

Fourteenth Edition

ESSENTIALS OF ORGANIZATIONAL BEHAVIOR

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*This book is dedicated to our friends and colleagues in
The Organizational Behavior Teaching Society
who, through their teaching, research and commitment
to the leading process, have significantly
improved the ability of students
to understand and apply OB concepts.*

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PREFACE

This book was created as an alternative to the 600- or 700-page comprehensive text in organizational behavior (OB). It attempts to provide balanced coverage of all the key elements comprising the discipline of OB in a style that readers will find both informative and interesting. We're pleased to say that this text has achieved a wide following in short courses and executive programs as well as in traditional courses as a companion volume to experiential, skill development, case, and readings books. It is currently used at more than 500 colleges and universities in the United States, Canada, Latin America, Europe, Australia, and Asia. It's also been translated into Spanish, Portuguese, Japanese, Chinese, Dutch, Polish, Turkish, Danish, and Bahasa Indonesian.

KEY CHANGES FOR THE FOURTEENTH EDITION

- Increased content coverage was added to include updated research, relevant discussion, and new exhibits on current issues of all aspects of organizational behavior.
- Increased integration of contemporary global issues was added into topic discussions.
- Extensive reorganization of all chapters with new headings and subsections to make navigating the print and digital versions of the text easier and bring important content to the fore.
- Increased cross-references between chapters to link themes and concepts for the student's quick access and to provide a more in-depth understanding of topics.
- New assisted and auto-graded questions that students can complete and submit via MyManagementLab are provided for each chapter.
- A new feature, *Try It*, has been added to 14 chapters to direct the student's attention to MyManagementLab simulations specific to the content in the text.

RETAINED FROM THE PREVIOUS EDITION

What do people like about this book? Surveys of users have found general agreement about the following features. Needless to say, they've all been retained in this edition.

- **Length.** Since its inception in 1984, we've tried diligently to keep this book in the range of 325 to 400 pages. Users tell us this length allows them considerable flexibility in assigning supporting materials and projects.
- **Balanced topic coverage.** Although short in length, this book continues to provide balanced coverage of all the key concepts in OB. This includes not only traditional topics such as personality, motivation, and leadership but also cutting-edge issues such as emotions, diversity, negotiation, and teamwork.
- **Writing style.** This book is frequently singled out for its fluid writing style and extensive use of examples. Users regularly tell us that they find this book "conversational," "interesting," "student friendly," and "very clear and understandable."

- **Practicality.** This book has never been solely about theory. It's about *using* theory to better explain and predict the behavior of people in organizations. In each edition of this book, we have focused on making sure that readers see the link between OB theories, research, and implications for practice.
- **Absence of pedagogy.** Part of the reason we've been able to keep this book short in length is that it doesn't include review questions, cases, exercises, or similar teaching/learning aids. It continues to provide only the basic core of OB knowledge, allowing instructors the maximum flexibility in designing and shaping their courses.
- **Integration of globalization, diversity, and ethics.** The topics of globalization and cross-cultural differences, diversity, and ethics are discussed throughout this book. Rather than being presented only in separate chapters, these topics have been woven into the context of relevant issues. Users tell us they find that this integrative approach makes these topics more fully part of OB and reinforces their importance.
- **Comprehensive supplements.** Although this book may be short in length, it's not short on supplements. It comes with a complete, high-tech support package for both faculty and students. Instructors are provided with a comprehensive Instructor's Manual and Test Bank, TestGenerator, and PowerPoint slides. The MyManagementLab course provides both instructors and students with various types of assessments, video exercises, decision-making simulations, and Personal Inventory Assessments.

CHAPTER-BY-CHAPTER CHANGES

Chapter 1: What Is Organizational Behavior?

- **New content:** Effective versus Successful Managerial Activities; Current Usage of, New Trends in, and Limitations of Big Data; Workforce Demographics; Social Media; and Inputs, Processes, and Outcomes of our General Model of Organizational Behavior
- **Newly revised sections:** Management and Organizational Behavior
- **New research incorporated in the following areas:** Introduction to Organizational Behavior, Big Data, Adapting to Differing Cultural and Regulatory Norms, Positive Work Environments, and Ethical Behavior
- **New features:** *Watch It* (Herman Miller: Organizational Behavior) and *Personal Inventory Assessments* (Multicultural Awareness Scale)

Chapter 2: Diversity in Organizations

- **New content:** Stereotype Threat and Hidden Disabilities
- **Newly revised sections:** *Learning Objectives*, Demographic Characteristics, Discrimination, Implementing Diversity Management Strategies, and *Implications for Managers*
- **New research incorporated in the following areas:** Discrimination in the Workplace; Biographical Characteristics, including Age, Sex, Race, and Ethnicity; Disabilities; the Wonderlic Intellectual Ability Test; Diversity in Groups; and International Research on Religion, Sexual Orientation, Gender Identity, and Physical Abilities

- **New features:** *Personal Inventory Assessments* (Intercultural Sensitivity Scale), *Watch It* (Verizon: Diversity), and *Try It* (Simulation: Human Resources)

Chapter 3: Attitudes and Job Satisfaction

- **New content:** The Causes of Job Satisfaction, including Job Conditions, Personality, Pay, and Corporate Social Responsibility; Life Satisfaction as an Outcome of Job Satisfaction; and Counterproductive Work Behavior (CWB) as an Outcome of Job Dissatisfaction
- **Newly revised sections:** *Learning Objectives* and *Implications for Managers*
- **New research incorporated in the following areas:** Attitudes and Behavior, Employee Engagement, Measured Job Satisfaction Levels, How Satisfied Are People in Their Jobs, and Organizational Citizenship Behavior (OCB) as an Outcome of Job Satisfaction
- **New features:** *Watch It* (Gawker Media: Attitudes and Job Satisfaction), *Personal Inventory Assessments* [Core Self-Evaluation (CSE) Scale], and *Try It* (Simulation: Attitudes & Job Satisfaction)

Chapter 4: Emotions and Moods

- **New content:** Moral Emotions; the Functions of Emotions, including Whether or Not Emotions Make Us Ethical; Emotion Regulation Influences, Outcomes, and Techniques; and the Ethics of Emotion Regulation
- **Newly revised sections:** *Learning Objectives*, Time of the Day as a Source of Emotions and Moods, *Implications for Managers*
- **New research incorporated in the following areas:** Stress, Sleep, Age, and Sex as Sources of Emotions and Moods; Controlling Emotional Displays; Emotional Intelligence; Safety and Injury at Work as Outcomes of Emotions and Moods; and International Research on the Basic Emotions, Experiencing Moods, and Emotions, as well as on the Day of the Week and Weather as Sources of Emotions and Moods
- **New features:** *Personal Inventory Assessments* (Emotional Intelligence Assessment) and *Try It* (Simulation: Emotions & Moods)

Chapter 5: Personality and Values

- **New content:** Whether or Not the Big Five Personality Traits Predict Behavior at Work, Other Dark-Side Traits, and Other Dimensions of Fit
- **Newly revised sections:** *Learning Objectives*, Personality Frameworks, the Myers-Briggs Type Indicator, Cultural Values, *Summary*, and *Implications for Managers*
- **New research incorporated in the following areas:** Describing Personality; the Big Five Personality Model; the Dark Triad, Proactive Personality; Organizational Situations, Generational Values; Person–Organization Fit; and International Research on Measuring Personality, Narcissism, and Person–Job Fit
- **New features:** *Watch It* (Honest Tea: Ethics—Company Mission and Values), and *Personality Inventory Assessment* (Personality Style Indicator)

Chapter 6: Perception and Individual Decision Making

- **New content:** The Perceiver, Target, and Context as Factors That Influence Perception, Randomness Error; Nudging as an Influence on Decision Making; Choosing between the Three Ethical Decision Criteria; Lying and Ethical Decision Making; and Ethics and Creativity
- **Newly revised sections:** *Learning Objectives*, the Halo Effect, Escalation of Commitment, Creative Potential, and *Implications for Managers*
- **New research incorporated in the following areas:** Person Perception: Making Judgments about Others; Attribution Theory; the Link between Perception and Individual Decision Making; Gender as an Influence on Decision Making; Creative Behavior; Intelligence, Personality, and Expertise as Causes of Creative Behavior; the Creative Environment; and International Research on the Three Ethical Decision Criteria
- **New features:** *Watch It* (Orpheus Group Casting: Social Perception and Attribution), *Try It* (Simulation: Perception & Individual Decision Making), and *Personal Inventory Assessments* (How Creative Are You?)

Chapter 7: Motivation Concepts

- **New content:** Goal-Setting and Ethics, Reinforcement Theory, Influencing Self-Efficacy in Others, Ensuring Justice, and Culture and Justice
- **Newly revised sections:** *Learning Objectives*, Goal-Setting Theory, and Equity Theory/Organizational Justice
- **New research incorporated in the following areas:** Hierarchy of Needs Theory as well as International Research on McClelland's Theory of Needs, Goal-Setting Theory, Self-Determination Theory, Self-Efficacy Theory, and Equity Theory/Organizational Justice
- **New features:** *Watch It* [Motivation (TWZ Role Play)], *Try It* (Simulation: Motivation), and *Personal Inventory Assessments* (Work Motivation Indicator)

Chapter 8: Motivation: From Concepts to Applications

- **Newly revised sections:** The Job Characteristics Model, Job Rotation, Rewarding Individual Employees through Variable-Pay Programs, and Using Benefits to Motivate Employees
- **New research incorporated in the following areas:** Job Rotation; Relational Job Design; Flextime; Job Sharing; Participative Management; Establishing a Pay Structure; Merit-Based Pay; Employee Stock Ownership Plans; Using Intrinsic Rewards; and International Research on the Job Characteristics Model, Telecommuting, Cultural Employee Involvement Programs, Representative Participation, Rewarding Individual Employees through Variable-Pay Programs, Piece-Rate Pay, Bonuses, and Profit-Sharing Plans
- **New features:** *Personal Inventory Assessments* (Diagnosing the Need for Team Building), *Watch It* (Zappos: Motivating Employees through Company Culture), and *Try It* (Simulation: Extrinsic & Intrinsic Motivation)

Chapter 9: Foundations of Group Behavior

- **New content:** Social Identity, Ingroups and Outgroups, Norms and Emotions, Positive and Negative Norms and Group Outcomes, Norms and Culture, Group Status Inequity, and Group Status and Stigmatization
- **Newly revised sections:** *Learning Objectives*; Role Expectations; Role Conflict; Group Status, Group Size, and Dynamics, Group Cohesiveness; Group Diversity; and *Implications for Managers*
- **New research incorporated in the following areas:** Group Norms, Group Status and Norms, Group Status and Group Interaction, Group Size and Dynamics, Challenges of Group Diversity, Group Effectiveness and Efficiency, and International Research in Group Diversity
- **New features:** *Watch It* (Witness.org: Managing Groups & Teams), *Personal Inventory Assessments* (Communicating Supportively), and *Try It* (Simulation: Group Behavior)

Chapter 10: Understanding Work Teams

- **New content:** Cultural Differences in Work Teams, Team Identity, Team Cohesion, and Shared Mental Models
- **Newly revised sections:** Problem-Solving Teams, *Summary*, and *Implications for Managers*
- **New research incorporated in the following areas:** The Popularity of Teams, Cross-Functional Teams, Virtual Teams, Multiteam Systems, Creating Effective Teams, Team Composition, Personality of Team Members, Size of Teams, and International Research on Climate of Trust
- **New features:** *Watch It* [Teams (TWZ Role Play)], *Personal Inventory Assessments* (Team Development Behaviors), and *Try It* (Simulation: Teams)

Chapter 11: Communication

- **New content:** Managing Behavior, Feedback, Emotional Feedback, Emotional Sharing, Persuasion, and Information Exchange
- **Newly revised sections:** Downward and Upward Communication, The Grapevine, Oral Communication, and Telephone
- **New research incorporated in the following areas:** Functions of Communication and Information Overload
- **New features:** *Watch It* [Communication (TWZ Role Play)], *Personal Inventory Assessments* (Communication Styles), and *Try It* (Simulation: Communication)

Chapter 12: Leadership

- **New content:** Dark Side Traits, Leader–Member Exchange Theory, How Transformational Leadership Works, Transformational versus Charismatic Leadership, Emotional Intelligence and Leadership, Leader-Participation Model, and Trust and Culture
- **Newly revised sections:** *Learning Objectives*, Trait Theories of Leadership, Contemporary Theories of Leadership, Behavioral Theories, Responsible Leadership, and Authentic Leadership

- **New research incorporated in the following areas:** Big Five Traits, Transactional and Transformational Leadership, Path-Goal Theory, Servant Leadership, and International Research on Charismatic Leadership and the Evaluation of Transformational Leadership
- **New features:** *Watch It* [Leadership (TWZ Role Play)], *Personal Inventory Assessments* (Ethical Leadership Assessment), and *Try It* (Simulation: Leadership)

Chapter 13: Power and Politics

- **New content:** The General Dependence Postulate, Social Network Analysis, Sexual Harassment, Inter-Organizational Factors Contributing to Political Behavior, Interviews and Impression Management, Scarcity, and Nonsubstitutability
- **Newly revised sections:** *Learning Objectives* and Individual Factors Contributing to Political Behavior
- **New research incorporated in the following areas:** Impression Management, Performance Evaluations and Impression Management, Organizational Factors, and Contributing to Political Behavior
- **New features:** *Watch It* (Power and Political Behavior), *Personal Inventory Assessments* (Gaining Power and Influence), and *Try It* (Simulation: Power & Politics)

Chapter 14: Conflict and Negotiation

- **New content:** Negotiating in a Social Context, Reputation and Relationships in Negotiations, and Third-Party Negotiations
- **Newly revised sections:** *Learning Objectives*, A Definition of Conflict, Loci of Conflict, and Stage IV of the Conflict Process: Behavior, Personality Traits, and Gender Differences in Negotiations
- **New research incorporated in the following areas:** Functional Outcomes, Preparation and Planning for Negotiation, and International Research on Personal Variables as Sources of Conflict and Cultural Influences on Negotiation
- **New features:** *Watch It* (Gordon Law Group: Conflict and Negotiation) and *Personal Inventory Assessments* (Strategies for Handling Conflict)

Chapter 15: Foundations of Organization Structure

- **New content:** Implications of Organizational Structure for OB; Boundary Spanning; Types of Organizational Structures, including Functional, Divisional, Team, and Circular Structures; and Institutions and Strategy
- **Newly revised sections:** *Learning Objectives* and Description of Organizational Structure
- **New research incorporated in the following areas:** The Leaner Organization: Downsizing, Organizational Strategies and Structure, and International Research on Technology and Strategy
- **New features:** *Personal Inventory Assessments* (Organizational Structure Assessment), *Try It* (Simulation: Organizational Structure), and *Watch It* (ZipCar: Organizational Structure)

Chapter 16: Organizational Culture

- **New content:** The Ethical Dimensions of Culture, Culture and Sustainability, Culture and Innovation, Culture as an Asset, Strengthening Dysfunctions, Rivals, and Influencing an Organizational Culture
- **Newly revised sections:** Description of Organizational Culture, Barriers to Acquisitions and Mergers, Ethical Culture, Positive Culture, Rewarding More Than Punishing, and Building on Employee Strengths
- **New research incorporated in the following areas:** Organizational Socialization
- **New features:** *Try It* (Simulation: Organizational Culture) and *Personal Inventory Assessments* (Organizational Structure Assessment)

Chapter 17: Organizational Change and Stress Management

- **New content:** Reactionary versus Planned Change; The Politics of Change; Action Research; Sensitivity Training, Managing the Change Paradox; Describing and Creating a Learning Organization; Organizational Change and Stress; Allostasis; Potential Sources of Stress at Work; Environmental, Personal, and Organizational Factors Leading to Stress; Stress Additivity; Perception and Stress; Job Experience and Stress; Personality Traits and Stress; Cultural Differences and Stress; and Wellness Programs
- **Newly revised sections:** Description of Change, Forces for Change, Coercion as a Tactic to Overcome Resistance to Change, Demands and Resources, Social Support and Stress, *Summary*, and *Implications for Managers*
- **New research incorporated in the following areas:** Resistance to Change, Developing Positive Relationships to Overcome Resistance to Change, Context and Innovation, Behavioral Symptoms of Stress, and International Research on Communication to Overcome Resistance to Change and on Idea Champions
- **New features:** *Try It* (Simulation: Change), *Watch It* (East Haven Fire Department: Managing Stress), and *Personal Inventory Assessments* (Tolerance of Ambiguity Scale)

INSTRUCTOR RESOURCES

At Pearson's Higher Ed catalog, <https://www.pearsonhighered.com/sign-in.html>, instructors can easily register to gain access to a variety of instructor resources available with this text in downloadable format. If assistance is needed, our dedicated technical support team is ready to help with the media supplements that accompany this text. Visit <https://support.pearson.com/getsupport> for answers to frequently asked questions and toll-free user support phone numbers.

The following supplements are available with this text:

- Instructor's Resource Manual
- Test Bank
- TestGen® Computerized Test Bank
- PowerPoint Presentation

This title is available as an eBook and can be purchased at most eBook retailers.

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Stephen P. Robbins is Professor Emeritus of Management at San Diego State University and the world's best-selling textbook author in the areas of both management and organizational behavior. His books are used at more than a thousand U.S. colleges and universities, have been translated into 19 languages, and have adapted editions for Canada, Australia, South Africa, and India. Dr. Robbins is also the author of the best-selling books *The Truth About Managing People*, 2nd ed. (Financial Times/Prentice Hall, 2008) and *Decide & Conquer* (Financial Times/Prentice Hall, 2004).

In his "other life," Dr. Robbins actively participates in masters' track competitions. Since turning 50 in 1993, he's won 18 national championships and 12 world titles, and set numerous U.S. and world age-group records at 60, 100, 200, and 400 meters. In 2005, Dr. Robbins was elected into the USA Masters' Track & Field Hall of Fame.

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Timothy A. Judge is currently the Alutto Professor of Leadership at The Ohio State University and Visiting Professor, Division of Psychology & Language Sciences, University College London. He has held academic positions at the University of Notre Dame, University of Florida, University of Iowa, Cornell University, Charles University in the Czech Republic, Comenius University in Slovakia, and University of Illinois at Urbana-Champaign. Dr. Judge's primary research interests are in (1) personality, moods, and emotions; (2) job attitudes; (3) leadership and influence behaviors; and (4) careers (person-organization fit, career success). Dr. Judge has published more than 154 articles in these and other major topics in journals such as the *Academy of Management Journal* and the *Journal of Applied Psychology*. He is a fellow of several organizations, including the American Psychological Association and the Academy of Management. Among the many professional acknowledgments of his work, most recently Dr. Judge was awarded the Academy of Management Human Resources Division's Scholarly Achievement Award for 2014. Dr. Judge is a co-author of *Organizational Behavior*, 17th ed., with Stephen P. Robbins, and *Staffing Organizations*, 8th ed., with Herbert G. Heneman III. He is married and has three children—a daughter who is a health care social worker, a daughter who is studying for a master's degree, and a son in middle school.

1

What Is Organizational Behavior?

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LEARNING OBJECTIVES

After studying this chapter, you should be able to:

1. Define **organizational behavior** (referred to as **OB** throughout the text).
2. Show the value of systematic study to OB.
3. Identify the major behavioral science disciplines that contribute to OB.
4. Demonstrate why few absolutes apply to OB.
5. Identify managers' challenges and opportunities in applying OB concepts.
6. Compare the three levels of analysis in this text's OB model.

★ Chapter Warm-up

If your professor has chosen to assign this, go to the Assignments section of mymanagementlab.com to complete the chapter warm-up.

As you begin your study of this text, you might be wondering, "What is organizational behavior and why does it matter to me?" We get to the definition of organizational behavior, or OB, in a moment, but let's begin with the end in mind—why OB matters, and what the study of OB offers you.

First, a bit of history. Until the late 1980s, business school curricula emphasized the technical aspects of management, focusing on economics, accounting, finance, and quantitative techniques. Course work in human behavior and people skills received relatively

less attention. Since then, however, business schools have realized the significant role interpersonal skills play in determining a manager's effectiveness. In fact, a survey of over 2,100 CFOs across 20 industries indicated that a lack of interpersonal skills is the top reason why some employees fail to advance.¹

One of the principal applications of OB is toward an improvement in interpersonal skills. Developing managers' interpersonal skills helps organizations attract and keep high-performing employees, which is important since outstanding employees are always in short supply and are costly to replace. But the development of interpersonal skills is not the only reason OB matters. Secondly, from the organizational standpoint, incorporating OB principles can help transform a workplace from good to great, with a positive impact on the bottom line. Companies known as good places to work—such as Genentech, the Boston Consulting Group, Qualcomm, McKinsey & Company, Procter & Gamble, Facebook, and Southwest Airlines²—have been found to generate superior financial performance.³ Third, there are strong associations between the quality of workplace relationships and employee job satisfaction, stress, and turnover. For example, one very large survey of hundreds of workplaces and more than 200,000 respondents showed that social relationships among coworkers and supervisors were strongly related to overall job satisfaction. Positive social relationships also were associated with lower stress at work and lower intentions to quit.⁴ Further research indicates that employees who relate to their managers with supportive dialogue and proactivity find that their ideas are endorsed more often, which improves workplace satisfaction.⁵ Fourth, increasing the OB element in organizations can foster social responsibility awareness. Accordingly, universities have begun to incorporate social entrepreneurship education into their curriculum in order to train future leaders to address social issues within their organizations.⁶ This is especially important because there is a growing need for understanding the means and outcomes of corporate social responsibility, known as CSR.⁷ We discuss CSR more fully in Chapter 3.

We understand that in today's competitive and demanding workplace, managers can't succeed on their technical skills alone. They also have to exhibit good people skills. This text has been written to help both managers and potential managers develop those people skills with the knowledge that understanding human behavior provides. In so doing, we believe you'll also obtain lasting skills and insight about yourself and others.

MANAGEMENT AND ORGANIZATIONAL BEHAVIOR

The roles of a manager—and the necessary skills needed to perform as one—are constantly evolving. More than ever, individuals are placed into management positions without management training or informed experience. According to a large-scale survey, more than 58 percent of managers reported they had not received any training and 25 percent admitted they were not ready to lead others when they were given the role.⁸ Added to that challenge, the demands of the job have increased: the average manager has seven direct reports (five was once the norm), and has less management time to spend with them than before.⁹ Considering that a Gallup poll found organizations chose the wrong candidate for management positions 82 percent of the time,¹⁰ we conclude that the more you can learn about people and how to manage them, the better prepared you will be to be that right candidate. OB will help you get there.

Organizational Behavior (OB) Defined

Organizational behavior (OB) is a field of study that investigates the impact individuals, groups, and structure have on behavior within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness. That's a mouthful, so let's break it down.

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

To sum up our definition, OB is the study of what people do in an organization and the way their behavior affects the organization's performance. Because OB is concerned specifically with employment-related situations, it examines behavior in the context of job satisfaction, absenteeism, employment turnover, productivity, human performance, and management. Although debate exists about the relative importance of each, OB includes these core topics:¹¹

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

Organizational behavior

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

Effective versus Successful Managerial Activities

Now that we understand what OB is, we may begin to apply some concepts. Consider the important issue of effective management. What makes one manager more effective than another? To answer the question, Fred Luthans, a prominent OB researcher, and his associates looked at what managers do from a unique perspective.¹² They asked, "Do managers who move up most quickly in an organization do the same activities and with the same emphasis as managers who do the best job?" You might think the answer is yes, but that's not always the case.

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

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

The "average" manager spent 32 percent of his or her time in traditional management activities, 29 percent communicating, 20 percent in HR management activities, and 19 percent networking. However, the time and effort different *individual* managers spent

When you see this icon, Global OB issues are being discussed in the paragraph.



on those activities varied a great deal. Among managers who were *successful* (defined in terms of speed of promotion within their organizations), networking made the largest relative contribution to success and HR management activities made the least relative contribution, which is the opposite of the average manager. Indeed, other studies in Australia, Israel, Italy, Japan, and the United States confirm the link between networking, social relationships, and success within an organization.¹³ However, Luthans and associates found that among *effective* managers (defined in terms of quantity and quality of their performance and the satisfaction and commitment of their employees), communication made the largest relative contribution and networking the least. This finding is more in line with the average manager, with the important exception of increased emphasis on communication. The connection between communication and effective managers is clear. Managers who explain their decisions and seek information from colleagues and employees—even if the information turns out to be negative—are the most effective.¹⁴

★ WATCH IT

If your professor has assigned this, go to the Assignments section of mymanagementlab.com to complete the video exercise titled **Herman Miller: Organizational Behavior**.

COMPLEMENTING INTUITION WITH SYSTEMATIC STUDY

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

Underlying the systematic approach is the belief that behavior is not random. Rather, we can identify fundamental consistencies underlying the behavior of all individuals and modify them to reflect individual differences. These fundamental consistencies are very important. Why? Because they allow for predictability. Behavior is generally predictable, and the *systematic study* of behavior is a means to making reasonably accurate predictions. When we use the term **systematic study**, we mean looking at relationships, attempting to attribute causes and effects, and basing our conclusions on scientific evidence—that is, on data gathered under controlled conditions and measured, and interpreted, in a rigorous manner.

Evidence-based management (EBM) complements systematic study by basing managerial decisions on the best available scientific evidence. For example, we want doctors to make decisions about patient care based on the latest available evidence, and EBM argues that managers should do the same, thinking more scientifically about management problems. A manager might pose a question, search for the best available evidence, and apply the relevant information to the question or case at hand. You might wonder what manager would not base decisions on evidence, but the vast majority of management decisions are still made "on the fly," with little to no systematic study of available evidence.¹⁵

Systematic study and EBM add to **intuition**, or those "gut feelings" about what makes others (and ourselves) "tick." Of course, the things you have come to believe in an unsystematic way are not necessarily incorrect. Jack Welch (former CEO of General

Systematic study

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

Evidence-based management (EBM)

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

Intuition

An instinctive feeling not necessarily supported by research.

Electric) noted, “The trick, of course, is to know when to go with your gut.”¹⁶ But if we make *all* decisions with intuition or gut instinct, we’re likely working with incomplete information—like making an investment decision with only half the data about the potential for risk and reward.

Big Data

Data, the foundation of EBM, have been used to evaluate behavior since at least 1749, when the word “statistic” was coined to mean a “description of the state.”¹⁷ Statistics back then were used for purposes of governance, but since the data collection methods were clumsy and simplistic, so were the conclusions. “Big data”—the extensive use of statistical compilation and analysis—didn’t become possible until computers were sophisticated enough to both store and manipulate large amounts of information. The use of big data began with online retailers but has since permeated virtually every business.

CURRENT USAGE No matter how many terabytes of data firms collect or from how many sources, the reasons for data analytics include: *predicting* events, from a book purchase to a spacesuit malfunction; detecting how much *risk* is incurred at any time, from the risk of a fire to that of a loan default; and *preventing* catastrophes large and small, from a plane crash to the overstocking of a product.¹⁸ With big data, U.S. defense contractor BAE Systems protects itself from cyber-attacks, San Francisco’s Bank of the West uses customer data to create tiered pricing systems, and London’s Graze.com analyzes customers’ preferences to select snack samples to send with their orders.¹⁹



NEW TRENDS The use of big data for understanding, helping, and managing people is relatively new but holds promise. In fact, research on 10,000 workers in China, Germany, India, the United Kingdom, and the United States indicated that employees expect the next transformation in the way people work will rely more on technological advancements than on any other factor, such as demographic changes.²⁰

It is good news for the future of business that researchers, the media, and company leaders have identified the potential of data-driven management and decision making. A manager who uses data to define objectives, develop theories of causality, and test those theories can determine which employee activities are relevant to the objectives.²¹ Big data has implications for correcting management assumptions and increasing positive performance outcomes. Increasingly, it is applied toward making effective decisions (Chapter 6) and managing organizational change (Chapter 17). It is quite possible that the best use of big data in managing people will come from OB and psychology research where it might, for instance, even help employees with mental illnesses monitor and change their behavior.²²

LIMITATIONS As technological capabilities for handling big data have increased, so have issues of privacy and appropriate application. This is particularly true when data collection includes surveillance instruments. For instance, an experiment in Brooklyn, New York, has been designed to improve the quality of life for residents, but the researchers will collect potentially intrusive data from infrared cameras, sensors, and smartphone Wi-Fi signals.²³ Through similar methods of surveillance monitoring, a bank call center and a pharmaceutical company found that employees were more productive with more social interaction, so they changed their break time policies so more people took breaks

together. They then saw sales increase and turnover decrease. Bread Winners Café in Dallas, Texas, constantly monitors all employees in the restaurant through surveillance and uses that data to promote or discipline its servers.²⁴ Privacy and application issues abound with these techniques, but abandoning them is not necessarily the fix.

An understanding of deeper OB issues can help find the productive balance. These big data tactics and others might yield results—and research indicates that, in fact, electronic performance monitoring does increase task performance and citizenship behavior (helping behaviors towards others), at least in the short term. But critics point out that after Frederick Taylor introduced surveillance analytics in 1911 to increase productivity through monitoring and feedback controls, his management control techniques were surpassed by Alfred Sloan's greater success with management outcomes, achieved by providing meaningful work to employees.²⁵

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

DISCIPLINES THAT CONTRIBUTE TO THE OB FIELD

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

Psychology

Psychology

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

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

Early industrial and organizational psychologists studied the problems of fatigue, boredom, and other working conditions that could impede efficient work performance. More recently, their contributions have expanded to include learning, perception, personality, emotions, training, leadership effectiveness, needs and motivational forces, job satisfaction, decision-making processes, performance appraisals, attitude measurement, employee-selection techniques, work design, and job stress.

Social Psychology

Social psychology

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

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

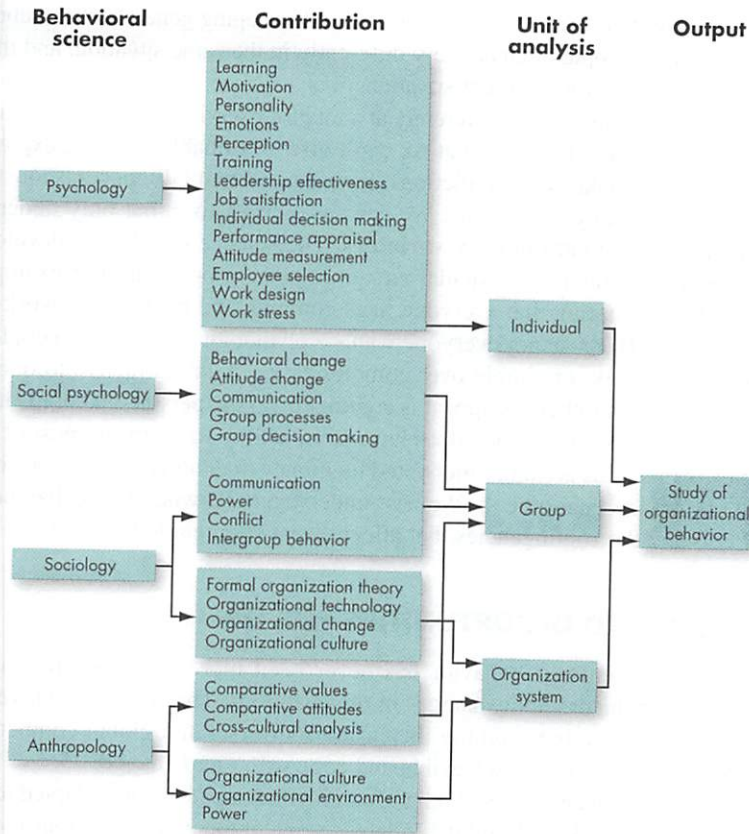


EXHIBIT 1-1
Toward an OB
Discipline

Sociology

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

Sociology

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

Anthropology

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

Anthropology

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

THERE ARE FEW ABSOLUTES IN OB

Laws in the physical sciences—chemistry, astronomy, physics—are consistent and apply in a wide range of situations. They allow scientists to generalize about the pull of gravity or to be confident about sending astronauts into space to repair satellites. Human beings are complex, and few, if any, simple and universal principles explain human behavior. Because we

Contingency variables

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

are not alike, our ability to make simple, accurate, and sweeping generalizations about ourselves is limited. Two people often act very differently in the same situation, and the same person's behavior changes in different situations. For instance, not everyone is motivated by money, and people may behave differently at a religious service than they do at a party.

This doesn't mean, of course, that we can't offer reasonably accurate explanations of human behavior or make valid predictions. It does mean that OB concepts must reflect situational, or contingency, conditions. We can say x leads to y , but only under conditions specified in z —the **contingency variables**. The science of OB was developed by applying general concepts to a particular situation, person, or group. For example, OB scholars would avoid stating that everyone likes complex and challenging work (a general concept). Why? Because not everyone wants a challenging job. Some people prefer routine over varied work, or simple over complex tasks. A job attractive to one person may be unattractive to another; its appeal is contingent on the person who holds it. Often, we find both general effects (money does have some ability to motivate most of us) and contingencies (some of us are more motivated by money than others, and some situations are more about money than others). We best understand OB when we realize how both (general effects and the contingencies that affect them) often guide behavior.

CHALLENGES AND OPPORTUNITIES FOR OB

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

As a result of these changes and others, employment options have adapted to include new opportunities for workers. Exhibit 1-2 details some of the types of options individuals may find offered to them by organizations or for which they would like to negotiate. Under each heading in the exhibit, you will find a grouping of options from which to choose—or combine. For instance, at one point in your career you may find yourself employed full time in an office in a localized, nonunion setting with a salary and bonus compensation package, while at another point you may wish to negotiate for a flextime, virtual position and choose to work from overseas for a combination of salary and extra paid time off.

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

Continuing Globalization



Organizations are no longer constrained by national borders. Samsung, the largest South Korean business conglomerate, sells most of its products to organizations in other countries; Burger King is owned by a Brazilian firm; and McDonald's sells hamburgers in 118 countries on 6 continents. Even Apple—arguably the U.S. company with the strongest U.S. identity—employs twice as many workers outside the United States as it does inside the country. And all major automobile makers now manufacture cars outside their borders; Honda builds cars in Ohio, Ford in Brazil, Volkswagen in Mexico, and both Mercedes and BMW in the United States and South Africa. The world has become a global village. In the process, the manager's job has changed. Effective managers anticipate and adapt their approaches to the global issues we discuss next.

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

EXHIBIT 1-2
Employment Options

Sources: J.R. Anderson Jr., et al., "Action Items: 42 Trends Affecting Benefits, Compensation, Training, Staffing and Technology," *HR Magazine* (January 2013) p. 33; M. Dewhurst, B. Hancock, and D. Ellsworth, "Redesigning Knowledge Work," *Harvard Business Review* (January-February 2013), 58-64; E. Fraunheim, "Creating a New Contingent Culture," *Workforce Management* (August 2012), 34-39; N. Koeppen, "State Job Aid Takes Pressure off Germany," *The Wall Street Journal* (February 1, 2013), p. A8; and M. A. Shaffer, M. L. Kraimer, Y.-P. Chen, and M.C. Bolino, "Choices, Challenges, and Career Consequences of Global Work Experiences: A Review and Future Agenda," *Journal of Management* (July 2012), 1282-1327.

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

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



of the owner, the Indian hotel group Sahara. Management at Sahara contended that the loan default that led to the seizure was a misunderstanding regarding one of their other properties in New York.²⁶ Globalization can get complicated.

Workforce Demographics

The workforce has always adapted to variations in the economy, longevity, birth rates, socioeconomic conditions, and other changes that have a widespread impact. People adapt to survive, and OB studies the way those adaptations affect individuals' behavior. For instance, even though the 2008 global recession ended years ago, some trends from those years are continuing: many people who have been long unemployed have left the workforce,²⁷ while others have cobbled together several part-time jobs²⁸ or settled for on-demand work.²⁹ Further options that have been particularly popular for younger educated workers have included obtaining specialized industry training after college,³⁰ accepting full-time jobs that are lower-level,³¹ and starting their own companies.³² As students of OB, we can investigate what factors lead employees to make various choices and how their experiences affect their perceptions of their workplaces. In turn, this can help us predict organizational outcomes.

Longevity and birth rates have also changed the dynamics in organizations. Global longevity rates have increased by six years in a very short time (since 1990),³³ while birth rates are decreasing for many developed countries; trends that together indicate a lasting shift toward an older workforce. OB research can help explain what this means for employee attitudes, organizational culture, leadership, structure, and communication. Finally, socioeconomic shifts have a profound effect on workforce demographics. For example, the days when women stayed home because it was expected are just a memory in some cultures, while in others, women face significant barriers to entry into the workforce. We are interested in how these women fare in the workplace, and how their conditions can be improved. This is just one illustration of how cultural and socioeconomic changes affect the workplace, but it is one of many. We discuss how OB can provide understanding and insight on workforce issues throughout this text.

Workforce Diversity

Workforce diversity

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

One of the most important challenges for organizations is **workforce diversity**, a trend by which organizations are becoming more heterogeneous in terms of employees' gender, age, race, ethnicity, sexual orientation, and other characteristics. Managing this diversity is a global concern. Though we have more to say about it in the next chapter, suffice it to say here that diversity presents great opportunities and poses challenging questions for managers and employees. How can we leverage differences within groups for competitive advantage? Should we treat all employees alike? Should we recognize individual and cultural differences? What are the legal requirements in each country? Does increasing diversity even matter? It is important to address the spoken and unspoken concerns of organizations today.

Social Media

As we discuss in Chapter 11, social media in the business world is here to stay. Despite its pervasiveness, many organizations continue to struggle with employees' use of social media in the workplace. For instance, in February 2015, a Texas pizzeria fired an employee

before her first day of work because she tweeted unflattering comments about her future job. In December 2014, Nordstrom fired an Oregon employee who had posted a personal Facebook comment seeming to advocate violence against white police officers.³⁴ These examples show that social media is a difficult issue for today's managers, presenting both a challenge and an opportunity for OB. For instance, how much should HR look into a candidate's social media presence? Should a hiring manager read the candidate's Twitter feeds, or just do a quick perusal of his or her Facebook profile? Managers need to adopt policies designed to protect employees and their organizations with balance and understanding.

Once employees are on the job, many organizations have policies about accessing social media at work—when, where, and for what purposes. But what about the impact of social media on employee well-being? One recent study found that subjects who woke up in a positive mood and then accessed Facebook frequently found their mood worsened during the day. Moreover, subjects who checked Facebook frequently over a two-week period reported a decreased level of satisfaction with their lives.³⁵ Managers—and OB—are trying to increase employee satisfaction, and therefore improve and enhance positive organizational outcomes. We discuss these issues further in Chapters 3 and 4.

Employee Well-Being at Work

One of the biggest challenges to maintaining employee well-being is the reality that many workers never get away from the virtual workplace. While communication technology allows many technical and professional employees to do their work at home, in their cars, or on the beach in Tahiti, it also means many feel like they're not part of a team. "The sense of belonging is very challenging for virtual workers, who seem to be all alone out in cyberland," said Ellen Raineri of Kaplan University, and many can relate to this feeling.³⁶ Another challenge is that organizations are asking employees to put in longer hours. According to one recent study, one in four employees shows signs of burnout, and two in three report high stress levels and fatigue.³⁷ This may actually be an underestimate because workers report maintaining "always on" access for their managers through e-mail and texting. Finally, employee well-being is challenged by heavy outside commitments. Millions of single-parent employees and employees with dependent parents face significant challenges in balancing work and family responsibilities, for instance.

As you'll see in later chapters, the field of OB offers a number of suggestions to guide managers in designing workplaces and jobs that can help employees deal with work-life conflicts.

Positive Work Environment

A growing area in OB research is **positive organizational scholarship** (POS; also called *positive organizational behavior*), which studies how organizations develop human strengths, foster vitality and resilience, and unlock potential. Researchers in this area say too much of OB research and management practice has been targeted toward identifying what's wrong with organizations and their employees. In response, they try to study what's *good* about them.³⁸ Some key subjects in positive OB research are engagement, hope, optimism, and resilience in the face of strain. Researchers hope to help practitioners create positive work environments for employees.

Positive organizational scholarship

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

Although positive organizational scholarship does not deny the value of the negative (such as critical feedback), it does challenge researchers to look at OB through a new lens and pushes organizations to make use of employees' strengths rather than dwell on their limitations. One aspect of a positive work environment is the organization's culture, the topic of Chapter 16. Organizational culture influences employee behavior so strongly that organizations have employed "culture officers" to shape and preserve the company's personality.³⁹

Ethical Behavior

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

Ethical dilemmas and ethical choices

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

What constitutes good ethical behavior has never been clearly defined and, in recent years, the line differentiating right from wrong has blurred. We see people all around us engaging in unethical practices—elected officials pad expense accounts or take bribes; corporate executives inflate profits to cash in lucrative stock options; and university administrators look the other way when winning coaches encourage scholarship athletes to take easy courses or even, in the recent case at the University of North Carolina–Chapel Hill, sham courses with fake grades.⁴⁰ When caught, we see people give excuses such as "Everyone does it" or "You have to seize every advantage."

Today's manager must create an ethically healthy climate for employees in which they can do their work productively with minimal ambiguity about right and wrong behaviors. Companies that promote a strong ethical mission, encourage employees to behave with integrity, and provide strong leadership can influence employee decisions to behave ethically.⁴¹ Classroom training sessions in ethics have also proven helpful in maintaining a higher level of awareness of the implications of employee choices as long as the training sessions are given on an ongoing basis.⁴² In upcoming chapters, we discuss the actions managers can take to create an ethically healthy climate and help employees sort through ambiguous situations.

COMING ATTRACTIONS: DEVELOPING AN OB MODEL

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

Overview

Model

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

A **model** is an abstraction of reality, a simplified representation of some real-world phenomenon. Exhibit 1-3 presents the skeleton of our OB model. It proposes three types of variables (inputs, processes, and outcomes) at three levels of analysis (individual, group, and organizational). In the chapters to follow, we proceed from the individual level

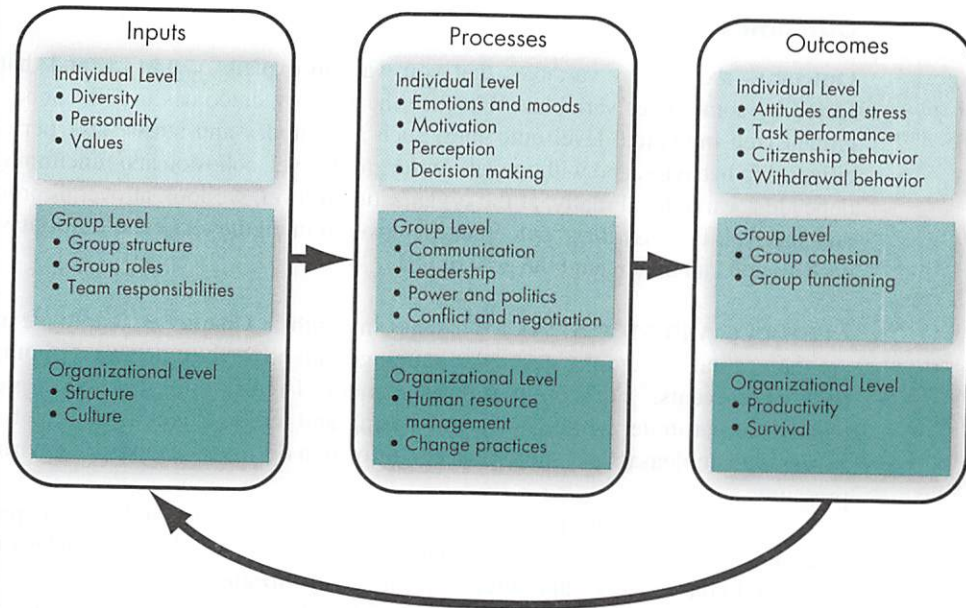


EXHIBIT 1-3
A Basic OB Model

(Chapters 2 through 8) to group behavior (Chapters 9 through 14) to the organizational system (Chapters 15 through 17). The model illustrates that inputs lead to processes, which lead to outcomes; we discuss interrelationships at each level of analysis. Notice that the model also shows that outcomes can influence inputs in the future, which highlights the broad-reaching effect OB initiatives can have on an organization's future.

Inputs

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

Inputs

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

Processes

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

Processes

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

Outcomes

Outcomes

Key factors that are affected by some other variables.

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

Attitudes

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

Stress

An unpleasant psychological process that occurs in response to environmental pressures.

ATTITUDES AND STRESS As we discuss in depth in Chapter 3, employee **attitudes** are the evaluations employees make, ranging from positive to negative, about objects, people, or events. For example, the statement “I really think my job is great” is a positive job attitude, while “My job is boring and tedious” is a negative job attitude. **Stress** is an unpleasant psychological condition that occurs in response to environmental pressures.

Some people might think influencing employee attitudes and stress is purely soft stuff and not the business of serious managers, but as you will learn, attitudes often have behavioral consequences that directly relate to organizational effectiveness. Ample evidence shows that employees who are more satisfied and treated fairly are more willing to engage in the above-and-beyond citizenship behavior that is so vital in the contemporary business environment.

Task performance

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

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

Organizational citizenship behavior (OCB)

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

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

Withdrawal behavior

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

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

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

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

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

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

Service organizations must include customer needs and requirements in assessing their effectiveness. Why? Because a clear chain of cause and effect runs from employee attitudes and behavior to customer attitudes and profitability. For example, a recent study of six hotels in China indicated that negative employee attitudes decreased customer satisfaction and ultimately harmed the organization's profitability.⁴³

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

SUMMARY

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

IMPLICATIONS FOR MANAGERS

- Resist the inclination to rely on generalizations; some provide valid insights into human behavior, but many are erroneous. Get to know the person, and understand the context.

Group cohesion

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

Group functioning

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

Productivity

The combination of the effectiveness and efficiency of an organization.

Effectiveness

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

Efficiency

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



Organizational survival

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

- Use metrics rather than hunches to explain cause-and-effect relationships.
- Work on your interpersonal skills to increase your leadership potential.
- Improve your technical skills and conceptual skills through training and staying current with OB trends like big data.
- OB can improve your employees' work quality and productivity by showing you how to empower your employees, design and implement change programs, improve customer service, and help your employees balance work–life conflicts.



★ PERSONAL INVENTORY ASSESSMENTS

Multicultural Awareness Scale

Any study of organizational behavior (OB) starts with knowledge of yourself. As one step, take this PIA to determine your multicultural awareness.



Go to **mymanagementlab.com** for auto-graded writing questions as well as the following assisted-graded writing questions:

- I-1. How do you think an understanding of organizational behavior (OB) might contribute to your ability to manage others effectively?
- I-2. **MyManagementLab Only**—comprehensive writing assignment for this chapter.

2

Diversity in Organizations

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LEARNING OBJECTIVES

After studying this chapter, you should be able to:

1. Demonstrate how workplace discrimination undermines organizational effectiveness.
2. Explain how stereotypes function in organizational settings.
3. Describe how key biographical characteristics are relevant to OB.
4. Explain how other differentiating characteristics factor into OB.
5. Demonstrate the relevance of intellectual and physical abilities to OB.
6. Describe how organizations manage diversity effectively.

★ Chapter Warm-up

If your professor has chosen to assign this, go to the Assignments section of mymanagementlab.com to complete the chapter warm-up.

DIVERSITY

We are, each of us, unique. This is obvious enough, but managers sometimes forget they need to recognize and capitalize on individual differences to get the most from their employees. In this chapter, you'll learn how individual characteristics like age, gender, race, ethnicity, and abilities can influence employee performance. You'll also see how managers can develop awareness about these characteristics and manage a diverse workforce effectively. But first, let's take an overview perspective of the changing workforce.

Demographic Characteristics



Worldwide, workplace demographics have undergone rapid and lasting change toward equality in the past 50–60 years. Perhaps most noticeably, the predominantly White, male managerial workforce of the past has given way to a gender-balanced, multi-ethnic workforce. For instance, in 1950 only 29.6 percent of the U.S. workforce was female,¹ but by 2014, women comprised 47 percent.² Both in the United States and internationally, women today are much more likely than before to be employed full time, have an advanced education, and earn wages comparable to those of men.³ In addition, the earnings gap between Whites and other racial and ethnic groups in the United States has decreased significantly, partially due to the rising number of minorities in the workforce. Hispanics will grow from 13 percent of the workforce back in 2014 to 25.1 percent in 2044; Blacks will increase from 12 to 12.7 percent, and Asians from 5 to 7.9 percent.⁴ Workers over the age of 55 are an increasingly large portion of the workforce as well, both in the United States and globally. In the United States, the 55-and-older age group will increase from 19.5 percent of the labor force back in 2010 to 25.2 percent by 2020.⁵ Currently, in Australia there are more workers over age 55 than there are under age 25, and that shift is set to continue.⁶ These changes are increasingly reflected in the makeup of managerial and professional jobs. They also indicate organizations must make diversity management a central component of their policies and practices.

Levels of Diversity

Although much has been said about diversity in age, race, gender, ethnicity, religion, and disability status, experts now recognize that these demographic characteristics are just the tip of the diversity iceberg.⁷ Demographics mostly reflect **surface-level diversity**, not thoughts and feelings, and can lead employees to perceive one another through stereotypes and assumptions. However, evidence has shown that people are less concerned about demographic differences if they see themselves as sharing more important characteristics, such as personality and values, that represent **deep-level diversity**.⁸

To understand the difference between surface- and deep-level diversity, consider an example. Luis and Carol are managers who seem to have little in common. Luis is a young, recently hired male from a Spanish-speaking neighborhood in Miami with a business degree. Carol is an older woman from rural Kansas who started as a customer service trainee after high school and worked her way up the hierarchy. At first, these coworkers may notice their surface-level differences in education, ethnicity, regional background, and gender. However, as they get to know one another, they may find they are both deeply committed to their families, share a common way of thinking about work problems, like to work collaboratively, and are interested in international assignments. These deep-level similarities can overshadow the more superficial differences between them, and research suggests they will work well together.

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

Surface-level diversity

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

Deep-level diversity

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

DISCRIMINATION

Although diversity presents many opportunities for organizations, diversity management includes working to eliminate unfair **discrimination**. To discriminate is to note a difference between things, which in itself isn't necessarily bad. Noticing one employee is more qualified is necessary for making good hiring decisions; noticing another is taking on leadership responsibilities exceptionally well is necessary for making strong promotion decisions. Usually when we talk about discrimination, though, we mean allowing our behavior to be influenced by stereotypes about *groups* of people. **Stereotyping** is judging someone on the basis of our perception of the group to which that person belongs. To use a machine metaphor, you might think of stereotypes as the fuel that powers the discrimination engine. Stereotypes can be insidious not only because they may affect the fairness of the organization, but because they can affect how potential targets of discrimination see themselves.

Stereotype Threat

Let's say you are sitting in a restaurant, waiting for the blind date your coworker arranged to find you in the crowded room. How do you think your coworker described you to this person? Now consider how you would describe yourself to this new person if you'd talked on the phone before the date. What identifiable characteristics would you mention as a shorthand way for your date to know a bit about you so he or she could recognize you in the restaurant?

Chances are good that you'd mention your race, something about how you express your gender (such as the way you dress), how old you are, and maybe what you do for a living. You might also mention how tall you are if you are remarkably tall or short, and—if you're candid—you might mention something about your build (heavyset, petite, in between). Overall, you'd give cues to your blind date about characteristics that are *distinctive*, or stand out, about you. Interestingly, what you tell someone about yourself says a lot about what you think about yourself. Just as we stereotype others, we also stereotype ourselves.

Stereotype threat describes the degree to which we internally agree with the generally negative stereotyped perceptions of our groups. Along with that comes a fear of being judged when we are identified with the negative connotations of that group. This can happen when we are a minority in a situation. For instance, an older worker applying for a job in a predominately millennial-age workforce may assume the interviewer thinks he is out of touch with current trends. What creates a stereotype threat is not whether this worker is or is not up to date with trends, but whether he internally agrees that older workers (the group he identifies with) are out of date (the stereotype).

Stereotype threat has serious implications for the workplace. Employees who feel it may have lower performance, lower satisfaction, negative job attitudes, decreased engagement, decreased motivation, higher absenteeism, more health issues, and higher turnover intentions.⁹ Thankfully, this is something we can combat in the workplace by treating employees as individuals, and not highlighting group differences. The following organizational changes can be successful in reducing stereotype threat: increasing awareness of how stereotypes may be perpetuated; reducing differential and preferential treatment through objective assessments; banning stereotyped practices and messages; confronting even small, seemingly innocuous aggressions against minority groups and adopting transparent practices that signal the value of all employees.¹⁰

Discrimination

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

Stereotyping

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

Stereotype threat

The degree to which we internally agree with the generally negative stereotyped perceptions of our groups.

Discrimination in the Workplace

To review, rather than looking at individual characteristics, unfair discrimination assumes everyone in a group is the same. This discrimination is often very harmful for employees, as we've just discussed, and for organizations.

Exhibit 2-1 provides definitions and examples of some forms of discrimination in organizations. Although many are prohibited by law and therefore are not a part of organizations' official policies, the practices persist. Tens of thousands of cases of employment discrimination are documented every year, and many more go unreported. Since discrimination has increasingly come under both legal scrutiny and social disapproval, most overt forms have faded, which may have resulted in an increase in more covert forms like incivility or exclusion, especially when leaders look the other way.¹¹

As you can see, discrimination can occur in many ways, and its effects can vary depending on organizational context and the personal biases of employees. Some forms

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

EXHIBIT 2-1

Forms of Discrimination in Organizations

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

of discrimination like exclusion or incivility are especially hard to root out since they may occur simply because the actor isn't aware of the effects of his or her actions. Like stereotype threat, actual discrimination can lead to increased negative consequences for employers, including reduced productivity and organizational citizenship behavior (OCB; see Chapter 1), more conflict, increased turnover, and even increased risk-taking behavior.¹² Unfair discrimination also leaves qualified job candidates out of initial hiring and promotions. Thus, even if an employment discrimination lawsuit is never filed, a strong business case can be made for aggressively working to eliminate unfair discrimination.

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

BIOGRAPHICAL CHARACTERISTICS

Biographical characteristics such as age, gender, race, ethnicity, and disability are some of the most obvious ways employees differ. Let's begin by looking at factors that are easily definable and readily available—data that can be obtained, for the most part, from an employee's human resources (HR) file. Variations in surface-level characteristics may be the basis for discrimination against classes of employees, so it is worth knowing how related they actually are to work outcomes. As a general rule, many biographical differences are not important to actual work outcomes, and far more variation occurs *within* groups sharing biographical characteristics than between them.

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

Age

Age in the workforce is likely to be an issue of increasing importance during the next decade for many reasons. For one, the workforce is aging worldwide in most developed countries;¹³ by estimates, 93 percent of the growth in the labor force from 2006 to 2016 came from workers over age 54.¹⁴ In the United States, the proportion of the workforce age 55 and older is 22 percent and increasing.¹⁵ Legislation has, for all intents and purposes, outlawed mandatory retirement. Moreover, the United States and Australia, among other countries, have laws directly against age discrimination.¹⁶ Most workers today no longer have to retire at age 70, and 62 percent of workers age 45 to 60 plan to delay retirement.¹⁷

Stereotypes of older workers as being behind the times, grumpy, and inflexible are changing. Managers often see a number of positive qualities that older workers bring to their jobs, such as experience, judgment, a strong work ethic, and a commitment to quality. For example, the Public Utilities Board, the water agency of Singapore, reports that 27 percent of its workforce is over age 55 and the older workers provide workforce stability.¹⁸ Industries like health care, education, government, and nonprofit service often welcome older workers.¹⁹ However, older workers are still perceived as less adaptable and less motivated to learn new technology.²⁰ When organizations seek individuals who are open to change and training, the perceived negatives associated with age clearly hinder the initial hiring of older workers and increase the likelihood they will be let go during cutbacks.

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



AGE AND JOB PERFORMANCE Despite misperceptions, the majority of studies show “virtually no relationship between age and job performance,” according to Director Harvey Sterns of the Institute for Life-Span Development and Gerontology.²¹ Indeed, some studies indicate that older adults perform better than their younger counterparts. For example, in Munich a four-year study of 3,800 Mercedes-Benz workers found that “the older workers seemed to know better how to avoid severe errors,” said Matthias Weiss, the academic coordinator of the study.²² Related to performance, there is a conception that creativity diminishes as people age. Researcher David Galenson, who studied the ages of peak creativity, found that people who create through experimentation do “their greatest work in their 40s, 50s, and 60s. These artists rely on wisdom, which increases with age.”²³

AGE AND JOB SATISFACTION Regarding job satisfaction, an important topic in Chapter 3, a review of more than 800 studies found that older workers tend to be more satisfied with their work, report better relationships with coworkers, and are more committed to their organizations.²⁴ Other studies, however, have found that job satisfaction increases up to middle age, at which point it begins to drop off. When we separate the results by job type, we find that satisfaction tends to increase among professionals as they age, whereas among nonprofessionals it falls during middle age and then rises again in the later years.

Sex

Few issues initiate more debates, misconceptions, and unsupported opinions than whether women perform as well on jobs as men do. In reality, few—if any—differences between men and women affect job performance.²⁵ Though in general men may have slightly higher math ability and women slightly higher verbal ability, the differences are fairly small, and there are no consistent male–female differences in problem-solving ability, analytical skills, or learning ability.²⁶ In the workplace, one meta-analysis of job performance studies found that women scored slightly higher than men did on performance measures.²⁷ A separate meta-analysis of 95 leadership studies indicated that women and men are rated equally effective as leaders.²⁸

Yet biases and stereotypes persist. In the hiring realm, managers are influenced by gender bias when selecting candidates for certain positions.²⁹ For instance, men are preferred in hiring decisions for male-dominated occupations, particularly when men are doing the hiring.³⁰ Once on the job, men and women may be offered a similar number of developmental experiences, but females are less likely to be assigned challenging positions by men, assignments that could help them achieve higher organizational positions.³¹ Moreover, men are more likely to be chosen for leadership roles even though men and women are equally effective leaders. A study of 20 organizations in Spain, for example, suggested that men are generally selected for leadership roles that require handling organizational crises.³² According to Naomi Sutherland, senior partner in diversity at recruiter Korn Ferry, “Consciously or subconsciously, companies are still hesitant to take the risk on someone who looks different from their standard leadership profile.”³³

Worldwide, there are many misconceptions and contradictions about male and female workers. Thankfully, many countries have laws against sex discrimination, including Australia, the United Kingdom, and the United States. Other countries, such as Belgium, France, Norway, and Spain, are seeking gender diversity through laws to increase the

percentage of women on boards of directors. Gender biases and gender discrimination are still serious issues, but there are indications that the situation is improving.

Race and Ethnicity

Race is a controversial issue in society and in organizations. We define *race* as the heritage people use to identify themselves; *ethnicity* is the additional set of cultural characteristics that often overlaps with race. Typically, we associate race with biology and ethnicity with culture, but there is a history of self-identifying for both classifications. Laws against race and ethnic discrimination are in effect in many countries, including Australia, the United Kingdom, and the United States.³⁵

Race and ethnicity have been studied as they relate to employment outcomes such as hiring decisions, performance evaluations, pay, and workplace discrimination. Individuals may slightly favor colleagues of their own race in performance evaluations, promotion decisions, and pay raises, although such differences are not found consistently, especially when highly structured methods of decision making are employed.³⁶ Also, some industries have remained less racially diverse than others. For instance, U.S. advertising and media organizations suffer from a lack of racial diversity in their management ranks, even though their client base is increasingly ethnically diverse.³⁷

Finally, members of racial and ethnic minorities report higher levels of discrimination in the workplace.³⁸ African Americans generally fare worse than Whites in employment decisions (a finding that may not apply outside the United States). They receive lower ratings in employment interviews, lower job performance ratings, less pay, and fewer promotions.³⁹ Lastly, while this does not necessarily prove overt racial discrimination, African Americans are often discriminated against even in controlled experiments. For example, one study of low-wage jobs found that African American applicants with no criminal history received fewer job offers than did White applicants with criminal records.⁴⁰

Disabilities

Workplace policies, both official and circumstantial, regarding individuals with physical or mental disabilities vary from country to country. Countries such as Australia, the United States, the United Kingdom, and Japan have specific laws to protect individuals with disabilities.⁴¹ These laws have resulted in greater acceptance and accommodation of people with physical or mental impairments. In the United States, for instance, the representation of individuals with disabilities in the workforce rapidly increased with the passage of the Americans with Disabilities Act (ADA, 1990).⁴² According to the ADA, employers are required to make reasonable accommodations so their workplaces will be accessible to individuals with physical or mental disabilities.

SCOPE OF DISABILITIES The U.S. Equal Employment Opportunity Commission (EEOC), the federal agency responsible for enforcing employment discrimination laws, classifies a person as *disabled* who has any physical or mental impairment that substantially limits one or more major life activities. One of the most controversial aspects of the ADA is the provision that requires employers to make reasonable accommodations for people with psychiatric disabilities.⁴³ Examples of recognized disabilities include missing limbs, seizure disorder, Down syndrome, deafness, schizophrenia, alcoholism, diabetes,

depression, and chronic back pain. These conditions share almost no common features, so there's no specific definition about how each condition is related to employment.

DISABILITIES AND OUTCOMES The impact of disabilities on employment outcomes has been explored from a variety of perspectives. On the one hand, when disability status was randomly manipulated among hypothetical candidates in a study, disabled individuals were rated as having superior personal qualities like dependability.⁴⁴ Another review suggested that workers with disabilities receive higher performance evaluations. However, according to research, individuals with disabilities tend to encounter lower performance expectations and are less likely to be hired.⁴⁵ Mental disabilities may impair performance more than physical disabilities: Individuals with such common mental health issues as depression and anxiety are significantly more likely to be absent from work.⁴⁶



The elimination of discrimination against the disabled workforce has long been problematic. In Europe, for instance, policies to motivate employers have failed to boost the workforce participation rate for workers with disabilities, and outright quota systems in Germany, France, and Poland have backfired.⁴⁷ However, the recognition of the talents and abilities of individuals with disabilities has made a positive impact. In addition, technology and workplace advancements have greatly increased the scope of available jobs for those with all types of disabilities. Managers need to be attuned to the true requirements of each job and match the skills of the individual to them, providing accommodations when needed. But what happens when employees do not disclose their disabilities? Let's discuss this next.

Hidden Disabilities

As we mentioned earlier, disabilities include observable characteristics like missing limbs, illnesses that require a person to use a wheelchair, and blindness. Other disabilities may not be obvious, at least at first. Unless an individual decides to disclose a disability that isn't easily observable, it can remain hidden at the discretion of the employee. These are called *hidden disabilities* (or invisible disabilities). Hidden disabilities generally fall under the categories of sensory disabilities (for example, impaired hearing), autoimmune disorders (like rheumatoid arthritis), chronic illness or pain (like carpal tunnel syndrome), cognitive or learning impairments (like ADHD), sleep disorders (like insomnia), and psychological challenges (like PTSD).⁴⁸

As a result of recent changes to the Americans with Disabilities Act Amendments Act of 2008, U.S. organizations must accommodate employees with a very broad range of impairments. However, employees must disclose their conditions to their employers in order to be eligible for workplace accommodations and employment protection. Since many employees do not want to disclose their invisible disabilities, they are prevented from getting the workplace accommodations they need in order to thrive in their jobs. Research indicates that individuals with hidden disabilities are afraid of being stigmatized or ostracized if they disclose their disabilities to others in the workplace, and they believe their managers will think they are less capable of strong job performance.⁴⁹

In some ways, a hidden disability is not truly invisible. For example, a person with undisclosed autism will still exhibit the behaviors characteristic of the condition, such as difficulties with verbal communication and adaptability.⁵⁰ You may observe behaviors that lead you to suspect an individual has a hidden disability. Unfortunately, you may

attribute the behavior to other causes—for instance, you may incorrectly ascribe the slow, slurred speech of a coworker to an alcohol problem rather than to the long-term effects of a stroke.

As for the employee, research suggests that disclosure helps all—the individual, others, and organizations. Disclosure may increase the job satisfaction and well-being of the individual, help others understand and assist the individual to succeed in the workplace, and allow the organization to accommodate the situation to achieve top performance.⁵¹

OTHER DIFFERENTIATING CHARACTERISTICS

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

Religion

Not only do religious and nonreligious people question each other's belief systems, often people of different religious faiths conflict with one another. There are few—if any—countries in which religion is a nonissue in the workplace. For this reason, employers are prohibited by law from discriminating against employees based on religion in many countries, including Australia, the United Kingdom, and the United States.⁵² Islam is one of the most popular religions in the world, and it is the majority religion in many countries. However, in the United States, Muslims are a minority group that is growing. There are nearly three million Muslims in the United States, and the number is predicted to double by 2030, when they will represent 1.7 percent of the population, according to the Pew Research Center. At that point, there will be as many Muslims in the United States as there are Jews and Episcopalians.⁵³ Despite these numbers, there is evidence in studies that people are discriminated against for their Islamic faith. For instance, U.S. job applicants in Muslim-identified religious attire who applied for hypothetical retail jobs had shorter, more interpersonally negative interviews than applicants who did not wear Muslim-identified attire.⁵⁴



Religious discrimination has been a growing source of discrimination claims in the United States, partially because the issues are complex. Recently, Samantha Elauf, who was turned down for employment because she wears a hijab—a black head scarf—sued for religious discrimination. “I learned I was not hired by Abercrombie because I wear a head scarf, which is a symbol of modesty in my Muslim faith,” she said. When she interviewed, she was not aware of the organization's rule against head coverings and did not mention her reason for the scarf. Should employers be required to deduce why applicants dress as they do and then protect them? Even the Supreme Court is not certain.⁵⁵

Sexual Orientation and Gender Identity

While much has changed, the full acceptance and accommodation of lesbian, gay, bisexual, and transgender (LGBT) employees remains a work in progress. In the United States, a Harvard University study sent fictitious but realistic resumés to 1,700 actual entry-level job openings. The applications were identical with one exception: Half mentioned involvement in gay organizations during college, and the other half did not. The applications without the mention received 60 percent more callbacks than the ones with it.⁵⁶



Perhaps as a result of perceived discrimination, many LGBT employees do not disclose their status. For example, John Browne, former CEO of British Petroleum (BP), hid his sexual orientation until he was 59 years old, when the press threatened to disclose that he was gay. Fearing the story would result in turmoil for the company, he resigned. Browne wrote, “Since my outing in 2007, many societies around the world have done more to embrace people who are lesbian, gay, bisexual, or transgender. But the business world has a long way to go.”⁵⁷



SEXUAL ORIENTATION LAWS U.S. federal law does not prohibit discrimination against employees based on sexual orientation, although 29 states and more than 160 municipalities do. In those states and municipalities that do protect against discrimination based on sexual orientation, roughly as many claims are filed for sexual orientation discrimination as for sex and race discrimination.⁵⁸ Some other countries are more progressive: for instance, Australia has laws against discriminating on the basis of sexual preference, and the United Kingdom has similar laws regarding sexual orientation.⁵⁹ However, the distinctions in these laws may not be broad enough—researchers have acknowledged a new acronym, QUILTBAG, to describe individuals who are queer/questioning, undecided, intersex, lesbian, transgender, bisexual, asexual, or gay.⁶⁰

As a first step in the United States, the federal government has prohibited discrimination based on sexual orientation against *government* employees. The Equal Employment Opportunity Commission (EEOC) held that sex-stereotyping against lesbian, gay, and bisexual individuals represents gender discrimination enforceable under the Civil Rights Act of 1964.⁶¹ Also, pending federal legislation against discrimination based on sexual orientation—the Employment Non-Discrimination Act (ENDA)—passed the Senate but is not yet law.⁶²

ORGANIZATIONAL POLICIES ON SEXUAL ORIENTATION Even in the absence of federal legislation, many organizations have implemented policies and procedures that cover sexual orientation. For example, IBM, once famous for requiring all employees to wear white shirts and ties, has changed its ultra-conservative environment. Former vice-president Ted Childs said, “IBM ensures that people who are gay, lesbian, bisexual, or transgender feel safe, welcomed, and valued within the global walls of our business. . . . The contributions that are made by [gay and transgender] IBMers accrue directly to our bottom line and ensure the success of our business.”⁶³

IBM is not alone. Surveys indicate that more than 90 percent of the *Fortune* 500 have policies that cover sexual orientation. As for gender identity, companies are increasingly adopting policies to govern the way their organizations treat transgender employees. In 2001, only eight companies in the *Fortune* 500 had policies on gender identity. That number is now more than 250.



However, among the *Fortune* 1,000, some noteworthy companies do not currently have domestic-partner benefits or nondiscrimination clauses for LGBT employees, including ExxonMobil, currently second in the *Fortune* rankings of the largest U.S. companies.⁶⁴ Some companies claim they do not need to provide LGBT benefits for religious reasons. Moreover, some organizations that claim to be inclusive don’t live up to the claim. For example, a recent study of five social cooperatives in Italy indicated that these so-called inclusive organizations actually expect individuals to remain quiet about their status.⁶⁵

Cultural Identity

We have seen that people sometimes define themselves in terms of race and ethnicity. Many people carry a strong *cultural identity* as well, a link with the culture of family ancestry that lasts a lifetime, no matter where the individual may live in the world. People choose their cultural identity, and they also choose how closely they observe the norms of that culture. Cultural norms influence the workplace, sometimes resulting in clashes. Organizations must adapt. Workplace practices that coincided with the norms of a person's cultural identity were commonplace years ago, when societies were less mobile. People looked for work near familial homes, and organizations established holidays, observances, practices, and customs that suited the majority. Organizations were generally not expected to accommodate each individual's preferences.

Thanks to global integration and changing labor markets, today's organizations do well to understand and respect the cultural identities of their employees, both as groups and as individuals. A U.S. company looking to do business in, say, Latin America, needs to understand that employees in those cultures expect long summer holidays. A company that requires employees to work during this culturally established break will meet strong resistance.

An organization seeking to be sensitive to the cultural identities of its employees should look beyond accommodating its majority groups and instead create as much of an individualized approach to practices and norms as possible. Often, managers can provide the bridge of workplace flexibility to meet both organizational goals and individual needs.

★ WATCH IT

If your professor has assigned this, go to the Assignments section of mymanagementlab.com to complete the video exercise titled **Verizon: Diversity**.

ABILITY

Contrary to what we were taught in grade school, we weren't all created equal in our abilities. For example, regardless of how motivated you are, you may not be able to act as well as Jennifer Lawrence, play basketball as well as LeBron James, or write as well as Stephen King. Of course, all of us have strengths and weaknesses that make us relatively superior or inferior to others in performing certain tasks or activities. From management's standpoint, the challenge is to understand the differences to increase the likelihood that a given employee will perform their job well.

What does *ability* mean? As we use the term, **ability** is an individual's current capacity to perform the various tasks of a job. Overall abilities are essentially made up of two sets of factors: intellectual and physical.

Ability An individual's capacity to perform the various tasks in a job.

Intellectual Abilities

Intellectual abilities are abilities needed to perform mental activities—thinking, reasoning, and problem solving. Most societies place a high value on intelligence, and for good reason. Smart people generally earn more money and attain higher levels of education. They are also more likely to emerge as leaders of groups. However, assessing and measuring intellectual ability are not always simple, partially because people aren't consistently

Intellectual abilities
The capacity to do mental activities—thinking, reasoning, and problem solving.

capable of correctly assessing their own cognitive ability.⁶⁶ IQ tests are designed to ascertain a person's general intellectual abilities, but the origins, influence factors, and testing of intelligence quotient (IQ) are controversial.⁶⁷ So, too, are popular college admission tests, such as the SAT and ACT, and graduate admission tests in business (GMAT), law (LSAT), and medicine (MCAT). The firms that produce these tests don't claim they assess intelligence, but experts know they do.⁶⁸

DIMENSIONS OF INTELLECTUAL ABILITY The seven most frequently cited dimensions making up intellectual abilities are number aptitude, verbal comprehension, perceptual speed, inductive reasoning, deductive reasoning, spatial visualization, and memory.⁶⁹ Exhibit 2-2 describes these dimensions.



General mental ability (GMA)
An overall factor of intelligence, as suggested by the positive correlations among specific intellectual ability dimensions.

Intelligence dimensions are positively correlated, so if you score high on verbal comprehension, for example, you're more likely to also score high on spatial visualization. The correlations aren't perfect, meaning people do have specific abilities that predict important work-related outcomes when considered individually.⁷⁰ However, they are high enough that researchers also recognize a general factor of intelligence, **general mental ability (GMA)**. Evidence supports the idea that the structures and measures of intellectual abilities can be generalized across cultures. Someone in Venezuela or Sudan, for instance, does not have a different set of mental abilities than an American or Czech individual. There is some evidence that IQ scores vary to some degree across cultures, but those differences become much smaller when we take into account educational and economic differences.⁷¹

THE WONDERLIC INTELLECTUAL ABILITY TEST It might surprise you that the intelligence test most widely used in hiring decisions takes only 12 minutes to complete.

Dimension	Description	Job Example
Number aptitude	Ability to do speedy and accurate arithmetic.	Accountant: Computing the sales tax on a set of items.
Verbal comprehension	Ability to understand what is read or heard and the relationship of words to each other.	Plant manager: Following corporate policies on hiring.
Perceptual speed	Ability to identify visual similarities and differences quickly and accurately.	Fire investigator: Identifying clues to support a charge of arson.
Inductive reasoning	Ability to identify a logical sequence in a problem and then solve the problem.	Market researcher: Forecasting demand for a product in the next time period.
Deductive reasoning	Ability to use logic and assess the implications of an argument.	Supervisor: Choosing between two different suggestions offered by employees.
Spatial visualization	Ability to imagine how an object would look if its position in space were changed.	Interior decorator: Redecorating an office.
Memory	Ability to retain and recall past experiences.	Salesperson: Remembering the names of customers.

EXHIBIT 2-2
Dimensions of Intellectual Ability

It's the Wonderlic Cognitive Ability Test. There are different forms of the test, but each has 50 questions and the same general construct. Here are two questions to try:

- When rope is selling at \$0.10 a foot, how many feet can you buy for \$0.60?
- Assume the first two statements are true. Is the final one:
 1. True.
 2. False.
 3. Not certain.
 - a. The boy plays baseball.
 - b. All baseball players wear hats.
 - c. The boy wears a hat.

The Wonderlic measures both speed (almost nobody has time to answer every question) and power (the questions get harder as you go along), so the average score is quite low—about 21 of 50. Because the Wonderlic is able to provide valid information cheaply (for \$5 to \$10 per applicant), many organizations use it in hiring decisions including Publix supermarkets, Manpower staffing systems, BP, and Dish satellite systems.⁷² Most of these companies don't give up other hiring tools, such as application forms or interviews. Rather, they add the Wonderlic for its ability to provide valid data on applicants' intelligence levels.



INTELLECTUAL ABILITY AND JOB SATISFACTION While intelligence is a big help in performing a job well, it doesn't make people happier or more satisfied with their jobs. Why not? Although intelligent people perform better and tend to have more interesting jobs, they are also more critical when evaluating their job conditions. Thus, smart people have it better, but they also expect more.⁷³

Physical Abilities

Though the changing nature of work suggests intellectual abilities are increasingly important for many jobs, **physical abilities** have been and will remain valuable. Research on hundreds of jobs has identified nine basic abilities needed in the performance of physical tasks.⁷⁴ These are described in Exhibit 2-3. High employee performance is likely to be achieved when the extent to which a job requires each of the nine abilities matches the abilities of employees in that job.

Physical abilities

The capacity to do tasks that demand stamina, dexterity, strength, and similar characteristics.



Organizations are increasingly aware that an optimally productive workforce includes all types of people and does not automatically exclude anyone on the basis of broad categories of abilities. For example, a pilot program of software company SAP in Germany, India, and Ireland has found that employees with autism perform excellently in precision-oriented tasks like debugging software.⁷⁵ The potential benefits of diversity are enormous for forward-thinking managers. Of course, integrating diverse people into an optimally productive workforce takes skill. We discuss how to bring the talents of a diverse workforce together in the next section.

IMPLEMENTING DIVERSITY MANAGEMENT STRATEGIES

As we mentioned before, discrimination—for any reason—leads to increased turnover, which is detrimental to organizational performance. While a better representation of all racial groups in organizations remains a goal, an individual of minority status is much

EXHIBIT 2-3
Types of Physical Abilities

Strength Factors	
1. Dynamic strength	Ability to exert muscular force repeatedly or continuously over time.
2. Trunk strength	Ability to exert muscular strength using the trunk (particularly abdominal) muscles.
3. Static strength	Ability to exert force against external objects.
4. Explosive strength	Ability to expend a maximum of energy in one or a series of explosive acts.
Flexibility Factors	
5. Extent flexibility	Ability to move the trunk and back muscles as far as possible.
6. Dynamic flexibility	Ability to make rapid, repeated flexing movements.
Other Factors	
7. Body coordination	Ability to coordinate the simultaneous actions of different parts of the body.
8. Balance	Ability to maintain equilibrium despite forces pulling off balance.
9. Stamina	Ability to continue maximum effort requiring prolonged effort over time.

Positive diversity climate
In an organization, an environment of inclusiveness and an acceptance of diversity.

less likely to leave the organization if there is a feeling of inclusiveness, known as a **positive diversity climate**.⁷⁶ Although the reasons aren't completely understood, a positive climate for diversity can also lead to increased sales, suggesting there are organizational performance gains associated with reducing racial and ethnic discrimination.⁷⁷

How do we move beyond the destructiveness of discrimination? The answer is in understanding one another's viewpoints. Evidence suggests that some people find interacting with other racial groups uncomfortable unless there are clear behavioral scripts to guide their behavior,⁷⁸ so creating diverse work groups focused on mutual goals could be helpful, along with developing a positive diversity climate.

We have discussed the facts surrounding stereotypes and discrimination, the effect of employee differences and how they influence important employment outcome variables, explained some of the laws countries use to curtail discrimination, explored some of the policies organizations employ to mandate inclusiveness, and suggested ways organizations can address certain specific employee conditions. We now look at how a manager can and should manage employee differences. Active **diversity management** makes everyone more aware of and sensitive to the needs and differences of others. This definition highlights the fact that diversity programs include and are meant for everyone, regardless of characteristics and in light of varying specific abilities. Diversity is much more likely to be successful when we see it as everyone's business than when we believe it helps only certain groups of employees.

Attracting, Selecting, Developing, and Retaining Diverse Employees

One method of enhancing workforce diversity is to target recruitment messages to specific demographic groups that are underrepresented in the workforce. This means placing advertisements in publications geared toward those groups; pairing with colleges,

Diversity management
The process and programs by which managers make everyone more aware of and sensitive to the needs and differences of others.

universities, and other institutions with significant numbers of underrepresented minorities, such as what Microsoft is doing to encourage women to pursue technology studies;⁷⁹ and forming partnerships with associations like the Society of Women Engineers or the National Minority Supplier Development Council.

Research has shown that women and minorities have greater interest in employers that make special efforts to highlight a commitment to diversity in their recruiting materials. Diversity advertisements that fail to show women and minorities in positions of organizational leadership send a negative message about the diversity climate at an organization.⁸⁰ Of course, to show the pictures, organizations must actually have diversity in their management ranks.

Some companies have been actively working toward recruiting less-represented groups. Etsy, an online retailer, hosts engineering classes and provides grants for aspiring women coders, and then hires the best.⁸¹ McKinsey & Co., Bain & Co., Boston Consulting Group, and Goldman Sachs have similarly been actively recruiting women who left the workforce to start families by offering phase-in programs and other benefits.⁸²

The selection process is one of the most important places to apply diversity efforts. Hiring managers need to value fairness and objectivity in selecting employees and focus on the productive potential of new recruits. When managers use a well-defined protocol for assessing applicant talent and the organization clearly prioritizes nondiscrimination policies, qualifications become far more important factors than demographic characteristics in determining who gets hired.⁸³

Individuals who are demographically different from their coworkers may be more likely to feel lower commitment and to leave, but a positive diversity climate can aid retention. Many diversity training programs are available to employers, and research efforts are focusing on identifying the most effective initiatives. It seems that the best programs are inclusive in both their design and implementation.⁸⁴ A positive diversity climate should be the goal since all workers appear to prefer an organization that values diversity.

Diversity in Groups

Most contemporary workplaces require extensive work in group settings. When people work in groups, they need to establish a common way of looking at and accomplishing the major tasks, and they need to communicate with one another often. If they feel little sense of membership and cohesion in their groups, all group attributes are likely to suffer.

In some cases, diversity in various traits can hurt team performance, whereas in other cases it can facilitate performance.⁸⁵ Whether diverse or homogeneous teams are more effective depends on the characteristic of interest. Demographic diversity (in gender, race, and ethnicity) does not appear to help or hurt team performance in general, although racial diversity in management groups may increase organizational performance in the right conditions.⁸⁶

Teams of individuals who are highly intelligent, conscientious, and interested in working in team settings are more effective. Thus, diversity in these variables is likely to be a bad thing—it makes little sense to try to form teams that mix in members who are lower in intelligence or conscientiousness, or who are uninterested in teamwork. In other cases, diversity can be a strength. Groups of individuals with different types of expertise and education are more effective than homogeneous groups. Similarly, a group made

entirely of assertive people who want to be in charge, or a group whose members all prefer to follow the lead of others, will be less effective than a group that mixes leaders and followers.

Regardless of the composition of the group, differences can be leveraged to achieve superior performance. The most important factor is to emphasize the similarities among members.⁸⁷ Managers who emphasize higher-order goals and values in their leadership style are more effective in managing diverse teams.⁸⁸

Diversity Programs

Organizations use a variety of diversity programs in recruiting and selection policies, as well as in training and development practices. Effective, comprehensive workforce programs encouraging diversity have three distinct components. First, they teach managers about the legal framework for equal employment opportunity and encourage fair treatment of all people regardless of their demographic characteristics. Second, they teach managers how a diverse workforce will be better able to serve a diverse market of customers and clients. Third, they foster personal development practices that bring out the skills and abilities of all workers, acknowledging how differences in perspective can be a valuable way to improve performance for everyone.⁸⁹

Most negative reactions to employment discrimination are based on the idea that discriminatory treatment is unfair. Regardless of race or gender, people are generally in favor of diversity-oriented programs, including affirmative action programs (AAP), to increase the representation of minority groups and ensure everyone a fair opportunity to show their skills and abilities.

Organizational leaders should examine their workforces to determine whether target groups have been underutilized. If groups of employees are not proportionally represented in top management, managers should look for any hidden barriers to advancement. Managers can often improve recruiting practices, make selection systems more transparent, and provide training for those employees who have not had adequate exposure to diversity material in the past. The organization should also clearly communicate its policies to employees so they can understand how and why certain practices are followed. Communications should focus as much as possible on qualifications and job performance; emphasizing certain groups as needing more assistance could backfire.

Finally, research indicates a tailored approach will be needed for international organizations. For instance, a case study of the multinational Finnish company TRANSCO found it was possible to develop a consistent global philosophy for diversity management. However, differences in legal and cultural factors across nations forced the company to develop unique policies to match the cultural and legal frameworks of each country in which it operated.⁹⁰



SUMMARY

This chapter looked at diversity from many perspectives. We paid particular attention to three variables—biographical characteristics, abilities, and diversity programs. Diversity management must be an ongoing commitment that crosses all levels of the organization. Policies to improve the climate for diversity can be effective, and diversity management can be learned.

IMPLICATIONS FOR MANAGERS

- Understand your organization's antidiscrimination policies thoroughly and share them with all employees.
- Assess and challenge your stereotype beliefs to increase your objectivity.
- Look beyond readily observable biographical characteristics and consider the individual's capabilities before making management decisions; remain open and encouraging for individuals to disclose any hidden disabilities.
- Fully evaluate what accommodations a person with disabilities will need and then fine-tune the job to that person's abilities.
- Seek to understand and respect the unique biographical characteristics of each individual; a fair but individualistic approach yields the best performance.

★ TRY IT!

If your professor has assigned this, go to the Assignments section of **mymanagementlab.com** to complete the **Simulation: Human Resources**.

★ PERSONAL INVENTORY ASSESSMENTS

Intercultural Sensitivity Scale

Are you aware of intercultural dynamics? Take this PIA to assess your intercultural sensitivity.

Go to **mymanagementlab.com** for Auto-graded writing questions as well as the following Assisted-graded writing questions:

- 2-1. What is the most diverse group you have worked in? List all the ways in which this group was diverse.
- 2-2. **MyManagementLab Only**—comprehensive writing assignment for this chapter.



PERSONAL INVENTORY ASSESSMENTS

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LEARNING OBJECTIVES

After studying this chapter, you should be able to:

1. Contrast the three components of an attitude.
2. Summarize the relationship between attitudes and behavior.
3. Compare the major job attitudes.
4. Identify the two approaches for measuring job satisfaction.
5. Summarize the main causes of job satisfaction.
6. Identify three outcomes of job satisfaction.
7. Identify four employee responses to job dissatisfaction.

★ Chapter Warm-up

If your professor has chosen to assign this, go to the Assignments section of mymanagementlab.com to complete the chapter warm-up.

ATTITUDES

Attitudes

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

Attitudes are evaluative statements—either favorable or unfavorable—about objects, people, or events. They reflect how we feel about something. When you say “I like my job,” you are expressing your attitude about your work.

Attitudes are complex. If you ask people about their attitudes toward religion, Lady Gaga, or an organization, you may get simple responses, but the underlying reasons are probably complicated. To fully understand attitudes, we must consider their fundamental properties or components.