

# Module 2: Individual Behaviour in Organizations

Comprehensive University-Level Study Notes • Units 7 – 10

## | 7 Theories of Personality – Psychoanalytic Theory – Trait Theory - Individual Differences in the Workplace – Perception

### Theories of Personality

Personality represents the dynamic organization within the individual of those psychophysical systems that determine their unique adjustments to their environment. It shapes how an employee interacts, responds to stress, and handles authority frameworks within an enterprise.

#### I. Psychoanalytic Theory (Sigmund Freud)

Freud's model asserts that human personality is driven by deep, unconscious psychological forces. He segmented the personality structure into three interacting systems:

- **The Id:** Operating strictly on the *pleasure principle*, the Id is completely unconscious, instinctual, and demands immediate gratification of biological needs and impulses without regard for social rules.
- **The Ego:** Operating on the *reality principle*, the Ego is the rational, conscious arbiter. It seeks to satisfy the Id's biological drives in a socially acceptable, realistic manner, balancing raw desire with environmental constraints.
- **The Superego:** The moral conscience of the individual, internalized from societal norms, values, and parental upbringing. It operates on the *perfection principle*, constantly striving for moral perfection and punishing ego lapses with intense guilt.

[Image of Freud's Psychoanalytic Model of Personality showing Id, Ego, and Superego]

## II. Trait Theory (The Big Five Model / OCEAN Framework)

Trait theorists argue that personality can be measured through stable, enduring characteristics. The contemporary gold standard in business psychology is the Big Five Framework:

Personality Trait	Organizational Significance & Workplace Implications
<b>Openness to Experience</b>	High scores indicate curiosity, creativity, and a preference for variety. Essential for roles requiring high innovation, rapid adaptation, and creative problem-solving.
<b>Conscientiousness</b>	Measures dependability, discipline, organization, and persistence. Universally linked to high job performance across virtually all job categories. Highly conscientious workers set clear goals and meet deadlines consistently.
<b>Extraversion</b>	Captures comfort levels with relationships. Extraverts are assertive, social, and energetic. Highly suited for sales, public relations, and leadership positions.
<b>Agreeableness</b>	Reflects a person's propensity to defer to others. Agreeable individuals are cooperative, trusting, and warm. Vital for team cohesion, customer service, and collaborative environments.
<b>Neuroticism (Emotional Stability)</b>	Measures a person's ability to withstand stress. Emotionally stable individuals (low neuroticism) remain calm under crisis, handle feedback constructively, and experience less burnout.

### Individual Differences in the Workplace

No two employees possess identical psychological maps. Managing individual differences requires aligning an employee's cognitive abilities, physical skills, personal values, and core attitudes with their specific job description—a concept known as **Person-Job Fit**. When individual traits match job requirements, organizations experience higher productivity, lower absenteeism, and reduced turnover metrics.

## Perception in Organizational Behaviour

Perception is the unique process by which individuals organize and interpret sensory impressions to give meaning to their environment. In management, what matters is not objective reality, but how employees perceive reality, as behavior is driven by perception.

### The Attribution Theory of Perception

When we observe an individual's behavior, we attempt to determine whether it was internally caused (driven by the person's character) or externally caused (driven by situational constraints). This judgment depends on three tracking factors:

1. **Distinctiveness:** Does the employee display this behavior in other situations? If they are lazy in all tasks, distinctiveness is low (internal attribution). If this is an isolated incident, distinctiveness is high (external attribution).
2. **Consensus:** Do other individuals facing a similar situation respond the same way? If everyone who took a specific route arrived late, consensus is high (external attribution).
3. **Consistency:** Does the individual respond this way over time? If an employee is late every single day, consistency is high (internal attribution).

[Image of the Perceptual Attribution Process map showing Distinctiveness, Consensus, and Consistency]

### Perceptual Shortcuts and Biases

- **Selective Perception:** Filtering incoming data based on one's own interests, background, experience, and attitudes.
- **Halo Effect:** Drawing a general positive or negative conclusion about an individual based on a single characteristic (e.g., assuming an attractive person is also highly intelligent).
- **Contrast Effects:** Evaluating a person's characteristics by comparing them with recently encountered individuals (e.g., a good candidate looking exceptional following a sequence of poor candidates).
- **Stereotyping:** Judging someone on the basis of one's perception of the group to which that person belongs.

# | 8 Motivational Theories – Maslow’s Hierarchy of Needs – Herzberg’s Two Factor Theory – Equity Theory Factors Influencing Job Satisfaction

---

## Motivational Theories

Motivation is the psychological process that gives purpose, direction, and intensity to human behavior in the workplace. It represents the internal drive to expend effort toward achieving organizational goals.

### I. Maslow’s Hierarchy of Needs Theory

Abraham Maslow hypothesized that within every human being exists a structural hierarchy of five distinct needs. As each lower-level need becomes substantially satisfied, the next need becomes dominant:

1. **Physiological Needs:** Baseline survival drivers (e.g., food, water, shelter). In the workplace, this translates to basic salaries and clean working conditions.
2. **Safety Needs:** Protection from physical and emotional harm. Met through job security, health insurance, and safe production plants.
3. **Social (Belongingness) Needs:** Affection, acceptance, and friendship. Met via positive team cultures and collaborative project frameworks.
4. **Esteem Needs:** Internal factors like self-respect, autonomy, and achievement, balanced with external factors like status, recognition, and attention.
5. **Self-Actualization Needs:** The drive to become what one is capable of becoming; maximizing personal potential and self-fulfillment.

[Image of Maslow's Hierarchy of Needs framework displaying the pyramid from physiological to self-actualization]

## II. Herzberg's Two-Factor Theory (Motivation-Hygiene Theory)

Frederick Herzberg investigated the question: "What do people want from their jobs?" His findings revealed that the factors leading to job satisfaction are completely separate from those leading to job dissatisfaction:

- **Hygiene Factors (Dissatisfiers):** Elements related to the work environment or context (e.g., company policy, administration, supervision quality, salary, interpersonal relations, working conditions). When these factors are absent, employees experience intense dissatisfaction. However, optimizing hygiene factors merely brings workers to a neutral baseline of \*no dissatisfaction\*—it does not inspire high motivation.
- **Motivators (Satisfiers):** Elements directly intrinsic to the work content itself (e.g., achievement recognition, the work itself, responsibility growth, advancement opportunities). Optimizing these factors inspires high internal motivation and job satisfaction.

## III. Adams' Equity Theory of Motivation

Equity Theory asserts that employees continuously monitor cognitive ratios of their workplace **\*\*Inputs\*\*** (effort, skill, education, experience) against their received **\*\*Outcomes\*\*** (salary, recognition, promotions) relative to a *\*referent other\** (co-workers, industry benchmarks). The equity equation is represented as:

$$(My\ Outcomes / My\ Inputs) = (Referent\ Outcomes / Referent\ Inputs)$$

**Behavioral Responses to Inequity:** If an employee perceives an unequal balance (either under-rewarded or over-rewarded), they experience psychological tension and will act to restore equity by: changing their inputs (exerting less effort), distorting perceptions of self or others, changing the referent comparison point, or quitting the organization entirely.

## Factors Influencing Job Satisfaction

Job satisfaction is a positive emotional state resulting from an appraisal of one's job experiences. Key determinants include:

- **The Work Itself:** The degree to which tasks are mentally challenging, provide variety, and offer autonomy.
- **Equitable Rewards:** Fair, transparent compensation structures aligned with effort and industry standards.

- **Supportive Working Conditions:** Safe physical environments and comfortable spaces that ease task execution.
- **Supportive Supervision and Colleagues:** Leaders who provide clear direction and validation, and teammates who offer social support.

## | 9 Theories of Learning – Behaviourism – Cognitive learning Theory – social learning Theory - Decision-Making Models - Rational Decision-Making Model- Bounded Rationality Model – Intuitive Decision-Making Model

---

### Theories of Learning

Learning is any relatively permanent change in behavior that occurs as a result of experience. Understanding how individuals acquire habits, patterns, and skills is key to effective training and development programs.

#### I. Behaviourism (Operant Conditioning Theory - B.F. Skinner)

Behaviourism argues that behavior is a function of its consequences. Operant conditioning asserts that individuals learn to behave in a certain way to secure desired rewards or avoid unpleasant punishments. Behavior that is followed by **Positive Reinforcement** (praise, bonuses) tends to be repeated, while behavior followed by **Punishment** or **Negative Reinforcement** tends to weaken and extinguish over time.

#### II. Cognitive Learning Theory

Unlike behaviorists who focus strictly on observable actions, cognitive theorists view learning as an internal mental process. It asserts that learning involves the cognitive organization of information, building mental models (cognitive maps), and processing environmental cues to solve problems logically. It positions the learner as an active information processor, not a passive responder to stimuli.

### III. Social Learning Theory (Albert Bandura)

Social Learning Theory bridges behaviorism and cognitive theory, asserting that individuals can learn by observing what happens to other people—known as \*observational learning\* or modeling. The operational modeling process involves four sequential stages:

1. Attention: The learner must actively notice and focus on the model's behavioral traits. We pay more attention to models who are attractive, high-status, or competent.
2. Retention: The observed behavior must be accurately remembered and encoded into mental memory structures.
3. Motor Reproduction: Converting the stored mental images into actual physical performance or behavior.
4. Reinforcement: Individuals will reproduce modeled behavior if positive incentives or rewards are provided.

### Decision-Making Models

Decision-making is the conscious process of making choices from among two or more alternatives to resolve operational problems.

#### I. The Rational Decision-Making Model

An optimizing model that assumes absolute logic and complete information. It operates through six sequential steps: Define the problem → Identify decision criteria → Allocate weights to the criteria → Develop all possible alternatives → Evaluate alternatives systematically → Select the single best alternative.

*Assumptions:* Complete goal clarity, known options, no time or cost constraints, and perfect mathematical optimization capability.

#### II. The Bounded Rationality Model (Herbert Simon)

Recognizes that real-world human decision-makers face cognitive processing limits, incomplete information, and tight resource constraints. Instead of seeking an absolute optimal choice, individuals simplify complex problems to a manageable level and engage in **\*\*Satisficing\*\***—selecting the first alternative that is "good enough" or meets the minimum acceptable threshold parameters.

### III. The Intuitive Decision-Making Model

An unconscious, rapid psychological process created out of distilled, deep experience patterns. Intuition is not random guessing; it is a highly sophisticated form of rapid cognitive matching where the brain instantly identifies patterns based on years of accumulated expertise and applies a solution framework without conscious deduction.

## | 10 Understanding Emotional Intelligence - Importance of Emotional Intelligence at Work - Developing Emotional Intelligence

---

### Understanding Emotional Intelligence (EI / EQ)

Emotional Intelligence is the ability to monitor one's own and others' feelings and emotions, to discriminate among them, and to use this information to guide one's thinking and actions. Popularized by Daniel Goleman, EI is segmented into five core dimensions:

- **Self-Awareness:** The ability to recognize and understand your own moods, emotions, and internal drives, as well as their direct impact on others.
- **Self-Regulation:** The capacity to control or redirect disruptive impulses and moods; the propensity to think before acting.
- **Motivation (Intrinsic):** A passion to work for reasons that go beyond money or status; a deep drive to pursue goals with energy and persistence.
- **Empathy:** The skill of understanding the emotional makeup of other people; treating people according to their emotional reactions.
- **Social Skills:** Proficiency in managing relationships and building networks; an ability to find common ground and build rapport.

[Image of Goleman's Emotional Intelligence framework displaying the 5 core domains]

## Importance of Emotional Intelligence at Work

While technical intelligence (IQ) and hard skills are necessary baseline entry requirements, EI is the primary differentiator for high performance, especially in leadership roles:

- **Leadership Effectiveness:** Leaders with high EI communicate inspirationally, handle high-stress changes calmly, and build psychological safety across teams.
- **Conflict Management:** Empathetic workers spot subtle emotional undercurrents early, resolving workplace friction collaboratively before it escalates.
- **Stress Resilience:** Self-regulation skills allow professionals to process high-pressure workloads constructively, preventing chronic burnout.

## Developing Emotional Intelligence

Unlike static cognitive intelligence (IQ), Emotional Intelligence can be progressively developed over time through intentional, long-term practice:

1. **Practicing Self-Reflection:** Journaling or reviewing one's automatic emotional reactions to workplace triggers to expand self-awareness margins.
2. **Active Listening:** Intentionally focusing on both the verbal content and the emotional undertones of a teammate's message before responding.
3. **Cognitive Reframing:** Pausing during high-stress crises to reframe negative events neutrally, directly boosting self-regulation capabilities.
4. **Seeking 360-Degree Feedback:** Regularly asking peers, subordinates, and managers for feedback regarding one's behavioral patterns and blind spots.

End of Module 2 • Subject: Organizational Behaviour