

New Challenges for Managers in the Field of Organizational Behavior (OB)

A Seminar paper

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ABSTRACT

This seminar paper examines the emerging challenges faced by managers in the field of Organizational Behavior (OB) in the modern business environment. The study focuses on key issues such as technological advancement, globalization, workforce diversity, and changing employee expectations, which have significantly transformed organizational dynamics. The main objectives of the paper are to identify these challenges, analyze their impact on managerial effectiveness and organizational performance, and explore strategies to overcome them. The research is based on a conceptual, theoretical, and empirical review of existing literature, including studies conducted in both global and Nepalese contexts.

The findings reveal that technological changes, including digital transformation and artificial intelligence, have increased managerial complexity and created issues such as technostress. Similarly, globalization has expanded organizational operations across borders, leading to cultural and communication challenges. Workforce diversity has been identified as both a challenge and an opportunity, as it enhances creativity and performance but requires effective management to avoid conflict and miscommunication. The study also highlights the importance of inclusive leadership, effective communication, and adaptability in addressing these challenges.

In conclusion, the paper emphasizes that modern managers must develop advanced interpersonal, leadership, and strategic skills to effectively manage dynamic work environments. Organizations that adopt flexible, inclusive, and technology-oriented management practices are more likely to achieve improved performance and long-term success.

Keywords: *Organizational Behavior, Managerial Challenges, Workforce Diversity, Technological Advancement, Globalization.*

INTRODUCTION

Background of the study

Organizational Behavior (OB) is a vital field of study that examines how individuals, groups, and structures influence behavior within organizations. It plays a crucial role in enhancing organizational effectiveness, employee satisfaction, and overall performance. In today's rapidly changing business environment, managers are increasingly confronted with a wide range of new and complex challenges that significantly impact the way organizations operate.

The modern workplace is no longer confined by traditional boundaries. Factors such as globalization, technological advancement, workforce diversity, and changing employee expectations have transformed organizational dynamics. Managers are now required to adapt to digital transformation, manage virtual teams, and foster inclusive work environments while maintaining productivity and competitiveness. Additionally, issues such as employee well-being, work-life balance, ethical concerns, and organizational culture have gained greater importance than ever before.

Furthermore, the rise of remote work, artificial intelligence, and continuous innovation has made managerial roles more demanding and dynamic. Managers must not only possess technical and conceptual skills but also strong interpersonal and emotional intelligence skills to effectively lead diverse teams and navigate uncertainty.

Statement of Problem

In the contemporary business environment, managers are increasingly facing complex and dynamic challenges in the field of Organizational Behavior (OB). Rapid technological advancements, globalization, workforce diversity, changing employee expectations, and the shift toward remote and hybrid work models have significantly transformed organizational dynamics. These changes have made it difficult for managers to effectively understand, predict, and manage employee behavior.

Research Questions

- What are the major new challenges faced by managers in the field of Organizational Behavior in the modern workplace?
- How can managers effectively overcome these challenges to improve employee performance and organizational effectiveness?

Objectives of the study

The following are the three objectives of the seminar paper on “New Challenges for Managers in the Field of Organizational Behavior (OB)”:

- To identify and analyze the emerging challenges faced by managers in organizational behavior, such as technological advancements, workforce diversity, and changing employee expectations.
- To examine the impact of these challenges on managerial effectiveness and organizational performance, particularly in areas like communication, leadership, motivation, and decision-making.
- To explore strategies and approaches that managers can adopt to overcome these challenges.

Methodology

This study adopts a qualitative research approach based on a systematic literature review to analyze managerial challenges arising from workforce diversity, globalization, and technological advancement. The research reviews and synthesizes findings from previously published articles (2021–2025), including quantitative, qualitative, and theoretical studies related to organizational behavior. A thematic analysis method is used to identify common patterns such as diversity management issues, communication barriers, technostress, and global leadership challenges. Therefore, a qualitative thematic literature review is appropriate for examining and understanding contemporary managerial challenges in organizational behavior.

DESCRIPTION AND ANALYSIS

(LITERATURE REVIEW)

Conceptual Review

Organizational Behavior studies how individuals and groups behave within organizations and how this behavior affects organizational performance. According to Stephen P. Robbins and Timothy A. Judge, organizational behavior focuses on understanding, predicting, and influencing employee behavior to improve organizational effectiveness (Robbins & Judge, 2017). In the modern business environment, managers face several new challenges due to globalization, technological advancement, workforce diversity, and changing employee expectations.

Technological Advancement

One of the major challenges for managers is technological advancement, which has transformed the way organizations operate. The adoption of digital technologies, artificial intelligence, and remote working systems requires management to develop new skills in communication, coordination, and employee monitoring. As noted by Daft (2018), managers must adapt their leadership and management style to effectively manage employees in technology-driven workplaces.

Workforce Diversity

Another important challenge is in workforce diversity. Organizations now employ people from different cultural, educational, and social backgrounds. Managing such diversity requires managers to ensure fairness, inclusiveness, and effective teamwork. According to Fred Luthans (2019), diversity has improved creativity and decision-making, but it also requires managers to handle potential conflict and communication barriers.

Globalization

Globalization has increased competition and expanded organizational operations across national boundaries. Managers must understand cultural differences and manage multicultural teams effectively. Furthermore, the rise of employee expectations regarding work-life balance and job satisfaction has created additional challenges for managers. Therefore, modern managers must develop strong leadership, communication, and adaptability skills to address these emerging challenges and ensure organizational success in a dynamic business environment.

Theoretical Review

Social Identity Theory:

This theory is used in "Impact of Workforce Diversity towards Organizational Performance: A Moderating Role of Organizational Nature" to explain how individual background and social foundations, such as ethnicity, influence group dynamics and creative execution. It posits that individuals categorize themselves and others into various social groups, which can impact intra-group cooperation and performance depending on how diversity is managed within the organization.

Uppsala Model: This model is a theoretical framework used to understand the "tortuous road to globalization" for business. It describes how organizations gradually increase their international involvement as they acquire, integrate, and use knowledge about foreign markets and operations, highlighting the leadership and communication skills managers need during this transition.

Empirical Review

Thapa, Adhikari, and Upadhyay (2025) published an article on the topic "Impact of Workforce Diversity towards Organizational Performance: A Moderating Role of Organizational Nature". The objective of this study was to examine how workforce diversity influences organizational performance and to understand the managerial challenges associated with managing diverse employees in commercial banks. The researchers used a quantitative research methodology with a descriptive and explanatory design. The findings revealed that dimensions of diversity, such as gender, age, ethnicity, culture, and education significantly influence organizational performance and managerial decision-making. The study concluded that although diversity can create management challenges such as communication barriers and cultural differences, effective diversity management can improve organizational performance and provide competitive advantages for organizations.

Rijal (2023) published the research on the topic "The Impact of Workforce Diversity Management on Organizational Performance: A Study in Nepalese Hospitality Sector". The objective of this article was to investigate the impact of workforce diversity management on organizational performance in the hospitality sector and to identify challenges faced by managers in managing diverse employees. The study used a quantitative research methodology. The findings showed that workforce diversity positively influences employee inclusion and engagement, which subsequently improves organizational performance, although diversity alone does not always directly increase performance. The study concluded that managers must focus on creating inclusive work environments and effective diversity management strategies to overcome diversity-related challenges and improve employee commitment and organizational effectiveness.

Pokhrel (2023) published an article on ‘Workforce Diversity and Its Impact on Organizational Success’. The objective of this research was to examine how workforce diversity factors such as age, gender, ethnicity, and education affect organizational success and employee performance in the banking sector. The study used a quantitative research methodology. The findings indicated that all diversity factors had a statistically significant positive relationship with organizational effectiveness and employee performance, suggesting that diversity can enhance innovation and productivity but requires effective managerial strategies to manage differences among employees. The study concluded that organizations should adopt effective diversity management practices to overcome diversity-related challenges and achieve better organizational success.

Scott(2021) published an article on ‘Impact of Globalization on Organizational Behavior in Business Environment’. The objective of this article was to examine how globalization affects organizational behavior and the challenges faced by managers when organizations operate in an international environment. The study used a theoretical research methodology. The findings indicated that globalization increases interaction among organizations across different countries, creating managerial challenges such as managing multicultural teams, adapting to different organizational cultures, and making strategic decisions in highly competitive global markets. The study concluded that managers must develop global leadership skills, cultural awareness, and flexible management strategies to effectively manage employees and operations in a globalized business environment.

Ibadullaeva (2024) published an article on “Examining Communication Challenges During Internationalization Processes in Organizations”. The objective of this research was to explore communication challenges faced by managers during the internationalization process of organizations and how globalization affects managerial practices. The study used a qualitative methodology based on a case study approach. The findings revealed that globalization creates major challenges such as language barriers, cultural differences, and difficulties in coordinating communication across international teams. The study concluded that managers need strong intercultural communication skills and effective organizational communication strategies to successfully manage global teams and maintain efficient organizational performance.

Dayana María Sánchez-Monterrosa and Jorge Luis Del Rio Cortina (2025) published an article on ‘The Strategic Impact of Top Management Teams on Business Internationalization: A Bibliometric Review’. The objective of this article was to analyze the role of top management teams in the internationalization process of companies and to identify managerial challenges associated with globalization. The researchers used a theoretical and bibliometric research methodology, reviewing and analyzing a large number of previously published academic studies using bibliometric tools. The findings revealed that the composition, diversity, and international experience of top management teams significantly influence the success of global expansion strategies. The study concluded that globalization requires managers to possess international experience, strategic decision-making ability, and strong leadership skills in order to effectively guide organizations in global markets and respond to the complexities of international business environments.

Hessari, Daneshmandi, and Nategh (2023) published article on “Investigating the Effect of Technostress on the Perceived Organizational Commitment by Mediating Role of Individual Innovation”. The objective of this study was to examine how technological advancement in organizations creates technostress among employees and how it influences organizational commitment and individual innovation. The researchers used a survey-based methodology. The findings revealed that technostress caused by rapid technological change negatively affects employees’ organizational commitment and reduces their innovative behavior, although individual innovation can partially mediate these effects. The study concluded that managers must develop supportive strategies, provide training, and encourage innovation to reduce technostress and maintain employee commitment in technologically advanced workplaces. The methodology of the study is quantitative because it used survey data and statistical analysis.

Influence of Change in Management in Technological Enterprises (2016 in *Procedia Economics and Finance*; authors associated with the study on technological enterprises. The objective of this article was to analyze how technological innovation and technological change influence management strategies and leadership styles in organizations. The study used a questionnaire survey of 167 employees working in technology-oriented companies such as Samsung, Apple, Google, and Rocket Internet. Statistical techniques such as reliability testing, descriptive statistics, correlation analysis, and regression were applied to analyze the data. The findings indicated that technological advancement significantly influences management strategies and requires managers to continuously adapt leadership styles and decision-making processes. The conclusion emphasized that managers must develop flexible management approaches and continuously update their skills to cope with technological innovation and maintain organizational effectiveness. The methodology of this study is quantitative because it used surveys and statistical analysis.

Shuxratovich (2025) published article on “Management Change in the Context of Digital Transformation “. The objective of this article was to explore how rapid digital transformation and emerging technologies such as AI, big data, and cloud computing create managerial challenges related to organizational structure, culture, and leadership practices. The findings showed that technological advancement forces organizations to change traditional hierarchical structures and requires managers to promote digital leadership, employee engagement, and organizational agility. The study concluded that effective change management, continuous learning, and strong communication are necessary for managers to successfully guide organizations through technological transformation. The methodology of this article is qualitative and theoretical.

Hordofa (2022) published an article on “Diversity Management and Its Challenges for 21st Century Managers: Systematic Literature Review and Future Research “. The objective of this article was to analyze the challenges managers face in managing workforce diversity in modern organizations and to understand how diversity influences organizational effectiveness. The findings indicated that globalization has increased workforce diversity in terms of culture, gender, age, and background, making it more difficult for managers to maintain harmony and cooperation among employees. The study concluded that managers must develop diversity management strategies, training programs, and inclusive leadership practices to utilize the

benefits of diversity while reducing conflicts. The methodology of this article is theoretical and qualitative because it is based on reviewing and analyzing existing literature rather than collecting numerical data.

Tamang and Tamang (2024) published an article on “Impact of Workforce Diversity on Employee Performance: A Study of Standard Chartered Bank Nepal Limited “. The objective of this study was to examine how workforce diversity such as gender, ethnicity, education, age, and experience affects employee performance in the banking sector of Nepal and to understand the managerial challenges of handling a diverse workforce. The findings showed that gender, ethnicity, and educational diversity had little impact on employee performance, while age and experience diversity positively influenced performance. The study concluded that managers in Nepalese organizations must effectively manage workforce diversity by focusing on experience sharing, teamwork, and inclusive policies to improve employee performance and organizational success. The methodology of the study is quantitative.

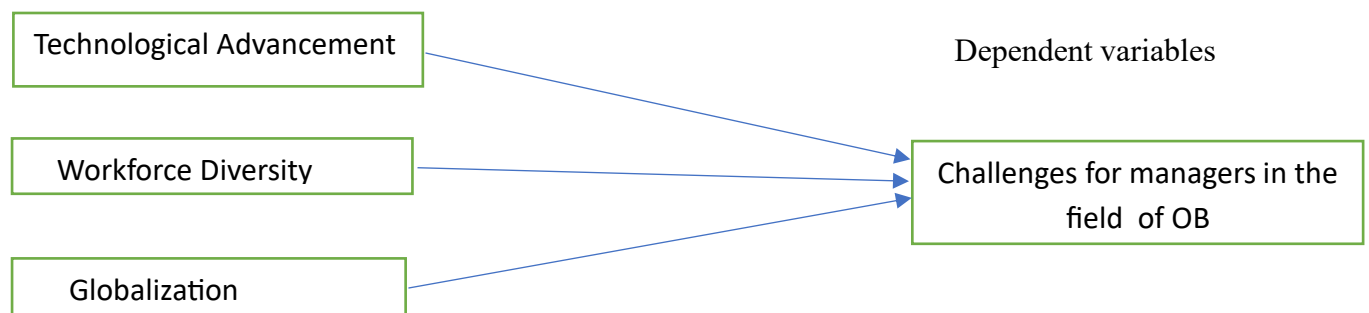
Gautam (2023) published an article on “Effect of Workforce Diversity Management on Employee Performance in Educational Institutions”. The objective of this article was to analyze how different dimensions of workforce diversity, such as gender, age, ethnicity, personality, and tenure, affect employee performance in Nepalese educational institutions and how managers can manage these differences effectively. The findings revealed that effective management of diversity, particularly attitude and gender diversity, significantly improves employee performance and workplace cooperation. The study concluded that managers should adopt inclusive leadership practices and diversity management strategies to enhance organizational effectiveness in Nepalese institutions. The methodology of this research is quantitative because it used survey data and statistical techniques.

Conceptual Framework

Figure 1

Conceptual Framework

Independent variables



Source: Stephen P. Robbins & Timothy A. Judge (2022), Jason Colquitt, Jeffery LePine & Michael Wesson (2021), Fred Luthans (2011)

FINDINGS, DISCUSSION, AND CONCLUSION

Findings

The findings of the seminar paper indicate that technological change, workforce diversity, and globalization are the major challenges faced by managers in modern organizations. Empirical studies show that workforce diversity has a significant impact on organizational performance, often improving innovation and productivity, but requiring effective management strategies to minimize conflict and enhance inclusion (Pokhrel, 2023; Gautam, 2023). It was also found that globalization introduces challenges such as cultural differences and communication barriers, which can affect team coordination and decision-making (Ibadullaeva, 2024). Additionally, technological advancement contributes to technostress, negatively impacting employee commitment unless supported by proper training and innovation-focused strategies (Hessari et al., 2023). The studies consistently reveal that managers who adopt inclusive leadership, effective communication, continuous learning, and flexible management practices are better able to overcome these challenges and improve organizational effectiveness. Overall, the research confirms that proactive and adaptive management approaches are essential for achieving success in today's dynamic business environment.

Discussion

The discussion reveals that modern managerial challenges in Organizational Behavior are deeply interconnected and influenced by both internal and external environmental factors. Technological advancement, particularly digital transformation and artificial intelligence, has reshaped organizational structures and required managers to adopt new leadership styles and communication methods (Shuxratovich, 2025; Hessari et al., 2023). At the same time, globalization has expanded business operations across borders, increasing the complexity of managing multicultural teams and requiring strong intercultural competence (Scott, 2021; Ibadullaeva, 2024). Workforce diversity emerges as both a challenge and an opportunity; while it can lead to conflicts and communication barriers, it also enhances creativity, decision-making, and organizational performance when effectively managed (Thapa et al., 2025; Rijal, 2023). Furthermore, rising employee expectations related to work-life balance, inclusion, and job satisfaction demand that managers adopt more employee-centered and flexible approaches. Theoretical frameworks such as Social Identity Theory and the Uppsala Model further explain how diversity and globalization influence organizational dynamics, emphasizing the need for strategic and adaptive management practices.

Conclusion

In conclusion, the study highlights that the field of Organizational Behavior is undergoing a significant transformation due to rapid technological advancement, globalization, workforce diversity, and evolving employee expectations. These changes have made managerial roles more complex and demanding, requiring a shift from traditional management practices to more adaptive, inclusive, and technology-driven approaches. Managers must develop strong interpersonal, communication, and leadership skills, along with emotional intelligence, to effectively manage diverse and dynamic work environments. The review of literature and empirical studies confirms that while these challenges may create difficulties such as communication barriers, technostress, and cultural conflicts, they also offer opportunities for innovation, improved performance, and competitive advantage when managed effectively. Therefore, organizations must focus on continuous learning, inclusive leadership, and strategic adaptability to ensure long-term success (Robbins & Judge, 2017; Daft, 2018; Luthans, 2019).

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