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ORGANIZATIONAL BEHAVIOR AND AGENCY: A CONCEPTUAL ANALOGY WITH INDIVIDUAL AGENCY

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ABSTRACT

The purpose of this article is to present a conceptual analogy using sociocognitive constructs related to individual agency in order to understand organizational agency. In this regard, the manner in which organizations operate intentionally can be analogously interpreted through the same theoretical lens used to understand human functioning. Based upon Bandura's social cognitive theory, essential agentic constructs such as outcomes, goals, efficacy, and reciprocal determinism will be discussed in order to provide a theoretical framework for understanding organizational agency.

KEYWORDS: Organizational behavior, agency, regulation, efficacy

INTRODUCTION

Sociocognitive theory adopts the agentic perspective that, in general, humans act in purposeful ways in order to proactively shape their lives (Bandura, 1986). Humans are able to engage in intentional action due to their inherent abilities to (a) think in symbolic and creative ways, (b) learn from the actions of others, (c) ideate potential courses of action and anticipate consequences, (d) regulate personal behavior by both choosing and motivating action, and (e) reflect upon courses of action and their consequences thereby informing future action (Bandura, 1986). This conceptualization of personal agency recognizes the interplay between the person (thoughts, feelings, and intentions), his or her behavior, and the environment in understanding human functioning (Bandura, 1986). An individual's agency emerges from this interplay subjectively; that is, although the interactions between these three factors are the essential determinants to every person's action, resultant action is not deterministic (i.e., perfectly predictable) in that the three factors and the resulting interplay vary—often considerably—between individuals.

Of course there can be automatic responses to environmental stimulants with little if any cognitive mediation between stimulus and action; for example, people will typically pull their fingers quickly from a very hot surface without engaging in time-consuming thought. Such reactions are instinctual and for good reason (i.e., to avoid personal injury!). However, personal agency is situated within a sociocognitive framework that describes intentional self-regulation based upon mental abilities—symbolization, vicarious learning, forethought, regulation, reflection—that interact with behavior and the environment in reciprocal ways (Bandura, 2006).

ISSN 2581-5148

Vol. 2, No. 05; 2019

Just as there are myriad roles and duties that must be filled by people requiring individual agency to influence personal life trajectories, there are innumerable services and products that must be satisfied by organizations—collections of individuals—exerting organizational agency to influence the subjective trajectory of each organization's "life." Analogous to an individual, an organization exerts agency by choosing actions, regulating activities, and learning from the consequences of actions to inform future behaviors. Thus, the study of organizational agency can be informed by juxtaposing sociocognitive concepts used in understanding personal agency.

ORGANIZATION AS FOCI OF AGENTIC ACTION

The unit of analysis in the ensuing discussion is the organization. In this regard, organizational behavior refers to a superordinate perspective of how humans motivationally, intentionally, and capably work in a concerted manner consistent with an organization's mission. Using this same perspective, organizational learning can be understood as system controlled information acquisition, storage, and retrieval; that is, how the organization acquires, manages, and uses information.

There are two lenses through which one can interpret an organization's activities: automatic and non-automatic. Using the automatic perspective, algorithmic systems engage in control processes that require no human interaction for discretion. In this conceptualization of automatic organizational regulation, control systems acquire information, store information, retrieve information, monitor information in light of desired standards, and, if necessary, adjust processes (cf. self-regulation as per Zimmerman, Bonner, & Kovach, 1996) in order to (hopefully) (a) keep desired standards obtainable by maintaining optimal performance, (b) take immediate advantage of opportunities when such advantage is time dependent, and (c) avoid organizational injury. Because of the pervasive use of computerized methods, a salient characteristic of the automatic perspective is that associated activities are manifest without human discretion and, thus, are immediate. However, bureaucracies, policies, and procedures are also created to provide actions to defined, predictable occurrences (cf. Mintzberg, 1979) with little if any human discretion—perhaps human involvement but not variance in action—thereby creating additional automatic responses with little time delay caused by deliberation.

The nonautomatic perspective recognizes the role of humans in decisional processes. Interorganizational action varies considerably in subjective ways because of a great deal of human discretion; that is, organizations vary in purpose, capabilities, information, methods of operation, and responses to environmental happenings. While certainly there can and often are algorithmic systems that make activities related to the automatic perspective somewhat of a hybrid configuration, the essential characteristic of the nonautomatic perspective of organizational regulation is that decisions are controlled with concomitant time delays due to human intervention. Information acquisition, storage, and retrieval may or may not be systematically controlled, but humans use the information in order to engage in data driven decision making. Thus, the time delays that make this perspective nonautomatic reflect the intent, focus, diligence, and the individual and collective capability of

ISSN 2581-5148

Vol. 2, No. 05; 2019

organizational members. From this perspective, organizational learning represents the outcome of human resource development; that is, human learning that furthers organizational achievement.

The nonautomatic perspective is the relevant conceptualization for the ensuing discussion. In fact, the nonautomatic perspective is essential in understanding the development of automatic processes as the latter are not manifest due to divine intervention but rather are conceptualized, chosen, designed, created, tested, and implemented by people. Thus, organizational intention refers to that organizational state or course of action (vis-à-vis state intention and behavioral intention, respectively) that specific organizational members have decided to pursue (i.e., even different people in the same organization may make different decisions) based upon their appraisal of desirable goals and requisite capabilities and informed by reflections of past events. Mechanized standards of comparison used in automatic control systems do not reflect the psychological complexities that must be considered in order to understand the intention of organizational members; thus, in the ensuing discussion, if an organization decides to make pizzas instead of automobiles in order to realize a profit, the reader should infer this to be a human decision involving one or more of the organizational members.

OUTCOMES AND PERFORMANCE GOALS

Organizational performances result in consequences that fall into two categories: outcomes and goals. Outcomes are those consequences that are not the direct result of a performance, which is in contrast to goals, and thus are not entirely deterministic (i.e., perfectly predictable; cf. Bandura, 1997). As an example, an organization may create a performance goal of producing X units due to a predicted outcome of profiting Y dollars; in this example, the organization does not directly produce Y dollars (unless it is a government mint!) but rather adopts the performance goal based upon a perceived correlation to the desired outcome (i.e., profit of Y dollars). The reality, of course, is that the goal may or may not result in the outcome. In addition, other unanticipated outcomes may occur. However, unlike an outcome, the organization's performance directly achieves the goal.

Outcomes fall into three categories: personal, social, and evaluative (cf. Bandura, 1997). Personal outcomes refer to physiological and emotive arousals of organizational members (e.g., pleasure, pain); social outcomes refer to the response of nonorganizational members (e.g., remuneration, praise, derision); and evaluative outcomes refer to the degree that an organization believes its performance is ethically upright. Different outcomes are satisfied to varying degrees dependent upon organizational performances; thus, an organization must decide the proper weight given to different desirable outcomes (which are sought) as well as to different aversive outcomes (which are avoided)—that is, establish a value system—and then decide a course of action that will hopefully lead to desirable consequences (i.e., maximizing desirable outcomes while minimizing aversive outcomes; cf. expectancy value theory; Atkinson, 1982; Vroom, 1964). While unethical acts are typically avoided (i.e., most organizations should believe that compromising ethical standards do not

justify the attainment of desirable outcomes), nevertheless some organizations do engage in ethically questionable practices due to valuing personal or social outcomes over evaluative outcomes.

Organizations typically differ on their specific performances even though similar outcomes are sought. As a very simple example, for-profit companies attempt to maximize profits (i.e., a social outcome) but engage in disparate business ventures designed to accomplish this; that is, some businesses sell fried chicken and some sell computers with the same anticipated profit outcome. Goals refer to those measureable consequences that performances directly produce. It is a matter of fact when a pizzeria cooks a pizza in 15 minutes, a shoe manufacturer produces 500 brown loafers in a month, or a salesperson calls on 15 clients in a day. Reiterating, such goals are determined and adopted due to a perceived relationship to accomplishing desirable outcomes and avoiding aversive ones. The specificity of the goal is easily compared to the actual performance consequence thereby informing actual accomplishments, actual relationship to outcomes, and future decisions.

COLLECTIVE EFFICACY

An efficacy appraisal refers to the perceived ability to engage successfully in a specific course of action and influences performance choices, effort, and perseverance in the face of obstacles and setbacks (Bandura, 1977, 1997). If the unit of analysis were an individual, the individual would likely perceive disparate capability in executing a variety of performances such as running a 4-minute mile, solving an algebra problem, cooking dinner, designing a nuclear reactor, etc. thereby illustrating the importance of understanding self-efficacy as a domain specific construct. In this same regard, an organization also perceives its collective efficacy in various domains and chooses performance domains consistent with perceived abilities; thus, as an example, one organization chooses to engage in performances that support bread making whereas another engages in performances that support oil drilling. In both examples, the organization perceives the abilities (i.e., performance-related knowledge and skills, psychosocial skills, and learning abilities) of its members and then chooses to engage in given activities based upon a perception of requisite capabilities to successfully accomplish goals that are perceived to be related to desirable outcomes. Although both the bread making and oil drilling companies likely have the same desirable outcome of monetary profit, collective efficacy appraisals explain the difference in the specific performances and goals chosen to realize this same outcome.

As an assessment of the collective, not only is the activity domain specific but also are the organizational members. This is consistent with the notion of a team, which is a group of individuals who fulfill different roles necessary to accomplish the team's goal. While there may be redundancy in a few roles, nevertheless an authentic team activity must require disparate roles so that different individuals bring contrasting skills that work in concert. Thus, an organization's assessment of collective efficacy is dependent upon an appraisal of not only the varying roles required for success but also the specific members of the organization who fulfill these roles. As team members must depend upon each other, psychosocial skills must also be judged in addition to work-related

knowledge and skills when assessing collective efficacy; that is, organizational members must not merely know how to work but also know how to work with each other. Effective "talent acquisition" (Monahan, 2018, p. 157) addresses both work-related and psychosocial skills in hiring.

Efficacy appraisals are constructed using four sources of information: mastery experiences, vicarious experiences, verbal persuasion, and stressors (cf. Bandura, 1977, 1997). At the organizational level, mastery experiences refers to actual performance successes; for example, if a manufacturer has produced x number of units in each of the last y successive months, the collective belief that the requisite capability exists to produce x units next month should be strong provided the personnel, processes, and predictable impediments are perceived to be similar. The efficacy to accomplish greater goals is also strengthened when extant characteristics are perceived to increase in scale only; for example, if a given manufacturing plant produced x units in each of the last successive months, two identical manufacturing plants should be able to produce twice as many units with extraneous factors being equal. At the organizational member level, the organization's appraisal of a given member's abilities is influenced by that member's previous successes or failures and the degree to which the member is perceived as the causal factor of either.

Efficacy can also be strengthened vicariously based upon the performance successes of other organizations deemed similar in personnel and practices; for example, a manufacturer may initially adopt a performance goal of producing x number of units per month after observing a perceived similar operation accomplishing this goal. Verbal persuasion works to strengthen efficacy when the opinions of knowledgeable others (e.g., industry experts) offer expressed support for the existence of requisite capabilities. Finally, stressors are interpreted in either efficacy strengthening or weakening ways depending upon how the organization interprets the stability of capability. Note that a stressor can be emotional (i.e., a climate of tension among employees) or physiological (i.e., physical pain due to exertion). If capability is deemed unchangeable, then stressors may be interpreted as a lack of capability (i.e., inefficacy); however, if capability is deemed changeable, then stressors may be interpreted as natural, temporary consequences that will subside as capability—and, thus, efficacy—increases (Bandura, 1997).

RECIPROCAL DETERMINISM

Archaic conceptualizations of human functioning can generally be categorized under behaviorism or cognitivisim. In the behaviorist paradigm, human behavior is the result of environmental influence with no cognitive influence; in the cognitivistic paradigm, human behavior is the result of cognitive influence with no environmental influence (Engler, 2009). Social cognitive theory rejects both conceptualizations and adopts an emergent interactive paradigm that recognizes human functioning as a result of the interplay between person, behavior, and environment (Bandura, 1989). This model of reciprocal determinism recognizes the import of all three factors—person, behavior, and environment—and their subjective, time-dependent interaction that describes the variability in human activities dependent upon the person, situation, and time (Bandura, 1986).

ISSN 2581-5148

Vol. 2, No. 05; 2019

Supplanting the organization as the unit of analysis, organizational functioning must be analyzed as the result of the interplay between organization, organizational behavior, and environment. The organization (O) consists of its resources (e.g., infrastructure, members, wealth, and information) as well as its values and desired outcomes; organizational behavior (B) are the activities of the organization; and the environment (E) is everything external to the organization. This model recognizes three bidirectional interactions: O←→B, O←→E, and B←→E (cf. Ponton & Carr, 2012, 2016).

Organizations choose behaviors (O→B) based upon its knowledge (objective information and subjective interpretations), interests, relative valuations of desirable and aversive outcomes, organizational efficacy, and the perceived correlation between behaviors (includes performance goals) with outcomes. Behaviors influence organizations (B→O) by providing mastery experiences and stressors that influence efficacy appraisals and produce actual outcomes and information that are collected (i.e., organizational learning).

Organizations influence the environment (O→E) as their mere existence can affect markets, how existing organizations behave, whether or not new organizations are created, and government reactions (e.g., regulations). The environment influences organizations (E→O) by providing information that affects value systems, events that influence situational and temporal judgments, and verbal persuasions and models that influence efficacy appraisals.

Organizational behaviors influence the environment (B→E) by offering products or services, creating the necessary infrastructure for operations, and choosing aspects of the environment with which to interact. The environment influences behaviors (E→B) by offering, facilitating, and obstructing opportunities and operations.

Personal agency and, analogously, organizational agency can be exercised through three modes: individual, proxy, or collective (cf. Bandura, 2006). When an organization decides that a given behavior is needed, it can decide whether (a) to do it on its own (individual mode), (b) to enlist another organization to do it (proxy mode), or (c) to do it in collaboration with another organization (collective mode). Such decisions are informed by considerations of efficiency and effectiveness (using appraisals of abilities both perceived and authentic) in light of situational happenings. However, regardless of the mode through the organizational agency is exercised, the behavior is still the result of the organization's agency; that is, the behavior is intentionally catalyzed by the organization regardless of which entities actually perform the behavior.

CONCLUSION

The premise of this article is that there is utility in understanding organizational behavior and agency using a theoretical framework associated with personal agency; namely, Bandura's social cognitive

ISSN 2581-5148

Vol. 2, No. 05; 2019

theory. As such, constructs related to motivation, efficacy, and reciprocal determinism were discussed at the organizational level. Because this is a heuristic approach, this premise is open for debate; however, the discussion presented will hopefully be sufficiently convincing as to stimulate further dialogue using this analogy.

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