

Stephen P. Robbins | Timothy A. Judge

# ESSENTIALS OF ORGANIZATIONAL BEHAVIOR

15TH EDITION



*Fifteenth Edition*

# ESSENTIALS OF ORGANIZATIONAL BEHAVIOR

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*This book is dedicated to our friends and colleagues in  
The Management & Organizational Behavior Teaching Society,  
who, through their commitment to enhancing the quality of learning  
through education and research, have significantly improved the ability  
of students to understand and apply OB concepts.*

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# PREFACE

This brief text was created as an alternative to the 600- or 700-page comprehensive textbook in organizational behavior (OB). *Essentials of Organizational Behavior* attempts to provide balanced coverage of all the key elements comprising the discipline of OB in a style that readers will find both informative and interesting. We're pleased to say that this text has achieved a wide following in short courses and executive programs, as well as in traditional courses as a companion volume to experiential, skill development, case, and reading resources. It is currently used at hundreds of colleges and universities in the United States, Canada, Latin America, Europe, Australia, and Asia. It has also been translated into Spanish, Portuguese, Japanese, Chinese, Dutch, Polish, Turkish, Danish, and Bahasa Indonesian.

## SOLVING LEARNING AND TEACHING CHALLENGES

Students and instructors alike have expressed a need for a text on organizational behavior that is concise, clear, and focused on what matters: *the Essentials*. Since its first publication in 1984, we have tried diligently to keep this book in the range of 325 to 450 pages to meet this need.

*Essentials of Organizational Behavior* provides a brief overview of the core concepts and theories within the field of OB. Our current text users rave about this approach because it gives them flexibility to include other kinds of learning experiences and content in their OB courses. As a result, this text is currently used in a wide variety of courses and programs—ranging from community colleges to graduate schools, and in both in-person and online courses.

Part of the reason we have been able to keep this book short in length is that it does not include review questions, cases, exercises, or other components. It continues to provide the basic core of OB knowledge, allowing instructors the maximum flexibility in designing and shaping their courses.

In addition, *Essentials of Organizational Behavior* focuses on translating state-of-the-art theory and research on OB into actionable practices that can be directly applied by students in the world of work. (See the Implications for Managers section at the end of each chapter.) By focusing on *why* OB matters in the workplace, students can apply what they learn to their own working experiences, regardless of their field of study. In the next section, we describe another facet of the practicality of this book: employability skills.

## EMPLOYABILITY SKILLS

As a new feature in this edition, we spotlight five specific skills that research studies have identified as critical competencies that employers look for in job applicants. The competencies have been grouped together to form a broad set of “employability skills.” These skills include **critical thinking, communication, collaboration, knowledge**

**application/analysis, and social responsibility.** We have included a new section in Chapter 1 that introduces employability skills, along with a matrix that identifies which employability skills are targeted by each part of the book. Explicit examples of how OB is relevant for business functions (e.g., marketing, sales) and outcomes are also highlighted in each subsequent chapter.

## **NEW TO THIS EDITION**

### **State-of-the-Art Research and Examples**

In total, nearly 1,000 new examples, research studies, and other forms of content were added to this edition. Content coverage was expanded to include updated research, discussion, and examples of current issues related to all aspects of organizational behavior. Overall, 538 contemporary examples were added to this edition.

### **OB in Times of Crisis**

Given the unprecedented effect of the global COVID-19 pandemic on organizational behavior, new sections were added on OB topics in times of crisis. Four new “crisis” sections were added to the chapters on Decision Making, Teams, Communication, and Leadership. A discussion of COVID-19 and its effects on telecommuting was also included in the Motivation (Application) chapter.

### **Business Ethics**

Events such as the BP Deepwater Horizon Oil spill, the Wells Fargo account fraud scandal, and the now infamous Enron scandal have cemented business ethics as an incredibly important topic area relevant to the study of OB. In this new edition, we have broadly increased our coverage of business ethics topics, including a new standalone section on organizational justice in the Motivation Concepts chapter, as well as new content on (un)ethical behavior (e.g., deviance) in the sections on organizations, behavioral ethics, corporate social responsibility, counterproductive work behaviors, moral emotions, the Dark Triad personality traits, (un)ethical leadership (e.g., abusive supervision), prejudice and discrimination, as well as ethical cultures and climate.

### **Artificial Intelligence and Machine Learning**

Artificial intelligence (AI) and its applications, such as machine learning, have completely revolutionized the field of OB. Given the prevalence of AI applications in organizations and its status as a cutting-edge method in OB, we have included new examples of AI research and application throughout the text. In total, 40 applications of artificial intelligence and machine learning were incorporated across the chapters.

### **Increased Coverage on Diversity and Globalization**

Diversity and globalization topics continue to be hot topics within the study of OB. Increased integration of contemporary globalization and diversity issues were added into topic discussions. Ninety-seven examples relevant to global issues, cross-cultural differences, and globalization were added as well as 129 examples of how OB affects diversity in organizations.

## CHAPTER-BY-CHAPTER CHANGES

### Chapter 1: What Is Organizational Behavior?

- **New content:** New Trends and Limitations in “Building on Big Data With Artificial Intelligence,” Employability Skills
- **Newly revised sections:** *Learning Objectives*, What Is Organizational Behavior?, Management and Organizational Behavior, Complementing Intuition With Systematic Study, *Implications for Managers*
- **New research incorporated in the following areas:** *Introduction*, Complementing Intuition With Systematic Study, Building on Big Data With Artificial Intelligence, Globalization, Workforce Diversity, Social Media, Productivity, Employability Skills

### Chapter 2: Diversity in Organizations

- **New content:** Stereotype Threat, Diversity in Groups, Diversity Programs, Gender (the Glass Ceiling and Glass Cliff), Cultural Intelligence, Bias Against Mothers, Work-Life Balance Issues Tied to Diversity
- **Newly revised sections:** Diversity, Discrimination and Stereotyping, Biographical Characteristics, Other Differentiating Characteristics, Implementing Diversity Management Strategies, *Summary*, *Implications for Managers*
- **New research incorporated in the following areas:** Demographic Characteristics, Age, Gender, Race and Ethnicity, Hidden Disabilities, Religion, Sexual Orientation and Gender Identity, Cultural Identity, Intellectual Abilities, Physical Abilities, Diversity in Groups, Diversity Programs

### Chapter 3: Attitudes and Job Satisfaction

- **New content:** Employee Engagement, updated Global Job Satisfaction Exhibits
- **Newly revised sections:** Attitudes, Attitudes and Behavior, Job Attitudes, Job Satisfaction, What Causes Job Satisfaction?
- **New research incorporated in the following areas:** Attitudes, Attitudes and Behavior, Job Attitudes, Employee Engagement, How Satisfied Are People in Their Jobs?, Job Conditions, Turnover, The Impact of Job Dissatisfaction, Managers Often “Don’t Get It”

### Chapter 4: Emotions and Moods

- **New content:** Positive and Negative Affect, Moral Emotions, Emotional Intelligence
- **Newly revised sections:** What Are Emotions and Moods?, Sources of Emotions and Moods, Emotional Labor, Emotional Intelligence, Emotion Regulation Techniques
- **New research incorporated in the following areas:** The Basic Emotions, Experiencing Moods and Emotions, The Function of Emotions, Personality, Weather, Sleep, Sex, Controlling Emotional Displays, Affective Events Theory, Emotional Intelligence, Emotion Regulation, Emotion Regulation Techniques, Selection and Leadership, OB Applications of Emotions and Moods

## Chapter 5: Personality and Values

- **New content:** Other Frameworks includes research on the HEXACO model, Cultural Values, New Exhibit (5.5), Comparison of Hofstede's Framework and the GLOBE Framework
- **Newly revised sections:** Linking Individuals to the Workplace (moved to introductory section), Personality, Agreeableness at Work, Other Personality Attributes Relevant to OB, Personality and Situations, Values, Cultural Values, *Summary, Implications for Managers*
- **New research incorporated in the following areas:** What Is Personality?, Person–Job Fit, Person–Organization Fit, The Myers–Briggs Type Indicator, How Do the Big Five Traits Predict Behavior at Work?, The Dark Triad, Other Frameworks, Core Self-Evaluation, Self-Monitoring, Proactive Personality, Personality and Situations, Situation Strength Theory, Trait Activation Theory, Values, Terminal Versus Instrumental Values, Generational Values, Hofstede's Framework

## Chapter 6: Perception and Individual Decision Making

- **New content:** The Threat of Technological Unemployment, Decision Making in Times of Crisis, Deonance Theory
- **Newly revised sections:** What Is Perception?, Person Perception: Making Judgments About Others, Common Shortcuts in Judging Others, Decision Making in Organizations, Influences on Decision Making, Choosing Between Criteria, Causes of Creative Behavior, *Summary, Implications for Managers*
- **New research incorporated in the following areas:** Factors That Influence Perception, Attribution Theory, Stereotyping, The Link Between Perception and Individual Decision Making, Intuition, Overconfidence Bias, Confirmation Bias, Availability Bias, Risk Aversion, Hindsight Bias, Personality, Gender, Reward Systems, Behavioral Ethics, Lying, Causes of Creative Behavior

## Chapter 7: Motivation Concepts

- **New content:** Basic Psychological Needs in Self-Determination Theory, Expectancy Theory, Organizational Justice
- **Newly revised sections:** *Learning Objectives*, Motivation, Early Theories of Motivation, Contemporary Theories of Motivation, Other Contemporary Theories of Motivation, Job Engagement, *Summary, Implications for Managers*
- **New research incorporated in the following areas:** Motivation; Two-Factor Theory; McClelland's Theory of Needs; Cognitive Evaluation Theory; Self-Concordance; Basic Psychological Needs; Goal Commitment, Task Characteristics, and National Culture; Goal Setting and Ethics; Individual and Promotion Foci; Equity Theory; Distributive Justice; Interpersonal Justice; Justice Outcomes; Job Engagement; Integrating Contemporary Theories of Motivation

## Chapter 8: Motivation: From Concepts to Applications

- **New content:** Job Enrichment
- **Newly revised sections:** *Learning Objectives*, Motivating by Job Design, Job Redesign, Alternative Work Arrangements, Telecommuting, Employee Involvement

ment, Using Extrinsic Rewards to Motivate Employees, Using Intrinsic Rewards to Motivate Employees

- **New research incorporated in the following areas:** Motivating by Job Design, Efficacy of the JCM, Job Redesign, Job Rotation, Relational Job Design, Telecommuting, Employee Involvement and Participation, Participative Management, Using Extrinsic Rewards to Motivate Employees, What to Pay: Establishing a Pay Structure, How to Pay: Rewarding Individual Employees Through Variable-Pay Programs, Piece-Rate Pay, Merit-Based Pay, Employee Stock Ownership Plan, Employee Recognition Programs

## Chapter 9: Foundations of Group Behavior

- **New content:** Groupshift, Research on Hidden Profiles and Information Sharing
- **Newly revised sections:** Defining and Classifying Groups, Stages of Group Development, Group Roles, Group Norms, Group Size and Dynamics, Group Cohesiveness, Group Diversity
- **New research incorporated in the following areas:** Social Identity, Ingroups and Outgroups, Role Perception, Role Expectations, Role Conflict, Norms and Emotions, Norms and Conformity, Positive Norms and Group Outcomes, Negative Norms and Group Outcomes, Norms and Culture, Status and Group Interaction, Status Inequity, Status and Stigmatization, Group Size and Dynamics, Types of Group Diversity, Challenges of Group Diversity, Strengths and Weaknesses of Group Decision Making, Effectiveness and Efficiency, Groupthink

## Chapter 10: Understanding Work Teams

- **New content:** Crises and Extreme Contexts, Team Trust, Teaming
- **Newly revised sections:** *Learning Objectives*, *Introduction*, Differences Between Groups and Teams, Updated Exhibit 10-3, Team Context, Team Processes and States (Motivation and Mental Models), Creating Effective Teams, Turning Individuals Into Team Players
- **New research incorporated in the following areas:** Self-Managed Work Teams, Virtual Teams, Multiteam Systems, Creating Effective Teams, Team Context (including resources, leadership, structure, culture, climate, performance evaluation, and reward systems), Team Composition (member abilities, personality, and team size), Team Processes and States (including a common plan, motivation, team identity, team cohesion, and mental models), Turning Individuals Into Team Players

## Chapter 11: Communication

- **New content:** Communicating in Times of Crisis
- **Newly revised sections:** *Introduction*, Direction of Communication, Functions of Communication, Modes of Communication, Persuasive Communication, Barriers to Effective Communication, Cultural Factors, *Summary*
- **New research incorporated in the following areas:** The Communication Process, Feedback, Downward and Upward Communication, Lateral Communication, The Grapevine, Written and Nonverbal Communication, Choosing Communication Methods, Information Security, Persuasive Communication (Automatic

and Controlled Processing, Importance/Interest Level, Message Characteristics), Barriers to Effective Communication (such as Emotions, Language, and Silence), Cultural Barriers

## Chapter 12: Leadership

- **New content:** Leading in Times of Crisis, Gender and Leadership
- **Newly revised sections:** Trait Theories of Leadership, Contingency Theories, Contemporary Theories of Leadership, Trust, Substitutes for and Neutralizers of Leadership
- **New research incorporated in the following areas:** Personality Traits and Leadership (such as the Big Five Traits and Dark Triad Traits); Emotional Intelligence (EI) and Leadership; Leader Consideration Behaviors; Cultural Differences; Path–Goal Theory; Leader–Member Exchange (LMX) Theory; Charismatic, Transformational, and Transactional Leadership Styles; Charismatic Leadership’s Situational Contingencies; Transactional and Transformational Leadership; Full Range of Leadership Model; (Un)ethical Leadership; Servant Leadership; Trust (including Trust Propensity, The Role of Time, and Regaining Trust); Mentoring; Leadership as an Attribution

## Chapter 13: Power and Politics

- **New content:** How Power Affects People and What We Can Do About It, Sexual Harassment: Unequal Power in the Workplace
- **Newly revised sections:** Power and Leadership, Which Bases of Power Are Most Effective?, Social Network Analysis: A Tool for Assessing Resources, Influence Tactics, updated Exhibit 13-2, How Power Affects People, *Implications for Managers*
- **New research incorporated in the following areas:** Power and Leadership, Which Bases of Power Are Most Effective?, Nonsubstitutability, Social Network Analysis: A Tool for Assessing Resources, Using and Applying Influence Tactics, How Power Affects People, How Power Affects People and What We Can Do About It, Sexual Harassment: Unequal Power in the Workplace, The Reality of Politics, Organizational Factors, How Do People Respond to Organizational Politics?, Impression Management

## Chapter 14: Conflict and Negotiation

- **New content:** Complicating Conflict
- **Newly revised sections:** A Definition of Conflict, Cognition and Personalization, Managing Conflict, Negotiation, Individual Differences in Negotiation Effectiveness
- **New research incorporated in the following areas:** Types of Conflict (including Relationship, Task, Process, and Complicating Conflict); Potential Opposition or Incompatibility (such as Structure and Personal Variables); Cognition and Personalization; Intentions (Competing and Collaborating); Managing Conflict; Functional Outcomes; Distributive and Integrative Bargaining; Preparation and Planning (for a negotiation); Clarification and Justification (during a negotiation); Personality, Moods/Emotions, Culture and Race, and Gender in Negotiations; Third-Party Negotiations



## Chapter 15: Foundations of Organization Structure

- **Newly revised sections:** What Is Organizational Structure?, Common Organizational Frameworks and Structures, Alternate Design Options, The Leaner Organization: Downsizing, Why Do Structures Differ?, *Implications for Managers*
- **New research incorporated in the following areas:** Organizational Structure, Departmentalization, Chain of Command, Centralization and Decentralization, Formalization, The Bureaucracy, The Virtual Structure, The Team Structure, The Leaner Organization: Downsizing, Mechanistic and Organic Models, Volatility

## Chapter 16: Organizational Culture

- **New content:** A Definition of Organizational Culture, New Exhibit (16-2) on the effect of culture on organizational outcomes, updated Exhibit 16-6, Culture Creates Climate
- **Newly revised sections:** *Learning Objectives*, What Is Organizational Culture?, Reorganized chapter so that “How Employees Learn Culture” and “Creating and Sustaining Culture” are covered earlier, What Do Cultures Do?, *Summary*, *Implication for Managers*
- **New research incorporated in the following areas:** Do Organizations Have Uniform Cultures?, Strong Versus Weak Cultures, Rituals, Language, Keeping a Culture Alive (Selection and Top Management’s Role), Encounter Stage (of Socialization), Hangover Phases in Socialization, The Functions of Culture, Culture Creates Climate, The Ethical Dimension of Culture, Culture and Sustainability, Culture and Innovation, Culture as an Asset, Barriers to (cultural) Diversity, Toxicity and Dysfunctions, Barriers to Acquisitions and Mergers, Developing an Ethical Culture, Criticism of Spirituality

## Chapter 17: Organizational Change and Stress Management

- **New content:** Criticisms of Lewin’s Three-Step Model
- **Newly revised sections:** *Learning Objectives*, Change, Creating a Culture for Change, Stress at Work, *Summary*
- **New research incorporated in the following areas:** Forces for Change, Resistance to Change, Overcoming Resistance to Change (including Communication, Participation, Building Support, and Developing Positive Relationships), Action Research, Process Consultation, Managing Paradox, Sources of Innovation, Context and Innovation, Idea Champions and Innovation, Organizational Change and Stress, What Is Stress?, Stressors, Potential Sources of Stress at Work (including Environmental, Organizational, and Personal Factors), Stressors Are Additive, Perception (of Stress), Workaholism, Physiological and Behavioral Symptoms (of Stress), Individual Approaches (to Managing Stress) (including Time-Management Techniques, Relaxation Techniques, and Social Support Networks), Goal-Setting (to Reduce Stress), Employee Sabbaticals, Wellness Programs

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# 1

## What Is Organizational Behavior?

### LEARNING OBJECTIVES

**After studying this chapter, you should be able to:**

- 1.1 Define **organizational behavior** (referred to as **OB** throughout the text).
- 1.2 Show the value of systematic study to OB.
- 1.3 Identify the major behavioral science disciplines that contribute to OB.
- 1.4 Demonstrate why few absolutes apply to OB.
- 1.5 Identify managers' challenges and opportunities in applying OB concepts.
- 1.6 Compare the three levels of analysis in this text's OB model.
- 1.7 Describe the key employability skills gained from studying OB that are applicable to other majors or future careers.

**R**ight now, you might be wondering, “What is organizational behavior and why does it matter to me?” We will define organizational behavior (OB) very shortly, but first let us begin with the end in mind—why OB matters, and what the study of OB offers you.

Historically, business school coursework on human behavior in organizations has received relatively little attention. This might be surprising to you, because you might be thinking, but “the people make the place”;<sup>1</sup> organizations are only as effective as the people who comprise them. Should we not try to understand people in the workplace, as well as how we make decisions, communicate, and interact with one another? Over the last several decades, business schools and organizations have realized the significant role interpersonal skills play in determining a manager's effectiveness. Understanding OB is important to you now, more than ever. We are in the midst of an OB revolution, of sorts, that is gaining traction year by year. As noted in the 2016 Deloitte Global Business Trends report, organizations have figured out that they need to understand “what makes people join, perform well in, and stay with an organization; who will likely be successful; who will make the best leaders; and what is required to deliver the highest-quality customer service and innovation.”<sup>2</sup>

A knowledge of OB and interpersonal skills is critical for your success and advancement in the modern workplace. According to Jeff Weiner, chief executive officer (CEO) of LinkedIn, “communications is the No. 1 skills gap across . . . major cities in the

United States.”<sup>3</sup> It is also relevant to nearly every job: One study by Monster (a global employment company) mined nearly one million market-wide job postings to determine the most frequently desired skills in applicants.<sup>4</sup> Communication skills was at the top of the list, followed by other OB-relevant skills, including problem-solving and influence skills. Furthermore, these skills are also necessary for your career advancement. A survey of over 2,100 chief financial officers across twenty industries indicated that a lack of interpersonal skills is the top reason why some employees fail to advance.<sup>5</sup> Ultimately, OB can equip you with tools that are critical to success and advancement in the workplace. In this text, we pay special attention to how the knowledge and practice of OB can help you (1) think analytically and critically, (2) make better decisions, (3) communicate and collaborate more effectively with others, and (4) act with a sense of social responsibility in the workplace. Research has demonstrated that these types of “employability skills” are highly valued and desired by employers, and a lack of these skills can lead to problems in the workplace.<sup>6</sup>

From the organizational standpoint, incorporating OB principles can help transform a workplace from good to great, with a positive impact on the bottom line. Companies known as good places to work—such as Lululemon, LinkedIn, Zoom Video, Southwest Airlines, Bain & Company, Google, the Boston Consulting Group, and Facebook<sup>7</sup>—have been found to generate superior financial performance as a result of their attention to OB.<sup>8</sup> Second, developing managers’ interpersonal skills helps organizations attract and keep high-performing employees, which is important because outstanding employees are always in short supply and costly to replace. Third, the quality of workplace relationships is strongly linked with employee job satisfaction, stress, and turnover. One study of hundreds of workplaces and more than 200,000 respondents showed that positive social relationships among coworkers and supervisors were strongly related to overall job satisfaction, lower stress at work, and lower intentions to quit.<sup>9</sup> Positive work relationships help employees to flourish, leading to improvements in job and life satisfaction, positive emotions at work, and perceptions that one’s work has meaning.<sup>10</sup> Fourth, an emphasis on OB in organizations can foster awareness of social responsibility. Universities have started to incorporate social entrepreneurship education into their curriculum in order to train future leaders in addressing social issues within their organizations.<sup>11</sup> This is especially important because there is a growing need for understanding the means and outcomes of corporate social responsibility (CSR).<sup>12</sup>

In today’s competitive and demanding workplace, employees and managers alike cannot succeed by virtue of their technical skills alone. They also must exhibit good people skills. This text has been written to help people in organizations develop those skills along with the knowledge that understanding human behavior provides. In so doing, we believe you will obtain lasting skills and insight about yourself and others.

## MANAGEMENT AND ORGANIZATIONAL BEHAVIOR

More than ever, individuals are placed into management positions without sufficient management training or informed experience. According to the US Bureau of Labor Statistics, employers with 100–500 employees provide less than one hour of management training per six-month period, on average.<sup>13</sup> Furthermore, according to a large-scale survey, more

than 58 percent of managers reported they had not received any training and 25 percent admitted they were not ready to lead others when they were given the role.<sup>14</sup> Added to that challenge, the demands of the job have increased: The average manager has seven direct reports (five was once the norm) and spends less time supervising them than managers of the past.<sup>15</sup> Considering that a Gallup poll found organizations chose the wrong candidate for management positions 82 percent of the time,<sup>16</sup> we conclude that the more you can learn about people and how to manage them, the better prepared you will be to *be* that right candidate. OB will help you get there.

## Effective Versus Successful Managerial Activities

What makes one manager more effective than another? To answer this question, Fred Luthans, a prominent OB researcher, and associates looked at what managers do from a unique perspective.<sup>17</sup> They asked, “Do managers who move up most quickly in an organization do the same activities and with the same emphasis as managers who do the best job?” You might think the answer is yes, but that is not always the case.

Luthans and associates studied more than 450 managers. All engaged in four managerial activities:

1. **Traditional management.** Decision making, planning, and controlling.
2. **Communication.** Exchanging routine information and processing paperwork.
3. **Human resources (HR) management.** Motivating, disciplining, managing conflict, staffing, and training.
4. **Networking.** Socializing, politicking, and interacting with outsiders.

The “average” manager spent 32 percent of their time in traditional management activities, 29 percent communicating, 20 percent in HR management activities, and 19 percent networking. However, the time and effort different *individual* managers spent on those activities varied a great deal. Among managers who were *successful* (defined in terms of speed of promotion within their organizations), networking made the largest relative contribution to success and HR management activities made the least relative contribution. Indeed, other studies in Australia, Israel, Italy, Japan, and the United States confirm the link between networking, social relationships, and success within an organization.<sup>18</sup> However, Luthans and associates found that among *effective* managers (defined in terms of quantity and quality of their performance and the satisfaction and commitment of their employees), communication made the largest relative contribution and networking the least. The connection between communication and effective managers is also clear. Managers who explain their decisions and seek information from colleagues and employees—even if the information turns out to be negative—are the most effective.<sup>19</sup>



### Organizational behavior

A field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness.

## Organizational Behavior (OB) Defined

Now that we have established what managers do and why this is important for OB, we turn our focus more broadly toward how people behave in organizations.

**Organizational behavior (OB)** is a field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations for the purpose

of applying such knowledge toward improving an organization's effectiveness. That is a mouthful, so let us break it down.

OB is a field of study, meaning that it is a distinct area of expertise with a common body of knowledge. It focuses on three determinants of behavior in organizations: individuals, groups, and structure. In addition, OB applies the knowledge gained about individuals, groups, and the effect of structure on behavior in order to make organizations work more effectively.

To sum up our definition, OB is the study of what people do in an organization and the way their behavior affects the organization's performance. Because OB is concerned specifically with employment-related situations, it examines behavior in the context of job satisfaction, absenteeism, employment turnover, productivity, human performance, and management. Although debate exists about the relative importance of each, OB includes these core topics:<sup>20</sup>

- Motivation
- Leader behavior and power
- Interpersonal communication
- Group structure and processes
- Attitude development and perception
- Change processes
- Conflict and negotiation
- Work design

## COMPLEMENTING INTUITION WITH SYSTEMATIC STUDY

Whether you have explicitly thought about it before or not, you have been “reading” people almost all your life by watching their actions and interpreting what you see, or by trying to predict what people might do under different conditions. The casual approach to reading others can often lead to erroneous predictions, but using a systematic approach can improve your accuracy.

Underlying the systematic approach is the belief that behavior is not random. Rather, we can identify consistencies underlying people's behavior and modify them to reflect individual differences.

These fundamental consistencies are very important. Why? Because they allow predictability. Behavior is generally predictable, and the **systematic study** of behavior is a way to make reasonably accurate predictions. When we use the term *systematic study*, we mean looking at relationships, attempting to attribute causes and effects, and basing our conclusions on scientific evidence—that is, on data gathered under controlled conditions and measured, and interpreted, in a rigorous manner.

**Evidence-based management (EBM)** complements systematic study by basing managerial decisions on the best available scientific evidence. For example, we want doctors to make decisions about patient care based on the latest available evidence, and EBM argues that managers should do the same, thinking more scientifically about management problems. You might wonder what manager would not base decisions on evidence, but most management decisions are still made “on the fly,” with little to no systematic study of available evidence.<sup>21</sup>

Systematic study and EBM add to **intuition**, or those “gut feelings” about what makes others (and ourselves) “tick.” Of course, the things you have come to believe in

### Systematic study

Looking at relationships, attempting to attribute causes and effects, and drawing conclusions based on scientific evidence.

### Evidence-based management (EBM)

The basing of managerial decisions on the best available scientific evidence.

### Intuition

An instinctive feeling not necessarily supported by research.



an unsystematic way are not necessarily incorrect; one review of hundreds of studies suggest that data-driven judgments (based on algorithms) were about 10 percent more accurate than human's intuitive judgments.<sup>22</sup> Another study found that, contrary to conventional wisdom, laypeople may actually *prefer* data-driven judgments to judgments made by others (e.g., experts) and even to judgments made by themselves.<sup>23</sup> Jack Welch (former CEO of General Electric) noted, "The trick, of course, is to know when to go with your gut."<sup>24</sup> But if we make *all* decisions with intuition or gut instinct, we are likely working with incomplete information—like making an investment decision with only half the data about the potential for risk and reward.

## Building on Big Data with Artificial Intelligence

Data has been used to evaluate behavior since at least 1749, when the word *statistic* was coined to mean a "description of the state."<sup>25</sup> Statistics back then were used for purposes of governance, but since the data collection methods were clumsy and simplistic, so were the conclusions. Big data—the extensive use of statistical compilation and analysis—did not become possible until computers were sophisticated enough to both store and manipulate large amounts of information.<sup>26</sup> Let us look at the current use of the application of big data for business, which originated in the marketing department of online retailers.

**CURRENT USAGE** No matter how many terabytes of data firms collect or from how many sources, the reasons for data analytics include *predicting* events, from a book purchase to a spacesuit malfunction; detecting how much *risk* is incurred at any time, from the risk of a fire to that of a loan default; and *preventing* catastrophes large and small, from a plane crash to the overstocking of a product.<sup>27</sup> With big data, U.S. defense contractor BAE Systems protects itself from cyberattacks, San Francisco's Bank of the West uses customer data to create tiered pricing systems, and London's Graze.com analyzes customers' preferences to select snack samples to send with their orders.<sup>28</sup> Organizations are also beginning to focus more on fast data, drawing on a consistent influx of actionable data that can be used to guide business decisions in real time.<sup>29</sup>



**NEW TRENDS** The use of big data for understanding, helping, and managing people is relatively new but holds promise. It is good news for the future of business that researchers, the media, and company leaders have identified the potential of data-driven management and decision making. A manager who uses data to define objectives, develop theories of causality, and test those theories can determine which employee activities are relevant to accomplishing those objectives.<sup>30</sup> Increasingly, big data is applied toward making effective decisions (which we discuss in the chapter on perception and individual decision making) and managing organizational change (discussed in the chapter on organizational change and stress management). Big data has enabled organizations to acquire and manage large amounts of data and information. Even more recent advancements have shifted toward how to process and analyze all this information.<sup>31</sup> One way organizations have been able to adapt to the massive amounts of and sheer speed at which data is acquired is through artificial intelligence (i.e., machines programmed to think, work, and react like humans).<sup>32</sup> When you think of artificial intelligence, your mind may wander to robots, regardless of your status as a Star Trek or Star Wars fan. We are certainly seeing robotics becoming used in the workplace (for example, robots can help hospital night



staff remotely assist their patients during night rounds).<sup>33</sup> However, much of the modern focus has been on machine learning (i.e., a subset of AI in which software is trained to perform a task, while at the same time “learning” and “improving” from incoming data and feedback).<sup>34</sup> Indeed, 60 percent of the billions of dollars invested in AI has been allocated toward machine learning.<sup>35</sup> Machine learning has contributed immensely to the success of a number of organizations, especially those in the e-commerce industry; one estimate suggests that over a third of Amazon transactions stem from AI-facilitated product recommendations.<sup>36</sup> In the coming chapters, we discuss how and in what ways artificial intelligence approaches, including robotics and machine learning, have contributed to the study and practice of OB.

**LIMITATIONS** As technological capabilities for handling big data and artificial intelligence have increased, so have issues of privacy and appropriate application.<sup>37</sup> This is particularly true when data collection includes surveillance instruments. For instance, an experiment in Brooklyn, New York, has been designed to improve the quality of life for residents, but the researchers will collect potentially intrusive data from infrared cameras, sensors, and smartphone Wi-Fi signals.<sup>38</sup> Bread Winners Café in Dallas, Texas, constantly monitors all employees in the restaurant through surveillance and uses that data to promote or discipline its servers.<sup>39</sup> These big data tactics and others might yield results—and research indicates that surveillance may increase task performance and citizenship behavior (helping behaviors toward others), at least in the short term.<sup>40</sup> But critics point out that after Frederick Taylor introduced surveillance analytics in 1911 to increase productivity, these techniques were surpassed by Alfred Sloan’s greater success, achieved by providing meaningful work to employees.<sup>41</sup>



The use of artificial intelligence also has its own issues of privacy and appropriate application.<sup>42</sup> Despite traditional concerns regarding the safety and job security threats robots and automation bring to mind,<sup>43</sup> perhaps the simplest limitation here is that machines can often fail to capture the obvious “big picture” and may ignore their own limits.<sup>44</sup> For example, an algorithm may inadvertently include pizza topping preferences in predicting which employees are more likely to steal at work (you have to watch out for those pineapple pizza lovers!). As such, it is important for machine learning to be supervised to avoid atheoretical predictions and decision making. AI may also be used to engage in unethical behaviors at work. For example, Facebook banned a large UK car insurance company from mining users’ social media information, learning their personality traits, and charging them different premiums based on their personality traits (and predictions for how safely they would drive).<sup>45</sup>

Overall, we are not advising you to throw your intuition out the window. We are also not advising you to base all your decisions on a machine learning algorithm. In dealing with people, leaders often rely on hunches, and sometimes the outcomes are excellent. At other times, human tendencies get in the way. What we are advising is to use evidence as much as possible to inform your intuition and experience. The prudent use of big data and artificial intelligence, along with an understanding of human behavioral tendencies, can contribute to sound decision making and ease natural biases. What we are advising is to use evidence as much as possible to inform your intuition and experience. That is the promise of OB.

## DISCIPLINES THAT CONTRIBUTE TO THE OB FIELD

OB is an applied behavioral science built on contributions from several behavioral disciplines, mainly psychology and social psychology, sociology, and anthropology. Psychology's contributions have been principally at the individual or micro-level of analysis, while the other disciplines have contributed to our understanding of macro concepts such as group processes and organization. Exhibit 1-1 is an overview of the major contributions to the study of OB.

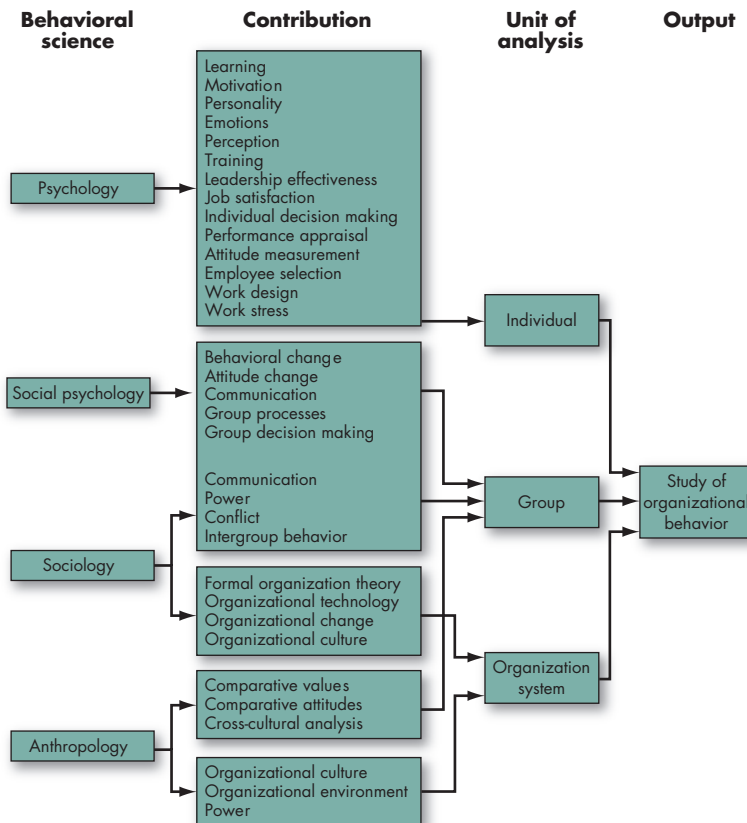
### Psychology

**Psychology** seeks to measure, explain, and sometimes change the behavior of humans and other animals. Contributors to the knowledge of OB are learning theorists; personality theorists; counseling psychologists; and, most important, industrial and organizational psychologists.

Early industrial and organizational psychologists studied the problems of fatigue, boredom, and other working conditions that could impede efficient work performance. More recently, their contributions have expanded to include learning, perception, personality, emotions, training, leadership effectiveness, needs and motivational forces, job

### Psychology

The science that seeks to measure, explain, and sometimes change the behavior of humans and other animals.



**EXHIBIT 1-1**  
Toward an OB  
Discipline

satisfaction, decision-making processes, performance appraisal, attitude measurement, employee-selection techniques, work design, and job stress.

## Social Psychology

### Social psychology

An area of psychology that blends concepts from psychology and sociology to focus on the influence of people on one another.

**Social psychology**, generally considered a branch of psychology, blends concepts from both psychology and sociology to focus on people's influence on one another. One major study area is *change*—how to implement it and how to reduce barriers to its acceptance. Social psychologists also contribute to measuring, understanding, and changing attitudes; identifying communication patterns; and building trust. Finally, they have made important contributions to our study of group behavior, power, and conflict.

## Sociology

### Sociology

The study of people in relation to their social environment or culture.

While psychology focuses on the individual, **sociology** studies people in relation to their social environment or culture. Sociologists have contributed to OB through their study of group behaviors in organizations, particularly formal and complex organizations. Perhaps most importantly, sociologists have studied organizational culture, formal organization theory and structure, organizational technology, communications, power, and conflict.

## Anthropology

### Anthropology

The study of societies to learn about human beings and their activities.

**Anthropology** is the study of societies in order to learn about human beings and their activities. Anthropologists' work on cultures and environments has helped us understand differences in fundamental values, attitudes, and behavior among people in different countries and within different organizations. Much of our current understanding of organizational culture, organizational climate, and differences among national cultures is a result of the work of anthropologists or those using their methods.

## THERE ARE FEW ABSOLUTES IN OB

Laws in the physical sciences—chemistry, astronomy, physics—are consistent and apply in a wide range of situations. They allow scientists to generalize about the pull of gravity or to be confident about sending astronauts into space to repair satellites. Human beings are complex, and few, if any, simple principles explain human behavior. Because we are not alike, our ability to make generalizations about ourselves is limited. Two people often act very differently in the same situation, and the same person's behavior changes in different situations. For example, not everyone is motivated by money, and you may behave much more differently during a job interview than you would hanging out with your friends on a Saturday morning.

This does not mean, of course, that we cannot offer reasonably accurate explanations of human behavior. It does mean that OB concepts must reflect situational, or contingency, conditions. We can say  $x$  leads to  $y$ , but only under conditions specified in  $z$ —the **contingency variables**.

OB was developed by applying general concepts to a particular situation, person, or group. For example, OB practitioners would avoid stating that everyone likes complex and challenging work (a generalization). Why? Because not everyone wants a challenging job. Some people prefer routine over varied work, or simple over complex tasks.

### Contingency variables

Situational factors or variables that moderate the relationship between two or more variables.

A job attractive to one person may be unattractive to another; its appeal is contingent on the person who holds it. Often, we will find both general effects (money does have some ability to motivate most of us) and contingencies (some of us are more motivated by money than others, and some situations are more about money than others). We will best understand OB when we realize how both (general effects and the contingencies that affect them) often guide behavior.

## CHALLENGES AND OPPORTUNITIES FOR OB

Understanding organizational behavior has never been more important for managers. Take a quick look at the dramatic changes in organizations. The workforce is becoming increasingly diverse; and global competition requires employees to become more flexible and cope with rapid change.

As a result of these changes and others, employment options have adapted to include new opportunities for workers. Exhibit 1-2 details some of the types of options individuals may find offered to them by organizations or for which they would like to negotiate. Under each heading in the exhibit, you will find a grouping of options from which to choose—or combine. For instance, at one point in your career you may find yourself employed full

### EXHIBIT 1-2

#### Employment Options

Sources: J. R. Anderson Jr., et al., "Action Items: 42 Trends Affecting Benefits, Compensation, Training, Staffing and Technology," *HR Magazine* (January 2013) p. 33; M. Dewhurst, B. Hancock, and D. Ellsworth, "Redesigning Knowledge Work," *Harvard Business Review* (January–February 2013), 58–64; E. Frauenheim, "Creating a New Contingent Culture," *Workforce Management* (August 2012), 34–9; N. Koeppen, "State Job Aid Takes Pressure off Germany," *The Wall Street Journal* (February 1, 2013), p. A8; M. A. Shaffer, M. L. Kraimer, Y.-P. Chen, and M.C. Bolino, "Choices, Challenges, and Career Consequences of Global Work Experiences: A Review and Future Agenda," *Journal of Management* (July 2012), 1282–327.

Categories of Employment	Types of Employment	Places of Employment	Conditions of Employment	Compensation for Employment
Employed	Full-time	Anchored (office/cubicle)	Local	Salary
Underemployed/underutilized	Part-time	Floating (shared space)	Expatriate	Hourly
Re-employed	Flextime	Virtual	Short-term assignee	Overtime
Unemployed/jobless	Job share	Flexible	Flexpatriate	Bonus
Entrepreneur	Contingent	Work from home	International business traveler	Contract
Retired	Independent contractor		Visa employee	Time off
Job seeking	Temporary		Union/nonunion employee	Benefits
Furloughed	Reduced hours			
Laid off	Intern			

time in an office in a localized, nonunion setting with a salary and bonus compensation package, while at another point you may wish to negotiate for a flextime, virtual position and choose to work from overseas for a combination of salary and extra paid time off.

In short, today's challenges bring opportunities for managers to use OB concepts. In this section, we review some—but not nearly all—of the critical developing issues confronting managers and employees for which OB offers solutions or, at least, meaningful insights toward solutions.

## Globalization

### Globalization

The process in which worldwide integration and interdependence is promoted across national borders.

**Globalization** has led organizations, leaders, and employees to become increasingly connected across the globe, now more than ever.<sup>46</sup> Samsung, the largest South Korean business conglomerate, sells most of its products to organizations in other countries; Burger King is owned by a Brazilian firm; and McDonald's sells hamburgers in 101 countries on six continents. Although globalization united the international community following the second World War, the slow recovery from the global financial crisis has caused much of the world's population to be embittered by globalization.<sup>47</sup> In modern times, the world is at a tension point in which societies are choosing between sectioning off their economies versus remaining open to the world, given how globalization can change the employment landscape rapidly for many communities, sometimes resulting in poverty and economic inequality.<sup>48</sup> Meanwhile, we are on the brink of a new Industrial Revolution that has disrupted many industries and left many without jobs.<sup>49</sup> One of the new challenges of this tide of globalization is to forge cooperation between the public and its constituents, and between organizations and their employees across the globe, to pursue the public good with social responsibility in mind.

Furthermore, as a result of globalization, the manager's job has changed. To be effective in the workplace, you should try to anticipate and adapt your approach to the global issues we discuss next.



**WORKING WITH PEOPLE FROM DIFFERENT CULTURES** In your own country or on foreign assignment, you will find yourself working with bosses, peers, and other employees born and raised in different cultures. What motivates you may not motivate them. Or your communication style may be straightforward and open, which others may find uncomfortable and threatening. To work effectively with people from different cultures, you need to understand how their culture and background have shaped them and how to adapt your management style to accommodate these differences.



**ADAPTING TO DIFFERING CULTURAL AND REGULATORY NORMS** To be effective, managers need to know the cultural norms of the workforce in each country where they do business. For instance, in some countries a large percentage of the workforce enjoys long holidays. There are national and local regulations to consider, too. Managers of subsidiaries abroad need to be aware of the unique financial and legal regulations applying to “guest companies” or else risk violating them. Violations can have implications for their operations in that country and for political relations between countries. Managers also need to be cognizant of differences in regulations for competitors in that country; many times, understanding the laws can lead to success or failure. For example, knowing local banking laws allowed one multinational firm—the Bank of China—to seize control of a storied (and very valuable) London building, Grosvenor House Hotel,

from the owner, the Indian hotel group Sahara. Management at Sahara contended that the loan default that led to the seizure was a misunderstanding regarding one of their other properties in New York.<sup>50</sup> Globalization can get complicated.

## Workforce Demographics

The workforce has always adapted to variations in the economy, longevity, birth rates, socioeconomic conditions, and other changes that have a widespread impact. People adapt to survive, and OB studies the way those adaptations affect individuals' behavior. For instance, even though the 2008 global recession ended many years ago, some trends from those years are continuing: many people who have been long unemployed have left the workforce,<sup>51</sup> while others have cobbled together several part-time jobs<sup>52</sup> or settled for on-demand work.<sup>53</sup> Further options that have been particularly popular for younger educated workers have included obtaining specialized industry training after college,<sup>54</sup> accepting full-time jobs that are lower level,<sup>55</sup> and starting their own companies.<sup>56</sup>

Longevity and birth rates have also changed the dynamics in organizations. Global longevity rates have increased by about six years in a short time (since 2000—the fastest increase since the 1960s),<sup>57</sup> while birth rates are decreasing for many developed countries, trends that together indicate a lasting shift toward an older workforce. OB research can help explain what this means for employee attitudes, organizational culture, leadership, structure, and communication. Finally, socioeconomic shifts have a profound effect on workforce demographics. For example, equal access to work and education, regardless of gender identity or sexual orientation, has been deemed a human rights issue by the United Nations.<sup>58</sup> Despite increasing representation in the workforce, people of various demographic backgrounds (e.g., gender identities and sexual orientations) continue to experience inequality, under-representation as managers, prejudice, and even violence.<sup>59</sup> OB researchers study how people from diverse backgrounds fare in the workplace and the unique challenges and benefits they experience as well as how their conditions can be improved. This is just one illustration of how cultural and socioeconomic changes affect the workplace, but it is one of many. We discuss how OB can provide understanding and insight on workforce issues throughout this text.

## Workforce Diversity

One of the most important challenges for organizations is in managing increasing **workforce diversity**, a trend by which organizations are becoming more heterogeneous in terms of employees' gender, age, race, ethnicity, sexual orientation, and other characteristics. Though we have more to say about it in the next chapter, diversity presents great opportunities and poses challenging questions for managers and employees. How can we recognize the strengths in our diversity? Should we treat all employees alike, or adapt to accommodate each other's differences? What are the legal requirements in each country that protect workplaces from prejudice, discrimination, and inequality? Does workforce diversity lead to positive outcomes for employees and organizations? It is important to address the spoken and unspoken concerns of organizations today.

## Social Media

As we discuss in the chapter on communication, social media in the business world is here to stay. Despite its pervasiveness, many organizations continue to struggle



**Workforce diversity**  
The concept that organizations are becoming more heterogeneous in terms of gender, age, race, ethnicity, sexual orientation, and other characteristics.

with employees' use of social media in the workplace. For instance, in February 2015, a Texas pizzeria fired an employee before the first day of work because of an unflattering tweet about the job. In December 2014, Nordstrom fired an Oregon employee who had posted a personal Facebook comment seeming to advocate violence against police officers.<sup>60</sup> These examples show that social media is a difficult issue for today's managers, presenting both a challenge and an opportunity for OB. For instance, how much should HR investigate a candidate's social media presence? Should a hiring manager read the candidate's Twitter feeds, or just do a quick perusal of their Facebook profile? How can managers attract applicants and customers through their *own* social media presence?<sup>61</sup> Managers need to adopt evidence-based policies designed to protect employees and their organizations with balance and understanding.

Once employees are on the job, many organizations have policies about accessing social media at work—when, where, and for what purposes. But what about the impact of social media on employee well-being? One recent study found that subjects who woke up in a positive mood and then accessed Facebook frequently found their mood worsened during the day. Moreover, subjects who checked Facebook frequently over a two-week period reported a decreased level of satisfaction with their lives.<sup>62</sup> Managers—and OB—are trying to increase employee satisfaction and therefore improve and enhance positive organizational outcomes. We will discuss these issues further in the chapters on attitudes and job satisfaction and emotions and moods.

## Employee Well-Being at Work

One of the biggest challenges to maintaining employee well-being is the reality that many workers never get away from the virtual workplace. While communication technology allows many technical and professional employees to do their work at home, in their cars, or on the beach in Tahiti, it also means many feel like they are not part of a team. “The sense of belonging is very challenging for virtual workers, who seem to be all alone out in cyberland,” said Ellen Raineri of Kaplan University.<sup>63</sup> Another challenge is that organizations are asking employees to put in longer hours. According to one recent study, one in four employees shows signs of burnout, and two in three report high stress levels and fatigue.<sup>64</sup> This may be an underestimate because workers report maintaining “always on” access for their managers through e-mail and texting. Finally, employee well-being is challenged by heavy outside commitments. Millions of single-parent employees and employees with dependent parents face significant challenges in balancing work and family responsibilities, for instance.

As you will see in later chapters, the field of OB offers several suggestions to guide managers in designing workplaces and jobs that can help employees deal with work–life conflicts. Furthermore, there are several suggestions for managing stress and preventing burnout that you can apply, both in school and in the workplace.

## Positive Work Environment

A growing area in OB research is **positive organizational scholarship** (POS; also called *positive organizational behavior*), which studies how organizations develop human strengths, foster vitality and resilience, and unlock potential. Researchers

### Positive organizational scholarship

An area of OB research that concerns how organizations develop human strengths, foster vitality and resilience, and unlock potential.



in this area say too much of OB research and management practice has been targeted toward identifying what is wrong with organizations and their employees. In response, they try to study what is *good* about them.<sup>65</sup> Some key subjects in positive OB research are engagement, hope, optimism, and resilience in the face of strain.

Although positive organizational scholarship does not deny the value of the negative (such as critical feedback), it does challenge us to look at OB through a new lens, pushing organizations to make use of employees' strengths rather than dwell on their limitations. One aspect of a positive work environment is the organization's culture, the topic of the chapter on organizational culture. Organizational culture influences employee behavior so strongly that organizations have employed "culture officers" to shape and preserve the company's personality.<sup>66</sup>

## Ethical Behavior

In an organizational world characterized by cutbacks, expectations of increasing productivity, and tough competition; it is not surprising many employees feel pressured to cut corners, break rules, and engage in other questionable practices. Increasingly they face **ethical dilemmas and ethical choices** in which they are required to identify right and wrong conduct. Should they "blow the whistle" if they uncover illegal activities in their companies? Do they follow orders with which they do not personally agree? Should they "play politics" to advance their careers?

### **Ethical dilemmas and ethical choices**

Situations in which individuals are required to define right and wrong conduct.

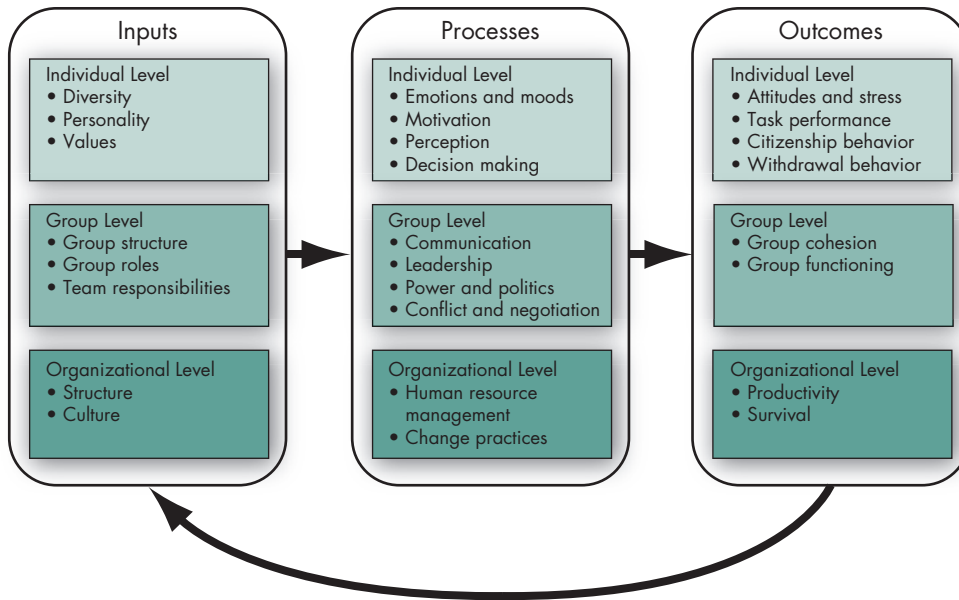
What constitutes good ethical behavior has never been clearly defined, and the line differentiating right from wrong is blurry. We see people all around us engaging in unethical practices: Elected officials pad expense accounts or take bribes; corporate executives inflate profits to cash in lucrative stock options; and university administrators look the other way when winning coaches encourage scholarship athletes to take easy courses or even, in the recent case at the University of North Carolina–Chapel Hill, sham courses with fake grades.<sup>67</sup> When caught, we see people give excuses such as "Everyone does it" or "You have to seize every advantage."

Today's manager must create an ethically healthy climate for employees in which they can do their work productively with minimal ambiguity about right and wrong behaviors. Companies that promote a strong ethical mission, encourage employees to behave with integrity, and provide strong leadership can influence employee decisions to behave ethically.<sup>68</sup> Classroom training sessions in ethics have also proven helpful in maintaining a higher level of awareness of the implications of employee choices as long as the training sessions are given on an ongoing basis.<sup>69</sup> In upcoming chapters, we discuss the actions managers can take to create an ethically healthy climate and help employees sort through ambiguous situations.

## COMING ATTRACTIONS: DEVELOPING AN OB MODEL

We conclude this chapter by presenting a general model that defines the field of OB and stakes out its parameters, concepts, and relationships. By studying the model, you will have a good picture of how the topics in this text can inform your approach to management issues and opportunities.



**EXHIBIT 1-3****A Basic OB Model****An Overview****Model**

An abstraction of reality, a simplified representation of some real-world phenomenon.

A **model** is an abstraction of reality, a simplified representation of some real-world phenomenon. Exhibit 1-3 presents the skeleton of our OB model. It proposes three types of variables (inputs, processes, and outcomes) at three levels of analysis (individual, group, and organizational). In the chapters to follow, we proceed from the individual level (Chapters 2 through 8) to group behavior (Chapters 9 through 14) to the organizational system (Chapters 15 through 17). The model illustrates that inputs lead to processes, which lead to outcomes; we discuss interrelationships at each level of analysis. Notice that the model also shows that outcomes can influence inputs in the future, which highlights the broad-reaching effect OB initiatives can have on an organization's future.

**Inputs****Inputs**

Variables like personality, group structure, and organizational culture that lead to processes.

**Inputs** are variables like personality, group structure, and organizational culture that lead to processes. These variables set the stage for what will occur in an organization later. Many are determined in advance of the employment relationship. For example, individual diversity characteristics, personality, and values are shaped by a combination of an individual's genetic inheritance and childhood environment. Group structure, roles, and team responsibilities are typically assigned immediately before or after a group is formed. Organizational structure and culture are usually the result of years of development and change as the organization adapts to its environment and builds up customs and norms.

## Processes

If inputs are like the nouns in OB, processes are like verbs. **Processes** are actions that individuals, groups, and organizations engage in as a result of inputs and that lead to certain outcomes. At the individual level, processes include emotions and moods, motivation, perception, and decision making. At the group level, they include communication, leadership, power and politics, and conflict and negotiation. Finally, at the organizational level, processes include HR management and change practices.

### Processes

Actions that individuals, groups, and organizations engage in as a result of inputs and that lead to certain outcomes.

## Outcomes

**Outcomes** are the key variables that you want to explain or predict, and that are affected by other variables. What are the primary outcomes in OB? Scholars have emphasized individual-level outcomes, such as attitudes and stress, task performance, citizenship behavior, and withdrawal behavior. At the group level, cohesion and functioning are the dependent variables. At the organizational level, we look at overall productivity and survival. Because these outcomes are covered in all the chapters, we briefly discuss each so you can understand the goal of OB.

### Outcomes

Key factors that are affected by some other variables.

**ATTITUDES AND STRESS** Employee **attitudes** are the evaluations that employees make, ranging from positive to negative, about objects, people, or events. For example, the statement “I really think my job is great” is a positive job attitude, while “My job is boring and tedious” is a negative job attitude. **Stress** is a psychological process that occurs in response to environmental pressures.

### Attitudes

Evaluative statements or judgments concerning objects, people, or events.

Some people might think influencing employee attitudes and stress is purely soft stuff, but as you will learn, attitudes often have behavioral consequences that directly relate to how well you do your job. Ample evidence shows that employees who are more satisfied and treated fairly are more willing to engage in the above-and-beyond citizenship behavior that is so vital in the contemporary business environment.

### Stress

A psychological process in which an individual is confronted with an opportunity, demand, or resource related to what the individual desires and for which the outcome is perceived to be both uncertain and important (e.g., stressors).

**TASK PERFORMANCE** The combination of effectiveness and efficiency at doing your core job tasks is a reflection of your level of **task performance**. If we think about the job of a factory worker, task performance could be measured by the number and quality of products produced in an hour. The task performance measurement of a teacher would be the level of education that students obtain. The task performance measurement of consultants might be the timeliness and quality of the presentations they offer to the client. All these types of performance relate to the core duties and responsibilities of a job and are often directly related to the functions listed on a formal job description.

### Task performance

The combination of effectiveness and efficiency at doing core job tasks.

**ORGANIZATIONAL CITIZENSHIP BEHAVIOR (OCB)** The discretionary behavior that is not part of an employee’s formal job requirements, and that contributes to the psychological and social environment of the workplace, is called **organizational citizenship behavior (OCB)**, or simply citizenship behavior. Successful organizations have employees who do more than their usual job duties—who provide performance *beyond* expectations. Organizations want and need employees who make positive contributions that are not in any job description, and evidence indicates organizations

### Organizational citizenship behavior (OCB)

Discretionary behavior that contributes to the psychological and social environment of the workplace.

that have such employees outperform those that do not. As a result, OB is concerned with citizenship behavior as an outcome variable.

#### **Withdrawal behavior**

The set of actions employees take to separate themselves from the organization.

**WITHDRAWAL BEHAVIOR** We have already mentioned behavior that goes above and beyond task requirements, but what about behavior that in some way is below task requirements? **Withdrawal behavior** is the set of actions that employees take to separate themselves from the organization. There are many forms of withdrawal, ranging from showing up late or failing to attend meetings to absenteeism and turnover. Employee withdrawal can have a very negative effect on an organization.

#### **Group cohesion**

The extent to which members of a group support and validate one another while at work.

**GROUP COHESION** Although many outcomes in our model can be conceptualized as individual-level phenomena, some relate to the way groups operate. **Group cohesion** is the extent to which members of a group support and validate one another at work. In other words, a cohesive group is one that sticks together. When employees trust one another, seek common goals, and work together to achieve these common ends, the group is cohesive; when employees are divided among themselves in terms of what they want to achieve and have little loyalty to one another, the group is not cohesive.

#### **Group functioning**

The quantity and quality of a group's work output.

**GROUP FUNCTIONING** In the same way that positive job attitudes can be associated with higher levels of task performance, group cohesion should lead to positive group functioning. **Group functioning** refers to the quantity and quality of a group's work output. Similar to how the performance of a sports team is more than the sum of each individual player's performance, group functioning in work organizations is more than the sum of individual task performances.

#### **Productivity**

The combination of the effectiveness and efficiency of an organization.

**PRODUCTIVITY** The highest level of analysis in OB is the organization as a whole. An organization is productive if it achieves its goals by transforming inputs into outputs at the lowest cost. Thus, **productivity** requires both **effectiveness** and **efficiency**.

A business firm is *effective* when it attains its sales or market share goals, but its productivity also depends on achieving those goals *efficiently*. Popular measures of organizational efficiency include return on investment, profit per dollar of sales, and output per hour of labor.

#### **Effectiveness**

The degree to which an organization meets the needs of its clientele or customers.

Organizations in the service industry must include customer needs and requirements in assessing their effectiveness. Why? Because a clear chain of cause and effect runs from employee behavior to customer attitudes and profitability. For example, a recent study of over 50,000 online TripAdvisor reviews and nearly 8,000 managerial responses suggests that when managers personally respond to online reviews, financial performance (e.g., revenue per available room) increases.<sup>70</sup>

#### **Efficiency**

The degree to which an organization can achieve its ends at a low cost.

**SURVIVAL** The final outcome we consider is **organizational survival**, which is simply evidence that the organization is able to exist and grow over the long term. The survival of an organization depends not just on how productive the organization is, but also on how well it fits with its environment. A company that is very productive in making goods and services of little value to the market is unlikely to survive for long, so survival also relies on perceiving the market successfully, making good decisions about how and when to pursue opportunities, and successfully managing change to adapt to new business conditions.

#### **Organizational survival**

The degree to which an organization is able to exist and grow over the long term.

## EMPLOYABILITY SKILLS

Challenges relevant to OB can be found in just about every function of business, from finance and accounting to management and marketing. Without a doubt, at some point in your career, you will come across an issue that hinges to a large degree on the behavior of people in organizations. A review of the great challenges that most businesses face reveals that OB is an essential piece of the puzzle in solving many problems that involve managing integrity/social responsibility, managing resources, competing among businesses, bolstering customer and employee loyalty, reducing uncertainty, complying with government regulation, managing risks, and finding the right staff—all while growing revenue and increasing profit.<sup>71</sup>

But OB is not relevant to business majors only; it is important for all students, no matter what their majors are. At first glance, for example, it might not seem as if a university student with a microbiology degree would have any need to take an OB class. But what happens after that student graduates? Wouldn't knowledge of OB principles and concepts help them apply to and be successful at a job as a biology technician with Battelle? What about a graduate with a nursing degree working at the Mayo Clinic? A computer science graduate who is about to begin work with Cisco? OB principles matter for students of all majors and can help increase employability as well as interpersonal skills in the workplace. These skills can even help you to become successful in your classes as you interact with other students and your professors! Clearly, the knowledge of OB concepts such as stress management, change, attitudes, emotions, and motivation, among others, can help you navigate your interactions with your classmates as you continue to learn.

People, along with their behaviors, differences, attitudes, emotions, moods, personalities, values, intentions, thoughts, and motivations, are inextricably linked to life in the workplace. As stated earlier in the chapter, “The people make the place.”<sup>72</sup> Employees interact and communicate with one another within and across work groups, departments, teams, and organizations to help accomplish the organization's goals. Leaders within these organizations (along with the employees themselves) seek to effect change, establish an organizational culture, and set policies and procedures—processes that inevitably involve leadership, politicking, conflict, and negotiation. Given the pervasiveness of OB in organizational life, entry-level employees and working professionals would therefore benefit from having solid foundational skills in OB, such as communication, collaboration, critical thinking, problem solving, social responsibility, and knowledge application and analysis.

In this section, we explore the career employability skills that a course in OB can help expand for those who select *any* major—from English, to engineering, to political science.

### Employability Skills That Apply Across Majors

Throughout this text, you will learn and practice many skills that hiring managers identify as important to success in a variety of business settings, including small and large firms, nonprofit organizations, and public service. These skills will also be useful if you plan to start your own business, for example:

*Critical thinking* involves purposeful and goal-directed thinking used to define and solve problems and to make decisions or form judgments related to a situation or

set of circumstances. It involves cognitive, metacognitive, and dispositional components that may be applied differently in specific contexts.

*Communication* is defined as the effective use of oral, written, and nonverbal communication skills for multiple purposes (e.g., to inform, instruct, motivate, persuade, and share ideas); effective listening; the use of technology to communicate; and the ability to evaluate the effectiveness of communication efforts—all within diverse contexts.

*Collaboration* is a skill in which individuals can actively work together on a task, constructing meaning and knowledge as a group through dialogue and negotiation that results in a final product reflective of their joint, interdependent actions.

*Knowledge application and analysis* is defined as the ability to learn a concept and then apply that knowledge appropriately in another setting to achieve a higher level of understanding.

*Social responsibility* includes skills related to both business ethics and corporate social responsibility. Business ethics includes sets of guiding principles that influence the way individuals and organizations behave within the society that they operate. Corporate social responsibility is a form of ethical behavior that requires that organizations understand, identify, and eliminate unethical economic, environmental, and social behaviors.

The employability skills matrix (ESM) links the five employability skills that were just defined with sections in each chapter. Within these sections, you will be primed to think critically and apply your knowledge to consider special cases and concepts. You will also learn how to improve your collaboration and communication skills by learning what you might do or say in these given situations to navigate the work world positively and

Employability Skills Matrix (ESM)					
	Part 1	Part 2	Part 3	Part 4	Part 5
Critical Thinking				✓	✓
Communication	✓	✓	✓		✓
Collaboration	✓	✓			✓
Knowledge Application and Analysis		✓		✓	✓
Social Responsibility			✓		✓

effectively. You will be confronted with ethical dilemmas in which you will consider the ethics of behaviors in the workplace. We recommend that you review and consider the ESM in advance of reading the chapter so that you have a better idea of the skills you will be developing from each section. All five of these skills are critical to success in careers that are relevant to OB and other majors alike. In the chapters to come, you will engage in a variety of activities and become exposed to several cases in which you will be developing these skills.

## SUMMARY

Employees and managers alike need to develop their interpersonal, or people, skills to be effective in their jobs. OB investigates the impact that individuals, groups, and structure have on behavior within an organization, and then applies that knowledge to help employees, managers, and organizations work more effectively.

## IMPLICATIONS FOR MANAGERS

- Resist the inclination to rely on generalizations; some provide valid insights into human behavior, but many are erroneous. Get to know the person and understand the context.
- Use metrics rather than hunches to explain cause-and-effect relationships.
- Work on your interpersonal skills to increase your leadership potential.
- Improve your technical skills and conceptual skills through training and staying current with OB trends like big data, fast data, and machine learning.
- OB can improve employees' work quality and productivity by showing you how to empower your employees, design and implement change programs, improve customer service, and help your employees balance work–life conflicts.

# 2

## Diversity in Organizations

### LEARNING OBJECTIVES

**After studying this chapter, you should be able to:**

- 2.1 Demonstrate how workplace discrimination undermines organizational effectiveness.
- 2.2 Explain how stereotypes function in organizational settings.
- 2.3 Describe how key biographical characteristics are relevant to OB.
- 2.4 Explain how other differentiating characteristics factor into OB.
- 2.5 Demonstrate the relevance of intellectual and physical abilities to OB.
- 2.6 Describe how organizations manage diversity effectively.

### DIVERSITY



Our world is getting smaller and smaller every day. With the tide of globalization discussed in the previous chapter, it is clearer more than ever that each of us is a mosaic—made up of many tiles that make us unique.<sup>1</sup> Our uniqueness is obvious enough, but employees and managers alike sometimes forget they need to recognize, appreciate, and manage individual differences to forge productive workplaces. Consider Mughal Emperor Shah Jahan, who employed 22,000 artisans from around the world to construct and design the Taj Mahal—today, this “crown of palaces” represents myriad influences, including Islamic, Persian, Ottoman, and Indian, among others.<sup>2</sup> In this chapter, you will learn how individual characteristics like age, gender, race, identity, sexual orientation, ethnicity, and abilities can influence interactions and performance in the workplace. You will also see how managers can develop awareness about these characteristics and manage a diverse workforce effectively. But first, let us take an overview perspective of the changing workforce.

### Demographic Characteristics



The predominantly white, male managerial workforce of the past has given way to a gender-balanced, multiethnic workforce. For instance, in 1950, only 29.6 percent of the U.S. workforce was female,<sup>3</sup> but by 2016, women comprised 46.8 percent of the workforce.<sup>4</sup> Both in the United States and internationally, women today are much more likely than before to be employed full time, and women’s labor force representation should continue to grow, along with the diversity of the labor force.<sup>5</sup> In addition, the earnings



gap between whites and other racial and ethnic groups in the United States has decreased significantly, partially due to the rising number of minorities in the workforce. Hispanics will grow from 13 percent of the workforce in 2014 to 25.1 percent in 2044; blacks will increase from 12 to 12.7 percent, and Asians from 5 to 7.9 percent.<sup>6</sup> Workers over the age of 55 are an increasingly large portion of the workforce as well, both in the United States and globally. In the United States, the 55-and-older age group will increase from 21.7 percent of the labor force in 2014 to 25 percent by 2024, a growth rate three times larger than the overall labor force.<sup>7</sup> These changes are increasingly reflected in the makeup of managerial and professional jobs. They also indicate organizations must make diversity management a central component of their policies and practices.

## Levels of Diversity

Although much has been said about diversity in age, race, gender, ethnicity, religion, and disability status, experts now recognize that these demographic characteristics are just the tip of the diversity iceberg.<sup>8</sup> Demographics mostly reflect **surface-level diversity**, and not thoughts and feelings. Surface-level diversity can lead employees to make stereotypes and assumptions about others from certain demographic backgrounds. However, evidence has shown that people are less concerned about demographic differences if they see themselves as sharing more important characteristics, such as personality and values, that represent **deep-level diversity**.<sup>9</sup>

To understand the difference between surface- and deep-level diversity, consider an example. Some of you may have worked in a professional kitchen or as a member of the wait staff at a restaurant. You would certainly agree that these environments are often stressful: during busy periods, things can get hectic both in the kitchen and out on the floor.<sup>10</sup> To top it all off, there are so many people you have to interact with to ensure the customer has an excellent experience: the hosting staff, management, kitchen, runners, bussers—not to mention, the most important people: the customers!

All these people bring their own set of unique characteristics “to the table.” One of the kitchen staff members, Bellamy, is a young, transgender person from a black family who grew up in Austin and is working toward an accounting degree. On the other hand, Hector is an older cisgender man who immigrated from Honduras earlier in life, converted to Islam in his late twenties, grew up in Seattle, and is now the general manager of the restaurant. At first, these coworkers may notice their surface-level differences in education, ethnicity, regional background, and gender identity. However, as they get to know one another, they may find they share a common way of thinking about work problems and have similar perspectives on time management. These deep-level similarities can overshadow the more superficial differences between them, and research suggests that sharing similarities (especially similar work styles) will help them work well together.<sup>11</sup> For example, if Bellamy and Hector have similar time management styles (both get to work on time and do prep work well in advance), they will be more likely to get along together and experience less conflict.

Throughout this text, you will encounter differences between deep- and surface-level diversity in various contexts. Diversity is an important concept in OB since individual differences shape preferences for rewards, communication styles, reactions to leaders, negotiation styles, and many other aspects of behavior in organizations. Unfortunately, increased diversity may give way to discriminatory practices, which we discuss next.

### Surface-level diversity

Differences in easily perceived characteristics such as gender, race, ethnicity, age, or disability, that do not necessarily reflect the ways people think or feel but that may activate certain stereotypes.

### Deep-level diversity

Differences in values, personality, and work preferences that become progressively more important for determining similarity as people get to know one another better.



**Discrimination**

Noting a difference between things; often we refer to unfair discrimination, which means making judgments about individuals based on stereotypes regarding their demographic group.

**Stereotyping**

Judging someone based on one's perception of the group to which that person belongs.

**Stereotype threat**

The degree to which we are concerned with being judged by or treated negatively based on a certain stereotype.

## DISCRIMINATION AND STEREOTYPING

Although diversity presents many opportunities for organizations, diversity management includes working to eliminate unfair **discrimination**. To discriminate is to note a difference between things, which is not necessarily bad. Noticing one employee is more qualified is necessary for making good hiring decisions. Usually when we talk about discrimination, though, we mean allowing our behavior to be influenced by stereotypes about *groups* of people. **Stereotyping** is judging someone based on our perception of the group to which that person belongs. For example, in the 2018 U.S. Open Finals, professional tennis grand champion Serena Williams was penalized several times in an escalating argument with the umpire.<sup>12</sup> Serena, along with many other experts and officials, believed that her penalties were unduly harsh, when compared with penalties that have been historically levied toward men.<sup>13</sup> As Wharton organizational psychologist Adam Grant notes, “When a man argues with an umpire, it’s passion. When a woman does it, it’s a meltdown. When a black woman does it, it’s a penalty.”<sup>14</sup>

### Stereotype Threat

Let us say you are sitting in a restaurant (perhaps the one where Hector and Bellamy work!), waiting to meet with recruiters from an organization you want to work at for an informal interview. How did you describe yourself to the recruiters so that they could find you? What identifiable characteristics would you mention so that they know a bit more about you and so that they can recognize you in the restaurant?

Chances are good that you would mention something about what you are wearing or your hairstyle. You might also mention how tall you are if you are remarkably tall or short. Overall, you would give cues to the recruiters about characteristics that are *distinctive*, or that stand out about you. However, with these characteristics follows the fear of being judged or treated negatively based on these superficial characteristics.

**Stereotype threat** describes the degree to which we are concerned with being judged by or treated negatively based on a certain stereotype.<sup>15</sup> For instance, older workers applying for a job in a predominately millennial-age workforce may assume the interviewer thinks they are out of touch with current trends. What creates stereotype threat is not whether these workers are or are not up to date with trends but whether they believe the interviewer will judge them based on this stereotype.

Stereotype threat has serious implications for the workplace. Stereotype threat can occur during preemployment tests and assessments, performance evaluations, and everyday workplace exchanges. It can lead to underperformance on tests, performance evaluations, training exercises, negotiations, and everyday interactions with others as well as to disengagement, poor job attitudes, a reluctance to seek feedback, and poor performance in the employees experiencing the threat.<sup>16</sup> Although the occurrence of stereotype threat is not inevitable and occurs infrequently in testing environments, we can combat it in the workplace by treating each other as individuals and not highlighting group differences.<sup>17</sup> The following organizational changes can be successful in reducing stereotype threat: increasing awareness of how stereotypes may be perpetuated (especially when developing policies and practices), reducing differential and preferential treatment through objective assessments, confronting microaggressions against minority groups, and adopting transparent practices that signal the value of all employees.<sup>18</sup>

## Discrimination in the Workplace

To review, unfair discrimination assumes that everyone in a group is the same rather than looking at the characteristics of individuals within the group. This discrimination is often very harmful for employees, as we have just discussed, and for organizations.

Exhibit 2-1 provides definitions and examples of some forms of discrimination in organizations. Although many are prohibited by law and therefore are not a part of organizations' official policies, the practices persist. Tens of thousands of cases of employment discrimination are documented every year, and many more go unreported. Since discrimination has increasingly come under both legal scrutiny and social disapproval, overt forms have tended to give way to more covert forms like incivility or exclusion, which can be just as perilous.<sup>19</sup>

As you can see, discrimination can occur in many ways, and its effects can vary depending on organizational context and the personal biases of employees. Like stereotype threat, actual discrimination can lead to increased negative consequences for employers, including reduced productivity and organizational citizenship behavior (OCB; see Chapter 1: What Is Organizational Behavior?), more conflict, increased turnover, and even increased risk-taking behavior.<sup>20</sup> Unfair discrimination also leaves qualified job candidates out of initial hiring and promotions. Thus, even if an employment discrimination lawsuit is never filed, a strong business case can be made for aggressively working to eliminate unfair discrimination.

Whether it is overt or covert, intentional or unintentional, discrimination is one of the primary factors that prevents diversity. On the other hand, recognizing diversity opportunities can lead to an effective diversity management program and ultimately to a better organization. *Diversity* is a broad term, and the phrase *workplace diversity* can refer to any characteristic that makes people different from one another. The following section covers some important surface-level characteristics that differentiate members of the workforce.

## BIOGRAPHICAL CHARACTERISTICS

**Biographical characteristics**, such as age, gender, race, ethnicity, and disability, are some of the most obvious ways employees differ. Let us begin by looking at factors that are easily definable and readily available—data that can be obtained, for the most part, from an employee's human resources (HR) file. These, and several other characteristics, are what comprise surface-level diversity. Variations in these surface-level characteristics may be the basis for discrimination against classes of employees.

### Biographical characteristics

Personal characteristics—such as age, gender, race, and length of tenure—that are objective and easily obtained from personnel records. These characteristics are representative of surface-level diversity.

### Age

Age in the workforce is likely to be an issue of increasing importance during the next decade for many reasons. For one, the workforce is aging worldwide in most developed countries.<sup>21</sup> In the United States, the proportion of the workforce aged 55 and older is projected to be nearly 24.8 percent by 2024.<sup>22</sup> Legislation has, for all intents and purposes, outlawed mandatory retirement. Moreover, reflecting global trends, over forty countries spanning all continents, have laws directly against age discrimination.<sup>23</sup> Most workers today no longer have to retire at age 70, and 53 percent of workers over the age of 60 plan to delay retirement, likely due to the strong financial benefits of delaying retirement.<sup>24</sup> However, one study of Dutch taxi drivers suggests that perceptions of



**EXHIBIT 2-1**  
**Forms of Discrimination in Organizations**

Sources: J. Levitz and P. Shishkin, "More Workers Cite Age Bias after Layoffs," *The Wall Street Journal*, March 11, 2009, D1–D2; W. M. Bulkeley, "A Data-storage Titan Confronts Bias Claims," *The Wall Street Journal*, September 12, 2007, A1, A16; D. Walker, "Incident with Moose Stirs Old Memories," *McClatchy-Tribune Business News*, June 29, 2008; D. Solis, "Racial Horror Stories Keep EEOC Busy," *Knight-Ridder Tribune Business News*, July 30, 2005, 1; H. Ibish and A. Stewart, *Report on Hate Crimes and Discrimination against Arab Americans: The Post-September 11 Backlash, September 11, 2001–October 11, 2001* (Washington, DC: American-Arab Anti-Discrimination Committee, 2003); A. Raghavan, "Wall Street's Disappearing Women," *Forbes*, March 16, 2009, 72–78; L. M. Cortina, "Unseen Injustice: Incivility as Modern Discrimination in Organizations," *Academy of Management Review* 33, no. 1 (2008): 55–75.

Type of Discrimination	Definition	Examples from Organizations
<b>Discriminatory policies or practices</b>	Actions taken by representatives of the organization that deny equal opportunity to perform or unequal rewards for performance.	Older workers may be targeted for layoffs because they are highly paid and have lucrative benefits.
<b>Sexual harassment</b>	Unwanted sexual advances and other verbal or physical conduct of a sexual nature that create a hostile or offensive work environment.	Salespeople at one company went on company-paid visits to strip clubs, brought strippers into the office to celebrate promotions, and fostered pervasive sexual rumors.
<b>Intimidation</b>	Overt threats or bullying directed at members of specific groups of employees.	African American employees at some companies have found nooses hanging over their workstations.
<b>Mockery and insults</b>	Jokes or negative stereotypes; sometimes the result of jokes taken too far.	Arab Americans have been asked at work whether they were carrying bombs or were members of terrorist organizations.
<b>Exclusion</b>	Exclusion of certain people from job opportunities, social events, discussions, or informal mentoring; can occur unintentionally.	Many women in finance claim they are assigned to marginal job roles or are given light workloads that do not lead to promotion.
<b>Incivility</b>	Disrespectful treatment, including behaving in an aggressive manner, interrupting the person, or ignoring varying opinions.	Female lawyers note that male attorneys frequently cut them off or do not adequately address their comments.

stereotype threat, or that colleagues/customers feel negatively about older taxi drivers in this instance, leads to higher retirement intentions.<sup>25</sup>



Stereotypes of older workers as being behind the times, grumpy, and inflexible are changing. Managers often see a number of positive qualities that older workers bring to their jobs, such as experience, judgment, a strong work ethic, and a commitment to quality. For example, the Public Utilities Board, the water agency of Singapore, reports that 27 percent of its workforce is over age 55 and the older workers provide workforce stability.<sup>26</sup> Industries like health care, education, government, and nonprofit service often welcome older workers.<sup>27</sup> But older workers are still perceived as less adaptable and less motivated to learn new technology.<sup>28</sup> When organizations seek individuals who are open to change and training, the perceived negatives associated with age clearly

hinder the initial hiring of older workers and increase the likelihood they will be let go during cutbacks.

Now let us look at the evidence. What effect does age have on two of our most important outcomes, job performance and job satisfaction?

**AGE AND JOB PERFORMANCE** The majority of studies have shown “virtually no relationship between age and job performance,” according to Director Harvey Sterns of the Institute for Life-Span Development and Gerontology.<sup>29</sup> Indeed, some studies indicate that older adults perform better. In Munich, a four-year study of 3,800 Mercedes-Benz workers found that “the older workers seemed to know better how to avoid severe errors,” said Matthias Weiss, the academic coordinator of the study.<sup>30</sup> Related to performance, there is a conception that creativity lessens as people age. Researcher David Galenson, who studied the ages of peak creativity, found that people who create through experimentation do “their greatest work in their 40s, 50s, and 60s. These artists rely on wisdom, which increases with age.”<sup>31</sup> Finally, there is evidence that age-diverse teams and organizations perform better than those with similar ages, primarily because both older and younger workers bring a complementary, diverse set of knowledge, skills, and abilities to their teams.<sup>32</sup>



**AGE AND JOB SATISFACTION** Regarding job satisfaction, an important topic in the chapter on attitudes and job satisfaction, a review of more than 800 studies found that older workers tend to be more satisfied with their work and report better relationships with coworkers.<sup>33</sup> However, one study drawing on over 20,000 participants spanning forty years suggests that people are becoming less satisfied with their jobs the longer they stay at any given organization—despite this finding, as people age, their job satisfaction tends to increase, most likely because their pay and benefits increase.<sup>34</sup> So as you get older, you should expect to like your work more and more!

## Gender

The best place to begin to consider this topic is with the recognition that few, if any, differences between genders affect job performance.<sup>35</sup> Reviews of hundreds of studies on job performance and performance appraisals suggest that there are virtually no differences between genders when it comes to performing well; however, differences in pay, benefits, and rewards are strong and substantial, up to fourteen times the size of performance differences.<sup>36</sup>

Yet biases and stereotypes persist. In the hiring realm, managers are influenced by gender bias when selecting candidates for certain positions.<sup>37</sup> For instance, men are preferred in hiring decisions for male-dominated occupations, particularly when men are doing the hiring.<sup>38</sup> Once on the job, men and women may be offered a similar number of developmental experiences, but females are less likely to be assigned challenging positions by men, assignments that could help them achieve higher organizational positions.<sup>39</sup> Moreover, men are more likely to be chosen for leadership roles even though men and women are equally effective leaders, a phenomenon that has been referred to as the “glass ceiling” (and applies to any underrepresented group that faces obstacles to advancement).<sup>40</sup> In fact, as of April 2020, women hold only 6 percent of CEO positions in S&P 500 companies.<sup>41</sup> Furthermore, a study of twenty organizations in Spain suggested that women are generally selected for leadership roles that require handling organizational crises—positions in which they are usually set up to fail, a phenomenon commonly



referred to as the glass cliff.<sup>42</sup> According to Naomi Sutherland, senior partner in diversity at recruiter Korn Ferry, “Consciously or subconsciously, companies are still hesitant to take the risk on someone who looks different from their standard leadership profile.”<sup>43</sup>

In other words, these “glass ceiling” and “glass cliff” phenomena may be due to stereotypes which depict white males as ideal leaders, as they are perceived as more agentic and dominating than woman.<sup>44</sup> Furthermore, there is a stereotype that women default to a caregiving or relational role, and they are “penalized” for experiencing work-family conflict.<sup>45</sup> As a result, women may be more likely to experience a “motherhood” bias that prevents them from advancing in their careers, affects their performance evaluations, and their salaries. The perception of this bias can even lead pregnant women on leave from their organizations to be more likely to quit.<sup>46</sup>



These stereotypes counter the evidence that suggests that females are effective leaders in organizations: research from hundreds of studies suggests not only that women are rated as effective leaders in organizations but that women’s representation in leadership positions is actually predictive of financial performance in hundreds of thousands of organizations.<sup>47</sup> We have seen that there are many misconceptions and contradictions about male and female workers. Thankfully, many countries, including Australia, the United Kingdom, and the United States, have laws against sex discrimination. Other countries, such as Belgium, France, Norway, and Spain, are seeking gender diversity through laws to increase the percentage of women on boards of directors.<sup>48</sup> Gender biases and gender discrimination are serious issues, but there are indications that the situation is improving.

## Race and Ethnicity



In his “Address to the Nations of the World,” given in London in 1900, W. E. B. Du Bois noted that the problem of the 20th century was that of “the color-line, the question as to how far differences of race—which show themselves chiefly in the color of the skin . . . will hereafter be made the basis of denying to over half the world the right of sharing to their utmost ability the opportunities and privileges of modern civilization.”<sup>49</sup> Although problems with discrimination and prejudice, identified earlier in this chapter, are still major societal issues, laws against race and ethnic discrimination are in effect in many countries, including Australia, the United Kingdom, and the United States.<sup>50</sup>

We define *race* as the heritage people use to identify themselves; *ethnicity* is the additional set of cultural characteristics that often overlaps with race. Typically, we associate race with biology and ethnicity with culture, but there is a history of self-identifying for both classifications. Some industries have remained less racially diverse than others. For instance, U.S. advertising and media organizations suffer from a lack of racial diversity in their management ranks, even though their client base is increasingly ethnically diverse.<sup>51</sup> Race and ethnicity have been studied as they relate to employment outcomes such as hiring decisions, performance evaluations, pay, and workplace discrimination.<sup>52</sup>

Members of racial and ethnic minorities report higher levels of discrimination in the workplace.<sup>53</sup> Black people generally fare worse than white people in employment decisions (a finding that may not apply outside the United States). Black people receive lower ratings in employment interviews, lower job performance ratings, less pay, and fewer promotions.<sup>54</sup> Lastly, black people are discriminated against even in controlled experiments. For example, one study of low-wage jobs found that black applicants with no criminal history received fewer job offers than did white applicants with criminal records.<sup>55</sup> Even

applicants with black-sounding names were 50 percent less likely than those with white-sounding names to receive interview callbacks in one large randomized experiment.<sup>56</sup>

## Disabilities

Workplace policies, both official and circumstantial, regarding individuals with physical or mental disabilities vary from country to country. Countries such as Australia, the United States, the United Kingdom, and Japan have specific laws to protect individuals with disabilities.<sup>57</sup> These laws have resulted in greater acceptance and accommodation of people with physical or mental impairments. In the United States, for instance, the representation of individuals with disabilities in the workforce rapidly increased with the passage of the Americans with Disabilities Act (ADA) in 1990.<sup>58</sup> According to the ADA, employers are required to make reasonable accommodations so their workplaces will be accessible to individuals with physical or mental disabilities.



**SCOPE OF DISABILITIES** The U.S. Equal Employment Opportunity Commission (EEOC), the federal agency responsible for enforcing employment discrimination laws, classifies a person who has any physical or mental impairment that substantially limits one or more major life activities as *disabled*. One of the most controversial aspects of the ADA is the provision that requires employers to make reasonable accommodations (e.g., comfort and assistance animals) for people with psychiatric disabilities.<sup>59</sup> Examples of recognized disabilities include missing limbs, seizure disorder, Down syndrome, deafness, schizophrenia, alcoholism, diabetes, depression, and chronic back pain. These conditions share almost no common features, so there is no specific definition about how each condition is related to employment.

**DISABILITIES AND OUTCOMES** The impact of disabilities on employment outcomes has been explored from a variety of perspectives. On the one hand, when disability status was randomly manipulated among hypothetical candidates in a study, individuals with disabilities were rated as having superior personal qualities like dependability.<sup>60</sup> However, according to a review of a number of studies, individuals with disabilities tend to encounter lower performance expectations and are less likely to be hired.<sup>61</sup> Furthermore, managers or supervisors with disabilities tend to experience lower quality relationships with their subordinates, unless policies and procedures are in place that make their workplace more inclusive.<sup>62</sup> Mental disabilities may impair performance more than physical disabilities: Individuals with such common mental health issues as depression and anxiety are significantly more likely to be absent from work.<sup>63</sup>

The elimination of discrimination against the disabled workforce has been a rocky road. In Europe, for instance, policies to motivate employers have failed to boost the workforce participation rate for workers with disabilities, and outright quota systems in Germany, France, and Poland have backfired, although employment discrimination laws in California has met with some success.<sup>64</sup> However, the recognition of the talents and abilities of individuals with disabilities has made a positive impact. In addition, technology and workplace advancements have greatly increased the scope of available jobs for those with all types of disabilities. Managers need to be attuned to the true requirements of each job and match the skills of the individual to them, providing accommodations when needed. But what happens when employees do not disclose their disabilities? Let's discuss this next.





## Hidden Disabilities

As we mentioned earlier, disabilities include observable characteristics like missing limbs, illnesses that require a person to use a wheelchair, and blindness. Other disabilities may not be obvious, at least at first. Unless an individual decides to disclose a disability that is not easily observable, it can remain hidden at the discretion of the employee. These are called *hidden disabilities* (or invisible disabilities). Hidden disabilities generally fall under the categories of sensory disabilities (for example, impaired hearing), autoimmune disorders (like rheumatoid arthritis), chronic illness or pain (like carpal tunnel syndrome), cognitive or learning impairments (like attention-deficit/hyperactivity disorder), sleep disorders (like insomnia), and psychological challenges (like posttraumatic stress disorder).<sup>65</sup>

As a result of recent changes to the Americans with Disabilities Act Amendments Act (ADAAA) of 2008, U.S. organizations must accommodate employees with a very broad range of impairments. However, employees must disclose their conditions to their employers in order to be eligible for workplace accommodations and employment protection. Many employees do not want to disclose their invisible disabilities, so they are prevented from getting the workplace accommodations they need in order to thrive in their jobs. Research indicates that individuals with hidden disabilities are afraid of being stigmatized or ostracized if they disclose their disabilities to others in the workplace, and they believe that their managers will think they are less capable of strong job performance.<sup>66</sup> Add this to the challenge of receiving a diagnosis for a condition that one did not previously have and these fears are compounded even more so than if the diagnosis was made for employees when they were younger.<sup>67</sup>

In some ways, a hidden disability is not truly invisible. For example, a person with undisclosed autism will still exhibit the behaviors characteristic of the condition, such as difficulties with verbal communication and adaptability.<sup>68</sup> You may observe behaviors that lead you to suspect an individual has a hidden disability. Unfortunately, you may attribute the behavior to other causes—for instance, you may incorrectly ascribe the slow, slurred speech of a coworker to an alcohol problem rather than to the long-term effects of a stroke.

Research suggests that disclosure helps all—the individual, others, and organizations. Disclosure may increase the job satisfaction and well-being of the individual, help others understand and assist the individual to succeed in the workplace, and allow the organization to accommodate the situation to achieve top performance.<sup>69</sup>

## OTHER DIFFERENTIATING CHARACTERISTICS

The last set of characteristics we will look at includes religion, sexual orientation, gender identity, and cultural identity. These characteristics illustrate deep-level differences that provide opportunities for workplace diversity, as long as discrimination can be overcome.

### Religion

Religious and nonreligious people question each other's belief systems, and people of different religious faiths often experience conflict with one another. Furthermore, faith can be an employment issue wherever religious beliefs prohibit or encourage certain

