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Section One
People at work in organizations today are part of a new era. The institutions of society and the people who make them work are challenged in many and very special ways. Society at large increasingly expects high performance and high quality of life to go hand-in-hand, considers ethics and social responsibility core values, respects the vast potential of demographic and cultural diversity among people, and accepts the imprint of a globalization on everyday living and organizational competitiveness. In this new era of work and organizations, the body of knowledge we call “organizational behavior” offers many insights of great value.

WHAT IS ORGANIZATIONAL BEHAVIOR?

Formally defined, organizational behavior—OB for short—is the study of individuals and groups in organizations. Learning about OB will help you develop a better work-related understanding about yourself and other people. It can also expand your potential for career success in the dynamic, shifting, complex, and challenging new workplaces of today…and tomorrow.

SHIFTING PARADIGMS OF ORGANIZATIONAL BEHAVIOR

Progressive workplaces today look and act very differently from those of the past. They have new features, they approach work processes in new ways, and they serve different customer and client markets. The last decade of the twentieth century was especially dramatic in both the nature and pace of change. One observer called it a “revolution that feels something like this: scary, guilty, painful, liberating, disorienting, exhilarating, empowering, frustrating, fulfilling, confusing, challenging. In other words, it feels very much like chaos.”1 But what began as a revolution has become everyday reality as we start a new century. Intense global competition, highly interdependent national economies, constantly emerging computer and information technologies, new forms of organizations, and shifting population demographics are now part of the norm. Today we are surrounded by both change and its implications for organizations—just look at the new world of electronic commerce,2 and for individuals—look also at the demand for competencies with new technologies and commitment to continuous personal improvement.3 What remains is the struggle to deal best with these changes, individually and institutionally, and to keep up the pace as further changes emerge.4

In an article entitled “The Company of the Future,” Harvard Professor and former Secretary of Labor Robert Reich says: “Everybody works for somebody or something—be it a board of directors, a pension fund, a venture capitalist, or a
traditional boss. Sooner or later you’re going to have to decide who you want to work for.” In making this decision, you will want to join a progressive workplace that reflects values consistent with your own. This book can help you prepare for such choices in full recognition that our transition to the new century includes these trends.

- Demise of “command-and-control”—with increasing competitiveness in organizational environments, traditional hierarchical structures are proving too unwieldy, slow, and costly to do well.
- Emergence of new workforce expectations—a new generation of workers is bringing with it less tolerance for hierarchy, more informality, and concerns for performance merit rather than status.
- Increasing impact of information technologies—organizations are now burgeoning with computers, and the consequent implications for information utilization are far reaching and substantial.
- Belief in empowerment—a dynamic and complex environment places a premium on knowledge, experience, and commitment, all of which thrive in high-involvement and participatory work settings.
- Emphasis on teamwork—organizations today are less vertical and more horizontal in focus; driven by complex environments and customer demands, work is increasingly team based with a focus on peer contributions.
- Concern for work-life balance—as society increases in complexity, organizations are paying more attention to how members balance the sometimes-conflicting demands and priorities of work and personal affairs.

**ORGANIZATIONAL BEHAVIOR AND DIVERSITY**

An important watchword in the twenty-first century is workforce diversity—the presence of differences based on gender, race and ethnicity, age, and able-bodiedness. Success in the new workplace requires a set of skills for working successfully with a broad mix of people from different racial and ethnic backgrounds, of different ages and genders, and of different domestic and national cultures. Valuing diversity is an OB theme. It refers to managing and working with others in full respect for their individual differences. Interpersonal sensitivity and cultural respect are indispensable to valuing diversity.

Even though valuing diversity is emphasized in our books and classrooms, much remains to be accomplished. A glass ceiling effect acts as a hidden barrier limiting the career advancement of minorities and women in some situations. A Harvard Business Review forum on “Race in the U.S. Workplace,” for example, included these opening statements: “Many people of color themselves still struggle with the closed doors of institutional racism...ignorance and prejudice have by no means disappeared from the U.S. workforce.” The article went on to conclude: “Yet there are signs of headway.” A recent study of 860 U.S. companies indicates that the number of African-Americans serving as board directors increased 18 percent in a two-year period; the number of women directors increased 4 percent. Yet, as one indicator of lingering disparities in diversity representation in the executive ranks, women are reported as holding only about 11 percent of corporate officerships in Fortune 500 companies (see The Effective Manager 1.1). They also
earn as senior executives only 68 cents to the dollar earned by the highest-paid men.\textsuperscript{10}

Learning About Organizational Behavior

We live and work in a knowledge-based economy that is continually laced with the winds of change. This places a great premium on “learning” by organizations as well as individuals. Only the learners, so to speak, will be able to maintain the pace and succeed in a constantly changing environment.\textsuperscript{11}

\section*{Organizational Behavior and the Learning Imperative}

Consultants and scholars emphasize \textit{organizational learning} as the process of acquiring knowledge and utilizing information to adapt successfully to changing circumstances.\textsuperscript{12} Organizations must be able to change continuously and positively while searching continuously for new ideas and opportunities. The same is true for each of us. We must strive for continuous improvement to keep pace with a dynamic and complex environment.

\textit{Life-long learning} is a popular concept these days, and the message is relevant. You can and must learn from day-to-day work experiences, conversations with colleagues and friends, counseling and advice from mentors, success models, training seminars and workshops, and the information available in the popular press and mass media. This book contains a special section, \textit{The Organizational Behavior Workbook}, designed specifically to help you begin this process. Included in the workbook are many opportunities for you, individually and in student study groups, to analyze readings and cases, participate in experimental exercises, and complete skills-assessment inventories to advance your learning.

\section*{Scientific Foundations of Organizational Behavior}

As far back as a century ago, consultants and scholars were giving increased attention to the systematic study of management. Although most attention was initially on physical working conditions, principles of administration, and industrial engineering principles, by the 1940s the focus had broadened to include the essential human factor. This gave impetus to research dealing with individual attitudes, group dynamics, and the relationships between managers and workers. Eventually, the discipline of organizational behavior emerged as a broader and encompassing approach. Today, it continues to evolve as a discipline devoted to scientific understanding of individuals and groups in organizations, and of the performance implications of organizational structures, systems, and processes.\textsuperscript{13}

\textbf{Interdisciplinary Body of Knowledge} OB is an interdisciplinary body of knowledge with strong ties to the behavioral sciences—psychology, sociology,
and anthropology, as well as to allied social sciences—such as economics and political science. Organizational behavior is unique, however, in its devotion to applying and integrating these diverse insights to achieve a better understanding of human behavior in organizations.

**Use of Scientific Methods**  OB uses scientific methods to develop and empirically test generalizations about behavior in organizations. Figure 1.1 describes research methodologies commonly used. Scientific thinking is important to OB researchers and scholars for these reasons: (1) the process of data collection is controlled and systematic; (2) proposed explanations are carefully tested; and (3) only explanations that can be scientifically verified are accepted. Research concepts and designs in OB are explained further in the module “Research Methods in Organizational Behavior.”

**Focus on Application**  The field of organizational behavior focuses on applications that can make a real difference in how organizations and people in them perform. Outcome or dependent variables studied by researchers, for example, include task performance, job satisfaction, job involvement, absenteeism, and turnover. It is in this sense that OB is an applied social science that can ultimately help to improve the functioning of organizations and the work experiences of their members. Among the practical questions addressed by the discipline and in this book are: How should rewards such as merit pay raises be allocated? When should jobs be designed for individuals and for groups? What are the ingredients of successful teamwork? How can organizational cultures be changed? Should decisions be made by individual, consultative, or group methods? In a negotiation, what is the best way to achieve “win-win” outcomes?

**Contingency Thinking**  Rather than assume that there is one “best” or universal way to manage people and organizations, OB recognizes that management
practices must be tailored to fit the exact nature of each situation. Using a **contingency approach**, researchers try to identify how different situations can best be understood and handled. We recognize that culture can affect how OB theories and concepts apply in different countries.\(^\text{14}\) What works well in one culture may not work as well in another. Other important contingency variables addressed in this book include environment, technology, task, structure, and people.

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**Organizations as Work Settings**

The study of organizational behavior must be framed in an understanding of organizations as work settings. An **organization** is formally defined as a collection of people working together in a division of labor to achieve a common purpose. This definition describes a wide variety of clubs, voluntary organizations, and religious bodies, as well as entities such as small and large businesses, labor unions, schools, hospitals, and government agencies. The insights and applications of OB can be applied to help all such organizations perform up to expectations as social institutions.

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**PURPOSE, MISSION, AND STRATEGIES**

The **core purpose** of an organization may be stated as the creation of goods or services for customers. Nonprofit organizations produce services with public benefits, such as health care, education, judicial processing, and highway maintenance. Large and small for-profit businesses produce consumer goods and services such as automobiles, banking, travel, gourmet dining, and accommodations.

**Missions** and **mission statements** focus the attention of organizational members and external constituents on the core purpose.\(^\text{15}\) For example, the pharmaceutical giant Merck states that its purpose is “to preserve human life.” The retailer Wal-Mart states that it seeks “to give ordinary folk the chance to buy the same things as rich people.”\(^\text{16}\) Increasingly, mission statements are written to communicate a clear **vision** in respect to long-term goals and future aspirations. The corporate vision at America West Airlines expresses the desire “to be known for its focus on customer service and its high performance culture.”\(^\text{17}\) Bold and challenging visions can attract attention and help draw members together in the quest for high performance. As Robert Reich states in his description of the company of the future: “Talented people want to be part of something that they can believe in, something that confers meaning on their work, on their lives—something that involves a mission.”\(^\text{18}\)

Given a sense of purpose and a vision, organizations pursue action **strategies** to accomplish them. The variety of mergers and acquisitions common in business today, such as the Daimler-Chrysler combination, are examples of corporate strategies to achieve and sustain advantage in highly competitive environments. In this context, strategies must be both well formulated and well implemented for the organization to succeed.\(^\text{19}\) The plan alone is insufficient to the broader strategic goal: To get and stay ahead of the competition. It is here, at the level of action, that the field of organizational behavior becomes especially important. A knowledge of OB is essential to effective strategy implementation. Things happen in organizations because of the efforts of people, and how people work together in organizations is what OB is all about.
When CEO Richard Kovacevic of Norwest was asked to comment on the bank’s performance, he said: “Our success has to do with execution…talented, professional, motivated people who care…that’s our competitive advantage.” Leaders of today’s organizations recognize the importance of putting people first. They understand the new significance of the old concept—people are an organization’s most critical assets.

One of the important directions in OB today is the emphasis on intellectual capital as represented by the sum total of knowledge, expertise, and dedication of an organization’s workforce. It recognizes that even in the age of high technology, people are the indispensable human resources whose knowledge and performance advance the organization’s purpose, mission, and strategies. Only through human efforts can the great advantages be realized from other material resources of organizations such as technology, information, raw materials, and money. A recent Fortune survey of America’s most-admired firms goes so far as to report that “the single best predictor of overall success was a company’s ability to attract, motivate, and retain talented people.”

Today’s strategic emphasis on customer-driven and market-driven organizations places great significance on understanding the relationship between an organization and its environment. As shown in Figure 1.2, organizations can be viewed as open systems that obtain resource inputs from the environment and transform them into outputs that are returned to the environment in the form of finished goods or services. If everything works right, the environment values these outputs and creates a continuing demand for them. This sustains operations and allows the organization to survive and prosper over the long run. But things can and sometimes do go wrong in the organization/environment relationship. If the value chain breaks down and an organization’s goods or services become unpopular, it will sooner or later have difficulty obtaining the resources it needs to operate. In the extreme case, it will be forced out of existence.

**Figure 1.2**
Organization and environment relationships.
Regardless of your career direction and entry point, the field of organizational behavior will someday become especially important as you try to master the special challenges of working as a manager. In all organizations, managers perform jobs that involve directly supporting the work efforts of others. Being a manager is a unique challenge that carries distinct performance responsibilities. Managers help other people get important things done in timely, high-quality, and personally satisfying ways. In the new workplace, this is accomplished more through “helping” and “supporting” than through traditional notions of “directing” and “controlling.” Indeed, the word “manager” is increasingly being linked in the new workplace to roles described by such titles as “coordinator,” “coach,” or “team leader.”

THE NATURE OF MANAGERIAL WORK

Anyone who serves as a manager or team leader assumes a unique responsibility for work that is accomplished largely through the efforts of other people. The result is a very demanding and complicated job that has been described by researchers in the following terms. Managers work long hours. A work week of more than the standard 40 hours is typical. The length of the work week tends to increase as one advances to higher managerial levels; heads of organizations often work the longest hours. Managers are busy people. Their work is intense and involves doing many different things on any given workday. The busy day of a manager includes a shifting mix of incidents that require attention, with the number of incidents being greatest for lower-level managers. Managers are often interrupted. Their work is fragmented and variable. Interruptions are frequent, and many tasks must be completed quickly. Managers work mostly with other people. In fact, they spend little time working alone. Time spent with others includes working with bosses, peers, subordinates, subordinates of their subordinates, as well as outsiders, such as customers, suppliers, and the like. Managers are communicators. In general, managers spend a lot of time getting, giving, and processing information. Their work is often face-to-face verbal communication that takes place during formal and informal meetings. Higher level managers typically spend more time in scheduled meetings than do lower level managers.

THE MANAGEMENT PROCESS

An effective manager is one whose organizational unit, group, or team consistently achieves its goals while members remain capable, committed, and enthusiastic. This definition focuses attention on two key results. The first is task performance—the quality and quantity of the work produced or the services provided by the work unit as a whole. The second is job satisfaction—how people feel about their work and the work setting. Just as a valuable machine should not be allowed to break down for lack of proper maintenance, the valuable contributions of the human resource should never be lost for lack of proper care. Accordingly, OB directs a manager’s attention to such matters as job satisfaction, job involvement, and organizational commitment, as well as measures of actual task performance.
The job of any manager or team leader is largely one of adding value to the work setting by doing things that help others to accomplish their tasks. A traditional and still relevant way of describing this job is as a set of tasks or functions that must be performed constantly and often simultaneously. As shown in Figure 1.3, these four functions of management are planning, organizing, leading, and controlling. They form a framework for managerial action that can be described as follows:25

- **Planning**—Defining goals, setting specific performance objectives, and identify the actions needed to achieve them.
- **Organizing**—Creating work structures and systems, and arranging resources to accomplish goals and objectives.
- **Leading**—Instilling enthusiasm by communicating with others, motivating them to work hard, and maintaining good interpersonal relations.
- **Controlling**—Ensuring that things go well by monitoring performance and taking corrective action as necessary.

**MANAGERIAL ROLES AND NETWORKS**

In what has become a classic study of managerial behavior, Henry Mintzberg moved beyond this functional description and identified three sets of roles that managers must be prepared to perform on a daily basis.36 These roles are shown in Figure 1.4. In the first category are interpersonal roles that involve working directly with other people. They include hosting and attending official ceremonies (figurehead), creating enthusiasm and serving people’s needs (leader), and maintaining contacts with important people and groups (liaison). The informational roles involve exchanging information with other people. They include seeking out relevant information (monitor), sharing relevant information with insiders (disseminator), and sharing relevant information with outsiders (spokesperson).
The decisional roles involve making decisions that affect other people. They include seeking out problems to solve and opportunities to explore (entrepreneur), helping to resolve conflicts (disturbance handler), allocating resources to various uses (resource allocator), and negotiating with other parties (negotiator).

Essential to these roles and to all managerial work are good interpersonal relationships with a wide variety of people, both inside and outside the organization. Managers and team leaders should be able to develop, maintain, and work well within task networks—of specific job-related contacts, career networks—of career guidance and opportunity resources and social networks—of trustworthy friends and peers.

MANAGERIAL SKILLS AND COMPETENCIES

A skill is an ability to translate knowledge into action that results in a desired performance. Robert Katz divides the essential managerial skills into three categories: technical, human, and conceptual. He further suggests that the relative importance of these skills varies across the different levels of management. Technical skills are considered more important at entry levels of management, where supervisors and team leaders must deal with job-specific problems. Senior executives are concerned more with issues of organizational purpose, mission, and strategy. Broader, more ambiguous, and longer term decisions dominate attention at these higher levels, and conceptual skills gain in relative importance. Human skills, which are strongly grounded in the foundations of organizational behavior, are consistent in their importance across all managerial levels.

Technical Skills A technical skill is an ability to perform specialized tasks. Such ability derives from knowledge or expertise gained from education or experience. This skill involves proficiency at using select methods, processes, and procedures to accomplish tasks. Perhaps the best current example is skill in using the latest communication and information technologies. In the “high-tech” workplaces of today, technical proficiency in word processing, database management, spreadsheet analysis, E-mail, and communications networks are often
hiring prerequisites. Some technical skills require preparatory education, whereas others are acquired through specific training and on-the-job experience.

**Human Skills** Central to managerial work and team leadership are **human skills**, or the ability to work well with other people. They emerge as a spirit of trust, enthusiasm, and genuine involvement in interpersonal relationships. A person with good human skills will have a high degree of self-awareness and a capacity for understanding or empathizing with the feelings of others. People with this skill are able to interact well with others, engage in persuasive communications, deal successfully with disagreements and conflicts, and more. Human skills are indispensable in the new age of organizations where traditions of hierarchy and vertical structures are giving way to lateral relations and peer structures.\(^3^0\)

**Conceptual Skills** All good managers are able to view the organization or situation as a whole and to solve problems to the benefit of everyone concerned. This capacity to analyze and solve complex and interrelated problems is a **conceptual skill**. It involves the ability to see and understand how the whole organizational system works, and how the parts are interrelated. Conceptual skill is used to identify problems and opportunities, gather and interpret relevant information, and make good problem-solving decisions that serve the organization’s purpose.

**Ethics and Organizational Behavior**

The word “ethics” is important in OB. **Ethical behavior** is that accepted as morally “good” and “right,” as opposed to “bad” or “wrong,” in a particular setting.\(^3^1\) Is it ethical to withhold information that might discourage a job candidate from joining your organization? Is it ethical to ask someone to take a job you know will not be good for his or her career progress? Is it ethical to ask so much of someone that they continually have to choose between “having a ‘career’ and having a ‘life’?” The list of questions can go on and on, but an important point remains: The public is increasingly demanding that people in organizations and the organizations themselves all act in accordance with high ethical and moral standards.

**WAYS OF THINKING ABOUT ETHICAL BEHAVIOR**

Ethical behavior conforms not only to the dictates of law but also to a broader moral code that is common to society as a whole. Just exactly what moral code governs a person’s choices, however, is a subject of debate. At least four ways of thinking about ethical behavior in and by organizations can be identified.
The **utilitarian view** considers ethical behavior to be that which delivers the greatest good to the greatest number of people. Those who subscribe to the results-oriented utilitarian logic assess the moral aspects of their decisions in terms of the consequences they create. Utilitarianism believes that the needs of the many outweigh the needs of the few. From such a perspective, it may be ethical to close a factory in one town in order to keep the parent corporation profitable and operating in several other towns.

The **individualism view** considers ethical behavior to be that which is best for an individual’s long-term self-interests. In principle, at least, someone who acts unethically in the short run—such as by denying a qualified minority employee a promotion, should not succeed in the long run because the short-run action will not be tolerated. Thus, if everyone operated with long-term self-interest in mind, their short-run actions would be ethical.

The **moral-rights view** considers ethical behavior to be that which respects fundamental rights shared by all human beings. This view is tied very closely to the principle of basic human rights, such as those of life, liberty, and fair treatment by law. In an organization, this principle is reflected in such issues as rights to privacy, due process, and freedom of speech. Ethical behavior does not violate any of these fundamental human rights.

The **justice view** considers ethical behavior to be that which is fair and impartial in its treatment of people. It is based on the concept of equitable treatment for all concerned. In OB, two issues address this view of ethical behavior. **Procedural Justice** is the degree to which the rules and procedures specified by policies are properly followed in all cases under which they are applied. In a sexual harassment case, for example, this may mean that required hearings are held for every case submitted for administrative review. **Distributive justice** is the degree to which all people are treated the same under a policy, regardless of race, ethnicity, gender, age, or any other demographic characteristic. In a sexual harassment case, this might mean that a complaint filed by a man against a woman would receive the same hearing as one filed by a woman against a man.

**ETHICAL DILEMMAS IN THE WORKPLACE**

An **ethical dilemma** is a situation in which a person must decide whether or not to do something that, although benefiting them or the organization, or both, may be considered unethical. It is difficult to predict exactly what ethical dilemmas you will someday face. However, research suggests that people at work often encounter such dilemmas in their relationships with superiors, subordinates, customers, competitors, suppliers, and regulators. Common issues underlying the dilemmas involve honesty in communications and contracts, gifts and entertainment, kickbacks, pricing practices, and employee terminations. More and more organizations are offering ethics training programs that offer advice (see The Effective Manager 1.2) for handling ethical dilemmas. In addition, the training helps partici-
pants learn how to identify and deal with these common rationalizations that are sometimes used to help justify actual or potential misconduct.35

- Pretending the behavior is not really unethical or illegal.
- Excusing the behavior by saying it’s really in the organization’s or your best interest.
- Assuming the behavior is okay because no one else is expected to find out about it.
- Presuming your superiors will support and protect you if anything should go wrong.

ORGANIZATIONAL SOCIAL RESPONSIBILITY

Closely related to the ethics of workplace behavior is social responsibility—the obligation of organizations to behave in ethical and moral ways as institutions of the broader society. This concept suggests that members must ensure that their ethical frameworks extend to the organization as a whole. Managers and leaders should commit organizations to actions that are consistent with both the quest for high productivity and the objective of corporate social responsibility. Unfortunately, it doesn’t always turn out this way. Some years ago, for example, two Beech-nut senior executives were sentenced to jail for their roles in a notorious case of organizational wrongdoing. The scandal involved the sale of adulterated apple juice for infants. Although the bottles were labeled “100% fruit juice,” the contents turned out to be a blend of chemical ingredients. This case, like many others that make the daily news, came to public awareness because of a whistleblower—someone within the organization who exposes the wrongdoings of others in order to preserve high ethical standards.36

WORK AND THE QUALITY OF LIFE

In many ways, the study of organizational behavior is a search for practical ideas on how to help organizations achieve high performance outcomes while always acting in an ethical and socially responsible manner. A central concern in this quest must be the well being of an organization’s entire workforce—this means everyone, not just the managers. The term quality of work life, or QWL, is a prominent indicator in OB of the overall quality of human experience in the workplace. It is a reminder that high performance in any work setting can and should be accomplished by high levels of job satisfaction.

A commitment to QWL can be considered a core value of OB. The stage was set very early in the life of the discipline by theorists with a strong human orientation, such as Douglas McGregor.37 He contrasted what he called Theory X assumptions—that people basically disliked work, needed direction, and avoided responsibility, with Theory Y assumptions—that people liked work, were creative, and accepted responsibility. For McGregor, Theory Y assumptions were the most appropriate and tended to create positive self-fulfilling prophecies. That is, when people were treated well at work, the likelihood was that they would respond positively and as expected.

Today the many concepts and theories discussed in OB reflect QWL and Theory Y themes. The hallmarks of excellence in management and organizations...
now include *empowerment*—involving people from all levels of responsibility in decision making; *trust*—redesigning jobs, systems, and structures to give people more personal discretion in their work; *rewards*—building reward systems that are fair, relevant, and consistent, while contingent on work performance; *responsiveness*—making the work setting more pleasant and supportive of individual needs and family responsibilities; and *work-life balance*—making sure that the demands of the job are a reasonable fit with one’s personal life and non-work responsibilities.38

A commitment to QWL is consistent with respect for what was earlier called the intellectual capital of an organization. It involves putting people first in any list of organizational priorities. The next chapter will continue to explore how people help to build high performance organizations. For now, consider the leadership challenge posed in these comments made by Jeffrey Pfeffer in his book, *The Human Equation: Building Profits by Putting People First*.39

The key to managing people in ways that lead to profits, productivity, innovation, and real organizational learning ultimately lie in how you think about your organization and its people.... When you look at your people, do you see costs to be reduced?... Or, when you look at your people do you see intelligent, motivated, trustworthy individuals—the most critical and valuable strategic assets your organization can have?

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**Workforce Diversity**

A majority of Fortune 500 companies, including Colgate Palmolive, Corning, and Quaker Oats, are now providing incentives for executives to deal successfully with workforce diversity.40 *Workforce diversity* refers to the presence of individual human characteristics that make people different from one another.41 More specifically, this diversity comprises key demographic differences among members of a given workforce, including gender, race and ethnicity, age, and able-bodiedness. Sometimes they also encompass other factors, such as marital status, parental status, and religion.42 The challenge is how to manage workforce diversity in a way that both respects the individual’s unique perspectives and contributions and promotes a shared sense of organization vision and identity.

Workforce diversity is increasing in both the United States and Canada, as it is in much of the rest of the world. For example, in the United States, between 1990 and 2005, about 50 percent of the new entrants to the labor force will be women and racial and ethnic groups such as African Americans, Latinos, and Asians. At the same time, those 55 and older are projected to make up nearly 15 percent of the labor force. All of this is in sharp contrast to the traditional, younger, mostly white American male, labor force. Canadian and U.K. trends for women are similar.43

As the workforce becomes increasingly diverse, the possibility of stereotyping and discrimination increases and managing diversity becomes more important. *Stereotyping* occurs when one thinks of an individual as belonging to a group or category—for instance, elderly person—and the characteristics commonly associated with the group or category are assigned to the individual in question—for instance, older people aren’t creative. Demographic characteristics may serve as the basis of stereotypes that obscure individual differences and prevent people
from getting to know others as individuals and accurately assessing their performance potential. If you believe that older people are not creative, for example, you may mistakenly decide not to assign a very inventive 60-year-old person to an important task force.

Discrimination against certain people in the organization is not only a violation of U.S., Canadian, and European Union (EU) laws, but it is also counterproductive because it prevents the contributions of people who are discriminated against from being fully utilized. Many firms are increasingly recognizing that a diverse workforce that reflects societal differences helps bring them closer to their customers.

**EQUAL EMPLOYMENT OPPORTUNITY**

Equal employment opportunity involves both workplace nondiscrimination and affirmative action. Employment decisions are nondiscriminatory when there is no intent to exclude or disadvantage legally protected groups. Affirmative action is a set of remedial actions designed to compensate for proven discrimination or correct for statistical imbalances in the labor force (e.g., local workers are 90 percent Hispanic, and your organization employs only 10 percent Hispanics).44

The most comprehensive statute prohibiting employment discrimination is Title VII of the Civil Rights Act of 1964. This act prohibits employers from discriminating against any individual with respect to compensation, terms, or conditions of employment because of race, color, religion, sex, or national origin. Affirmative action plans are required of federal government agencies and federal contractors, as well as organizations found to be in noncompliance with equal employment opportunity provisions. Many organizations also have implemented voluntary affirmative action plans.45

Affirmative action is legally driven by federal, state and provincial, and local laws, as well as numerous court cases. It requires written reports containing plans and statistical goals for specific groups of people in terms of such employment practices as hiring, promotions, and layoffs.46

**MANAGING DIVERSITY**

The concept of managing diversity in organizations emphasizes appreciation of differences in creating a setting where everyone feels valued and accepted. An organization’s success or progress in managing diversity can be monitored by organizational surveys of attitudes and perceptions, among other means. Managing diversity assumes that groups will retain their own characteristics and will shape the firm as well as be shaped by it, creating a common set of values that will strengthen ties with customers, enhance recruitment, and the like. Sometimes,
Diversity management is resisted because of fear of change and discomfort with differences. To deal with this resistance, some countries, such as Canada, have laws designed to encourage the management of diversity at the provincial level through Employment Equity Legislation.47

Demographic Differences

Demographic characteristics are the background characteristics that help shape what a person becomes. Such attributes may be thought of in both current terms—for example, an employee’s current medical status—and historical terms—for instance, where and how long a person has worked at various jobs. Demographic characteristics of special interest from equal employment opportunity and workplace diversity considerations include gender, age, race, ethnicity, and able-bodiedness.

GENDER

The research on working women in general tells us that there are very few differences between men and women that affect job performance (see The Effective Manager 1.3). Thus, men and women show no consistent differences in their problem-solving abilities, analytical skills, competitive drive, motivation, learning ability, or sociability. However, women are reported to be more conforming and to have lower expectations of success than men do. And, women’s absenteeism rates tend to be higher than those of men. This latter finding may change, however, as we see men starting to play a more active role in raising children; absenteeism is also likely to be less frequent as telecommuting, flexible working hours, and the like become more prevalent.48 In respect to pay, women’s earnings have risen slowly from 59 percent of men’s in 1975 to 76 percent most recently.49 Certainly, this rise is not consistent with the doubling of women in the labor force since 1970.50

AGE

The research findings concerning age are particularly important given the aging of the workforce. People 50 years old and older account for 85 percent of the projected labor force growth between 1990 and 2005.51 Older workers are susceptible to being stereotyped as inflexible and undesirable in other ways. In some cases, workers as young as age forty are considered to be “old” and complain that their experience and skills are no longer valued. Age-discrimination lawsuits are increasingly common in the United States.52 Such discrimination also operates in Britain, where 44 percent of older managers say they have experienced age discrimination.53 On the other hand, small businesses in particular tend to value

THE EFFECTIVE MANAGER 1.3

TIPS IN DEALING WITH MALE AND FEMALE MANAGERS

• Do not assume that male and female managers differ in personal qualities.
• Make sure that policies, practices, and programs minimize gender differences in managers’ job experiences.
• Do not assume that management success is more likely for either females or males.
• Recognize that there will be excellent, good, and poor managers within each gender.
• Understand that success requires the best use of human talent, regardless of gender.
older workers for their experience, stability and low turnover. Research is consistent with these preferences and also shows lower avoidable absences. Finally, to the extent age is linked to experience or job tenure, there is a positive relationship between seniority and performance. More experienced workers tend to have low absence rates and relatively low turnover.

**ABLE-BODIEDNESS**

Even though recent studies report that disabled workers do their jobs as well, or better than, nondisabled workers, nearly three quarters of severely disabled persons are reported to be unemployed. Almost 80 percent of those with disabilities say they want to work. Once again, the expected shortage of traditional workers is predicted to lead to a reexamination of hiring policies. More firms are expected to give serious consideration to hiring disabled workers, particularly given that the cost of accommodating these workers has been shown to be low.

**RACIAL AND ETHNIC GROUPS**

Consistent with some current literature, we use the term *racial and ethnic groups* to reflect the broad spectrum of employees of differing ethnicities or races who make up an ever-increasing portion of the new workforce. Of particular significance in the American workplace is diversity reflected in an increasing proportion of African Americans, Asian Americans and Hispanic Americans. Projections by the Bureau of Labor Statistics estimate that they will constitute 27% of the workforce by the year 2005. The Hudson Institute extends this projection to 32% by the year 2020. The potential for stereotypes and discrimination to adversely affect career opportunities and progress for members of these and other minority groups must be recognized.

Even though employment decisions based on demographic differences are allowable under Title VII if they can be justified as bona fide occupational qualifications reasonable to normal business operations, race cannot be one of these. Case law has shown that these qualifications are always extremely difficult to justify. In any event the flight attendant job is a case in point. When the airlines failed to show why men could not perform flight attendant duties as well as females, gender restrictions on hiring were lifted.

**Aptitude and Ability**

Demographic characteristics are sometimes used erroneously as stereotypes in place of assessing a person’s true aptitude or ability. **Aptitude** represents a person’s capability of learning something, whereas **ability** reflects a person’s existing capacity to perform the various tasks needed for a given job and includes both relevant knowledge and skills. In other words, aptitudes are potential abilities, whereas abilities are the knowledge and skills that an individual currently possesses.

Aptitudes and abilities are important considerations for a manager when initially hiring or selecting candidates for a job. We are all acquainted with various
tests used to measure mental aptitudes and abilities. Some of these provide an overall intelligent quotient (IQ) score (e.g., the Stanford-Binet IQ Test). Others provide measures of more specific competencies that are required of people entering various educational programs or career fields. You have probably taken the ACT or SAT college entrance tests. Such tests are designed to facilitate the screening and selection of applicants for educational programs or jobs. In addition to mental aptitudes and abilities, some jobs, such as firefighters and police, require tests for physical abilities. Muscular strength and cardiovascular endurance are two of many physical ability dimensions.\(^6\)

For legal purposes, demonstrated evidence must be presented that those scoring more favorably on the tests will tend to be more successful in their educational program, career field, or job performance than those with lower scores. In other words, there must be a fit between specific aptitudes and abilities and job requirements. If you want to be a surgeon, for instance, and cannot demonstrate good hand–eye coordination, there will not be a good ability–job fit. Such a fit is so important that it is a core concept on managing human resources.

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**Personality**

In addition to demographics and aptitude and ability, a third important individual attribute is personality. The term *personality* represents the overall profile or combination of characteristics that capture the unique nature of a person as that person reacts and interacts with others. As an example, think of a person who was the billionaire founder of a fast-growing, high-tech computer company by the time he was 30; who in his senior year in high school had turned selling newspapers into enough of a business to buy a BMW; who told his management team that his daughter’s first words were “Daddy kill-IBM, Gateway, Compaq;” who learned from production mistakes and brought in senior managers to help his firm; and who is so private he seldom talks about himself: In other words, think of Michael Dell, the founder of Dell Computer, and his personality.\(^6\)

Personality combines a set of physical and mental characteristics that reflect how a person looks, thinks, acts, and feels. Sometimes attempts are made to measure personality with questionnaires or special tests. Frequently, personality can be implied from behavior alone, such as by the actions of Michael Dell. Either way, personality is an important individual characteristic for managers to understand. An understanding of personality contributes to an understanding of organizational behavior in that we expect a predictable interplay between an individual’s personality and his or her tendency to behave in certain ways.

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**PERSONALITY DETERMINANTS AND DEVELOPMENT**

Just what determines personality? Is personality inherited or genetically determined, or is it formed by experience? You may have heard someone say something like, “She acts like her mother.” Similarly, someone may argue that “Bobby is the way he is because of the way he was raised.” These two arguments illustrate the nature/nurture controversy: Is personality determined by heredity, that
is, by genetic endowment, or by one’s environment? As Figure 1.5 shows, these two forces actually operate in combination. Heredity consists of those factors that are determined at conception, including physical characteristics, gender, and personality factors. Environment consists of cultural, social, and situational factors.

The impact of heredity on personality continues to be the source of considerable debate. Perhaps the most general conclusion we can draw is that heredity sets the limits on just how much personality characteristics can be developed; environment determines development within these limits. For instance, a person could be born with a tendency toward authoritarianism, and that tendency could be reinforced in an authoritarian work environment. These limits appear to vary from one characteristic to the next and across all characteristics there is about a 50–50 heredity–environment split.63

As we show throughout this book, cultural values and norms play a substantial role in the development of an individual’s personality and behaviors. Contrast the individualism of U.S. culture with the collectivism of Mexican culture, for example.64 Social factors reflect such things as family life, religion, and the many kinds of formal and informal groups in which people participate throughout their lives—friendship groups, athletic groups, as well as formal work groups. Finally, the demands of differing situational factors emphasize or constrain different aspects of an individual’s personality. For example, in class you are likely to rein in your high spirits and other related behaviors encouraged by your personality. However, at a sporting event, you may be jumping up, cheering, and loudly criticizing the referees.

The developmental approaches of Chris Argyris, Daniel Levinson, and Gail Sheehy systematically examine the ways personality develops across time. Argyris notes that people develop along a continuum of dimensions from immaturity to maturity as shown in Figure 1.6. He believes that many organizations treat mature adults as if they were still immature and this creates many problems in terms of bringing out the best in employees. Levinson and Sheehy maintain that an individual’s personality unfolds in a series of stages across time. Sheehy’s model, for example, talks about three stages—ages 18–30, 30–45, and 45–85+. Each of these has a crucial impact on the worker’s employment and career. The

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**Developmental Approaches** are systematic models of ways in which personality develops across time.

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**Figure 1.5**  
Heredity and environmental linkage with personality.
implications are that personalities develop over time and require different managerial responses. Thus, needs and other personality aspects of people initially entering an organization change sharply as they move through different stages or toward increased maturity.65

Personality Traits and Classifications

Numerous lists of personality traits—enduring characteristics describing an individual’s behavior, have been developed, many of which have been used in OB research and can be looked at in different ways. First, recent research has examined people using extensive lists of personality dimensions and distilled them into the “Big Five”:66

- **Extraversion**—Outgoing, sociable, assertive
- **Agreeableness**—Good-natured, trusting, cooperative
- **Conscientiousness**—Responsible, dependable, persistent
- **Emotional stability**—Unworried, secure, relaxed
- **Openness to experience**—Imaginative, curious, broad-minded

Standardized personality tests determine how positively or negatively an individual scores on each of these dimensions. For instance, a person scoring high on openness to experience tends to ask lots of questions and to think in new and unusual ways. You can consider a person’s individual personality profile across the five dimensions. In terms of job performance, research has shown that conscientiousness predicts job performance across five occupational groups of professions—engineers, police, managers, sales, and skilled and semiskilled employees. Predictability of the other dimensions depends on the occupational group. For instance, not surprisingly, extraversion predicts performance for sales and managerial positions.

A second approach to looking at OB personality traits is to divide them into social traits, personal conception traits, and emotional adjustment traits, and then to consider how those categories come together dynamically.67
Social traits are surface-level traits that reflect the way a person appears to others when interacting in various social settings. Problem-solving style, based on the work of Carl Jung, a noted psychologist, is one measure representing social traits. It reflects the way a person goes about gathering and evaluating information in solving problems and making decisions.

Information gathering involves getting and organizing data for use. Styles of information gathering vary from sensation to intuitive. Sensation-type individuals prefer routine and order and emphasize well-defined details in gathering information; they would rather work with known facts than look for possibilities. By contrast, intuitive-type individuals prefer the “big picture.” They like solving new problems, dislike routine, and would rather look for possibilities than work with facts.

The second component of problem solving, evaluation, involves making judgments about how to deal with information once it has been collected. Styles of information evaluation vary from an emphasis on feeling to an emphasis on thinking. Feeling-type individuals are oriented toward conformity and try to accommodate themselves to other people. They try to avoid problems that may result in disagreements. Thinking-type individuals use reason and intellect to deal with problems and downplay emotions.

When these two dimensions (information gathering and evaluation) are combined, four basic problem-solving styles result: sensation-feeling (SF), intuitive-feeling (IF), sensation-thinking (ST), and intuitive-thinking (IT), together with summary descriptions, as shown in Figure 1.7.

Research indicates that there is a fit between the styles of individuals and the kinds of decisions they prefer. For example, STs (sensation-thinkers) prefer analytical strategies—those that emphasize detail and method. IFs (intuitive-feelers) prefer intuitive strategies—those that emphasize an overall pattern and fit. Not surprisingly, mixed styles (sensation-feelers or intuitive-thinkers) select both analytical and intuitive strategies. Other findings also indicate that thinkers tend to have higher motivation than do feelers and that individuals who emphasize sensations tend to have higher job satisfaction than do intuitives. These and other findings suggest a number of basic differences among different problem-solving styles, emphasizing the importance of fitting such styles with a task’s information processing and evaluation requirements.

Problem-solving styles are most frequently measured by the (typically 100-item) Myers–Briggs Type Indicator (MBTI), which asks individuals how they usually act or feel in specific situations. Firms such as Apple, AT&T, and Exxon, as well as hospitals, educational institutions, and military organizations, have used the Myers–Briggs for various aspects of management development.

Personal conception traits represent the way individuals tend to think about their social and physical setting as well as their major beliefs and personal orientation concerning a range of issues.

Locus of Control The extent to which a person feels able to control his or her own life is concerned with a person’s internal–external orientation and is measured by Rotter’s locus of control instrument. People have personal con-
ceptions about whether events are controlled primarily by themselves, which indicates an internal orientation, or by outside forces, such as their social and physical environment, which indicates an external orientation. Internals, or persons with an internal locus of control, believe that they control their own fate or destiny. In contrast, externals, or persons with an external locus of control, believe that much of what happens to them is beyond their control and is determined by environmental forces.

In general, externals are more extroverted in their interpersonal relationships and are more oriented toward the world around them. Internals tend to be more introverted and are more oriented toward their own feelings and ideas. Figure 1.8 suggests that internals tend to do better on tasks requiring complex information processing and learning, as well as initiative. Many managerial and professional jobs have these kinds of requirements.

Authoritarianism/Dogmatism Both “authoritarianism” and “dogmatism” deal with the rigidity of a person’s beliefs. A person high in authoritarianism tends to adhere rigidly to conventional values and to obey recognized authority. This person is concerned with toughness and power and opposes the use of subjective feelings. An individual high in dogmatism sees the world as a threatening place. This person regards legitimate authority as absolute and accepts or rejects others according to how much they agree with accepted authority. Supe-
rior who possess these latter traits tend to be rigid and closed. At the same time, dogmatic subordinates tend to want certainty imposed upon them.72

From an ethical standpoint, we can expect highly authoritarian individuals to present a special problem because they are so susceptible to authority that in their eagerness to comply they may behave unethically.73 For example, we might speculate that many of the Nazis who were involved in war crimes during World War II were high in authoritarianism or dogmatism; they believed so strongly in authority that they followed their unethical orders without question.

Machiavellianism The third personal conceptions dimension is Machiavellian-ism, which owes its origins to Niccolo Machiavelli. The very name of this sixteenth-century author evokes visions of a master of guile, deceit, and opportunism in interpersonal relations. Machiavelli earned his place in history by writing *The Prince*, a nobleman’s guide to the acquisition and use of power.74 The subject of Machiavelli’s book is manipulation as the basic means of gaining and keeping control of others. From its pages emerges the personality profile of a Machiavellian—someone who views and manipulates others purely for personal gain.

Psychologists have developed a series of instruments called Mach scales to measure a person’s Machiavellian orientation.75 A high-Mach personality is

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**Figure 1.8**

*Some ways in which internals differ from externals.*
someone who tends to behave in ways consistent with Machiavelli’s basic principles. Such individuals approach situations logically and thoughtfully and are even capable of lying to achieve personal goals. They are rarely swayed by loyalty, friendships, past promises, or the opinions of others, and they are skilled at influencing others.

Research using the Mach scales provides insight into the way high and low Machs may be expected to behave in various situations. A person with a “cool” and “detached” high-Mach personality can be expected to take control and try to exploit loosely structured environmental situations but will perform in a perfunctory, even detached, manner in highly structured situations. Low Machs tend to accept direction imposed by others in loosely structured situations; they work hard to do well in highly structured ones. For example, we might expect that, where the situation permitted, a high Mach would do or say whatever it took to get his or her way. In contrast, a low Mach would tend to be much more strongly guided by ethical considerations and would be less likely to lie or cheat or to get away with lying or cheating.

**Self-Monitoring** A final personal conceptions trait of special importance to managers is self-monitoring. Self-monitoring reflects a person’s ability to adjust his or her behavior to external, situational (environmental) factors.76

High self-monitoring individuals are sensitive to external cues and tend to behave differently in different situations. Like high Machs, high self-monitors can present a very different appearance from their true self. In contrast, low self-monitors, like their low-Mach counterparts, aren’t able to disguise their behaviors—“what you see is what you get.” There is also evidence that high self-monitors are closely attuned to the behavior of others and conform more readily than do low self-monitors.77 Thus, they appear flexible and may be especially good at responding to the kinds of situational contingencies emphasized throughout this book. For example, high self-monitors should be especially good at changing their leadership behavior to fit subordinates with high or low experience, tasks with high or low structure, and so on.

**EMOTIONAL ADJUSTMENT TRAITS**

The emotional adjustment traits measure how much an individual experiences emotional distress or displays unacceptable acts. Often the person’s health is affected. Although numerous such traits are cited in the literature, a frequently encountered one especially important for OB is the Type A/Type B orientation.

**Type A and Type B Orientation** To get a feel for this orientation, take the following quiz and then read on.78 Circle the number that best characterizes you on each of the following pairs of characteristics.

<table>
<thead>
<tr>
<th>Casual about appointments</th>
<th>1 2 3 4 5 6 7 8</th>
<th>Never late</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not competitive</td>
<td>1 2 3 4 5 6 7 8</td>
<td>Very competitive</td>
</tr>
<tr>
<td>Never feel rushed</td>
<td>1 2 3 4 5 6 7 8</td>
<td>Always feel rushed</td>
</tr>
<tr>
<td>Take one thing at a time</td>
<td>1 2 3 4 5 6 7 8</td>
<td>Try to do many things</td>
</tr>
<tr>
<td>Do things slowly</td>
<td>1 2 3 4 5 6 7 8</td>
<td>Do things fast</td>
</tr>
<tr>
<td>Express my feelings</td>
<td>1 2 3 4 5 6 7 8</td>
<td>Hold in my feelings</td>
</tr>
<tr>
<td>Many outside interests</td>
<td>1 2 3 4 5 6 7 8</td>
<td>Few outside interests</td>
</tr>
</tbody>
</table>
Total your points for the seven items in the quiz. Multiply this total by 3 to arrive at a final score. Use this total to locate your Type A/Type B orientation on the following list.

<table>
<thead>
<tr>
<th>Final Points</th>
<th>A/B Orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 90</td>
<td>B</td>
</tr>
<tr>
<td>90–99</td>
<td>B+</td>
</tr>
<tr>
<td>100–105</td>
<td>A−</td>
</tr>
<tr>
<td>106–119</td>
<td>A</td>
</tr>
<tr>
<td>120 or more</td>
<td>A+</td>
</tr>
</tbody>
</table>

Individuals with a **Type A orientation** are characterized by impatience, desire for achievement, and perfectionism. In contrast, those with **Type B orientations** are characterized as more easygoing and less competitive in relation to daily events.79

Type A people tend to work fast and to be abrupt, uncomfortable, irritable, and aggressive. Such tendencies indicate “obsessive” behavior, a fairly widespread—but not always helpful—trait among managers. Many managers are hard-driving, detail-oriented people who have high performance standards and thrive on routine. But when such work obsessions are carried to the extreme, they may lead to greater concerns for details than for results, resistance to change, overzealous control of subordinates, and various kinds of interpersonal difficulties, which may even include threats and physical violence. In contrast, Type B managers tend to be much more laid back and patient in their dealings with co-workers and subordinates.

**PERSONALITY AND SELF-CONCEPT**

Collectively, the ways in which an individual integrates and organizes the previously discussed categories and the traits they contain are referred to as **personality dynamics**. It is this category that makes personality more than just the sum of the separate traits. A key personality dynamic in your study of OB is the self-concept.

We can describe the **self-concept** as the view individuals have of themselves as physical, social, and spiritual or moral beings.80 It is a way of recognizing oneself as a distinct human being. A person’s self-concept is greatly influenced by his or her culture. For example, Americans tend to disclose much more about themselves than do the English; that is, Americans’ self-concept is more assertive and talkative.81

Two related—and crucial—aspects of the self-concept are self-esteem and self-efficacy. **Self-esteem** is a belief about one’s own worth based on an overall self-evaluation.82 People high in self-esteem see themselves as capable, worthwhile, and acceptable and tend to have few doubts about themselves. The opposite is true of a person low in self-esteem. Some OB research suggests that, whereas high self-esteem generally can boost performance and human resource maintenance, when under pressure, people with high self-esteem may become boastful and act egotistically. They also may be overconfident at times and fail to obtain important information.83

**Self-efficacy**, sometimes called the “effectance motive,” is a more specific version of self-esteem; it is an individual’s belief about the likelihood of successfully completing a specific task. You could be high in self-esteem, yet have a feeling of low self-efficacy about performing a certain task, such as public speaking.
Values and Attitudes

Joining demographic and personality characteristics as important individual difference characteristics are values and attitudes.

VALUES

Values can be defined as broad preferences concerning appropriate courses of action or outcomes. As such, values reflect a person’s sense of right and wrong or what “ought” to be. Equal rights for all and “People should be treated with respect and dignity” are representative of values. Values tend to influence attitudes and behavior. For example, if you value equal rights for all and you go to work for an organization that treats its managers much better than it does its workers, you may form the attitude that the company is an unfair place to work; consequently, you may not produce well or may perhaps leave the company. It’s likely that if the company had had a more equalitarian policy, your attitude and behaviors would have been more positive.

Sources and Types of Values

Parents, friends, teachers, and external reference groups can all influence individual values. Indeed, peoples’ values develop as a product of the learning and experience they encounter in the cultural setting in which they live. As learning and experiences differ from one person to another, value differences result. Such differences are likely to be deep seated and difficult (though not impossible) to change; many have their roots in early childhood and the way a person has been raised.

The noted psychologist Milton Rokeach has developed a well-known set of values classified into two broad categories. Terminal values reflect a person’s preferences concerning the “ends” to be achieved; they are the goals individuals would like to achieve during their lifetime. Rokeach divides values into 18 terminal values and 18 instrumental values, as summarized in Figure 1.9. Instrumental values reflect the “means” for achieving desired ends. They represent how you might go about achieving your important end states, depending on the relative importance you attached to the instrumental values.

Illustrative research shows, not surprisingly, that both terminal and instrumental values differ by group (for example, executives, activist workers, and union members). These preference differences can encourage conflict or agreement when different groups have to deal with each other.

Another frequently used classification of human values has been developed by psychologist Gordon Allport and his associates. These values fall into six major types.

- Theoretical—Interest in the discovery of truth through reasoning and systematic thinking.
- Economic—Interest in usefulness and practicality, including the accumulation of wealth.
- Aesthetic—Interest in beauty, form, and artistic harmony.
- Social—Interest in people and love as a human relationship.
• **Political**—Interest in gaining power and influencing other people.

• **Religious**—Interest in unity and in understanding the cosmos as a whole.

Once again, groups differ in the way they rank order the importance of these values, as shown in the following.89

• **Ministers**—Religious, social, aesthetic, political, theoretical, economic.

• **Purchasing Executive**—Economic, theoretical, political, religious, aesthetic, social.

• **Industrial Scientists**—Theoretical, political, economic, aesthetic, religious, social.

The previous value classifications have had a major impact on the values literature, but they were not specifically designed for people in a work setting. A more recent values schema, developed by Maglino and associates, is aimed at people in the workplace:90

• **Achievement**—Getting things done and working hard to accomplish difficult things in life.

• **Helping and Concern for Others**—Being concerned with other people and helping others.

• **Honesty**—Telling the truth and doing what you feel is right.

• **Fairness**—Being impartial and doing what is fair for all concerned.

These four values have been shown to be especially important in the workplace; thus, the framework should be particularly relevant for studying values in OB.

In particular, values can be influential through **value congruence**, which occurs when individuals express positive feelings upon encountering others who exhibit values similar to their own. When values differ, or are incongruent, conflicts over such things as goals and the means to achieve them may result. The
Maglino et al. value schema was used to examine value congruence between leaders and followers. The researchers found greater follower satisfaction with the leader when there was such congruence in terms of achievement, helping, honesty, and fairness values.91

Patterns and Trends in Values We should also be aware of applied research on values trends over time. Daniel Yankelovich, for example, is known for his informative public opinion polls.92 Among North American workers, Yankelovich notes a movement away from valuing economic incentives, organizational loyalty, and work-related identity and toward valuing meaningful work, pursuit of leisure, and personal identity and self-fulfillment. Yankelovich believes that the modern manager must be able to recognize value differences and trends among people at work. For example, he reports finding higher productivity among younger workers who are employed in jobs that match their values and/or who are supervised by managers who share their values, reinforcing the concept of value congruence.

In a nationwide sample, managers and human-resource professionals were asked to identify the work-related values they believed to be most important to individuals in the workforce, both now and in the near future.93 The nine most popular values named were: recognition for competence and accomplishments; respect and dignity; personal choice and freedom; involvement at work; pride in one’s work; lifestyle quality; financial security; self-development; and health and wellness. These values are especially important for managers because they indicate some key concerns of the new workforce. Even though each individual worker places his or her own importance on these values, and even though the United States today has by far the most diverse workforce in its history, this overall characterization is a good place for managers to start when dealing with workers in the new workplace. It is important to note, however, that, although values are individual preferences, many tend to be shared within cultures and organizations.

ATTITUDES

Attitudes are influenced by values and are acquired from the same sources as values: friends, teachers, parents, and role models. Attitudes focus on specific people or objects, whereas values have a more general focus and are more stable than attitudes. “Employees should be allowed to participate” is a value; your positive or negative feeling about your job because of the participation it allows is an attitude. Formally defined, an attitude is a predisposition to respond in a positive or negative way to someone or something in one’s environment. For example, when you say that you “like” or “dislike” someone or something, you are expressing an attitude. It’s important to remember that an attitude, like a value, is a hypothetical construct; that is, one never sees, touches, or actually isolates an attitude. Rather, attitudes are inferred from the things people say, informally or in formal opinion polls or through their behavior.

Figure 1.10 shows attitudes as accompanied by antecedents and results. The beliefs and values antecedents in the figure form the cognitive component of an attitude: the beliefs, opinions, knowledge, or information a person possesses. Beliefs represent ideas about someone or something and the conclusions people draw about them; they convey a sense of “what is” to an individual. “My job lacks responsibility” is a belief shown in the figure. Note that the beliefs may

- **Attitude** is a predisposition to respond in a positive or negative way to someone or something in one’s environment.

- The **cognitive component** of an attitude reflects the beliefs, opinions, knowledge, or information a person possesses.

- **Beliefs** represent ideas about someone or something and the conclusions people draw about them.
Responsibility is important is a corresponding aspect of the cognitive component, which reflects an underlying value.

The affective component of an attitude is a specific feeling regarding the personal impact of the antecedents. This is the actual attitude itself, such as “I don’t like my job.” The behavioral component is an intention to behave in a certain way based on your specific feelings or attitudes. This intended behavior is a result of an attitude and is a predisposition to act in a specific way, such as “I’m going to quit my job.”

Attitudes and Behavior  You should recognize that the link between attitudes and behavior is tentative. An attitude results in intended behavior; this intention may or may not be carried out in a given circumstance.

In general, the more specific attitudes and behaviors are, the stronger the relationship. For example, say you are a French-Canadian webmaster and you are asked about your satisfaction with your supervisor’s treatment of French-Canadian webmasters. You also indicate the strength of your intent to look for another webmaster job in a similar kind of organization within the next six months. Here, both the attitude and the behavior are specifically stated (they refer to French-Canadian webmasters, and they identify a given kind of organization over a specific time period). Thus, we would expect to find a relatively strong relationship between these attitudes and how aggressively you actually start looking for another webmaster job.

It is also important that a good deal of freedom be available to carry out the intent. In the example just given, the freedom to follow through would be sharply restricted if the demand for webmasters dropped substantially.

Finally, the attitude and behavior linkage tends to be stronger when the person in question has had experience with the stated attitude. For example, assuming you are a business administration or management major, the relationship between your course attitude and/or your intent to drop the course and your later behavior of actually doing so would probably be stronger in your present OB course than in the first week of your enrollment in an advanced course in nuclear fission.95

Even though attitudes do not always predict behavior, the link between attitudes and potential or intended behavior is important for managers to under-

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**Table 1.10**

A work-related example of the three components of attitudes.

<table>
<thead>
<tr>
<th>ANTECEDENTS</th>
<th>ATTITUDE</th>
<th>RESULT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beliefs and values</td>
<td>create feelings that influence intended behavior</td>
<td>“My job lacks responsibility.”</td>
</tr>
</tbody>
</table>

---

- The affective component of an attitude is a specific feeling regarding the personal impact of the antecedents.
- The behavioral component is an intention to behave in a certain way based on your specific feelings or attitudes.
stand. Think about your work experiences or conversations with other people about their work. It is not uncommon to hear concerns expressed about someone’s “bad attitude.” These concerns typically reflect displeasure with the behavioral consequences with which the poor attitude is associated. Unfavorable attitudes in the form of low job satisfaction can result in costly labor turnover, absenteeism, tardiness, and even impaired physical or mental health. One of the manager’s responsibilities, therefore, is to recognize attitudes and to understand both their antecedents and their potential implications.

Attitudes and Cognitive Consistency  Leon Festinger, a noted social psychologist, uses the term cognitive dissonance to describe a state of inconsistency between an individual’s attitudes and his or her behavior.96 Let’s assume that you have the attitude that recycling is good for the economy but you don’t recycle. Festinger predicts that such an inconsistency results in discomfort and a desire to reduce or eliminate it by (1) changing the underlying attitude, (2) changing future behavior, or (3) developing new ways of explaining or rationalizing the inconsistency.

Two factors that influence which of the above choices tend to be made are the degree of control a person thinks he or she has over the situation and the magnitude of the rewards involved. In terms of control, if your boss won’t let you recycle office trash, you would be less likely to change your attitude than if you voluntarily chose not to recycle. You might instead choose the rationalization option. In terms of rewards, if they are high enough, rewards tend to reduce your feeling of inconsistency: If I’m rewarded even though I don’t recycle, the lack of recycling must not be so bad after all.

Managing Diversity and Individual Differences

Dealing with diversity and individual differences has to be included among the most important issues challenging all managers in the quest for high performance and organizational competitiveness. This is true not only in the United States but also in Canada, European Union countries, and several countries in Asia.97 Only the details differ.

So how do managers deal with all this? To convey the flavor of what some of the more progressive employers have done in managing diversity, let’s now consider Boston-based Harvard Pilgrim Health Care (HPHC). Barbara Stern is the vice president of diversity.98 She argues that what has traditionally been a “soft” issue is now becoming a business necessity in terms of better serving customers, understanding markets, and obtaining full benefit from staff talents. Each year, HPHC attempts to increase its diversity in terms of the proportion of women and racial minorities by 0.5 percent, which allows for continuous improvement. Such improvement raised the proportion of minority new hires from 14 to 28 percent over four years, and the total minority employees went from 16 to 21 percent over the same period.
The Perceptual Process

A spectacular completed pass during the 1982 National Football Conference championship game helped propel Joe Montana, former San Francisco 49er quarterback, into the legendary status he enjoys today. The reverse effect apparently occurred for Danny White, Dallas Cowboys’ quarterback. He fumbled in the final minute of the same game and never obtained the status of his predecessor, Roger Stauback, even though White took the Cowboys to the championship game three years in a row.99

This example illustrates the notion of perception, the process by which people select, organize, interpret, retrieve, and respond to information from the world around them.100 This information is gathered from the five senses of sight, hearing, touch, taste, and smell. As Montana, White, and Stauback can attest, perception and reality are not necessarily the same thing. The perceptions or responses of any two people are also not necessarily identical, even when they are describing the same event.

Through perception, people process information inputs into responses involving feelings and action. Perception is a way of forming impressions about oneself, other people, and daily life experiences. It also serves as a screen or filter through which information passes before it has an effect on people. The quality or accuracy of a person’s perceptions, therefore, has a major impact on his or her responses to a given situation.

Perceptual responses are also likely to vary between managers and subordinates. Consider Figure 1.11, which depicts contrasting perceptions of a performance appraisal interview.

![Figure 1.11](image-url)

**Figure 1.11**
Contrasting perceptions between managers and their subordinates: The case of the performance appraisal interview.

### Points Regarding The Subordinate’s:

<table>
<thead>
<tr>
<th>Past performance</th>
<th>Career development</th>
<th>Performance development</th>
<th>Need for supervisor’s help</th>
<th>Future performance goals</th>
<th>Salary</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>No Mention</th>
<th>Some Mention</th>
<th>High Mention</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3</td>
<td>5</td>
</tr>
</tbody>
</table>

When asked how much these points were discussed during performance appraisals, the managers in this study and their subordinates responded as follows.
Performance appraisal between managers and subordinates. Rather substantial differences exist in the two sets of perceptions; the responses can be significant. In this case, managers who perceive that they already give adequate attention to past performance, career development, and supervisory help are unlikely to give greater emphasis to these points in future performance appraisal interviews. In contrast, their subordinates are likely to experience continued frustration because they perceive that these subjects are not being given sufficient attention.

### FACTORS INFLUENCING THE PERCEPTUAL PROCESS

The factors that contribute to perceptual differences and the perceptual process among people at work are summarized in Figure 1.12 and include characteristics of the *perceiver*, the *setting*, and the *perceived*.

**The Perceiver**  A person’s past experiences, needs or motives, personality, and values and attitudes may all influence the perceptual process. A person with a strong achievement need tends to perceive a situation in terms of that need. If you see doing well in class as a way to help meet your achievement need, for example, you will tend to emphasize that aspect when considering various classes. By the same token, a person with a negative attitude toward unions may look for antagonisms even when local union officials make routine visits to the organization. These and other perceiver factors influence the various aspects of the perceptual process.

**The Setting**  The physical, social, and organizational context of the perceptual setting also can influence the perceptual process. Kim Jeffrey, the recently appointed CEO of Nestle’s Perrier, was perceived by his subordinates as a frightening figure when he gave vent to his temper and had occasional confrontations with them. In the previous setting, before he was promoted, Jeffrey’s flare-ups

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**Figure 1.12**
Factors influencing the perceptual process.
had been tolerable; now they caused intimidation, so his subordinates feared to express their opinions and recommendations. Fortunately, after he received feedback about this problem, he was able to change his subordinates’ perceptions in the new setting.\(^{101}\)

**The Perceived** Characteristics of the perceived person, object, or event, such as contrast, intensity, figure–ground separation, size, motion, and repetition or novelty, are also important in the perceptual process. For example, one mainframe computer among six PCs or one man among six women will be perceived differently than one of six mainframe computers or one of six men—where there is less contrast. Intensity can vary in terms of brightness, color, depth, sound, and the like. A bright red sports car stands out from a group of gray sedans; whispering or shouting stands out from ordinary conversation. The concept is known as figure–ground separation, and it depends on which image is perceived as the background and which as the figure. For an illustration, look at Figure 1.13. What do you see? Faces or a vase?

In the matter of size, very small or very large people tend to be perceived differently and more readily than average-sized people. Similarly, in terms of motion, moving objects are perceived differently from stationary objects. And, of course, advertisers hope that ad repetition or frequency will positively influence peoples’ perception of a product. Television advertising blitzes for new models of personal computers are a case in point. Finally, the novelty of a situation affects its perception. A purple-haired teenager is perceived differently from a blond or a brunette, for example.

### STAGES OF THE PERCEPTUAL PROCESS

So far we have discussed key factors influencing the perceptual process. Now we’ll look at the stages involved in processing the information that ultimately determines a person’s perception and reaction, as shown in Figure 1.14. The infor-
Attention and Selection  Our senses are constantly bombarded with so much information that if we don't screen it, we quickly become incapacitated with information overload. *Selective screening* lets in only a tiny proportion of all of the information available. Some of the selectivity comes from controlled processing—consciously deciding what information to pay attention to and what to ignore. In this case, the perceivers are aware that they are processing information. Think about the last time you were at a noisy restaurant and screened out all the sounds but those of the person with whom you were talking.

In contrast to controlled processing, screening can also take place without the perceiver's conscious awareness. For example, you may drive a car without consciously thinking about the process of driving; you may be thinking about a problem you are having with your course work instead. In driving the car, you are affected by information from the world around you, such as traffic lights and other cars, but you don't pay conscious attention to that information. Such selectivity of attention and automatic information processing works well most of the time when you drive, but if a nonroutine event occurs, such as an animal darting into the road, you may have an accident unless you quickly shift to controlled processing.

Organization  Even though selective screening takes place in the attention stage, it is still necessary to find ways to organize the information efficiently. Schemas help us do this. Schemas are cognitive frameworks that represent organized knowledge about a given concept or stimulus developed through experience. A self schema contains information about a person's own appearance, behavior, and personality. For instance, a person with a decisiveness schema tends to perceive himself or herself in terms of that aspect, especially in circumstances calling for leadership.

*Person schemas* refer to the way individuals sort others into categories, such as types or groups, in terms of similar perceived features. The term *prototype*, or *stereotype*, is often used to represent these categories; it is an abstract set of features commonly associated with members of that category. Once the prototype is formed, it is stored in long-term memory; it is retrieved when it is needed for a comparison of how well a person matches the prototype's features. For instance, you may have a “good worker” prototype in mind, which includes hard work, intelligence, punctuality, articulateness, and decisiveness; that prototype is used as a measure against which to compare a given worker. Stereotypes may be regarded as prototypes based on such demographic characteristics as gender, age, able-bodiedness, and racial and ethnic groups.

A *script schema* is defined as a knowledge framework that describes the appropriate sequence of events in a given situation. For example, an experienced manager would use a script schema to think about the appropriate steps involved in running a meeting. Finally, *person-in-situation schemas* combine schemas built around persons (self and person schemas) and events (script schemas). Thus, a manager might organize his or her perceived information in a meeting around a decisiveness schema for both himself or herself and a key participant in the meeting. Here, a script schema would provide the steps and their sequence in the meeting; the manager would push through the steps deci-
sively and would call on the selected participants periodically throughout the meeting to respond decisively. Note that, although this approach might facilitate organization of important information, the perceptions of those attending might not be completely accurate because decisiveness of the person-in-situation schema did not allow the attendees enough time for open discussion.

As you can see in Figure 1.14, schemas are not important just in the organizing stage; they also affect other stages in the perception process. Furthermore, schemas rely heavily on automatic processing to free people up to use controlled processing as necessary. Finally, as we will show, the perceptual factors described earlier, as well as the distortions, to be discussed shortly, influence schemas in various ways.

**Interpretation** Once your attention has been drawn to certain stimuli and you have grouped or organized this information, the next step is to uncover the reasons behind the actions. That is, even if your attention is called to the same information and you organize it in the same way your friend does, you may interpret it differently or make different attributions about the reasons behind what you have perceived. For example, as a manager, you might attribute compliments from a friendly subordinate to his being an eager worker, whereas your friend might interpret the behavior as insincere flattery.

**Retrieval** So far, we have discussed the stages of the perceptual process as if they all occurred at the same time. However, to do so ignores the important component of memory. Each of the previous stages forms part of that memory and contributes to the stimuli or information stored there. The information stored in our memory must be retrieved if it is to be used. This leads us to the retrieval stage of the perceptual process summarized in Figure 1.14.

All of us at times can’t retrieve information stored in our memory. More commonly, our memory decays, so that only some of the information is retrieved. Schemas play an important role in this area. They make it difficult for people to remember things not included in them. For example, based on your prototype about the traits comprising a “high performing employee” (hard work, punctuality, intelligence, articulateness, and decisiveness), you may overestimate these traits and underestimate others when you are evaluating the performance of a subordinate whom you generally consider good. Thus, you may overestimate the person’s decisiveness since it is a key part of your high performance prototype.

Indeed, people are as likely to recall nonexistent traits as they are to recall those that are really there. Furthermore, once formed, prototypes may be difficult to change and tend to last a long time. Obviously, this distortion can cause major problems in terms of performance appraisals and promotions, not to mention numerous other interactions on and off the job. By the same token, such prototypes allow you to “chunk” information and reduce overload. Thus, prototypes are a double-edged sword.

### RESPONSE TO THE PERCEPTUAL PROCESS

Throughout this chapter, we have shown how the perceptual process influences numerous OB responses. Figure 1.14 classifies such responses into thoughts and feelings and actions. For example, in countries such as Mexico, bosses routinely
greet their secretaries with a kiss, and that is expected behavior. In contrast, in this country your thoughts and feelings might be quite different about such behavior. You might very well perceive this as a form of sexual harassment. As you cover the other OB topics in the book, you also should be alert to the importance of perceptual responses covering thoughts, feelings, and actions.

Common Perceptual Distortions

Figure 1.15 shows some common kinds of distortions that can make the perceptual process inaccurate and affect the response. These are stereotypes and prototypes, halo effects, selective perception, projection, contrast effects, and self-fulfilling prophecy.

STEREOTYPES OR PROTOTYPES

Earlier, when discussing person schemas, we described stereotypes, or prototypes, as useful ways of combining information in order to deal with information overload. At the same time, we pointed out how stereotypes can cause inaccuracies in retrieving information, along with some further problems. In particular, stereotypes obscure individual differences; that is, they can prevent managers from getting to know people as individuals and from accurately assessing their needs, preferences, and abilities. We compared these stereotypes with research results and showed the errors that can occur when stereotypes are relied on for decision making. Nevertheless, stereotypes continue to exist at the board of directors level in organizations. A recent survey from 133 Fortune 500 firms showed that female directors were favored for membership on only the relatively peripheral public affairs committee in these organizations. Males were favored for membership on the more important compensation, executive, and finance committee, even when the females were equally or more experienced than their male counterparts.106

Here, we reiterate our previous message: Both managers and employees need to be sensitive to stereotypes; they also must attempt to overcome them and recognize that an increasingly diverse workforce can be a truly competitive advantage.

Figure 1.15
Distortions occurring in perceptual process stages.
**HALO EFFECTS**

A **halo effect** occurs when one attribute of a person or situation is used to develop an overall impression of the individual or situation. Like stereotypes, these distortions are more likely to occur in the organization stage of perception. Halo effects are common in our everyday lives. When meeting a new person, for example, a pleasant smile can lead to a positive first impression of an overall “warm” and “honest” person. The result of a halo effect is the same as that associated with a stereotype, however: Individual differences are obscured.

Halo effects are particularly important in the performance appraisal process because they can influence a manager’s evaluations of subordinates’ work performance. For example, people with good attendance records tend to be viewed as intelligent and responsible; those with poor attendance records are considered poor performers. Such conclusions may or may not be valid. It is the manager’s job to try to get true impressions rather than allowing halo effects to result in biased and erroneous evaluations.

**SELECTIVE PERCEPTION**

**Selective perception** is the tendency to single out those aspects of a situation, person, or object that are consistent with one's needs, values, or attitudes. Its strongest impact occurs in the attention stage of the perceptual process. This perceptual distortion is identified in a classic research study involving executives in a manufacturing company. When asked to identify the key problem in a comprehensive business policy case, each executive selected problems consistent with his or her functional area work assignments. For example, most marketing executives viewed the key problem area as sales, whereas production people tended to see the problem as one of production and organization. These differing viewpoints would affect how the executive would approach the problem; they might also create difficulties once these people tried to work together to improve things.

More recently, 121 middle- and upper-level managers attending an executive development program expressed broader views in conjunction with an emphasis on their own function. For example, a chief financial officer indicated an awareness of the importance of manufacturing, and an assistant marketing manager recognized the importance of accounting and finance along with their own functions. Thus, this more current research demonstrated very little perceptual selectivity. The researchers were not, however, able to state definitively what accounted for the differing results.

These results suggest that selective perception is more important at some times than at others. Managers should be aware of this characteristic and test whether or not situations, events, or individuals are being selectively perceived. The easiest way to do this is to gather additional opinions from other people. When these opinions contradict a manager’s own, an effort should be made to check the original impression.

**PROJECTION**

**Projection** is the assignment of one’s personal attributes to other individuals; it is especially likely to occur in the interpretation stage of perception. A classic projection error is illustrated by managers who assume that the needs of their
subordinates and their own coincide. Suppose, for example, that you enjoy responsibility and achievement in your work. Suppose, too, that you are the newly appointed manager of a group whose jobs seem dull and routine. You may move quickly to expand these jobs to help the workers achieve increased satisfaction from more challenging tasks because you want them to experience things that you, personally, value in work. But this may not be a good decision. If you project your needs onto the subordinates, individual differences are lost. Instead of designing the subordinates’ jobs to fit their needs best, you have designed their jobs to fit your needs. The problem is that the subordinates may be quite satisfied and productive doing jobs that seem dull and routine to you. Projection can be controlled through a high degree of self-awareness and empathy—the ability to view a situation as others see it. In contrast with the usual negative effects of projection just described, there sometimes can be a positive ethical impact.

CONTRAST EFFECTS

Earlier, when discussing the perceived, we mentioned how a red sports car would stand out from others because of its contrast. Here, we show the perceptual distortion that can occur when, say, a person gives a talk following a strong speaker or is interviewed for a job following a series of mediocre applicants. We can expect a contrast effect to occur when an individual’s characteristics are contrasted with those of others recently encountered who rank higher or lower on the same characteristics. Clearly, both managers and employees need to be aware of the possible perceptual distortion the contrast effect may create in many work settings.

SELF-FULFILLING PROPHECY

A final perceptual distortion that we consider is the self-fulfilling prophecy—the tendency to create or find in another situation or individual that which you expected to find in the first place. Self-fulfilling prophecy is sometimes referred to as the “Pygmalion effect,” named for a mythical Greek sculptor who created a statue of his ideal mate and then made her come to life.109 His prophecy came true! Through self-fulfilling prophecy, you also may create in the work situation that which you expect to find.

Self-fulfilling prophecy can have both positive and negative results for you as a manager. Suppose you assume that your subordinates prefer to satisfy most of their needs outside the work setting and want only minimal involvement with their jobs. Consequently, you are likely to provide simple, highly structured jobs designed to require little involvement. Can you predict what response the subordinates would have to this situation? Their most likely response would be to show the lack of commitment you assumed they would have in the first place. Thus, your initial expectations are confirmed as a self-fulfilling prophecy.

Self-fulfilling prophecy can have a positive side, however (see The Effective Manager 1.4). Students introduced to their teachers as “intellectual bloomers”
do better on achievement tests than do their counterparts who lack such a positive introduction. A particularly interesting example of the self-fulfilling prophecy is that of Israeli tank crews. One set of tank commanders was told that according to test data some members of their assigned crews had exceptional abilities but others were only average. In reality, the crew members were assigned randomly, so that the two test groups were equal in ability. Later, the commanders reported that the so-called exceptional crew members performed better than the “average” members. As the study revealed, however, the commanders had paid more attention to and praised the crew members for whom they had the higher expectancies. The self-fulfilling effects in these cases argue strongly for managers to adopt positive and optimistic approaches to people at work.

Managing the Perceptual Process

To be successful, managers must understand the perceptual process, the stages involved, and the impact the perceptual process can have on their own and others’ responses. They must also be aware of what roles the perceiver, the setting, and the perceived have in the perceptual process. Particularly important with regard to the perceived is the concept of impression management—for both managers and others.

■ IMPRESSION MANAGEMENT

Impression management is a person’s systematic attempt to behave in ways that will create and maintain desired impressions in the eyes of others. First impressions are especially important and influence how people respond to one another. Impression management is influenced by such activities as associating with the “right people,” doing favors to gain approval, flattering others to make oneself look better, taking credit for a favorable event, apologizing for a negative event while seeking a pardon, agreeing with the opinions of others, downplaying the severity of a negative event, and doing favors for others. Successful managers learn how to use these activities to enhance their own images, and they are sensitive to their use by their subordinates and others in their organizations. In this context job titles are particularly important.

■ DISTORTION MANAGEMENT

During the attention and selection stage, managers should be alert to balancing automatic and controlled information processing. Most of their responsibilities, such as performance assessment and clear communication, will involve controlled processing, which will take away from other job responsibilities. Along with more controlled processing, managers need to be concerned about increasing the frequency of observations and about getting representative information rather than simply responding to the most recent information about a subordinate or a production order, for instance. Some organizations, including large farms, have responded to the need for representative and more accurate information by utilizing current technology. In addition, managers should not fail to seek out disconfirming information that will help provide a balance to their typical perception of information.
The various kinds of schemas and prototypes and stereotypes are particularly important at the information organizing stage. Managers should strive to broaden their schemas or should even replace them with more accurate or complete ones.

At the interpretation stage, managers need to be especially attuned to the impact of attribution on information; we discuss this concept further in the section on managing the attributional process. At the retrieval stage, managers should be sensitive to the fallibility of memory. They should recognize the tendency to overrely on schemas, especially prototypes or stereotypes that may bias information stored and retrieved.

Throughout the entire perception process managers should be sensitive to the information distortions caused by halo effects, selective perception, projection, contrast effects, and self-fulfilling prophecy, in addition to the distortions of stereotypes and prototypes.

## Attribution Theory

Earlier in the chapter we mentioned attribution theory in the context of perceptual interpretation. Attribution theory aids in this interpretation by focusing on how people attempt to (1) understand the causes of a certain event, (2) assess responsibility for the outcomes of the event, and (3) evaluate the personal qualities of the people involved in the event.\(^{112}\) In applying attribution theory, we are especially concerned with whether one’s behavior has been internally or externally caused. Internal causes are believed to be under an individual’s control—you believe Jake’s performance is poor because he is lazy. External causes are seen as outside a person—you believe Kellie’s performance is poor because her machine is old.

According to attribution theory, three factors influence this internal or external determination: distinctiveness, consensus, and consistency. Distinctiveness considers how consistent a person’s behavior is across different situations. If Jake’s performance is low, regardless of the machine on which he is working, we tend to give the poor performance an internal attribution; if the poor performance is unusual, we tend to assign an external cause to explain it.

Consensus takes into account how likely all those facing a similar situation are to respond in the same way. If all the people using machinery like Kellie’s have poor performance, we tend to give her performance an external attribution. If other employees do not perform poorly, we attribute internal causation to her performance.

Consistency concerns whether an individual responds the same way across time. If Jake has a batch of low-performance figures, we tend to give the
poor performance an internal attribution. In contrast, if Jake’s low performance is an isolated incident, we attribute it to an external cause.

**ATTRIBUTION ERRORS**

In addition to these three influences, two errors have an impact on internal versus external determination—the *fundamental attribution error* and the *self-serving bias*.\(^{113}\) Figure 1.16 provides data from a group of health-care managers.\(^{114}\) When supervisors were asked to identify, or attribute, causes of poor performance among their subordinates, the supervisors more often chose the individual’s internal deficiencies—lack of ability and effort—rather than external deficiencies in the situation—lack of support. This demonstrates a *fundamental attribution error*—the tendency to underestimate the influence of situational factors and to overestimate the influence of personal factors in evaluating someone else’s behavior. When asked to identify causes of their own poor performance, however, the supervisors overwhelmingly cited lack of support—an external, or situational, deficiency. This indicates a *self-serving bias*—the tendency to deny personal responsibility for performance problems but to accept personal responsibility for performance success.

To summarize, we tend to overemphasize other people’s internal personal factors in their behavior and to underemphasize external factors in other people’s behavior. In contrast, we tend to attribute our own success to our own internal factors and to attribute our failure to external factors.

The managerial implications of attribution theory can be traced back to the fact that perceptions influence responses. For example, a manager who feels that subordinates are not performing well and perceives the reason to be an internal lack of effort is likely to respond with attempts to “motivate” the subordinates to work harder; the possibility of changing external, situational factors that may remove job constraints and provide better organizational support may be largely ignored. This oversight could sacrifice major performance gains. Interestingly, because of the self-serving bias, when they evaluated their own behavior, the supervisors in the earlier study indicated that their performance would benefit from having better support. Thus, the supervisors’ own abilities or willingness to work hard were not felt to be at issue.

**ATTRIBUTIONS ACROSS CULTURES**

Research on the self-serving bias and fundamental attribution error has been done in cultures outside the United States with unexpected results.\(^{115}\) In Korea, for example, the self-serving bias was found to be negative; that is, Korean managers

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**Fundamental attribution error** is the tendency to underestimate the influence of situational factors and to overestimate the influence of personal factors in evaluating someone else’s behavior.

**Self-serving bias** is the tendency to deny personal responsibility for performance problems but to accept personal responsibility for performance success.

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**Figure 1.16**

Health-care managers’ attributions of causes for poor performance.
attribute work group failure to themselves—“I was not a capable leader”—rather than to external causes. In India, the fundamental attribution error overemphasizes external rather than internal causes for failure. Africans attribute negative consequences—driving away fish and angering mermaids into creating squalls—to women but apparently not to men. Why these various differences occurred is not clear, but differing cultural values appear to play a role. Finally, there is some evidence that U.S. females may be less likely to emphasize the self-serving bias than males.\textsuperscript{116}

Certain cultures, such as the United States, tend to overemphasize internal causes and underemphasize external causes. Such overemphasis may result in negative attributions toward employees. These negative attributions, in turn, can lead to disciplinary actions, negative performance evaluations, transfers to other departments, and overreliance on training, rather than focusing on such external causes as lack of workplace support.\textsuperscript{117} Employees, too, take their cues from managerial misattributions and, through negative self-fulfilling prophecies, may reinforce managers’ original misattributions. Employees and managers alike (see The Effective Manager 1.5) can be taught attributional realignment to help deal with such misattributions.\textsuperscript{118}

The Concept of Organizational Culture

**Organizational or corporate culture** is the system of shared actions, values, and beliefs that develops within an organization and guides the behavior of its members.\textsuperscript{119} In the business setting, this system is often referred to as the corporate culture. Just as no two individual personalities are the same, no two organizational cultures are identical. Most significantly, management scholars and consultants increasingly believe that cultural differences can have a major impact on the performance of organizations and the quality of work life experienced by their members.

**FUNCTIONS AND COMPONENTS OF ORGANIZATIONAL CULTURE**

Through their collective experience, members of an organization solve two extremely important survival issues.\textsuperscript{120} The first is the question of external adaptation: What precisely needs to be accomplished, and how can it be done? The second is the question of internal integration: How do members resolve the daily problems associated with living and working together?

**External Adaptation**  **External adaptation** involves reaching goals and dealing with outsiders. The issues concerned are tasks to be accomplished, methods used to achieve the goals, and methods of coping with success and failure.

**THE EFFECTIVE MANAGER 1.5**

**KEYS IN MANAGING PERCEPTIONS AND ATTRIBUTIONS**

- Be self-aware.
- Seek a wide range of differing information.
- Try to see a situation as others would.
- Be aware of different kinds of schemas.
- Be aware of perceptual distortions.
- Be aware of self and other impression management.
- Be aware of attribution theory implications.
Through their shared experiences, members may develop common views that help guide their day-to-day activities. Organizational members need to know the real mission of the organization, not just the pronouncements to key constituencies, such as stockholders. Members will naturally develop an understanding of how they contribute to the mission via interaction. This view may emphasize the importance of human resources, the role of employees as cogs in a machine, or a cost to be reduced.

Closely related to the organization’s mission and view of its contribution are the questions of responsibility, goals, and methods. For instance, at 3M, employees believe that it is their responsibility to innovate and contribute creatively. They see these responsibilities reflected in achieving the goal of developing new and improved products and processes.

Each collection of individuals in an organization also tends to (1) separate more important from less important external forces; (2) develop ways to measure their accomplishments; and (3) create explanations for why goals are not always met. Daimler-Chrysler’s managers, for example, have moved away from judging their progress against specific targets to estimating the degree to which they are moving a development process forward. Instead of blaming a poor economy or upper level managers for the firm’s failure to reach a goal, Daimler-Chrysler managers have set hard goals that are difficult to reach and have redoubled their efforts to improve participation and commitment.121

The final issues in external adaptation deal with two important, but often neglected, aspects of coping with external reality. First, individuals need to develop acceptable ways of telling outsiders just how good they really are. At 3M, for example, employees talk about the quality of their products and the many new, useful products they have brought to the market. Second, individuals must collectively know when to admit defeat. At 3M, the answer is easy for new projects: At the beginning of the development process, members establish “drop” points at which to quit the development effort and redirect it.122

In sum, external adaptation involves answering important instrumental or goal-related questions concerning coping with reality: What is the real mission? How do we contribute? What are our goals? How do we reach our goals? What external forces are important? How do we measure results? What do we do if specific targets are not met? How do we tell others how good we are? When do we quit?

**Internal Integration** The corporate culture also provides answers to the problems of internal integration. *Internal integration* deals with the creation of a collective identity and with finding ways of matching methods of working and living together.

The process of internal integration often begins with the establishment of a unique identity; that is, each collection of individuals and each subculture within the organization develops some type of unique definition of itself. Through dialogue and interaction, members begin to characterize their world. They may see it as malleable or fixed, filled with opportunity or threatening. Real progress toward innovation can begin when group members collectively believe that they can change important parts of the world around them and that what appears to be a threat is actually an opportunity for change.123

Three important aspects of working together are (1) deciding who is a member and who is not; (2) developing an informal understanding of acceptable and
unacceptable behavior; and (3) separating friends from enemies. Effective total quality management holds that subgroups in the organization need to view their immediate supervisors as members of the group who are expected to represent them to friendly higher managers.

To work together effectively, individuals need to decide collectively how to allocate power, status, and authority. They need to establish a shared understanding of who will get rewards and sanctions for specific types of actions. Too often, managers fail to recognize these important aspects of internal integration. For example, a manager may fail to explain the basis for a promotion and to show why this reward, the status associated with it, and the power given to the newly promoted individual are consistent with commonly shared beliefs.

Collections of individuals need to work out acceptable ways to communicate and to develop guidelines for friendships. Although these aspects of internal integration may appear esoteric, they are vital. To function effectively as a team, individuals must recognize that some members will be closer than others; friendships are inevitable. However, the basis for friendships can be inappropriately restricted. At the U.S. Department of Interior, for example, recent budget cuts may have had a beneficial effect. At one time, the political appointees could be found eating together in their own executive dining room. Now, all employees eat at the Interior Department lunchroom, and even the political appointees are making new friends with the career civil servants.

In sum, internal integration involves answers to important questions associated with living together. What is our unique identity? How do we view the world? Who is a member? How do we allocate power, status, and authority? How do we communicate? What is the basis for friendship? Answering these questions is important to organizational members because the organization is more than a place to work; it is a place where individuals spend much of their adult life.124

■ DOMINANT CULTURE, SUBCULTURES, AND COUNTERCULTURES

Smaller firms often have a single dominant culture with a unitary set of shared actions, values, and beliefs. Most larger organizations contain several subcultures as well as one or more countercultures.125 **Subcultures** are groups of individuals with a unique pattern of values and philosophy that is not inconsistent with the organization’s dominant values and philosophy.126 Interestingly, strong subcultures are often found in high performance task forces, teams, and special project groups in organizations. The culture emerges to bind individuals working intensely together to accomplish a specific task. For example, there are strong subcultures of stress engineers and liaison engineers in the Boeing Renton plant. These highly specialized groups must solve knotty technical issues to ensure that Boeing planes are safe. Though distinct, these groups of engineers share in the dominant values of Boeing.

In contrast, **countercultures** have a pattern of values and a philosophy that reject the surrounding culture.127 When Stephen Jobs reentered Apple computer as its interim CEO, he quickly formed a counterculture within Apple. Over the next 18 months, numerous clashes occurred as the followers of the old CEO (Gil Amelio) fought to maintain their place. Jobs won and Apple won. His counterculture became dominant.

Within an organization, mergers and acquisitions may produce countercultures. Employers and managers of an acquired firm may hold values and assump-
tions that are quite inconsistent with those of the acquiring firm. This is known as the “clash of corporate cultures.” When Coca-Cola bought Columbia Pictures, the soft-drink company found out too late that the picture business was quite different from selling beverages. It sold Columbia, with its unique corporate culture, to Sony rather than fight a protracted clash of cultures.

Importing Subcultures Every large organization imports potentially important subcultural groupings when it hires employees from the larger society. In North America, for instance, subcultures and countercultures may naturally form based on ethnic, racial, gender, generational, or locational similarities. In Japanese organizations, subcultures often form based on the date of graduation from a university, gender, or geographic location. In European firms, ethnicity and language play an important part in developing subcultures, as does gender. In many less developed nations, language, education, religion, or family social status are often grounds for forming societally popular subcultures and countercultures.

The difficulty with importing groupings from the larger societies lies in the relevance these subgroups have to the organization as a whole. At the one extreme, senior managers can merely accept these divisions and work within the confines of the larger culture. There are three primary difficulties with this approach. First, subordinated groups, such as members of a specific religion or ethnic group, are likely to form into a counterculture and to work more diligently to change their status than to better the firm. Second, the firm may find it extremely difficult to cope with broader cultural changes. For instance, in the United States the expected treatment of women, ethnic minorities, and the disabled has changed dramatically over the last 20 years. Firms that merely accept old customs and prejudices have experienced a greater loss of key personnel and increased communication difficulties, as well as greater interpersonal conflict, than have their more progressive counterparts. Third, firms that accept and build on natural divisions from the larger culture may find it extremely difficult to develop sound international operations. For example, many Japanese firms have had substantial difficulty adjusting to the equal treatment of women in their U.S. operations.

Valuing Cultural Diversity Managers can work to eradicate all naturally occurring subcultures and countercultures. Firms are groping to develop what Taylor Cox calls the multicultural organization. The multicultural organization is a firm that values diversity but systematically works to block the transfer of societally based subcultures into the fabric of the organization. Because Cox focuses on some problems unique to the United States, his prescription for change may not apply to organizations located in other countries with much more homogeneous populations.

Cox suggests a five-step program for developing the multicultural organization. First, the organization should develop pluralism with the objective of multi-based socialization. To accomplish this objective, members of different naturally occurring groups need to school one another to increase knowledge and information and to eliminate stereotyping. Second, the firm should fully integrate its structure so that there is no direct relationship between a naturally occurring group and any particular job—for instance, there are no distinct male or female jobs. Third, the firm must integrate the informal networks by eliminating barriers and increasing participation. That is, it must break down existing societally based informal groups. Fourth, the organization should break the linkage be-
tween naturally occurring group identity and the identity of the firm. In other words, the firm should not be just for the young, old, men, women, and so on. Fifth, the organization must actively work to eliminate interpersonal conflict based on either the group identity or the natural backlash of the largest societally based grouping.

The key problems associated with fully implementing Cox’s program are separating the firm from the larger culture in which it must operate and eliminating some societally based groupings that are relevant for achieving the firm’s goals. For instance, the U.S. military is barred from fully implementing Cox’s recommendations simply because it is not currently legal to put women into all combat roles. The issue of generational groupings provides another example. Implementing Cox’s recommendations would call for 20 year olds to be represented proportionally in the senior management ranks; most corporations want and need the judgment honed by experience. However, astute senior managers are recognizing that they may be out of touch with younger employees. For example, Robert Hausman, chairman of Coventry Industries of Boca Raton, Florida routinely meets young employees once a month over pizza.132

LEVELS OF CULTURAL ANALYSIS

Three important levels of cultural analysis in organizations are: observable culture, shared values, and common assumptions.133 These levels may be envisioned as layers. The deeper one gets, the more difficult it is to discover the culture.

The first level concerns observable culture, or “the way we do things around here.” These are the methods the group has developed and teaches to new members. The observable culture includes the unique stories, ceremonies, and corporate rituals that make up the history of a successful work group.

The second level of analysis recognizes that shared values can play a critical part in linking people together and can provide a powerful motivational mechanism for members of the culture. Many consultants suggest that organizations should develop a “dominant and coherent set of shared values.”134 The term shared in cultural analysis implies that the group is a whole. Every member may not agree with the shared values, but they have all been exposed to them and have often been told they are important. At Hewlett-Packard, for example, “quality” is part of everyone’s vocabulary. The firm was founded on the belief that everyone could make a creative contribution to developing quality products.

At the deepest level of cultural analysis are common assumptions, or the taken-for-granted truths that collections of corporate members share as a result of their joint experience. It is often extremely difficult to isolate these patterns, but doing so helps explain why culture invades every aspect of organizational life.

OB Across Functions

MARKETING

Marketing at a High Performance Organization: Hewlett-Packard

A corporation with nearly 125,000 employees and with sales approaching $50 billion, Hewlett-Packard (HP) is a leader in many information technology fields. Throughout its international product line advertising there is a constant repetition of an HP core value—quality. For instance, in 1999 HP launched its first advertising campaign on behalf of its European channel partners to support the Connect Programme—a program designed to bring better account management, increased business opportunities, and higher profitability to some of HP’s international marketing partners. To quality, retailers and resellers must meet a number of quality criteria for both their technical and sales staff. Then they become members of the Connect Programme group. The theme of the marketing campaign—“Connect with our family of skilled resellers”—urges European, Middle Eastern, and African IT executives to trust in HP dealers.
Important parts of an organization’s culture emerge from the collective experience of its members. These emergent aspects of the culture help make it unique and may well provide a competitive advantage for the organization. Some of these aspects may be directly observed in day-to-day practices. Others may have to be discovered—for example, by asking members to tell stories of important incidents in the history of the organization. We often learn about the unique aspects of the organizational culture through descriptions of specific events. By observing employee actions, listening to stories, and asking members to interpret what is going on, one can begin to understand the organization’s culture.

**STORIES, RITES, RITUALS, AND SYMBOLS**

Organizations are rich with stories of winners and losers, successes and failures. Perhaps one of the most important stories concerns the founding of the organization. The founding story often contains the lessons learned from the heroic efforts of an embattled entrepreneur, whose vision may still guide the firm. The story of the founding may be so embellished that it becomes a **saga**—a heroic account of accomplishments. Sagas are important because they are used to tell new members the real mission of the organization, how the organization operates, and how individuals can fit into the company. Rarely is the founding story totally accurate, and it often glosses over some of the more negative aspects of the founders. Such is the case with Nike.

If you have job experience, you may well have heard stories concerning the following questions: How will the boss react to a mistake? Can someone move from the bottom to the top of the company? What will get me fired? These are common story topics in many organizations. Often, the stories provide valuable hidden information about who is more equal than others, whether jobs are secure, and how things are really controlled. In essence, the stories begin to suggest how organizational members view the world and live together. Some of the most obvious aspects of organizational culture are rites and rituals. Rites are standardized and recurring activities used at special times to influence the behaviors and understanding of organizational members; rituals are systems of rites. It is common, for example, for Japanese workers and managers to start their workdays together with group exercises and singing of the “company song.” Separately, the exercises and song are rites. Together, they form part of a ritual. In other settings, such as the Mary Kay Cosmetics company, scheduled ceremonies reminiscent of the Miss America pageant (a ritual) are used regularly to spotlight positive work achievements and reinforce high performance expectations with awards, including gold and diamond pins and fur stoles.

Rituals and rites may be unique to particular groups within the organization. Subcultures often arise from the type of technology deployed by the unit, the specific function being performed, and the specific collection of specialists in the unit. The boundaries of the subculture may well be maintained by a unique language. Often, the language of a subculture, and its rituals and rites, emerge from the group as a form of jargon. In some cases, the special language starts to move outside the firm and begins to enter the larger society. For instance, an ad for a Hewlett-
Packard hand-held computer read: “All the features you need are built right in, MS-DOS, Lotus 1-2-3...and a 512 K RAM version of the HP 95LX.” Not everyone found this a user-friendly ad, but it did appeal to knowledgeable individuals.138

Another observable aspect of corporate culture centers on the symbols found in organizations. A cultural symbol is any object, act, or event that serves to transmit cultural meaning. Good examples are the corporate uniforms worn by UPS and Federal Express delivery personnel. Although many such symbols are quite visible, their importance and meaning may not be.

**CULTURAL RULES AND ROLES**

Organizational culture often specifies when various types of actions are appropriate and where individual members stand in the social system. These cultural rules and roles are part of the normative controls of the organization and emerge from its daily routines.139 For instance, the timing, presentation, and methods of communicating authoritative directives are often quite specific to each organization. In one firm, meetings may be forums for dialogue and discussion, where managers set agendas and then let others offer new ideas, critically examine alternatives, and fully participate. In another firm, the “rules” may be quite different: The manager goes into the meeting with fixed expectations. Any new ideas, critical examinations, and the like are expected to be worked out in private before the meeting takes place. The meeting is a forum for letting others know what is being done and for passing out orders on what to do in the future.

**THE EVOLUTION OF SHARED MEANINGS FROM OBSERVABLE CULTURE**

What you see as an outside observer may or may not be what organizational members see. You may see NASA personnel on television filling the tanks of a booster rocket for the space shuttle. If you could ask the workers directly what they are doing, you might be surprised by the answer. They are not just filling booster tanks; they are assisting with an important part of exploring space. Through interaction with one another, and as reinforced by the rest of the organization, the workers have infused a larger shared meaning—or sense of broader purpose—into their tasks. In this sense, organizational culture is a “shared” set of meanings and perceptions that are created and learned by organizational members in the course of interactions.140 This set of shared meanings may be accompanied by shared values.

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**Values and Organizational Culture**

To describe more fully the culture of an organization, it is necessary to go deeper than the observable aspects. To many researchers and managers, shared common values lie at the very heart of organization culture. Shared values help turn routine activities into valuable, important actions, tie the corporation to the important values of society, and may provide a very distinctive source of competitive advantage. In organizations, what works for one person is often taught to new members as the correct way to think and feel. Important values are then
attributed to these solutions to everyday problems. By linking values and actions, the organization taps into some of the strongest and deepest realms of the individual. The tasks a person performs are given not only meaning but value; what one does is not only workable but correct, right, and important.

Some successful organizations share some common cultural characteristics. Organizations with “strong cultures” possess a broadly and deeply shared value system. Unique, shared values can provide a strong corporate identity, enhance collective commitment, provide a stable social system, and reduce the need for formal and bureaucratic controls. A strong culture can be a double-edged sword, however. A strong culture and value system can reinforce a singular view of the organization and its environment. If dramatic changes are needed, it may be very difficult to change the organization. General Motors may have a “strong” culture, for example, but the firm faces enormous difficulty in its attempts to adapt its ways to a dynamic and highly competitive environment.

In many corporate cultures, one finds a series of common assumptions known to most everyone in the corporation: “We are different.” “We are better at....” “We have unrecognized talents.” Cisco Systems at the opening of this chapter provides an excellent example. Senior managers often share common assumptions, such as, “We are good stewards.” “We are competent managers.” “We are practical innovators.” Like values, such assumptions become reflected in the organizational culture.

**MANAGEMENT PHILOSOPHY**

A management philosophy links key goal-related issues with key collaboration issues and comes up with a series of general ways by which the firm will manage its affairs. A well-developed management philosophy is important because (1) it establishes generally understood boundaries on all members of the firm; (2) it provides a consistent way of approaching new and novel situations; and (3) it helps hold individuals together by assuring them of a known path toward success. Wal-Mart has a clearly identified management philosophy linking growth and profitability with customer service and individual employee commitment. Each manager runs “a store within a store,” supported by more senior management and corporate buyers. This concept both liberates individuals to try new initiatives and binds their efforts within managerial constraints and purchasing realities. Once, the homespun comments of legendary CEO Sam Walton helped to help bind individuals together; now managers evoke his memory. The philosophy is expressed in some old-fashioned values, such as customer service, frugality, hard work, and service toward employees.

Elements of the management philosophy may be formally documented in a corporate plan, a statement of business philosophy, or a series of goals (see The Effective Manager 1.6). Yet, it is the unstated but well-understood fundamentals these written documents signify that form the heart of a well-developed management philosophy.

**ORGANIZATIONAL MYTHS**

In many firms, the management philosophy is supported by a series of organizational myths. Organizational myths are unproven and often unstated beliefs that are accepted uncritically. In a study of safety in nuclear power plants, senior
managers were asked whether they felt there was a tradeoff between safeness and efficiency. The response was clear: A safe plant is an efficient plant. Yet, most of these executives had seen data showing that measures of safeness and efficiency were quite independent. To admit there was a tradeoff raised the issue of making choices between efficiency and safety. All wanted to believe that to do one was to promote the other.143

Whereas some may scoff at these organizational myths and want to see rational, hard-nosed analysis replace mythology, each firm needs a series of managerial myths.144 Myths allow executives to redefine impossible problems into more manageable components. Myths can facilitate experimentation and creativity, and they allow managers to govern. For instance, senior executives are not just decision makers or rational allocators of resources. All organization members hope these individuals will also be fair, just, and compassionate.

**NATIONAL CULTURE INFLUENCES**

Widely held common assumptions may often be traced to the larger culture of the corporation’s host society.145 The difference between Sony’s corporate emphasis on group achievements and Zenith’s emphasis on individual engineering excellence, for example, can be traced to the Japanese emphasis on collective action versus the U.S. emphasis on individualism.

National cultural values may also become embedded in the expectations of important organizational constituencies and in generally accepted solutions to problems. When moving across national cultures, managers need to be sensitive to national cultural differences so that their actions do not violate common assumptions in the underlying national culture. In Japan and Western Europe, for example, executives are expected to work cooperatively with government officials on an informal basis. Informal business-government relations that are perfectly acceptable in these countries are considered influence peddling in the United States. Whereas some South American executives expect to pay directly for some government services, in the United States such payments are considered bribes.

Inappropriate actions that violate common assumptions drawn from national culture can have an important impact on performance and may alienate organizational members, even if managers have the best intentions. To improve morale at General Electric’s new French subsidiary, Chi. Generale de Radiologie, American managers invited all the European managers to a “get acquainted” meeting near Paris. The Americans gave out colorful T-shirts with the GE slogan, “Go for One,” a typical maneuver in many American training programs. The French resented the T-shirts. One outspoken individual said, “It was like Hitler was back, forcing us to wear uniforms. It was humiliating.”
Managing Organizational Culture

The culture should be considered as critical as structure and strategy in establishing the organizational foundations of high performance. Good managers are able to reinforce and support an existing strong culture; good managers are also able to help build resilient cultures in situations where they are absent. For instance, CEO Mike Walsh of Union Pacific has brought a new and fresh approach to the firm with what Fortune Magazine called an “introverted corporate culture.” Cultural changes under Walsh’s leadership included the empowerment of managers at all levels. A typical response: “We were so elated the company was willing to give new authority that we wanted it to work.”

Two broad strategies for managing the corporate culture have received considerable attention in the OB literature. One strategy calls for managers to help modify observable culture, shared values, and common assumptions directly. A second strategy involves the use of organizational development techniques to modify specific elements of the culture.

BUILDING, REINFORCING, AND CHANGING CULTURE

Managers can modify the visible aspects of culture, such as the language, stories, rites, rituals, and sagas. They can change the lessons to be drawn from common stories and even encourage individuals to see the reality they see. Because of their positions, senior managers can interpret situations in new ways and can adjust the meanings attached to important corporate events. They can create new rites and rituals. This takes time and enormous energy, but the long-run benefits can also be great.

Top managers, in particular, can set the tone for a culture and for cultural change. Managers at Aetna Life and Casualty Insurance built on its humanistic traditions to provide basic skills to highly motivated but underqualified individuals. Even in the highly cost-competitive steel industry, Chairperson F. Kenneth Iverson of Nucor built on basic entrepreneurial values in U.S. society to reduce the number of management levels by half. And at Procter and Gamble, Richard Nicolosi evoked the shared values for greater participation in decision making dramatically to improve creativity and innovation.

Each of these examples illustrates how managers can help foster a culture that provides answers to important questions concerning external adaptation and internal integration. Recent work on the linkages among corporate culture and financial performance reaffirms the importance of an emphasis on helping employees adjust to the environment. It also suggests that this emphasis alone is not sufficient. Neither is an emphasis solely on stockholders or customers associated with long-term economic performance. Instead, managers must work to emphasize all three issues simultaneously. This emphasis on customers, stockholders, and employees comes at a cost of emphasizing management. Large offices, multimillion-dollar salaries, golden parachutes (protections for executives if the firm is bought by others), as well as the executive plane, dining room, and country club are out.

Early research on culture and culture change often emphasized direct attempts to alter the values and assumptions of individuals by resocializing
them—that is, trying to change their hearts so that their minds and actions would follow. The goal was to establish a clear, consistent organizationwide consensus. More recent work suggests that this unified approach of working through values may not be either possible or desirable.

Trying to change people’s values from the top down without also changing how the organization operates and recognizing the importance of individuals does not work very well. Take a look at Cisco Systems. Here managers realize that keeping a dynamic, change-oriented and fun culture is a mix of managerial actions, decisions about technology, and initiatives from all employees. The values are not set and imposed from someone on high. The shared values emerge, and they are not identical across all of Cisco’s operating sites. Subtle but important differences emerge across their operations in Silicon Valley, the North Carolina operation, and the Australian setting.

It is also a mistake for managers to attempt to revitalize an organization by dictating major changes and ignoring shared values. Although things may change a bit on the surface, a deeper look often shows whole departments resisting change and many key people unwilling to learn new ways. Such responses may indicate that the managers responsible are insensitive to the effects of their proposed changes on shared values. They fail to ask whether the changes are contrary to the important values of participants within the firm, a challenge to historically important corporatewide assumptions, and inconsistent with important common assumptions derived from the national culture, outside the firm. Note the example of Stephen Jobs at Apple earlier in this chapter. He did not make all the changes. Rather, he worked with others to make changes in strategy, structure, products, and marketing and to build on deep-seated common assumptions that long-term employees shared.

Few executives are able to reshape common assumptions or “the taken-for-granted truths” in a firm without taking drastic, radical action. Roger Smith of General Motors realized this challenge and established a new division to produce the Saturn.

At Harley Davidson, a new senior management team had to replace virtually all of the company’s middle managers in order to establish a new, unique, and competitive culture. All too often, however, executives are unable to realize that they, too, can be captured by the broadly held common assumptions within their firms. Just as executives in Eastern European firms must reexamine the philosophical foundation of their firms as their countries adopt market economies, so must managers in the United States and other Western nations, as they anticipate the exciting challenges of a new century.

**CONTINUOUS CULTURAL DEVELOPMENT**

To keep the culture fresh and competitive, the challenge today is to engage in a process of continuous self-assessment and planned change in order to stay...
abreast of problems and opportunities in a complex and demanding environ-
ment. **Organization development (OD)** is a comprehensive approach to
planned change that is designed to improve the overall effectiveness of organi-
zations. Formally defined, OD is the application of behavioral science knowl-
edge in a long-range effort to improve an organization’s ability to cope with
change in its external environment and to increase its internal problem-solving
capabilities.147

Organization development is used to improve performance in organizations
of many types, sizes, and settings. It includes a set of tools with which any man-
ger who is concerned about achieving and maintaining high levels of product-
vivity will want to be familiar. Because of its comprehensive nature and scientific
foundations, OD was frequently implemented with the aid of an external consul-
tant. As OD techniques have been combined with a better understanding of or-
ganizational culture, its basic concepts can and should be used routinely by all
managers.

### Organizational Development

**Processes and Applications**

Organizational development provides a set of well-proven methods for develop-
ning and changing what cultural analyses call *external adaptation* and *internal
integration*. Importantly, OD seeks to achieve change in such a way that the or-
ganization’s members become more active and confident in taking similar steps
to maintain the culture and longer run organization effectiveness. A large part of
any OD program’s success in this regard rests with its assumptions, values and
action research foundations.

**UNDERLYING ASSUMPTIONS OF OD**

The organizational development foundations for achieving change are rooted in
underlying assumptions about individuals, groups, and organizations. At the in-
dividual level, OD is guided by principles that reflect an underlying respect for
people and their capabilities. It assumes that individual needs for growth and de-
velopment are most likely to be satisfied in a supportive and challenging work
environment. It also assumes that most people are capable of taking responsibil-
ity for their own actions and of making positive contributions to organizational
performance.

At the *group level*, OD is guided by principles that reflect a belief that groups
can be good for both people and organizations. It assumes that groups help their
members satisfy important individual needs and can also be helpful in support-
ing organizational objectives. And it assumes that effective groups can be created
by people working in collaboration to meet individual and organizational needs.

At the *organizational level*, OD is guided by principles that show a respect
for the complexity of an organization as a system of interdependent parts. It as-
sumes that changes in one part of the organization will affect other parts as well.
And it assumes that organizational structures and jobs can be designed to meet
the needs of individuals and groups as well as those of the organization.
SHARED VALUES AND PRINCIPLES UNDERLYING OD

Organizational development offers a systematic approach to planned change in organizations which addresses two main goals: outcome goals (mainly issues of external adaptation) and process goals (mainly issues of internal integration). Outcome goals include achieving improvements in task performance by improving external adaptation capabilities. In OD, these goals focus on what is actually accomplished through individual and group efforts. Process goals include achieving improvements in such things as communication, interaction, and decision making among an organization’s members. These goals focus on how well people work together, and they stress improving internal integration.

In pursuit of these goals, OD is intended to help organizations and their members by (1) creating an open problem-solving climate throughout an organization, (2) supplementing formal authority with that of knowledge and competence, (3) moving decision making to points where relevant information is available, (4) building trust and maximizing collaboration among individuals and groups, (5) increasing the sense of organizational “ownership” among members, and (6) allowing people to exercise self-direction and self-control at work.

Thus, using OD implicitly involves these values. That is, organization development is designed to improve the contributions of individual members in achieving the organizational goals, and it seeks to do so in ways that respect the organization’s members as mature adults who need and deserve high-quality experiences in their working lives.

ACTION RESEARCH FOUNDATIONS OF OD

Organizational development practitioners refer to action research as the process of systematically collecting data on an organization, feeding it back to the members for action planning, and evaluating results by collecting and reflecting on more data after the planned actions have been taken. This is a data-based and collaborative approach to problem solving and organizational assessment. When used in the OD process, action research helps identify action directions that may enhance an organization’s effectiveness. In a typical action-research sequence depicted in Figure 1.17, the sequence is initiated when someone senses a performance gap and decides to analyze the situation systematically for the problems and opportunities it represents. The process continues through the following steps: data gathering, data feedback, data analysis, and action planning. It continues to the point at which action is taken and results are evaluated. The evaluation or reassessment stage may or may not generate another performance gap. If it does, the action-research cycle begins anew.

Figure 1.18 identifies one set of frameworks that can assist OD practitioners in accomplishing the required diagnoses. These foundations apply the open systems framework and OB concepts with which you are already familiar from earlier parts of this book. At the organizational level, the figure indicates that effectiveness must be understood with respect to forces in the external environment and major organizational aspects, such as strategy, technology, structure, culture, and management systems. At the group level, effectiveness is viewed in a context of forces in the internal environment of the organization and major group aspects, such as tasks, membership, norms, cohesiveness, and group processes. At the individual level, effectiveness is considered in relationship to the internal
environment of the work group and individual aspects, such as tasks, goals, needs, and interpersonal relationships.

**ORGANIZATIONAL DEVELOPMENT INTERVENTIONS**

The action research process should engage members of an organization in activities designed to accomplish the required diagnoses and to develop and implement plans for constructive change. Action research, data collection, and the diagnostic foundations should come together through the choice and use of OD “interventions.” **Organizational development interventions** are activities initiated by the consultant to facilitate planned change and to assist the client system in developing its own problem-solving capabilities. With less formality, many of these techniques are also now being used by managers to help understand and improve their own operations. Major OD interventions can be categorized with respect to their major impact at the organizational, group, and individual levels of action.149

**Organizationwide Interventions** An effective organization is one that achieves its major performance objectives while maintaining a high quality of work life for its members. OD interventions designed for systemwide application include the following.
Survey feedback begins with the collection of data via questionnaire responses from organization members, or a representative sample of such responses. The data are then presented, or fed back, to the members. They subsequently engage in a collaborative process to interpret the data and to develop action plans in response.

Confrontation meetings are designed to help determine quickly how an organization may be improved and to take initial actions to better the situation. The intervention involves a one-day meeting conducted by an OD facilitator for a representative sample of organizational members, including top management. In a structured format, the consultant asks participants to make individual lists of what they feel can be done to improve things. Then, through a series of small-group work sessions and sharing of results, these ideas are refined into a tentative set of actions that top management then endorses for immediate implementation. The major trick here is to get senior managers to propose changing their part of the firm. Confrontation meetings fail if all the proposed changes call for adjustments by subordinates without any alterations by the top managers.

Structural redesign involves realigning the structure of the organization or major subsystems to improve performance. It includes examining the best fit between structure, technology, and environment. In today’s highly dynamic environments, in light of the increasing involvement of organizations in international operations and with rapid changes in information technology, a structure can easily grow out of date. Thus, structural redesign is an important OD intervention that can be used to help maintain the best fit between organizational structures and situational demands.
Collateral organization involves a representative set of members in periodic small-group, problem-solving sessions.

Team building is designed to gather and analyze data on the functioning of a group and implement changes to increase its operating effectiveness.

Process consultation helps a group improve on such things as norms, cohesiveness, decision-making methods, communication, conflict, and task and maintenance activities.

Intergroup team building helps groups improve their working relationships with one another and experience improved group effectiveness.

Role negotiation is a process through which individuals clarify expectations about what each should be giving and receiving as group members.

Job redesign creates long-term congruence between individual goals and organizational career opportunities.

Collateral organization is designed to make creative problem solving possible by pulling a representative set of members out of the formal organization structure to engage in periodic small-group problem-solving sessions. These collateral, or “parallel,” structures are temporary and exist only to supplement the activities of the formal structure.

Group and Intergroup Interventions OD interventions at the group level are designed to improve group effectiveness. The major interventions at this level are team building, process consultation, and intergroup team building.

Team building involves a manager or consultant engaging the members of a group in a series of activities designed to help them examine how the group functions and how it may function better. Like survey feedback at the organizational level, team building involves some form of data collection and feedback. The key elements, however, are a collaborative assessment of the data by all members of the group and the achievement of consensus regarding what may be done to improve group effectiveness. Team building is often done at “retreats” or off-site meetings, where group members spend two to three days working intensely together on this reflection–analysis–planning process.

Process consultation involves structured activities that are facilitated by an OD practitioner and is designed to improve group functioning. Process consultation has a more specific focus than does team building, however; its attention is directed toward the key “processes” through which members of a group work with one another. The process consultant is concerned with helping a group function better on such things as norms, cohesiveness, decision-making methods, communication, conflict, and task and maintenance activities.

Intergroup team building is a special form of team building. It is designed to help two or more groups improve their working relationships with one another and experience improved group effectiveness.

Individual Interventions Task performance and job satisfaction are important concerns with respect to improving individual effectiveness in the workplace. OD interventions at this level of attention range from those that address personal issues to those that deal more with specific job and career considerations. Individual-level OD interventions include the following.

Role negotiation is a means of clarifying what individuals expect to give and receive of one another in their working relationship. Because roles and personnel change over time, role negotiation can be an important way to maintain task understandings among individuals in an organization. This kind of understanding is quite easily accomplished by helping people who work together clarify what they need from one another to do their jobs well.

Job redesign is the process of creating long-term congruence between individual goals and organizational career opportunities. A good example is the Hackman and Oldham diagnostic approach to job enrichment. Recall that this approach involves (1) analyzing the core characteristics of a job or group of jobs, (2) analyzing the needs and capabilities of workers in those jobs, and (3) taking
action to adjust the core job characteristics either to enrich or to simplify the jobs to best match individual preferences.

**Career planning** takes the form of structured opportunities for individuals to work with their managers or staff experts from the personnel or human resources department on career issues. They may map career goals, assess personal development needs, and actively plan short-term and long-term career moves. Increasingly, career planning is becoming a major part of the support that highly progressive organizations provide for their members.

**OD and the Continuous Cultural Evolution** Today, a new wave of successful high-tech firms exemplifies the use of organization development assumptions, values, and techniques without using the term OD. It is not that such firms as Cisco Systems or Starbucks are trying to force change on their employees. Rather, the managers in these systems take a very practical approach to managing culture. They realize that both external adaptation and internal integration are important for a variety of subcultures within their firms. They use OD intervention techniques to improve both. They do not dictate values or set common assumptions in isolation but with their fellow employees. They are working with others to help nurture and guide the continual evolution of organizational culture from day to day.

### Change in Organizations

“Change” is the watchword of the day for many, if not most, organizations. Some of this change may be described as *radical change*, or frame-breaking change. This is change that results in a major overhaul of the organization or its component systems. In today’s business environments, such radical changes are often initiated by a critical event, such as a new CEO, a new ownership brought about by merger or takeover, or a dramatic failure in operating results. When it occurs in the life cycle of an organization, radical change is intense and all-encompassing.

Another common form of organizational change is *incremental change*, or frame-bending change. This type of change, being part of an organization’s natural evolution, is frequent and less traumatic. Typical changes of this type include the introduction of new products, new technologies, and new systems and processes. Although the nature of the organization remains relatively the same, incremental change builds on the existing ways of operating to enhance or extend them in new directions. The capability of improving continuously through incremental change is an important asset in today’s demanding environments.

The success of both radical and incremental change in organizations depends in part on **change agents** who lead and support the change processes. These are individuals and groups who take responsibility for changing the existing behavior patterns of another person or social system. Although change agents sometimes are hired as consultants from outside the organization, any manager or leader in today’s dynamic times is expected to act in a change agent capacity. Indeed, this responsibility is increasingly defined even more specifically as essential to the leadership role. Simply put, being an effective change agent means being a great “change leader.”

**Change agents** are people who take action to change the behavior of people and systems.
PLANNED AND UNPLANNED CHANGE

Not all change in organizations is the result of a change agent’s direction. **Unplanned changes** occur spontaneously or randomly. They may be disruptive, such as a wildcat strike that ends in a plant closure, or beneficial, such as an interpersonal conflict that results in a new procedure designed to smooth the flow of work between two departments. When the forces of unplanned change begin to appear, the appropriate goal is to act quickly to minimize any negative consequences and maximize any possible benefits. In many cases, unplanned changes can be turned into good advantage.

In contrast, **planned change** is the result of specific efforts by a change agent. It is a direct response to someone’s perception of a *performance gap*—a discrepancy between the desired and actual state of affairs. Performance gaps may represent problems to be resolved or opportunities to be explored. Most planned changes may be regarded as efforts intended to deal with performance gaps in ways that benefit an organization and its members. The processes of continuous improvement require constant vigilance to spot performance gaps—both problems and opportunities—and to take action to resolve them.

ORGANIZATIONAL FORCES AND TARGETS FOR CHANGE

The forces for change driving organizations of all types and sizes are ever present in and around today’s dynamic work settings. They are found in the *organization–environment relationship*, with mergers, strategic alliances, and divestitures among the examples of organizational attempts to redefine their relationships with challenging social and political environments. They are found in the *organizational life cycle*, with changes in culture and structure among the examples of how organizations must adapt as they evolve from birth through growth and toward maturity. They are found in the *political nature of organizations*, with changes in internal control structures, including benefits and reward systems, that attempt to deal with shifting political currents.

Planned change based on any of these forces can be internally directed toward a wide variety of organizational components. As shown in Figure 1.19, these targets include organizational purpose, strategy, structure, and people, as well as objectives, culture, tasks, and technology. When considering these targets, however, it must be recognized that they are highly intertwined in the workplace. Changes in any one are likely to require or involve changes in others. For example, a change in the basic *tasks*—what it is that people do—is almost inevitably accompanied by a change in *technology*—the way in which tasks are accomplished. Changes in tasks and technology usu-
ally require alterations in structures, including changes in the patterns of authority and communication as well as in the roles of workers. These technological and structural changes can, in turn, necessitate changes in the knowledge, skills, and behaviors of people—the members of the organization.156 In all cases, of course, tendencies to accept easy-to-implement, but questionable, “quick fixes” to problems should be avoided.157

### PHASES OF PLANNED CHANGE

Psychologist Kurt Lewin recommends that any change effort be viewed as a process with three distinct phases—unfreezing, changing, and refreezing, all of which must be well handled for a change to be successful.158 He also suggests that we may become easily preoccupied with the changing phase and neglect the importance of the unfreezing and refreezing stages.

**Unfreezing** In Lewin’s model, *unfreezing* is the managerial responsibility of preparing a situation for change. It involves disconfirming existing attitudes and behaviors to create a felt need for something new. Unfreezing is facilitated by environmental pressures, declining performance, recognition of a problem, or awareness that someone else has found a better way, among other things. Many

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*Unfreezing* is the stage at which a situation is prepared for change.
changes are never tried or they fail simply because situations are not properly unfrozen to begin with.

Large systems seem particularly susceptible to what is sometimes called the *boiled frog phenomenon.* This refers to the notion that a live frog will immediately jump out when placed in a pan of hot water. When placed in cold water that is then heated very slowly, however, the frog will stay in the water until the water boils the frog to death. Organizations, too, can fall victim to similar circumstances. When managers fail to monitor their environments, recognize the important trends, or sense the need to change, their organizations may slowly suffer and lose their competitive edge. Although the signals that change may be needed are available, they aren’t noticed or given any special attention—until it is too late. In contrast, the best organizations are led by people who are always on the alert and understand the importance of “unfreezing” in the change process.

**Changing** The **changing** stage involves taking action to modify a situation by changing things, such as the people, tasks, structure, or technology of the organization. Lewin believes that many change agents are prone to an activity trap. They bypass the unfreezing stage and start changing things prematurely or too quickly. Although their intentions may be correct, the situation has not been properly prepared for change. This often leads to failure. Changing something is difficult enough in any situation, let alone having to do so without the proper foundations.

**Refreezing** The final stage in the planned change process is **refreezing.** Designed to maintain the momentum of a change and eventually institutionalize it as part of the normal routine, refreezing secures the full benefits of long-lasting change. Refreezing involves positively reinforcing desired outcomes and providing extra support when difficulties are encountered. It involves evaluating progress and results, and assessing the costs and benefits of the change. And it allows for modifications to be made in the change to increase its success over time. When all of this is not done and refreezing is neglected, changes are often abandoned after a short time or incompletely implemented.

### Planned Change Strategies

Managers and other change agents use various means for mobilizing power, exerting influence over others, and getting people to support planned change efforts. As described in Figure 1.20, each of these strategies builds from the various bases of social power. Note in particular that each power source has somewhat different implications for the planned change process.

**FORCE–COERCION**

A **force–coercion strategy** uses legitimacy, rewards, or punishments as primary inducements to change. That is, the change agent acts unilaterally to “command” change through the formal authority of his or her position, to induce change via an offer of special rewards, or to bring about change via threats of punishment. People respond to this strategy mainly out of the fear of being punished if they do not comply with a change directive or out of the desire to gain a reward if they do. Compliance is usually temporary and continues only as long
as the change agent and his or her legitimate authority are visible, or as long as the opportunities for rewards and punishments remain obvious.

Your actions as a change agent using the force–coercion strategy might match the following profile.

- You believe that people who run things are basically motivated by self-interest and by what the situation offers in terms of potential personal gains or losses. Since you feel that people change only in response to such motives, you try to find out where their vested interests lie and then put the pressure on. If you have formal authority, you use it. If not, you resort to whatever possible rewards and punishments you have access to and do not hesitate to threaten others with these weapons. Once you find a weakness, you exploit it and are always wise to work “politically” by building supporting alliances wherever possible.161

### RATIONAL PERSUASION

Change agents using a **rational persuasion strategy** attempt to bring about change through the use of special knowledge, empirical support, or rational arguments. This strategy assumes that rational people will be guided by reason and self-interest in deciding whether or not to support a change. Expert power is mobilized to convince others that the change will leave them better off than before. It is sometimes referred to as an **empirical-rational strategy** of planned change. When successful, this strategy results in a longer lasting, more internalized change than does force–coercion.

As a change agent taking the rational persuasion approach to a change situation, you might behave as follows.

- You believe that people are inherently rational and are guided by reason in their actions and decision making. Once a specific course of action is demonstrated to be in a person’s self-interest, you assume that reason and rationality will cause the person to adopt it. Thus, you approach change with the objective of communicating—through information and facts—the essential “desirability” of change from the perspective of the person whose behavior you seek to influence. If this logic is effectively communicated, you are sure of the person’s adopting the proposed change.162
A *shared-power strategy* uses participatory methods and emphasizes common values to create change.

**SHARED POWER**

A *shared-power strategy* actively and sincerely involves the people who will be affected by a change in planning and making key decisions relating to this change. Sometimes called a *normative-reeducative approach*, this strategy tries to develop directions and support for change through involvement and empowerment. It builds essential foundations, such as personal values, group norms, and shared goals, so that support for a proposed change emerges naturally. Managers using normative-reeducative approaches draw upon the power of personal reference and also share power by allowing others to participate in planning and implementing the change. Given this high level of involvement, the strategy is likely to result in a longer lasting and internalized change.

As a change agent who shares power and adopts a normative-reeducative approach to change, you are likely to fit this profile:

You believe that people have complex motivations. You feel that people behave as they do as a result of sociocultural norms and commitments to these norms. You also recognize that changes in these orientations involve changes in attitudes, values, skills, and significant relationships, not just changes in knowledge, information, or intellectual rationales for action and practice. Thus, when seeking to change others, you are sensitive to the supporting or inhibiting effects of group pressures and norms. In working with people, you try to find out their side of things and to identify their feelings and expectations.163

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**Resistance to Change**

In organizations, *resistance to change* is any attitude or behavior that indicates unwillingness to make or support a desired change. Change agents often view any such resistance as something that must be “overcome” in order for change to be successful. This is not always the case, however. It is helpful to view resistance to change as feedback that the change agent can use to facilitate gaining change objectives.164 The essence of this constructive approach to resistance is to recognize that when people resist change, they are defending something important and that appears threatened by the change attempt.

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**THE EFFECTIVE MANAGER 1.8**

**EIGHT REASONS FOR RESISTING CHANGE**

1. Fear of the unknown
2. Lack of good information
3. Fear for loss of security
4. No reasons to change
5. Fear for loss of power
6. Lack of resources
7. Bad timing
8. Habit

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**WHY PEOPLE RESIST CHANGE**

People have many reasons to resist change. The Effective Manager 1.8 identifies fear of the unknown, insecurity, lack of a felt need to change, threat to vested interests, contrasting interpretations, and lack of resources, among other possibilities. A work team’s members, for example, may resist the introduction of advanced workstation computers because they have never used the operating system and are apprehensive. They may wonder whether the new computers will eventually be used as justification for “getting rid” of some of them; or they may believe that they have...
Resistance to the Change Itself Sometimes a change agent experiences resistance to the change itself. People may reject a change because they believe it is not worth their time, effort, or attention. To minimize resistance in such cases, the change agent should make sure that everyone who may be affected by a change knows specifically how it satisfies the following criteria.\(^{165}\)

- **Benefit**—The change should have a clear relative advantage for the people being asked to change; it should be perceived as “a better way.”
- **Compatibility**—The change should be as compatible as possible with the existing values and experiences of the people being asked to change.
- **Complexity**—The change should be no more complex than necessary; it must be as easy as possible for people to understand and use.
- **Triability**—The change should be something that people can try on a step-by-step basis and make adjustments as things progress.

Resistance to the Change Strategy Change agents must also be prepared to deal with resistance to the change strategy. Someone who attempts to bring about change via force—coercion, for example, may create resistance among individuals who resent management by “command” or the use of threatened punishment. People may resist a rational persuasion strategy in which the data are suspect or the expertise of advocates is not clear. They may resist a shared-power strategy that appears manipulative and insincere.

Resistance to the Change Agent Resistance to the change agent is directed at the person implementing the change and often involves personality and other differences. Change agents who are isolated and aloof from other persons in the change situation, who appear self-serving, or who have a high emotional involvement in the changes are especially prone to such problems. Research also indicates that change agents who differ from other persons in the change situation on such dimensions as age, education, and socioeconomic factors may encounter greater resistance to change.\(^{166}\)

**HOW TO DEAL WITH RESISTANCE**

An informed change agent has many options available for dealing positively with resistance to change, in any of its forms.\(^{167}\) The first approach is through education and communication. The objective is to educate people about a change before it is implemented and to help them understand the logic of the change. Education and communication seem to work best when resistance is based on inaccurate or incomplete information. A second way is the use of participation and involvement. With the goal of allowing others to help design and implement the changes, this approach asks people to contribute ideas and advice or to work on task forces or committees that may be leading the change. This is especially useful when the change agent does not have all the information needed to successfully handle a problem situation.

Facilitation and support involves providing assistance—both emotional and material, for people experiencing the hardships of change. A manager using this
approach actively listens to problems and complaints, provides training in the new ways, and helps others to overcome performance pressures. Facilitation and support is highly recommended when people are frustrated by work constraints and difficulties encountered in the change process. A negotiation and agreement approach offers incentives to actual or potential change resisters. Tradeoffs are arranged to provide special benefits in exchange for assurances that the change will not be blocked. It is most useful when dealing with a person or group that will lose something of value as a result of the planned change.

Manipulation and cooptation makes use of covert attempts to influence others, selectively providing information and consciously structuring events so that the desired change occurs. In some cases, leaders of the resistance may be “bought off” with special side deals to gain their support. Manipulation and cooptation are common when other tactics do not work or are too expensive. Finally, explicit or implicit coercion employs the force of authority to get people to accept change. Often, resisters are threatened with a variety of undesirable consequences if they do not go along as planned. This may be done, for example, in crisis situations when speed is of the essence.

Figure 1.21 summarizes additional insights into how and when each of these methods may be used to deal with resistance to change. Regardless of the chosen strategy, it is always best to remember that the presence of resistance typically suggests that something can be done to achieve a better fit among the change, the situation, and the people affected. A good change agent deals with resistance to change by listening to feedback and acting accordingly.

<table>
<thead>
<tr>
<th>Method</th>
<th>Use when</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education &amp; communication</td>
<td>People lack information or have inaccurate information</td>
<td>Creates willingness to help with the change</td>
<td>Can be very time consuming</td>
</tr>
<tr>
<td>Participation &amp; involvement</td>
<td>Other people have important information and/or power to resist</td>
<td>Adds information to change planning; builds commitment to the change</td>
<td>Can be very time consuming</td>
</tr>
<tr>
<td>Facilitation &amp; support</td>
<td>Resistance traces to resource or adjustment problems</td>
<td>Satisfies directly specific resource or adjustment needs</td>
<td>Can be time consuming; can be expensive</td>
</tr>
<tr>
<td>Negotiation &amp; agreement</td>
<td>A person or group will &quot;lose&quot; something because of the change</td>
<td>Helps avoid major resistance</td>
<td>Can be expensive; can cause others to seek similar &quot;deals&quot;</td>
</tr>
<tr>
<td>Manipulation &amp; cooptation</td>
<td>Other methods don’t work or are too expensive</td>
<td>Can be quick and inexpensive</td>
<td>Can create future problems if people sense manipulation</td>
</tr>
<tr>
<td>Explicit &amp; implicit coercion</td>
<td>Speed important and change agent has power</td>
<td>Quick; overpowers resistance</td>
<td>Risky if people get &quot;mad&quot;</td>
</tr>
</tbody>
</table>

Figure 1.21
Methods for dealing with resistance to change.
Footnotes


55 Robbins, Ch. 2.
57 Fernandez, Mosaics (March–April, 1998).
60 Larry L. Cummings and Donald P. Schwab, Performance in Organizations: Determinants and Appraisal (Glenview, IL: Scott, Foresman, 1973), p. 8.
Source Notes


Information from Lubbock-Avalanche-Journal (March 2, 1997), pp. 1–2H.

Information from “Corporate Identity”, Lubbock-Avalanche-Journal (July 12, 1998), pp. 1–2E.


From interviews with Fred Fernandez.


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Lonnie Johnson: Information from Patricia J. Mays, “Gun Showers Wealth on Inventor,” The Columbus Dispatch (January 24, 1999), p. 6B.