

## Unit 3. Organizational Behaviour

### Topic 3.1 Interpersonal Relationships

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# Interpersonal Relationships

# Psychological contract

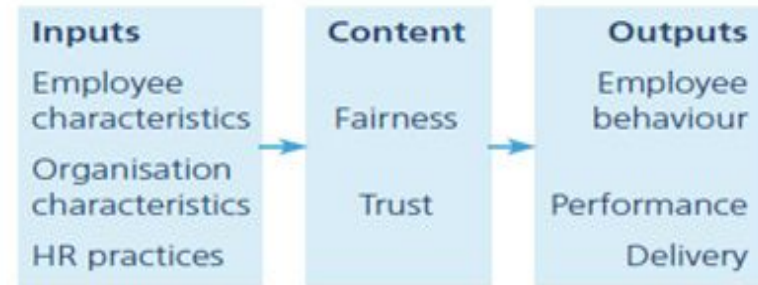
Employees expect to be treated fairly and ethically in return for



providing their employer with a fair and reasonable amount of work.

## Both Employer and Employee Rights

Figure 1: A simplified model of the psychological contract



Source: Adapted from Guest and Conway (2004).

# Employee and Employer Rights



**Employee rights** are based on laws, company employment policies and traditions.

**Employer rights** based on the authority and expectations of the employee.

# Categories of Employee Rights

Statutory Rights	Contractual Rights	Other Rights
<ul style="list-style-type: none"><li>• Protection from discrimination</li><li>• Safe working conditions</li><li>• Right to form unions</li></ul>	<ul style="list-style-type: none"><li>• Employment contract</li><li>• Union contract</li><li>• Implied contracts/employment policies</li></ul>	<ul style="list-style-type: none"><li>• Ethical treatment</li><li>• Privacy (limited)</li><li>• Free speech (limited)</li></ul>

- **statutory right.** A right protected by specific laws.
- **contractual right.** A right based on the law of contracts.
- **Others rights.**

*due process. Equal and fair application of a policy or law during discipline or discharge process.*  
*wrongful discharge. Termination of an employee for reasons that are either illegal or inappropriate.*

# Management Rights

## management rights.

Management's rights to run the business and retain any profits that result.

*Note! Management rights are limited with the rights of employees.*

**employment at will.** A common-law rule used by employers to assert their right to end an employment relationship with an employee at any time for any cause.

- *Accepted - USA*
- *Not accepted in other parts of the world, including Japan and the nations of the European Union.*



Is it ethical to require all employees to sign an employment-at-will statement?

# Employee and Employer Rights

## HR department role in managing employment rights

- Developing and enforcing policies that inform employees of their rights and responsibilities.
- Making managers aware of employees' rights and managers' obligations to employees.
- Acting as an employee advocate, especially in cases where a supervisor misunderstands or disregards discipline policy.



# CQ 3.1

## Question of ethics

A manager of the programming department suspects that one of her programmers is sharing programming information with a competitor through email. Is it appropriate for the manager to examine her employee's e-mail files without the suspected programmer's permission?

thin line between the rights of employees and those of management:

- (1) random drug testing,
- (2) electronic monitoring,
- (3) whistle-blowing (Employee disclosure of an employer's illegal, immoral, or illegitimate practices to persons or organizations that may be able to take corrective action.)
- (4) moonlighting (Holding a second job outside normal working hours.)
- (5) office romance, etc.

**Question:** Monitoring.

+/- for the company

+/-for the employee

# Managing Discipline



# Disciplining Employees

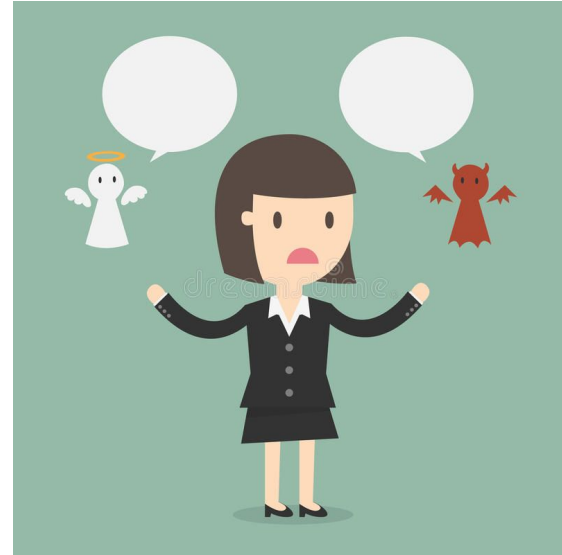
**Employee discipline** is a tool that managers rely on to communicate to employees that they need to change a behavior.

*Usually performed by supervisors  
or a team responsibility*

Two approaches to employee discipline:

(1) progressive discipline and (2) positive discipline.

- Employer has a right to Discipline Employees
- Employee has the Right to Appeal Discipline



# 4 steps of progressive discipline

**progressive discipline.** A series of management interventions that give employees opportunities to correct undesirable behaviours before being discharged.

## 1. Verbal Warning

The employee has an unexcused absence from work. He or she receives a verbal warning from the supervisor and is told that if he or she takes another unexcused absence within the next month, harsher punishment will follow.

## 2. Written Warning

Two weeks after the verbal warning from his or her supervisor, the employee takes another unexcused absence. He or she now receives a written warning that if he or she fails to correct the absenteeism problem within the next two months, more severe treatment will follow. This warning goes into the employee's personnel file.

## 3. Suspension

Six weeks later the employee fails to show up for work for two consecutive days. This time he or she is suspended from work without pay for one week. He or she also receives a final warning from his or her supervisor that if there is another unexcused absence within three months after returning from suspension, he or she will be terminated.

## 4. Discharge

Two weeks after his or her return from suspension, the employee does not show up for work. Upon his or her return to work the following day, he or she is discharged.

# Positive discipline

## **positive discipline.**

A discipline procedure that encourages employees to monitor their own behaviors and assume responsibility for their actions.

Positive discipline replaces the punishment used in progressive discipline with counseling sessions between employee and supervisor.

Learn from mistakes. Motivate to change. Collaborative problem solving.

# Preventing the Need for Discipline

- spending more time and resources on **recruiting and selection**
- Investing in **employees' training and development**
- Jobs, job families, and organizational units can be designed to **motivate** and challenge employees.
- designing **effective performance appraisal** systems.
- Fair **compensation**

# Frustration

**Frustration** is the feeling of being upset or annoyed as a result of being unable to change or achieve something.

The reasons for frustration:

- Working under pressure
- Office politics
- Micromanagement
- Unequal working conditions

(ex., being paid less for doing the same job as somebody else)



# Corporate Culture



Organizational culture encompasses values and behaviours that "contribute to the unique social and psychological environment of an organization".

Synonyms : corporate culture and company culture.



# Corporate Culture

<https://youtu.be/gficoigz1xs>

***Can you change the culture itself? - No.  
But you can change behaviours.***

- affect the organization's productivity and performance,
- provides guidelines on
  - customer care and service,
  - product quality and safety,
  - attendance and punctuality,
  - concern for the environment.
- is linked to competitive advantage, particular service co
- affects customer value.

Why corporate culture is important?



# Corporate culture, Example

HRM and social responsibility

<https://youtu.be/NxJZs7a3DWo>



# Questions