MANAGING BEHAVIOR OF EMPLOYEES IN MULTINATIONAL ORGANIZATIONS

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Abstract

Due to dynamic nature, performance of employees has been major concern for almost all managers in the world. However, now extensive global competition has raised the demand of human performance. The role of human behavior is viewed an important factor of performance by many researchers due to its quick response towards any change. Toxic behavior spoils the performance of individuals and co-workers. So, there is dire need to understand the human behavior at work and manage it accordingly. This study evaluates previous researches on the topic and provides brief solution to multinationals. It is also revealed that extensive research is needed to explore further dimensions of human behavior at work to meet the challenge of optimal performance in current scenario.

Key Words: Human Resource, Behavior, Optimal Utilization, Dynamic nature, multinational organizations

1. Introduction

Human behaviors differ dramatically (Robins, 1999). Their response towards different organisms and in different situations is not similar (Cascio, 2003). Like snow flakes, no two people are exactly alike, and everyone differs physically and psychologically from everyone else (Coulter, 1999). Even within any single physical category there will be enormous variability in psychological characteristics (Porathe, 2009). The point is that these differences demand special attention so that each behavior is managed accordingly. Psychologists classify human behavior in different dimensions (Thompson, 2006). One dimension to classify human behavior is its genetic characteristics (Hartt, 2006). They argue that behaviors possess paternal
qualities due to their genetic uniqueness. Others classify behaviors in the context of different situations i.e. behavior of people in happy moments, on sad occasions, arguing on an act of others and likely other situations. Facts on behavior analysis in different studies show that response of people even in a single situation is not same (Bartol, 2003). This difference may be due to their intrinsic characteristics of behavior, affiliation with the situation, perception of environmental factors and other facets that directly or indirectly influence the behavior (Barton, 2003). Studies discussing human behavior in the context of decision making also exist (Hollenbeck, 2001). This study just explores the behavior of employees in work environments due to the nature of subject. The study emerges the approaches of psychologists and management theorists in the context of performance and multinationals. As behavior of people is field of psychology and performance of employees is covered under the study of human resource management (Bartol, 2006). This study explores different theories of human behavior at work and their management. Understanding the behavior is important as it not only spoils the performance of individual itself but also affects the performance of others (Porath, 2009). Although extensive material is available on the individual behavior and its management, however further exploration is needed due to dynamic nature of the subject. It is revealed that the psychologists and management theorists have focused great attention on the topic during the classical era of management but the researchers and scholars of current era have paid less attention. Moreover, impact of human behavior on the performance of other employees and culture of the organization is further debatable (Hart, 2006). This is the most dynamic variable of employees’ performance (Robins, 1999). It is commonly accepted that an individual with best genetic characteristics and positive attitude towards job is influenced with the behavior of his peers and co-workers (Coulter, 1999). Especially in this age of boundary less businesses and global competition, factors influencing the performance of employees cannot be ignored. In multinationals where employees have diversified cultural backgrounds and personal behaviors, management of employees’ behavior is of more significant importance (Ramburuth, 2005). In literature review, different well-known theories on behavior and motivation are evaluated. Although maximum of these theories cover just the aspect of motivation and performance, inspite; their importance cannot be ignored while understanding the behavior of employees on work places (Barton, 2006).

1.1 Objective of study

Setting aside the visions of the organizations, the fundamental purpose behind the existence of multinationals is to earn profit and they always exert efforts to increase their earnings. Measuring the performance of employees with the established standards and goals is the most powerful tool to analyze future of the
organizations. That’s why primary job of the operational managers’ is to take steps to improve the performance of employees and eliminate all those forces that restrain employees to perform their duties at full potential. Creating conditions in the organizations where employees could achieve their full potential while engaging in economic activities in alignment with the organizational goals is considered primary purpose of managers in the modern organizations. Toxic behavior is one factor that influences the performance of employees but it has gained less attention. The primary objective behind exploring extensive literature on the topic of behavior management is to combine the diversified theories on single paper and provide suggestions to multinationals for improvement of employees’ behavior. At the same time, this study highlights the need for further exploration and opens new doors for future research by scholars to strength the existing theories and to provide new models to develop the behavior of employees in multinationals.

2. Literature Review

Behavior is response of human organs including thinking, feeling, reflecting, and expressing (Hart, 2006). Attitude is internal state of mind of an individual and behavior is external (Clark, 2008). Attitude shapes behavior (Howard, 2003). It is also said that repetitive behavior towards any situation builds the general attitude of a person (Clark, 2008). Behavior of individuals emulates nervous system activity and is influenced by multiple factors like external environment, crucible experiences, neuronal structure and changes in the internal setting of the individuals (Hart, 2006). Impact of drugs on human behavior has also been explored by many researchers and it has highly significant relationship (Wilson, 2000). Although personal genetic characteristics of employees fight against the adaptation of environmental conditions, however, their resistance to change is upto one level and beyond that level environmental forces change the individuals’ behavior (Bloom, 2009). For effective results, behavioral analysis must be made by more than one observer, must be on different time intervals and observation should be repeated, (Hart, 2006). Hart Anne C argues that observance through more than one observer helps to avoid biasness (Hart, 2006). Alternatively, experiments of behavior observers through a single video recording also provide multiple scoring of the same behavior (Hart, 2006). Study of employees’ behavior in business organizations is not new phenomenon (Bloom, 2009). Psychologists and management theorists of pre-classical and classical eras have been discussing different kinds of employees’ behaviors in the organizations and techniques to tackle the specific behaviors (Cascio, 2003). The more emphasis on behavior management has been prevailing due to the increasing demand of performance. Now organizations consider that to succeed in this age of globalization, they must care the
behavior of employees so that performance of other employees may not suffer (Ramburuth, 2005). Organizations do their best to frame the positive work environments for achieving optimal output (Brien, 1999). Study of behavior is also important because this factor not only spoils the performance of individual itself but also affects the performance of peers and coworkers (Forman, 2005). The major concern of organizations is performance of employees so this paper analyzes the human behavior at work in the context of performance. Bartol says that performance is the combination of employees’ abilities, motivation, and working conditions of the organizations.

**Performance:**

![Diagram showing Abilities, Motivation, Working Conditions, and Performance]

Source: Bartol Kathryn M. (2006), Management

Behavior of employees’ contributes in each of the above-mentioned factors (Bartol, 2006). For example, positive behavior employees are good learners (Bowen, 2009). They take training & development in the organization as opportunity and get maximum benefits (Brien, 1999). This increases their curiosity level and they struggle to find and absorb more knowledge. Behavior of employees towards motivation is also different from one and other (Maslow). Extensive work has been carried out by the psychologists and management gurus in this field and different techniques to motivate different behavior employees have been introduced (Cascio, 2003). Some common theories are discussed here to evaluate different behaviors. As well as contribution of employees’ behavior in the development of organizational culture is concerned no rich material is available (Bartol, 2006). Management theorists have been ignoring this aspect of human behavior due to indirect relationship with performance. There is dire need to explore this factor of human behavior in more detail. Although this is indirectly related with the performance, inspite it may not be ignored as the impact of culture on the performance of employees is significant in almost all studies, exploring culture and performance of employees. Behavior viewpoint to achieve efficient performance is not new (Marton, 2006).

Study on identifying the human behaviors and their management started in the mid of 19th century. In succeeding paragraphs, we examine the behavioral theories under the headings of organizational performance, motivating individual employees, and impact of behavior on organizational culture.

**Organizational Performance:**

During classical era of management, Hawthorne studies, and human relations movement played a credible role in identifying the human behavior at work (Bartol, 2006). Two behavioral psychologists Hugo
Munsterberg (1863-1916) and Mary Parker Follett (1868-1933) contributed pioneer ideas in the behavior management (Bovee, 2006). Hugo said that the psychologists can help organizations to achieve optimal production by identifying suitable behaviors for specific jobs, identifying suitable working conditions for individuals, and by developing behaviors of employees to response as per interests of the organizations. Mary Parker identified that members of organizations are continually influenced by the groups in which they work and they have capacity to control over themselves and their activities (Bartol, 2006). She was in favor of power sharing and participative decision making for positive behaviors of the employees (Bartol). Follett suggested integration and unity for positive behavior of employees. McGregor (1906-1964), well known psychologist defined two dimensions of human behavior at work (Robins, 1999). One is based on positive assumptions that is called theory Y and other is based on the negative assumptions that is called theory X (Coulter, 1999). Theory Y assumes that employees are productive; they like work and perform better in positive working environments (McGregor). They must be given opportunities to perform at their own and they should encourage through performance rewards for better results. On the other hand, theory X assumes that employees dislike work, they tend to avoid responsibility whenever possible, so they must be coerced to achieve performance (McGregor).

Motivating Individual Employees:

Motivation is significant variable of job satisfaction, commitment, and performance (Coulter, 1999). To motivate the employees and keep them motivated many researchers emphasized on considering their level of needs (Robins, 1999). Most of the psychologists also argue that by fulfilling the employees desires in hierarchical manners, management can keep the employees motivated (Bartol, 2006). Motivation is the force within an individual that accounts for the level, direction, and persistence of effort expended. Behavior of employees is influenced by the internal state of desires of a human being. That’s why psychologists and management theorists emphasized on their needs (Bartol, 2006). While there are many motivational theories, three of them have been selected for the purpose of this study. Each theory has its own merits, demerits and they all deliver the same message that individual needs influence attitudes and behaviors. Psychologist Abraham Maslow (1908-1970) describes that within every human being there is hierarchy of five needs that are physiological needs, security needs, social needs, esteem needs, and self actualization (Bartol, 2006). He says that when one need fulfills or is near to fulfill, the next hierarchical need born (Robins, 1999). According to Maslow, this is human nature and to control the behavior of employees and keep them motivated, management should focus the needs hierarchical level of employees at specific period (Robins, 1996). He says
that by addressing the specific needs of employees, the management can achieve the target of high performance (Robins, 1996). Clayton Alderfer on the assumptions of Maslow’s hierarchy of needs theory produced the ERG theory of motivation (Bartol, 2006). The three basic needs of employees described by Alderfer are need for existence, need for recognition, and need for growth (Robins, 1999). The process of motivation of Alderfer is almost same with the Maslow’s (Coulter, 1996). McClelland’s Acquired Needs Theory is also important while understanding the behavior of employees at work and its management. McClelland argues that employees’ needs are acquired and learned on the basis of their life experiences. He said that the basic purpose of every employee to work in an organization may be of three types. Employee wants to fulfill any of his three needs that are need for achievement, need for affiliation, and need for power. The one basic difference between Maslow’s theory and McClelland’s theory is that Maslow says the human needs hierarchical while according to McClellan, all three needs may present in an human being every time, however, their level of fulfillment will be different.

**Behavior and Organizational Culture:**

Three management experts, Elton Mayo, William J. Dickson and F.J Roethlisberger conducted the study of human behavior as acting individually and in groups and relate it with the performance (Martin, 2006). Mayo concluded that morale of employees and performance can be increased by introducing rest periods. Their Hawthorne studies conclude that lighting conditions at the work places have significant impact on the performance of employees (Bartol, 2006). They also found during their studies that treating the employees in a special way improves their performance. Conclusion of their third study about the behavior of employees was that while working within groups employees develop their informal acceptable standards and norms to be followed. Mayo was more curious about the interpersonal relationships of employees and he also strengthens the human relation movement. The Behavior Science Movement: during the same period a school of management thought stresses the scientific knowledge about human behavior to guide management practices. Researchers of this thought found that higher satisfaction do not always lead to increased productivity. Reinforcement theory is very important in understanding the response of human behavior as a consequence of specific action. The theory, produced by B.F. Skinner is based heavily on the law of effect, which states that behaviors having pleasant or positive consequences are more likely to be repeated and behaviors having unpleasant or negative consequences are less likely to be repeated (B. F. Skinner). Four techniques, described by B.F. Skinner for the management of behaviors in the context of reinforcement are positive reinforcement, negative reinforcement, extinction, and punishment. The use of techniques associated with reinforcement
theory is known as behavior modification. According to B.F. Skinner, positive reinforcement and negative reinforcement increase the behavior, while extinction and punishment decrease the behavior. Skinner argued that positive reinforcement and extinction encourage individual growth, whereas negative reinforcement and punishment are likely to foster immaturity in individuals and eventually contaminate the entire organization.

Types of Reinforcement

![Types of Reinforcement Diagram]

Source: Psychologist B.F. Skinner

Well know psychologist Albert Bandura describes the theory of social learning on the grounds that without considering the cognitive or thinking capacity of employees, success of behavior development can not be measured. He argues that learning occurs through the continuous interaction of our behaviors, personal factors, and environmental forces (Cascio, 2003). He adds that individuals influence the environment, which affects the ways of their thinking and behaving. Social learning approach states that three cognitive processes are important in explaining one’s behavior and those factors are symbolic processes, vicarious learning, and self control (Marton, 2006). The process of observing and trying to perform the same behavior is called modeling. The modeling process described by Albert Bandura is as follows:

**The Behavior Modeling Process**

Reference: Albert Bandura

Different other theories, describing behavior of employees at work also exit (Bartol, 2006). However, covering all those theories in single paper is not possible due to limited time span and resources. Each theory on behavior management has separate dimensions and demands thorough elaboration for fruitful results (Coulter, 1999). Producing too short theories without complete dimensions is disgrace with these theories and it is also injustice with original authors. So, while closing the literature it is revealed that extensive work on behavior management has been carried out during the early eras of management; however, very little attention has been given during the current era. As the behavior of employees is dynamic factor, which always seek further exploration. Researcher and scholars must emphasis on this topic for their future study.
3. Methodology

Due to very short time span available to conduct this study and considering the available resources, secondary data has been used in this paper. Data has been gathered from various written and published sources like books, journals, magazines, publications, and pamphlets etc. Extensive material available on web related to the topic has also been viewed and evaluated for more effective findings. While referring the theories, notions of different authors, efforts have been made to utilize authenticated material to ensure the validity and reliability of paper. Most of the theories, referred in this paper belong to well known scientists, psychologists, and management theorists, like Abraham Maslow, McGregor, Mary Parker, Frederick Taylor etc, which make the validity of paper unquestionable. The data covers theories of different eras of the history and of different regions of the world so application of the paper is beneficial for the whole multinationals of the world. No cultural behavior of any specific region has been emphasized and targeted to avoid the biasness of the study.

4. Results & Analysis

Cross-cultural competence is pre-requisite for global leaders and managing diversified behaviors in multinational companies is mandatory requirement for efficient managers (Ramburuth, 2005). Bloom (2009) says that while functioning globally, under a competitive strategy, the implications for managing people may include:

- **Selecting right behavior employees**
- **Giving behavioral training to employees and**
- **Developing processes to control the behaviors of employees**

As negative behaviors spoil the performance of employees, no other factor spoils (Cascio, 1998). After thorough evaluation of different behavioral theories, it is found that behavior of employees has significant impact on the performance of employees themselves and on the performance of other employees as well (Heames, 2006). Behavioral consequences of employees have also vast contribution in the development of organizational culture (Bowen, 2009). This organizational culture again has impact on the behavior and performance of new employees, which leads to create a vicious circle (Wilson, 2000). According to Forman (2009), employees differ in behaviors due to:

- **Genetic characteristics**
- **Social culture**
- **Environmental conditions**
- **Family situations**
We also find that behavior of employees towards the same situation is not always same (Marton, 2006). One study found that a singer, copying his own song during a competition was at 16th position (Cascio, 2003). This shows that how difficult it is to reflect the same behavior of performance at the same level every time. One study shows that toxic colleagues contribute to corrode the performance of their colleagues (Porath, 2009). Molding of behavior is difficult but not impossible (Bartol, 2006). Perception of employees towards a situation is very important in the development of their behavior towards that situation (Wilson, 2000). Normally positive perception leads to construct positive behavior. When one person fails to fulfill his desires, he gets satisfaction by restraining others to fulfill their desires (Rieck, 2005). Management must try to reflect their positive image to the employees so that wrong perceptions are not developed (Heames, 2006). Development of social relations with the employees and listening their personal issues give them mental relieve (Coulter, 1999). Latest communication tools and systems may help management to better understand the behavior of employees and their management (Brien, 1999).

5. Discussion / Conclusion

Molding behavior is difficult but not impossible and managing the behavior is not so simple (Bartol, 2006). It is first responsibility of the management to choose the suitable behavior employees for each job, because no behavior is suitable for each job (Cascio, 2003). After selection, employees should be given behavioral training so that a positive environment is created (Bovee, 2008). Management should emphasize all those factors that influence the behavior of employees and then efforts should be made to control those factors (Coulter, 1999). The most important factor in the development of behavior is perception of employees (Bloom, 2009). Management should give due importance that negative perception is not developed among employees (Washburn, 2009). Management should always reflect its positive image (Noe, 2004). Employees are much sensitive towards the response of management in different situations. Such situations are opportunities for management to get the commitment of employees (Mary, 2008). On the other hand, it may become harmful for management if not handled wisely. No behavior is long lasting and it changes with the change in situations (Bovee, 2008). Toxic behavior employees are not born they are made and they may become efficient workers if properly managed. Development of strong relations between employees and management is the solution of many behavior related issues (Keen, 1991). Management should develop strong relationship networks to get the commitment of employees (Paarlberg, 2004). Latest communication tools and systems may help management to achieve the target of strong relationships (Brein, 2004). Inspite of all these
measures, if behavior of employees is not positive towards the organization, then management should immediately fire such employees (Mary, 2008). Presence of such employees in the organizations is more dangerous than their leaving the organizations (Porath, 2007). Some researchers also find that inefficient but positive behavior employees are better from efficient but toxic behavior employees. In short, managing the behavior of employees is a dynamic job and each employee seeks special attention by the management for the development of positive behavior (Mathew, 2008).

6. Contributions of Study
In developing countries like Canada, India, Pakistan etc private as well as public sector organizations are not much familiar with the behavioral tools to increase the organizational performance. Public sector organizations are perhaps more traditional than private sector. The importance of latest managerial knowledge for multinational organizations is much vital. This study emphasizes the importance of behavior management to increase performance. It provides comprehensive knowledge on behavior management in a single paper for scholars. The organizations may also utilize this study to enhance their performance by managing behavior of employees.

7. Limitations of Study
Although efforts have been made to combine different theories of “behavior management” on a single paper to provide comprehensive knowledge to scholars, but some may remain un-digged. It is due to the fact that some websites demand subscription to download useful knowledge and resources at scholar level does not allow to pay subscriptions.

8. Future Research
It is revealed during the exploration of knowledge that very little attention has been paid by the scholars to explore the behavior management during the current era. Theories developed by management gurus during the classical era of management now not seem much effective because organizational structure, business environment, employees’ needs, standard of living, and organizational preferences have been changed simultaneously. There is dire need to explore further dimensions of employees’ behavior at work and its management. Especially, need of behavior management in multinational organizations is more than national businesses because they have employees of diversified cultural background.
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