes about everyday forms of individual-level social interaction in order to understand social behaviour. The symbolic-interactionist paradigm is captured in Karl Weick’s notions of ‘enactment’ and ‘sense-making’ (Weick, 1995). It is argued that a sense of mission, goals
and a language are constructed and communicated (or ‘enacted’) so that employees can make sense of what it is they do, and explain what it is they have accomplished.

The feminist perspective

The feminist perspective emerged out of criticisms of traditional research, which feminist scholars argue has been mainly concerned with research on men by men. The feminist perspective involves more than just criticizing the use of masculine pronouns and nouns (see Chapter 11). It is rooted in a critical analysis of society, and draws attention to aspects of organizational life that other perspectives neglect. We explore these different perspectives in more detail in Chapter 3.

Which of the four perspectives should a student use when studying workplaces? Each offers unique insights into the behaviour in organizations (Table 1.3). We do not aim to give preference to a singular perspective, but rather to provide a frame of reference against which readers can learn and develop their own understanding of organizational behaviour. Our view is that organizational behaviour cannot be understood without appreciating that organizations are places where those with power determine what work is done and how it is done, as well as the effects on people of getting work done in a certain way. We think these are really important issues that should be examined and debated in any study of organizational behaviour.

Table 1.3 Comparing major perspectives on organizational behaviour

<table>
<thead>
<tr>
<th>Topic</th>
<th>Managerialist</th>
<th>Conflict</th>
<th>Symbolic-interactionist</th>
<th>Feminist</th>
</tr>
</thead>
<tbody>
<tr>
<td>View of society</td>
<td>Stable</td>
<td>Unstable</td>
<td>Dynamic</td>
<td>Inequality</td>
</tr>
<tr>
<td></td>
<td>Well integrated</td>
<td>Tension</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key concepts</td>
<td>Functions</td>
<td>Capitalism</td>
<td>Symbols</td>
<td>Patriarchy</td>
</tr>
<tr>
<td></td>
<td>Dysfunctions</td>
<td>Power</td>
<td>Communications</td>
<td></td>
</tr>
<tr>
<td>Primary focus</td>
<td>Management practices</td>
<td>Conflict</td>
<td>Sense making</td>
<td>Gender equality</td>
</tr>
<tr>
<td></td>
<td>Performance</td>
<td>Control</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prescriptions</td>
<td>Better practices</td>
<td>Employee ownership and control</td>
<td>Create space</td>
<td>Law reforms</td>
</tr>
<tr>
<td></td>
<td>Greater cooperation</td>
<td></td>
<td>Dialogue</td>
<td></td>
</tr>
<tr>
<td>Proponents</td>
<td>Emile Durkheim</td>
<td>Karl Marx</td>
<td>George Mead</td>
<td>Mary Wollstonecraft</td>
</tr>
<tr>
<td></td>
<td>Talcott Parsons</td>
<td>Richard Hyman</td>
<td>Karl Weick</td>
<td>Kate Millett</td>
</tr>
</tbody>
</table>

Organizational behaviour theorists as researchers

Organizational behaviour theorists do not merely approach their subject from different paradigms; they also make different assumptions about the way in which organizations should be investigated. In addition, they employ varied research methods to build and test organizational behaviour theory. The second question we asked – ‘To what extent can academics construct a truly objective account of behaviour in work organizations?’ – brings up issues of social ontology (which deals with the nature of being), epistemology (the theory of knowledge) and research methodology, which all affect the conduct of research into organizational behaviour. We have no wish to re-route our intellectual journey into an academic quagmire, but readers need some sense of these issues in order to appreciate some rather different aspects of the debate about organizational behaviour.

Social ontology issues are concerned with whether social entities, such as formal organizations, can and should be considered as objective entities with a reality external to the individuals who work there, or whether they can and should be considered as no more than social constructions built up from the perceptions and actions of those individuals. These positions are referred to respectively as objectivism and constructionism. One simple way to think about this distinction is to...
look at the working of a hospital. In any hospital, there is a hierarchy of authority, a mission statement, a division of labour that assigns people to different jobs, and rules and regulations for doing those jobs. People learn the rules and follow the standardized procedures. The organization represents a social order in that it exerts pressure on its members to conform to the rules and regulations.

The ‘objectivist’ view is that the hospital (as an organization, not as a building) possesses a reality that is external to any individual who occupies it. Individuals come and go, but the organization persists, so it is something that is ‘out there’ in the social world, and not just something that exists in people’s minds.

Constructionism is an ontological position which asserts that social entities such as work organizations are produced or constructed by individuals through their social interaction. The core of the ‘constructivist’ discourse is that organizational reality does not have an objective existence, but is constructed in the accounts of organizational researchers and others. The constructivist concept of a hospital, for example, is one of a ‘social order’. The hospital does not just encompass the formal rules; it is concerned with informal rules and activities as well. For instance, the official rules may state that only a doctor can increase a patient’s medication but, unofficially, nurses are routinely given the power to do this. Both these understandings become part of the researcher’s construction of the hospital.

The social order of any work organization is characterized as an outcome of agreed-upon patterns of actions among the different social actors involved, and the social order is in a constant state of change because the informal agreements are constantly being established, revoked or revised (Palys and Atchison, 2013; Schwandt, 1994). The notion that knowledge and truth are created, rather than objectively discovered by researchers, means that constructionists are more inclined to challenge researchers to re-examine their perspectives, the research process itself and the whole process of producing knowledge.

An epistemological issue concerns the question of what is (or should be) regarded as acceptable knowledge in the social sciences, for example what forms of knowledge can be collected, and what is to be regarded as ‘true’ or ‘false’. An important issue in this context is whether organizational behaviour can and should be investigated according to the same principles and methods as the physical sciences. The doctrine of positivism affirms the importance of modelling social science research on the physical sciences.

The French social theorists Auguste Comte (1798–1857) and Emile Durkheim (1858–1917) were early leaders in embracing positivist approaches to understanding human behaviour. There are five working assumptions that ‘positivists’ make in approaching their research. First, knowledge is arrived at through the gathering of social facts, which provide the basis for generalizations or laws by which human behaviour operates. Second, the purpose of theory is to generate hypotheses that can be tested, and this allows explanations of laws to be assessed. Third, only phenomena and regularities confirmed by the senses (that is, by, for example,
sight or hearing) can genuinely be warranted as knowledge. Fourth, research can and must be conducted in a way that is value-free. And finally, social science must distinguish between ‘scientific’ statements and normative statements (Bryman, 2012). This means the social science deals with ‘what is’, not with what ‘should be’.

It is a common mistake to equate positivism with ‘scientific’. Many social scientists differ fundamentally over how best to characterize scientific practice. An alternative term to describe the nature of social ‘science’ practice is **realism** (Bhaskar, 1989; Sayer, 2000). This epistemological position shares two features with positivism: a belief that the social sciences can and should use the same approach to the collection of data and to its analysis, and a commitment to an external reality.

Two forms of realism can be identified. **Empirical realism** simply asserts that, using appropriate methods, social reality can be understood. **Critical realism** is a philosophy of and for the social sciences. It distinguishes between the social world and people’s experience of it, as well as between the real, the actual and the empirical. It maintains that deeper social structures and generative processes lie beneath the surface of observable social structures and patterns. For empirical realists, a social scientist is only able to understand the social world – and so change it – if he or she is able to identify the structures at work that generate human activity.

An example of the application of both symbolic interactionism and critical realism is the work of Yrjö Engeström on informal workplace learning (discussed in Chapter 7). Individual and small group learning is understood as an observable social process – the ‘tip of the iceberg’ – but learning is also embedded in an interlocking human activity system – the ‘submerged part of the iceberg’ – consisting of a community of practice, rules and division of labour.

The doctrine of **interpretivism** is a contrasting epistemology to positivism. The interpretivists’ preference is for an empathetic ‘understanding’ and interpretation of human behaviour. For them, it is important to examine how people define their situation, how they make sense of their lives, and how their sense of self develops in interaction with other people. The interpretive approach has its intellectual roots in Max Weber’s concept of understanding, or *Verstehen* (*Verstehen* being a German word that can be translated as ‘human understanding’). In Weber’s view, the social scientist should try to imagine how a particular individual perceives social actions, and understand the meaning an individual attaches to a particular event. The symbolic-interactionist perspective attempts to provide an empathetic understanding of how individuals see and interpret the events of their everyday work experiences.

The purpose of this brief discussion of epistemological issues in social research is to point out that, over the last 30 years or so, some organizational theorists have abandoned the application of the canons of physical science – positivism – to the study of human enquiry. The ontological and epistemological issues we outlined above have direct implications for research methodology.

**Research methods used by researchers**

Researchers can choose a variety of research methods to study work and organizational behaviour. These methods can be broadly classified as either quantitative or qualitative methods. Each strategy reflects differences in ontological and epistemological considerations: differences in the types of question asked, the kinds of evidence considered appropriate for answering a question, the degree to which the analysis is carried out by converting observations to numerical or non-numerical data, and the methods used to process the data. It is therefore important to recognize that these methods are not simply a neutral toolkit; they are linked with the
As Bryman explains, the method used by the researcher ‘does not exist in a bubble, hermetically sealed off from the social sciences and the various intellectual allegiances that their practitioners hold ... methods of social research are closely tied to different versions of how social reality should be studied’ (Bryman, 2012: 19). The seminal text by Weber (1949) examined this epistemological debate on the neutrality or bias of social science researchers.

Quantitative research can be defined as a research strategy that emphasizes numerical data and statistical analyses, and that involves a **deductive approach** to theorizing. It incorporates the practices and norms of positivism, is oriented towards aggregated data that compile responses from many respondents so that general patterns are visible (a process called nomothetic analysis), and embodies a view of social reality as a relatively constant, objective reality.

Qualitative research, on the other hand, can be defined as a research strategy that emphasizes non-numerical data, involves an **inductive approach** to theorizing, rejects positivism, is oriented towards case studies (a process called ideographic analysis), and embodies a view of social reality as the product of individual thought.

Figure 1.7 compares the differences between quantitative and qualitative, at least as they have historically been associated with different assumptions. At first glance, the quantitative/qualitative distinction seems to be about whether quantitative researchers employ more ‘hard’ measurements than qualitative researchers do, but there is in fact much more to it than that. These two approaches affect how social scientists do research and are fundamental to understanding any enquiry into organizational behaviour.

**Figure 1.7** A scheme for comparing quantitative and qualitative research strategies

Source: Adapted from Figure 1.1 in *Sociological Paradigms and Organisational Analysis*, by Gibson Burrell and Gareth Morgan, 1985, Ashgate
Knowledge, evidence and propaganda

How do we produce knowledge about a phenomenon as complex as organizational behaviour? How do we find out what is true and what works in this particular area of human endeavour?

Philosopher Paul Boghossian (2006) offers us one way to think about these difficult questions. Using the subject of the first inhabitants of North America as an example, he offers the following perspective on how we arrive at rational beliefs:

We may not know the facts [about North America's first inhabitants] ... but, having formed an interest in the question, we seek to know. And we have a variety of techniques and methods – observation, logic, inference to the best explanation and so forth, but not tea-leaf reading or crystal ball gazing – that we take to be the only legitimate ways of forming rational beliefs about the subject. These methods – the methods characteristic of what we call 'science' but which also characterize ordinary modes of knowledge-seeking – have led us to the view that the first Americans came from Asia across the Bering Strait. This view may be false, of course, but it is the most reasonable one, given the evidence. (p. 4)

This perspective on knowledge is one version of what Boghossian calls the classical view of knowledge. This classical view typically includes the following set of assumptions:

- We should have evidence for believing something is true.
- We should look impartially at all the evidence, and not just the evidence that confirms what we already believe to be true. We should acknowledge that our beliefs are fallible.
- When confronted by new evidence, we should be willing to revise our beliefs about what is true or what works.

The classical view of knowledge offers a powerful way to think about how the knowledge on any given thing or process ought to be produced. It serves as an invaluable reference point for anyone who seeks to understand how organizations work, and why people in organizations behave the way they do. So, for example, we could ask whether an organization is attaining its goals and, if it is not, what course of action might enable it to do so. Evidence enters into this investigation at two key points: evidence supporting a claim that the organization's goals are not being met, and evidence supporting the claim that a particular course of action would enable it to attain its goals.

The classical model of knowledge, with its emphasis on evidence, is relevant here. But does it follow that the study of organizational behaviour is 'value-free' and is somehow insulated from politics and power? Not necessarily. Researchers need to recognize that an organization's goals may be contested and that the most obvious, official, versions of the organization's goals may not tell the whole story. Moreover, researchers have long recognized the existence of bureaucratic propaganda. Organizations may manipulate evidence to make it appear that official goals are being met.

So it makes sense for students of organizational behaviour to be aware of classical views of truth and evidence. The idea that we should use evidence to determine what is true and what works in the world of organizations is a useful starting point. But politics has a way of infiltrating the world of organizations and the knowledge we produce about organizations. Students should therefore be open to critical views of truth and should recognize that goal conflict, misinformation and manipulation of evidence are not uncommon in the world of organizations.

Stop! Debates over the role of Wal-Mart in society offer an interesting perspective on the issues of propaganda and counterpropaganda. Critics charge that Wal-Mart is guilty of discrimination and, more generally, that it contributes to 'reproletarianization' (a process that turns back the clock on the rights and protections that workers have won over the last century). Wal-Mart has fought back, pointing to the various benefits it has brought to the communities where it is located. Take a moment to assess critically the various positions in this debate, starting with the following resources:

- www.walmartwatch.com (for a critique of Wal-Mart)
- www.walmartfacts.com (for a defence of Wal-Mart).

If you were researching organizational behaviour in Wal-Mart, what biases might you yourself bring to the subject, and why?

Sources and further information


Note: This feature was written by David MacLennan, Assistant Professor, Thompson Rivers University, Canada.
Drawing on the elements in Figure 1.1, you should now be better able to account for researchers’ misrepresentation of social reality. First, researchers make different ontological assumptions that affect how they attempt to investigate and obtain ‘knowledge’ about organizational behaviour. For example, if a researcher subscribes to the view that organizations are objective social entities that shape individual behaviour, the research endeavour is likely to focus upon an analysis of the formal properties and regularities between the various elements of the organization. Alternatively, if the researcher subscribes to a view that emphasizes the dynamic nature of organizational life, he or she will focus on the active participation of individuals in constructing reality.

Second, the epistemological assumptions that researchers make about the social world affect how they attempt to investigate and obtain ‘knowledge’ about organizational behaviour. As we have discussed, at the heart of epistemology lie questions such as ‘What is the relation between seeing and knowing?’ and ‘Whose knowledge is produced in surveys and interviews?’ For the positivists, the challenge is to discover the laws of human behaviour, and perhaps then predict future social action. The constructivists reject the notion that we can ever have an objective account of the phenomenon under investigation, because all such accounts are ‘linguistic reconstructions’.

As we have seen, the constructivist approach recognizes that the researcher and those being researched create the data. Researchers’ data do not discover social reality; rather, the ‘discovery’ arises from the interactive process (between the researcher and the organization) and the political, cultural and structural contexts. Traditionally, the interview, for example, is viewed as an opportunity for knowledge to be transmitted between, for instance, a manager and a researcher. Yet, through the interactional process, the viewed and the viewer are active *makers of meaning*, assembling and modifying their questions and answers in response to the dynamics of the interview. The researcher is not simply a conduit for information, but is in fact deeply implicated in the production of knowledge (Charmaz, 2005).

The constructivist approach suggests that what the manager and the situation actually are is a consequence of various accounts and interpretations. From this perspective, managers act as the ‘practical authors’ of their own identities. Furthermore, some interpretations are more equal than others. For example, one account of Tony Blair’s leadership performance following the September 11, 2001 attack on the World Trade Center in New York might describe it as ‘Churchillian eloquence’. Others could interpret his speeches as populist rhetoric. The point here is that if more powerful ‘voices’ (including the popular press and television news channels) support Blair, ‘the Churchillian’ view will prevail, and the negative voice will carry little weight. The constructivist conclusion in this case is that what is important is not what the leader (or the organization) is ‘really’ like, but the processes by which he or she (or it) is perceived and defined as a success or a failure. In terms of managerial behaviour, what constitutes a ‘good’ manager does not rest on an objective evaluation but on criteria generated by the social setting (Bratton et al., 2005; Grint, 1995).

This does not mean that constructing accurate knowledge is impossible. Rather, it means that the knowledge that is produced on what people in organizations allegedly do cannot be an objective narrative about their workplace activities. We must maintain a healthy scepticism as we read what researchers have to say about organizational behaviour.

Third, there are different research strategies, or general orientations for conducting an enquiry. The different research designs – such as questionnaire surveys, interviews and observational studies – may capture distortions of reality. For example, the mailed survey (a questionnaire sent out to employees or customers) is favoured...
by quantitative researchers, but it can at best only provide a ‘snapshot’ of managerial and employee workplace activities. It cannot hope to provide an accurate picture of the subtleties and dynamics of employment relationships, or of how individuals perceive social actions. The sample size may vary considerably, and if small samples of organizational members were surveyed, one or more atypical participants could unduly influence the findings. Case studies and direct observational techniques, favoured by qualitative researchers, often provide ‘rich’ data on workplace activities but may not capture cognitive processes. For example, a manager who is captured sitting in his or her office staring through the window could be either reflecting on a long-term plan or simply admiring the spring blossom.

Finally, we should be aware that management is embedded in the social structure and is highly political. This means that it involves power relationships between managers and non-managers, and between managers and other managers. As a result, political issues will rarely be far removed from the research process (Easterby-Smith et al., 1991). Consequently, the data gathered by researchers might not provide a ‘reality report’ on what managers do inside the organization, but rather reflect the diversity of managers and their need for self-justification, perhaps in connection with complex internal power struggles.

To extend our discussion of the limitations of research methodology a little further, managerial behaviour is most often analysed using ‘scientific’ or positivist methods, but scholars of organizational behaviour sometimes quote managers’ opinions to the exclusion of the opinions of other people who are affected by the managers’ actions (not least, their subordinates). Interviewing people from a cross-section of the organization, including workers and trade union representatives in unionized establishments, is always likely to provide ‘nuggets’ of information that rarely surface in positivist research, and to suggest different lines of interpretation of human behaviour in the workplace (Bratton, 1992: 14).
Chapter summary

- In this introductory chapter, we have attempted to cover a wide range of complex issues. We introduced STEPLE analysis to emphasize that external contexts have a significant impact on the organization as well as on individuals and groups. The external context influences the structure and behaviour of work organizations, and in turn organizations influence the wider society. The linkage between the external contexts and the search for competitive advantage through employees' behaviour is complex.

- Organizational behaviour is a field of study with no agreed boundaries and draws from a variety of social science disciplines. We have defined it as a multidisciplinary field of inquiry concerned with the systematic study of formal organizations, the behaviour of people within organizations, and important features of their social context that structure all the activities that occur inside the organization.

- Studying organizational behaviour can help put people in a stronger position to influence and shape the workplace and their own future. Organizational behaviour provides a conceptual 'toolbox', a 'Swiss army knife', to help to explain, predict and control organizational actions.

- We have reviewed orthodox treatments of management – as a set of technical competencies, functionally necessary tasks and universal roles and processes that are found in any work organization. For the traditionalist, managerial work is regarded as rational, morally and politically neutral, and its history and legitimacy are taken for granted. Alternative accounts of management emphasize that managerial work is embedded in a politically charged arena of structured and contested power relationships.

- We have used a three-dimensional management model to help us deconstruct the many facets of organizational complexity. This encourages us to go beyond simply describing managerial behaviour, to provide an understanding of the contingencies that explain why managerial policies and behaviour vary in time and space. Managers are typically engaged in an assortment of frenetic, habitual, reactive, fragmented activities.

- We also focused on diversity because we consider that the social dynamics of class, gender, race and ethnicity underpin contemporary organizational behaviour. Understanding the significance of class, gender, race and ethnicity, and disability puts the behaviour of individuals and groups in the organization into a wider social context.

- Finally, we discussed two ontological orientations – objectivism and constructionism – and two epistemological orientations – positivism and interpretivism – and outlined how these influence decisions on research methodology. Depending on the researcher's perspective, which reflects a whole series of assumptions about the nature of the social world, organizational behaviour researchers will tend to lean towards either quantitative or qualitative research strategies.

Chapter review questions

1. What is meant by 'organizations' and 'organizational behaviour'?
2. What are capitalism, management and globalization?
4. Some authors state that organizational behaviour relates to the process of a manager's job. What does this mean?
5. Which of the four sociological perspectives do you think best fits your own ideas about human behaviour in work organizations?
6. Why is it important to include gender, race and disability in the study of behaviour at work?
7. If you were asked to conduct research in organizational behaviour, which research approach would you use? Explain your preference.

Further reading

Chapter case study: Managing change at Eastern University

The setting

In Canadian universities, it is evident that there is a need for positive change, including in how they manage and lead their employees. Various reports emphasize that they compete not only for government and sponsorship funding, but also for the market share of potential students in the increasingly competitive local, provincial and international arenas. In a university setting, key factors in facing these challenges successfully are cooperative and collaborative relationships between the administration and the unions representing the university’s workers, including the support and faculty employees. Publicly funded universities are under increasing pressure to thrive in an atmosphere of reduced funding and increased competition. Working collaboratively in the same direction can produce a viable enduring future.

The problem

Eastern University College is located in Ontario, Canada, and has approximately 14,000 full-time and part-time students. It was recently granted full university status, enabling the institution to grant its own degrees. In addition, it was expanded to include a comprehensive distance learning programme as an alternative to traditional classroom learning. Resources for new research and developing postgraduate programmes are also planned for the near future. With these fresh opportunities, it was recognized that changes were needed in the institution’s strategic direction, including in its management policies and practices.

The university’s labour relations were a particular area of focus. Over the years, the university had developed an adversarial and confrontational relationship with the union representing the institution’s 300 support workers. In a study undertaken by the administration to identify the drivers or resistors in creating a more positive alliance with the union, it was found that the university’s hierarchical and bureaucratic organizational structure was one possible reason for the dysfunctional relationship. Agreements on issues became stalled as administrators were required to take items back to senior managers for their perusal. The union contributed to the delay of reaching resolutions as it referred back to its members for approval on any decisions to be made. In the process, each group sought to protect its own interests. The net result was loyalty to factions, departments, leaders and unions, rather than to the organization as a whole.

Lisa Chang, 28, was the new Assistant Human Resource Manager for Eastern University. Improving student services at the university was a high priority for Chang. Based on feedback from the students’ union, one idea she had was to extend access to the computer labs so they would be available for student use 24 hours a day, 7 days a week, except when they were being used by lecturers for teaching.

Chang visited the websites of several universities and downloaded details of their student computer services. She met with the Manager of Facilities, Doug Brown, the Vice-president of Student Services, Dr Susan Allen, and the Head of Campus Security, Paul McGivern. Chang presented her proposal, which included the estimated cost, and was able to resolve the few questions the others had with examples and information acquired from other comparable universities. It was agreed that Chang would present her proposal to the next meeting of the Council of Deans.

The presentation to the deans went flawlessly. Chang was confident that the deans would agree to her proposal. But just as the meeting was to wrap up, the Dean of Arts said, ‘Have the union agreed to this?’ Alarm bells went off in Chang’s head. ‘Union?’, she thought. ‘Why wouldn’t they agree to the new service?’ She told the Dean she would discuss it with her boss Peter Webster, Director of Human Resources.

At the next human resources management meeting to discuss the labour relations situation, administrators were reviewing the most recent grievances and potential arbitrations, and the generally poor relationship with the union representing the support staff. Peter Webster, a manager who had several years’ experience in dealings with the union, sighed in frustration as he echoed a sentiment of many in the room. ‘It seems to be impossible to work together collaboratively with this union. I think we may as well accept it.’

‘It doesn’t have to be this way,’ said Chang, as she handed out copies of her proposed new student service. ‘When I talked to one of the stewards last week, he actually expressed the same desire for a more cooperative relationship. That is a sign of positive change already.’

After some discussion on what could be done to build upon this progress, the group asked Lisa Chang to prepare a detailed report for the next meeting outlining the next steps.

The task

Working either alone or in a small group, prepare a report drawing on the material from this chapter that addresses the following:

- What recommendations would you make to the university’s senior management? How would this help?
Sources and further information


Note: This case study was written by Dan Haley, Director of Human Resources, School District No. 57, Prince George, Canada.

In the ebook access an OB IN FILM box that uses *The Imitation Game* (2014), starring Benedict Cumberbatch and Keira Knightley, and *Working Girl* (1988), starring Melanie Griffith and Sigourney Weaver, to illustrate power, politics and gender issues in the workplace and to access an interactive quiz to test your understanding.
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