

: Organizational Behavior

INTRODUCTION:

As scholars, commentators, and government officials continue to struggle to understand the causes of the current economic crisis, the question of what role organizational dynamics played in the actions that led to cascading bank and company failures is central to the debate. Speculation about the “star culture” and “talent ideology” that discouraged companies from questioning risky actions,¹ and the power of leadership and values in shaping behavior within companies’ “living systems”² raise important questions about the factors that contributed to the current mess. Insight into the psychology and sociology of the sometimes dysfunctional ways that people act in groups may go a long way toward answering these questions, and helping to avoid similar problems in the future.

The current crisis underscores the value of Organizational Behavior as a discipline, and its importance to the MBA curriculum. With introductory courses typically appearing in the core curriculum, Organizational Behavior gives students a tool kit of knowledge that is relevant across an array of sectors, and insights that can help them to improve their performance in all roles within a company, and to rethink company design for better functioning. OB courses touch on an array of topics, including leadership, cultural diversity, power and influence, team interactions, and organizational design.

Indeed, because of the variety of lenses through which the discipline views human interaction, OB-based skills may be highly useful to students in confronting a range of organizational dysfunctions, including those with repercussions both large- and small-scale. A 2007 Aspen Institute survey of MBA students showed that just under 83% of those polled either strongly or somewhat agreed that they were likely to face values conflicts in the workplace. When asked how they would deal with those conflicts, more than 95% said they were either very or somewhat likely to advocate alternative approaches or values within the company, while approximately 92% were very or somewhat likely to enlist others in addressing their concerns.³ In situations such as these, students will be most effective in addressing their concerns if they are able effectively to analyze the power dynamics and interpersonal relationships that exist within their organizations. The Aspen Institute’s *Giving Voice to Values* curriculum can also help students to practice and hone different approaches to expressing their ethical concerns in the workplace.⁴

OB classes call upon students to scrutinize their own motivations and behavior, and their relationships to others and to systems as a whole, which are located in broader social and cultural systems. The tool kit of Organizational Behavior can help managers convert the lessons of organizational change into real organizational learning. These tools are essential as companies work to reshape themselves to be more equitable and effective producers of goods and services and better contributors to society.

THE BOTTOM LINE:

- Tools from Organizational Behavior can be used to help companies create positive and effective organizational cultures.

¹ See “The ‘War for Talent’ First Casualty of the Crisis,” *Financial Times*, April 12, 2009 at <http://www.ft.com/cms/s/0/d09d21bc-25e0-11de-be57-00144feabdc0.html>

² See Alaina Love, “Flawed Leadership Values: The AIG Lesson,” *BusinessWeek*, April 3, 2009 at http://www.businessweek.com/managing/content/apr2009/ca2009043_853577.htm

³ See *Where Will They Lead?: MBA Student Attitudes about Business & Society* at http://www.aspenbe.org/teaching/Student_Attitudes.html

⁴ See the *Giving Voice to Values* curriculum at <http://www.caseplace.org/d.asp?d=3142>

A Closer Look at Business Education

- Students who are committed to serving as positive change agents within companies can use the OB toolkit to help them achieve their goals.

A FACULTY POINT OF VIEW:

[Rekha Karambayya](#) is Associate Professor of Organizational Behavior and Industrial Relations at the Schulich School of Business at York University. She is a member of the Editorial Board of the Journal of Organizational Behavior. Her current research focuses on the career strategies of women and minorities and performance strategies and paradoxes in teams, and she has been nominated multiple times for the Seymour Schulich Teaching Award for her MBA-level teaching. Below, Professor Karambayya discusses her class “Interpersonal Conflict, Politics & Power in Organizations.”

On defining power and politics: “I define power as the opportunity to influence, and politics as a range of tactics around influence. In the first week of class, I go around and ask my students to tell me about how they view power and how they’ve dealt with it. Oftentimes, a number of people who take the class have felt powerless in their personal and professional lives, and they want to better understand power and how to leverage it. Students often come into my class thinking of power as a dirty word. I hope that when they leave the course they’ve come to think of power as an opportunity. I also want them to understand how privileged they are, and to understand that with this privilege comes a great deal of responsibility.”

On examining assumptions: “Each time I teach the class, I have the students do an all-day simulation in which we create an organization and run it for a day, randomly assigning students to a place within the organization. Typically students take it very seriously, and often wind up acting as though the simulation structure is real. It shows that we often don’t question power structures—many of us go through social systems with a kind of system blindness. About two weeks after we do the simulation, I ask the students to reflect on what they saw in the system and what they saw in themselves, and we discuss it in class. It can be painful because it forces students to look back on their own assumptions, which have been shaped by their life and work experiences. A lot of these assumptions are culturally driven. For example, women often talk about gender roles, and how it is taken for granted that they should act nurturing and supportive. People are challenged in class to look at their assumptions by people who don’t share those assumptions.”

On OB’s benefits for an array of students: ““Interpersonal Conflict, Politics & Power in Organizations” tends to attract a varied group of students, many of whom are not specializing in Organizational Behavior. The students are generally quite open-minded, and they learn a lot from each other because as a group they’ve had such a range of experiences and come from so many different places. I also teach a core course for first-year MBA students, most of whom will not end up specializing in OB. I’ve had students tell me that they find the class useful because it gives them a different set of lenses through which to look at their work. It helps them cultivate interpersonal sensitivity, as well as skills like communication, negotiation and team-building, and to think conceptually about the best frameworks with which to design systems.”

Beyond Grey Pinstripes
PREPARING MBAs FOR SOCIAL AND ENVIRONMENTAL STEWARDSHIP

NOTABLE COURSEWORK:

The following course descriptions are drawn exclusively from the 2007-2008 edition of [Beyond Grey Pinstripes](#), a research survey conducted biennially by the Center for Business Education at the Aspen Institute.

- **McCallum Graduate School of Management, Bentley University**
[Team Effectiveness: Theory and Skills \(Elective Course\)](#)
Instructor: Vicki LaFarge

A Closer Look at Business Education

“The course helps students develop the ability to lead and work effectively in teams as well as to know when teams are and are not the best way to reach organizational goals. Emphasis is placed on identifying competing values and beliefs as they influence differing perceptions of ethical dilemmas. Focus is placed on different ethical frameworks and the need for teams to identify when conflict is values-based and the need to discuss values and beliefs as a way to work through the conflict.”

- **School of Management, Babson College**

- [Organizational Design and Processes \(Core Course\)](#)

- Instructors: Anne Donnellon and JB Kassarian*

- “In this course, students learn how to design organizations to fit strategic intentions. Relevant social impact management topics include: (1) What organizational design elements shape the development of cultural practices that are dishonest; (2) Examination of what leads smart people to make bad decisions; (3) Diversity in the workplace and benefits to the corporation of having diverse thinking; and (4) The potential for negative social consequences resulting from corporate decisions.”

- **Schulich School of Business, York University**

- [Interpersonal Conflict, Politics & Power in Organizations \(Elective Course\)](#)

- Instructor: Rekha Karambayya*

- “This course explores the basic concepts of conflict, politics and power in complex organizations with respect to workplace equity and diversity issues. The course is concerned with understanding and managing the dynamics of power and politics in organizational life, along with our own ways of relating to power, politics, conflict and resistance. In addition, related issues such as leadership, decision-making, ethics and gender issues will be addressed. The course is designed to provide students with the following: 1) theoretical and conceptual tools for understanding how and why political conflicts appear in organizations; 2) the tools by which to identify sources of power and influence in organizations; 3) an opportunity for students to assess their own influence styles and skills.”

- **Tepper School of Business, Carnegie Mellon University**

- [Managing Organizations \(Core Course\)](#)

- Instructor: Ray Reagans*

- “This is a course about living, surviving and thriving in organizations. The course is designed to improve your effectiveness as a manager by introducing you to concepts and frameworks for understanding organizations and organizational processes. The inability to effectively organize and coordinate people and processes can and often does derail strategic initiatives. This course focuses on how to build the organizational capabilities that underlie successful strategy implementation and provide firms with a sustainable source of competitive advantage. All of these are basic management issues that come up in my sections on incentives and compensation and managing change initiatives. Leadership in general is the theme that ties the course together.”

For additional courses on related subjects, or to download select syllabi, search thousands of descriptions at [Beyond Grey Pinstripes](#).



NOTABLE TEACHING MATERIALS:

Materials referenced are meant to represent the diversity of related teaching resources available at Caseplace.org. Most are available as free downloads to registered faculty members.

- **Case Study:** [The Box Tree](#)

A Closer Look at Business Education

Source: The Case Research Journal

Gila Baruch, who began as the Comptroller, became the General Manager of the Box Tree restaurant and hotel in New York City shortly thereafter. After managing the operation through a four year labor strike, the longest in New York restaurant history, Baruch became the owner/operator of the Box Tree in order to save it from sure death. Its liquor license was in peril and ownership had been battling the local union for almost as long as Baruch had worked there. Baruch, who bought the business but not the real estate, settled the strike and was faced with the prospect of integrating returning strikers and the replacement workers who had made it possible for the restaurant to weather the strike. Baruch needed to get everyone on the same page, working to rebuild the operation's reputation and business volume.

■ **Case Study:** [Innovation and Collaboration at Merrill Lynch](#)

Source: Harvard Business School Publishing

In the spring of 2005, Candace Browning, head of Global Securities Research and Economics at Merrill Lynch was contemplating the role of collaboration in her department's future since the collapse of the internet bubble was forcing firms to do more with less. Most of these analysts she led were accustomed to working independently in their own regions and areas of expertise. Less than five years earlier, research analysts had expressed little or no interest in group efforts. But by 2005, many analysts who had been assigned to work on collaborative projects indicated increased learning and a willingness to work in teams again. Some analysts themselves chose to work together, while others remained skeptical of the benefits of teamwork. Browning had to consider the issues involved, the feedback received, and the industry itself and devise a strategy moving forward.

■ **Case Study:** [Merck Sharp & Dohme Argentina, Inc.](#)

Source: Harvard Business School Publishing

This case describes the efforts of the new managing director of Merck's subsidiary for Argentina, Uruguay, and Paraguay to transform the organization and its culture particularly around ethical issues. The case focuses on a critical decision: whether to offer the son of a high-ranking official in the government's national health-care program a place—for which he is slightly less qualified than the other top applicants—in the company's highly selective intern program for young professionals. To do so would likely help the company to increase its sales through the government healthcare formulary, but may represent an ethical conflict.

■ **Case Study:** [Naiveté or Boldness?](#)

Source: The Aspen Institute/Yale University

This case, from the *Giving Voice to Values* curriculum, focuses on leadership – in this instance, standing up to the CEO in a healthcare setting over a strategic decision about whether to sell the hospital to a for-profit organization..

ONGOING QUESTIONS:

- How can scholars use the tools of Organizational Behavior help the public to understand the firm-level causes of the economic crisis?
- How can future managers be best equipped to understand organizational power dynamics and their own efficacy within these frameworks?
- How can managers use OB tools to forge equitable organizational cultures within companies that create value for society at large?

RESOURCES:

A Closer Look at Business Education

BeyondGreyPinstripes.org – World’s biggest MBA database, including detailed records on thousands of courses and information on extracurriculars, university centers, and more, for 128 schools on six continents.

CasePlace.org – A free and practical on-line resource for up-to-date case studies, syllabi, and innovative teaching materials on business and sustainability. Created for the educators who will shape our next generation of business leaders!

A Closer Look is a regular series of briefing papers on topical issues in MBA education, based on the research and programs of the Aspen Institute. The Aspen Institute’s [Center for Business Education](http://CenterforBusinessEducation.org) encourages future business leaders to innovate at the intersection of corporate profits and social impacts.

→ Contact Rachel.Shattuck@aspeninstitute.org to order reprints or to offer feedback.