An Organizational Behavior Study to Evaluate Project Performance

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Abstract

In this research, significant components of organizational behavior in a commercial company were investigated and studied. In order to perform this task, we analyzed a business case where a structured questionnaire was applied into the company. We assessed that the success of the company is influenced by factors such as motivation, job satisfaction, emotions and decision making, with the indication that perception factors and attitudes are in need of reinforcement. In addition, recommendations for intervention of organizational behavior are also presented, with the perspective of reducing the negative impact that these findings might have on the results obtained.

Keywords: Organizational Behavior, Human Behavior, Psychological Factors.

Introduction

Organizational behavior (OB) theory researches the effect of human behavior within an organizational environment, focusing on improving organizational effectiveness by reducing behavior such as absenteeism and staff turnover (Robbins and Judge, 2013; Organ, 2018), which affect negatively organizational performance.

OB theory is a multi-faceted discipline with a major contribution from behavioral sciences and evidence-based practices. OB uses the measurement and analysis of human behaviors to maximize employee productivity and maximize the performance of human resource development and management organizational systems (Luthans, 2011; Chams-Anturi, Moreno-Luzon and Escorcia-Caballero, 2019; Pangil and Nasurdin, 2019).

The application of OB theory using systematic methodologies results in a more accurate prediction than those based on intuition, which is necessary to generate management solutions adjusted to each organizational needs, instead of general solutions (Griffin and Moorhead, 2011; Robbins and Judge, 2013). Therefore, OB has become a critical aspect of organizational success if properly applied within the organization (Bateman and Crant, 1999).

Then, the purpose of this research is to study a current organizational behavior case, highlighting the theoretical foundations of organizational behavioral research, measuring and analyzing the behavior of

the individuals while facing changes in the environment, and defining practical implications for the entrepreneur.

Theoretical Framework

Organizational behavior (OB) is defined as the field of study that investigates the behavior of individuals within an organization, aiming to learn about their perceptions, values, and cognitive capacity in working environments (Davis and Newstrom, 2002; Chiavenato, 2009; Robbins and Judge, 2013; Mcshane, 2018; Mullins and Mclean, 2019). Chiavenato (2009) states that OB distinguishes an organization from other, even in the same economic sector. Also, stays that each person is subject to different influences, both external and internal, that affects his behavior in exclusives ways, and therefore his interaction with other people in the organization.

Psychological constructs such as attitudes, motivations, job satisfaction, perceptions, emotions, and decision making are popular ways to describe and analyze what goes into OB (Heath and Sitkin, 2001; Miner, 2003). As follows, we present a brief description of each.

I) Attitudes are statements of favorable or unfavorable evaluation of objects, people, or events. These reflect how a person feels about something. Attitudes are mainly composed of three components: cognition, affection and behavior (Breckler, 1984). The cognitive component of an attitude describes the belief of how a person sees things, for example, "my boss is unfair". The affective component is based on the emotional part of an attitude, for example, "I dislike my boss". Moreover, the behavior component of an attitude refers to a person's intention to behave in a certain way towards someone or something, for example, "I will look for another job, because my boss does not listen to me". These components are closely related, which denote a negative attitude towards the boss.

An individual has many attitudes, but regarding organizational behavior the number of attitudes at work is limited, these are positive or negative evaluations that employees have about various aspects of their work environment (Moreno-Luzon, Chams-Anturi and Escorcia-Caballero, 2018). Organizational behavior researchers have focused on three attitudes: work involvement, job satisfaction and organizational commitment (Brooke, Russell and Price, 1988). Other attitudes considered by researchers are organizational support and dedication of employees.

II) Job satisfaction is defined as the positive feeling resulting from personal work accomplishment (Robbins and Judge, 2013). Enjoying work highly correlates with greater intensity with high levels of satisfaction. The jobs that generate and provide their employees with greater training and independence satisfy most workers (Barling, Kelloway and Iverson, 2003). Employees prefer stimulating jobs that pose challenges versus a predictable and routine one.

Evidence also indicates that employees who are satisfied with their jobs increase customer satisfaction and loyalty (Schneider and Bowen, 1985). Satisfied workers are more friendly, optimistic and responsible, they are also less likely to change jobs, these are advantages appreciated for the client who receive a more familiar and experienced service (Bitner, Booms and Mohr, 1994).

III) Motivation affects the intensity, direction, and persistence of the effort exerted by a person to achieve a goal. Intensity refers to the energy applied by a person in reacting to events, which requires direction to get favorable results. Finally, persistence is the time in which the individual maintains the effort. Those people that are motivated remain on a task until their goal is achieved (Robbins and Judge, 2013; Pinder, 2014).

In the decade of the 50s, several concepts on motivation were developed, and four specific theories were formulated. (1) Theory of the hierarchy of needs, by Abraham Maslow, who raised the idea that each person has a hierarchy of five needs: physiological, safety, social, esteem, and self-realization (Maslow, 1954). (2) Theories X and Y, by Douglas McGregor, who proposed two visions of human

beings. A negative or X vision where the employee dislikes his work and must be directed, and another positive or Y vision where the employee likes his job and is self-responsible for it (McGregor, 1960). (3) McClelland's theory of needs, by David McClelland, focuses on three needs: achievement (based on the urge to excel and fighting for triumph), power (based on the need to make others behave according to a specific way) and affiliation (desire to have friendly and close relationships) (McClelland, 1961). And, (4) the theory of the two factors or theory of motivation and hygiene, by Frederik Herzberg, who states that the individual-work relationship and the attitude adopted to meet any work challenge, are fundamental to determine the success or failure of the job (Herzberg, Mausner and Snyderman, 1959). Although these theories are widely known, there are several arguments regarding their validity.

Recently, OB researchers have developed new contemporary theories of motivation, such as (5) The theory of cognitive evaluation, which introduces extrinsic awards for doing work that previously had intrinsic rewards (De Charms, 1968). (6) The theory of goal setting, which states the importance of establishing goals to increase performance (Tubbs, 1986). (7) The theory of personal effectiveness, or social cognitive theory or social learning theory, which refers to a person's belief in carrying out a task (Bandura, 1997). (8) The theory of reinforcement, which states the importance of reinforcement to get a desired behavior (Komaki, Coombs and Schepman, 1996). (9) The theory of equity, which encourages people to compare their work results (Ronen, 1986). (10) The theory of expectations states that a good evaluation of the employee performance will lead to a better performance, requiring organizational awards, such as salary bonuses (Robbins and Judge, 2013).

IV) Perception is the process in which people interpret the impressions they have of a situation to get a meaning of what happens in the environment. There are some factors that can distort the perception of people such as the recipient (e.g., motives and expectations), the object (e.g., news), and the situation (e.g., time) in which the perception unfolds.

There are also some valuable simplifications that allow subjects to get a quickly and accurately perception (Robbins and Judge, 2013): (1) Selective perception, useful when we highlight some stimuli to assimilate everything we see. This characteristic highlights a person, object or event to what is perceived. (2) Halo effect, which is when an impression of a person is outlined based on a characteristic such as appearance. (3) Contrast effect when evaluating and comparing characteristics of people. In addition (4) Stereotyping, where someone is judged based on the perception of the group on which they belong.

V) Emotions are defined as those feelings direct toward someone (Fridja, 1993) and usually transitory. Some examples of emotions are anger, fear, sadness, happiness, and surprise, accompanied by facial expressions and caused by specific events (Ashkanasy, Hartel and Daus, 2004).

The founder of modern philosophy, René Descartes, identified six primitive passions - astonishment, love, hate, desire, joy, and sadness - arguing that they compose all other emotions (Descartes, 1989). Charles Darwin took a broader approach, who suggested that emotions developed to help solve problems. Emotions motivated people to take actions to survive.

VI) Decision making occurs when an individual chooses between two or more alternatives. There are different ways to decide. (1) The rational model occurs when choices are made by maximizing value within constraints (Simon, 1986). These choices follow a method by first defining a problem, identifying the decision criteria, weighting the criteria, developing and testing alternatives, and finally selecting the best alternative. Several assumptions support this model, including that all information is available in order to choose a good alternative (March, 1994). (2) Bounded rationality, where the individual responds to the problem by reducing it to a level easier to understand (Kahneman, 2003); and (3) intuition, which although is considered to be the least rational of the options, is the most usual, this is an unconscious process formed from experience (Gilovich, Griffin and Kahnemann, 2002).

Before starting with the decision-making, it is important to know how to reduce biases and errors. Focusing on the goals facilitates the elimination of options that contradict interests, nullify excess of confidence, do not give meaning to random eventualities, and increase decision alternatives by developing a wide range of different elections.

Research Methodology

We analyze the organizational behavior using a case study in a retail store that offers consumer goods and operates nationwide in Colombia (referred as ABC company). To obtain the information, we worked with a structured questionnaire of 44 questions following the Robbins and Judge (2013) method. All items were measured using a Likert scale with values ranging from 1 (totally disagree) to 5 (totally agree). The questionnaire was applied to the ABC company interest group, which included commercial directors of each category, customs agency, international cargo agent and operators. The total population is equal to 65 participants. In order to calculate a proper sample size, we used the following calculation:

$$n = \frac{Z^2 * N * p * q}{e^2 * (N-1) + Z^2 * p * q}$$

Where:

n: sample size

Z: degree of confidence

N: population

p: probability of success

q: probability of failure

e: estimation error

Replacing values;

$$n = \frac{0.95^2 * 65 * 0.5 * 0.5}{0.03^2 * (65 - 1) + 0.95^2 * 0.5 * 0.5}$$
$$n = 52 \text{ participants}$$

Then, our study was carried out on 80% of the total population (i.e., n= 52). The observation of the individuals and their specific behavior within the organization prevailed. Therefore, content analysis and participant observation are considered as a key part of the process.

We based our research on the six basic principles of qualitative validity (Robbins and Judge, 2013). (1) Credibility or internal validity, where different methods were combined such as the observation of the process, questionnaires and analysis of written documents. In addition, the research was carried out by people who are not part of the area under investigation, which reduces biases and guarantees the credibility of the study. (2) Transferability or external validity, although the results of the present investigation are not extrapolated to other organizations, the methodological experience can be applied to other commercial establishments. (3) Reliability, where studies developed with respect to the object of analysis were taken into account. (4) Confirmation, where the investigation was configured by the triangulation of methods, analysis of document content, observation and surveys. The data collected are analyzed by the researchers, which guarantees the objectivity of the research. (5) Integrity, where the identification of informants is reserved, maintaining relationships of trust with them. Finally (6) Consistency, where research seeks to respond to a need evidenced by researchers in one of the most important commercial chains in the country, in order to provide a solution to the problem described.

Results

We measured individual factors to study the organizational behavior of the ABC company using a survey questionnaire for the 52 participants. The results are as follow:

Demographic Information

From the 52 of responses obtained, we gather the following information:

- 1. 44% belong to senior management, 37% to middle managers, and 19% to professional and operational staff.
- 2. 44% of respondents are female. 56% are male. As for the average age, it is approximately 38 years old.
- 3. 88% of respondents have professional training in the postgraduate modality, which shows a high level of skills in specific areas within the process.
- 4. On average, the personnel surveyed are more than 3 years old in the ABC company. All of them know the strategy of the organization at each corresponding level.

Analysis of Results

Below are the results obtained for each of the factors - attitudes, motivations, job satisfaction, perceptions, emotions, and decision making - of the ABC company, accompanied by a behavioral analysis or a diagnostic description and a series of recommendations for each one.

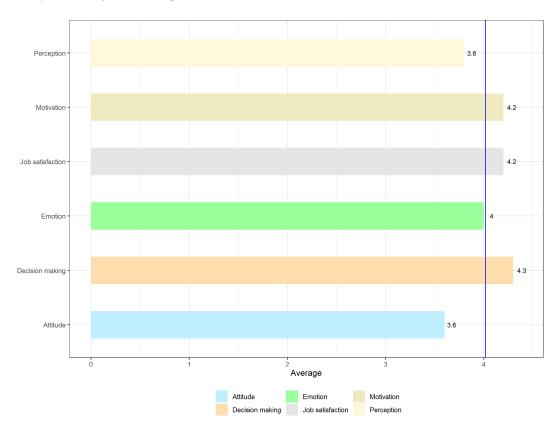


Figure 1: Survey results

Attitudes

The results show that the individuals in the business process of the ABC company are not completed satisfied with their assigned work and their involvement in the organizational decisions. Results show low levels of organizational commitment and a perception of low organizational support and recognition.

Table 1: Attitude

AVERAGE	FINDINGS	PROPOSALS FOR IMPROVEMENT
3,6	✓ It is considered that immediate bosses and co-workers are friendly, organized and flexible. ✓ No significant features of irony or injustice on their part are denoted. ✓ Attempts to adapt to new team situations are evident. ✓ The staff is considered important for the ABC company, and they are committed to the quality of their work. ✓ Sometimes employees feel that their boss is unfair.	✓ Generate spaces for interaction with employees to forge effective communication and facilitating their social function. ✓ Promote the participation of employees in the changes that affect their work. ✓ Define communication actions that illustrate clarity in the process, both in the tasks and in the planned objectives, generating work empowerment.

Motivation

The individuals involved in the business process in the ABC company show a good level of motivation which involves intensity, direction, and persistence of the individual's effort towards achieving a goal.

Table 2: Motivation

AVERAGE	FINDINGS	PROPOSALS FOR IMPROVEMENT
4,2	✓ The employees consider that their leaders are aware of their skills. ✓ They also consider that their cognitive capacity has increase as an effect of the training processes received at the ABC company. ✓ Staff can ask questions and suggest modifications to the traditional way of doing things without any fear. ✓ There is a feeling of commitment, but sometimes the staff does not feel aligned with the direction of the ABC company. ✓ Recognitions and incentives are received for their actions, exalting their growth in the ABC company. ✓ Workers do not feel at all heard, but this gap is compensated with the training process, a respectful work environment, and remuneration according to the profile.	✓ Establishment of spaces to improve organizational communication, in which workers can express their feelings and meet their social needs.

Job Satisfaction

This factor involves several elements such as: activities, compliance with internal labor regulations, relationship with managers and colleagues, and performance criteria. This sample does not illustrate absenteeism or employee turnover.

The results show a good level of job satisfaction among the employees of the ABC company. The staff is satisfied and speak positively about the organization, help others, exceed the expectations of their job, and strive beyond their duty.

Table 3: Job satisfaction

AVERAGE	FINDINGS	PROPOSALS FOR IMPROVEMENT
4,2	✓ Employees are interested in the well-being of their colleagues. ✓ The leader of the process effectively directs his subordinates and gives them confidence in their work. ✓ Workers share that wages are proportional to what other companies offer. ✓ Staff can count on their bosses, feel their support, and consider that they are properly directed. ✓ They feel satisfied with their current work and have confidence to consult doubts and concerns, and cooperation from their peers. ✓ They believe that work is a good opportunity to grow and improve. ✓ The tools provided to perform their job require improvement.	between work teams, to encourage communication that is more effective.

Perception

The perception factor shows that personal involved in the business process in the ABC company are not correctly perceiving and interpreting the different situations presented at work.

Table 4: Perception

AVERAGE	FINDINGS	PROPOSALS FOR IMPROVEMENT
3,8	✓ The work area is adequate to perform daily functions. ✓ The workplace induction process is clear and adequate. Team work is encouraged at all stages. ✓ Leaders avoid rumors to arise. ✓ It is difficult for the group to work with people with weak work habits. ✓ Not everyone agrees that their work contributes to the institutional objectives.	✓ A performance evaluation system is suggested. A critical factor to evaluate is the impact generated by the achievements of workers in meeting the objectives of the ABC company. ✓ It is suggested to work on skills as resilience at the workplace to minimize unwanted behaviors among the employees while a new process is implemented.

Emotions

Emotions at the ABC company are properly shown among the employees.

Table 5: Emotions

AVERAGE	FINDINGS	PROPOSALS FOR IMPROVEMENT
4,0	 ✓ Employees are constantly encouraged to improve their cognitive capacity and skills. ✓ Employees consider that the ABC company has played an important role in their life and they feel proud to belong to it. ✓ Employees show properly manage of their emotions. ✓ Open communication channels are present. ✓ It is not easy for them to discuss their fears, or clearly demonstrate their joys and feelings. ✓ The employees are comfortable receiving compliments. 	✓ Promote participation of employees in the planning of organizational changes. ✓ Generate interactive spaces between work teams, to encourage communication that is more effective.

Decision Making

The results show that employees in the ABC company are skillful in decision making. They are good at analyzing the situation, staying bias alert, combining rational analysis with intuition, and maintaining high levels of creativity.

Table 6: Decision making

AVERAGE	FINDINGS	PROPOSALS FOR IMPROVEMENTS
4,3	 ✓ Staff feel supported by their bosses. ✓ Problems are analyzed and alternatives for their solution are identified, verifying the possible risks and benefits. ✓ Creativity is a factor that helps new solutions, and participants feel responsible for them. ✓ Time and organizational alignment are obstacles in their performance. 	✓ A performance evaluation system is suggested. A critical factor to evaluate is the impact generated by the achievements of workers in meeting the objectives of the ABC company. ✓ It is suggested to work on skills as resilience at the workplace to minimize unwanted behaviors among the employees while the new process is implemented.

Conclusions

According to the results, the success of the ABC business process is influenced by favorable characteristics of organizational behavior as motivations, job satisfaction, emotions, and decision making. In contrast to characteristics as perceptions and attitudes, which require a prompt intervention from the company to reduce their negative impact in current and future projects.

Then, some recommendations for intervention are:

- (1) Design a communication plan for all levels of the organization for implementation of current and future projects.
- (2) Open spaces of communication must be designed to promote integration, personal and professional development, and employee's recognition, in order to generate favorable changes on the organizational behavior of workers involved in the process.
- (3) Implement positive reinforcement motivation strategies. This reinforcement must be supported by specific achievements, which must be previously arranged and communicated. Also, these should be aligned with the goals of the organization. Productivity results can be also considered.
- (4) Designing and implementation of an intervention for the control of emotions, especially in those who have the responsibility to negotiate with external suppliers and internal clients. An important section of the success in the performance of the process corresponds to the purchase price of the products imported and the management of the inventory.
- (5) Considering that the information generated by the process is shared, it is necessary to reconcile the entire structure to favor and potentiate these advantages. We suggest to improve communication down and up into the organizational levels. Establishing interdisciplinary teams to make strategic decisions that would allow to measure the performance with the suggested motivation strategy.

The study of organizational behavior provide to managers challenges that can be considered as opportunities for business growth. It can improve employee productivity, as it teaches managers how to treat their staff, understand how to implement change programs, and helps employees to balance the different conflicts between work and their lives (Robbins and Judge, 2013; Wagner and Hollenbeck, 2014; Mullins and Mclean, 2019). In addition, organizational behavior offers managers a useful guide to create a healthy work environment by stimulating the innovation of their employees. We believe that the described intervention recommendations will generate positive results into the organizational behavior for the ABC company and will be key to contributing on its increase of productivity.

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