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# Organizational Behavior

NINETEENTH EDITION

Stephen P. Robbins | Timothy A. Judge





# ORGANIZATIONAL BEHAVIOR

19TH EDITION  
GLOBAL EDITION

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Stephen P. Robbins is Professor Emeritus of Management at San Diego State University and the world's best-selling textbook author in the areas of management and organizational behavior. His books have sold more than 12 million copies; have been translated into 20 languages; and have adapted editions for Canada, Australia, South Africa, India, and the Arab World. Dr. Robbins is also the author of the best-selling books *The Truth About Managing People*, 4th ed. (Pearson, 2014) and *Decide & Conquer*, 2nd ed. (Pearson, 2015).

In his "other life," Dr. Robbins participates in masters' track competitions. Since turning 50 in 1993, he's won 23 national sprint championships; 14 world sprint titles; and set numerous U.S. and world age-group records at 60, 100, 200, and 400 meters. In 2005, Dr. Robbins was elected to the U.S.A. Masters' Track & Field Hall of Fame. A full bio is available at [stephenprobbins.com](http://stephenprobbins.com).

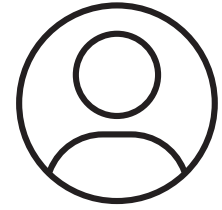


## Timothy A. Judge

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# Preface

## The World’s Most Successful Organizational Behavior Text Is Better Than Ever

This new 19th edition of *Organizational Behavior* continues to distinguish itself by solving today’s most pressing teaching and learning challenges in the field of organizational behavior. OB instructors often face a major challenge in keeping up with advancement and innovation in our understanding of people at work. Moreover, students’ learning, engagement with, and understanding of OB are framed by the present. Many students wonder about the implications of transformative current events on the world of work.

For instance, the COVID-19 crisis has brought questions to light about whether telecommuting is effective, how work and life interactions can be managed, and the effect of the pandemic’s stressors on employee mental and physical well-being. The pandemic has also renewed interest in the burgeoning gig economy and the many ethical and practical issues that follow. Also, the Black Lives Matter and #MeToo movements have sparked considerations of how organizations, leaders, and employees can fight for equality and equity, promote and value diversity, and foster inclusive practices in the workplace. Finally, advancements in technology (e.g., artificial intelligence, machine learning, social media) have revolutionized the way organizations do business. Therefore, the way employees interact with customers, coworkers, and leaders has been changed as well.

In this edition of *Organizational Behavior*, we build upon the basic core of OB knowledge to highlight timely advancements in these topics. Over half of the examples and references have been updated since the previous edition. We have completely revisited, revised, and refreshed the chapters on Diversity, Equity, and Inclusion, Communication, Culture and Change, and Stress and Health to meet these current learning and teaching challenges. Apart from updating half of the in-text features and end-of-text exercises, this edition contains a new feature (Toward a Better World) that highlights social responsibility, justice, and ethics issues facing organizations today. Moreover, we augment the improved topic coverage with supplements designed to enhance the teaching and learning experience.

Lastly, *Organizational Behavior* focuses on translating state-of-the-art theory and research on OB into actionable practices that students can directly apply in the world of work. By focusing on why OB matters in the workplace, students can apply what they learn to their own working experiences, regardless of their field of study. We offer a complete, high-tech support package for both faculty and students. For more information about any of our supplemental resources, please visit the Pearson Higher Education website.

This matrix identifies which features and end-of-chapter material will help you develop specific skills employers are looking for in job candidates.

### Employability Skills Matrix (ESM)

	Myth or Science?	An Ethical Choice	Point/Counterpoint	Toward a Better World	Experiential Exercise	Ethical Dilemma	Case Incident
Critical Thinking & Creativity		✓	✓	✓	✓	✓	✓
Communication	✓				✓	✓	
Collaboration					✓		✓
Self-Management	✓				✓	✓	✓
Social Responsibility		✓	✓	✓	✓	✓	✓
Leadership	✓	✓	✓	✓			✓
Career Management	✓	✓	✓	✓		✓	

(Employability Skills Matrix for Chapter 2)

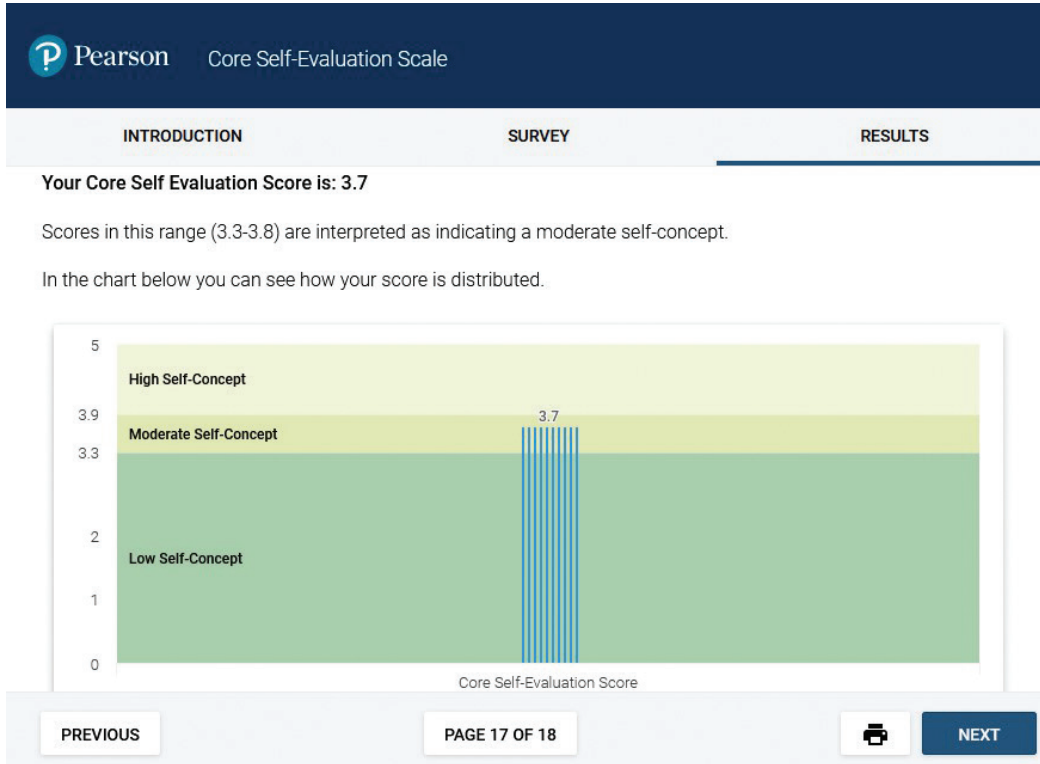
## Employability

An **Employability Skills Matrix** at the beginning of each chapter provides students with a visual guide to features that support the development of skills employers are looking for in today’s business graduates, helping students see the relevance of the course to their career goals from the very start of class.



## Develop Self-Awareness and an Awareness of Others

The authors have recommended **Personal Inventory Assessments** for each chapter, which are assignable in the MyLab. These assessments help develop professionalism and awareness of oneself and others, skills necessary for future career success.



## Additional Application Practice in End-of-Chapter Material

**Experiential Activities, Ethical Dilemmas, and Cases** are included at the end of each chapter. Also, **five Comprehensive Cases** at the end of the textbook provide more practice than any other text available.

### EXPERIENTIAL EXERCISE **Managing Remote Teams**

Guava is a music streaming service located in Silicon Valley that is steadily growing (with roughly 500 employees currently). Guava has plans to hire many new employees within the coming year. The CEO, Lennox Reynolds, has a vision to permanently transition roughly half of the existing employees to remote work and potentially hire additional remote workers. Reynolds also wants the company to develop a flatter structure. Rather than have departments organized by traditional functions like engineering or marketing, employees would work on project teams and have greater autonomy. Reynolds believes this will allow creativity and innovation to thrive (helping Guava develop a competitive advantage). Reynolds thinks a rigid traditional structure restricts employees and stifles creativity and innovation. Rather than having a single designated leader, teams will allow individuals to emerge as leaders.

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development for newer employees, and developing a new structure for making important decisions. Furthermore, all employees were surveyed to assess whether they would choose to work remotely full-time or part-time if given the option. Thirty percent of existing employees said they were very interested in working remotely full-time. Another 20 percent said they were somewhat interested. While some employees have expressed strong preferences for working remotely, other employees and many supervisors have various concerns. Guava needs to decide soon regarding its remote work policy. The decision will impact whether the company chooses to scale back office space and require significant structural changes.

### ETHICAL DILEMMA **Credit Where Credit Is Due**

You are preparing for the weekly team meeting, during which each team member shares a new idea that they have been working on that week. One idea in particular receives very positive feedback. The idea sticks with you as incredibly innovative, and you remark to your coworker, Aiden, "Wasn't that a great idea that Alex shared?"

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she would completely take the idea as her own. But Alex and I work together frequently. I do not want to create an uncomfortable situation." Finally, after a long pause, Aiden says more confidently, "I'm not going to say anything. I think I was overacting."

### CASE INCIDENT **Work-Life Balance at R.G. & Company**

Tatum is a consultant at R.G. & Company (R.G.), a global consulting firm. She has enjoyed the past few years working at the company. As an ambitious person, she has been focusing on her long-term goal of advancing within the company. Furthermore, Tatum has always been passionate about her work and could not imagine working anywhere else. Nonetheless, working at R.G. as a mother of a young child has not been without its challenges. The company does offer some flexibility in terms of when she is in the office. As long as she completes her work, her supervisors usually do not care if she leaves early or works from home when her daughter is sick.

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If Tatum wants a promotion, she believes she needs to make herself stand out among all the company's qualified individuals.

R.G. has policies to accommodate those with family responsibilities. But, in practice, Tatum knows that few employees take advantage of them. For example, Tatum was a little surprised at how quickly her supervisor, Kennedy, returned to the office after having a child. However, Kennedy was much admired at R.G. and was held up as an example that it was possible to have it all—to be a successful working mother. The alternative was for Tatum to transition to working part-time or switch to a less demanding role. Unfortunately, these alternatives would essentially mean putting aside her goal of advancement.

## Real and Relevant Examples

Every chapter is filled with examples to make OB more meaningful and help students recognize course concepts in action. **Profiles of real companies and their leaders** throughout illustrate how course concepts have helped their success.

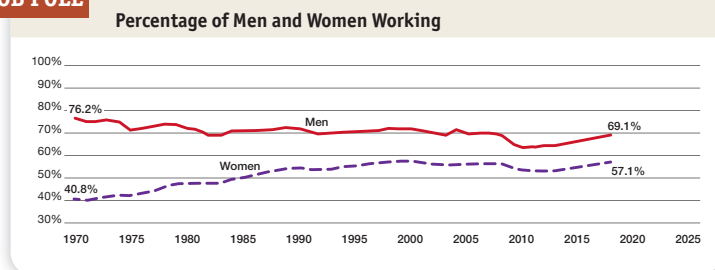
Ursula Burns, former CEO of Xerox, and the first woman to lead a Fortune 500 company, speaks at the Annual John Wooden Global Leadership Award Dinner. Burns' ability to engage with individuals and be "listener-in-chief" contributed to Xerox's massive growth during her tenure as CEO.  
Source: Matt Sayles/Invision/AP/Shutterstock.



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Bernd Van Jutrczenka/DPA Picture Alliance/Alamy Stock Photo

### OB POLL



Sources: Based on U.S. Bureau of Labor Statistics, "Women in the Labor Force: A Datebook," 2019. <https://www.bls.gov/opub/reports/womens-databook/2019/home.htm>

The **OB Poll** in each chapter highlights statistics that challenge common assumptions.

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The recently added **Toward a Better World** provides examples of organizations that highlight corporate social responsibility, sustainability, diversity and inclusion, and justice in the workplace. These features help demonstrate how real-world companies approach these issues, both successfully and unsuccessfully.

### Toward a Better World

#### Ben & Jerry's: The Scoop on What It Takes to Be a CSR-Oriented Company

Ben & Jerry's, an ice cream maker headquartered in Vermont, is often touted as the poster child for corporate social responsibility (CSR). From humble beginnings, Ben & Jerry's has a storied history of making unique, chunky ice cream flavors, churning out immense profits on just about a yearly basis, and eventually being acquired by a major corporation. But despite all these changes throughout the company's history, their commitment to a

better place. In 2019, for instance, they eliminated 245,000 pounds of plastic packaging, straws, and spoons.

However, Ben & Jerry's has not gone without critique. The pretty picture of what it takes to be a CSR-oriented company often focuses on the successes, but rarely do we see the failures. For instance, in the 1990s, one researcher uncovered actions with good intentions gone wrong. As some examples, many have taken issue with the price of the

by OB scientists. For instance, one study focused on CEO letters and interviews with long-tenured employees and newcomers to Ben & Jerry's over a 30-year span. It found that, following the acquisition, employees had to "whipsaw" back and forth between the triple bottom line and the financial performance desired by the post-acquisition CEOs. Further, another research study found that the acquiring organization (Unilever) may have

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### Work Has to Be Purposeful to Be Motivating

Describing the impact employees' work has on the world has become a familiar strategy that organizations use to inspire employees. For example, Amazon tells employees they are building the future, and Microsoft describes how employees empower individuals and organizations around the world to achieve more. The belief is that if workers view their job as purposeful, organizations can avert demotivation.

However, only a small percentage of employees worldwide, regardless of

could have unintended consequences. Although workplaces from IKEA to Microsoft promise meaningful work with a greater purpose, employees' tasks may be routine and disconnected from the inspirational purpose organizations are promising. One survey of seven hundred employees across twenty-two industries demonstrates this disconnect. In this study, all but one employee were able to very quickly identify a trivial or meaningless task that they were required to do regularly for their job. In other words, most employees seem

of impact than their actual impact. The result is lower levels of meaning, enjoyment, and motivation.

However, just because some jobs require employees to do more of these routine tasks does not mean these employees have to be any less motivated or engaged. One promising intervention is "superordinate framing." Employees can use this framing tool to think about how seemingly unimportant tasks work to achieve a greater purpose. If organizations invest in helping employees find meaning and purpose in even the most

### Myth or Science?

**Myth or Science?** engages students with popular opinions, conclusions, or conjectures from the working world, carefully considering whether these conclusions are supported or refuted based on empirical evidence.

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### What Should You Do If Your Values Do Not Align with Your Company's?

**S**o, you find yourself at work listening to your coworkers expressing values and beliefs radically different from your own. You decide not to say anything and sometimes even pretend you agree with their opinions. Although you are suppressing your thoughts, you have learned that it is best to leave your personal views outside the office. You

“facades of conformity” when faced with job insecurity.

Furthermore, research signals that inauthenticity in the workplace can lead individuals to engage in more unethical behavior than when individuals have greater identity integration. Value incongruence is positively related to ego depletion, or the loss of self-control, which ultimately harms

review your employers' mission or value statements, or even informally ask around your work group. It is also a good idea when interviewing with a new job to ask your interviewer this question or—even better—to do some fact-finding before the interview to find out yourself to ask informed follow-up questions.

#### An Ethical Choice

**An Ethical Choice** confronts students with common ethical dilemmas in the working world related to OB topics and how these dilemmas can be approached with fairness, justice, and respect for others.

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The **Point/Counterpoint** at the end of each chapter presents opposing positions on hot topics in Organizational Behavior to help students learn to think critically.

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Business Books: Facts? Or Just Fads?	
POINT	COUNTERPOINT
<p><b>C</b>onduct a quick search on Amazon and you will find a wide selection of management books whose titles tell us the topics we apparently need to know about:</p> <ul style="list-style-type: none"> <li>• <i>Drive to Thrive</i> (Bajaj, 2020)</li> <li>• <i>The Savage Leader: 13 Principles to Become a Better Leader from the Inside Out</i> (Reinke, 2021)</li> <li>• <i>The First-Time Manager</i> (McCormick, 2018)</li> <li>• <i>The Making of a Manager: What to Do When Everyone Looks to You</i> (Zhao, 2019)</li> <li>• <i>American Crisis: Leadership Lessons from the COVID-19 Pandemic</i> (Cummings, 2020)</li> </ul>	<p><b>P</b>eople want to know about management—the good, the bad, and the ugly. People who have experience or high interest write about the topics that interest readers, and publishers put out the best of these texts. When books become popular, we know people are learning from them and finding good results by applying the author's management ideas. Texts like these can provide people with the secrets to management that others have worked out through experience. Isn't it better to learn about management from people in the trenches instead of academia's latest obscure references? Many of the most important insights we gain in life are not necessarily the product of careful empirical research studies.</p>

## Key Changes to the Nineteenth Edition

- **NEW Opening Vignettes** in several chapters bring current business trends and events to the forefront.
- **NEW AND SUBSTANTIALLY REVISED** chapters, including Chapter 2, “Diversity, Equity, and Inclusion in Organizations”; Chapter 11, “Communication”; Chapter 16, “Organizational Culture and Change”; and Chapter 18, “Stress and Health in Organizations,” overhaul the content from prior editions to represent the newest cutting-edge perspectives on these topics in OB.
- **NEW AND UPDATED** content in every chapter reflects the most current developments in OB research. This new content (over 800 new examples and references) particularly emphasizes the following topics:
  - Diversity, equity, and inclusion (DEI)
  - COVID-19 and crisis management
  - Remote work and telecommuting
  - The gig economy
  - Artificial intelligence (AI), social media, and technology
- **NEW** photos and captions added in each chapter link the chapter content to contemporary, real-life worldwide situations to enhance students' understanding of hands-on application of concepts.
- **NEW** Point/Counterpoint features reflect ongoing tensions between perspectives in OB, focusing students' attention on new topics in 9 of 18 chapters.
- The following within-chapter material is either completely new or substantially revised and updated for each chapter, bringing to light novel issues confronting organizations, leaders, and workers:
  - *Point/Counterpoint* (8 of 18 total)
  - *An Ethical Choice* (9 of 18 total)
  - *OB Poll* (9 of 18 total)
  - *Myth or Science?* (9 of 18 total)

- The following end-of-chapter material is either completely new or substantially revised and updated for each chapter, bringing the most contemporary thinking to the attention of students:
  - *Experiential Exercise* (9 of 18 total)
  - *Ethical Dilemma* (9 of 18 total)
  - *Case Incidents* (13 of 18 total)
- Updated Employability Matrices and Application and Employability sections in every chapter.
- Updated Summaries, Implications for Managers, and Questions for Review at the end of every chapter.
- Updated with nearly 1,500 new examples, citations, and references throughout the text.

## Chapter-by-Chapter Changes

### Chapter 1: What Is Organizational Behavior?

- Revised *Learning Objectives*
- Revised/updated sections: Management and *Organizational Behavior*; Challenges and Opportunities, Coming Attractions: Developing an OB Model
- New sections: Corporate Social Responsibility (CSR), The Gig Economy, OB During Crises
- New *Opening Vignette* (The Rise and Fall of WeWork's CEO)
- New *Toward a Better World* (Ben & Jerry's: The Scoop on What It Takes to Be a CSR-Oriented Company)
- New *An Ethical Choice* (What Should You Do If Your Values Do Not Align with Your Company's?)
- New *Experiential Exercise* (Managing Remote Teams)
- New *Ethical Dilemma* (Credit Where Credit Is Due)
- New *Case Incident* (Work–Life Balance at R.G. & Company)
- Updated research on work roles in organizations, organizational behavior core topics, evidence-based management, intuition, big data, artificial intelligence, continuing globalization, workforce diversity and inclusion, technology and social media, (un)ethical behavior, OB outcomes, withdrawal behavior, productivity
- Updated Exhibit 1-3 *Toward an OB Discipline*
- Updated Exhibit 1-5 *A Basic OB Model*
- Updated Exhibit 1-6 *The Plan of the Text*
- Updated *OB Poll* (Percentage of Men and Women Working)
- Updated *Point/Counterpoint* (Business Books: Facts? Or Just Fads?)

### Chapter 2: Diversity, Equity, and Inclusion in Organizations

- Revised *Learning Objectives*
- Revised/updated sections: Understanding Diversity, Implementing Diversity Management
- New sections: Prejudice and Discrimination in Organizations; Prejudice and Implicit Bias; Discrimination, Disparate Impact, and Treatment; Subtle Discrimination in the Workplace; Theoretical Perspectives on Prejudice, Discrimination, and Diversity; Social Categorization; Stereotyping, Stereotype Threat, and Stigma; System Justification and Social Dominance; Intersectionality and the Cultural Mosaic; Group Composition; Faultlines; Cross-Cultural

Organizational Behavior (OB); Hofstede's Framework; The GLOBE Framework; Cultural Tightness and Looseness; Cultural Intelligence (CQ); Theoretical Basis Underlying Diversity Management; Cultures and Climates for Diversity; The Challenge of Diversity Management

- New *Toward a Better World* (Hot Chicken Takeover: Putting Restorative Justice into Practice)
- New *Point/Counterpoint* (Using Artificial Intelligence for Hiring Leads to Greater Diversity)
- New *Ethical Dilemma* (Should You Question an Employer About Its DEI Policy?)
- New Exhibit 2-2 *The Cultural Mosaic*
- New Exhibit 2-3 *Hofstede's Cultural Values by Nation*
- New Exhibit 2-4 *Hofstede–GLOBE Comparison*
- Updated research on levels of diversity, biographical characteristics, religion, expatriate adjustment, diversity management, diversity management practices
- Updated *OB Poll* (Gender Pay Gap: Narrowing but Still There)
- Updated *An Ethical Choice* (Affirmative Action for Unemployed Veterans)
- Updated Exhibit 2-1 *Forms of Discrimination*

### Chapter 3: Job Attitudes

- Revised *Learning Objectives*
- Revised/updated sections: Attitudes, Attitudes and Behavior, Job Attitudes, Job Satisfaction, Organizational Commitment, What Causes Job Satisfaction?, Outcomes of Job Satisfaction, The Impact of Job Dissatisfaction
- New sections: Job Attitudes in the Gig Economy
- New *Toward a Better World* (Nvidians: Together Transforming Communities Around the World)
- New *Point/Counterpoint* (Earning That Promotion May Be Key to Higher Job Satisfaction)
- New *Experiential Exercise* (Managing Political Views in the Office)
- Updated research on organizational identification, organizational commitment, perceived organizational support, employee engagement, racial and ethnic differences in job satisfaction levels, job conditions, personality and individual differences (in job satisfaction), pay, life satisfaction, counterproductive work behavior, financial implications of job attitudes
- Updated *An Ethical Choice* (Office Talk)
- Updated *Exhibit 3-2* (Worst Jobs of 2019 for Job Satisfaction)
- Updated *Exhibit 3-3* (Average Job Satisfaction Levels by Facet)
- Updated *Exhibit 3-4* (Average Levels of Employee Job Satisfaction by Country)
- Updated *Ethical Dilemma* (Tell-All Websites)

### Chapter 4: Emotions and Moods

- Revised/updated sections: What Are Emotions and Moods?, Sources of Emotions and Moods, Emotional Labor, Affective Events Theory, Emotional Intelligence, Emotion Regulation, OB Applications of Emotions and Moods
- New *Opening Vignette* (Bringing Your Sense of Humor to Work)
- New *Myth or Science?* (All Employees Experience Emotional Labor in the Same Way)
- New *Toward a Better World* (Scream Agency: Harnessing Customer Emotions to Bolster CSR)
- New *Case Incident* (Performance Review Shock: Being Told How to Feel and Act)



- Updated research on positive and negative affect, the basic emotions, moral emotions, ideal affect, sources of emotions and moods (e.g., personality, weather, social interactions, sleep, exercise, gender identity), controlling emotional displays, affective events, emotional intelligence, emotion regulation influences and outcomes, emotion regulation techniques, ethics of emotion regulation, emotions in HR practices (e.g., selection, leadership, negotiation, customer service, safety), emotions and (un)ethical behavior
- Updated *Point/Counterpoint* (Sometimes Yelling Is for Everyone's Good)
- Updated *Exhibit 4-1* (Affect, Emotions, and Moods)

## Chapter 5: Personality and Individual Differences

- Revised *Learning Objectives*
- Revised/updated sections: Linking Individuals to the Workplace, Personality, Personality Frameworks, Other Personality Attributes Relevant to OB, Personality and Situations, Values
- New sections: Ability, Intellectual Abilities, Physical Abilities
- New *Opening Vignette* (The Rise and Fall of Theranos)
- New *Toward a Better World* (Uber: In the Median or Back on the Road Again?)
- New *OB Poll* (Are Personality Assessments Only Used for High-Level Positions?)
- New *An Ethical Choice* (Do Certain Personality Traits Make You More Unethical?)
- New *Experiential Exercise* (Acing the Interview)
- New *Ethical Dilemma* (How Long Should You Wait Before Deciding If a Job Is Not a Good Fit?)
- New *Case Incident* (Sky Energy)
- Updated research on person–job fit, person–organization fit, person–group fit, person–supervisor fit, personality traits, personality measurement, the Myers-Briggs Type Indicator (MBTI), the Big Five Personality Model, the Dark Triad, the DiSC framework, the HEXACO model, core self-evaluation (CSE), self-monitoring, proactive personality, situation strength theory, trait activation theory, terminal versus instrumental values, generational values
- Updated *Myth or Science?* (We Can Accurately Judge Individuals' Personalities a Few Seconds After Meeting Them)
- Updated Exhibit 5-5 *Dimensions of Intellectual Ability*
- Updated Exhibit 5-6 *Nine Basic Physical Abilities*
- Updated Exhibit 5-7 *Dominant Generational Work Values in Today's Workforce*

## Chapter 6: Perception and Individual Decision Making

- Revised/updated sections: What Is Perception?; Person Perception; The Link Between Perception and Individual Decision Making; Decision Making in Organizations; Influences on Decision Making; Individual Differences and Organizational Constraints; Ethics in Decision Making; Creativity, Creative Decision Making, and Innovation in Organizations
- New sections: (Perception and) Social Media, Potential Remedies (for Shortcuts in Organizations), Outcome Bias, Decision Making in Times of Crisis
- New *Toward a Better World* (Volkswagen: Going Green or Just Greenwashing)
- New *OB Poll* (Are Managers Using Decision-Making Time Effectively?)
- New *An Ethical Choice* (Are We as Ethical as We Think We Are?)
- New *Experiential Exercise* (Bringing Life to a Food Desert)
- Updated research on factors that influence perception, attribution theory, self-serving biases, common shortcuts in judging others (e.g., selective perception, halo and horns, contrast effects, stereotyping), applications of shortcuts in organizations, problems and decisions, rational decision making,



bounded rationality, intuition, common biases and errors in decision making (e.g., overconfidence, anchoring, confirmation, availability, escalation of commitment, randomness, risk aversion, hindsight), individual differences in decision making (e.g., personality, gender identity, intellectual abilities), organizational constraints on decision making (e.g., formal regulations, time constraints, historical precedents), choosing between ethical criteria, behavioral ethics, lying, creative behavior (e.g., idea generation and evaluation), causes of creative behavior (e.g., creative potential, creative environments), creative outcomes

## Chapter 7: Motivation Concepts

- Revised *Learning Objectives*
- Revised/updated sections: Motivation Defined, Classic Theories of Motivation, Contemporary Theories of Motivation: Content-Based, Contemporary Theories of Motivation: Context-Based, Contemporary Theories of Motivation: Process-Based, Organizational Justice
- New sections: Contemporary Theories: A Primer, Regulatory Focus Theory, Goal Orientation, Goal Conflict
- New *Opening Vignette* (Engaging Employees at Salesforce)
- New *OB Poll* (Is a Lack of Motivation the Biggest Issue Remote Workers Face?)
- New *Myth or Science?* (Work Has to Be Purposeful to Be Motivating)
- New *Toward a Better World* (Kroger: Zero Hunger, Zero Waste)
- New *Point/Counterpoint* (Feel-Good Messaging Is More Motivating Than Instrumental Messaging)
- New *Experiential Exercise* (How Do You Motivate an Employee?)
- New *Case Incident* (Why Lead by Example?)
- Updated research on motivation defined, hierarchy of needs theory, McClelland's theory of needs, self-determination theory, job engagement, reinforcement theory, social learning theory, expectancy theory, goal-setting theory, self-efficacy theory, equity theory, organizational justice, distributive justice, procedural justice, interactional justice, justice outcomes, culture and justice

## Chapter 8: Motivation: From Concepts to Applications

- Revised *Learning Objectives*
- Revised/updated sections: Motivating by Job Design: The Job Characteristics Model (JCM), Job Redesign, Alternative Work Arrangements, Employee Involvement, Using Extrinsic Rewards to Motivate Employees, Using Benefits to Motivate Employees, Using Intrinsic Rewards to Motivate Employees
- New *Opening Vignette* (Teacher Merit Pay: Is It the Solution?)
- New *Myth or Science?* (Job Crafting Is a Practical Way to Reduce Boredom and Burnout)
- New *Toward a Better World* (Sociable Trees: Rewarding Through Reforestation)
- New *Ethical Dilemma* (Playing Favorites?)
- New *Case Incident* (JP Transport)
- Updated research on job design, efficacy of the JCM, job redesign, job rotation, job enrichment, relational job design, alternative work arrangements, flextime, job sharing, telecommuting (and the implications of COVID-19), employee involvement programs (EIP), pay structures, variable-pay programs (e.g., pay secrecy, piece-rate pay, merit pay, bonuses, profit sharing, employee stock ownership plans), benefits, flexible benefits, employee recognition programs
- Updated *OB Poll* (Who Works from Home?)

## Chapter 9: Foundations of Group Behavior

- Revised/updated sections: Defining and Classifying Groups; Group Property 1: Roles; Group Property 2: Norms; Group Property 3: Status, and Group Property 4: Size and Dynamics; Group Property 5: Cohesion; Group Decision Making
- New *Opening Vignette* (Confronting Deviant Norms)
- New *OB Poll* (What Types of Workplace Deviance Are Most Common?)
- New *An Ethical Choice* (Managing a Narcissist in the Group)
- New *Toward a Better World* (Whirlpool: Building Cohesion Through Volunteering)
- New *Point/Counterpoint* (Conformity Is Counterproductive and Should Be Avoided)
- New *Ethical Dilemma* (Follow the Leader?)
- New *Case Incident* (Cultural Context and Group Dynamics)
- Updated research on social identity, group roles, role perception, role expectations, psychological contracts, role conflict, group norms (e.g., the roles of emotions and culture, effects on group outcomes, conformity), group status (e.g., the relationship between norms and status, the role of group interaction, status inequity), group size, social loafing, group cohesion, group decision making, groupthink and groupshift

## Chapter 10: Understanding Work Teams

- Revised *Learning Objectives*
- Revised/updated sections: Differences Between Groups and Teams, Types of Teams, Creating Effective Teams, Turning Groups of Employees into Teams
- New sections: Crises and Extreme Contexts
- New *Opening Vignette* (Resilient Teams)
- New *Toward a Better World* (Hershey: Advancing Diversity, Equity, and Inclusion Through Groups and Teams)
- New *Myth or Science?* (Teams Should Practice Collective Mindfulness)
- New *OB Poll* (Why Do Some Employees Not Like Working on Teams?)
- New *Point/Counterpoint* (Team Building Exercises Are a Waste of Time)
- Updated research on work teams, problem-solving teams, self-managed work teams, cross-functional teams, virtual teams (and COVID-19 implications), multiteam systems, team effectiveness, team context (e.g., leadership, structure, culture, climate, performance evaluation, reward systems), team composition (e.g., abilities, personalities, allocation of roles, organizational demography), team size, team processes and states (e.g., reflexivity, mental models, conflict, motivation, efficacy, identity, cohesion, team selection, team training, team rewards)
- New *Case Incident* (Psychological Safety and Team Effectiveness)
- Updated Exhibit 10-3 *Team Effectiveness Model*
- Updated Exhibit 10-4 *Key Roles of Teams*

## Chapter 11: Communication

- Revised *Learning Objectives*
- Revised/updated sections: Modes of Communication, Choosing Communication Methods, Cross-Cultural Communication
- New sections: Synchronicity; Conversations, Discussions, and Listening; Speeches; Natural Language Processing; Body Language and Movement; Contact and Senses; Physical Space and the Use of Time; Communicating in Times of Crisis (with COVID-19 implications); Advancements in Virtual Communication; Blogging, Vlogging, and Podcasting; E-collaboration and

E-learning; The Currency of Virtual Communication: Emojis, Usernames, Selfies, and More; Smartphones, Social Media, and Cybersecurity; Smartphones (and Other Smart Devices); Smartphones and Stress, Health, and Well-Being; Other Smart Devices; Most of Us Use It, but What Is Social Media Anyway?; You Are What You Post: Personality via Social Media; The Personal and Relational Outcomes of Social Media; The Organizational Outcomes of Social Media; The Interface Between Cultures

- New Exhibit 11-1 *Active and Reflective Listening in Oral Communication*
- New Exhibit 11-2 *Time Spent Checking E-mail at Work*
- New Exhibit 11-3 *Guide to Choosing Communication Methods*
- New Exhibit 11-6 *Cross-Cultural Interaction Approaches*
- New *Myth or Science?* (Better Listening Is the Key to Better Working Relationships)
- New *OB Poll* (Is It Appropriate and Common to Use Texting for Work Purposes?)
- New *Toward a Better World* (Mobile Citizen and Mobile Beacon: Two Companies Enhancing Access to Smartphones and the Internet)
- New *An Ethical Choice* (What Should You Do If an Employee Is Being Cyberbullied or Harassed Online?)
- New *Point/Counterpoint* (Work Friendships Are Not a Good Idea)
- New *Case Incident* (How Do You Communicate That You Are Passionate During an Interview?)
- Updated research on communication, oral communication (e.g., meetings), written communication (e.g., e-mail, instant messaging, text messaging, natural language processing), nonverbal communication, choosing communication methods, barriers to effective communication (e.g., information overload and communication apprehension), channel richness, videoconferencing, blogging, social media, cybersecurity, cross-cultural communication, the cultural context, aspects of cultural communication (e.g., semantics, word connotations, tone differences, tolerance and methods for resolving conflict), cross-cultural communication guidelines
- Updated *Ethical Dilemma* (BYOD)

## Chapter 12: Leadership

- Revised *Learning Objectives*
- Revised/updated sections: Trait Theories, Behavioral Theories, Contingency Theories, Positive Leadership Styles and Relationships, The (Un)ethical Aspects of Leadership, Leadership and Trust, Challenges and Opportunities to Our Understanding of Leadership
- New sections: Proactive Personality Traits, Shared Leadership Theory, Followership Theory, Leading in Times of Crisis (with COVID-19 implications), What Makes Transformational Leadership So Great?, Are There Downsides to Transformational Leadership?
- New Exhibit 12-2 *Manager Leadership Styles by Behavior in Situational Leadership Theory*
- New *Opening Vignette* (The Time Is Now)
- New *An Ethical Choice* (The Ethics of Nudging)
- New *Toward a Better World* (The Institute for Corporate Social Responsibility [iCSR]: Training Leaders to Work Toward a Better Tomorrow)
- New *OB Poll* (Leadership Representation in Organizations)
- New *Myth or Science?* (Leaders Can Be Trained)

- Updated research on leadership and diversity, trait theories, big five traits and leadership, dark triad traits and leadership, emotional intelligence and leadership, initiating structure, consideration, contingency theories, the Fiedler Model, situational leadership theory, follower theories, leader-participation model, leader-member exchange (LMX) theory, charismatic leadership, full range leadership model (e.g., laissez-faire, transactional, transformational), comparison and evaluation of positive leadership styles, authentic leadership, (un)ethical leadership, servant leadership, abusive supervision, leadership and trust (e.g., trust propensity, the role of time, trust repair), leadership as an attribution, neutralizers of and substitutes for leadership, identifying and selecting leaders, training and developing leaders, mentorship
- Updated Exhibit 12-5 *Full Range Leadership Model*
- Updated Exhibit 12-6 *Characteristics of Full Range Leadership Styles*

### Chapter 13: Power and Politics

- Revised/updated sections: Power and Leadership, Bases of Power, Dependence: The Key to Power, Influence Tactics, How Power Affects People, Politics: Power in Action, The Causes and Consequences of Political Behavior
- New sections: Formal Small-Group Networks; Automatic and Controlled Processing of Influence, Gossip and the Grapevine, Factors Contributing to Political Behavior Acquiescence, Voice and Silence
- New *Opening Vignette* (Empire of Pain)
- New *Toward a Better World* (Old Mutual: Realizing a Sustainability Vision Through Influence)
- New *Myth or Science?* (Office Politics Should Be Avoided Altogether)
- New *Point/Counterpoint* (Emphasize the Strategies Women Can Use to Get Ahead)
- New *Experiential Exercise* (The Turnaround Task Force)
- New *Case Incident* (Imperium Omni)
- Updated research on power, dependence, formal power (e.g., coercive, reward, legitimate), personal power (e.g., expert, referent), power base effectiveness, sources of dependence (e.g., importance, scarcity, and nonsubstitutability), social network analysis, influence tactics, political skill, power dynamics, sexual harassment, political behavior, the reality of politics, zero-sum approach, peoples' responses to organizational politics, impression management (e.g., in interviews and performance evaluations), ethics of behaving politically
- Updated *OB Poll* (Networking Key Factor in Employee Advancement)
- Updated *Ethical Dilemma* (Sexual Harassment and Office Romances)
- Updated Exhibit 13-1 *Three Common Small-Group Networks*
- Updated Exhibit 13-2 *Small-Group Networks and Effectiveness Criteria*
- Updated Exhibit 13-3 *An Organizational Sociogram*
- Updated Exhibit 13-4 *Preferred Influence Tactics by Influence Direction*
- Updated Exhibit 13-8 *Impression Management (IM) Techniques*

### Chapter 14: Conflict and Negotiation

- Revised *Learning Objectives*
- Revised/updated sections: A Definition of Conflict, The Conflict Process, Negotiation, The Negotiation Process, Individual Differences in Negotiation Effectiveness, Negotiating in a Social Context, Third Parties in Negotiations

- New Exhibit 14-3 *Conflict-Handling Intentions*
- New *Opening Vignette* (The Merkel Model)
- New *Myth or Science?* (Good Negotiators Rely on Intuition)
- New *Toward a Better World* (ALDI: Downstream Environmental and Social Implications of Supplier Negotiations)
- New *An Ethical Choice* (Ethical Challenges in Negotiation)
- New *Ethical Dilemma* (To Intervene or Not to Intervene?)
- Updated research on conflict, (dys)functional conflict, types of conflict (e.g., task conflict, process conflict), conflict moderators, loci of conflict, perceiving potential opposition or incompatibility (e.g., the role of communication, structure, personal variables), conflict cognition and personalization (e.g., perceived vs. felt conflict), conflict-handling intentions, conflict outcomes, conflict management, negotiation, bargaining strategies (e.g., distributive bargaining, first-offer anchoring, strategy, career management, integrative bargaining), the negotiation process (e.g., preparation and planning), BAT-NAs, individual differences in negotiation effectiveness (e.g., personality traits, moods and emotions, culture, race, gender), third-parties in negotiations (e.g., arbitrators and conciliators)
- Updated *OB Poll* (Gender Differences in Salary Negotiations)

## Chapter 15: Foundations of Organization Structure

- Revised/updated sections: What Is Organizational Structure?, Common Organizational Frameworks and Structures, Newer Trends in Organizational Design, The Leaner Organization: Downsizing, Why Do Structures Differ?, Organizational Design and Employee Behavior
- New Exhibit 15-7 *A Circular Structure*
- New *Myth or Science?* (Bureaucracy Is the Enemy of Innovation and Productivity)
- New *Toward a Better World* (Grove Collaborative: Innovating in the CSR and Sustainability Market Space)
- New *Experiential Exercise* (Remote Work)
- New *Ethical Dilemma* (The Ethics of Layoffs)
- Updated research on organizational structure, work specialization, departmentalization (e.g., product, service, geographical, process, divisions), chain of command (e.g., authority, unity of command), (de)centralization, formalization, boundary spanning, simple structures, bureaucracies, matrix structures, virtual structures (e.g., network, hollow, franchise, modular, starburst forms), team structures, circular structures, downsizing, mechanistic vs. organic models, organizational strategy (e.g., innovation, cost-minimization, imitation), technology and structure, organizations' environments (e.g., capacity, volatility, complexity), institutions
- Updated *OB Poll* (The Incredible Shrinking Office)

## Chapter 16: Organizational Culture and Change

- Revised *Learning Objectives*
- Revised/updated sections: What Is Organizational Culture?, How Employees Learn Cultures, Creating and Sustaining Culture, What Do Cultures Do?, Influencing Organizational Cultures
- New sections: Developing an Innovative Culture, Sources of Innovation, Context and Innovation, Idea Champions and Innovation, Change, The Nature of Change, Resistance to Change, Overcoming Resistance to Change, The Politics of Change, Approaches to Managing Organizational Change, Lewin's Three-Step Model, Kotter's Eight-Step Plan, Action Research, Organizational Development, Process Consultation, Team Building, Intergroup Development, Appreciative Inquiry, The Change Paradox



- New Exhibit 16-2 *The Effect of Culture on Organizational Outcomes*
- New Exhibit 16-6 *How Organizational Cultures Have an Impact on Employee Performance and Satisfaction*
- New *Opening Vignette* (The Wolf Culture)
- New *OB Poll* (Exceptional Socialization Shapes Employee Expectations)
- New *Toward a Better World* (Morgan Stanley: Sustainable and Ethical Organizational Cultures Influence Investment Decisions)
- New *Point/Counterpoint* (Organizational Change Management Is Not Worth the Effort)
- New *Ethical Dilemma* (Toxic Culture)
- Updated research on organizational culture concepts and definitions, competing values framework, organizational culture frameworks (e.g., organizational culture inventory, organizational culture profile), subcultures, strong versus weak cultures, stories, rituals, symbols, language, how culture begins, how culture is kept alive (e.g., selection and socialization), honeymoon/hangover effects, the functions of culture, organizational climate, how culture creates climate, culture as an asset (e.g., ethical, sustainable, innovative), culture as a liability (e.g., stagnation and entrenchment, uniformity and rigidity, toxicity and dysfunctions), culture clashes, developing a positive culture
- Updated *An Ethical Choice* (A Culture of Compassion)

## Chapter 17: Human Resource Systems and Practices

- Revised *Learning Objectives*
- Revised/updated sections: Recruitment, Initial Selection, Substantive and Contingent Selection, Training and Development, Performance Management, Human Resources (HR) Leadership
- New sections: Applicant Attraction, The Ubiquity of Referral Hiring, The Role of Recruiters, Training Content, Instructional System Design, Active Learning, Interactive Learning, Electronic Performance Monitoring (EPM), Accessible Workplaces, Accommodations for Physical Disabilities, Accommodations for Hidden Disabilities
- New *Opening Vignette* (No Résumé Needed)
- New *OB Poll* (How Are Job-Seeking Managers Recruited?)
- New *An Ethical Choice* (Eliminating Bias from Performance Reviews)
- New *Toward a Better World* (Kawasaki: Learning from Each Other at Takumi Juku and Manabiya)
- Updated research on HR and OB linkage, recruitment, realistic job previews, human capital resources, the selection process, initial selection (e.g., application forms, résumés, cover letters), background checks (e.g., reference checks, letters of recommendation, social media “checks,” credit history, criminal background), written tests (e.g., intelligence, personality, integrity), performance-simulation tests (e.g., work samples, assessment centers, situational judgment tests), interviews (e.g., structured), contingent selection (e.g., drug testing, medical examinations), training, transfer of training, training methods, e-Learning, evaluating training effectiveness, performance management, performance management targets (e.g., individual task outcomes, traits), evaluators (e.g., 360-degree appraisals, selective evaluations), performance evaluation methods (e.g., written comments, ranking), performance appraisal fairness, performance feedback, high-performance work systems (HPWS)
- New *Case Incident* (Fired via Video Message)



## Chapter 18: Stress and Health in Organizations

- Revised *Learning Objectives*
- Revised/updated sections: The Nature of Stress in Organizations, Managing Stress and Health
- New sections: Physical Health at Work, Sleep, Illness and Injury, Personal and Work Risk Factors, Mental Health at Work, Job Insecurity, Workaholism, Psychological Distress at Work, Burnout, Depression, Mechanisms of Health and Stress, Conservation of Resources, Effort-Reward Imbalance Model, Job Demand-Control-Support Model, Job Demands-Resources Model, Work–Life Balance, The State of Work–Life Balance: A New Normal? (with COVID-19 implications), Work–Life Boundaries, Work–Life Spillover, Work–Life Conflict, Work–Life Enrichment, Flexible and Supportive Policies, Building Resilience
- New Exhibit 18-4 *The Job Demand-Control-Support Model*
- New Exhibit 18-5 *The Job Demands-Resources Model*
- New Exhibit 18-6 *Boundary Management Tactic Examples*
- New *Opening Vignette* (Beating Burnout)
- New *Toward a Better World* (Freelancers Union: Advocating for Gig Workers Faced with Consistent Job Insecurity)
- New *An Ethical Choice* (Talking About Mental Health Without Overstepping Boundaries)
- New *Experiential Exercise* (Micro-Stressors)
- New *Case Incident* (Burnout Despite Flexibility: Working Parents and COVID-19)
- Updated research on stress and health issue prevalence, stress concepts, stressors (e.g., environmental, personal, additive), strain (e.g., physiological, psychological), eustress, allostasis, managing health and stress (e.g., individual and organizational), time management skills, focusing on mental wellness and physical fitness, practicing relaxation and mindfulness, seeking social support, (re)designing jobs, enabling a remote work option (with COVID-19 implications), offering recovery experiences, wellness programs
- Updated Exhibit 18-1 *Work Is One of the Top Sources of Stress for Young Adults (Ages 18–23)*
- Updated Exhibit 18-2 *A Model of Stress*
- Updated *OB Poll* (Paralyzed? Or Invigorated by Stress?)

## Instructor Teaching Resources

Detailed information and resources are available at [www.pearson.com](http://www.pearson.com).

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# 1

## What Is Organizational Behavior?



Source: Mark Lermihan/A.P./Shutterstock

### LEARNING OBJECTIVES

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

- |   |   |
|---|---|
| <b>1-1</b> Define <i>organizational behavior</i> (OB).                              | <b>1-5</b> Identify managers' challenges and opportunities in applying OB concepts.   |
| <b>1-2</b> Show the value of systematic study to OB.                                | <b>1-6</b> Compare the three levels of analysis in this text's OB model.  |
| <b>1-3</b> Identify the major behavioral science disciplines that contribute to OB. | <b>1-7</b> Describe the key employability skills gained from studying OB that are applicable to other majors or future careers. |
| <b>1-4</b> Demonstrate why few absolutes apply to OB.                               |   |

## THE RISE AND FALL OF WEWORK'S CEO

Adam Neumann and his vision for reinventing work appeared to flourish overnight with the success of his company, WeWork. Although shared offices existed long before the rise of WeWork, early coworking spaces were not the most desirable. In contrast, what WeWork had to offer was a holistic approach that could provide services anywhere—from one person to one hundred people. The company took coworking to the next level by offering many of the services that can make starting a business tough, including IT, financial, and legal services. However, WeWork's expansion did not come without a cost, especially when the company opened on average two locations each day at its peak.

Although Neumann has his fair share of critics, his vision was likely responsible for at least part of WeWork's impressive growth. He is known for his charisma, willingness to take bold risks, and entrepreneurial vision. On the other hand, his somewhat unorthodox leadership style is probably also to blame for some of the problems WeWork encountered. Individuals within the company have noted that he could make impulsive decisions at times, which contributed to a sense of ambiguity within WeWork.

Many also describe the organizational culture during Neumann's tenure as problematic. The "work hard, party hard" mentality appeared to be pervasive. After all, WeWork was one of the first coworking places to offer free beer to its clients. Furthermore, the company's frequent parties made it an uncomfortable work environment for some employees. The company has also faced allegations of racial discrimination and sexual assault, with some blaming its partying culture for exacerbating these significant ethical lapses.

WeWork's growth appeared to be almost unstoppable. It was on the verge of filing a highly anticipated initial public offering (IPO) but rather abruptly made the unexpected move to postpone this decision in 2019. At the time, the company's losses were close to \$2 billion. Potential investors also appeared to be aware and concerned, not only with the company's questionable business model but also with its leadership structure. Not long after, Neumann (WeWork's cofounder and CEO of nine years) stepped down after facing pressure from SoftBank, a Japanese company that invested a significant amount of money in WeWork. The following year, the other cofounder (Miguel McKelvey) left the company as SoftBank began implementing a five-year turnaround plan for WeWork.

The challenges that faced WeWork during Neumann's tenure highlight that the factors contributing to organizational crises do not only affect specific people, like an organization's leadership. Instead, they also concern groups, teams, and the organizations themselves. In this case, Neumann's motivations and decisions likely had a negative impact. Still, the group dynamics and



organizational culture also appeared to play a role in problems at WeWork. The case of WeWork provides an excellent example of the behavioral complexity within organizations that contributes to their survival and success. The effect of behavior in organizations extends beyond individual people, affecting groups, teams, departments, and entire organizations.<sup>1</sup>

The details of WeWork's CEO's rise and fall reflect the increasing complexity and depth of organizational life. The effects of behavior ring through organizations—felt by workers, managers, groups, teams, and sometimes the whole organization. They also highlight several issues of interest to those seeking to understand organizational behavior, including motivation, justice, ethics, structure, culture, personality, and their organizationally relevant outcomes, such as turnover, productivity, and survival. Throughout this text, you will learn how organizational challenges often cut across areas like these, which is why the systematic approach pursued in this text and your course is essential.

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## Management and *Organizational Behavior*

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### 1-1 Define *organizational behavior (OB)*.

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

Historically, business school coursework emphasized the technical aspects of management, focusing on economics, accounting, finance, and quantitative techniques. Coursework on human behavior in organizations received relatively less attention. This might be surprising to you because you might be thinking “the people make the place”:<sup>2</sup> organizations are only as effective as the people who comprise them, so shouldn't we try to understand people in the workplace as well as how we make decisions, communicate, and interact with one another? Over the past several decades, however, business schools have realized the significant role that interpersonal skills play in determining managers' and employees' effectiveness. This realization led to the birth of OB, which, at its core, focuses on individuals and groups in organizations.

Understanding OB is important to you now more than ever. We are in the midst of an OB revolution of sorts that is gaining traction year by year. As noted in the 2016 Deloitte Global business trends report, organizations have figured out that they need to understand “what makes people join, perform well in, and stay with an organization; who will likely be successful; who will make the best leaders; and what is required to deliver the highest-quality customer service and innovation.”<sup>3</sup> A knowledge of OB and interpersonal skills is critical for your success and advancement in the modern workplace. According to Jeff Weiner, executive chair of LinkedIn, “Communications is the No. 1 skills gap across... major cities in the United States.”<sup>4</sup> It is also relevant to nearly every job: one study by Monster mined about a million market-wide job postings to determine the most frequently desired skills in applicants.<sup>5</sup> Communication skills were at the top of the list, followed by other OB-relevant skills, including problem-solving and influence skills.

Furthermore, these skills are also necessary for your career advancement. A survey of over 2,100 CFOs across 20 industries indicated that a lack of interpersonal skills is the top reason why some employees fail to advance.<sup>6</sup> Ultimately, OB can equip you with critical tools for success and advancement in the workplace.

In this text, we pay special attention to how the knowledge and practice of OB can help you (1) think analytically and critically, (2) make better decisions, (3) communicate and collaborate more effectively with others, and (4) act with a sense of social responsibility in the workplace. Research has demonstrated that these types of “employability skills” are highly valued and desired by employers. A lack of these skills can lead to problems in the workplace.<sup>7</sup>

Incorporating OB principles into the workplace can also yield many critical organizational outcomes. For one, companies known as good places to work—such as Hilton, UKG, Wegmans, Cisco, Workday, Salesforce, and Edward Jones<sup>8</sup>—have been found to generate superior financial performance due to their attention to OB.<sup>9</sup> Second, developing managers’ and employees’ interpersonal skills helps organizations attract and keep high-performing employees. This function is vital because outstanding employees are always in short supply and costly to replace.<sup>10</sup> Third, strong associations exist between the quality of workplace relationships and employee job satisfaction, stress, and turnover. One extensive study of hundreds of workplaces and more than 200,000 respondents showed that social relationships among coworkers and supervisors were strongly related to overall job satisfaction. Positive social relationships were also associated with lower stress at work and lower intentions to quit.<sup>11</sup> Additional research suggests that positive work relationships help employees to flourish—leading to improvements in job and life satisfaction, positive emotions at work, perceptions that one’s work has meaning, and even performance.<sup>12</sup> Fourth, an emphasis on OB can foster awareness for organizations’ environmental, social, and sustainability performance.<sup>13</sup> Accordingly, universities have begun to incorporate social entrepreneurship education into their curriculum to train future leaders in addressing social issues within their organizations.<sup>13</sup> But enough of the *positives*—incorporating OB principles into the workplace can also help us understand how to manage the *negative* aspects and outcomes of work, such as unethical or deviant workplace behavior, violence, stress, discrimination, sexual harassment, conflict, drug abuse, incivility, and theft.<sup>15</sup> Clearly, there are tremendous benefits to understanding people and their behavior within organizations. As such, this text has been written to help managers, potential managers, and employees develop an understanding of human behavior as individuals, members of groups or teams, and workers.

## Who’s Who in the World of Work

Let’s begin by briefly defining the terms *worker*, *manager*, and *organization*. First, **workers** are people within organizations who get things done. Workers, as individuals, members of work groups, teams, or organizations, contribute to the accomplishment of goals. It may seem unnecessary to define a worker up front, but as the past decade has demonstrated, the nature of work and what it means to be a worker is changing. For instance, today’s world of work is much more autonomous and interdependent. It requires a greater variety of skills than work 30 years ago.<sup>16</sup> As we will discuss later in this chapter, the turn of the millennium has led to a new era many refer to as *the gig economy*.<sup>17</sup> Outside a full-time employee’s traditional role, nonstandard worker arrangements are much more common in today’s day and age, with many people working as *contract workers*, *independent contractors*, *freelancers*, or *temporary workers*. Second, the most notable characteristic of **managers** is that they get things done through other people. They make decisions, allocate resources, and direct others’ activities to attain goals. Managers are sometimes called *administrators*, especially in nonprofit organizations. They do their work in an **organization**, a consciously coordinated social unit composed of two or more people, that functions on a relatively continuous basis

**worker** An individual who contributes to the accomplishment of work goals.

**manager** An individual who achieves goals through other people.

**organization** A consciously coordinated social unit, composed of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals.



to achieve a common goal or set of goals. By this definition, manufacturing and service firms are organizations, and so are schools; hospitals; churches; military units; nonprofits; police departments; and local, state, and federal government agencies.

More than ever, new hires and other employees are placed into management positions without sufficient management training or informed experience.<sup>18</sup> According to a large-scale survey, more than 58 percent of managers reported that they had not received any training, and 25 percent admitted that they were not ready to lead others when they were given the role.<sup>19</sup> In addition to the lack of training and preparation, job demands have increased: The average manager has seven direct reports (having five was once the norm) and spends less time supervising them than managers of the past.<sup>20</sup> Considering that a Gallup poll found organizations chose the wrong candidate for management positions 82 percent of the time,<sup>21</sup> we conclude that the more you can learn about people and how to manage them, the better prepared you will be to be the right management candidate. OB will help you get there.

**planning** A process that includes defining goals, establishing strategy, and developing plans to coordinate activities.

**organizing** Determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made.

**leading** A function that includes motivating employees, directing others, selecting the most effective communication channels, and resolving conflicts.

**controlling** Monitoring activities to ensure that they are being accomplished as planned and correcting any significant deviations.

## Management Activities

The world of work involves an overwhelming number of activities, tasks, and responsibilities. For instance, workers can collect, process, and make sense of data; make decisions; perform physical activities; interact with others; or perform administrative activities.<sup>22</sup> Although workers' activities may also involve interacting and coordinating work with other people, it is usually a much more significant component of managerial jobs. Managers' work can be categorized into four different activities: **planning**, **organizing**, **leading**, and **controlling**. The *planning* function encompasses defining an organization's goals, establishing an overall strategy for achieving those goals, and developing a comprehensive set of plans to integrate and coordinate activities. Evidence indicates the need for planning increases the most as managers move from lower-level to mid-level management.<sup>23</sup>

When managers design their work unit's structure, they are *organizing*. The organizing function includes determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made.

Every organization contains people, and it is management's job to direct and coordinate those people, which is the *leading* function. When managers motivate employees, direct their activities, select the most effective communication channels, or resolve conflicts, they are engaging in leading.

Management must monitor its organization's performance and compare it with previously set goals to ensure that activities are going as they should. If there are any significant deviations, management's job is to get the organization back on track. This monitoring, comparing, and potential correcting is the *controlling* function.

## Management Roles

Henry Mintzberg, now a prominent management scholar, undertook a careful study of executives early in his career to determine what they did on their jobs. Based on his observations, Mintzberg concluded that managers perform ten different, highly interrelated roles or sets of behaviors, thus serving a critical function in organizations.<sup>24</sup> As shown in Exhibit 1-1, these ten roles are primarily (1) interpersonal, (2) informational, or (3) decisional. Although much has changed in the world of work since Mintzberg developed this model, research indicates the roles have changed very little.<sup>25</sup>

**Exhibit 1-1**

**Mintzberg’s Managerial Roles**

Role	Description
<b>Interpersonal</b>	
Figurehead	Symbolic head; required to perform a number of routine duties of a legal or social nature
Leader	Responsible for the motivation and direction of employees
Liaison	Maintains a network of outside contacts who provide favors and information
<b>Informational</b>	
Monitor	Receives a wide variety of information; serves as nerve center of internal and external information of the organization
Disseminator	Transmits information received from outsiders or from other employees to members of the organization
Spokesperson	Transmits information to outsiders on organization’s plans, policies, actions, and results; serves as expert on organization’s industry
<b>Decisional</b>	
Entrepreneur	Searches organization and its environment for opportunities and initiates projects to bring about change
Disturbance handler	Responsible for corrective action when organization faces important, unexpected disturbances
Resource allocator	Makes or approves significant organizational decisions
Negotiator	Responsible for representing the organization at major negotiations

Source: H. Mintzberg, *The Nature of Managerial Work*, 1st ed., © 1973, pp. 92–93. Reprinted and electronically reproduced by permission of Pearson Education, Inc., New York, NY.

**Interpersonal Roles** All managers must perform duties that are ceremonial and symbolic in nature. For instance, when the president of a college hands out diplomas at commencement or a factory supervisor gives a group of high school students a tour of the plant, they are acting in a figurehead role. Another key interpersonal role all managers have is a leadership role. This role includes hiring, training, motivating, and disciplining employees. The third role within the interpersonal grouping is the liaison role, or contacting and fostering relationships with others who provide valuable information. The sales manager who obtains information from the quality-control manager in their own company has an internal liaison relationship. When that sales manager has contact with other sales executives through a marketing trade association, they have external liaison relationships.

**Informational Roles** To some degree, all managers collect information from outside organizations and institutions. They typically scan the news media and talk with other people to learn of changes in the public’s tastes and what competitors may be planning. Mintzberg called this the *monitor* role. Managers also act as a conduit to transmit information to organizational members. This is the *disseminator* role. Also, managers perform a *spokesperson* role when representing the organization to outsiders.

**Decisional Roles** Mintzberg identified four roles that require making choices. In the *entrepreneur* role, managers initiate and oversee new projects to improve their organization’s performance. As *disturbance handlers*,

managers take corrective action in response to unforeseen problems. As *resource allocators*, managers are responsible for allocating human, physical, and monetary resources. Finally, managers perform a *negotiator* role. In this role, they discuss issues and bargain with other units (internal or external) to gain advantages for their unit.

## Management Skills

Another way to consider what managers do is to look at the skills or competencies they need to achieve their goals. Researchers have identified several skills that differentiate effective from ineffective workers and managers.<sup>26</sup> These skills are essential, and all are necessary to become a well-rounded and effective manager.

**technical skills** The ability to apply specialized knowledge or expertise.

**Technical Skills** **Technical skills** encompass the ability to apply specialized knowledge or expertise. When you think of the skills of professionals such as civil engineers or oral surgeons, you typically focus on the technical skills they have learned through extensive formal education. Of course, professionals do not have a monopoly on technical skills. Not all technical skills have to be learned in schools or other traditional training programs. All jobs require some specialized expertise, and many people develop their technical skills on the job.

**people skills** The ability to work with, understand, and motivate other people, both individually and in groups.

**People Skills** The ability to understand, communicate with, motivate, and support other people, both individually and in groups, defines **people skills**. Many people may be technically proficient but poor listeners, unable to understand others' needs, or weak at managing conflicts. Managers must have good people skills because they need to get things done through other people.

**conceptual skills** The mental ability to analyze and diagnose complex situations.

**Conceptual Skills** Managers must have the mental ability to analyze and diagnose complex situations. These tasks require **conceptual skills**. Decision making, for instance, requires managers to identify problems, develop alternative solutions to correct those problems, evaluate those alternative solutions, and select the best one. After they have chosen a course of action, managers must organize a plan of action and then execute it. The abilities to integrate new ideas with existing processes and innovate on the job are also crucial conceptual skills for today's managers.

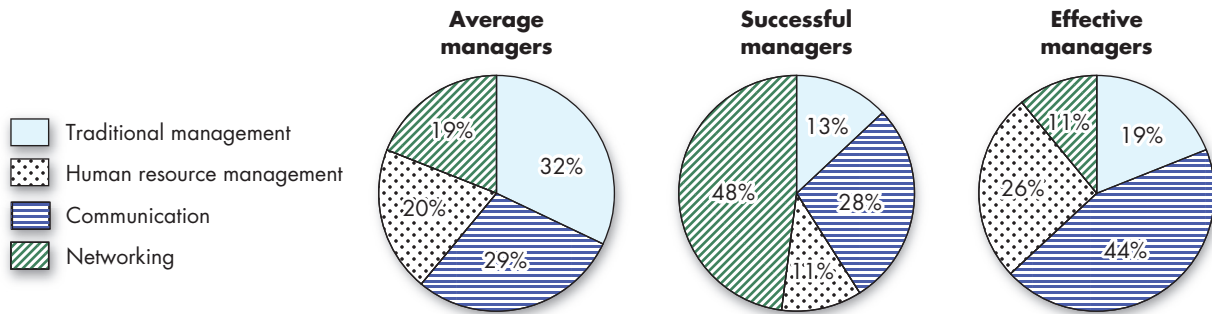
## Effective Versus Successful Managerial Activities

What makes one manager more effective than another? To answer this question, Fred Luthans, a prominent OB researcher, and associates looked at what managers do from a somewhat different perspective.<sup>27</sup> They asked, "Do managers who move up most quickly in an organization do the same activities and with the same emphasis as managers who do the best job?" You might think the answer is yes, but that is not always the case.

Luthans and his associates studied more than 450 managers, all engaged in four managerial activities:

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

**Exhibit 1-2 Allocation of Activities by Time**



Source: Based on F. Luthans, R. M. Hodgetts, and S. A. Rosenkrantz, *Real Managers* (Cambridge, MA: Ballinger, 1988).

The “average” manager spent 32 percent of their time in traditional management activities, 29 percent communicating, 20 percent in HR management activities, and 19 percent networking. However, the time and effort that different *individual* managers spent on those activities varied greatly. As shown in Exhibit 1-2, networking made the most considerable contribution among successful managers (defined in time to promotion within their organization). HR management activities made the least relative contribution. Indeed, other studies in Australia, Israel, Italy, Japan, and the United States confirm the link between networking, social relationships, and success within an organization.<sup>28</sup> However, Luthans and associates found that among *effective* managers (defined in terms of quantity and quality of their performance and the satisfaction and commitment of employees), communication made the most considerable contribution and networking the least. The connection between communication and effective managers is also evident. Managers who explain their decisions and seek information from colleagues and employees—even if the information turns out to be negative—are the most effective.<sup>29</sup>

This research offers important insights. *Successful* (in terms of promotion) managers give almost the opposite emphases to traditional management, communication, HR management, and networking as do *effective* managers. This finding challenges the historical assumption that promotions are based on performance. Instead, it illustrates the importance of networking and political skills to getting ahead in organizations.

### Organizational Behavior (OB) Defined

Now that we have established the importance of what workers and managers do, we turn our focus more broadly toward how people behave in organizations. **Organizational behavior (OB)** is a field of study investigating the impact that individuals, groups, and structure have on behavior within organizations to apply such knowledge toward improving an organization’s effectiveness. That is a mouthful, so let us break it down.

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

To sum up our definition, OB is the study of what people do in an organization and how their behavior affects the organization’s performance. Because

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

Internet retailer Zappos.com understands how organizational behavior affects an organization's performance. The firm maintains good employee relationships by offering generous benefits, extensive training, and a positive work environment in which employees are encouraged "to create fun and a little weirdness."

Source: Ronda Churchill/Bloomberg/Getty Images



OB is concerned specifically with employment-related situations, it examines behavior in the context of job attitudes, absenteeism, employee turnover, productivity, performance, and management. Although debate exists about the relative importance of each, OB includes these core topics:<sup>30</sup>

- Performance, citizenship, deviance, and creativity
- Diversity and inclusion
- Job attitudes, emotions, and moods
- Personality and individual differences
- Judgment and decision making
- Motivation
- Justice and ethics in organizations
- Groups and teams
- Communication and relationships
- Leadership and management
- Power, politics, and corruption
- Conflict and negotiation
- Organizational theory and structure
- Organizational culture and climate
- Organizational health, stress, and safety

## Complementing Intuition with Systematic Study

### 1-2 Show the value of systematic study to OB.

Whether you have explicitly thought about it before or not, you have been "reading" people almost all your life. You have watched their actions and interpreted what you see or tried to predict what people might do under different conditions. This casual approach to reading others can often lead to erroneous predictions, but using a systematic approach can improve your accuracy. Underlying the systematic approach in this text is the belief that behavior is not random. Instead, we can identify consistencies underlying people's behavior and modify them to reflect individual differences.

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

**Evidence-based management (EBM)** complements systematic study by basing managerial decisions on the best available scientific evidence.<sup>31</sup> For example, we want doctors to make decisions about patient care based on the latest

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

**evidence-based management (EBM)** Basing managerial decisions on the best available scientific evidence.



available evidence. EBM argues that managers should do the same, thinking more scientifically about management problems. For instance, a manager might pose a question, search for the best available evidence, and apply the relevant information to the question or case at hand. You might wonder what manager would not base decisions on evidence. However, the vast majority of management decisions are still made “on the fly,” with little to no systematic study of available evidence. Even more worrisome, there is mounting public distrust of scientists and researchers, which often leads managers to ignore evidence and “go with their guts.”<sup>32</sup>

But should we trust our guts? Systematic study and EBM add to **intuition**, or those “gut feelings” about what makes others (and ourselves) “tick.” Of course, the things you have come to believe in an unsystematic way are not necessarily incorrect. One review of hundreds of studies suggests that data-driven judgments (based on algorithms) were about ten percent more accurate than human’s intuitive judgments.<sup>33</sup> Another study found that laypeople may prefer data-driven judgments to judgments made by others (e.g., experts) and even to judgments made by themselves, contrary to conventional wisdom.<sup>34</sup> Jack Welch (former CEO of General Electric) noted, “The trick, of course, is to know when to go with your gut.” But if we make *all* decisions with intuition or gut instinct, we are likely working with incomplete information—like making an investment decision with only half the data about the potential for risk and reward. As such, EBM becomes a balancing act in which one critically weighs evidence from multiple sources. These sources include the opinions of professional experts and respected figures, evidence collected from one’s own business, and, of course, scientific evidence.<sup>35</sup>

**intuition** An instinctive feeling not necessarily supported by research.

Relying on intuition is made worse because we tend to overestimate what we think we know. Many managers hold so-called commonsense opinions regarding effective management that have been flatly refuted by empirical evidence. Moreover, managers are often motivated to hold onto these beliefs even in the face of contradictory evidence. They negatively react to this information, especially when it counteracts their beliefs, self-image, self-interest, or identity.<sup>36</sup> We find a similar problem in chasing the business and popular media for management wisdom.<sup>37</sup> The business press tends to be dominated by fads, made worse by their proliferation through social media.<sup>38</sup> As a writer for *The New Yorker* put it, “Every few years, new companies succeed, and they are scrutinized for the underlying truths they might reveal. But often there is no underlying truth; the companies just happened to be in the right place at the right time.”<sup>39</sup> Although we try to avoid it, we might also fall into this trap. It is not that the business press stories are all wrong; it is that without a systematic approach, it is difficult to accurately conclude what makes prospering companies successful.

## Building on Big Data with Artificial Intelligence

Data has been used to evaluate behavior since at least 1749. On this date, the word *statistic* was coined to mean a “description of the state.”<sup>40</sup> Statistics back then were used for governance purposes, but since the data collection methods were clumsy and simplistic, so were the conclusions. Big data—the extensive use of statistical compilation and analysis—did not become possible until computers were sophisticated enough to store and manipulate large amounts of information.<sup>41</sup> Let us look at the roots of big data for business, which originated in online retailers’ marketing departments.

**Background** It is difficult to believe now, but not long ago, companies treated online shopping as a virtual point-of-sale experience. Shoppers browsed websites anonymously, and sellers tracked sales data only on what customers bought. Gradually, online retailers began to track and act on customer preferences



## Myth or Science?

### Management by Walking Around Is the Most Effective Management

This is mostly a myth, but with a caveat. Management by walking around (MBWA) is an organizational principle made famous with the 1982 publication of *In Search of Excellence* and based on a 1970s initiative by Hewlett-Packard—in other words, it is a dinosaur. Years of research indicate that effective management practices are not built around MBWA. But the idea of requiring managers at all levels of the organization to wander around their departments to observe, converse, and hear from employees continues as a standard business practice.

Many companies expecting managers and executives to do regular “floor time” have claimed benefits from increased employee engagement to deeper management understanding of company issues. A three-year study also suggested that a modified form of MBWA may significantly improve safety in organizations because employees become more mindful of following regulatory procedures when supervisors observe and monitor them frequently.

While MBWA sounds helpful, its limitations suggest that modern practices

focused on building trust and relationships are more useful for management. Limitations include available hours, focus, and application.

- 1. Available hours.** Managers are charged with planning, organizing, coordinating, and controlling. Yet even CEOs—the managers who should be the most in control of their time—report spending 53 percent of their average 55-hour workweek in time-wasting meetings.
- 2. Focus.** MBWA turns management’s focus toward the concerns of employees. Such a focus is good, but only to a degree. As noted by Jeff Weiner, chair of LinkedIn, “Part of the key to time management is carving out time to think, as opposed to constantly reacting. And during that thinking time, you’re not only thinking strategically, thinking proactively, thinking longer-term, but you’re literally thinking about what is urgent versus important.” Weiner and other executives argue that meetings distract them from their purpose.

- 3. Application.** The principle behind MBWA is that the more managers know their employees, the more effective those managers will be. This principle is not always (or even often) true. As we will learn in the chapter on Perception and Individual Decision Making, knowing something (or thinking we know it) should not always lead us to act on only that information. Our internal decision making is subjective—as such, we need objective data to make the most effective management decisions.

Based on the need for managers to dedicate their efforts to administering and growing businesses and given the proven effectiveness of objective performance measures, it seems the time for MBWA is gone. Yet there is that one caveat: Managers should know their employees well. As Rick Russell, former president of Minerva Neurosciences, says, “Fostering close ties with your lieutenants is the stuff that gets results. You have to rally the troops. You can’t do it from a memo.” Management should, therefore, not substitute walking around for actual management.<sup>42</sup>

obtained through the Internet shopping experience. This knowledge was far superior to data gathered in simple store transactions. This action enabled them to create more targeted marketing strategies than ever before. The bookselling industry is a case in point. Before online selling, brick-and-mortar bookstores could collect data about book sales only to create projections about consumer interests and trends. With the advent of Amazon, suddenly a vast array of information about consumer preferences became available for tracking. These preferences included what customers bought, what they looked at, how they navigated the site, and what influenced them (such as promotions, reviews, and page presentation). The challenge for Amazon was to identify which statistics were *persistent*, giving relatively constant outcomes over time, and which were *predictive*, showing steady causality between certain inputs and outcomes. The company used these statistics to develop algorithms to forecast which books customers would like to read next. Amazon could then base its wholesale purchase decisions on the feedback customers provided, through both these passive collection methods and solicited recommendations for upcoming titles.

It is good news for the future of business that researchers, the media, and company leaders have identified the potential of data-driven management and decision making. A manager who uses data to define objectives, develop theories of causality, and test those theories can determine which employee activities are relevant to their objectives.<sup>43</sup> Big data is increasingly applied toward managing organizational change and making effective decisions (which we discuss in Chapter 6 on perception and decision making). Managers seem to be reacting well to it. For instance, in one study, managers were given automated, data-driven decision support systems to assist them with their hiring tasks. In this study, managers reported being happier with and more confident in the decisions they made.<sup>44</sup>

**Current Usage** No matter how many terabytes of data firms collect or from how many sources, the reasons for data analytics are essentially the same. They include *predicting* any event, from a book purchase to a spacesuit malfunction; detecting how much *risk* is incurred at any time, from the risk of a fire to that of a loan default; and *preventing* catastrophes large and small, from a plane crash to an overstock of product.<sup>45</sup> With big data, United States defense contractor BAE Systems protects itself from cyberattacks. San Francisco's Bank of the West uses customer data to create tiered pricing systems. As a final example, London's Graze.com analyzes customers' preferences to select snack samples to send with their orders.<sup>46</sup>

Naturally, big data has been used by technology companies like Google and Facebook, which rely on advertising dollars for revenue and thus need to predict user behavior. Companies like Netflix and Uber similarly use big data to predict where and when customers may want to use their services. Insurance firms predict behavior to assess risks, such as the chance of traffic accidents, to set customer premiums. Even museums like the Solomon R. Guggenheim Museum in New York, the Dallas Museum of Art, and the Minneapolis Institute of Arts analyze data from transmitters, kiosks, and surveys to cater to their paying guests.<sup>47</sup>

Online retailers like eBay and Amazon that market tangible products through online platforms also rely on big data to predict what will sell. For organizations like Nielson, which tracks television and radio watching, the results of data analyses *are* the product they sell. Still other organizations collect big data but do not use it directly. These are often organizations whose primary business is not online. Kroger, a United States grocery store chain, collects electronic information from 55 million customers who have loyalty cards and sells the data to vendors who stock Kroger's shelves.<sup>48</sup> Sometimes technology companies simply sell their data; Twitter sells 500 million tweets a day to four data assimilation companies.<sup>49</sup>

**New Trends** The use of big data to understand, help, and manage people is relatively new but is "as ubiquitous as the air we breathe."<sup>50</sup> In fact, research on 10,000 workers in China, Germany, India, the United Kingdom, and the United States indicated that transformations in the way work is performed will rely more on technological advancements than on any other factor.<sup>51</sup> Organizations are also beginning to focus on "fast data," emphasizing a consistent influx of actionable data to guide business decisions in real time.<sup>52</sup>

Big data has enabled organizations to acquire and manage large amounts of data and information (sometimes with more variables than people!).<sup>53</sup> Even more recent advancements have shifted toward processing and analyzing all this information.<sup>54</sup> One way organizations have been able to adapt to the massive amounts of data and the sheer speed at which it is acquired is through *artificial intelligence* (AI; i.e., machines programmed to think, work, and react like humans).<sup>55</sup> When you think of AI, your mind may wander to robots, regardless of your status as a *Star Trek* or *Star Wars* fan. We are certainly seeing *robotics* becoming used in the workplace (for example, robots can help hospital night staff remotely assist their patients during night rounds).<sup>56</sup> However, much of

the current focus has been on *machine learning* (i.e., a subset of AI in which software is trained to perform a task while at the same time “learning” and “improving” from incoming data and feedback).<sup>57</sup> Indeed, 60 percent of the billions of dollars invested in AI has been allocated toward machine learning.<sup>58</sup> Machine learning has contributed immensely to many organizations’ success, especially those in the e-commerce industry. One estimate suggests that over a third of Amazon transactions stem from AI-facilitated product recommendations.<sup>59</sup> In the coming chapters, we discuss how and in what ways big data and AI approaches have contributed to the study and practice of OB. In the meantime, here are some examples of novel methods researchers and organizations have used to apply big data to study OB:<sup>60</sup>

- Robotics
- Artificial intelligence/machine learning
- Serious games and gamification (i.e., designing games that inherently collect rich data on worker behavior to improve training, hiring, and even worker attitudes)
- “Always on” technology (i.e., devices that are continuously “on” and constantly collect data, such as smartphones and digital assistants)
- Mobile sensors and biometrics (i.e., wearable technology that monitors biometric data, such as sleep quality and heart rate)
- Social media (i.e., data concerning interactions between and among groups of people, including social networking and the formation/dissolution of relationships)
- Text or sentiment analysis (i.e., analyzing the words or phrases people use in electronic communication to determine mood and personality traits)

**Limitations** As technological capabilities for handling big data and AI have increased, so have privacy issues and appropriate application.<sup>61</sup> This limitation is particularly true when data collection includes surveillance instruments. For instance, an experiment in Brooklyn, New York, was designed to improve residents’ quality of life. The researchers collected intensive data from infrared cameras, sensors, and smartphone Wi-Fi signals on these residents.<sup>62</sup> A bank call center and a pharmaceutical company (through similar methods) found that employees were more productive with more social interaction, so they changed their break-time policies so more people took breaks together. They then saw sales increase and turnover decrease. Bread Winners Café in Dallas, Texas, continuously monitors all restaurant employees through surveillance and uses the data to promote or discipline its servers.<sup>63</sup> These big data tactics and others might yield results. For instance, research indicates that surveillance may increase task performance and citizenship behavior (helping behaviors toward others), at least in the short term.<sup>64</sup>

But critics point out that after Frederick Taylor introduced surveillance analytics in 1911 to increase productivity, these techniques were surpassed by Alfred Sloan’s greater success, achieved by providing meaningful work to employees.<sup>65</sup> Further, pioneering studies at the Hawthorne Western Electric plant demonstrated the massive role of group dynamics and norms. From these studies, productivity was a function of both whether workers feel management cares about them and the social forces that cause group members to behave in certain ways.<sup>66</sup> In other words, it is less about the direct effect of surveillance on workers but more so a function of the social forces at play.

These issues bring up a larger concern: What do people think about big data when *they* are the data source? Organizations using big data run the risk of offending the very people they are trying to influence: employees and customers. As Alderman Bob Fioretti said about the 65 sensors installed on Chicago’s streets, “This type of invasion is a very slippery slope.”<sup>67</sup> The use of AI also has its

own privacy and appropriateness issues.<sup>68</sup> Despite traditional concerns regarding the safety and job security threats robots and automation bring to mind,<sup>69</sup> perhaps the most straightforward limitation is that machines can often fail to capture the obvious “big picture” and may ignore their limits.<sup>70</sup> For example, an algorithm may inadvertently include pizza topping preferences in predicting which employees are more likely to steal at work. Research demonstrates that it is crucial for machine learning to be supervised to avoid atheoretical predictions and decision making.<sup>71</sup> AI may also be used to engage in unethical behaviors at work. For example, Facebook banned a large UK car insurance company from mining users’ social media information, learning their personality traits, and charging them different premiums based on their personality traits (and predictions for how safely they would drive).<sup>72</sup>

We must keep in mind that big data will always be limited in predicting behavior, curtailing risk, and preventing catastrophes. In contrast to the replicable results we can obtain through big data, human behavior can often be unpredictable and elusive. Otherwise, our decision making would have been taken over by artificial intelligence by now! But that will never be a worthy goal.<sup>73</sup> Management is more than the sum of data. Overall, we do not advise you to throw your intuition out the window. We are also not suggesting you base all your decisions on a machine learning algorithm. In dealing with people, leaders often rely on hunches, and sometimes the outcomes are excellent. At other times, human tendencies get in the way. The prudent use of big data and AI, along with an understanding of human behavioral tendencies, can contribute to sound decision making and ease natural biases. What we *are* advising is to use evidence as much as possible to inform your decisions. That is the promise of OB.

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## Disciplines That Contribute to OB

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OB is an applied behavioral science built on contributions from several behavioral disciplines, mainly psychology and social psychology, sociology, and anthropology. Psychology’s contributions have been principally at the individual or micro level of analysis. In contrast, the other disciplines have contributed to our understanding of macro concepts such as group processes and organization. Exhibit 1-3 is an overview of the major contributions of other disciplines to the study of OB. In turn, OB has influenced the working world, specifically HR practices (e.g., work design, training, employee selection, performance appraisal).

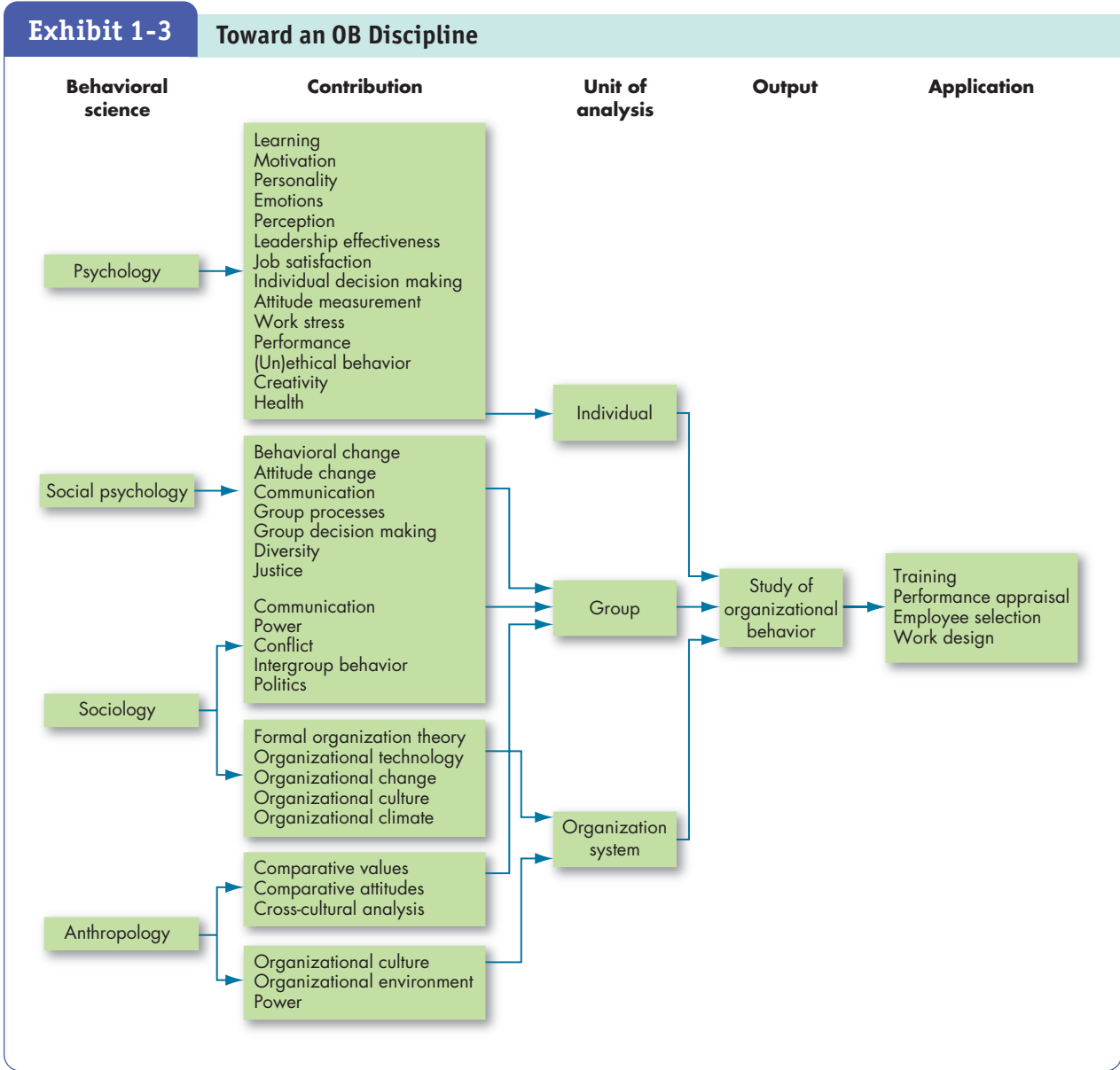
**1-3** Identify the major behavioral science disciplines that contribute to OB.

### Psychology

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

Early industrial/organizational psychologists studied fatigue, boredom, and other working conditions that could impede efficient work performance. More recently, their contributions have expanded to include learning, perception, personality, emotions, training, leadership effectiveness, needs, motivational forces, job satisfaction, decision-making processes, performance appraisal, attitude measurement, employee-selection techniques, work design, and job stress. The study of emotions and moods, in particular, has been immensely transformative in the study of OB, leading to an “Affective Revolution.” This revolution heavily impacted (and continues to influence) OB research across virtually all of the “contributions” in Exhibit 1-3.<sup>74</sup>

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



### Social Psychology

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

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

### Sociology

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

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



## Anthropology

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

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

## There Are Few Absolutes in OB

Laws in the physical sciences—chemistry, astronomy, physics—are consistent and apply in various situations. They allow scientists to generalize about the pull of gravity or be confident about sending astronauts into space to repair satellites. Human beings are complex, and few, if any, simple and universal principles explain organizational behavior. Because we are not alike, our ability to make simple, accurate generalizations about ourselves is limited. Two people often act very differently in the same situation, and the same person's behavior changes in different cases. For example, you may behave much differently during a job interview than you would with your friends on a Saturday morning. Of course, this does not mean that we cannot offer reasonably accurate explanations of human behavior or make valid predictions. It does mean that OB concepts must reflect situational or contingency conditions. We can say  $x$  leads to  $y$ , but only under conditions specified in  $z$ —the **contingency variables**.

OB was developed by applying general concepts to a particular situation, person, or group. For example, OB scholars and practitioners would avoid stating that everyone likes complex and challenging work (a *generalization*). Why? Because not everyone wants a challenging job. Some people prefer routine over varied work or simple over complex tasks. A job attractive to one person may not be to another; its appeal is contingent on the person who holds it. Often, we find both general effects and contingencies. For instance, money does have some ability to motivate most of us (a general effect). On the contrary, some of us are more motivated by money than others, and some situations are more about money than others (both contingencies). We will best understand OB when we realize how both general effects and their contingencies guide behavior.

**1-4** Demonstrate why few absolutes apply to OB.

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

## Challenges and Opportunities

Understanding organizational behavior has never been more critical for managers. Take a quick look at the dramatic changes in organizations. The workforce is becoming increasingly diverse; organizations are continuing to develop a global, integrated presence; technology is revolutionizing how (and where) we do work; managers are increasingly interested in the role that justice and ethics play in the workplace; organizations are beginning to focus on their responsibilities to the environment, societies, and communities—and at the same time developing strengths in workers; and finally, the nature of work itself has been shifting with the advent of the “Gig Economy” and global crises, such as the COVID-19 pandemic.<sup>75</sup>

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

**1-5** Identify managers' challenges and opportunities in applying OB concepts.



**workforce diversity** The heterogeneous characteristics of organizations, work groups, and teams that recognize that their workers vary in gender, age, race, ethnicity, sexual orientation, and other characteristics.

**workforce inclusion** The act of creating and maintaining workplaces that support and leverage the diversity of their members.

## Workforce Diversity and Inclusion

With the advent of social movements such as #metoo and Black Lives Matter,<sup>76</sup> organizations, their management and leadership, and workers worldwide are continuing to realize the importance of *workforce diversity* in crafting equitable, inclusive workplaces. One of the most compelling opportunities for organizations is managing **workforce diversity**, which recognizes that the workforce is heterogeneous in its gender identity, age, race, ethnicity, sexual orientation, and other characteristics.<sup>77</sup>

Beyond recognizing diversity, all organization members are responsible for doing something about it if a fair, equitable, and productive workplace is to be realized. **Workforce inclusion** focuses on creating and maintaining workplaces that support and leverage their members' diversity.<sup>78</sup> Inclusion compels the workforce and managers to recognize that people are like mosaics, characterized by tiles representing the various identities and value systems that "make them who they are."<sup>79</sup> An inclusive workplace is one in which workers feel that they are involved in critical processes, feel welcomed and valued, and are treated as "insiders."<sup>80</sup>

As an example of diversity and inclusion in action in the modern workplace, longevity and birth rates have changed organizations' dynamics. Global longevity rates have increased by about six years in a very short time (since 2000—the fastest increase since the 1960s),<sup>81</sup> while birth rates have decreased in many developed countries. Together, these trends indicate a lasting shift toward an older workforce. First, OB research can explain what this means for attitudes, organizational culture, leadership, structure, and communication, among other core OB topics. Second, managers and organizations need to think about how best to craft an inclusive workplace for older workers while reducing discrimination and prejudice in their practices.<sup>82</sup>

Socioeconomic shifts also have a profound effect on workforce diversity. Equal access to work and education, regardless of gender identity or sexual orientation, has been deemed a human rights issue by the United Nations (see OB Poll).<sup>83</sup> Despite increasing representation in the workforce, people of various demographic backgrounds (e.g., gender identities and sexual orientations) continue to experience inequality, underrepresentation as managers, prejudice, and even violence.<sup>84</sup> OB researchers study how people from diverse backgrounds fare in the workplace, the unique challenges and benefits they experience, and how their conditions can be improved. This example is just one way cultural and socioeconomic changes affect workforce diversity, and it is one of many. We will discuss how OB can provide insights on workforce issues throughout this text.

Though we have more to say about diversity in the next chapter, we start here by saying that diversity presents promising opportunities and poses challenging questions for managers and employees. How can we recognize the strengths in our diversity? How can we adapt to accommodate each other's differences? What are the legal requirements in each country that protect workplaces from prejudice, discrimination, and inequality? Does workforce diversity lead to positive outcomes for employees and organizations? What can employees, managers, and organizations do to manage diversity effectively? It is vital to address the spoken and unspoken concerns of organizations today.

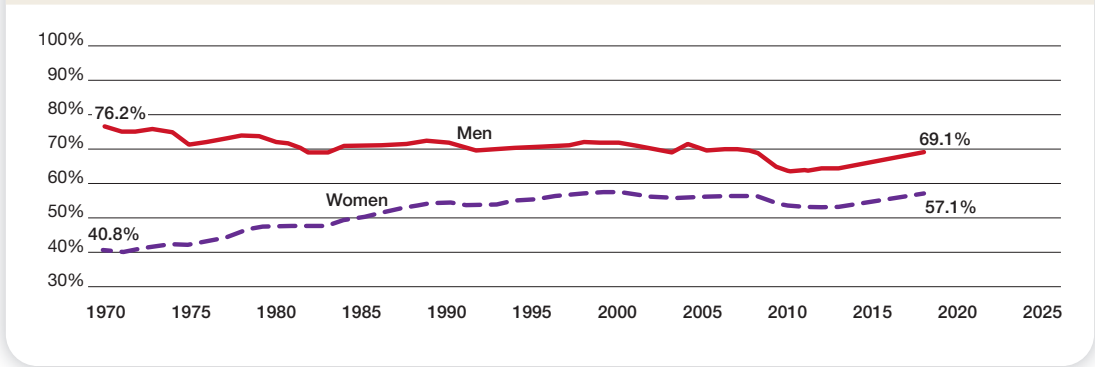
## Continuing Globalization

Globalization has led organizations, leaders, and employees to become increasingly connected across the globe, now more than ever.<sup>85</sup> **Globalization** refers to the process in which worldwide integration and interdependence are promoted across national borders. Samsung, the largest South Korean business conglomerate, sells most of its products to organizations in other countries; a Brazilian firm owns Burger King; and McDonald's operates in over one hundred countries

**globalization** The process in which worldwide integration and interdependence are promoted across national borders.

**OB POLL**

**Percentage of Men and Women Working**



Sources: Based on U.S. Bureau of Labor Statistics, "Women in the Labor Force: A Datebook," 2019, <https://www.bls.gov/opub/reports/womens-databook/2019/home.htm>

on six continents. Although globalization united the international community following the Second World War, the slow recovery from the global financial crisis has caused much of the world’s population to be embittered by globalization.<sup>86</sup> In modern times, the world is at a tension point in which societies choose between sectioning off their economies and remaining open to the world, given how globalization can change the employment landscape rapidly for many communities, sometimes resulting in poverty and economic inequality.<sup>87</sup> Meanwhile, we are on the brink of a new Industrial Revolution, disrupting many industries and leaving many without jobs.<sup>88</sup> One of the unique challenges of this tide of globalization is to forge cooperation between organizations and their employees worldwide and pursue the public good with social responsibility in mind.

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

**Increased Expatriate Assignments** You are much more likely to find yourself working outside your native country as an **expatriate**. For instance, you might find yourself transferred to your employer’s operating division or subsidiary in another country. Once there, you will have to interact with a workforce with very different needs, aspirations, and attitudes than those you are used to back home. To be effective, you will need to understand everything you can about your new location’s culture and workforce (i.e., demonstrating your cultural sensitivity). Understanding what leads to success for expatriate assignments is critical to organizations. For instance, one UK consulting firm estimates that the average expatriate assignment costs \$311,000 *per year*—a high price to pay when considering that 40 percent of all expatriate assignments end up in failure.<sup>89</sup>

**expatriate** A person who works outside their native country.

**Working With People From Different Cultures** Even in your own country, you will find yourself working with people born and raised in different cultures. What motivates you may not motivate them. Or your communication style may be straightforward and blunt, which others may find rude or threatening. To work effectively with people from different cultures, you need to understand how their culture and background have shaped them and how to adapt your management style to accommodate these differences. For instance, managers need to know the workforce’s cultural norms in each country where they do business. A large percentage of the workforce enjoys long holidays in some countries. There will be country and local regulations to consider, too. Managers of subsidiaries abroad need to be aware of the unique financial and legal regulations applying to guest

companies or risk violating them. Violations can have implications for operations in that country and political relations between countries. Managers also need to be mindful of differences in regulations for competitors in that country; understanding the laws can often lead to success rather than failure. For example, knowing local banking laws allowed one multinational firm—the Bank of China—to seize a storied (and priceless) London building, Grosvenor House, from the owner, the Indian hotel group Sahara. Management at Sahara contends that the loan default that led to the seizure was a misunderstanding regarding one of its other properties in New York.<sup>90</sup> Globalization can get complicated.

## Technology and Social Media

Technology, such as the advancements in AI discussed earlier, has profoundly affected the business world. As another example, many organizations continue to struggle with employees' social media use in the workplace. In February 2015, a Texas pizzeria fired an employee before the first day of work because of an unflattering tweet about the job. In December 2014, Nordstrom fired an Oregon employee who had posted a personal Facebook comment seeming to advocate violence against police officers.<sup>91</sup> These examples show that social media is a complicated issue for today's managers, presenting both a challenge and an opportunity for OB. For instance, should HR investigate a candidate's social media presence? Should a hiring manager read the candidate's Twitter feed or just do a quick perusal of their Facebook profile? How can managers attract applicants and customers through their *own* social media presence?<sup>92</sup> Managers need to adopt evidence-based policies designed to protect employees and their organizations with balance and understanding.

Once employees are on the job, many organizations have policies about accessing social media at work—when, where, and for what purposes. But what about the impact of social media on employee well-being? One recent study found that subjects who woke up in a positive mood and then accessed Facebook frequently found that their mood worsened during the day. Moreover, these subjects also reported decreased satisfaction with their lives.<sup>93</sup> Managers—and the field of OB—are trying to increase employee attitudes and therefore improve and enhance positive organizational outcomes.

On the other hand, some organizations have policies that reinforce an “always-on” culture. The typical employee in the 1960s and 1970s showed up at a specified workplace Monday through Friday and worked for clearly defined eight- or nine-hour chunks of time. That is no longer true for a large segment of today's workforce because the workplace definition has expanded to include anywhere a laptop or smartphone can go. Even if employees work flexible hours or remotely from home (or from half a continent away), managers still need to consider their well-being. One of the biggest challenges to maintaining employee well-being is the new reality that many workers never get away from the virtual workplace. While technology allows many employees to do their work at home or on the beach in Tahiti, it also means that many feel like they are not part of a team. “The sense of belonging is very challenging for virtual workers, who seem to be all alone out in cyberland,” said Ellen Raineri of Kaplan University.<sup>94</sup> Another challenge is that organizations are asking employees to put in longer hours. According to one study, one in four employees shows signs of burnout, and two in three report high stress levels and fatigue.<sup>95</sup> These findings may be an underestimate because workers report maintaining “always-on” access for their managers through e-mail and texting. Finally, employee well-being is challenged by heavy outside commitments. For instance, millions of single-parent employees and employees with dependent parents face significant challenges in balancing work and family responsibilities.

As a result of their increased responsibilities in and out of the workplace, employees want jobs that give them flexibility in their work schedules to manage work–life conflicts better.<sup>96</sup> In fact, 56 percent of people in a recent study reported that work–life balance, more than money, recognition, and autonomy, was their definition of career success.<sup>97</sup> Most college and university students say attaining a balance between personal life and work is a primary career goal; they want a life and a job. Organizations that do not help their employees achieve work–life balance will find it increasingly difficult to attract and retain the most capable and motivated individuals. Although a flexible, remote job seemed to be a dream to be attained one day for many workers, the COVID-19 pandemic propelled many workers to work indefinitely in this format. This experience in and of itself has proved to be a massive experiment on a global scale.<sup>98</sup> Given these significant changes, we believe a focus on technologies (e.g., AI, social media, and remote work) will substantially affect OB for years to come. Throughout the text, we will discuss how technology interfaces with each of OB’s core topics. As you will see in later chapters, the field of OB offers several suggestions to guide managers to leverage technology effectively.

## (Un)ethical Behavior

The corporate world is characterized by cutbacks, expectations of increasing productivity, and tough competition. It is not surprising that many employees feel pressured to cut corners, break the rules, and engage in other questionable practices. They increasingly face **ethical dilemmas and ethical choices** in which they are required to identify right and wrong conduct. Should they “blow the whistle” if they uncover illegal activities in their company? Do they follow orders with which they do not personally agree? Do they “play politics” to advance their careers?

How workers, managers, and people react to these ethical dilemmas and ethical choices results in **(un)ethical behavior**. Unethical behavior is any action that violates widely accepted moral norms (e.g., lying, cheating, stealing, harming others). In contrast, ethical behavior meets or exceeds widely accepted moral norms (e.g., following the rules, going above self-interest to help others).<sup>99</sup> Most of the time, unethical behavior negatively affects workers’ and managers’ performance and withdrawal behaviors, teams’ performance, and organizations’ productivity (see the next section for these variables defined and described as outcomes). Furthermore, as we discuss in the chapter on job attitudes, these behaviors can often be referred to as *counterproductive work behaviors* (CWB) that actively damage the organization. However, it is essential to state that *not all unethical behaviors are counterproductive*.<sup>100</sup> For instance, entrepreneurs may lie to potential clients about their production capacity to earn their business (i.e., a *legitimacy lie*)<sup>101</sup>—an action that would *help* their organization. Regardless of their utility, lying is still immoral and classified as unethical behavior. These nuances highlight the complexity of ethics in organizations and warrant their continued study and understanding as a student of OB.

As suggested earlier, what constitutes good, ethical behavior has never been clearly defined. The line differentiating right from wrong is blurry. We see people all around us engaging in unethical practices: elected officials pad expense accounts or take bribes; corporate executives inflate profits to cash in lucrative stock options; and university administrators look the other way when winning coaches encourage scholarship athletes to take easy courses or even, in the case of the University of North Carolina–Chapel Hill, sham courses with fake grades.<sup>102</sup> When people are caught, we see them give excuses such as “everyone does it” or “you have to seize every advantage.”

Today’s manager must create an ethical culture and climate for employees to do their work productively with minimal ambiguity about right and wrong

### ethical dilemmas and ethical choices

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

**(un)ethical behavior** Any actions that violate widely accepted moral norms. Conversely, ethical behaviors are any actions that meet or exceed widely accepted moral norms.

behaviors. Companies that promote a strong ethical mission, encourage employees to behave with integrity, and provide strong leadership can influence employees to behave ethically.<sup>103</sup> Companies that promote justice in how rewards and resources are allocated (i.e., the equal treatment of all), how procedures are defined, how people are treated, and how information is distributed can help improve worker perceptions of fairness.<sup>104</sup> Ethics training has also proven helpful in maintaining a higher level of awareness of the implications of ethical choices, as long as the training sessions are given on an ongoing basis.<sup>105</sup> In upcoming chapters, we will discuss the actions managers can take to create ethical cultures, climates, and structures as well as provide practical guidance to help workers make sense of ethically charged situations.

## Corporate Social Responsibility (CSR)

Would you be as happy to work for an organization with a stated social welfare mission as one without? An organization's commitment to **corporate social responsibility (CSR)**, or its self-regulated actions to benefit society or the environment beyond what is required by law, has become increasingly important in the working world. Organizations practice CSR in several ways, including environmental sustainability initiatives, nonprofit work, volunteering, charitable giving, and even more traditional HR practices such as sustainability training and development.<sup>106</sup>

CSR is good for the planet and good for people. Research suggests that CSR positively affects worker attitudes, turnover intentions, and performance. CSR has an even larger effect on discretionary behaviors such as organizational citizenship behavior (OCB) and deviance (discussed later in this chapter).<sup>107</sup> In fact, of 59 large and small organizations surveyed, 86 percent reported they have happier employees because of their CSR programs.<sup>108</sup> Workers respond well to CSR for several reasons. CSR can lead workers to identify more strongly with their organizations, experience a sense of meaningfulness for giving back, feel as if they belong to something greater than themselves, or even fulfill more egoistic needs (engaging in CSR to advance one's agenda).<sup>109</sup> CSR is also good for business. One meta-analysis across 42 studies found that CSR efforts predict organizations' financial performance.<sup>110</sup>

Although CSR's influence is increasing year after year, not all employees find value in it.<sup>111</sup> Therefore, organizations need to address a few issues to be most effective. First, not all projects are equally meaningful for every person, yet all employees' participation is sometimes expected. For instance, Lisa Dewey, a partner at one of the world's largest law firms, said, "All DLA Piper attorneys and staff are encouraged to participate in the firm's pro bono and volunteer projects."<sup>112</sup> Second, some organizations require employees to contribute in a prescribed manner. For instance, consulting firm SHIFT's co-founder and CEO, Joe Mechlinksy, requires employees to participate in "Give Back Days" by serving in a soup kitchen, building a Habitat for Humanity house, or mentoring children. These choices may not fit every individual's vision of CSR. Pressuring people to go "above and beyond" in ways that are not natural for them can burn them out for future CSR projects,<sup>113</sup> particularly when CSR projects directly benefit the organization (such as positive press coverage).<sup>114</sup> People want CSR to be genuine and authentic. Third, CSR measures can seem disconnected from the employee's actual work.<sup>115</sup> After watching consulting firm KPMG's "over the top" video that boasted of involvement in Nelson Mandela's election and the end of apartheid, the launch of the first space station by NASA, and the freedom of United States hostages in Iran, one anonymous employee questioned their employment. "If I want to really make a change," they said, "why would I sit here?"<sup>116</sup>

**corporate social responsibility (CSR)** An organization's self-regulated actions to benefit society or the environment beyond what is required by law.



Regardless, “the next generation of employees is seeking out employers that are focused on the triple bottom line: people, planet, and revenue,” said Susan Cooney, founder of philanthropy firm Givelocity.<sup>117</sup> CSR allows workers to serve a higher purpose or contribute to a mission. However, an organization’s CSR efforts must be well governed, and its initiatives must be sustainable for long-term benefits.<sup>118</sup> In sum, CSR is a needed, positive trend of accountability and serving. It has also become a significant part of organizational life. Throughout the text, we highlight the intersection between CSR and several core OB topics in both the text and our new feature, “Toward a Better World.”

## Toward a Better World

### Ben & Jerry’s: The Scoop on What It Takes to Be a CSR-Oriented Company

Ben & Jerry’s, an ice cream maker headquartered in Vermont, is often touted as the poster child for corporate social responsibility (CSR). From humble beginnings, Ben & Jerry’s has a storied history of making unique, chunky ice cream flavors, churning out immense profits on just about a yearly basis, and eventually being acquired by a major corporation. But despite all these changes throughout the company’s history, their commitment to a triple bottom line has been unwavering. Ben & Jerry’s continues to focus on making excellent ice cream, encouraging sustainable growth, and “making the world a better place.”

To this aim, the company is committed to ethical sourcing and purchasing, manufacturing processes that reduce its impact on the environment, and giving back to the local community through philanthropy and service. Further, Ben & Jerry’s is not milquetoast (that would probably be a terrible ice cream flavor, we think) when it comes to standing up for issues important to them. In fact, an entire page on their website is dedicated to the issues that are important to the company (including their support of the Black Lives Matter movement in 2020), along with the ice cream flavors they have used to raise money and awareness for those issues. Their annual Social & Environmental Assessment Report (SEAR) documents their progress toward making the world

a better place. In 2019, for instance, they eliminated 245,000 pounds of plastic packaging, straws, and spoons.

However, Ben & Jerry’s has not gone without critique. The pretty picture of what it takes to be a CSR-oriented company often focuses on the successes, but rarely do we see the failures. For instance, in the 1990s, one researcher uncovered actions with good intentions gone wrong. As some examples, many have taken issue with the price of the ice cream as too high or with the excessive fat and sugar content packed into each pint. Furthermore, Ben & Jerry’s efforts to ethically source nuts in the Western Amazon resulted in a supply shortage. The company was forced to source from less-than-reputable suppliers as a result. Finally, in the 1990s, Ben & Jerry’s partnered with a bakery in New Jersey that employed recovering drug addicts and alcoholics. After forging a partnership (and the bakery owner investing hundreds of thousands in scaling to meet anticipated demand), the collaborative ice cream flavor’s sales were too low and not viable, forcing the company to cut ties with the bakery.

Despite these failures and successes, Ben & Jerry’s stays committed to its triple bottom line, even when the public closely scrutinized Unilever’s acquisition of Ben & Jerry’s in 2000. This acquisition has been the subject of many research studies

by OB scientists. For instance, one study focused on CEO letters and interviews with long-tenured employees and newcomers to Ben & Jerry’s over a 30-year span. It found that, following the acquisition, employees had to “whipsaw” back and forth between the triple bottom line and the financial performance desired by the post-acquisition CEOs. Further, another research study found that the acquiring organization (Unilever) may have been influenced more by Ben & Jerry’s than the other way around—adopting and promoting CSR practices. Many consider the threat of acquisition (in terms of erasing or modifying the company’s original mission) to be a compelling reason for a company’s leadership to consider becoming Certified B Corporations. Like Cabot, New Belgium Brewing, and Patagonia, these corporations are legally required to balance their mission and profit—to evaluate their effect on their people, the community, and the environment. Indeed, Ben & Jerry’s followed suit and became a B-Corp in 2012.

In short, the case of Ben & Jerry’s personifies the pursuits, the successes, and the struggles of being a CSR-oriented company in the twenty-first century. Although things are not always as easy as eating ice cream, organizations can still take a stand for what they value and put these values into action—and can do so with success.<sup>119</sup>



**positive organizational scholarship** An area of OB research that studies how organizations develop human strengths, foster vitality, build resilience, and unlock potential.

## Positive Work Environments

**Positive organizational scholarship** (also called positive organizational behavior) has been a real area for growth in OB. It explores how organizations develop human strengths, foster vitality, build resilience, and unlock potential.<sup>120</sup> Researchers in this area say too many OB research and management practices try to identify what is wrong with organizations and their employees. In response, they try to study what is *good* about them.<sup>121</sup> Some key topics in positive OB research are engagement, hope, optimism, and resilience in the face of strain. Researchers hope to help practitioners create positive work environments for employees.

Although positive organizational scholarship does not deny the value of the negative (such as critical feedback), it does challenge us to look at OB through a new lens, pushing organizations to develop employees' strengths rather than dwell on their limitations. One aspect of an organization's positive work environment is its culture, discussed in depth in a later chapter on the topic. Organizational culture influences employee behavior so strongly that organizations have begun to employ culture officers to shape and preserve their personality.<sup>122</sup>

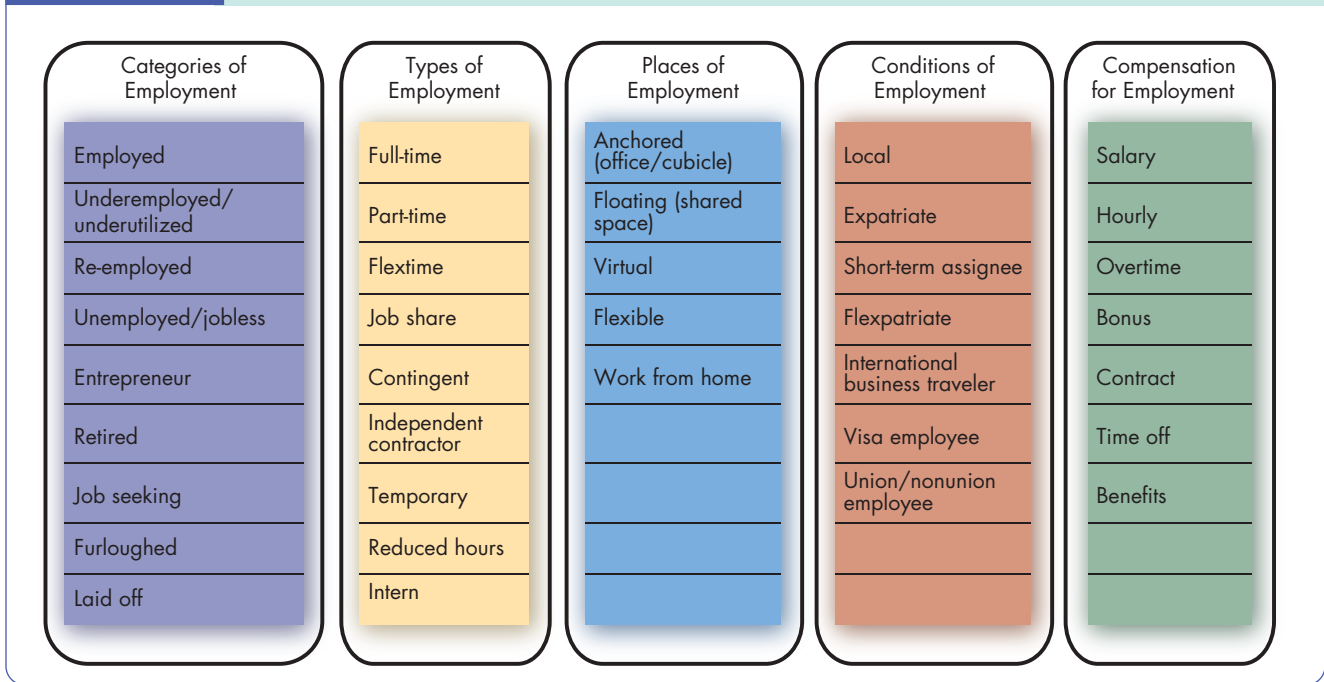
## The Gig Economy

As noted earlier in the chapter, today we find ourselves amid the *Gig Economy*, a new era of work in which many people work independently and autonomously (“a company of one”) instead of the highly structured employer–employee relations of the past.<sup>123</sup> Today, about one-fifth of United States workers work independently as gig workers.<sup>124</sup> Further, data from the Rand-Princeton Contingent Worker survey suggests that these instances of “gig employment” increased by 5.7 percent over the decade 2005–2015. Astoundingly, *almost all* of the employment growth observed during that decade was attributable to gig work.<sup>125</sup> This transformation in the world of work has led to several changes in the worker experience, such as financial instability, job insecurity, autonomy, career path uncertainty, the transience of work, and physical and relational separation.<sup>126</sup> These changes have led to many challenges for gig workers. They navigate a new world where they come to grips with their emotions, identity, and relationships; struggle to structure work to stay in business; and compete to remain viable.<sup>127</sup>

Exhibit 1-4 details some of the characteristics of employment in the Gig Economy, the new world of work. Under each heading in this exhibit, you will find a grouping of options that may combine to characterize jobs. For instance, you may find yourself employed full-time in an office in a localized, nonunion setting with a salary and bonus compensation package at one point in your career. In contrast, at another point, you find yourself in a flexible, virtual position, choosing to work from overseas for a combination of salary and extra paid time off.

What led to the emergence of the Gig Economy? Although the 2008 global recession ended years ago, some trends from those years may have been responsible. Some people who had long been unemployed left the workforce altogether.<sup>128</sup> At the same time, others have cobbled together several part-time jobs<sup>129</sup> or pivoted to on-demand work.<sup>130</sup> Other researchers point to more distal sources: the dissipation of permanent employment following the Great Depression, layoffs of blue-collar workers in the 1970s, or the mass outsourcing of jobs in the 1980s and 1990s stemming from globalization.<sup>131</sup> Since then, some younger, educated workers have opted to embrace the entrepreneurial spirit and start their own companies, many of which have flourished in their own right.<sup>132</sup> Others have entered the Gig Economy after falling into the “in-between”—the spaces betwixt organizations, work roles, and career paths

**Exhibit 1-4 Employment Characteristics in the Gig Economy**



Sources: Based on J. R. Anderson, E. Binney, N. M. Davis, G. Kraft, S. Miller, T. Minton-Eversole, . . . and A. Wright, "Action Items: 42 Trends Affecting Benefits, Compensation, Training, Staffing and Technology," *HR Magazine* (January 2013): 33; M. Dewhurst, B. Hancock, and D. Ellsworth, "Redesigning Knowledge Work," *Harvard Business Review* (January–February 2013): 58–64; E. Fraenheim, "Creating a New Contingent Culture," *Workforce Management* (August 2012): 34–39; N. Koeppen, "State Job Aid Takes Pressure off Germany," *The Wall Street Journal*, February 1, 2013, A8; and M. A. Shaffer, M. L. Kraimer, Y.-P. Chen, and M. C. Bolino, "Choices, Challenges, and Career Consequences of Global Work Experiences: A Review and Future Agenda," *Journal of Management* (July 2012): 1282–27.

resulting from a century’s worth of watershed employment crises (e.g., the Great Depression, the Great Recession, COVID-19).<sup>133</sup> As OB students, we can investigate how gig workers navigate the new economy, how their contributions and employment affect organizational outcomes, and what the world can do to address the unique challenges that gig workers face.



Twitter employees rave about their company’s culture, which creates a positive work environment where smart and friendly colleagues learn; share values, ideas, and information; and work together to help the company grow and succeed. At Twitter’s San Francisco headquarters, employees like Jenna Sampson, community relations manager, enjoy free meals, yoga classes, and a rooftop garden.  
Source: Noah Berger/Reuters

## OB During Crises

When the United States economy plunged into a deep and prolonged recession in 2008, virtually all other large economies worldwide followed suit. Layoffs and job losses were widespread, and those who survived the ax were often asked to accept pay cuts. When times are bad, as they were during the recession, managers are on the frontlines with employees. They face difficult decisions in which they ask employees to make do with less (or to resign from their jobs), and these employees are already saddled with worry about their futures. The difference between good and bad management can be the difference between profit and loss or ultimately between business survival and failure. Managing employees well when times are tough is just as hard as when times are good, if not harder. In good times, understanding how to reward, satisfy, and retain employees is at a premium. In bad times, issues like stress, decision making, and coping come to the forefront.

Today, the COVID-19 pandemic has once again highlighted the role that workers, managers, and organizations play during times of crisis. The question does not merely concern “what happens” during a crisis but, more importantly, how can knowledge about workplace behavior inform our decision-making during crises. The pandemic has vaulted the globe into a new state of crisis, and there are implications for virtually every core topic in OB.<sup>134</sup> Research has examined the most apparent effects of the crisis (i.e., COVID-19’s impact on remote work, work–family conflict, and health and safety climates)<sup>135</sup> to its subtler effects (i.e., COVID-19’s impact on worker “sudden hero” status and even the implications of pet ownership for isolated remote workers).<sup>136</sup> Throughout the text, we highlight how OB has helped contribute to our understanding of the working world in times of crisis. We also describe how workers and managers can leverage what we know to make the workplace a better place when times get tough.

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## Coming Attractions: Developing an OB Model

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**1-6** Compare the three levels of analysis in this text’s OB model.

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

### An Overview

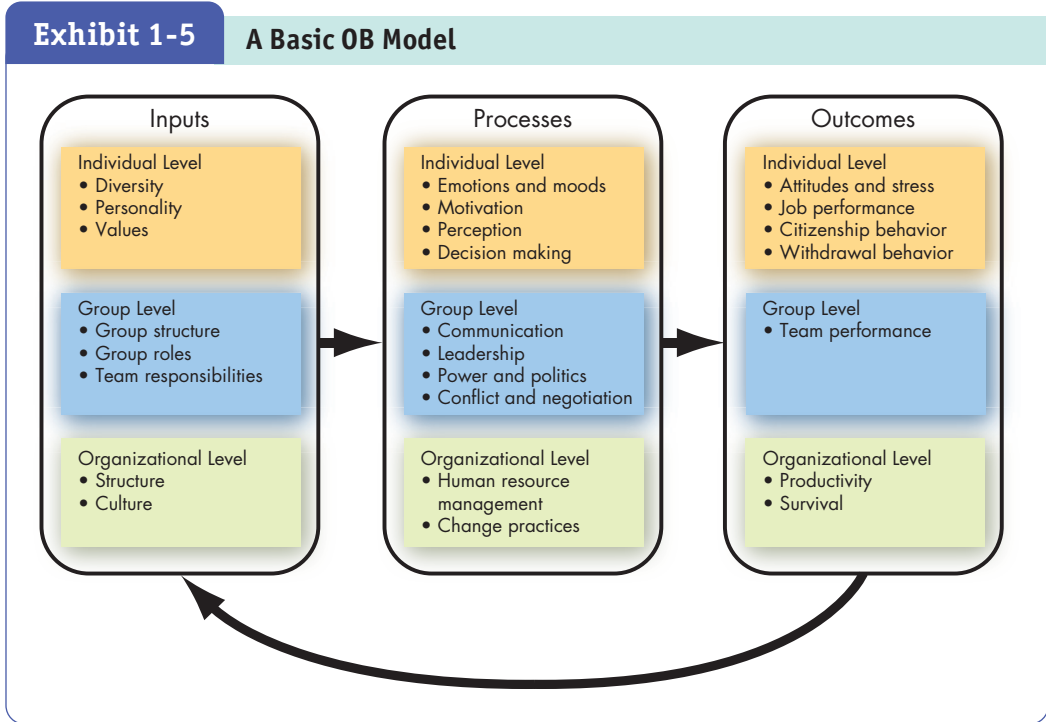
A **model** is an abstraction of reality, a simplified representation of some real-world phenomenon. Exhibit 1-5 presents the skeleton of our OB model. It proposes three types of variables (inputs, processes, and outcomes) at three levels of analysis (individual, group, and organizational). In the chapters to follow, we will proceed from the individual level (Chapters 2 through 8) to group behavior (Chapters 9 through 14) to the organizational system (Chapters 15 through 18). The model illustrates that inputs lead to processes, which lead to outcomes; we will discuss these interrelationships at each level of analysis. Notice that the model also shows that outcomes can influence inputs in the future, highlighting the broad-reaching effect that OB initiatives can have on an organization’s future.

### Inputs

**Inputs** are variables like personality, group structure, and organizational culture that lead to processes. These variables set the stage for what will occur in an organization later. Many are determined in advance of the employment

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

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



relationship. For example, individual characteristics, personality, and values are shaped by a combination of an individual’s genetic inheritance and childhood environment. Group structure, roles, and team responsibilities are typically assigned immediately before or after a group is formed. Organizational structure and culture are usually the results of years of development and change as the organization adapts to its environment and builds up customs and norms.

### Processes

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

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

### Outcomes

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

**outcomes** Key factors that are affected by other variables.

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

**stress** A psychological process that occurs in response to environmental pressures.



Some people might think influencing employee attitudes and stress is purely soft stuff, but as you will learn, attitudes often have behavioral consequences that relate directly to how well you do your job. The belief that satisfied employees are more productive than dissatisfied employees has been a fundamental tenet among managers for years, though only now has research begun to support it.<sup>137</sup> Ample evidence shows that employees who are more satisfied and treated fairly are more willing to engage in the above-and-beyond citizenship behavior so vital in the contemporary business environment.<sup>138</sup>

**job performance** The total value of a workers' contributions to an organization through their behaviors over a period of time.

**Job Performance** The total value of your contributions to an organization through your behaviors reflects your level of **job performance** over a period of time.<sup>139</sup> For example, an employee at a sub shop during a typical workday shows up on time, clocks in using the appropriate procedures, cleans and disinfects surfaces, makes and toasts made-to-order sandwiches, resolves customer complaints, and completes all closing activities to ensure the ingredients stay fresh. These behaviors provide value to an organization during a typical workday.

A significant component of one's job performance is *task performance*, or how well a worker accomplishes the specific tasks that comprise their job or their responsibilities to the organization that employs them.<sup>140</sup> If we think about the job of a factory worker, task performance could be measured by the number and quality of products produced in an hour. The task performance of a teacher could be the level of education that students obtain. The task performance of consultants might be the timeliness and quality of the client's presentations.

All these types of performance relate to a job's core duties and responsibilities. They are often directly related to the functions listed on a formal job description. However, job performance goes beyond merely completing core tasks—it can also involve effectively communicating with others; demonstrating initiative, effort, and persistence; and leading or facilitating your teammates' performance, as either a formal supervisor or an informal teammate.<sup>141</sup> Obviously, job performance is the most essential human output contributing to organizational effectiveness. In every chapter, we devote considerable time to detailing how task performance is affected by the topic in question.

**organizational citizenship behavior (OCB)** Discretionary behavior that contributes to the psychological and social environment of the workplace.

**Organizational Citizenship Behavior (OCB)** The discretionary behavior that is not part of an employee's formal job requirements and contributes to the workplace's psychological and social environment is called **organizational citizenship behavior (OCB)**, or simply citizenship behavior. Successful organizations have employees who do more than their usual job duties—who provide performance *beyond* expectations. In today's dynamic workplace, where tasks are increasingly performed by teams and where flexibility is critical, employees who engage in good citizenship behaviors help others on their team, volunteer for extra work, avoid unnecessary conflicts, respect the spirit as well as the letter of rules and regulations, and gracefully tolerate occasional work-related impositions and nuisances.

Organizations want and need employees who will do things that are not in any job description. Evidence indicates organizations that have such employees outperform those that do not.<sup>142</sup> As a result, OB is concerned with citizenship behavior as an outcome variable.

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

**Withdrawal Behavior** We have already mentioned behavior that goes above and beyond task requirements, but what about behavior that in some way is below task requirements? **Withdrawal behavior** is the set of actions that employees take to separate themselves from the organization. There are many forms of withdrawal, ranging from showing up late or failing to attend meetings to





Employees working together as a team. Successful team performance depends on team inputs and processes. Team inputs include clearly establishing group structure, group roles, and team responsibilities. Team processes include effective leadership and communication, successful navigation of power and political issues, and the constructive handling of conflict.

Source: Michael Peuckert/Alamy Stock Photo

absenteeism and turnover. Some of these may also be classified as unethical behaviors (discussed earlier in the chapter). As some examples, purposely showing up late to meetings and shirking your responsibilities because you do not feel like working (even though you have a responsibility to your employer to act according to your contract or work agreement) are unethical.

Employee withdrawal can have a very negative effect on an organization. The cost of employee turnover alone has been estimated to run into the thousands of dollars, even for entry-level positions. Consider for a moment that the annual turnover rate was 26.3 percent and the cost of replacing each employee ranged from one-half to two-times their salary in 2017. As such, the average cost to a one-hundred-person organization for a \$50,000 salary worker could range from \$660,000 to \$2.6 million in 2017.<sup>143</sup> Absenteeism also costs organizations significant amounts of money and time every year. For instance, a recent survey found the average direct cost to United States employers of unscheduled absences is 6.7 percent of payroll.<sup>144</sup> Research also suggests that productivity losses linked to absenteeism translate to \$225.8 billion for employers (roughly \$1,685 per employee).<sup>145</sup>

It is difficult for an organization to operate smoothly and attain its objectives if employees fail to report to their jobs. The workflow is disrupted, and important decisions may be delayed. In organizations that rely heavily on assembly-line production, absenteeism can drastically reduce output quality or even shut down the facility. Levels of absenteeism beyond the normal range directly impact any organization's effectiveness and efficiency. A high turnover rate can also disrupt an organization's efficiency when knowledgeable and experienced personnel leave and replacements must be found. Research indicates that, in general, turnover is significantly harmful to organizational performance.<sup>146</sup>

All organizations have some turnover, of course. Turnover varies significantly by country and, in part, reflects the economy of that country. In 2019, turnover was at an all-time high since 2001, increasing from 66.2 million in 2018 to 67.9 million in 2019.<sup>147</sup> Of course, this was before COVID-19, which affected the state of turnover in the United States, with voluntary separations decreasing and involuntary separations increasing during that period.<sup>148</sup> Returning to 2019, were the turnover levels that year good or bad? To answer that question, we

need to know why there is turnover. Turnover includes voluntary terminations by the employee (quitting), involuntary terminations by the employer without cause (layoffs and discharges), and other separations, including involuntary terminations with cause (firing). A substantial degree of turnover in 2019 was voluntary—42.1 million of the 67.9 million (roughly 62 percent)—also a record high since 2001.<sup>149</sup> Therefore, a staggering two-thirds of turnover that year was due to employees voluntarily quitting their jobs.

While high turnover often impairs an organization's ability to achieve its goals, quitting is not all bad. United States former Federal Reserve Chairwoman Janet Yellen has discussed the positive aspects of turnover for the economy: People quit because they are optimistic about their outside prospects.<sup>150</sup> If the "right" people are leaving—the poorer performers—quits can be positive for an organization. They can create opportunities to replace underperforming individuals with those higher in skill or motivation, open up increased opportunities for promotions, and bring new and fresh ideas to the organization. In today's changing world of work, reasonable employee-initiated turnover levels improve organizational flexibility and employee independence. They can also lessen the need for management-initiated layoffs. While it is appropriate to conclude that high turnover often indicates high employee withdrawal (and thus hurts organizational performance), zero turnover is not necessarily the goal. It is also crucial for organizations to assess which employees are leaving and why.

So why do employees withdraw from work through counterproductive behaviors or quitting? As we will show later in the text, reasons include negative job attitudes, emotions, moods, and negative interactions with coworkers and supervisors.

**Team Performance** Although many outcomes in our model can be thought of as involving individuals, some relate to the way groups and teams operate. **Team performance** refers to the quantity and quality of a team's work output. Similar to how a sports team's performance is more than the sum of individual players' performance, group functioning in work organizations is more than the sum of individual task performances.

What does it mean to say that a team is performing effectively? In some organizations, an effective team stays focused on a core task and achieves its ends as specified. Other organizations look for teams that can work together collaboratively to provide excellent customer service. Still others put more of a premium on creativity and the flexibility to adapt to changing situations. In each case, different activities will be required to get the most from the team.

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

A hospital is *effective* when it meets the needs of its clientele successfully. It is *efficient* when it can do so at a low cost. If a hospital manages to achieve higher output from its present staff by reducing the average number of days a patient is confined to a bed or increasing the number of staff–patient contacts per day, we say the hospital has gained productive efficiency. A business firm is effective when it attains its sales or market share goals, but its productivity also depends on achieving those goals efficiently. Popular organizational efficiency measures include return on investment, profit per dollar of sales, and output per hour of labor.

Organizations in the service industry must include customer needs and requirements in assessing their effectiveness. Why? Because a direct chain of cause and effect runs from employee attitudes and behavior to customer attitudes and profitability. For example, a recent study of over 50,000 online

**team performance** The quantity and quality of a team's work output.

**productivity** The combination of the effectiveness and efficiency of an organization.

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

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

## An Ethical Choice

## What Should You Do If Your Values Do Not Align with Your Company's?

So, you find yourself at work listening to your coworkers expressing values and beliefs radically different from your own. You decide not to say anything and sometimes even pretend you agree with their opinions. Although you are suppressing your thoughts, you have learned that it is best to leave your personal views outside the office. You would rather not risk your coworkers viewing you differently or, worse, jeopardizing your position.

The risk of potentially losing your job or being demoted may seem to outweigh the discomfort of concealing your actual values and beliefs. However, merely hiding or suppressing your values and opinions does not make them go away. Research indicates that inauthentically conforming to organizational values (i.e., a “facade of conformity”) can impact a worker’s attachment to their organization in the long run. Ultimately, job insecurity (a concern that one may be vulnerable to losing their job common during organizational crises) worsens the situation. During crises, workers are more likely to feign agreement with their coworkers and the values established by their organizations—even when they do not align with their own. In particular, young workers are more prone to these

“facades of conformity” when faced with job insecurity.

Furthermore, research signals that inauthenticity in the workplace can lead individuals to engage in more unethical behavior than when individuals have greater identity integration. Value incongruence is positively related to ego depletion, or the loss of self-control, which ultimately harms work performance or leads to unethical behavior. Compatibility between one’s professional and nonprofessional identities allows employees to bring their whole selves to work, benefiting organizations by reducing the risk of unethical behavior.

Here are some recommendations if you find yourself in a situation where your values are incongruent with your employer’s:

1. **Identify your values.** Focus on three to five values that are most important to who you want to be as a person. This action will help you clarify what is important to you.
2. **Develop a list of questions directed at your (or a potential) employer.** These should be open-ended questions that will help you determine which values the company espouses. You can contemplate how your employer would respond,

review your employers’ mission or value statements, or even informally ask around your work group. It is also a good idea when interviewing with a new job to ask your interviewer this question or—even better—to do some fact-finding before the interview to find out yourself to ask informed follow-up questions.

3. **Seek out jobs and work arrangements that are consistent with your authentic self.** Research demonstrates that prioritizing consistency between your values and your employer’s values will make it less likely that you choose to leave or engage in withdrawal behaviors. However, this does not just go for the relationship between you and your organization. For instance, it may be that your values do not align with your work group, your team, or your supervisor. Or it may be that the values portrayed on paper do not match what the organization actually does. In either case, a values mismatch is very difficult to change. It can be detrimental to your performance and well-being. In contrast, a values match often provides the right foundation for you to flourish and excel in your job, career, and organization.<sup>151</sup>

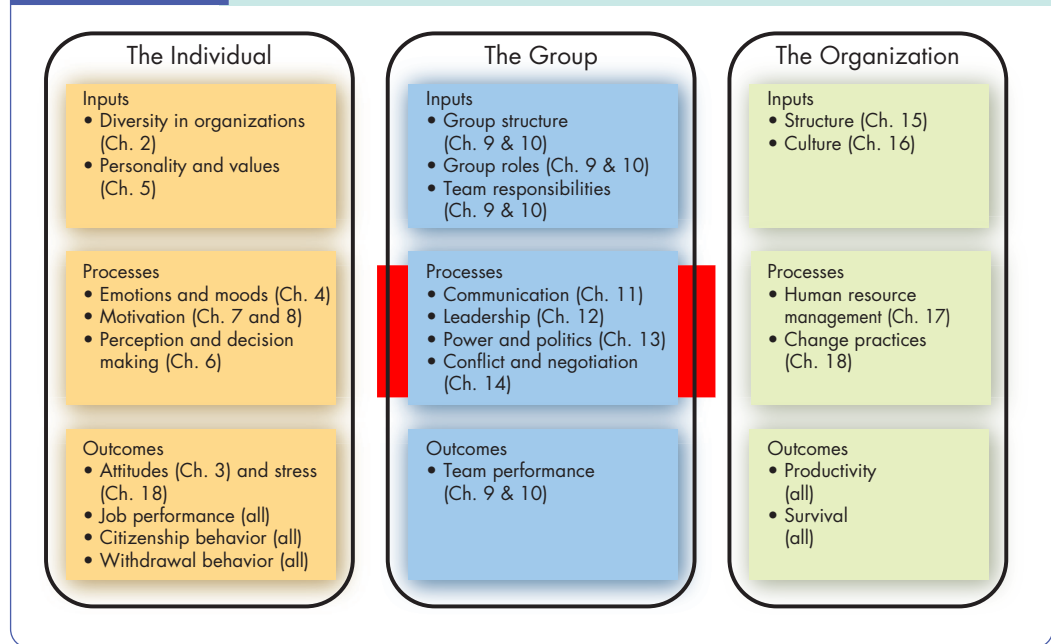
TripAdvisor reviews and nearly 8,000 managerial responses suggests that when managers personally respond to online reviews, financial performance (e.g., revenue per available room) increases.<sup>152</sup>

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

**organizational survival** The degree to which an organization can exist and grow over the long term.

## Exhibit 1-6

## The Plan of the Text



Having reviewed the input, process, and outcome model, we will change the figure slightly by grouping topics based on whether we study them at the individual, group, or organizational level. As you can see in Exhibit 1-6, we deal with inputs, processes, and outcomes at all three levels of analysis, but we group the chapters as shown here to correspond with the typical ways research has been done in these areas. For example, it is easier to understand one unified presentation about how personality leads to motivation, which leads to performance, than to jump around levels of analysis. Each level builds on the one that precedes it, so after going through them in sequence, you will have a good idea of how the human side of organizations functions.

## Employability Skills

**1-7** Describe the key employability skills gained from studying OB that are applicable to other majors or future careers.

Challenges relevant to OB can be found in just about every business function, from finance and accounting to management and marketing. Without a doubt, at some point in your career, you will come across an issue that hinges to no small degree on people's behavior in organizations. A review of the significant challenges that most businesses face reveals that OB is an essential piece of the puzzle in solving many organizational problems. For instance, these problems may involve managing integrity/social responsibility, resource management, competition among businesses, bolstering customer and employee loyalty, reducing uncertainty, complying with government regulation, managing risks, and finding the right staff—all while growing revenue and increasing profit.<sup>153</sup>

But OB is not relevant to business majors only; it is vital for all students, no matter what their majors are. At first glance, for example, it might not seem as if a university student with a microbiology degree would have any need to take an OB class. But what happens after that student graduates? Wouldn't knowledge of OB principles and concepts help them apply to and be successful at a job as a biology technician with Battelle? What about a graduate with a nursing degree working at the Mayo Clinic? A computer science graduate who is about to begin work with Cisco? OB principles matter for students of all majors. They can help increase



employability as well as interpersonal skills in the workplace. These skills can help you become successful in your classes as you interact with other students and your professors! Clearly, the knowledge of OB concepts such as stress management, change, attitudes, emotions, and motivation, among others, can help you navigate your interactions with your classmates as you continue to learn.

People, along with their behaviors, differences, attitudes, emotions, moods, personalities, values, intentions, thoughts, and motivations, are inextricably linked to life in the workplace. As professor Benjamin Schneider notes, “The people make the place.”<sup>154</sup> These employees interact and communicate with one another within and across work groups, departments, teams, and organizations to help accomplish the organization’s goals. Leaders within these organizations (along with the employees themselves) seek to effect change, establish an organizational culture, and set policies and procedures: processes that inevitably involve leadership, politicking, conflict, and negotiation. Given OB’s pervasiveness in organizational life, entry-level employees and working professionals would benefit from having solid foundational skills in OB, such as communication, collaboration, critical thinking, problem solving, social responsibility, and knowledge application and analysis.

This section explores the career employability skills that a course in OB can help expand for those who select *any* major—from engineering to political science.

## Employability Skills That Apply Across Majors

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

- *Critical thinking & creativity* involve purposeful and goal-directed thinking used to define and solve problems, to make decisions, or to form judgments related to a particular situation. The goal of this process is to produce novel and useful ideas. It involves cognitive, metacognitive, and dispositional components that may be applied differently in specific contexts.
- *Communication* is defined as effective use of oral, written, and nonverbal communication skills for multiple purposes (e.g., to inform, instruct, motivate, persuade, and share ideas); effective listening; using technology to communicate; and being able to evaluate the effectiveness of communication efforts—all within diverse contexts.
- *Collaboration* is a skill in which individuals can actively work together on a task, constructing meaning and knowledge as a group through dialogue and negotiation that results in a final product reflective of their joint, interdependent actions.
- *Self-management* is defined as the ability to intentionally and strategically manage one’s behavior, effort, and emotions in the pursuit of goals. It involves building skill in self-control, self-monitoring, and self-regulation.
- *Social responsibility* includes skills related to both business ethics and corporate social responsibility. Business ethics includes sets of guiding principles that influence the way individuals and organizations behave within the society that they operate in. Corporate social responsibility is a form of ethical behavior that requires that organizations understand, identify, and eliminate unethical economic, environmental, and social behaviors.
- *Leadership*, as described in depth in the corresponding chapter, focuses on the ability or skill to influence a group toward the achievement of a vision or set of goals. Leadership involves learning to establish a vision, modifying one’s style or approach to meet particular goals, building productive and meaningful relationships with followers, and engaging in influence behaviors.



- *Career management* involves developing an understanding of the “real-world” employment context along with the professional acumen needed to successfully transition between jobs and careers. This involves exploring different careers, impression management and personal branding, networking skills, and navigating the labor market.

Each of the text chapters starts with what we refer to as the employability skills matrix (ESM). As you can see in the table below, this matrix links the seven employability skills that were just defined with unique features in each chapter, including Myth or Science?, An Ethical Choice, Point/Counterpoint, Toward a Better World, Experiential Exercise, Ethical Dilemma, and the Case Incident. Within these sections, you will be primed to think critically and creatively to consider special cases and concepts. You will also learn how to improve your self-management, collaboration, and communication skills by learning what you might do or say in these given situations to positively and effectively navigate the work world. You will be confronted with ethical dilemmas and opportunities in which you will consider the ethics of particular behaviors in the workplace and contemplate how organizations can contribute to the good of society. In many instances, you will take on the role of a manager or leader and weigh particular actions to solve leadership problems. Lastly, you will encounter real career or job search situations in which you will be presented with a problem or dilemma that you must navigate properly. We recommend that you review and evaluate the ESM in advance of reading the chapter to have a better idea of the skills you will be developing from each section. All seven of these skills are critical to success in careers relevant to OB and other majors alike. In the chapters to come, you will engage in various activities and become exposed to several cases in which you will be developing these skills.

## Employability Skills Matrix (ESM)

	Myth or Science?	An Ethical Choice	Point/Counterpoint	Toward a Better World	Experiential Exercise	Ethical Dilemma	Case Incident
Critical Thinking & Creativity		✓	✓	✓	✓	✓	✓
Communication	✓	✓			✓	✓	✓
Collaboration	✓				✓	✓	✓
Self-Management	✓	✓				✓	✓
Social Responsibility				✓		✓	
Leadership	✓			✓	✓		
Career Management		✓	✓				✓

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## Summary

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Managers and workers alike need to understand behavior in organizations and develop the skills required to be effective in their jobs. OB investigates the impact that individuals, groups, and structure have on behavior within an organization. It applies that knowledge to make organizations work more effectively. OB covers many topics that have important implications for nearly all aspects of working life and at all levels of the organization, from gig workers to CEOs. Heavily influenced by major behavioral science disciplines, OB applies systematic study to what goes on within organizations. As a result of this systematic study, OB researchers derive evidence-based practices and the contingencies for when they are most and less likely to be successful. Employees and managers can use them to make informed decisions. Today, this often involves leveraging large amounts of data to understand organizational phenomena better—a practice that has been dramatically enhanced by the artificial intelligence revolution. Overall, OB is a system of inputs, processes, and outputs of importance to organizations. Researchers examine the links in this chain to determine how organizational phenomena unfold. This system changes in response to the environment; however, current opportunities and challenges (i.e., COVID-19, the Gig Economy) will no doubt be influencing our understanding of behavior in the workplace for decades to come. At the end of the line, organizations and the people who “make” them can use these evidence-based practices to be more productive, efficient, happier, and healthier. A knowledge of OB can benefit you because it can help you develop employability skills, which you can use regardless of your background and which can aid you in your future career.

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## Implications for Managers

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- Resist the inclination to rely on generalizations; some provide useful insights into human behavior, but many are erroneous.
- A nuanced understanding of the situation is often needed to reach the best solutions. Try to understand the people involved and the context. From there, try and figure out what works, what does not work, and any contingencies that qualify these practices.
- Strive for evidence-based solutions to problems and evaluate your hunches and intuition critically.
- Work on your people skills to better interact with peers, work on teams more effectively, and both lead and manage your followers to do great things.
- Improve your technical skills and conceptual skills through training, development, and staying current with OB trends affecting the world of work, like the Gig Economy, big data, and AI.
- OB can be important for many relevant outcomes such as worker satisfaction. But it also contributes to significant organizational outcomes that can affect organizational financial performance, such as labor productivity and turnover reduction.

## Business Books: Facts? Or Just Fads?

### POINT

Conduct a quick search on Amazon and you will find a wide selection of management books whose titles tell us the topics we apparently need to know about:

- *Drive to Thrive* (Bajaj, 2020)
- *The Savage Leader: 13 Principles to Become a Better Leader from the Inside Out* (Reinke, 2021)
- *The First-Time Manager* (McCormick, 2018)
- *The Making of a Manager: What to Do When Everyone Looks to You* (Zhuo, 2019)
- *American Crisis: Leadership Lessons from the COVID-19 Pandemic* (Cuomo, 2020)
- *How to Lead When You're Not in Charge* (Scroggins, 2017)
- *Radical Candor* (Scott, 2017)
- *Leadershift* (Maxwell, 2019)
- *Excellence Wins* (Schulze, 2019)

Popular books on OB often have cute titles and are fun to read, but they make the job of managing people seem like it is just a matter of having a good slogan and five easy steps. If you dig into the texts, you will find that most are based on the author's opinions rather than substantive research. Most become popular in part because people primarily agree with the opinions they are reading and enjoy the author's writing style. Often, the writers are presentation speakers or consultants whose real business is delivering ideas to you. When the author is a veteran from the business world, it is doubtful that one person's experience translates into an effective management practice for everyone. So why do we base our management philosophies on these books when, with a little effort, we can access knowledge produced by thousands of scientific studies on human behavior in organizations?

OB is a complex subject. Few if any simple statements about human behavior are generalizable to all people in all situations. Would you try to apply leadership insights you got from a book about *Star Wars* or *Breaking Bad* to managing software engineers in the twenty-first century? Surely not. Neither should we try to apply leadership insights that are not based on research about the type of workplaces in which we function.

### COUNTERPOINT

People want to know about management—the good, the bad, and the ugly. People who have experience or high interest write about the topics that interest readers, and publishers put out the best of these texts. When books become popular, we know people are learning from them and finding good results by applying the author's management ideas. Texts like these can provide people with the secrets to management that others have worked out through experience. Isn't it better to learn about management from people in the trenches instead of academia's latest obscure references? Many of the most important insights we gain in life are not necessarily the product of careful empirical research studies.

Unhelpful management guides sometimes get published, and once in a while, they become popular. But do they outnumber the esoteric research studies published in scholarly journal articles every year? Far from it, sometimes it seems that there are thousands of scholarly journal articles for every popular business text. Many of these articles can hardly be read by individuals in the workplace. They are buried in academic libraries, riddled with strange acronyms and insider terms, and light on practical application. Often they apply to specific management scenarios, so they are even less generalizable. For example, a few recent management and OB studies were published with the following titles:

- "Transferring Management Practices to China: A Bourdieusian Critique of Ethnocentricity" (Siebers, Kamoche, & Li, 2015)
- "Cross-Cultural Perceptions of Clan Control in Korean Multinational Companies: A Conceptual Investigation of Employees' Fairness Monitoring Based on Cultural Values" (Yang, 2015)
- "The Resistible Rise of Bayesian Thinking in Management: Historical Lessons from Decision Analysis" (Cabantous & Gond, 2015)
- "A Model of Rhetorical Legitimation: The Structure of Communication and Cognition Underlying Institutional Maintenance and Change" (Harmon, Green, & Goodnight, 2016)

We do not mean to poke fun at these studies, but our point is that all ways of creating knowledge can be criticized. If business books are sometimes light reading, academic articles can be esoteric and even less relevant. Popular books can add to our understanding of how people work and how to manage them best. We should not assume they are not of value. And while there is no one right way to learn the science and art of managing people in organizations, the most enlightened managers gather insights from multiple sources. These might include their own experience, research findings, observations of others, and, yes, the popular business press. Authors and academics have an essential role to play, and it is not fair to condemn business books with catchy titles.

## CHAPTER REVIEW

### QUESTIONS FOR REVIEW

**1-1** What is the definition of organizational behavior (OB)?

**1-2** How does systematic study contribute to our understanding of OB?

**1-3** What are the major behavioral science disciplines that contribute to OB?

**1-4** Why are there so few absolutes in OB?

**1-5** What are the current challenges and opportunities to managers' understanding of OB?

**1-6** What are the three levels of analysis in our OB model?

**1-7** What are the key employability skills gained from studying OB?

### EXPERIENTIAL EXERCISE **Managing Remote Teams**

Guava is a music streaming service located in Silicon Valley that is steadily growing (with roughly 500 employees currently). Guava has plans to hire many new employees within the coming year. The CEO, Lennox Reynolds, has a vision to permanently transition roughly half of the existing employees to remote work and potentially hire additional remote workers. Reynolds also wants the company to develop a flatter structure. Rather than have departments organized by traditional functions like engineering or marketing, employees would work on project teams and have greater autonomy. Reynolds believes this will allow creativity and innovation to thrive (helping Guava develop a competitive advantage). Reynolds thinks a rigid traditional structure restricts employees and stifles creativity and innovation. Rather than having a single designated leader, teams will allow individuals to emerge as leaders.

However, despite Reynolds' grand plans, most of the other executives at Guava raise issues with this vision and find it too ambitious. Lennox believes her plan will save the company money as it will no longer need to build or maintain offices to accommodate employees. She is also confident that employees will find this arrangement favorable, resulting in better employee retention. Remote work would require fewer employees to relocate to more expensive areas, promote work-life balance, and eliminate wasted time employees spend commuting.

Despite Lennox outlining the potential benefits of remote work, the other executives pointed out several possible issues. These include the challenge of setting boundaries between work and home life, ensuring that employees are productive, providing mentorship and

development for newer employees, and developing a new structure for making important decisions. Furthermore, all employees were surveyed to assess whether they would choose to work remotely full-time or part-time if given the option. Thirty percent of existing employees said they were very interested in working remotely full-time. Another 20 percent said they were somewhat interested. While some employees have expressed strong preferences for working remotely, other employees and many supervisors have various concerns. Guava needs to decide soon regarding its remote work policy. The decision will impact whether the company chooses to scale back office space and require significant structural changes.

Reynolds believes it is extremely promising that roughly 50 percent of employees are interested in working remotely. Reynolds recognizes that employees have concerns and that Guava would likely face obstacles when implementing the new plan to alter its structure. As a result, she sends an e-mail outlining potential changes to address remote work concerns to the leadership team. Reynolds plans to hold a meeting with a few of the executives to discuss her proposed changes, including how employees would be approved to work remotely, the development of enhanced employee training, and the use of employee monitoring software to ensure that employees remain productive.

After reading the scenario, form a group with four other students. One individual should take on the role of the CEO, Lennox Reynolds. At the same time, the other group members will assume the role of executives at the company. During your meeting, you must answer the following questions.

**Questions**

- 1-8.** Should the company proceed with plans to transition half of its employees to full-time remote work? Why or why not?
- 1-9.** If the company transitions to remote work, do you believe the changes Reynolds outlines will be effective? Why or why not?

- 1-10.** Are the changes Guava is implementing going to impact the company negatively? What other changes should Guava make, if any?
- 1-11.** Are there any other obstacles that Guava may encounter when transitioning employees to remote work? How could the company limit the number of obstacles?

**ETHICAL DILEMMA Credit Where Credit Is Due**

You are preparing for the weekly team meeting, during which each team member shares a new idea that they have been working on that week. One idea in particular receives very positive feedback. The idea sticks with you as incredibly innovative, and you remark to your coworker, Aiden, “Wasn’t that a great idea that Alex shared?”

You are surprised to see that Aiden, who is almost always in a good mood, has a disgruntled look on his face. “I thought so too when I was researching and preparing to present the idea to the team myself,” Aiden responds.

“Well, I have to say I’m surprised Alex would do something like that. What do you plan to do then?” you ask. You are not quite sure what you would do in this situation either. Although your company is a proponent of collaboration, it is also a proponent of recognizing team members’ unique contributions.

Alex has a conflicted look on his face and pauses a moment. “I suppose since I hadn’t presented the idea to the team yet, it is not technically my idea. On the other hand, I put a lot of work into researching the idea, and Alex knew this because I shared it with her. I didn’t think that

she would completely take the idea as her own. But Alex and I work together frequently. I do not want to create an uncomfortable situation.” Finally, after a long pause, Aiden says more confidently, “I’m not going to say anything. I think I was overacting.”

“Well, it is your decision, I suppose,” you hesitantly respond as Aiden is already making his way back to his desk.

**Questions**

- 1-12.** What, if any, are the ethical issues in play in this situation?
- 1-13.** Do you agree with how your coworker plans to handle the situation? Why or why not?
- 1-14.** What do you think would be the ideal decision in this situation, and why? Does the ideal decision differ from what your coworker proposes?
- 1-15.** What do you think will be the consequences of your coworker’s actions?
- 1-16.** How do motivation and intention play a role for both you and your coworker?

**CASE INCIDENT Work–Life Balance at R.G. & Company**

Tatum is a consultant at R.G. & Company (R.G.), a global consulting firm. She has enjoyed the past few years working at the company. As an ambitious person, she has been focusing on her long-term goal of advancing within the company. Furthermore, Tatum has always been passionate about her work and could not imagine working anywhere else. Nonetheless, working at R.G. as a mother of a young child has not been without its challenges. The company does offer some flexibility in terms of when she is in the office. As long as she completes her work, her supervisors usually do not care if she leaves early or works from home when her daughter is sick.

Although Tatum may work long hours at home, she knows that she is not perceived the same way as those who stay late working at the office. In her office, it seems like everyone expects you to stay late to demonstrate your dedication and to have any chance of being promoted.

If Tatum wants a promotion, she believes she needs to make herself stand out among all the company’s qualified individuals.

R.G. has policies to accommodate those with family responsibilities. But, in practice, Tatum knows that few employees take advantage of them. For example, Tatum was a little surprised at how quickly her supervisor, Kennedy, returned to the office after having a child. However, Kennedy was much admired at R.G. and was held up as an example that it was possible to have it all—to be a successful working mother. The alternative was for Tatum to transition to working part-time or switch to a less demanding role. Unfortunately, these alternatives would essentially mean putting aside her goal of advancement.

On the other hand, she had heard others make comments when another woman who had two younger children stayed late at the office. Some would say, “Why don’t



you get home to your kids?” or “Don’t your kids miss you?” To Tatum, it felt like a constant balancing act between trying to be an exemplary employee and ensuring she was not perceived to be a neglectful mother.

One aspect that had initially drawn Tatum to this organization was the “accommodations” (i.e., flexible work hours, fewer responsibilities, and part-time hours), particularly for women. However, she now felt almost guilty in thinking that these “accommodations” were more likely to hurt than help her professionally. Thankfully, her partner earned enough to comfortably support their family if Tatum decided to work fewer hours or transition roles. Still, Tatum was having trouble coming to terms with the possibility of not achieving her professional goals.

### Questions

- 1-17. Do you believe the accommodations offered by Tatum’s firm are effective in helping individuals balance work and family lives? Why or why not?
- 1-18. Are there any practices or policies that the organization could implement to allow for greater work–life balance?
- 1-19. Are there any actions Tatum could take to achieve both her professional goals and work–life balance?
- 1-20. How important do you believe work–life balance is for job satisfaction and career success?<sup>155</sup>

# 2

## Diversity, Equity, and Inclusion in Organizations



Source: Design Pics/Alamy Stock Photo

### LEARNING OBJECTIVES

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

- |  |   |
|--|---|
| <b>2-1</b> Describe the two major forms of workplace diversity.  | <b>2-4</b> Describe the role diversity plays in the interactions between people.                |
| <b>2-2</b> Demonstrate how workplace prejudice and discrimination undermines organizational effectiveness.         | <b>2-5</b> Discuss the implications of cross-cultural matters for organizational behavior (OB). |
| <b>2-3</b> Explain how four major theoretical perspectives contribute to our understanding of workplace diversity. | <b>2-6</b> Describe how organizations manage diversity effectively.                             |

This matrix identifies which features and end-of-chapter material will help you develop specific skills employers are looking for in job candidates.

## Employability Skills Matrix (ESM)

	Myth or Science?	An Ethical Choice	Point/Counterpoint	Toward a Better World	Experiential Exercise	Ethical Dilemma	Case Incident
Critical Thinking & Creativity		✓	✓	✓	✓	✓	✓
Communication	✓				✓	✓	
Collaboration					✓		✓
Self-Management	✓				✓	✓	✓
Social Responsibility		✓	✓	✓	✓	✓	✓
Leadership	✓	✓	✓	✓			✓
Career Management	✓	✓	✓	✓		✓	

## A LACK OF DIVERSITY IN THE TECH INDUSTRY

The tech industry has been notorious for failing on the diversity and inclusion front. Apple, Facebook, Google, and Microsoft may be the biggest technology companies across the world, yet the diversity reports they have posted for the past five years consistently present the same picture, an industry dominated by White and Asian men.

There has been some progress since 2014. Facebook, for instance, says the percentage of its female employees globally has increased from 15 to 23 percent. However, ethnic diversity remains low. Over the same time period, the proportion of U.S. technical employees at Google and Microsoft who are African American or Latinx rose by only about 1 percent. The share of African American technical workers at Apple is 6 percent, less than half the 13 percent proportion of African Americans in the U.S. population. Ageism also continues to be a challenge; when tech workers hit 45, their job offers drop and salaries start to fall.

In the United Kingdom too, data on diversity in the tech industry is disappointing, lagging far behind the Financial Times Stock Exchange 100 (FTSE 100) Index. About 8.5 percent of senior executives in technology are from a minority background, while women make up just 12.6 percent of board members in the sector, compared with the 30 percent female representation

achieved by FTSE 100 businesses. The picture is similar across Europe. According to the *2019 State of European Tech Report*, there was a record investment of about €30 billion in the industry across the continent, yet 92 percent of the investment went to all-male founding teams, and funding to all-female teams actually dropped. Of the hundreds of founders that responded to the survey, 84 percent self-identify as White, and just 0.9 percent are of African descent. And 82 percent of founders are university educated, as compared to the 35 percent of people across Europe.

The status quo is particularly troubling because of how technology now affects every sector, from transport, to finance, to the government, to health care. If only today's tech-literate workers can access these growing employment opportunities, swaths of the general population will be left behind. The products and services they make will be skewed too. The lack of inclusion affects the design of the goods and services that the industry creates. For instance, voice recognition initially did not respond to women because the designers who tested the products were male. Facial recognition is notoriously poor at recognizing darker and female faces, again partly because of biased training data. A more diverse workforce will lead to better products that can address a wider range of customers, who may include people from different ethnic and socioeconomic backgrounds as well as the elderly and the disabled.<sup>1</sup>

Despite decades of research, the world changes quickly, and scientists and practitioners still do not have all of the answers. But OB scientists (heavily influenced by advancements in the fields of social psychology and sociology) have still made substantial progress toward this aim. It is our hope that after studying this chapter, you leave with a better understanding of the intersection between OB and diversity. More importantly, we hope you gain an idea of what can be done to effectively manage diversity and craft an inclusive environment in which people can flourish.

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## Understanding Diversity

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**2-1** Describe the two major forms of workplace diversity.

We are, each of us, unique. Our uniqueness is obvious enough, but employees and managers often do not recognize, appreciate, and manage individual differences to forge inclusive and productive workplaces. Consider Mughal Emperor Shah Jahan, who employed 22,000 artisans from around the world to construct and design the Taj Mahal—today, this “crown of palaces” represents myriad influences, including Islamic, Persian, Ottoman, and Indian, among others.<sup>2</sup> Although diversity may seem like a new hot-button issue, in many ways it is something humanity has struggled to come to terms with for millennia. In this chapter, you will learn more about how individual characteristics like age,

gender identity, sexual orientation, race, ethnicity, and culture can influence interactions and performance in the workplace. You will also see how managers can develop awareness about these characteristics and manage a diverse workforce effectively. But first, let's more explicitly unpack what we mean by "diversity."

## Levels of Diversity

As we defined in the previous chapter, *workforce diversity* refers to the heterogeneous characteristics that make up organizations, work groups, and teams. When we think of diversity, we often think of mostly **surface-level diversity**, such as gender, age, and race. Surface-level diversity can lead employees to make stereotypes and assumptions about others from certain demographic backgrounds. However, evidence has shown that people are less concerned about demographic differences if they see themselves as sharing more important characteristics, such as personality and values, that represent **deep-level diversity**.<sup>3</sup>

To understand the difference between surface- and deep-level diversity, consider an example. Some of you may have worked in a professional kitchen or as a member of the waitstaff at a restaurant. You would certainly agree that these environments are often stressful: During busy periods, things can get hectic both in the kitchen and out on the floor.<sup>4</sup> To top it all off, there are so many people you have to interact with to ensure the customer has an excellent experience: the hosting staff, management, kitchen, runners, bussers—not to mention the most important people: the customers! All these people bring their own set of unique characteristics "to the table." One of the kitchen staff members, Bellamy, is a young Black man from Austin who works part-time as a kitchen assistant while pursuing an accounting degree. Hector, his co-worker, a station chef, is an older Hispanic man who relocated from Honduras a few years ago. At first, these coworkers may notice their surface-level differences in race, age, or background. However, as they get to know one another, they may find they share a common way of thinking about work problems and have similar perspectives on time management. These deep-level similarities can overshadow the more superficial differences between them, and research suggests that sharing similarities (especially similar work styles) will help them work well together.<sup>5</sup> For example, if Bellamy and Hector have similar time management styles (both get to work on time and do prep work well in advance), they will be more likely to get along together and experience less conflict.

Although much has been said about surface-level diversity, experts recognize that these characteristics are just the tip of the iceberg.<sup>6</sup> In the next section, we review a few major biographical characteristics, recognizing that the groups and defining characteristics people identify with transcend this list.

## Biographical Characteristics

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

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

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

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



**Race and Ethnicity** In an “Address to the Nations of the World” given in London in 1900, W. E. B. Du Bois noted that the problem of the twentieth century could be found in how racial differences have been drawn upon to deny hundreds of thousands of people worldwide the opportunities and privileges of modern civilization.<sup>7</sup> Although problems with discrimination and prejudice, identified later in this chapter, are still major societal issues, laws against racial and ethnic discrimination are in effect in many countries, including Australia, the United Kingdom, and the United States.<sup>8</sup>

We define *race* as the heritage people use to identify themselves; *ethnicity* is the additional set of cultural characteristics that often overlaps with race. Typically, we associate race with biology and ethnicity with culture, but there is a history of self-identifying for both classifications. Some industries have remained less racially diverse than others. For instance, U.S. advertising and media organizations suffer from a lack of racial diversity in their management ranks, even though their client base is increasingly ethnically diverse.<sup>9</sup> Race and ethnicity have been studied as they relate to employment outcomes such as hiring decisions, performance evaluations, pay, and workplace discrimination (which will be discussed later in this chapter).<sup>10</sup>

Due to systemic racism, racial and ethnic minorities report higher levels of discrimination in the workplace.<sup>11</sup> Black people generally fare worse than White people in employment decisions (a finding that may not apply outside the United States). They receive lower ratings in employment interviews, lower job performance ratings, less pay, and fewer promotions.<sup>12</sup> Lastly, Black people are discriminated against even in controlled experiments. For example, one study of low-wage jobs found that Black applicants with no criminal history received fewer job offers than did White applicants with criminal records.<sup>13</sup>

Target store manager Jerald Bryant (center) is shown motivating a team that reflects demographic traits of today's workforce. By making diversity management a central part of its policies and practices, Target has created a gender-balanced, multiethnic, and inclusive workplace.

Source: Charles Bertram/*Lexington Herald-Leader*/  
ZUMA Press Inc./Alamy Stock Photo



**Age** Age in the workforce is likely to be an issue of increasing importance during the next decade for many reasons. For one, the workforce is aging worldwide in most developed countries,<sup>14</sup> and legislation in the United States has, for all intents and purposes, outlawed mandatory retirement. Most workers today no longer have to retire at age 70, and 53 percent of workers over the age of 60 plan to delay retirement, likely due to the strong financial benefits of doing so.<sup>15</sup> Moreover, reflecting global trends, over 40 countries spanning all continents have laws directly prohibiting age discrimination.<sup>16</sup>

Stereotypes of older workers as being behind the times, grumpy, and inflexible are changing. Managers often see a number of positive qualities that older workers bring to their jobs, such as experience, judgment, a strong work ethic, and a commitment to quality. For example, the Public Utilities Board, the water agency of Singapore, reports that 27 percent of its workforce is over age 55 and the older workers provide workforce stability.<sup>17</sup> Industries like health care, education, government, and nonprofit service often welcome older workers.<sup>18</sup> But older workers are still perceived as less adaptable and less motivated to learn new technology.<sup>19</sup> Despite the stereotypes, the majority of studies have shown “virtually no relationship between age and job performance,” according to Harvey Sterns, director of the Institute for Life-Span Development and Gerontology.<sup>20</sup> The evidence is more nuanced for job satisfaction, an important topic discussed in more depth in the next chapter. A review of more than 800 studies found that older workers tend to be more satisfied with their work and report better relationships with coworkers. However, one study drawing on over 20,000 participants spanning 40 years suggests that people are becoming less satisfied with their jobs the longer they stay at any given organization. Despite this finding, as people age, their job satisfaction tends to increase, most likely because their pay and benefits increase.<sup>21</sup> So as you get older, you should expect to like your work more and more!

## Myth or Science?

### Bald Is Better

**I**t appears true that bald is better for men in the workplace. A recent study showed that observers believe a male’s shaved head indicates greater masculinity, dominance, and leadership potential than longer or thinning hair. Thinning hair was perceived as the least powerful look, and other studies have agreed that male-pattern baldness (when some hair remains) is not considered advantageous. Why is this?

In some respects, the reported youthful advantage of a shaved head is counterintuitive. Because we have more hair when we are young and contemporary culture considers youthfulness a desirable characteristic in the workplace

(if you doubt this, see the discussions on aging in this chapter), it would make more sense for a hairless head to be a distinct disadvantage. Yet the media is loaded with images of powerful men with shaved heads—military heroes, winning athletes, and action heroes. No wonder study participants declared that the men with shaved heads were an inch taller and 13 percent stronger than the same men with hair.

A bald head has become the hallmark of some important business leaders, notably Jeff Bezos of Amazon, Lloyd Blankfein of Goldman Sachs, Marc Andreessen of Netscape, and *Shark Tank* investor Daymond John. Men who shave their heads report that it can give

them a business advantage, whether or not it makes them look younger (which is debatable). According to psychologist Caroline Keating, just as older silverback gorillas are “typically the powerful actors in their social groups,” so it is in the office, where baldness may “signal who is in charge and potentially dangerous.” Research professor Michael Cunningham agrees, adding that men with shaved heads convey aggressiveness, competitiveness, and independence. Though we do not wish to advocate head shaving for this reason, it does demonstrate how biased we continue to be in judging people by superficial characteristics. Time will tell if this situation ever improves.<sup>22</sup>