Organizational Behavior: Problems Of Bank Of America And Strategy To Decide Them

Introduction

Since civilizations exist, there is a word that is in every person's mouth, and this word is development. Most of the time, development goes along with economic growth. Therefore, businesses are pillars of development. Thus, these companies' efficiency becomes very important and for them to be efficient, they need an effective organizational behavior. Then, what is organizational behavior?

According to Colquitt, Lepine and Wesson in Organizational Behavior: Improving Performance and Commitment in the Workplace, it is "a field of study devoted to understanding, explaining, and ultimately improving the attitudes and behaviors of individuals and groups in organizations." (6) This so called field has a huge importance on the workplace because it strongly contributes to the equilibrium of the capitalist society we live in. Indeed, in our economic system, entrepreneurship is encouraged and a lot of firms are created per year. According to Small Business Administration, not less than 627,000 new businesses open each year. This affluence of businesses is possible because companies before worked very well and showed that it can be very profitable. Therefore, it appeals to the capacity of an organization to push its employees into job performance, which is one of the two primary outcomes of organizational behavior. That is the way organizational behavior matters in every industry.

In order to apply the solutions that organizational behavior has for improving job performance and commitment in an organization, I decided to work on Bank of America.

Bank of America is an American investment bank listed on the New York Stock Exchange. It was created in 1929 in California by Amadeo Giannini. However, it is now known as its merger with NationsBank in 1998. This Bank is one of the world's best financial institutions, serving households, small and middle-market companies and large corporations. The vision of Bank of America is to continue to help their customers grow and demonstrate how they can turn opportunities into reality. They have a huge influence when it comes to helping its customers achieve their projects. Today, the CEO is Brian Thomas Moynihan. He is in function since 2010.

Through leadership, decision-making and structure, people and work processes and systems, I will apply my knowledge of organizational behavior to solve the issues that Bank of America is facing in order to improve job performance and organizational commitment individually, in groups and at the organizational level.

This study aims to an efficient organizational culture.

Part One: Problems Of Bank Of America

1. Leadership

The main problem that I pick up in the organization is disconnection between the top of this organization and the bottom, I mean the leader(s) and the employees. In every institution, it happens effectively that managers are either fancy or do not care about interpersonal skills and it creates a certain distance between the managers and the subalterns. The main consequence is that disconnection is counterproductive. Indeed, the employees have no model, no good example to follow, neither any person to push them forward. But still, every team needs this kind of person to allow cohesion within the team. There is no affective commitment, no organizational citizenship in an organization like this because nobody is comfortable with this situation and nobody is ready to give his best for the firm and this is dangerous because it results in withdrawal behavior. Disconnection will not only cause the absence of commitment and motivation but it will also create an atmosphere of defiance from the bottom toward the top. We can see many cases like that in politics nowadays with people having a bad opinion about the political elites because there is no link created between them. In that way, disconnection has effects that go against the vision and the priorities of the company.

2. Decision-Making And Structure

The main problem related to decision-making in Bank of America is gambling. Employees do not take accurate decisions. Mainly because they may have limited information, faulty and perceptions and faulty attributions. In fact, every bank has risky assets under management and they have to invest in profitable projects and make loans with our customers' savings. This situation requires conditions like clear roles, enough information and the right perspectives for them to make effective decisions. However, what is happening is that depending of their conditions, employees are gambling with the money and do not feel accountable for the losses because they invested in the name of their managers. This problem is due to the fact that they don't have enough training in the field and do not assess the risks and the effects of their decisions for the company. Moreover, the bank cannot assign the right role to the right employee. It brings disorder and waste of time in the company. Also, it causes a waste of money because the institution can hire one thousand employees for an objective that can be achieved by twenty people that are well structured. It doesn't help in achieving the goals because the bank will assign the same task to too many persons while they can be divided in groups that work on different tasks.

3. People

Concerning people within the bank, there are several problems that can occur. We can notice withdrawal behavior by them the employees. In fact, some employees engage in a set of actions to avoid the work situation. It can be physical or psychological or even both regardless the conflicts that can occur.

Physically, they can be missing meetings, late, take long breaks, or they can even turnover. Psychologically, they mentally escape from the workplace by daydreaming, looking busy, moonlighting, cyberloafing or socializing.

Also, given that a bank needs to adapt to multiple trends, our capacity to change is affected by some employees' resistance because of their habits they find difficult to change. People also stress because of emergencies and crisis situations, or work in general. They lack creativity, anticipation, interpersonal ability, or even cultural adaptability. These weaknesses negatively

affect their performance values and behavior. Some conflicts can also occur within groups or the organizations.

4. Work Processes And Systems

For Bank of America to be a strong organization, operation management needs to be reviewed of signals of ineffectiveness and inefficiency . People are not well coordinated and this usually creates a situation of teams' isolation and task that are not completed. Skills are often missing or not exploited at their full potential. The organization can also have disruptions and finally this inefficiency will make the company less valuable and the stakeholders that are outside the organization will not be happy with that.

In a world of competition like bank industry where return on investment, opportunity and trust from the customers are the asymptotic Holy Grail, Bank of America needs a well-coordinated process, implement a good strategy that will prioritize commitment and high value performance within the institution.

Part Two: Effective Strategy For Bank Of America

1. Leadership

In response to leadership problems in the organization, it is better to come up with a transformational leadership. The advantages of such a leadership are an ideal influence, inspirational motivation, intellectual stimulation and coaching. Once the vision has been clearly stated, the leadership ends conflict issues through inspiration, working with them to know what the point of divergence is and push them to commit to institution's vision.

The leader will coach his/her co-workers. A personalized consideration will be maintained between them. He will try to create a good atmosphere through interpersonal skills, respect, justice, equality. Great speech for the teams to be motivated and cohesive enough to express their participation to the effective achievement of the vision they all share.

The way of using and exercising power will motivate the teams and we will notice an increase if citizenship within the organization. It will affect people's job performance, they will give it all to be part of the achievement of the company goals. The atmosphere of trust, collaboration and cohesion facilitates effectiveness because staffs are willing to spend time on activities that add value.

2. Decision-Making And Structure

About decision making and structure in BANK OF AMERICA, my strategy is firstly to train our teams. In fact, knowledge puts both the managers and the employees in the right conditions to make the right decisions. We can enter in a contract with some finance experts to have some online sessions to reinforce the employees, and even focus on different domains for each team or employee so that each entity is an expert somewhere. Also, have meetings where managers and employees coach each other about their actions and the effects of those on the company. It will bring comprehension in the bank and everybody will be synchronized.

Since the former paragraph links up with organizational structure, the idea that we want to bring in lies in the say from co-founder of OkCupid, Sam Yagan: “The impact of organizational structure on a company’s ability to get, create, innovate, evolve, or just plain survive. Everyone knows that hiring, engaging, and retaining talent is a huge competitive issue, but I don’t think enough executives of companies big or small realize the impact the way they organize their talent has on company’s overall productivity”. Here, Sam Yagan emphasize on the importance of effectively using everyone’s knowledge for the company to be productive. Thus, by allowing people to know about their talent and favorite domain, Sheri Bronstein, Chief Human Resources can create an effective organizational structure. This structure will be based on two main aspects: Work specialization and Chain of command. For work specialization, it is about using employee’s time and energy in creating added value. Each team or individual is assigned a different task to achieve like they do in SpaceX so that all the work can be done more effectively and rapidly.

And then, when the teams or workers are done with their tasks, who do they report to? The answer to this question lies in chain of command. Indeed, each person according to their level of authority is due the report of the subaltern.

Bank Of America’s Corporate Structure:

3. People

My strategy to make people participate in the effectiveness of BANK OF AMERICA is first to go against routine in our institution. Routine is the main reason why people are resistant to change. As a bank, our ability to adapt to macro-environmental influences that can be crisis, inflation and unpredictable events will be determinant of the reputation of the company. Therefore, we will opt for more adaptive task. That way, our teams and employees will be more able to accept and direct the change instead of endure it.

Secondly, about the conflicts, we need to push people to demonstrate interpersonal adaptability. Through open-mindedness, flexibility, consideration of the opinion of the peers. Also, cultural adaptability in order to adjust our behavior in a way that we keep a cohesive atmosphere within the groups and the institution.

Moreover, to deal with withdrawal behavior, we will emphasize on commitment. But in order to engage in a process of making our teams more committed, we need to know what does it mean to be committed. Commitment is the willingness from an employee to remain part of the institution. For us to be more effective in our process, we have identified two elements that influence organizational commitment: those are the diversity of the teams and the relationship between executives and their subalterns. In that sense, our effort to push people to demonstrate more cultural adaptability will allow everybody to feel comfortable with the others given each person respect the other’s cultural value. This trend will positively influence affective commitment. For second trend, executives need to maintain a human link with the employees, an organization is a family and for no reason a manager should be humiliating somebody. Respect and justice should be reigning in the company with people always trying to communicate in order to increase comprehension and empathy within the company.

It is undeniable that putting people in the good conditions like our strategy preconizes will push

them to spend their time into activities that add value to the bank.

4. Work Processes And Systems

Bank of America is one largest financial institution in the world. For them to have this reputation, the company has been focusing on the main elements that crucial in our very competitive market. Those are efficiency and effectiveness.

First, by going against disruption. Indeed, the company, through brainstorming will deliver a creative behavior, coming up with innovative ideas to maintain a high work flow. Big advancements have been done in banking sector thanks to this. We can talk about the Blockchain, Robot advisors, Big Data Analysis and so on.

As a response to teams isolation due to lack of coordination, it is better to put people with talents in different fields and discipline together so that there is an interdependence within the group and people are more willing to work with others given that there is also an interesting exchange of knowledge and experience within the teams and they will achieve their task. All the resources are therefore well used at their full potential, each employee putting their talent to serve the team. At a larger scale, the bank will be more efficient and effective by achieving things with a better method with an excellent timing. It will allow the Human Resources to find out who is not in the right team or department and therefore have a discussion in order to send him/her where the integration will be easier.

The company will be more satisfying for the stockholders also.

Conclusion

Bank of America’s vision since 1929 is to continue to help their customers grow and demonstrate how they can turn opportunities into reality. However, some problems can occur and make the way more challenging. Those issues are here related to how executives use their power to direct the activities of subalterns in order to achieve their goals, combined with people’s behavior and their job performance, the organizational structure and the working system. The lack of coordination, the conflicts, the misused potential and the disruptions within the bank can affect the bank’s efficiency and effectiveness. Nevertheless, by implementing elements of a positive organizational culture, the institution becomes more attractive to customers and investors. This culture is surrounded by a good coordination, coaching, open-mindedness, creativity, the ability to adapt and innovation. These are the conditions for Bank of America to remain a strong organization.

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