



Ninth Edition

# Organizational Behavior

Steven L. McShane

University of Newcastle (Australia)

Mary Ann Von Glinow

Florida International University

Mc  
Graw  
Hill



# ORGANIZATIONAL BEHAVIOR: EMERGING KNOWLEDGE, GLOBAL REALITY, NINTH EDITION

Published by McGraw-Hill Education, 2 Penn Plaza, New York, NY 10121. Copyright ©2021 by McGraw-Hill Education. All rights reserved. Printed in the United States of America. Previous editions ©2017 and 2013. No part of this publication may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written consent of McGraw-Hill Education, including, but not limited to, in any network or other electronic storage or transmission, or broadcast for distance learning.

Some ancillaries, including electronic and print components, may not be available to customers outside the United States.

This book is printed on acid-free paper.

1 2 3 4 5 6 7 8 9 LWI 24 23 22 21 20

ISBN 978-1-260-79955-2 (bound edition)

MHID 1-260-79955-7 (bound edition)

ISBN 978-1-264-07539-3 (loose-leaf edition)

MHID 1-264-07539-1 (loose-leaf edition)

Portfolio Director: *Michael Ablassmeir*

Senior Product Developer: *Anne Ehrenworth*

Product Coordinator: *Allison Marker*

Executive Marketing Manager: *Debbie Clare*

Senior Project Manager, Core Content: *Kathryn D. Wright*

Senior Project Manager, Assessment Content: *Keri Johnson*

Project Manager, Media Content: *Karen Jozefowicz*

Senior Buyer: *Sandy Ludovissy*

Design Manager: *Debra Kubiak*

Content Licensing Specialists: *Ann Marie Jannette and Sarah Flynn*

Cover Image: *Shutterstock/photobeps*; and Global Connections icon: *Shutterstock/Merfin*

Compositor: *Aptara®, Inc.*

All credits appearing on page or at the end of the book are considered to be an extension of the copyright page.

## Library of Congress Cataloging-in-Publication Data

Names: McShane, Steven Lattimore, author. | Von Glinow, Mary Ann Young, 1949- author.

Title: Organizational behavior : emerging knowledge, global reality / Steven L. McShane, The University of Newcastle (UON), Mary Ann Von Glinow, Florida International University.

Description: Ninth Edition. | Dubuque : McGraw-Hill Education, 2021. | Revised edition of the authors' Organizational behavior, [2018]

Identifiers: LCCN 2019046390 (print) | LCCN 2019046391 (ebook) | ISBN 9781260799552 (hardcover) | ISBN 9781264075393 (spiral bound) | ISBN 9781264075379 (ebook) | ISBN 9781264075355 (ebook other)

Subjects: LCSH: Organizational behavior.

Classification: LCC HD58.7 .M42 2021 (print) | LCC HD58.7 (ebook) | DDC 658—dc23

LC record available at <https://lcn.loc.gov/2019046390>

LC ebook record available at <https://lcn.loc.gov/2019046391>

The Internet addresses listed in the text were accurate at the time of publication. The inclusion of a website does not indicate an endorsement by the authors or McGraw-Hill Education, and McGraw-Hill Education does not guarantee the accuracy of the information presented at these sites.

[mheducation.com/highered](http://mheducation.com/highered)

## about the AUTHORS

### Steven L. McShane

Steven L. McShane is Conjoint Professor at Newcastle Business School, University of Newcastle (Australia). He previously held the positions of Adjunct Professor at Gustavson School of Business, University of Victoria (Canada), Professor at Simon Fraser University's Faculty of Business Administration (Canada), and Winthrop Professor of Management at the University of Western Australia Graduate School of Management and Business School. He currently teaches organizational behavior in the IMBA program at the Antai College of Economics and Management at Shanghai Jiao Tong University in Shanghai, China. Steve has received awards for his teaching quality and innovation, and receives high ratings from students in Perth, Shanghai, Singapore, Manila, and other cities where he has taught. He is also a popular visiting speaker, having given dozens of invited talks and seminars to faculty and students in the United States, China, Canada, Malaysia, India, and other countries.

Steve earned his PhD from Michigan State University, where he specialized in organizational behavior and labor relations. He also holds a Master's of Industrial Relations from the University of Toronto and an undergraduate degree from Queen's University in Canada. Steve is a past president of the Administrative Sciences Association of Canada (the Canadian equivalent of the Academy of Management) and served as Director of Graduate Programs in Simon Fraser University's business faculty. He has conducted executive programs with Nokia, TÜV-SÜD, Wesfarmers Group, Main Roads WA, McGraw-Hill, ALCOA World Alumina Australia, and many other organizations.

Along with coauthoring *Organizational Behavior*, Ninth Edition, Steve is lead coauthor of *Canadian Organizational Behaviour*, Tenth Edition (2018), *Organisational Behaviour: Asia Pacific*, Sixth Edition (2019), and *M: Organizational Behavior*, Fourth Edition (2019). He is also coauthor of editions or translations of his organizational behavior books in other countries. Steve has published several dozen articles and conference papers on workplace values, training transfer, organizational learning, exit-voice-loyalty, employee socialization, wrongful dismissal, media bias in business magazines, and other diverse topics.

Steve enjoys spending his leisure time hiking, swimming, body board surfing, canoeing, skiing, and traveling with his wife and two daughters.

### Mary Ann Von Glinow

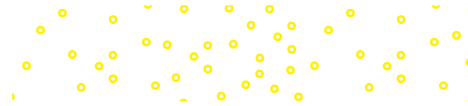
Dr. Von Glinow is a Knight Ridder Eminent Scholar Chair in International Management at Florida International University and is senior editor for the *Journal of International Business Studies (JIBS)*. She served as 2010 to 2012 president of the Academy of International Business (AIB) and the 1994–1995 president of the Academy of Management (AOM). Previously on the Marshall School faculty of the University of Southern California, she has an MBA and a PhD in management science from Ohio State University, and is a Fellow of the Academy of Management,



Courtesy of Donna McClement



Mary Ann Von Glinow



the Academy of International Business, and the Pan-Pacific Business Association. She sits on 13 editorial review boards and numerous international panels and teaches in executive programs in Latin America, Asia, and the United States.

Dr. Von Glinow has authored over 100 journal articles and 13 books, most of which have been translated into Chinese, Hindi, and Spanish. Her book on organizational learning capability won a Gold Book Award from the Ministry of Economic Affairs in Taiwan in 2002. She is the 2005 recipient of the Academy of Management's Distinguished Service Award, one of the highest honors bestowed by the Academy.

Mary Ann has consulted widely and is on the board of directors of several organizations, including the advisory board to Volvo-Geely in China. She is actively involved in several animal welfare organizations and received the 1996 Humanitarian Award of the Year from Miami's Adopt-a-Pet.





## dedication

Dedicated with love and devotion to Donna, and to our  
wonderful daughters, Bryton and Madison

—S.L.M.

Dedicated to Zack, Emma, Googun, Blue, Chloe, Jackson,  
and Boomer

—M.A.V.G.



# brief CONTENTS

## 1 INTRODUCTION

- Chapter 1 Introduction to the Field of Organizational Behavior 2

## 2 INDIVIDUAL BEHAVIOR AND PROCESSES

- Chapter 2 Individual Differences: Personality and Values 44
- Chapter 3 Perceiving Ourselves and Others in Organizations 80
- Chapter 4 Workplace Emotions, Attitudes, and Stress 120
- Chapter 5 Foundations of Employee Motivation 162
- Chapter 6 Applied Performance Practices 206
- Chapter 7 Decision Making and Creativity 242

## 3 TEAM PROCESSES

- Chapter 8 Team Dynamics 284
- Chapter 9 Communicating in Teams and Organizations 328
- Chapter 10 Power and Influence in the Workplace 366
- Chapter 11 Conflict and Negotiation in the Workplace 400
- Chapter 12 Leadership in Organizational Settings 444

## 4 ORGANIZATIONAL PROCESSES

- Chapter 13 Designing Organizational Structures 476
- Chapter 14 Organizational Culture 508
- Chapter 15 Organizational Change 542

## ADDITIONAL CASES

- Case 1: Arctic Mining Consultants 572
- Case 2: Going to the X-Stream 573
- Case 3: Keeping Suzanne Chalmers 576
- Case 4: The Regency Grand Hotel 577
- Case 5: Simmons Laboratories 578
- Case 6: Tamarak Industries 582
- Case 7: The Outstanding Faculty Award 582
- Case 8: The Shipping Industry Accounting Team 583
- Case 9: Verberg Kansen N.V. 584

## Appendix A

Theory Building and Systematic Research Methods 590

*Organization Index I-1*

*Name Index I-5*

*Glossary/Subject Index I-29*

# contents

Preface xiv



Richard Drew/AP Images

## INTRODUCTION 1

### CHAPTER 1 Introduction to the Field of Organizational Behavior 2

#### Welcome to the Field of Organizational Behavior! 4

- What Is Organizational Behavior? 4
- Historical Foundations of Organizational Behavior 5

#### Why Organizational Behavior Is Important 6

- Why OB Is Important for You 6
- Why OB Is Important for Organizations 7
- Connecting the Dots: An Integrative Model of Organizational Behavior 10

#### Anchor of Organizational Behavior Knowledge 12

- The Systematic Research Anchor 12
- The Practical Orientation Anchor 13
- The Multidisciplinary Anchor 14
- The Contingency Anchor 14
- The Multiple Levels of Analysis Anchor 14

#### The Emerging Workplace Landscape 15

- Diversity and the Inclusive Workplace 15
- Work–Life Integration 17
- Remote Work 19
- Employment Relationships 21

#### Self-Assessment 1.1: ARE YOU A GOOD Remote Worker? 21

#### MARS Model of Individual Behavior and Performance 22

- Employee Motivation 23
- Ability 23
- Role Perceptions 24
- Situational Factors 25

#### Types of Individual Behavior 25

- Task Performance 26
- Organizational Citizenship 27
- Counterproductive Work Behaviors 27
- Joining and Staying with the Organization 27
- Maintaining Work Attendance 28

#### The Journey Begins 29

- Chapter Summary 30
- Key Terms 31
- Critical Thinking Questions 31

Case Study: Promoting Safe Behavior at Mother Parkers 32

Case Study: Pushing Papers Can Be Fun 33

Class Exercise: World Café on the Emerging Workplace 33



Westend61/Getty Images

## INDIVIDUAL BEHAVIOR AND PROCESSES 2

### CHAPTER 2 Individual Differences: Personality and Values 44

#### Personality and the Five-Factor Model in Organizations 46

- What Causes Personality: Nature versus Nurture 46
- Five-Factor Model of Personality 47

#### Self-Assessment 2.1: What Is Your Big Five Personality? 48

#### Self-Assessment 2.2: Are You Introverted or Extraverted? 48

#### Self-Assessment 2.3: Can You Identify Personality Traits from Blogging Words? 50

- Issues When Applying the Five-Factor Model 50

#### Other Personality Concepts:

#### The Dark Triad and MBTI Types 51

- The Dark Triad 51

#### Self-Assessment 2.4: How Machiavellian Are You? 54

- Jungian Personality Theory and the Myers-Briggs Type Indicator 54

#### Self-Assessment 2.5: Are You a Sensing or Intuitive Type? 55

#### Values in the Workplace 56

- Types of Values 57

#### Self-Assessment 2.6: What Are Your Dominant Values? 58

- Values and Individual Behavior 58
- Values Congruence 59

#### Ethical Values and Behavior 60

- Four Ethical Principles 61
- Moral Intensity, Moral Sensitivity, and Situational Influences 61
- Supporting Ethical Behavior 63

#### Values across Cultures 64

- Individualism and Collectivism 65

#### Self-Assessment 2.7: How Much Do You Value Individualism and Collectivism? 65

- Power Distance 65

**Self-Assessment 2.8: What Is Your Level of Power Distance? 66**

- Uncertainty Avoidance 66
- Achievement-Nurturing Orientation 66
- Caveats about Cross-Cultural Knowledge 67
- Cultural Diversity in the United States 67

Chapter Summary 68

Key Terms 69

Critical Thinking Questions 69

**Case Study: SNC-Lavalin Group Inc. 69****Class Exercise: Which Big Five Factors Fit Specific Occupations? 71****Class Exercise: Personal Values Exercise 72****Team Exercise: Ethics Dilemma Vignettes 72****CHAPTER 3 Perceiving Ourselves and Others in Organizations 80****Self-Concept: How We Perceive Ourselves 82**

- Self-Concept Complexity, Consistency, and Clarity 82

**Self-Assessment 3.1: How Much Does Work Define Your Self-Concept? 85**

- Self-Enhancement 85
- Self-Verification 86
- Self-Evaluation 86

**Self-Assessment 3.2: How Much General Self-Efficacy Do You Have? 87****Self-Assessment 3.3: What Is Your Locus of Control? 87**

- The Social Self 87
- Self-Concept and Organizational Behavior 89

**Perceiving the World around Us 89**

- Perceptual Organization and Interpretation 91

**Self-Assessment 3.4: How Much Perceptual Structure do You Need? 92****Specific Perceptual Processes and Problems 93**

- Stereotyping in Organizations 93
- Attribution Theory 96
- Self-Fulfilling Prophecy 98
- Other Perceptual Effects 99

**Improving Perceptions 101**

- Awareness of Perceptual Biases 101
- Improving Self-Awareness 102
- Meaningful Interaction 103

**Self-Assessment 3.5: How Strong Is Your Perspective Taking (Cognitive Empathy)? 104****Self-Assessment 3.6: How Strong Is Your Emotional Empathy? 104****Global Mindset: Developing Perceptions across Borders 104**

- Developing a Global Mindset 105

Chapter Summary 106

Key Terms 107

Critical Thinking Questions 107

**Case Study: Bridging the Two Worlds 108****Case Study: HY Dairies, Inc. 109****Class Exercise: Who's Who? 110****Team Exercise: Personal and Organizational Strategies for Developing a Global Mindset 111****CHAPTER 4 Workplace Emotions, Attitudes, and Stress 120****Emotions in the Workplace 122**

- Types of Emotions 122
- Emotions, Attitudes, and Behavior 123
- Cognitive Dissonance 127
- Emotions and Personality 128

**Self-Assessment 4.1: What Is Your Emotional Personality? 128****Managing Emotions at Work 128**

- Emotional Display Norms across Cultures 128
- Strategies for Displaying Expected Emotions 130

**Emotional Intelligence 131****Self-Assessment 4.2: How Well Do You Recognize And Regulate Emotions? 132**

- Emotional Intelligence Outcomes and Development 132

**Job Satisfaction 133**

- Job Satisfaction and Work Behavior 134
- Job Satisfaction and Performance 135
- Job Satisfaction and Customer Satisfaction 136
- Job Satisfaction and Business Ethics 137

**Organizational Commitment 137****Self-Assessment 4.3: How Committed Are You To Your School? 138**

- Consequences of Affective and Continuance Commitment 138
- Building Organizational Commitment 139

**Work-Related Stress and Its Management 140****Self-Assessment 4.4: How Stressed Are You? 140**

- General Adaptation Syndrome 141
- Consequences of Distress 141
- Stressors: The Causes of Stress 142
- Individual Differences in Stress 143

**Self-Assessment 4.5: Are You A Workaholic? 144**

- Managing Work-Related Stress 144

**Self-Assessment 4.6: How Do You Cope with Stressful Situations? 146**

Chapter Summary 146

Key Terms 147

Critical Thinking Questions 147

**Case Study: Diana's Disappointment: The Promotion Stumbling Block 148****Class Exercise: Strengths-Based Coaching 149****Team Exercise: Ranking Jobs on Their Emotional Labor 150**



## CHAPTER 5 Foundations of Employee Motivation 162

### Employee Motivation, Drives, and Needs 164

- Employee Drives and Needs 165
- Individual Differences in Needs 166

### Drive-Based Motivation Theories 167

- Four-Drive Theory 167
- Maslow's Needs Hierarchy Theory 169

### Self-Assessment 5.1: How Strong Are Your Growth Needs? 170

- Intrinsic and Extrinsic Motivation 170
- Learned Needs Theory 171

### Self-Assessment 5.2: How Strong Are Your Learned Needs? 172

### Expectancy Theory of Motivation 173

- Expectancy Theory in Practice 174

### Organizational Behavior Modification and Social Cognitive Theory 176

- Organizational Behavior Modification 176
- Social Cognitive Theory 178

### Goal Setting and Feedback 179

### Self-Assessment 5.3: What Is Your Goal Orientation? 180

- Characteristics of Effective Feedback 180
- Sources of Feedback 182
- Evaluating Goal Setting and Feedback 183

### Organizational Justice 184

- Distributive Justice and Equity Theory 184

### Self-Assessment 5.4: How Sensitive Are You to Inequities? 188

- Procedural and Interactional Justice 188

Chapter Summary 190

Key Terms 191

Critical Thinking Questions 191

### Case Study: Cincinnati Super Subs 192

### Case Study: Steelfab Corp. 193

### Team Exercise: Predicting Harry's Work Effort 193

### Class Exercise: Needs Priority Exercise 194

### Team Exercise: Bonus Decision Exercise 195

## CHAPTER 6 Applied Performance Practices 206

### The Meaning of Money in the Workplace 208

### Self-Assessment 6.1: What Is Your Attitude toward Money? 208

### Financial Reward Practices 209

- Membership- and Seniority-Based Rewards 209
- Job Status-Based Rewards 210
- Competency-Based Rewards 210
- Performance-Based Rewards 212

### Improving Reward Effectiveness 214

- Link Rewards to Performance 214

Ensure that Rewards Are Relevant 215

Use Team Rewards for Interdependent Jobs 215

Ensure that Rewards Are Valued 215

Watch Out for Unintended Consequences 215

### Job Design Practices 217

- Job Design and Work Efficiency 217
- Scientific Management 218
- Problems with Job Specialization 219

### Job Design and Work Motivation 219

- Core Job Characteristics 219
- Critical Psychological States 221
- Individual Differences 221
- Social and Information Processing Job Characteristics 221

### Job Design Practices that Motivate 222

- Frequent Job Rotation 222
- Job Enlargement 223
- Job Enrichment 224

### Psychological Empowerment Practices 225

### Self-Assessment 6.2: Are You Empowered as a Student? 226

- Supporting Psychological Empowerment 226

### Self-Leadership Practices 227

- Personal Goal Setting 228
- Constructive Thought Strategies 228
- Designing Natural Rewards 229
- Self-Monitoring 229
- Self-Reinforcement 230

### Self-Assessment 6.3: How Well Do You Practice Self-Leadership? 230

- Effectiveness of Self-Leadership 230
- Personal and Situational Predictors of Self-Leadership 230

### Self-Assessment 6.4: Do You Have a Proactive Personality? 231

Chapter Summary 231

Key Terms 232

Critical Thinking Questions 232

### Case Study: Yakkatech, Inc. 232

### Team Exercise: Is Student Work Enriched? 233

## CHAPTER 7 Decision Making and Creativity 242

### Rational Choice Decision Making 244

- Rational Choice Decision Process 245
- Problems with Rational Choice Decision Making 246

### Identifying Problems and Opportunities 247

- Problems with Problem Identification 247
- Identifying Problems and Opportunities More Effectively 249

**Searching for, Evaluating, and Choosing Alternatives 249**

- Problems with Goals 249
- Problems with Information Processing 249
- Problems with Maximization 252
- Evaluating Opportunities 252

**Emotions and Intuition in Decision Making 253**

- Emotions and Making Choices 253
- Intuition and Making Choices 253

**Self-Assessment 7.1: What is Your Preferred Decision-Making Style? 254**

- Making Choices More Effectively 254

**Implementing and Evaluating Decisions 255**

- Implementing Decisions 255
- Evaluating Decisions 255

**Creativity 258**

- The Creative Process 258

**Self-Assessment 7.2: How Well Do You****Engage in Divergent Thinking? 259**

- Characteristics of Creative People 260

**Self-Assessment 7.3: Do You Have a Creative Personality? 261**

- Organizational Conditions Supporting Creativity 261
- Activities that Encourage Creativity 262

**Employee Involvement in Decision Making 265**

- Benefits of Employee Involvement 265
- Contingencies of Employee Involvement 266

Chapter Summary 268

Key Terms 269

Critical Thinking Questions 269

**Case Study: How KGame Boosts Employee Creativity 270****Case Study: Dogged by the Wrong Problem 271****Class Exercise: Employee Involvement Incidents 272****Team Exercise: Where in the World are We? 273****Class Exercise: Creativity Brainbusters 275**

PRESSLAB/Shutterstock

**TEAM  
PROCESSES 284****CHAPTER 8 Team  
Dynamics 284****Teams and Informal Groups 286**

- Informal Groups 287

**Advantages and Disadvantages of Teams 288**

- The Challenges of Teams 289

**A Model of Team Effectiveness 291**

- Organizational and Team Environment 292

**Team Design Elements 293**

- Task Characteristics 293
- Team Size 294
- Team Composition 295

**Team Processes 298****Self-Assessment 8.1: Are You a Team Player? 298**

- Team Development 298

**Self-Assessment 8.2: What Team Roles****Do You Prefer? 300**

- Team Norms 302
- Team Cohesion 302
- Team Trust 305

**Self-Assessment 8.3: How Trusting Are You? 306**

- Success Factors for Self-Directed Teams 307

**Self-Directed Teams 306****Remote (Virtual) Teams 307**

- Success Factors for Remote Teams 309

**Team Decision Making 310**

- Constraints on Team Decision Making 310
- Improving Creative Decision Making in Teams 311

Chapter Summary 313

Key Terms 314

Critical Thinking Questions 314

**Case Study: Conifer Corp. 315****Team Exercise: Team Tower Power 316****Team Exercise: Human Checkers 316****Team Exercise: Survival on the Moon 317****CHAPTER 9 Communicating in Teams  
and Organizations 328****The Importance of Communication 331****A Model of Communication 332**

- Influences on Effective Encoding  
and Decoding 333

**Communication Channels 334**

- Digital Written Communication 334
- Social Media Communication in the Workplace 337
- Nonverbal Communication 339

**Choosing the Best Communication Channel 340**

- Synchronicity 340
- Social Presence 341
- Social Acceptance 341
- Media Richness 342
- Communication Channels and Persuasion 344

**Communication Barriers (Noise) 345**

- Perceptions 345
- Language 345
- Jargon 346
- Filtering 346
- Information Overload 346

**Cross-Cultural and Gender Communication 347**

- Nonverbal Differences across Cultures 348
- Gender Differences in Communication 349

**Improving Interpersonal Communication 349**

Getting Your Message Across 350

Active Listening 350

**Self-Assessment 9.1: Are You an Active Listener? 351****Improving Communication throughout the Hierarchy 351**

Workspace Design 351

Digitally-Based Organizational  
Communication 352

Direct Communication with Top Management 352

**Communicating through the Grapevine 353**

Grapevine Characteristics 353

Grapevine Benefits and Limitations 353

Chapter Summary 355

Key Terms 356

Critical Thinking Questions 356

**Case Study: Silver Lines: Challenges in Team  
Communication 356****Team Exercise: Cross-Cultural  
Communication Game 358****Team Exercise: Visual Instructions Exercise 359****CHAPTER 10 Power and Influence  
in the Workplace 366****The Meaning of Power 368****Sources of Power in Organizations 370**

Legitimate Power 370

Reward Power 371

Coercive Power 371

Expert Power 372

Referent Power 372

**Contingencies of Power 373**

Nonsubstitutability 373

Centrality 374

Visibility 375

Discretion 376

**The Power of Social Networks 376****Self-Assessment 10.1: Do You Have a  
Guanxi Orientation? 376**

Social Capital and Sources of Power 377

Gaining Power through Social Networks 378

**Consequences of Power 380****Influencing Others 380****Self-Assessment 10.2: What Is Your Approach  
to Influencing Coworkers? 381**

Types of Influence Tactics 381

Consequences and Contingencies  
of Influence Tactics 384**Organizational Politics 386**

Individual Differences in Organizational Politics 386

Minimizing Organizational Politics 387

**Self-Assessment 10.3: How Politically  
Charged is Your School? 388**

Chapter Summary 388

Key Terms 389

Critical Thinking Questions 389

**Case Study: Resonus Corporation 390****Case Study: JP Morgan's Whale 391****Team Exercise: Deciphering the Network 392****Team Exercise: Bingo Networking 393****Team Exercise: Managing Your Boss 393****CHAPTER 11 Conflict and Negotiation  
in the Workplace 400****The Meaning and Consequences of Conflict 402**

Is Conflict Good or Bad? 403

**The Emerging View: Task and Relationship Conflict 404**

Task Conflict 404

Relationship Conflict 404

Minimizing Relationship Conflict during Task Conflict 405

**Conflict Process Model 407****Structural Sources of Conflict in Organizations 408**

Incompatible Goals 408

Differentiation 408

Interdependence 409

Scarce Resources 410

Ambiguous Rules 410

Communication Problems 411

**Interpersonal Conflict-Handling Styles 411****Self-Assessment 11.1: What Is Your Preferred  
Conflict-Handling Style? 412**

Choosing the Best Conflict-Handling Style 413

Cultural and Gender Differences in  
Conflict-Handling Styles 415**Structural Approaches to Conflict Management 415**

Emphasizing Superordinate Goals 415

Reducing Differentiation 416

Improving Communication and Mutual  
Understanding 416

Reducing Interdependence 418

Increasing Resources 418

Clarifying Rules and Procedures 418

**Third-Party Conflict Resolution 419**

Choosing the Best Third-Party Intervention Strategy 420

**Resolving Conflict through Negotiation 421**Distributive versus Integrative  
Approaches to Negotiation 421

Preparing to Negotiate 421

The Negotiation Process 423

The Negotiation Setting 426

Gender and Negotiation 427

Chapter Summary 428

Key Terms 429

Critical Thinking Questions 429

**Case Study: Maelstrom Communications 430**

**Case Study: Discord Investments 430**

**Class Exercise: Conflict Handling Incidents 431**

**Team Exercise: Kumquat Conflict Role Play 433**

## CHAPTER 12 Leadership in Organizational Settings 444

### What Is Leadership? 446

Shared Leadership 446

### Transformational Leadership Perspective 447

Develop and Communicate a Strategic Vision 448

Model the Vision 450

Encourage Experimentation 450

Build Commitment toward the Vision 450

### Self-Assessment 12.1: What Are Your Transformational Leadership Tendencies? 450

Transformational Leadership and Charisma 451

Evaluating the Transformational Leadership Perspective 452

### Managerial Leadership Perspective 452

Interdependence of Managerial and Transformational Leadership 453

Task-Oriented and People-Oriented Leadership 453

### Self-Assessment 12.2: What is Your Preferred Managerial Leadership Style? 454

Servant Leadership 454

### Path-Goal and Leadership Substitute Theories 455

Path-Goal Leadership Theory 455

Leadership Substitutes Theory 457

### Implicit Leadership Perspective 458

Prototypes of Effective Leaders 459

The Romance of Leadership 459

### Self-Assessment 12.3: Do Leaders Make a Difference? 459

### Personal Attributes Perspective of Leadership 460

Eight Important Leadership Attributes 460

Authentic Leadership 462

Leadership Attributes Perspective Limitations and Practical Implications 463

### Cross-Cultural and Gender Issues in Leadership 464

Gender and Leadership 465

Chapter Summary 465

Key Terms 466

Critical Thinking Questions 466

**Case Study: A Window on Life 467**

**Team Exercise: Leadership Diagnostic Analysis 468**



Jean Chung/Bloomberg/Getty Images

## ORGANIZATIONAL PROCESSES 476

## CHAPTER 13 Designing Organizational Structures 476

### Division of Labor and Coordination 479

Division of Labor 479

Coordination of Work Activities 479

### Elements of Organizational Structure 482

Span of Control 482

Centralization and Decentralization 485

Formalization 486

Mechanistic versus Organic Structures 486

### Self-Assessment 13.1: Which Organizational Structure Do You Prefer? 487

### Forms of Departmentalization 487

Simple Structure 488

Functional Structure 488

Divisional Structure 489

Team-Based Structure 491

Matrix Structure 493

Network Structure 496

### Contingencies of Organizational Design 497

External Environment 497

Organizational Size 498

Technology 499

### Self-Assessment 13.2: Does Your Job Require an Organic or Mechanistic Structure? 499

Organizational Strategy 499

Chapter Summary 500

Key Terms 500

Critical Thinking Questions 501

**Case Study: Merritt's Bakery 501**

**Team Exercise: The Club Ed Exercise 502**

## CHAPTER 14 Organizational Culture 508

### Elements of Organizational Culture 510

Espoused versus Enacted Values 510

Content of Organizational Culture 512

### Self-Assessment 14.1: Which Corporate Culture Do You Prefer? 513

Organizational Subcultures 514

### Deciphering Organizational Culture through Artifacts 514

Organizational Stories and Legends 515

Organizational Language 515

Rituals and Ceremonies 515

Physical Structures and Symbols 516

**Is Organizational Culture Important? 517**

- Meaning and Potential Benefits of a Strong Culture 518
- Contingencies of Organizational Culture and Effectiveness 518
- Organizational Culture and Business Ethics 520

**Merging Organizational Cultures 522**

- Bicultural Audit 522
- Strategies for Merging Different Organizational Cultures 523

**Changing and Strengthening Organizational Culture 525**

- Actions of Founders and Leaders 525
- Align Artifacts with the Desired Culture 526
- Introduce Culturally Consistent Rewards and Recognition 526
- Support Workforce Stability and Communication 527
- Use Attraction, Selection, and Socialization for Cultural Fit 527

**Organizational Socialization 528**

- Learning and Adjustment Process 528
- Psychological Contracts 529
- Stages of Organizational Socialization 529
- Improving the Socialization Process 531

Chapter Summary 532

Key Terms 533

Critical Thinking Questions 533

**Case Study: Hillton's Transformation 533****Team Exercise: Organizational Culture Metaphors 534****Class Exercise: Diagnosing Corporate Culture Proclamations 536****CHAPTER 15 Organizational Change 542****Lewin's Force Field Analysis Model 544****Understanding Resistance to Change 546**

Why Employees Resist Change 547

**Self-Assessment 15.1: Are You Ready for Change? 547****Unfreezing, Changing, and Refreezing 549**

Creating an Urgency for Change 549

**Self-Assessment 15.2: Are You Tolerant of Change? 550**

Reducing the Restraining Forces 551

Refreezing the Desired Conditions 553

**Leadership, Coalitions, and Pilot Projects 554**

Transformational Leadership and Change 554

Coalitions, Social Networks, and Change 555

Pilot Projects and Diffusion of Change 556

**Four Approaches to Organizational Change 557**

Action Research Approach 557

Appreciative Inquiry Approach 558

Large Group Intervention Approach 562

Parallel Learning Structure Approach 562

**Cross-Cultural and Ethical Issues in Organizational Change 563****Organizational Behavior: The Journey Continues 563**

Chapter Summary 564

Key Terms 564

Critical Thinking Questions 565

**Case Study: Transact Insurance Corporation 565****Team Exercise: Strategic Change Incidents 566****ADDITIONAL CASES****Case 1: Arctic Mining Consultants 572****Case 2: Going to the X-Stream 573****Case 3: Keeping Suzanne Chalmers 576****Case 4: The Regency Grand Hotel 577****Case 5: Simmons Laboratories 578****Case 6: Tamarak Industries 582****Case 7: The Outstanding Faculty Award 582****Case 8: The Shipping Industry Accounting Team 583****Case 9: Verberg Kansen N.V. 584****Appendix A**

Theory Building and Systematic Research Methods 590

*Organization Index I-1**Name Index I-5**Glossary/Subject Index I-29*



# preface

Welcome to the exciting world of organizational behavior! Knowledge is replacing infrastructure. Social media and remote teams are transforming the way employees work together. Employees are guided more by values and self-leadership rather than command-and-control management. Companies seek out employees with emotional intelligence and effective teamwork skills, not just technical smarts.

*Organizational Behavior*, Ninth Edition, is written in the context of these emerging workplace realities. This edition explains how work–life integration is becoming an essential employee practice in the workplace; how social networks generate power and shape communication patterns; how emotions influence employee motivation, attitudes, and decisions; how self-concept is a significant determinant of individual behavior, team cohesion, and leadership; and how adopting a global mindset has become an important employee characteristic in this increasingly interconnected world. This book also adopts the view that organizational behavior is not just for managers; it is relevant and valuable to anyone who works in and around organizations.

## Linking Theory with Reality

Every chapter of *Organizational Behavior* is filled with examples to make OB knowledge more meaningful and illuminate the relevance and excitement of this field. These stories about real people and organizations translate academic theories into useful knowledge and real-life applications. For example, we describe how Uber executives are actively working to replace the transportation network firm’s dysfunctional culture with one that is more productive and ethical; how the U.S. Army has embraced teamwork and a “team of teams” organizational structure; how Hilton Hotels and Resorts has improved customer service by paying more attention to employee emotions, attitudes, and well-being; how T-Mobile CEO John Legere practices direct communication with employees; how Stryker, the Kalamazoo, Michigan, medical devices manufacturer, motivates employees through strengths-based coaching; and how Jeremy Gutsche has built his expert power and personal brand as one of the world’s leading trend spotters.

These and many other stories—which the authors of this book personally researched, selected, and wrote from available sources—appear in many forms. Every chapter is filled with photo captions and in-text anecdotes about work life. *Global Connections* features “connect” OB concepts with events in real-world companies around the planet. Case studies in each chapter also connect OB concepts to the emerging workplace realities. These anecdotes and detailed descriptions discuss large and small organizations around the world and in a wide range of industries.

## Global Focus

From its first edition, this book has been crafted around the recognition that globalization has had a profound influence on the workplace. We continue this global focus by discussing international and cross-cultural issues in many chapters. Furthermore, every chapter includes truly global examples, not just how American companies operate in other parts of the world. For example, this Ninth Edition describes how Nigerian software company Softcom motivates employees through job autonomy and meaningful work; how Buurtzorg Nederland organizes its 15,000 professionals in the Netherlands into self-directed teams; how the job requirement of smiling at customers tends to create more emotional labor in people from Russia than from the United States; how the witty “You People!” commercial produced by South African restaurant chain Nando’s, pokes fun at our tendency to stereotype others; how employees at WeWork’s rapidly growing Tel Aviv operations minimize conflict by improving mutual understanding through lunch roulettes; how IKEA focuses on personal values when hiring job applicants around the world; and

how Buenos Aires-based Globant has become a successful technology company by encouraging teamwork, design thinking, and an inclusive culture.

---

## Contemporary Theory Foundation

---

Vivid real-world examples and practices are valuable only if they are connected to good theory. *Organizational Behavior* has developed a reputation for its solid foundation in contemporary and classic research and writing. This evidence-based knowledge is apparent from the number and quality of literature cited in each chapter, including dozens of articles, books, and other sources. This results in what we believe is the most up-to-date organizational behavior textbook available. These references also reveal that we reach out to marketing, information management, human resource management, and other disciplines for new ideas. This book is rigorously focused on information that readers value, namely OB knowledge and practices. Consequently, with a few classic exceptions, we avoid writing a “who’s who” book; most scholars are named in the references, not in the main text.

One of the driving forces for writing *Organizational Behavior* has been to provide a more responsive conduit for emerging OB knowledge to reach students, practitioners, and fellow scholars. To its credit, *Organizational Behavior* is apparently the first major OB book to discuss the full self-concept model (not just core self-evaluation), workplace emotions, social identity theory, design thinking, global mindset, four-drive theory, specific elements of social networks, appreciative inquiry, affective events theory (but without the jargon), somatic marker hypothesis (also without the jargon), remote teams, four criteria for selecting the preferred communication channel, Schwartz’s values model, employee engagement, learning orientation, social and information processing characteristics of job design, and several other groundbreaking topics. This edition continues this leadership by introducing the latest knowledge on the shifting trends in digital communication in organizations, the five strategies for regulating emotions, several caveats when applying the five-factor personality model, the ethic of care, psychological safety in team decision making, managing conflict through intergroup mirroring, and problems when choosing opportunities in decision making.

---

## Organizational Behavior Knowledge for Everyone

---

Another distinctive feature of *Organizational Behavior* is that it is written for everyone in organizations, not just managers. The philosophy of this book is that everyone who works in and around organizations needs to understand and make use of organizational behavior knowledge. People throughout the organization—systems analysts, production employees, accounting professionals—are taking on more responsibilities as companies remove layers of management and give the rest of us more autonomy and accountability for our work outcomes. This book helps everyone make sense of organizational behavior, and provides the conceptual tools to work more effectively in the workplace.

---

## Active Learning and Critical Thinking Support

---

We teach organizational behavior, so we understand how important it is to use a textbook that offers deep support for active learning and critical thinking. Business school accreditation associations also emphasize the importance of the learning experience,

which further reinforces our attention on classroom activities. This Ninth Edition includes more than two dozen case studies in various forms and levels of complexity, as well as four dozen self-assessments, most of which have been empirically tested and validated.

Student critical thinking is further aided with a *Debating Point* in each chapter. This feature demonstrates that even the most obvious OB knowledge may be contested by contrary evidence and logical counterarguments. *Debating Point* encourages students to continuously seek out divergent viewpoints and evidence rather than unquestioningly accept the validity of existing theories and practices.

*Organizational Behavior*, Ninth Edition, is also a rich resource for in-class activities, some of which are not available in other organizational behavior books, such as the Kumquat Conflict Role Play, Personal Values Exercise, Bingo Networking, Who's Who?, Employee Involvement Cases, Deciphering the (Social) Network, World Café on the Emerging Workplace, Which Big Five Factors Fit Specific Occupations, Ethics Dilemma Vignettes, Visual Instructions Exercise, and the Cross-Cultural Communication Game.

## Changes to the Ninth Edition

*Organizational Behavior*, Ninth Edition, incorporates numerous improvements, thanks to reviews by dozens of organizational behavior instructors across several countries, along with our regular practice of scanning the diverse literature for new ideas that have gained sufficient evidential support. Almost every chapter in this edition has noticeable updates and revisions, but the most substantial changes have occurred in Chapter 1 (Introduction to the Field of Organizational Behavior), Chapter 2 (Individual Differences: Personality and Values), Chapter 5 (Foundations of Employee Motivation), Chapter 9 (Communicating in Teams and Organizations), and Chapter 11 (Conflict and Negotiation in the Workplace).

Together with dozens of conceptual improvements, this edition replaces most examples with new real-world stories that satisfy our criteria of being relevant, recent, and interesting. Almost all of the chapter-opening case studies are new; only two opening case studies remain from the previous edition, both of which have been substantially updated. Most captioned photos and Global Connections features are new or updated. We have also added dozens of new in-text examples as well as several new case studies and class activities to support the active learning process.

A unique strength of *Organizational Behavior* is that the authors personally researched and wrote all of the conceptual content, in-text examples, captioned photos, and features. This provides better integration of the knowledge and ensures that the examples are truly relevant and useful additions to the learning experience. Here are the main conceptual improvements in *Organizational Behavior*, Ninth Edition:

- *Chapter 1: Introduction to the Field of Organizational Behavior*—This chapter has been substantially rewritten, updated, and reorganized. Most content in the section on the emerging workplace landscape is new to this edition. That section includes new material on work–life integration, the inclusive workplace, and employment relationships. It also significantly revises the topic of remote work (previously the narrower topic of telecommuting). The sections on the MARS Model of individual behavior and the five types of individual behavior have been moved to this chapter (previously in Chapter 2). The section on the importance of organizational behavior has been expanded, with more details about why OB is important for students and succinctly incorporates key concepts on organizational effectiveness to explain why OB is vital for organizations. The section on OB anchors now includes a fifth anchor on OB's practical orientation.

- *Chapter 2: Individual Differences: Personality and Values*—Along with its slightly revised title, this edition brings a number of noticeable updates and changes to the chapter. It incorporates the latest knowledge about the dark triad (Machiavellianism, narcissism, and psychopathy) and its relevance to organizational behavior. The previous edition provided a major update on how the five-factor model of personality is associated with various types of workplace behavior. This edition further refines that writing and identifies four caveats when applying the five-factor model in organizations. Also included in this edition is a fourth ethical principle: the ethic of care. We have also moved the topics of MARS Model and types of individual behavior from this chapter to Chapter 1.
- *Chapter 3: Perceiving Ourselves and Others in Organizations*—This book pioneered the full model of self-concept and its relevance to organizational behavior. This edition further refines that discussion, particularly in explaining how people develop self-concept clarity and how self-concept characteristics affect behavior and performance. This chapter also updates writing on perceptual organization and interpretation and intentional discrimination.
- *Chapter 4: Workplace Emotions, Attitudes, and Stress*—This was the first OB book to fully incorporate the concept of emotions in organizational behavior across various topics (perceptions, attitudes, motivation, decisions, etc.). This edition further develops this topic by revising the section on managing emotions and adding recent knowledge about the five strategies that people use to regulate their emotions. This edition also updates the topic of organizational commitment, incorporates normative commitment, and has minor rewriting on managing workplace stress.
- *Chapter 5: Foundations of Employee Motivation*—This edition significantly revises and updates the topics of procedural and interactional justice, including a new exhibit listing the specific rules of these two forms of organizational justice. The characteristics of effective feedback are discussed more fully, including the addition of an exhibit that defines and illustrates each characteristic. The section on drive-based motivation theories has been reorganized to give more emphasis on the recent four-drive theory. This edition also revises the chapter's opening topic on the meaning of motivation and engagement, including writing on why motivating employees has become more challenging.
- *Chapter 6: Applied Performance Practices*—Along with replacing most examples and updating references, this chapter has a number of subtle changes, notably on motivational job design practices and financial reward practices. It also has a new Debating Point feature.
- *Chapter 7: Decision Making and Creativity*—The previous edition significantly revised this chapter. The current edition provides more subtle improvements. It adds new information about problems that entrepreneurs and others experience when deciding to choose perceived opportunities. It also rewrites and updates information about solution-focused problems, implicit favorites, problems with maximization, and evaluating decision outcomes more effectively.
- *Chapter 8: Team Dynamics*—This edition more explicitly discusses psychological safety as a factor in effective team decision making. The topic of brainstorming also receives more detail, including the fixation/conformity effect in restricting the variety of ideas in brainstorming sessions. The topic of team roles has been noticeably revised. Other topics that benefited from minor rewriting and updating include how teams motivate employees, minimizing social loafing, effectiveness of team building, and remote (virtual) teams.
- *Chapter 9: Communicating in Teams and Organizations*—This is apparently the first OB book to incorporate the four main factors for choosing the best communication channel. This edition further refines that content. It also substantially updates the topic of digital communication, including a new exhibit on the rapidly changing

popularity of various digital communication channels and discussion about why these changes are occurring. Social media communication is also more fully defined. Furthermore, this edition more fully delineates and details five common types of communication noise and four strategies to get your message across.

- *Chapter 10: Power and Influence in the Workplace*—The topic of nonsubstitutability as a contingency of power has been rewritten, and the associated topic of personal brand is discussed more fully. The definition of organizational politics is explained in more detail, particularly with reference to recent writing about “positive politics.” Other topics on organizational politics—individual differences and minimizing politics—have been expanded or rewritten.
- *Chapter 11: Conflict and Negotiation in the Workplace*—This edition significantly revises most sections of this chapter, except the negotiation topic, which was substantially revised and updated in the previous edition. Three of the six sources of organizational conflict have been rewritten and updated with new content. The topic of conflict handling contingencies has been revised, and now includes the factor of maintaining harmony. Also revised and updated is the topic of reducing conflict by improving communication and mutual understanding, including new content on the intergroup mirroring intervention. This edition provides new content on strategies to minimize relationship conflict during task conflict. A new Debating Point feature has also been added around that topic. In addition, this edition includes minor revision or updating on the problems with conflict, intrapersonal versus interpersonal conflict, the conflict process model, the forcing conflict handling style, and ways to reduce differentiation.
- *Chapter 12: Leadership in Organizational Settings*—The most significant change in this chapter is that it re-organizes and revises the managerial leadership section, including the removal of a couple of older topics. Other changes to this chapter are more subtle writing refinements on communicating the vision, charismatic leadership, managerial leadership, and servant leadership.
- *Chapter 13: Designing Organizational Structures*—The most noticeable revision in this chapter is the updated discussion on the potential problems with organizational structures that are too tall or too flat. This edition also provides more detail about concurrent engineering as an informal communication coordinating mechanism. The mechanistic-organic structures exhibit has been revised for better clarity and style. The types of divisional structure exhibit has also been revised with new company examples. This edition also includes a new Debate Point feature.
- *Chapter 14: Organizational Culture*—This chapter includes several minor revisions and updates, particularly regarding the topic of espoused versus enacted values, the meaning of a strong organizational culture, the alignment of culture with its environment, organizational culture and business ethics, and merging organizational cultures.
- *Chapter 15: Organizational Change*—This chapter has relatively minor changes from the previous edition. It tweaks some writing on viral change through social networks as well as on appreciative inquiry.



## acknowledgments

Organizational behavior is a fascinating subject. It is also incredibly relevant and valuable, which becomes apparent while developing a world-class book such as *Organizational Behavior*, Ninth Edition. Throughout this project, we witnessed the power of teamwork, the excitement of creative thinking, and the motivational force of the vision that we collectively held as our aspiration. The tight coordination and innovative synergy was evident throughout this venture. Our teamwork is even more amazing when you consider that most team members on this project are scattered throughout the United States, and the lead coauthor (Steve) spends most of his time on the other side of the planet!

Portfolio director Mike Ablassmeir led the development of *Organizational Behavior* with unwavering enthusiasm and foresight. Senior product developer Anne Ehrenworth orchestrated the overall launch and process to ensure that this edition met her high standards. Product coordinator Allison Marker and senior content project manager Kathryn Wright led the daily process with superhuman skill and determination, which is particularly important given the magnitude of this revision, the pressing deadlines, and the 24-hour time zones in which we operated. Content licensing specialists Ann Marie Jannette and Sarah Flynn fulfilled the critical permissions and copyright activities with professional scrutiny. Our photo researcher, Nichole Nalenz, proficiently identified photos that depict the examples we wrote about. Jessica Cuevas and Debra Kubiak created a refreshing book design that elegantly incorporated the writing, exhibits, anecdotes, photos, and many other resources that we pack into this volume. We also extend our thanks to Susan Gall for superb copyediting and to Debbie Clare for her excellent marketing development work.

Teresa Ward smoothly guided development of the *Instructor's Manual*, Test Bank, PowerPoints, and other supplements. Todd Korol worked meticulously on the Test Bank and Quizzes so that both reflect the significantly updated content of this edition. Many thanks to those involved in updating our Connect content. In addition, we thank the many instructors in the United States and abroad who contributed cases and exercises to this edition of *Organizational Behavior*. This has been a truly wonderful journey!

Several dozen instructors around the world reviewed parts or all of *Organizational Behavior*, Ninth Edition, or related editions in other countries over the past few years. Their compliments were energizing, and their suggestions significantly improved the final product. The following people from U.S. colleges and universities provided the most recent feedback for improvements specifically for this edition:

**Lauren Rich**  
*University of West Florida, Pensacola*

**Dr. Marian T. Mety**  
*Wayne State University*

**Todd Korol**  
*Monroe County Community College*

**Atul Teckchandani**  
*California State University, Fullerton*

**Maureen Andrade**  
*Utah Valley University*

**Rachel Frieder**  
*University of North Florida*

**Lauren Long**  
*Liberty University*

**Joseph Thibault**  
*Straighter Line*

**Audrey Blume**  
*Wilmington University, Dover*

**Edward Meda**  
*University of Texas, Dallas*

**Dr Jackson Musyimi**  
*Daytona State College*

**Caroline Leffall**  
*Bellevue College*

**David Ruderman**  
*University of Colorado, Denver*

**Diane Denslow**  
*University of North Florida*

Steve also extends special thanks to Tony Travaglione (Newcastle University Pro Vice-Chancellor of Business and Law) and Morris Altman (Newcastle University Business School Dean) for giving him the opportunity to be associated with this fine educational organization. Steve also thanks his students at Shanghai Jiao Tong University and elsewhere for sharing their learning experiences and assisting with the development of this organizational behavior textbook in the United States, Canada, and the Asia-Pacific region. Steve is honored to work with Mary Ann Von Glinow as well as with his other coauthors, including Kevin Tasa (Schulich School of Business, York University) and Sandra Steen (University of Regina) on the Canadian edition, and Mara Olekalns (Melbourne Business School), Alex Newman (Deakin University), and Angela Martin (University of Tasmania) on the Asia-Pacific edition. He also thanks the coauthors of other adaptations and translations. Most of all, Steve is forever indebted to his wife, Donna McClement, and to their wonderful daughters, Bryton and Madison. Their love and support give special meaning to Steve's life.

Mary Ann would also like to acknowledge the many professionals at McGraw-Hill who have worked to make the Ninth Edition a reality. In addition, she would like to thank the many, many students who have used and hopefully enjoyed this book, so a big shout-out to all students everywhere who have used and enjoyed previous editions of this book. She would also like to thank the faculty and staff at Florida International University. Most importantly, though, Mary Ann thanks coauthor Steve McShane for his tireless efforts. Finally, Mary Ann would like to thank her family, starting with the immediate ones, Chloe, Jackson, Boomer, and Blue. She would also like to thank John, Rhoda, Lauren, Lindsay, and Christen. She also acknowledges the critical role that some very special people play in her life: Janet, Peter M., Bill, Lana, Karen, Alan, Danny, Peter W., Letty D., John D., CEK, and Jeff, Damian, Debra, Mary T., Linda C., Joanne M., and Susan RW. Thanks to you all!

## supporting the learning process

### AN INTERNATIONAL AUTHOR TEAM FOR THE GLOBAL EMPLOYEE

Drawing on their extensive international teaching and research experience, the authors have produced a book that is highly regarded for its global focus. Steve McShane teaches in Australia, China, and elsewhere, and gives talks to schools throughout Asia and North America. As director of the Center for International Business Education, Mary Ann Von Glinow regularly visits and conducts research in South America, China, and elsewhere around the world.

### DEBATING POINTS

Debating Point boxes help students think critically and recognize that even seemingly obvious ideas have logical counterarguments. Debating Points also raise the bar by focusing on topics that are central to the world of work.

### REAL-WORLD EXAMPLES BRING OB TO LIFE

Every chapter is filled with examples to make OB knowledge more meaningful and reflect the relevance and excitement of this field. Opening case studies set the stage; captioned photos depict OB concepts; and Global Connections features present more international examples of OB concepts in practice.

### SELF-ASSESSMENTS

Self-assessments are an important and engaging part of the active learning process. This edition features self-assessments associated with content in every chapter, such as power-distance orientation, romance of leadership, preferred organizational structure, work centrality, sensing-intuitive type, and guanxi orientation. These self-assessments are available online in Connect with self-scoring results and written feedback.

# student and instructor support materials

*Organizational Behavior*, Ninth Edition, includes a variety of supplemental materials to help instructors prepare and present the material in this textbook more effectively. The following items are available in Connect:

## INSTRUCTOR'S MANUAL

This is one of the few textbooks for which the authors write the *Instructor's Manual*, ensuring that the instructor materials represent the textbook's content and support instructor needs. Each chapter includes the learning objectives, glossary of key terms, a chapter synopsis, complete lecture outline with thumbnail images of corresponding PowerPoint slides, and suggested answers to the end-of-chapter discussion questions. Also included are teaching notes for the chapter case(s), team exercises, and self-assessments. The *Instructor's Manual* also provides complete teaching notes for the additional cases.

## TEST BANK AND TEST BUILDER

Updated for this edition, the Test Bank includes more than 2,000 multiple-choice, true/false, and essay questions. Each question identifies the relevant learning objective, Bloom's taxonomy level, AACSB standard for assurance of learning, and difficulty level.

Available within Connect, Test Builder is a cloud-based tool that enables instructors to format tests that can be printed or administered within an LMS. Test Builder offers a modern, streamlined interface for easy content configuration that matches course needs, without requiring a download.

Test Builder allows you to:

- Access all test bank content from a particular title.
- Easily pinpoint the most relevant content through robust filtering options.
- Manipulate the order of questions or scramble questions and/or answers.
- Pin questions to a specific location within a test.
- Determine your preferred treatment of algorithmic questions.
- Choose the layout and spacing.
- Add instructions and configure default settings.

Test Builder provides a secure interface for better protection of content and allows for just-in-time updates to flow directly into assessments.

## POWERPOINT PRESENTATION SLIDES

The PowerPoint slides have been prepared by the authors, allowing seamless integration between the slides and the *Instructor's Manual*. Each chapter includes more than two dozen slides, featuring key points, photographs, and figures from the text, as well as teaching tips and notes for using the slides.

---

## Video Resources

---

### MANAGER'S HOT SEAT

Manager's Hot Seat videos allow students to assume the role of a manager as they immerse themselves in video-based vignettes to see how managers in realistic situations deal with employees and complex issues. Students use critical-thinking skills in defining their approach and course of action, while learning from the manager's mistakes. The Manager's Hot Seat videos are assignable in Connect.



---

## Create

---

Craft your teaching resources to match the way you teach! With McGraw-Hill Create, [www.mcgrawhillcreate.com](http://www.mcgrawhillcreate.com), you can easily rearrange chapters, combine material from other content sources, and quickly upload content you have written, like your course syllabus or teaching notes. Find the content you need in Create by searching through thousands of leading McGraw-Hill textbooks. Arrange your book to fit your teaching style. Create even allows you to personalize your book's appearance by selecting the cover and adding your name, school, and course information. Order a Create book and you'll receive a complimentary print review copy in three to five business days or a complimentary electronic review copy (eComp) via e-mail in about one hour. Go to [www.mcgrawhillcreate.com](http://www.mcgrawhillcreate.com) today and register. Experience how McGraw-Hill Create empowers you to teach *your* students *your* way.





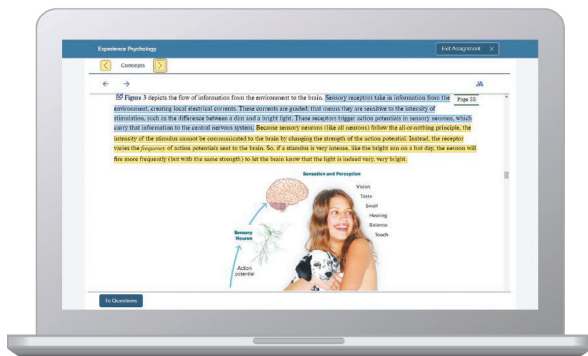
## FOR INSTRUCTORS

### You're in the driver's seat.

Want to build your own course? No problem. Prefer to use our turnkey, prebuilt course? Easy. Want to make changes throughout the semester? Sure. And you'll save time with Connect's auto-grading too.

# 65%

## Less Time Grading



Laptop: McGraw-Hill; Woman/dog: George Doyle/Getty Images

### They'll thank you for it.

Adaptive study resources like SmartBook® 2.0 help your students be better prepared in less time. You can transform your class time from dull definitions to dynamic debates. Find out more about the powerful personalized learning experience available in SmartBook 2.0 at [www.mheducation.com/highered/connect/smartbook](http://www.mheducation.com/highered/connect/smartbook)

### Make it simple, make it affordable.



Connect makes it easy with seamless integration using any of the major Learning Management Systems—Blackboard®, Canvas, and D2L, among others—to let you organize your course in one convenient location. Give your students access to digital materials at a discount with our inclusive access program. Ask your McGraw-Hill representative for more information.

Padlock: Jobalou/Getty Images

### Solutions for your challenges.



A product isn't a solution. Real solutions are affordable, reliable, and come with training and ongoing support when you need it and how you want it. Our Customer Experience Group can also help you troubleshoot tech problems—although Connect's 99% uptime means you might not need to call them. See for yourself at **status.mheducation.com**

Checkmark: Jobalou/Getty Images

**SUPPORT** <sup>AT</sup>  
*every step*

## FOR STUDENTS

### Effective, efficient studying.

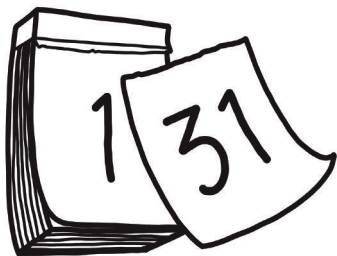
Connect helps you be more productive with your study time and get better grades using tools like SmartBook 2.0, which highlights key concepts and creates a personalized study plan. Connect sets you up for success, so you walk into class with confidence and walk out with better grades.

### Study anytime, anywhere.

Download the free ReadAnywhere app and access your online eBook or SmartBook 2.0 assignments when it's convenient, even if you're offline. And since the app automatically syncs with your eBook and SmartBook 2.0 assignments in Connect, all of your work is available every time you open it. Find out more at [www.mheducation.com/readanywhere](http://www.mheducation.com/readanywhere)

***"I really liked this app—it made it easy to study when you don't have your textbook in front of you."***

- Jordan Cunningham,  
Eastern Washington University



Calendar: owattaphotos/Getty Images

### No surprises.

The Connect Calendar and Reports tools keep you on track with the work you need to get done and your assignment scores. Life gets busy; Connect tools help you keep learning through it all.

### Learning for everyone.

McGraw-Hill works directly with Accessibility Services Departments and faculty to meet the learning needs of all students. Please contact your Accessibility Services office and ask them to email [accessibility@mheducation.com](mailto:accessibility@mheducation.com), or visit [www.mheducation.com/about/accessibility](http://www.mheducation.com/about/accessibility) for more information.

Top: Jenner Images/Getty Images, Left: Hero Images/Getty Images, Right: Hero Images/Getty Images







# Organizational Behavior





## chapter

## 1

# Introduction to the Field of Organizational Behavior

## Learning Objectives

After reading this chapter, you should be able to:

- LO 1-1** Define organizational behavior and organizations.
- LO 1-2** Explain why organizational behavior knowledge is important for you and for organizations.
- LO 1-3** Describe the anchors on which organizational behavior knowledge is based.
- LO 1-4** Summarize the workplace trends of diversity and the inclusive workplace, work–life integration, remote work, and emerging employment relationships.
- LO 1-5** Describe the four factors that directly influence individual behavior and performance.
- LO 1-6** Summarize the five types of individual behavior in organizations.

### Globant is one of the great technology company success stories in South America.

Founded less than two decades ago in Buenos Aires, Argentina, the software development company has grown to more than 7,000 employees in a dozen countries who work with the world's largest client firms.

Globant's leaders credit the company's agile-minded culture as a key factor in its success. "Not only do we develop software in an agile way, but we use agility to run our own company," says Globant cofounder and chief technology officer Guibert Englebienne.

The Argentinian firm's organizational structure is as agile as its employees. Employees are ultimately organized into thousands of teams that are fluidly forming and disbanding as projects evolve. To keep ahead of technological developments, Globant also has 20 "studios" consisting of specialists focused on specific areas of technological development, such as social networks and artificial intelligence.

Globant's agile-minded culture is evident as soon as its employees begin working with a client. "We work on a sprint process, called Ignite," explains Rachel Armstrong, Globant's Studio Partner Consulting



**PART 1: INTRODUCTION**

in London. A sprint typically extends for one month and involves a cross-disciplinary team of strategy, design, and innovation consultants along with technologists. Rather than accept the client's preconceived project description, Globant's sprint team uncovers the client's underlying needs and how they can be solved.

"We ask questions, we use design thinking methodologies to be able to get them to start thinking differently about the problem," explains Armstrong. Globant then involves the client in the revised project definition, co-design, and refinement of the solutions. "The process is iterative. We fail fast, we can pivot, which is where you bring not just agile, but agility into the process."

Along with its award-winning record as an innovative company with a strong culture, Globant also receives the highest recognition for embracing diversity and being an inclusive workplace. "As we've expanded globally over the years, we've strengthened our culture with new people and ideas," said Guibert Englebienne, Chief Technology Officer and cofounder at Globant. "Various passions, cultures and backgrounds provide all of our Globers with an opportunity to learn new points-of-view and skills, which is a huge asset."<sup>1</sup>



Richard Drew/AP Images

Globant has become a highly successful technology company by applying teamwork, design thinking, an inclusive culture, and many other organizational behavior practices.

## Welcome to the Field of Organizational Behavior!

Agile teams. Thoughtful decision making and creativity (through design thinking). Inclusive culture. These are just a few of the organizational behavior topics and practices that have made Globant a successful organization in a highly competitive and dynamic environment. In every sector of the economy, organizations need to employ skilled and motivated people who can be creative, work in teams, and maintain a healthy lifestyle. They need leaders with foresight and vision, who support innovative work practices, and who make decisions that consider the interests of multiple stakeholders. In other words, the best companies succeed through the concepts and practices that we discuss in this organizational behavior book.

Our purpose is to help you understand what goes on in organizations. We examine the factors that make companies effective, improve employee well-being, and drive successful collaboration among coworkers. We look at organizations from numerous and diverse perspectives, from the deepest foundations of employee thoughts and behavior (personality, self-concept, attitudes, etc.) to the complex interplay between the organization's structure and culture and its external environment. Along this journey, we emphasize why things happen and what you can do to predict and guide organizational events.

We begin this chapter by introducing you to the field of organizational behavior (OB) and its historical origins. This is followed by details about why OB is important for your career and why organizations depend on OB knowledge to survive and thrive. An integrative model of organizational behavior is presented, which illustrates the interconnectedness of OB topics and serves as a road map to guide you through this book. We then describe the philosophical anchors that guide the development of organizational behavior knowledge. This is followed by an overview of four emerging features of the workplace environment: diversity and the inclusive workplace, work-life integration, remote work, and emerging employment relationships. The latter part of this chapter introduces the MARS model, which outlines the four direct drivers of individual behavior and performance. The final section identifies the five main types of individual behavior.

### LO 1-1

### WHAT IS ORGANIZATIONAL BEHAVIOR?

**Organizational behavior (OB)** is the study of what people think, feel, and do in and around organizations. It looks at employee behaviors, decisions, perceptions, and emotional responses. It examines how individuals and teams in organizations relate to one another and to their counterparts in other organizations. OB also encompasses the study of how organizations interact with their external environments, particularly in the context of employee behavior and decisions. OB researchers systematically study these topics at multiple levels of analysis, namely, the individual, team (including interpersonal), and organization.<sup>2</sup>

The definition of organizational behavior begs the question: What are organizations? **Organizations** are groups of people who work interdependently toward some purpose.<sup>3</sup> Notice that organizations are not buildings or government-registered entities. In fact, many organizations exist with neither physical walls nor government documentation to confer their legal status. Organizations have existed for as long as people have worked together. Massive temples dating back to 3500 BC were constructed through the organized actions of multitudes of people. Craftspeople and merchants in ancient Rome formed guilds, complete with elected managers. More than 1,000 years ago, Chinese factories were producing 125,000 tons of iron each year.<sup>4</sup>

One key feature of all organizations throughout history is that they are collective entities.<sup>5</sup> They consist of human beings—typically, but not necessarily, employees—who

**organizational behavior (OB)**  
the study of what people think, feel, and do in and around organizations

**organizations**  
groups of people who work interdependently toward some purpose

Steve Jobs orchestrated many of the greatest advances in our digital lifestyle and animation film over the past few decades. The cofounder of Apple and Pixar Animation Studios was renowned for his vision and persistence. Yet Jobs emphasized that great achievements also require the power of organizations. “A company is one of humanity’s most amazing inventions,” Jobs once explained. “It’s totally abstract. Sure, you have to build something with bricks and mortar to put the people in, but basically a company is this abstract construct we’ve invented, and it’s incredibly powerful.”<sup>a</sup>

Tony Avelar/Bloomberg/Getty Images



interact with one another in an *organized* way. This organized relationship requires communication, coordination, and collaboration to achieve organizational objectives. As such, all organizational members have degrees of interdependence; they accomplish goals by sharing materials, information, or expertise with coworkers.

A second key feature of organizations is that their members have a collective sense of purpose. This collective purpose isn’t always well defined or agreed on. Most companies have vision and mission statements, but they are sometimes out of date or don’t describe what employees actually try to achieve. Still, imagine an organization without a collective sense of purpose. It would be an assemblage of people without direction or unifying force. So, whether they are producing future technology at Globant or selling almost anything on the Internet at Amazon.com, people working in organizations do have some sense of collective purpose.

## HISTORICAL FOUNDATIONS OF ORGANIZATIONAL BEHAVIOR

Organizational behavior emerged as a distinct field sometime around the early 1940s.<sup>6</sup> During that decade, a few researchers began describing their research as organizational (rather than sociological or psychological). And by the late 1940s, Harvard University had changed the name of its MBA human relations course to “Organizational Behavior.”

Although the field of OB is recent, experts in other fields have been studying organizations for many centuries. The Greek philosopher Plato (400 BC) wrote about the essence of leadership, and the Chinese philosopher Confucius (500 BC) extolled the virtues of ethics and leadership. Economist Adam Smith (1770s) discussed the benefits of job specialization and division of labor. German sociologist Max Weber (early 1900s) wrote about rational organizations, the work ethic, and charismatic leadership. Industrial engineer Frederick Winslow Taylor proposed systematic ways to organize work processes and motivate employees through goal setting and rewards.<sup>7</sup>

Political scientist Mary Parker Follett (1920s) offered new ways of thinking about constructive conflict, team dynamics, power, and leadership. Harvard professor Elton Mayo and his colleagues (1930s and 1940s) established the “human relations” school of

management, which pioneered research on employee attitudes, formal team dynamics, informal groups, and supervisor leadership style. American executive and Harvard associate Chester Barnard (1930s) wrote insightful views regarding organizational communication, coordination, leadership and authority, organizations as open systems, and team dynamics.<sup>8</sup> This brief historical tour indicates that OB has been in existence for a long time; it just wasn't organized into a unified discipline until around World War II.

## Why Organizational Behavior Is Important

LO 1-2

In all likelihood, you are reading this book as part of a required course in organizational behavior. Apart from degree or diploma requirements, why should you learn the ideas and practices discussed in this book? After all, who ever heard of a career path leading to a “vice president of OB” or a “chief OB officer”? Our answer to this question comes in two parts: why OB is important to you personally and why OB is important for organizations generally.

### WHY OB IS IMPORTANT FOR YOU

Throughout our careers teaching undergraduate, graduate, and executive programs, we noticed that the more work experience students have, the more they tend to consider organizational behavior as one of their most valued courses. Why? Because they have learned over time that OB is important to them, whether as technical specialists or senior executives.<sup>9</sup> This observation is supported by numerous surveys that ask employers to identify the most important skills and knowledge they look for in new hires. Technical skills are important, of course, particularly for highly specialized jobs and professions. But the skills and knowledge that employers tend to rank above anything else are the topics found in this and other organizational behavior books.

Exhibit 1.1 lists the most important skills identified by employers in four recent major surveys. At or near the top of every list is problem solving (as well as analytic thinking and strategic thinking), which you will learn about along with creativity and employee involvement in Chapter 7. The ability to work effectively in teams (also listed as collaboration, interpersonal skills, and people management) is another top-ranked characteristic sought in job applicants. The team dynamics theme is fully discussed in Chapter 8, but it also relates to managing conflict (Chapter 11), influencing others (Chapter 10), understanding and managing emotions (Chapter 4), and other topics. Communication, which is featured in Chapter 9, is a third skill that employers in all four recent surveys identify as important for new hires. Leadership appears in three lists (in the Canadian survey,

**EXHIBIT 1.1** Most Important Skills for New Hires

NATIONAL ASSOC. OF COLLEGES AND EMPLOYERS (UNITED STATES)	BLOOMBERG SKILLS REPORT (UNITED STATES)	BUSINESS COUNCIL OF CANADA (ENTRY-LEVEL HIRES LIST)	AUSTRALIAN INSTITUTE OF MANAGEMENT
<ul style="list-style-type: none"> <li>• Problem solving</li> <li>• Ability to work in a team</li> <li>• Communication (written)</li> <li>• Leadership</li> <li>• Strong work ethic</li> </ul>	<ul style="list-style-type: none"> <li>• Communication skills</li> <li>• Analytical thinking</li> <li>• Work collaboratively</li> <li>• Strategic thinking</li> <li>• Leadership skills</li> </ul>	<ul style="list-style-type: none"> <li>• Collaboration, teamwork, interpersonal skills</li> <li>• Communication skills</li> <li>• Problem-solving skills</li> <li>• Analytical capabilities</li> <li>• Resiliency</li> </ul>	<ul style="list-style-type: none"> <li>• Communication</li> <li>• Leadership</li> <li>• Emotional intelligence</li> <li>• People management</li> <li>• Problem solving</li> </ul>

*Sources:* “The Bloomberg Job Skills Report 2016: What Recruiters Want,” *Bloomberg*, February 9, 2016; “Job Outlook 2018” (Bethlehem, PA: National Association of Colleges and Employers, November 2017); Morneau Shepell, “Navigating Change: 2018 Business Council Skills Survey” (Ottawa: Business Council of Canada, April 2018); “AIM Soft Skills Survey 2019” (Sydney: Australian Institute of Management, December 2018).



leadership is the second most important for mid-level hires, but not among the top five for entry-level hires). You will learn about the various perspectives and ways of leading others in Chapter 12, but it is also associated with several other topics, such as motivating people (Chapters 5 and 6) and leading organizational change (Chapter 15). Overall, these and other surveys suggest that OB offers a core foundation of knowledge and skill development for your success in organizations.

**Better Personal Theories to Predict and Influence** Along with providing the specific knowledge and skills identified in these surveys, this book serves a broader purpose: to help you adopt better personal theories to understand, predict, and influence organizational events. Every one of us has an inherent drive to understand what is going on around us.<sup>10</sup> This need is particularly strong in organizations because they are highly complex and ambiguous contexts that have a profound effect on our lives. Throughout life, we develop personal theories to make sense of what happens around us. Our personal models are sometimes accurate, sometimes too simplified to fit specific situations, and occasionally wrong. Even some ideas that appear to be “common sense” may be inaccurate or oversimplified.<sup>11</sup>

Through systematic research, the field of organizational behavior has developed theories that will help you to refine your personal theories. With more accurate models, you are better able to predict and, ultimately, get things done in the workplace by influencing organizational events.<sup>12</sup> By definition, organizations are people who work together to accomplish things, so we need a toolkit of knowledge and skills to work successfully with others. No matter what career path you choose, you’ll find that OB concepts play an enormously important role in how well you perform your job, allowing you to work more effectively within organizations.

**Organizational Behavior Is for Everyone** You may have noticed that we haven’t mentioned “managers” in this discussion on why OB is important for you. Effective management (and leadership) does depend on OB concepts and practices, but this book pioneered the broader view that OB is valuable for everyone who works in and around organizations. Whether you are a software engineer, customer service representative, foreign exchange analyst, or chief executive officer, you need to understand and apply the many organizational behavior topics that are discussed in this book. In fact, OB knowledge is probably more valuable than ever before because employees increasingly need to be proactive, self-motivated, and able to work effectively with coworkers without management intervention. In the words of one forward-thinking OB writer almost a half century ago: Everyone is a manager.<sup>13</sup>

## WHY OB IS IMPORTANT FOR ORGANIZATIONS

Along with benefiting you as an individual, the field of organizational behavior is vital to the organization’s survival and success.<sup>14</sup> For instance, the best 100 companies to work for in America (i.e., companies with the highest levels of employee satisfaction) enjoy significantly higher financial performance than other businesses within the same industry. Companies with higher levels of employee engagement have higher sales and profitability. OB practices are also associated with various indicators of hospital performance, such as lower patient mortality rates and higher patient satisfaction. Other studies have consistently found a positive relationship between the quality of leadership and the company’s financial performance. Leadership, performance-based rewards, employee development, employee attitudes, and other specific OB characteristics are also important “positive screens” for selecting companies with the highest and most consistent long-term investment returns.<sup>15</sup>

Almost all organizational behavior theories have the implicit or explicit objective of making organizations more effective.<sup>16</sup> In fact, **organizational effectiveness** is considered the “ultimate dependent variable” in organizational behavior.<sup>17</sup> Organizational performance,

**organizational effectiveness**  
an ideal state in which an organization has a good fit with its external environment, effectively transforms inputs to outputs through human capital, and satisfies the needs of key stakeholders

success, goodness, health, competitiveness, and excellence are alternative labels for organizational effectiveness. Organizations are effective when they have a good fit with their external environment, effectively transform inputs to outputs through human capital, and satisfy the needs of key stakeholders.<sup>18</sup> Let's look at these elements to understand how OB knowledge improves organizational effectiveness.

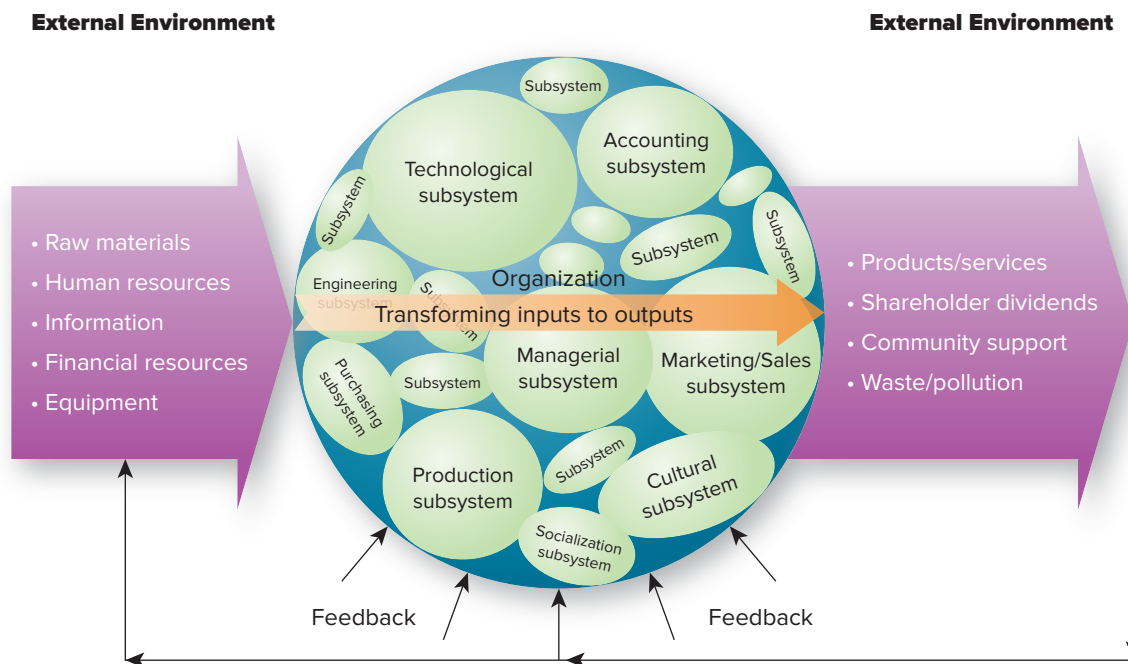
**open systems**  
the view that organizations depend on the external environment for resources, affect that environment through their output, and consist of internal subsystems that transform inputs to outputs

**Organizations as Open Systems** One of the fundamental views in organizational behavior is that organizations are **open systems**.<sup>19</sup> They are complex organisms that “live” within an external environment, as Exhibit 1.2 illustrates. The word *open* describes this permeable relationship, whereas *closed systems* operate without dependence on or interaction with an external environment. Organizations depend on the external environment for resources, including raw materials, job applicants, financial resources, information, and equipment. The environment also consists of laws, cultural norms, and other expectations that place demands on how organizations should operate.

The open systems view recognizes that the organization consists of numerous subsystems (departments, teams, technological processes, etc.) that transform the incoming resources into outputs (see Exhibit 1.2). Organizations also have outputs to the external environment. Some outputs (e.g., products and services) may be valued by the external environment; other outputs (e.g., employee layoffs, pollution) are undesirable by-products. Throughout this process, organizations receive feedback regarding the value of their outputs, the availability of future inputs, and the appropriateness of the transformation process.

As open systems, organizations are effective when they maintain a good “fit” with their external environment.<sup>20</sup> A good fit exists when the organization's inputs, processes, and outputs are aligned with the resources available in the external environment and with the needs and expectations of that environment. Organizational behavior knowledge is highly relevant to the open systems view by identifying organizational characteristics that “fit” some external environments better than others. For example, the external environment is a key factor in choosing the best organizational structure (Chapter 13) and organizational culture (Chapter 14). This topic also relates to leadership (Chapter 12), organizational change (Chapter 15), and job characteristics (Chapter 6).

**EXHIBIT 1.2** Organizations as Open Systems





An important feature of organizations as open systems is that they transform inputs to outputs. OB theories offer guidance on this matter, including how internal subsystems coordinate with one another.<sup>21</sup> For instance, we discuss the conditions for teams to perform effectively (Chapter 8), how organizations rely on a variety of coordinating mechanisms (Chapter 13), how employees use various methods every day to successfully influence each other (Chapter 10), and how successful companies improve coordination through a strong organizational culture (Chapter 14).

**Human Capital as the Organization's Competitive Advantage** The most important ingredient in the organization's process of transforming inputs to outputs is human capital. **Human capital** refers to the knowledge, skills, abilities, creativity, and other valued resources that employees bring to the organization. It is a competitive advantage because employees are essential for the organization's survival and success, and their talents are difficult to find, copy, and replace with technology.<sup>22</sup> Consequently, effective organizations introduce workplace practices that enhance human capital.<sup>23</sup> These practices are identified and discussed throughout this book. For example, some OB themes identify ways to strengthen employee motivation through enriched jobs, rewards, feedback, and fair work practices (Chapters 5 and 6). Other topics discuss the value of employee involvement (Chapter 7) and the features of effective self-directed work teams (Chapter 8).

Practices that improve human capital enhance an organization's effectiveness in three ways.<sup>24</sup> First, developing employee skills and knowledge (human capital) directly improve individual behavior and performance, which we will detail toward the end of this chapter. Second, companies with superior human capital tend to adapt better to rapidly changing environments. This adaptability occurs because employees are better at performing diverse tasks in unfamiliar situations when they are highly skilled and have more freedom to perform their work. A third explanation is that developing human capital means the company is investing in and rewarding its workforce, which motivates employees to reciprocate through greater effort in their jobs and assistance to coworkers.

**Organizations and Their Stakeholders** As open systems, organizations need to adjust to the evolving needs and expectations of stakeholders in the external environment. **Stakeholders** include customers, suppliers, the local community and national society, interest groups, stockholders, governments, and many other entities that affect, or are affected by, the company's objectives and actions.<sup>25</sup> Organizations are more effective when they understand, manage, and satisfy stakeholder needs and expectations. However, this is easier said than done because stakeholders have conflicting interests and organizations lack sufficient resources to satisfy everyone.

Several organizational behavior topics give us a better understanding of stakeholder relations.<sup>26</sup> For example, research has identified several factors that influence the prioritization of stakeholders, including stakeholder power (Chapter 10), how executives perceive the organization's environment (Chapter 3 and Chapter 13), the organization's culture (Chapter 14), and the personal values of the corporate board and executive team (Chapter 2).

Personal values play a key role in stakeholder relations. **Values** are relatively stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations.<sup>27</sup> They help us know what is right or wrong, or good or bad, in a particular situation. Chapter 2 explains how values anchor our thoughts and to some extent motivate our decisions and behavior. With regard to stakeholders, the

**human capital**  
the knowledge, skills, abilities, creative thinking, and other valued resources that employees bring to the organization

**stakeholders**  
individuals, groups, and other entities that affect, or are affected by, the organization's objectives and actions

**values**  
relatively stable, evaluative beliefs that guide a person's preferences for outcomes or courses of action in a variety of situations



## global connections 1.1

### 21 Days of Y'ello Care

MTN Group is the largest mobile telecommunications company in Africa and a leader in corporate social responsibility (CSR). Its award-winning “21 Days of Y'ello Care” program involves many of the company’s 22,000 employees in CSR events throughout the first three weeks of June. These initiatives focus on improving education throughout the 21 African and Middle Eastern countries where MTN operates. This photo shows MTN employees in Rwanda installing solar panels (provided by German firm Mobisol) to generate off-grid electricity for lighting at several rural schools. MTN employees also delivered digital books and provided instruction on using ebooks to rural schools across the country.<sup>b</sup>



Courtesy of MTN Group

**corporate social responsibility (CSR)**  
organizational activities intended to benefit society and the environment beyond the firm’s immediate financial interests or legal obligations

company’s executive team and board of directors rely on their personal values to decide how the company should prioritize its investments for future growth and how its current earnings should be distributed (e.g., to stockholders, employees, community, etc.).

One topic that is closely aligned with personal values and stakeholders is corporate social responsibility. **Corporate social responsibility (CSR)** consists of organizational activities intended to benefit society and the environment beyond the firm’s immediate financial interests or legal obligations.<sup>28</sup> It is the view that companies have a contract with society, in which they must serve stakeholders beyond stockholders and customers. This is known as the triple-bottom-line philosophy. Firms that adopt the triple bottom line aim to survive and be profitable in the marketplace (economic), but they also intend to maintain or improve conditions for society (social) as well as the physical environment. The emerging evidence is that companies with a positive CSR reputation tend to have better financial performance, more loyal employees, and better relations with customers, job applicants, and other stakeholders.<sup>29</sup>

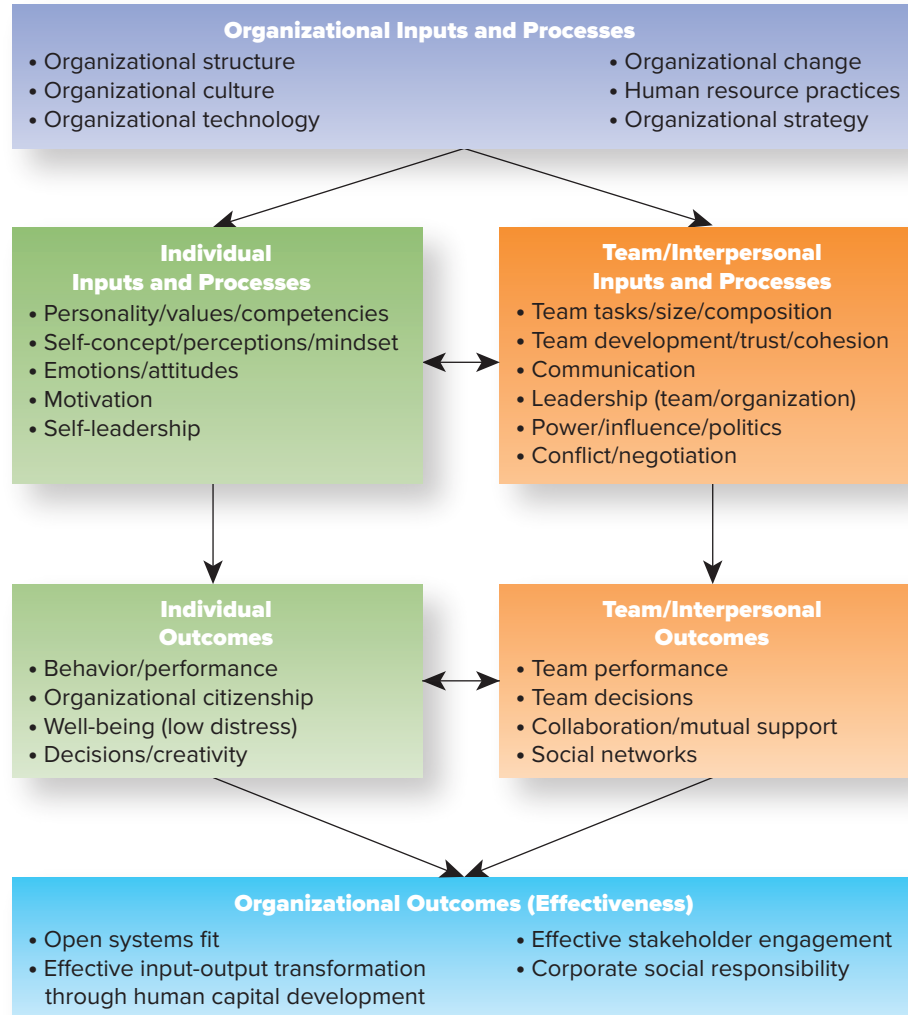
### CONNECTING THE DOTS: AN INTEGRATIVE MODEL OF ORGANIZATIONAL BEHAVIOR

From this discussion of how organizational behavior benefits you as well as the organization, you should be discovering that OB is a diverse and interconnected field of knowledge. Exhibit 1.3 is an integrative road map for the field of organizational behavior that gives you a picture of the topics throughout this book. It is a meta-model of the various OB topics and concepts, each of which has its own explanatory models. For instance, you will learn about employee motivation theories and practices in Chapter 5 and leadership theories and skills in Chapter 12. Exhibit 1.3 gives you a bird’s-eye view of the book and its various topics, to see how they fit together.

As Exhibit 1.3 illustrates, individual inputs and processes influence individual outcomes, which in turn have a direct effect on the organization’s effectiveness. For example, how well organizations transform inputs to outputs and satisfy key stakeholders is dependent on how well employees perform their jobs and make logical and creative decisions. Individual inputs, processes, and outcomes are identified in the two left-side boxes of our integrative OB model and are the center of attention in Part 2 of this book. We will learn about personality and values—two of the most important individual characteristics—and later examine self-concept, perceptions, emotions, attitudes, motivation, and self-leadership.

### EXHIBIT 1.3

#### An Integrative Model of Organizational Behavior



Part 3 of this book directs our attention to team and interpersonal inputs, processes, and outcomes. These topics are found in the two boxes on the right side of Exhibit 1.3. The chapter on team dynamics (Chapter 8) offers an integrative model for that specific topic, which shows how team inputs (e.g., team composition, size, and other team characteristics) influence team processes (team development, cohesion, and others), which then affect team performance and other outcomes. Later chapters in Part 3 examine specific interpersonal and team processes listed in Exhibit 1.3, including communication, power and influence, conflict, and leadership.

Exhibit 1.3 illustrates that team processes and outcomes affect individual processes and outcomes. As an example, an individual's personal well-being is partly affected by the mutual support received from team members and other coworkers. The opposite is also true; individual processes affect team and interpersonal dynamics in organizations. For instance, we will learn that self-concept among individual team members influences the team's cohesion.

The top area of Exhibit 1.3 highlights the macro-level influence of organizational inputs and processes on both teams and individuals. These organizational-level variables are mainly discussed in Part 4, including organizational structure, organizational culture, and organizational change. However, we will also refer to human resource practices, information systems, and additional organizational-level variables throughout this book where they have a known effect on individual, interpersonal, and team dynamics.

## Anchors of Organizational Behavior Knowledge

LO 1-3

evidence-based management  
the practice of making  
decisions and taking actions  
based on research evidence

Earlier, we pointed out that the field of organizational behavior benefits you because it offers theories and practices that have been carefully constructed and tested. By offering relatively accurate theories of reality, OB helps you to refine your personal theories, which makes it easier to understand, predict, and influence organizational events. The field of OB relies on a set of basic beliefs (see Exhibit 1.4). These conceptual anchors represent the principles on which OB knowledge is developed and refined.<sup>30</sup>

### THE SYSTEMATIC RESEARCH ANCHOR

A key feature of OB knowledge is that it should be based on systematic research, which typically involves forming research questions, systematically collecting data, and testing hypotheses against those data.<sup>31</sup> The appendix at the end of this book provides a brief overview of these research methods. Systematic research investigation is the basis for **evidence-based management**—making decisions and taking actions guided by research evidence. It makes perfect sense that management practice should be founded on the best available systematic knowledge, yet corporate leaders and other staff often embrace fads, untested consulting models, and their own pet beliefs without bothering to find out if they actually work!<sup>32</sup>

One reason why corporate decision makers overlook evidence-based knowledge is that they are bombarded with ideas from consultant reports, popular business books, newspaper articles, and other sources, which makes it difficult to figure out which ones are based on solid evidence. In contrast, research in OB and other business school research receives limited attention in newspapers and other public sources.<sup>33</sup> A second reason is that good OB research is necessarily generic; it is rarely described in the context of a specific problem in a specific organization. Managers therefore have the difficult task of figuring out which theories are relevant to their unique situation. Third, popular management fads that lack research evidence gain popularity because the sources of these fads are rewarded for marketing their ideas, not for testing to see if they actually work. A fourth reason is that human beings are affected by several perceptual errors and decision-making biases, as we will learn in Chapters 3 and 7. For instance, decision makers have a natural tendency to look for evidence that supports their pet beliefs and ignore evidence that opposes those beliefs.

#### EXHIBIT 1.4

Anchors of Organizational  
Behavior Knowledge

Systematic research anchor	Study organizations using systematic research methods
Practical orientation anchor	Ensure that OB theories are useful in organizations
Multidisciplinary anchor	Import knowledge from other disciplines, not just create its own knowledge
Contingency anchor	Recognize that the effectiveness of an action may depend on the situation
Multiple levels of analysis anchor	Understand OB events from three levels of analysis: individual, team, organization



## debating point

### IS THERE ENOUGH EVIDENCE TO SUPPORT EVIDENCE-BASED MANAGEMENT?

One of the five anchors of organizational behavior is that knowledge must be built on a solid foundation of scientifically based research. This evidence-based management approach embraces scientific methods. It also advises corporate leaders to become more aware of evidence-based knowledge, and to use diagnostic tools (such as surveys and checklists) to apply those principles in the workplace.

It seems obvious that we should rely on good evidence rather than bad evidence (or no evidence at all) to make good decisions in the workplace. Yet, there is another side to this debate. The question isn't whether good evidence is valuable; it is about the meaning of "good evidence." One concern is that scholars might be advocating an interpretation of good evidence that is far too narrow.<sup>c</sup> They typically limit evidence to empirical correlational research, whereas descriptive and qualitative information often provide additional evidence, and occasionally the only feasible evidence. Albert Einstein tried to avoid an empiricist bias by keeping the following message framed on his wall: "Not everything that can be counted counts, and not everything that counts can be counted."

Another concern is that managers don't view organizational research as particularly relevant to the issues they face.<sup>d</sup> Much univer-

sity research is derived from cross-sectional surveys that depend on uncontaminated, quantifiable measures. But managers say they need research that is closer to real-world variables and conditions. Unfortunately, only about 2 percent of organizational studies are real-world experiments, mainly because these field studies take more time and are usually empirically messy, which may be more difficult to get published.<sup>e</sup>

A third concern is that systematic elements of organizational research studies (e.g., sample size, measurement reliability, advanced data analysis methods) can mask other potentially serious underlying faults. Cross-cultural studies, for instance, often use limited samples of college students to represent an entire culture. Lab studies with students assume they replicate workplace conditions, yet ignore important differences with employee characteristics. These and many other faults may explain why replicated studies often produce different results from the original. And even if the published research is valid, the collective knowledge is still somewhat inaccurate because studies with non significant results are much less likely to get published (partly because authors don't bother to submit papers with non-significant findings).<sup>f</sup>

OB experts have proposed a few simple suggestions to create a more evidence-based organization.<sup>34</sup> First, be skeptical of hype, which is apparent when so-called experts say the idea is "new," "revolutionary," and "proven." In reality, most management ideas are adaptations, evolutionary, and never proven (science can only disprove, but never prove; it can only find evidence to support a practice). Second, the company should embrace collective expertise rather than rely on charismatic stars and management gurus. Third, stories provide useful illustrations and possibly preliminary evidence of a useful practice, but they should never become the main foundation to support management action. Instead, rely on more systematic investigation with a larger sample. Finally, take a neutral stance toward popular trends and ideologies. Executives tend to get caught up in what their counterparts at other companies are doing without determining the validity of those trendy practices or their relevance to their own organizations.

## THE PRACTICAL ORIENTATION ANCHOR

Organizational behavior doesn't just develop theories for the sake of being interesting. Most OB theories need to be useful in practice, whether for executive teams or for the rest of us in everyday work activities. This is consistent with our statement earlier in this chapter that almost all organizational behavior theories have the implicit or explicit objective of making organizations more effective. OB experts have had a number of debates on this matter, particularly whether the high degree of methodological rigor demanded in some publications conflicts with, rather than supports, the relevance of that research.<sup>35</sup>

The true "impact" of an OB theory is how well it finds its way into organizational life and becomes a valuable asset for improving the organization's effectiveness. For instance, the MARS model (introduced later in this chapter) is a useful framework for coaching



employees, a diagnostic tool for determining how a work issue occurred, and a guide for implementing some forms of organizational change. Other chapters offer specific advice on how to energize employees, improve customer service through employee attitudes, create more effective teams, determine the best communication channel for a specific situation, build a strong corporate culture, determine when to involve others in your decisions, handle conflict effectively, and so forth. After reading this book, you will have a toolkit of theories that are not only interesting, but are practical to use in organizations.

### THE MULTIDISCIPLINARY ANCHOR

Another organizational behavior anchor is that the field should welcome theories and knowledge from other disciplines, not just from its own isolated research base. For instance, psychological research has aided our understanding of individual and interpersonal behavior. Sociologists have contributed to our knowledge of team dynamics, organizational socialization, organizational power, and other aspects of the social system. OB knowledge has also benefited from knowledge in emerging fields such as communications, marketing, and information systems.

This practice of borrowing theory from other disciplines is inevitable. Organizations have central roles in society, so they are studied in many social sciences.<sup>36</sup> Furthermore, organizations consist of people who interact with one another, so there is an inherent intersection between OB and most disciplines that study human beings. However, by relying too much on theories developed in other fields, OB faces the risk of lagging rather than leading in knowledge production. In contrast, OB-bred theories allow researchers to concentrate on the quality and usefulness of the theory, and be the first to understand and apply that knowledge.<sup>37</sup>

### THE CONTINGENCY ANCHOR

People and their work environments are complex, and the field of organizational behavior recognizes this by stating that the effect of one variable on another variable often depends on the characteristics of the situation or people involved. In practice, this means that a single outcome or solution rarely exists; a particular action may have different consequences under different conditions.<sup>38</sup> For example, later in this chapter we discuss how the success of remote work (e.g. telecommuting) depends on specific characteristics of the employee, job, and organization. Contingencies are identified in many OB theories, such as the best leadership style, the best conflict-handling style, and the best organizational structure. Of course, it would be so much simpler if we could rely on “one best way” theories, in which a particular concept or practice has the same results in every situation. OB experts do try to keep theories as simple as possible, but the contingency anchor is always on their mind.<sup>39</sup>

### THE MULTIPLE LEVELS OF ANALYSIS ANCHOR

Organizational behavior recognizes that what goes on in organizations can be placed into three levels of analysis: individual, team (including interpersonal), and organization. In fact, advanced empirical research currently being conducted carefully identifies the appropriate level of analysis for each variable in the study and then measures at that level of analysis. For example, team norms and cohesion are measured as team variables, not as characteristics of individuals within each team.

Although OB research and writing pegs each variable within one of these levels of analysis, most variables are understood best by thinking of them from all three levels of analysis.<sup>40</sup> Communication is located in this book as a team (interpersonal) process, for instance, but it also includes individual and organizational processes. Therefore, you should try to think about each OB topic at the individual, team, and organizational levels, not just at one of these levels.



## The Emerging Workplace Landscape

### LO 1-4

Organizations are experiencing unprecedented change. Global competition, rapid and disruptive technological change, and many other factors have substantially altered business strategy and everyday workplace activities. The field of organizational behavior plays a vital role in guiding organizations through this continuous turbulence. In this section, we look at four of the most significant changes that are developing in the workplace as a result of globalization, technological change, and other external forces: diversity/inclusive workplace, work-life integration, remote work, and employment relationships.

### DIVERSITY AND THE INCLUSIVE WORKPLACE

When Adriana Robles was recently asked for one word that describes the culture where she works, the test automation engineer and manager answered “Diversity.” This might not be surprising because Robles’ employer is Globant, the company we introduced at the beginning of this chapter. Globant is one of the top-ranked companies in the United States for diversity and inclusion. “Globant is a company with people full of knowledge and they are open to share and help,” says Robles, who works at Globant’s quality engineering studio in Mexico.<sup>41</sup>

Diversity is a competitive advantage for Globant, which attracts talent globally and has operations throughout South America, Europe, India, and North America. It also actively supports women in technology through equal opportunities for career development and flexible work arrangements (e.g., extended maternity and paternity leave). Globant sponsors webinars in which some of its female engineers and executives discuss career opportunities and challenges for women in technology. The company also provides special mentoring and training programs for teenage girls to develop technology skills. “This adds on the diversity management approach we have in Globant aimed at facilitating the work of women in technology and working on equal opportunities for all groups (age, gender, and all minority groups in general),” states a recent Globant report.<sup>42</sup>

Globant and other organizations try to create an **inclusive workplace**, which is one that values people of all identities and allows them to be fully themselves while contributing to the organization.<sup>43</sup> In other words, an inclusive organization views diversity as a valued resource. At the individual level, an inclusive workplace enables people, irrespective of their backgrounds, to feel psychologically safe, engaged, valued, authentic, listened to, and respected. At a collective level, an inclusive workplace gives diverse groups voice through formal structures, such as diversity councils, and everyday processes, such as representation in teams and casual gatherings. It also continually assesses recruitment, rewards, social and information networks, and other organizational systems to ensure that they do not unfairly favor some groups over others.

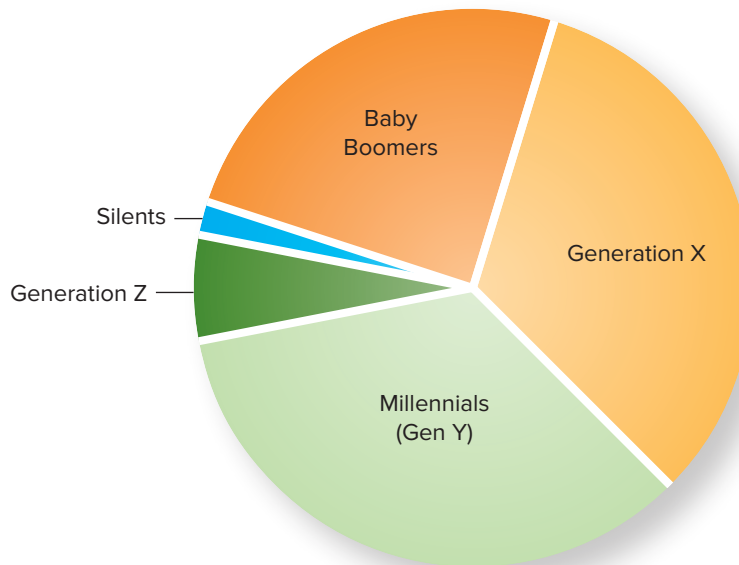
When diversity is mentioned, most people initially think about **surface-level diversity**—the observable demographic and other overt differences among members of a group, such as their race, ethnicity, gender, age, and physical capabilities.<sup>44</sup> Surface-level diversity in the United States and many other countries has increased substantially over the past few decades. For instance, people with non-Caucasian or Hispanic origin now represent almost 40 percent of the American population. Within the next 45 years, an estimated 25 percent of Americans will be Hispanic (currently 18 percent), 14 percent will be of Asian descent (currently 7 percent), and 13 percent will be African American (currently 14 percent).<sup>45</sup>

#### inclusive workplace

a workplace that values people of all identities and allows them to be fully themselves while contributing to the organization

#### surface-level diversity

the observable demographic or physiological differences in people, such as their race, ethnicity, gender, age, and physical disabilities

**EXHIBIT 1.5****America's Multigenerational Workforce<sup>6</sup>**

**deep-level diversity**  
differences in the psychological characteristics of employees, including personalities, beliefs, values, and attitudes

Diversity also includes differences in personalities, beliefs, values, and attitudes.<sup>46</sup> We can't directly see this **deep-level diversity**, but it is evident in a person's words, decisions, and actions. Deep-level diversity is revealed when employees have conflicting perceptions and attitudes about the same situation (see Chapter 11) and when they form like-minded informal social groups (see Chapter 8). Some deep-level diversity is associated with surface-level attributes. For example, studies report significant differences between men and women regarding their preference of conflict-handling styles, ethical principles, and approaches to communicating with other people in various situations.<sup>47</sup>

An example of diversity that has both surface-level and deep-level characteristics is the multigenerational workforce.<sup>48</sup> Exhibit 1.5 illustrates the distribution of the American workforce by major generational cohorts: *Silents* (born earlier than 1946), *Baby Boomers* (born from 1946 to 1964), *Generation Xers* (born from 1965 to 1980), *Millennials* (born from 1981 to 1996), and *Generation Z's* (born after 1996).

Generational deep-level diversity does exist to some extent, but it tends to be much more subtle than the popular press would suggest. Also, some generational differences are actually due to age, not cohort.<sup>49</sup> For instance, one analysis of German data over 25 years found that generational groups held similar attitudes (importance of job success, importance of self-actualization, confidence in the future, worry about job security, etc.) when they were a particular age. An analysis of more than 100 studies also reported that generational cohorts have a similar degree of work ethic when they are a given age. Two studies of U.S. federal government workers over time identified small generational differences in various job attitudes, but these were trivial compared to attitude differences within each generational cohort. The point here is that differences in needs, expectations, and attitudes do exist across age groups, but this deep-level diversity is due more to the person's stage in life and less to whether they were born into a specific cohort (Millennial, Baby Boomer, etc.).

**Consequences of Diversity** Workforce diversity offers numerous advantages to organizations.<sup>50</sup> Teams with high informational diversity—members have different knowledge and skills—tend to be more creative and make better decisions in complex situations compared to teams with less informational diversity. A workforce with surface- and deep-level diversity is also more representative of most communities, so companies are better able to recognize and address community needs. Overall, inclusive workplaces produce

Supporting workforce diversity is the right thing to do as well as a source of competitive advantage at MasterCard Incorporated. “Our culture of inclusion has established us as a global company of empowered employees who use their diversity of thought, experience and background to advance innovation and MasterCard’s contributions to society,” says MasterCard president and CEO Ajay Banga (shown in this photo). Banga personally chairs MasterCard’s Global Diversity and Inclusion Council and meets several times each year with its eight Business Resource Groups. More than half of MasterCard’s employees participate in these diversity-based groups, which serve as internal business consultants to guide the company on consumer preferences, cultural insights, and access to networks. “By valuing a culture of inclusion, we gain additional insights and perspectives that allow us to make the best decisions for our business and customers,” explains Donna Johnson, MasterCard’s chief diversity officer.<sup>h</sup>

Pau Barrena/Bloomberg/Getty Images



better decisions, employee attitudes, team performance, and a host of other favorable outcomes for employees and the organization. However, these benefits are contingent on a variety of factors, such as leadership, team structure, psychological safety perceptions, and employees’ personal values.<sup>51</sup>

Diversity also poses challenges in the workplace.<sup>52</sup> One problem is that employees with diverse backgrounds usually take longer to perform effectively together because they experience numerous communication problems and create “faultlines” in informal group dynamics (see Chapter 8). One study found that research teams in the Formula 1 race car industry performed better as their diversity (range of experience) increased to a point, but performance was lower in highly diverse teams because they couldn’t communicate or coordinate as well as less diverse teams. Some forms of diversity also increase the risk of dysfunctional conflict, which reduces information sharing and satisfaction with coworkers (see Chapter 11). These problems can offset the advantages of diversity in some situations.

But even with these challenges, companies need to make diversity a priority because surface-level diversity, and some forms of deep-level diversity, are moral and legal imperatives. Companies that offer an inclusive workplace are, in essence, fulfilling the ethical standard of fairness in their decisions regarding employment and the allocation of rewards. Inclusive workplace practices improve the quality of hiring and promotion, and increase employee satisfaction and loyalty. Companies that create an inclusive workplace also nurture a culture of respect that, in turn, improves cooperation and coordination among employees.

## WORK-LIFE INTEGRATION

Before the digital age, most employees would finish work after eight or nine hours at the office or factory and could separate their personal time from their employment. Few people had complete separation of these roles, of course. Employees either brought paper-work home or thought about workplace issues long after their official work day had ended. Even so, the past is a stark contrast to the situation today in which information technology tethers a large percentage of employees to work on a 24/7 schedule. Globalization has contributed to this blending of work and nonwork because employees need to be

**work–life integration**

the degree that people are effectively engaged in their various work and nonwork roles and have a low degree of role conflict across those life domains

“on-call” with coworkers, suppliers, and clients who now live in different time zones around the planet.

Little wonder that the ability to effectively integrate work with nonwork activities is consistently rated as one of the most valued features in a job.<sup>53</sup> **Work–life integration** refers to the degree that people are effectively engaged in their various work and nonwork roles and have a low degree of role conflict across those life domains.<sup>54</sup> This phrase has replaced *work–life balance*, which incorrectly implies that work and nonwork roles are completely separate and opposing partitions (like a balance of a scale). “There is no such thing as work–life balance,” says Lisa Sterling, executive vice president and Chief People & Culture Officer at human resource software company Ceridian in Minneapolis. “You’ve got to get to a point at which work and life integrate, and you figure out organizationally and individually how to make those two things work together.”<sup>55</sup>

Our understanding of work–life integration begins with the idea that each of us has multiple roles and associated self-concepts, such as accountant, parent, friend, manager, and sports fan (see Chapter 3). Work–life integration occurs by satisfying the demands and experiencing the positive emotions of our various segments of life. These roles are inherently integrated because the resources generated and consumed by one role enhance or starve other roles.<sup>56</sup> People with a fulfilling home life, for example, develop social support, positive moods, relaxation, and other resources that can enrich their work, as well as other roles. Similarly, the resources gained at work—new skills, financial rewards, feelings of success, and so forth—contribute to home and other nonwork roles.

Unfortunately, many people don’t experience resource enrichment across roles. Instead, the heavy demands of one role deplete personal resources, which starve other roles. Employees who spend most waking hours performing or thinking about their job—whether at the workplace, at home, or on vacation—have insufficient time and energy remaining for other aspects of their lives. They experience what is widely known as work–life conflict. In short, a person’s work roles and nonwork roles are inherently integrated because the physical, cognitive, and emotional resources produced or consumed by one role potentially enrich or undermine the success and enjoyment of other roles.

**Practicing Work–Life Integration** How do individuals and organizations maximize work–life integration?<sup>57</sup> One strategy is to literally integrate two or more roles. An increasingly popular trend is to conduct meetings during an exercise walk (preferably in pairs). Some companies encourage staff to bring their dogs to work, which is both comforting and requires an occasional break to walk the four-legged friend. On-site child care is a form of integration because it allows employees to switch from work to parent roles throughout the day. These integration events are not always effective, but they illustrate that blending work and nonwork roles is more viable than we previously understood.

A second work–life integration strategy occurs through flexible work scheduling.<sup>58</sup> For instance, you might remotely attend a meeting from home in the evening with coworkers who live in other time zones, then arrive at work late the next morning after doing a few household chores. Organizations also have parental and other personal leave benefits to support higher demands at home in the short term. A third work–life integration strategy is to ensure that your various work and nonwork roles are aligned with your personal characteristics. In other words, your job, family life, sports activities, and so forth should roughly be consistent with your personality and values.

Although work is integrated with other life roles, a fourth strategy is to engage in some degree of “boundary management” across those roles.<sup>59</sup> Employees are more likely to set aside work-free times in their private lives when they observe this behavior in managers. Several organizations adopt more structured boundary management through rules that prohibit work-related communication (except in extreme emergencies) after the regular



work day. Boston Consulting Group staff reduced work–family conflict by scheduling with their team one specific (“predictable”) night each week that they would have “off” from work, meaning no work, no phone, and no email. The French government has taken this one step further: It recently passed legislation giving employees the “right to disconnect,” that is, they have a legal right to ignore company messages after hours.

## REMOTE WORK

Blending work with other life roles is particularly apparent as more people sometimes perform their job remotely rather than at the organization’s physical work site.<sup>60</sup> There are a few variations of *remote work*. The next topic of this section, for instance, identifies workers who are remotely located from their employer because they are temporarily or indefinitely assigned to a client’s workplace. However, the best-known form of remote work occurs when employees perform their job at home or some other non-client site away from the company’s traditional offices (formerly known as *telecommuting* or



## global connections 1.2

### Emsisoft Thrives as a Fully Remote Organization<sup>i</sup>

When Christian Mairoll launched Emsisoft 15 years ago in Austria, he probably didn’t imagine that the anti-malware company would now employ more than three dozen people scattered around the planet and that he would be leading them remotely from a sheep farm in New Zealand.

During the start-up, Mairoll shunned bank loans and venture capital funding, but didn’t have enough money for a physical office. Instead, he contracted with software developers remotely—the first hire was from Siberia! As the business grew, more people were hired from different parts of the world. Today, Emsisoft is a completely remote company with no physical head office.

“When I started doing all-remote, it was a special thing,” says Mairoll. “As we celebrate our 15th anniversary, I’m proud to say that Emsisoft is living proof that all-remote is a viable, effective, and sustainable business model.”

Leading a company of remote employees was initially challenging, but Mairoll decided a decade after launching the business in Europe to change his lifestyle by moving to New Zealand. He discovered that his new time zone overlapped nicely with the work hours of most staff.

On a typical day, Mairoll convenes online meetings before 6:00 a.m., when the eastern European crew are finishing and the North American staff are half way through their day. By Mairoll’s lunchtime, the Americans have logged off, which gives him a few hours of free time. During late afternoon in New Zealand, the Asian staff have begun to work, so Mairoll checks in with them before finishing his day.

Mairoll can’t imagine running his business with staff in one physical location. “Hiring from anywhere and everywhere allows us to access the best talent on the planet,”



NakoPhotography/Shutterstock

he explains. “It’s also much easier for us to hire locals for roles that require native speakers. . . . In addition, having staff around the world means we can better serve our customers across different time zones.”

However, Mairoll emphasizes that a completely remote organization requires staff who can manage themselves without supervision. “There’s definitely the potential to lose focus and motivation when working from home,” he says. “You need to be able to get things done, even if there is no immediate supervision or pressure from your team.”

Language is also an issue, but Emsisoft mainly uses English text-based communication, which is easier for foreign language speakers to master than spoken conversations. Another issue is building strong team cohesion. “I think it takes slightly more effort in team building to establish strong team bonds over the Internet, but I don’t see it as a major blocker at all,” Mairoll suggests.

*teleworking*). In most cases, these remote employees are connected with coworkers, clients, and company data through various forms of information technology.

An estimated 43 percent of U.S. workers perform their work at home or other off-site location at least some of the time. Most of these people work remotely only one or two days each week, but almost one-third of them work from home more than 80 percent of the time.<sup>61</sup> Four out of five U.S. companies allow remote work for employees in some jobs. However, IBM, Bank of America, Yahoo, and a few other high-profile early adopters of remote work have recently required most employees to commute to the office a few days each week. Their decisions to curtail remote work relates to the risks we discuss below, but critics point out that their actions may cause greater problems over time.<sup>62</sup>

At the other extreme are Buffer, Automattic, Emsisoft, Sonatype, and other businesses that have no physical head office; everyone works at home and cafés. Most of these fully remote companies (also called distributed or virtual companies) have only a few dozen workers. But Automattic, which develops WordPress (it powers one-quarter of the world’s websites), employs more than 850 Automatticians across 69 countries. Automattic did have a head office in San Francisco, but it was recently closed because very few employees showed up to work there.<sup>63</sup>

**Remote Work Benefits and Risks** Is remote work beneficial for employees and organizations? This question continues to be debated because it has advantages, disadvantages, and several contingencies that muddy its effectiveness (see Exhibit 1.6).<sup>64</sup> One advantage is that remote workers usually experience better work–life integration because they have more time and somewhat more control to juggle work with family obligations. WestJet sales agent Carla Holub, who now works from home a few days each week, praises this benefit. “It just freed up a good two hours of my personal time being able to work from my home office.” Work–life integration is less likely to improve when remote workers lack sufficient workspace and privacy at home and have increased family responsibilities on work-from-home days.

Job applicants—particularly Millennials—identify remote work as an attractive job feature, and turnover is usually lower among employees who are able to work from home. Research also indicates that remote workers have higher productivity than other employees, likely because they experience less stress and tend to transfer some former commuting time to work time. Working remotely also improves productivity by enabling employees to perform their jobs at times when the weather or natural disasters block access to the office.

Several companies report that they reduce greenhouse gas emissions and office expenses when more employees work at home some of the time. For instance, health insurer Aetna estimates that its remote employees (31 percent of the workforce) annually avoid using 2 million gallons of gas, thereby reducing carbon dioxide emissions by more than 23,000 metric tons. With many employees working from home, Aetna has also been able to reduce its real estate and related costs by between 15 and 25 percent.<sup>65</sup>

Remote work also has several disadvantages.<sup>66</sup> People who regularly or mostly work from home report higher levels of social isolation, including weaker relationships with coworkers. They also receive less word-of-mouth information, which may have implications

EXHIBIT 1.6

Potential Benefits and Risks of Remote Working

POTENTIAL BENEFITS	POTENTIAL RISKS
<ul style="list-style-type: none"> <li>• Better employee work–life integration</li> <li>• Attractive benefit for job applicants</li> <li>• Low employee turnover</li> <li>• Higher employee productivity</li> <li>• Reduced greenhouse gas emissions</li> <li>• Reduced corporate real estate and office costs</li> </ul>	<ul style="list-style-type: none"> <li>• More social isolation</li> <li>• Lower team cohesion</li> <li>• Weaker organizational culture</li> <li>• More stressful due to home space and roles</li> </ul>



for promotional opportunities and workplace relations. “When I’m home, I miss out on going to have coffee with people, and that’s when all kinds of information about employment applications, the ministries and the university comes up,” says Marcel Swart, a chemist at a university in Spain.<sup>67</sup> Organizations also potentially suffer from lower team cohesion and a weaker organizational culture when most employees work from home for a significant part of their workweek. This is the main reason given by companies that have reduced the degree of remote work among employees.

The success of working remotely depends on several characteristics of the employee, job, and organization.<sup>68</sup> Employees who work effectively from home typically have higher self-motivation, self-organization, need for autonomy, and information technology skills. Those who work remotely most of the time also fulfill their social needs more from sources outside the workplace. Jobs are better suited to remote work when the tasks do not require resources at the workplace, the work is performed independently from co-workers, and task performance is measurable. Organizations improve the success of this work arrangement by rewarding and promoting remote employees based on their performance rather than their presence in the office (face time). Effective companies also help remote workers maintain sufficient cohesion with their team and psychological connectedness with the organization. This occurs by limiting the number of days that employees work from home, having special meetings or events where all employees assemble at the workplace, and regularly using video communication and other technology that improves personal relatedness.



#### SELF-ASSESSMENT 1.1:

#### Are You a Good Remote Worker?

Remote work (formerly known as telecommuting) is an increasingly popular workplace relationship, and it potentially offers benefits for both companies and remote workers. However, some people are better suited than others to working away from the traditional workplace. You can discover how well you adjust to remote work by locating this self-assessment in Connect if it is assigned by your instructor.

## EMPLOYMENT RELATIONSHIPS

Another rapidly changing workplace arrangement is the individual’s formal employment relationship with the organization.<sup>69</sup> Historically, most workers have been in full-time, permanent jobs (called direct employment). This relationship assumes continuous—lifetime, in rare cases—employment, usually with expectations of career advancement and the organization’s investment in the employee’s skills. An increasing percentage of the workforce has more fragile direct employment relationships, such as part-time, on-call, casual, and seasonal employment.

Although direct employment still dominates, the largest labor market growth over the past two decades has been indirect (outsourced/agency) and contract work. One annual survey estimates that agency-based placements alone represent almost 10 percent of the U.S. workforce.<sup>70</sup> Indirect employment occurs when people hold positions in an agency and are temporarily assigned (temps) or indefinitely “leased” to client firms. The rapid growth of indirect employment has occurred as companies outsource non-core work activities, such as information technology and customer contact centers, to firms that specialize in these services.

Contract work has recently dominated the public’s attention because many people have been motivated or required out of necessity to become freelancers in the “gig economy.” One survey reports that more than one-third of the U.S. workforce performs freelance (on-demand contract) work, although some of these people do contract work as

second jobs beyond their direct or indirect employment. Contract work is the furthest from direct employment because the worker represents one organization that directly or indirectly provides services to a client organization. Independent contractors negotiate their own contracts with the client, whereas other contractors work through Uber, Airbnb, Uber Eats, and other branded platform companies. Some experts suggest that platform-based workers are closer to on-call direct employees rather than contractors because they are dependent on the platform, abide by its work standards, and in some instances provide transportation, food delivery, or accommodation services when required by the platform.<sup>71</sup>

**Consequences of Emerging Employment Relationships** The growth of outsourced/agency and contract work has an impact on most organizational behavior topics.<sup>72</sup> These emerging employment relationships increase employee performance under some circumstances, but evidence suggests that direct employment relationships tend to produce higher work quality, innovation, and agility. This is because people in direct employment have lower turnover, higher commitment, and more involvement in the company. They also tend to receive more organizational investment in their training, rewards, and other high-performance work practices.

Teams that include both direct employment and agency workers tend to have weaker social networks, which results in less information sharing (see Chapter 10). Contract workers generally have similar levels of job satisfaction as direct employment workers, whereas agency workers tend to have lower job satisfaction. In fact, the presence of agency (outsourced) workers can adversely affect the satisfaction and commitment of permanent employees in the client organization. Direct employment anchors an individual's self-concept (see Chapter 3), whereas people working in outsourced/agency and contract relationships need to discover how to replicate this stability in their self-view and role. Finally, organizations have a myriad of structural controls to manage the performance of indirect and contract workers. However, managers in client firms seem to experience more ambiguity in their roles and less discretion in their daily attempts to guide the work of people who are technically not their own employees.<sup>73</sup>

## MARS Model of Individual Behavior and Performance

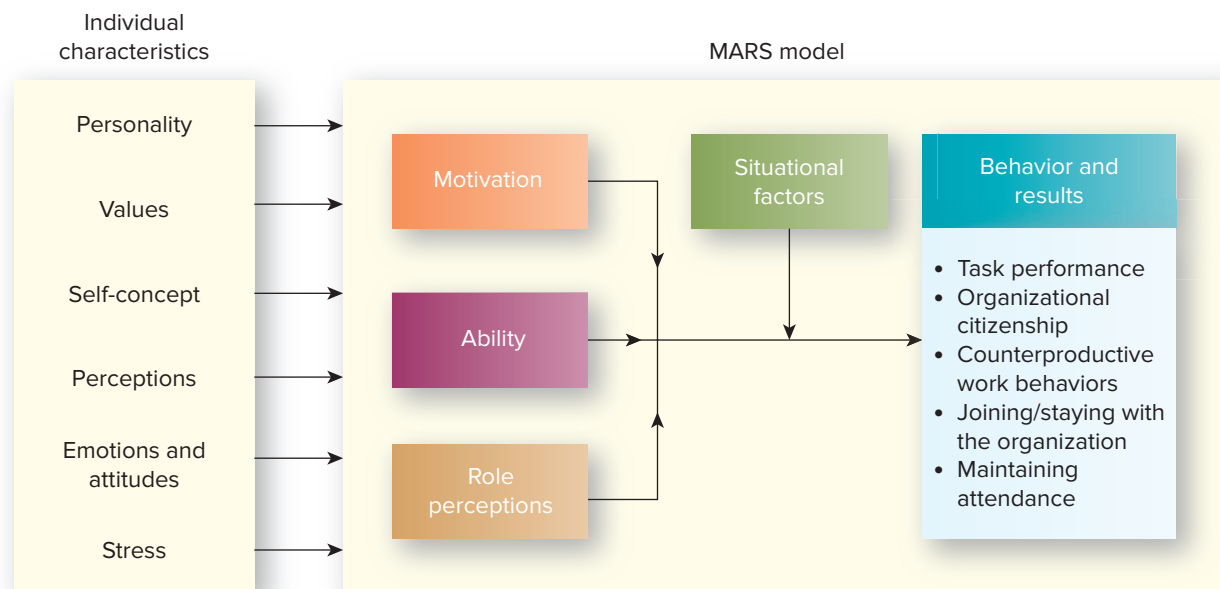
### LO 1-5

For most of the past century, experts have investigated the direct predictors of individual behavior and performance.<sup>74</sup> One of the earliest formulas was *performance = person × situation*, where *person* includes individual characteristics and *situation* represents external influences on the individual's behavior. Another frequently mentioned formula is *performance = ability × motivation*.<sup>75</sup> Sometimes known as the “skill-and-will” model, this formula elaborates two specific characteristics within the person that influence individual performance. Some organizational studies use the *ability-motivation-opportunity (AMO)* model, which refers to the three variables but with a limited interpretation of the situation. Along with ability, motivation, and situation, researchers have more recently identified a fourth key direct predictor of individual behavior and performance: role perceptions (the individual's expected role obligations).<sup>76</sup>

**MARS model**  
a model depicting the four variables—motivation, ability, role perceptions, and situational factors—that directly influence an individual's voluntary behavior and performance

Exhibit 1.7 illustrates the **MARS model**, which depicts these four variables—motivation, ability, role perceptions, and situational factors—in the acronym *MARS*.<sup>77</sup> All four factors are critical influences on an individual's voluntary behavior and performance; if any one of them is low in a given situation, the employee would perform the task poorly. For example, motivated salespeople with clear role perceptions and sufficient resources (situational factors) will not perform their jobs as well if they lack sales skills and related knowledge (ability). Motivation, ability, and role perceptions are clustered together in the model because they are located within the person. Situational factors are external to the individual but still affect his or her behavior and performance.<sup>78</sup> The four MARS variables

EXHIBIT 1.7 MARS Model of Individual Behavior and Results



are the direct predictors of employee performance, customer service, coworker collegiality, ethical behavior, and all other forms of voluntary behavior in the workplace. Let's look at each of the four factors in the MARS model.

## EMPLOYEE MOTIVATION

**Motivation** represents the forces within a person that affect his or her direction, intensity, and persistence of effort for voluntary behavior.<sup>79</sup> *Direction* refers to the path along which people steer their effort. In other words, motivation is goal-directed, not random. People have choices about what they are trying to achieve and at what level of quality, quantity, and so forth. They are motivated to arrive at work on time, finish a project a few hours early, or aim for many other targets.

The second element of motivation, called *intensity*, is the amount of effort allocated to the goal. Intensity is all about how much people push themselves to complete a task. Two employees might be motivated to finish their project within the next few hours (direction), but only one of them puts forth enough effort (intensity) to achieve this goal. The third element of motivation is *persistence*, which refers to the length of time that the individual continues to exert effort toward an objective. Employees sustain their effort until they reach their goal or give up beforehand.

To help remember these three elements of motivation, consider the metaphor of driving a car in which the thrust of the engine is your effort. Direction refers to where you steer the car, intensity is how much you put your foot down on the gas pedal, and persistence is for how long you drive toward your destination. Remember that motivation is a force that exists within individuals; it is not their actual behavior. Thus, direction, intensity, and persistence are cognitive (thoughts) and emotional conditions that directly cause us to move.

**motivation**  
the forces within a person that affect his or her direction, intensity, and persistence of voluntary behavior

**ability**  
the natural aptitudes and learned capabilities required to successfully complete a task

## ABILITY

Employee abilities also make a difference in behavior and task performance. **Ability** includes both the natural aptitudes and the learned capabilities required to successfully

## MIND THE MARS GAP ON ABILITY, ROLE PERCEPTIONS, AND SITUATIONAL FACTORS<sup>j</sup>

**60%** of more than 13,000 employees surveyed across 34 countries say the skills gap is a real problem for their employer.

**33%** of 195,600 American employees surveyed are engaged at work (indicator of work motivation).

**24%** of more than 400,000 employees surveyed across 500 organizations worldwide say that lack of tools is their top source of decreased productivity (second highest to unproductive coworkers).

(photo) Maren Wischnewski/Alamy Stock Photo



**50%** of 2.2 million employees surveyed worldwide strongly agree that they know what is expected of them at work.

**25%** of 2,061 UK adults surveyed say they receive insufficient training and development in their existing role.

complete a task. *Aptitudes* are the natural talents that help employees learn specific tasks more quickly and perform them better. For example, finger dexterity is an aptitude by which individuals learn more quickly and potentially achieve higher performance at picking up and handling small objects with their fingers. Employees with high finger dexterity are not necessarily better than others at first; rather, they usually learn the skill faster and eventually reach a higher level of performance. *Learned capabilities* are the physical and mental skills and knowledge you have acquired. They tend to wane over time when not in use. Aptitudes and learned capabilities (skills and knowledge) are the main elements of a broader concept called *competencies*, which are characteristics of a person that result in superior performance.<sup>80</sup>

The challenge is to match a person's abilities with the job's requirements because a good match tends to increase employee performance and well-being. One matching strategy is to select applicants who already demonstrate the required competencies. For example, companies ask applicants to perform work samples, provide refer-

ences for checking their past performance, and complete various selection tests. A second strategy is to train employees who lack specific knowledge or skills needed for the job.<sup>81</sup> The third person-job matching strategy is to redesign the job so that employees are given tasks only within their current abilities. For example, a complex task might be simplified—some aspects of the work are transferred to others—so that a new employee performs only tasks that he or she is currently able to perform. As the employee becomes more competent at these tasks, other tasks are added back into the job.

### role perceptions

the degree to which a person understands the job duties assigned to or expected of him or her

## ROLE PERCEPTIONS

Along with motivation and ability, employees require accurate **role perceptions** to perform their jobs well. Role perceptions refer to how clearly people understand their job duties. These perceptions range from role clarity to role ambiguity. Role ambiguity may be a serious problem in organizations. When 7,000 employees in a global survey were asked what would most improve their performance, “greater clarity about what the organization needs from me” was identified as the most important factor.<sup>82</sup>

Role clarity exists in three forms. First, employees have clear role perceptions when they understand the specific duties or consequences for which they are accountable. This may seem obvious, but people are occasionally evaluated on job duties they were never told were within their zone of responsibility. This lack of role clarity may be an increasing concern as organizations move away from precisely defined job descriptions to broader work responsibilities.

Second, role clarity exists when employees understand the priority of their various tasks and performance expectations. This is illustrated in the classic dilemma of quantity versus quality, such as how many customers to serve in an hour (quantity) versus how well each customer should be served (quality). Role clarity in the form of task priorities also exists in the dilemma of allocating personal time and resources, such as how much time managers should devote to coaching employees versus meeting with customers. The third form of role clarity involves understanding the preferred behaviors or procedures for



Black Friday begins the busiest shopping week of the year, and retailers depend on employees with accurate information, clear role responsibilities, and a heavy dose of motivation. Best Buy holds a dress rehearsal so their roles and responsibilities are crystal-clear when Black Friday arrives a week later. During the practice run, some staff are customers, peppering coworkers with ambiguous technical questions or directions to specific products. Then they line up to test how efficiently cashiers can ring up their sales. “Know your role and how you’re going to be successful at delivering an inspirational shopping experience,” sales manager Anthony Saunders tells employees during a rehearsal at the Best Buy store in Henderson, Nevada. “I’m sure it’s going to be madness but the dress rehearsal gave us an idea of what to expect,” says Tiana Meyer, who was working her first Black Friday at Best Buy.<sup>k</sup> Craig F. Walker/Denver Post/Getty Images



accomplishing tasks. Role ambiguity exists when an employee knows two or three ways to perform a task, but misunderstands which of these the company prefers.

Role perceptions are important because they represent how well employees know where to direct their effort.<sup>83</sup> Employees with role clarity perform work more accurately and efficiently, whereas those with role ambiguity waste considerable time and energy performing the wrong tasks or in the wrong way. Furthermore, role clarity is essential for coordination with coworkers and other stakeholders. For instance, performers at Cirque du Soleil depend on one another to perform precise behaviors at exact times, such as catching each other in midair. Role clarity ensures that these expectations are met and the troupe’s performances are executed safely. Finally, role clarity motivates employees because they have a higher belief that their effort will produce the expected outcomes. In other words, people are more confident when they know what is expected of them.

## SITUATIONAL FACTORS

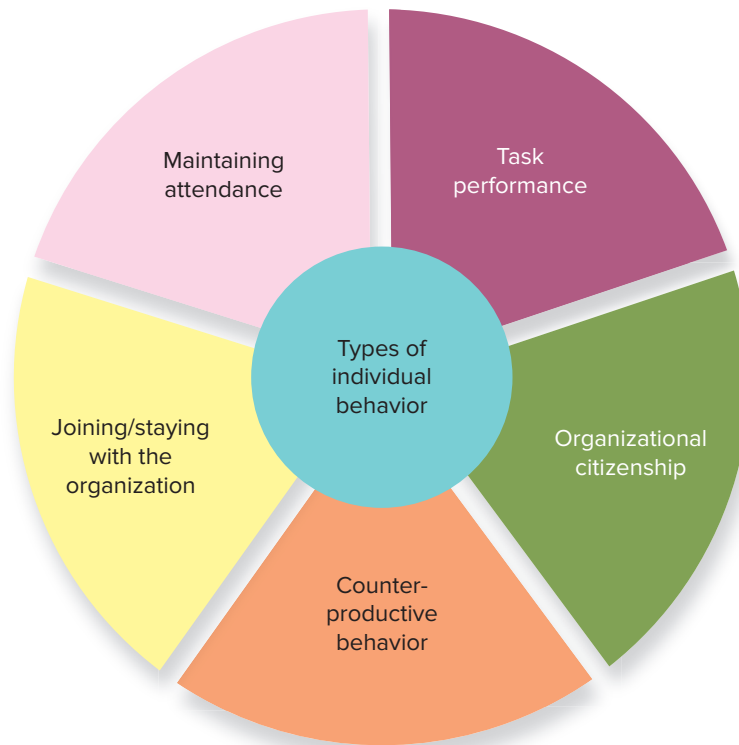
Individual behavior and performance also depend on the situation, which is any context beyond the employee’s immediate control.<sup>84</sup> The situation has two main influences on individual behavior and performance.<sup>85</sup> One influence is that the work context constrains or facilitates behavior and performance. Employees who are motivated and skilled and know their role obligations will nevertheless perform poorly if they lack time, budget, physical work facilities, and other resources. The second influence is that the work environment provides cues to guide and motivate people. For example, companies install barriers and warning signs in dangerous areas. These workplace features are situational factors that cue employees to avoid the nearby hazards.

## Types of Individual Behavior

### LO 1-6

The four elements of the MARS model—motivation, ability, role perceptions, and situational factors—affect all voluntary workplace behaviors and performance. There are many varieties of individual behavior, but most can be organized into the five categories described in this section: task performance, organizational citizenship, counterproductive work behaviors, joining and staying with the organization, and maintaining work attendance (Exhibit 1.8).



**EXHIBIT 1.8****Five Types of Individual Behavior  
in the Workplace**

**task performance**  
the individual's voluntary  
goal-directed behaviors that  
contribute to organizational  
objectives

**TASK PERFORMANCE**

**Task performance** refers to the individual's voluntary goal-directed behaviors that contribute to organizational objectives.<sup>86</sup> Most jobs require incumbents to complete several tasks. For example, foreign exchange traders at Morgan Stanley must be able to identify and execute profitable trades, work cooperatively with clients and coworkers, assist in training new staff, and work on special telecommunications equipment without error. These tasks involve working with people, data, things, and ideas.<sup>87</sup> Foreign exchange traders mainly work with data (e.g., performing technical analysis of trends), people (e.g., sharing information with coworkers and clients), and ideas (interpreting charts and company reports).

There are three types of task performance: proficient, adaptive, and proactive.<sup>88</sup>

- *Proficient task performance* refers to performing the work efficiently and accurately. It involves accomplishing the assigned work at or above the expected standards of quality, quantity, and other indicators of effectiveness.
- *Adaptive task performance* refers to how well employees modify their thoughts and behavior to align with and support a new or changing environment. Essentially, adaptive task performance is about how well employees respond to change in the workplace and in their job duties.
- *Proactive task performance* refers to how well employees take the initiative to anticipate and introduce new work patterns that benefit the organization. Proactive behaviors bring about change in oneself, coworkers, and the workplace to achieve what is perceived to be a better future for the organization.

Employees are expected to perform their work proficiently. However, adaptive and proactive task performance are also important, particularly when the work is ambiguous or dynamic. These conditions exist when the client's expectations are unclear, resources to perform the work have uncertain availability, and the methods used to perform the work are rapidly evolving due to emerging technology.

## ORGANIZATIONAL CITIZENSHIP

Employee behavior extends beyond performing specific tasks. It also includes **organizational citizenship behaviors (OCBs)**, which are various forms of cooperation and helpfulness to others that support the organization's social and psychological context.<sup>89</sup> Some OCBs are directed toward individuals, such as assisting coworkers with their work problems, adjusting your work schedules to accommodate coworkers, showing genuine courtesy toward coworkers, and sharing your work resources (supplies, technology, staff) with coworkers. Other OCBs represent cooperation and helpfulness toward the organization, such as supporting the company's public image, offering ideas beyond those required for your own job, attending events that support the organization, and keeping up with new developments in the organization. Some forms of organizational citizenship are discretionary behaviors (employees don't have to perform them), whereas other OCBs are job requirements even if they aren't explicitly stated in job descriptions.<sup>90</sup>

OCBs can have a significant effect on individual, team, and organizational effectiveness.<sup>91</sup> Employees who help others have higher task performance because they receive more support from coworkers. OCBs also increase team performance where members depend on one another. However, engaging in OCBs can also have negative consequences.<sup>92</sup> OCBs take time and energy away from performing tasks, so employees who give more attention to OCBs risk lower career success in companies that reward task performance. Also, employees who frequently perform OCBs tend to have higher work-family conflict because of the amount of time required for these activities.

## COUNTERPRODUCTIVE WORK BEHAVIORS

Organizational behavior is interested in all workplace behaviors, including dysfunctional activities collectively known as **counterproductive work behaviors (CWBs)**. CWBs are voluntary behaviors that have the potential to directly or indirectly harm the organization or its stakeholders.<sup>93</sup> This concept includes a wide array of behaviors, both intentional and unintentional, such as harassing coworkers, creating unnecessary conflict, deviating from preferred work methods (e.g., shortcuts that undermine work quality), being untruthful, stealing, sabotaging work, and wasting resources. CWBs are not minor concerns; research suggests that they can substantially undermine the organization's effectiveness.

## JOINING AND STAYING WITH THE ORGANIZATION

Companies suffer and potentially fail if they can't hire and retain enough people with the right skills and knowledge to perform the work.<sup>94</sup> This isn't a hypothetical statement. The United States and several other countries are experiencing significant economic growth, which has pushed the demand for some skills well beyond the available supply. One major survey recently reported that 45 percent of 39,000 employers across two dozen countries said they can't find enough people with the skills needed. This problem is worse in large organizations, where more than two-thirds report a significant skills shortage. For example, Boeing is facing a shortage of aviation production workers as it scrambles to satisfy increased demand for its aircraft. As a short-term measure, the aerospace giant is even enticing retirees to come back to work. Hospitals in several countries have temporarily shut beds due to a shortage of nurses. One small community hospital in the United Kingdom recently closed completely because it was unable to hire enough nurses.<sup>95</sup>

Even when companies are able to hire qualified staff in the face of shortages, they need to ensure that these

### organizational citizenship behaviors (OCBs)

various forms of cooperation and helpfulness to others that support the organization's social and psychological context

### counterproductive work behaviors (CWBs)

voluntary behaviors that have the potential to directly or indirectly harm the organization

Amazon Prime, Tyson Foods, and other companies have raised prices partly because a severe shortage of professional truck drivers is pushing up transportation costs. Large trucking firms are experiencing almost 100 percent turnover of drivers, mostly because they are being lured away by other trucking firms. “To be candid, right now I could hire a few hundred drivers,” says Walmart’s senior vice president of transportation. “It is getting tougher and tougher to find qualified drivers. It’s a really serious situation right now.”<sup>91</sup> Flip Putthoff/The Northwest Arkansas Times/AP Images



employees stay with the company.<sup>96</sup> Earlier in this chapter, we explained that human capital is arguably the organization’s main source of competitive advantage. The importance of human capital is particularly apparent when employees quit. Those who leave remove valuable knowledge, skills, and relationships with coworkers and external stakeholders, all of which take time for new staff to acquire. In later chapters, we identify other problems with employee turnover, such as its adverse effect on customer service, team development, and corporate culture strength. Employee turnover does offer some benefits, such as opening up positions so new employees with fresh ideas can be hired and removing people with a tendency for counterproductive work behaviors, but overall, turnover usually has a negative effect on organizational effectiveness.

## MAINTAINING WORK ATTENDANCE

Along with attracting and retaining employees, organizations need everyone to show up for work at scheduled times, whether in-person or through remote work arrangements. American employees are absent from scheduled work an average of only five days per year. Yet, even low absenteeism can lead to increased workloads or overtime among coworkers, lower performance by temporary staff filling the vacant position, poorer coordination in the work process, poorer customer service, and potentially more workplace accidents.<sup>97</sup>

What are the main causes of absenteeism and lateness?<sup>98</sup> Employees often point to situational factors, such as bad weather, transit strike, personal illness, and family demands (e.g., sick children). Some absenteeism occurs because employees need to get away from workplace bullying, difficult customers, boring work, and other stressful conditions. Absenteeism is also higher in organizations with generous sick leave because this benefit minimizes the financial loss of taking time away from work. Another factor in absenteeism is the person’s values and personality. Finally, studies report that absenteeism is higher in teams with strong absence norms, meaning that team members tolerate and even expect coworkers to take time off.

Although most companies focus on minimizing absenteeism, a more serious behavior may be *presenteeism*—showing up for work when unwell, injured, preoccupied by personal problems, or faced with dangerous conditions getting to work.<sup>99</sup> These



## global connections 1.3

### The Doctor Is Ill ... But Will See You Now

Most physicians urge sick patients to stay home, yet few take their own advice. Three-quarters of New Zealand doctors working in hospitals say they went to work while unwell over the previous year. Approximately the same percentage of Swedish doctors recently surveyed admitted that over the previous year they had gone to work one or more times with an illness for which they would have advised patients to stay at home.

“Presenteeism is the elephant in the room that nobody wants to talk or do anything about,” suggests Michael Edmond, an executive and physician at the University of Iowa Hospitals & Clinics. It is difficult for medical centers to find a replacement on short notice and many doctors feel guilty letting down their coworkers and patients.

“There is an unspoken understanding that you probably should be on your deathbed if you are calling in sick,” says an attending physician at a Philadelphia hospital where 83 percent of doctors admitted working while sick within the past year. “It inconveniences my colleagues, is complicated to pay back shifts, and makes me look bad to do so.”<sup>m</sup>



pathdoc/Shutterstock

employees tend to be less productive and may reduce the productivity of coworkers. In addition, they may worsen their own health and increase health and safety risks for coworkers. Presenteeism is more common among employees with low job security (such as new and temporary staff), employees who lack sick leave pay or similar financial buffers, and those whose absence would immediately affect many people. Personality, which we discuss in Chapter 2, also motivates some people to show up for work when others would gladly recover at home.<sup>100</sup>

## The Journey Begins

This chapter gives you some background about the field of organizational behavior, the emerging landscape of organizations, and why OB is important for you and for organizations. It also introduces the foundations of individual behavior and performance as well as the main types of individual behavior. But this is only the beginning of our journey. Throughout this book, we will challenge you to learn new ways of thinking about how people work in and around organizations. We begin this process in Chapter 2 through to Chapter 7 by looking at personality, values, and other individual differences that indirectly predict individual behavior through the MARS model. Next, this book moves to the team level of analysis. We examine a model of team effectiveness and specific features of high-performance teams. We also look at communication, power and influence, conflict, and leadership. Finally, we shift our focus to the organizational level of analysis, where the topics of organizational structure, organizational culture, and organizational change are examined in detail.