

# **Organizational Behavior II**

**Managing Organizations  
A Practical Self-Study Guide**

**Timea Havar  
Daniel Simonovich**



Timea Havar and Daniel Simonovich

# **ORGANIZATIONAL BEHAVIOR II**

Managing Organizations  
A Practical Self-Study Guide

### **Bibliografische Information der Deutschen Nationalbibliothek**

Die Deutsche Nationalbibliothek verzeichnet diese Publikation in der Deutschen Nationalbibliografie; detaillierte bibliografische Daten sind im Internet über <http://dnb.d-nb.de> abrufbar.

### **Bibliographic information published by the Deutsche Nationalbibliothek**

Die Deutsche Nationalbibliothek lists this publication in the Deutsche Nationalbibliografie; detailed bibliographic data are available in the Internet at <http://dnb.d-nb.de>.

Dieser Titel ist als Printversion im Buchhandel  
oder direkt bei *ibidem* ([www.ibidem-verlag.de](http://www.ibidem-verlag.de)) zu beziehen unter der

ISBN 978-3-89821-931-0.

∞

ISBN-13: 978-3-8382-5931-4

© *ibidem*-Verlag  
Stuttgart 2012

Alle Rechte vorbehalten

Das Werk einschließlich aller seiner Teile ist urheberrechtlich geschützt. Jede Verwertung außerhalb der engen Grenzen des Urheberrechtsgesetzes ist ohne Zustimmung des Verlages unzulässig und strafbar. Dies gilt insbesondere für Vervielfältigungen, Übersetzungen, Mikroverfilmungen und elektronische Speicherformen sowie die Einspeicherung und Verarbeitung in elektronischen Systemen.

All rights reserved. No part of this publication may be reproduced, stored in or introduced into a retrieval system, or transmitted, in any form, or by any means (electronical, mechanical, photocopying, recording or otherwise) without the prior written permission of the publisher. Any person who does any unauthorized act in relation to this publication may be liable to criminal prosecution and civil claims for damages.

Introduction. . . . .	5
1 Organizational views . . . . .	7
1.1 Looking at hard organizational issues . . . . .	8
1.1.1 Strategic perspective . . . . .	8
1.1.2 Structural perspective . . . . .	14
1.2 Looking at soft organizational issues. . . . .	24
1.2.1 Cultural perspective . . . . .	24
1.2.2 Political perspective . . . . .	28
Summary. . . . .	34
Assignments . . . . .	34
2 Managing organizational change . . . . .	35
2.1 Leading through change initiatives. . . . .	35
2.1.1 The rationale for change. . . . .	35
2.1.2 The change management process . . . . .	42
2.1.3 Resistance to change. . . . .	50
2.2 Creating and sustaining organizational responsiveness . . . . .	52
2.2.1 Empowerment . . . . .	52
2.2.2 Coaching . . . . .	55
Summary. . . . .	58
Assignments . . . . .	58
3 Selected concepts for managing organizations . . . . .	59
3.1 Establishing leadership. . . . .	59
3.1.1 Assuming a new management position . . . . .	59
3.1.2 Delegation . . . . .	63
3.2 Leveraging employees' potential . . . . .	65
3.2.1 Mentoring . . . . .	66
3.2.2 Management of diversity . . . . .	68
Summary. . . . .	72
Assignments . . . . .	72
Concluding remarks. . . . .	73
Appendix	
A. Key to exercises . . . . .	74
B. Key to assignments. . . . .	79
C. Glossary. . . . .	81
D. Bibliography . . . . .	84
E. Index . . . . .	90



## Introduction

This is the second of two study booklets on organizational behavior, the study of human behavior in organizations at the individual, group, and organizational levels. The first booklet has dealt with the first two levels. As you should recall, the *individual level* summarizes important contributions from psychologists in the areas of personality, perception and motivation whereas the *group level* treats concepts such as team building, conflict and leadership. Moving level-by-level from a “micro” view to a “macro” view, we now turn to the study of *behavior at the overall organization’s level*. Simply put, this third level summarizes the kind of challenges a top manager is confronted with when handling the complexity of the entire organization or business unit. As a consequence, this manuscript offers you important contemporary concepts and tools that will help you focus on the “big picture” in management.

This booklet is divided in three parts. First, it offers you four perspectives on organizations which bring together the hard and soft issues in management. Second, there is an extensive treatment of change management, one of the most demanding real-world challenges a business leader can possibly face. Finally, a further selection of concepts is presented to help you establish and optimize your own leadership and to nurture the development in others.





## Chapter 1

## 1 Organizational views

There was a time when scholars thought they were close to knowing everything you needed to know to design and run an organization effectively. Hierarchical structures were best and only the details, such as salaries or the number of employees per manager, needed to be worked out. This attitude was shattered in recent decades by a series of studies showing that, in fact, there is not a single best way to organize or manage. For example, an organization designed to operate in a stable environment cannot be expected to do as well in conditions of uncertainty and fast change. It has turned out that the optimum way to organize in a given corporate context depends on so many factors that we will never find a single magic formula for the ideal organization. As illustrated in Figure 1.1, some organizational factors such as formal design and procedures are normally well-documented and visible or explicit. Other factors, however, are hidden beneath the surface.

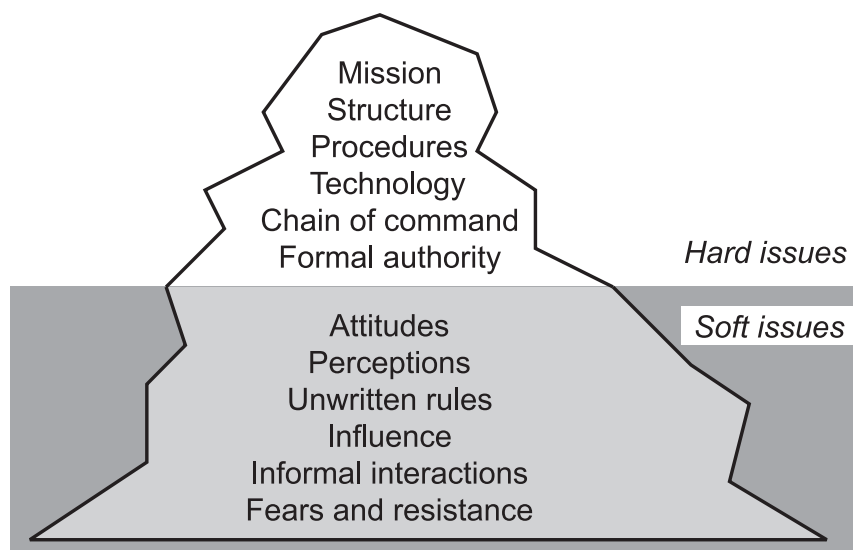


Figure 1.1: Explicit versus hidden factors in an organization

Today it is clear that building and maintaining high performing organizations always requires a mix of analysis skills, judgment, intuition and the creativity of human leaders. The ability to act with skill and creativity in organizations begins with the development of multiple perspectives on organizations. Therefore, we start this study booklet with four perspectives (Figure 1.2): strategic, structural, cultural and political.

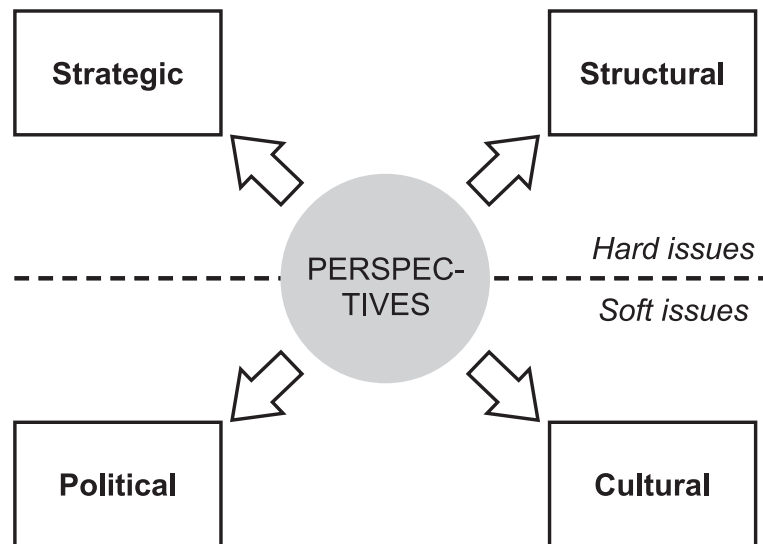


Figure 1.2: Perspectives for understanding behavior at the organization level

At the end of this chapter you should be able to analyze each perspective individually and synthesize them into overall conclusions for a specific organizational context.

## 1.1 Looking at hard organizational issues

Many if not all aspects of the visible part of a firm are subordinate to two major decision areas at the overall organizational level: strategy and structure (Chandler 1962). A firm's strategy sets the general direction of where to compete (markets) and how to compete (specific resources). Structural design then defines an organizational architecture consistent with the strategic route chosen. In this part of the booklet you will learn why strategy is so important and how strategies are developed. At the end of this sub-chapter, you should also be able to recognize and select organization structures based on the relative pros and cons of available alternatives.

### 1.1.1 Strategic perspective

Strategic thinking, as used in today's business world, had its beginning in the United States during World War II when resources were scarce in a wartime economy. During those wartime days, the military introduced quantitative analysis and formal strategic planning.