PART 1
Introduction to Organizational Behavior

CHAPTER 1
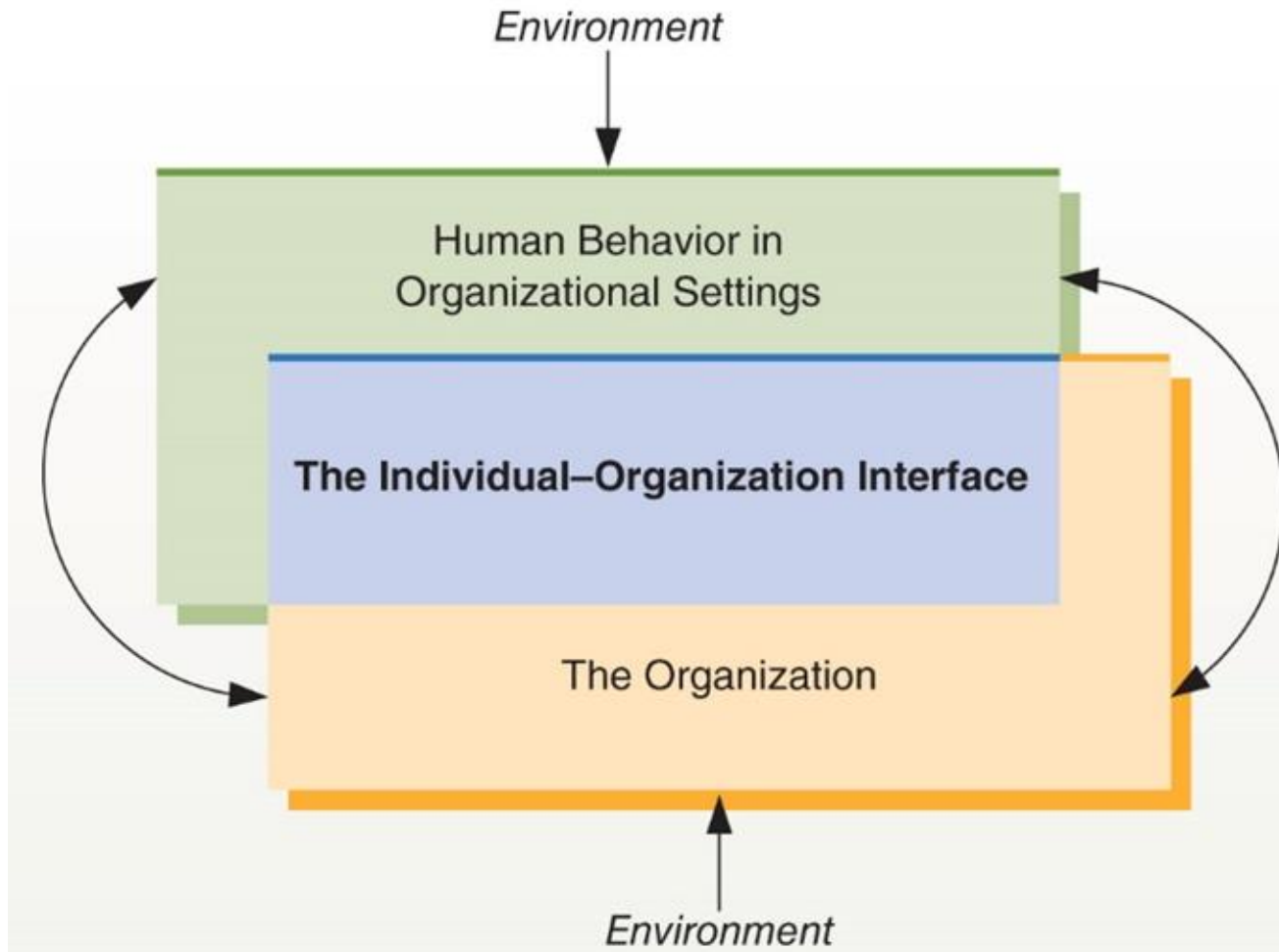## An Overview of Organizational Behavior

Chapter Learning Objectives
After studying this chapter you should be able to:

1. Define organizational behavior and describe how it impacts both personal and organizational success.

2. Identify the basic management functions and essential skills that comprise the management process and relate them to organizational behavior.

3. Describe the strategic context of organizational behavior and discuss the relationships between strategy and organizational behavior.

4. Identify and describe contextual perspectives on organizational behavior.

5. Describe the role of organizational behavior in managing for effectiveness and discuss the role of research in organizational behavior.

6. Summarize the framework around which this book is organized.

What Is Organizational Behavior?

- **Organizational behavior** (OB) is the study of:
  - Human behavior in organizational settings
  - The interface between human behavior and the organization
  - The organization itself

The Nature of Organizational Behavior

Figure 1.1

The field of organizational behavior attempts to understand human behavior in organizational settings, the organization itself, and the individual organization interface. As illustrated here, these areas are highly interrelated. Thus, although it is possible to focus on only one of these areas at a time, a complete understanding of organizational behavior requires knowledge of all three areas.

Why Study OB?

- Studying OB can help you:
    - Become a better employee
    - Become a better manager
    - Understand how people behave and why they do what they do
    - Help you focus on developing a global mindset
- Organizations that successfully implement OB principles have:
    - Motivated, engaged employees whose goals align with business strategy
    - Strong leadership and direction
   - Better bottom lines

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The Managerial Context of Organizational Behavior

- Management functions
  - Planning
  - Organizing
  - Leading
  - Controlling
- Resources used by managers
  - Human
  - Financial
  - Physical
  - Information

Functions of Management

Planning	Determining an organization's desired future position and the best means of getting there
Organizing	Designing jobs, grouping jobs into units, and establishing patterns of authority between jobs and units
Leading	Getting the organization's members to work together toward the organization's goals
Controlling	Monitoring and correcting the actions of the organization and its members to keep them directed toward their goals

Basic Managerial Functions
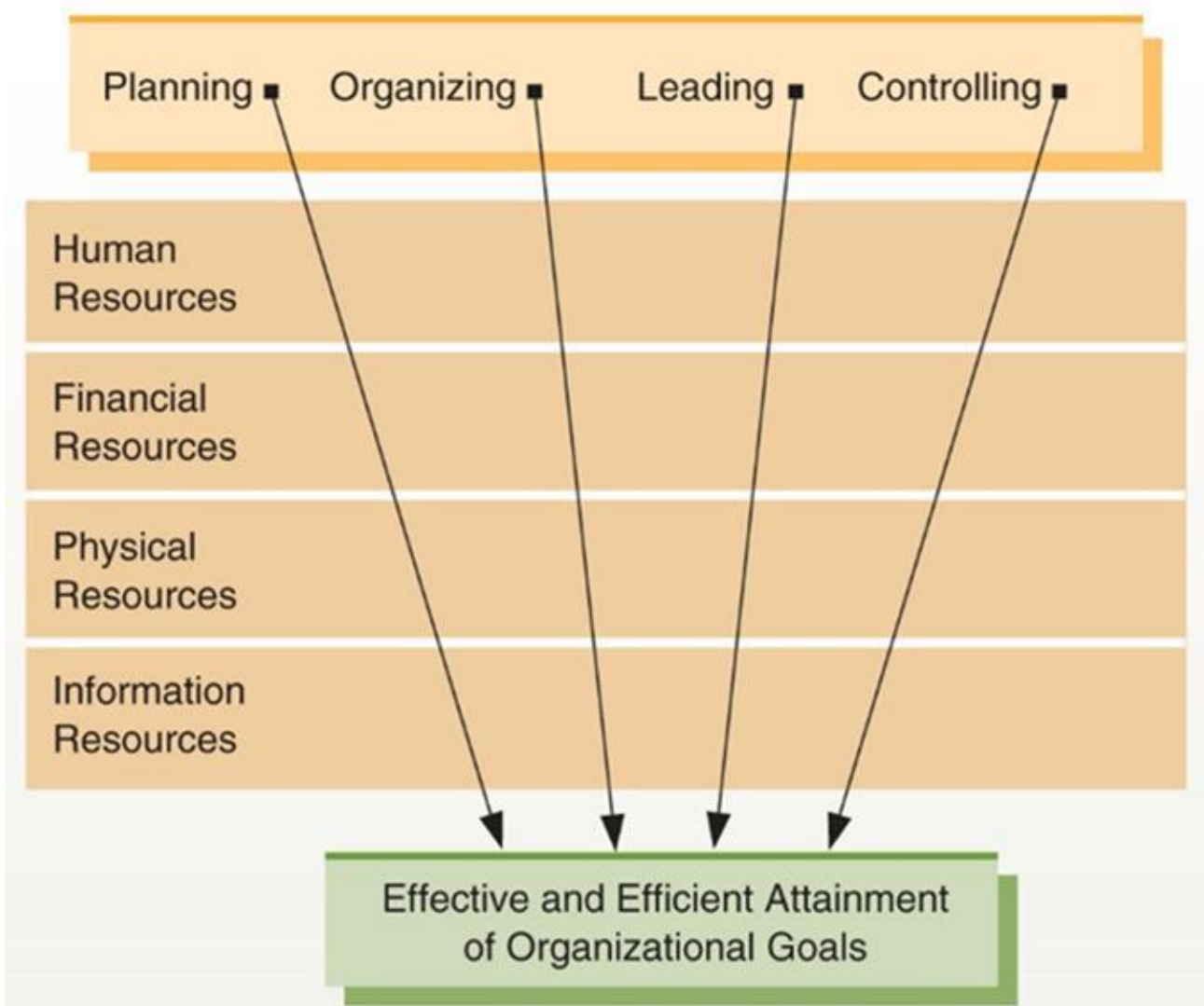
Figure 1.2

Managers engage in the four basic functions of planning, organizing, leading, and controlling. These functions are applied to human, financial, physical, and information resources with the ultimate purpose of efficiently and effectively attaining organizational goals.

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Critical Managerial Skills

Technical skills	Skills necessary to accomplish specific tasks within the organization
Interpersonal skills	Ability to effectively communicate with, understand, and motivate individuals and group
Conceptual skills	Ability think in the abstract
Diagnostic skills	Ability to understand cause-and-effect relationships and to recognize the optimal solutions to problems

Human Resource Management

- Human Resource Management (HRM)
  - The set of organizational activities directed at attracting, developing, and maintaining an effective workforce
- Questions OB helps HR managers answer
  1. Which applicants should be hired?
  2. Which rewards will be more motivating than others?

The Strategic Context of OB

- Competitive advantage
  - An organization's edge over rivals in attracting customers and defending itself against competition
- Sources of competitive advantage
  - Innovation
  - Distribution
  - Speed
  - Convenience
  - First to market
  - Cost
  - Service
  - Quality
  - Branding

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Types of Business Strategies (1 of 2)

Cost Leadership	Striving to be the lowest-cost producer for a particular level of product quality. Emphasizes *operational excellence:* maximizing the efficiency of the manufacturing or product development process to minimize costs.
Differentiation	Developing a product or service that has unique characteristics valued by customers. Emphasizes *product innovation:* developing new products or services.
Specialization	Focusing on a narrow market segment or niche and pursuing either a differentiation or cost leadership strategy within that market segment. Emphasizes *customer intimacy:* Delivering unique and customizable products or services to meet customers' needs and increase customer loyalty

Types of Business Strategies (2 of 2)

- Growth strategy
  - Company expansion organically or through mergers and acquisitions
  - Response to investor preference for rising earnings
  - Success depends on company's ability to find and retain the right number and types of employees to sustain growth
- Integrating business strategies and OB
  - Implementation and change require large-scale organizational changes
    - New organizational culture
    - New employee behaviors

Contextual Perspectives on Organizational Behavior—A History (1 of 2)

- Scientific management
  - First formal study of OB (1890s), abandoned after WWI
  - Based on the belief that productivity is maximized when organizations are rationalized with precise sets of instructions based on time-and-motion studies.
  - Maximized productivity but led to monotonous, dehumanizing conditions
  - Guiding principles
    - Replace rule-of-thumb work methods with methods based on scientifically studying the tasks using time-and-motion studies.
    - Scientifically select, train, and develop all workers rather than leaving them to passively train themselves.

Contextual Perspectives of Organizational Behavior—A History (2 of 2)

- Managers provide detailed instructions and supervision to workers to ensure that they are following the scientifically developed methods.

- Divide work nearly equally between workers and managers. Managers should apply scientific management principles to planning the work, and workers should actually perform the tasks.

History of Organizational Behavior

- Human relations movement
  - Inspired by the ***Hawthorne effect:***
    - When people improve some aspect of their behavior or performance simply because they are being assessed
  - Viewed organizations as cooperative systems
  - Treated workers' orientations, values, and feelings as important parts of organizational dynamics and performance
  - Created a new era of more humane, employee-centered management and highlighted the importance of people to organizational success
  - But was hampered by unsound research methods

Contemporary Organizational Behavior

- Contextual Perspectives on Organizational Behavior
  - Systems Perspective
  - Situational Perspective
 - Contingency
  - Interactional

The Systems Perspective (1 of 2)

- System
  - A set of interrelated elements that function as a whole—inputs are combined/transformed by managers into outputs from the system
- Value of the systems perspective
  - Underscores the importance of an organization's environment
  - Conceptualizes the flow and interaction of various elements of the organization

The Systems Approach to Organizations

Figure 1.3

The systems approach to organizations provides a useful framework for understanding how the elements of an organization interact among themselves and with their environment. Various inputs are transformed into different outputs, with important feedback from the environment. If managers do not understand these interrelations, they may tend to ignore their environment or overlook important interrelationships within their organizations.
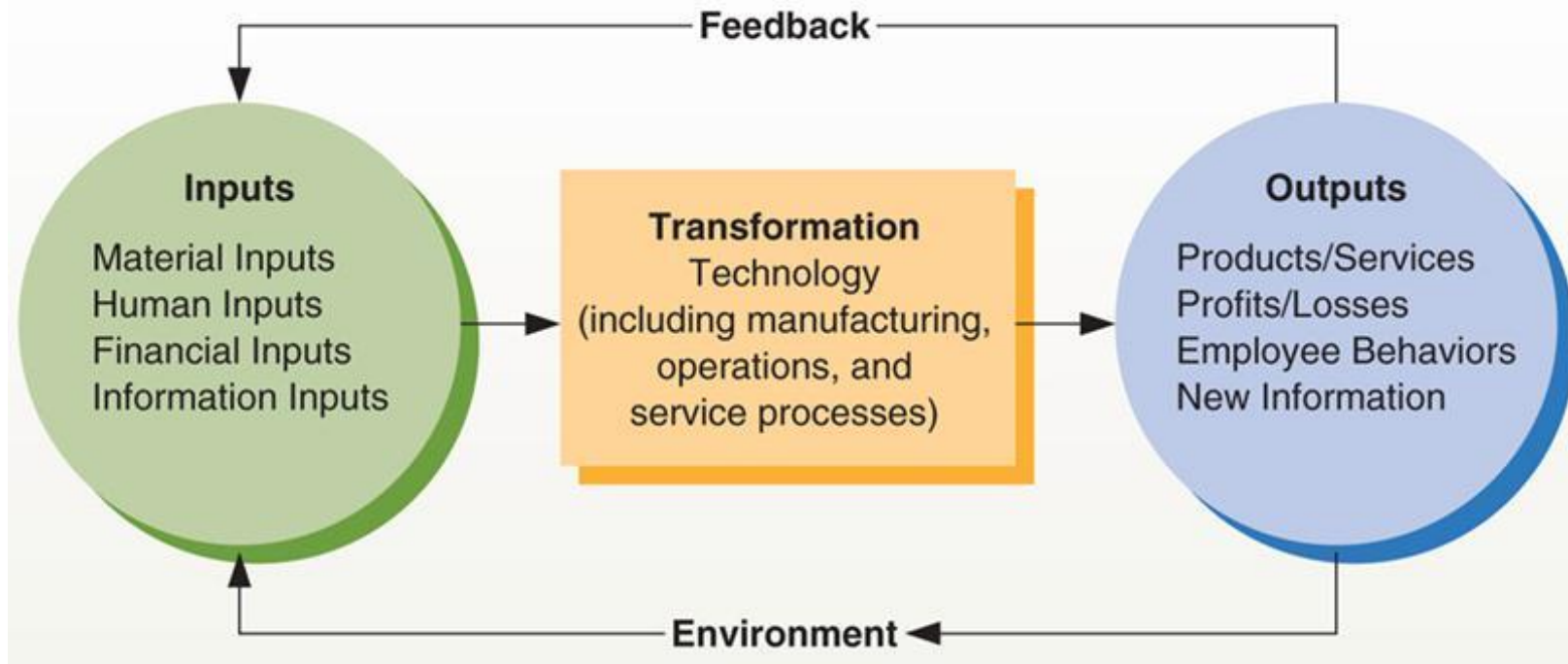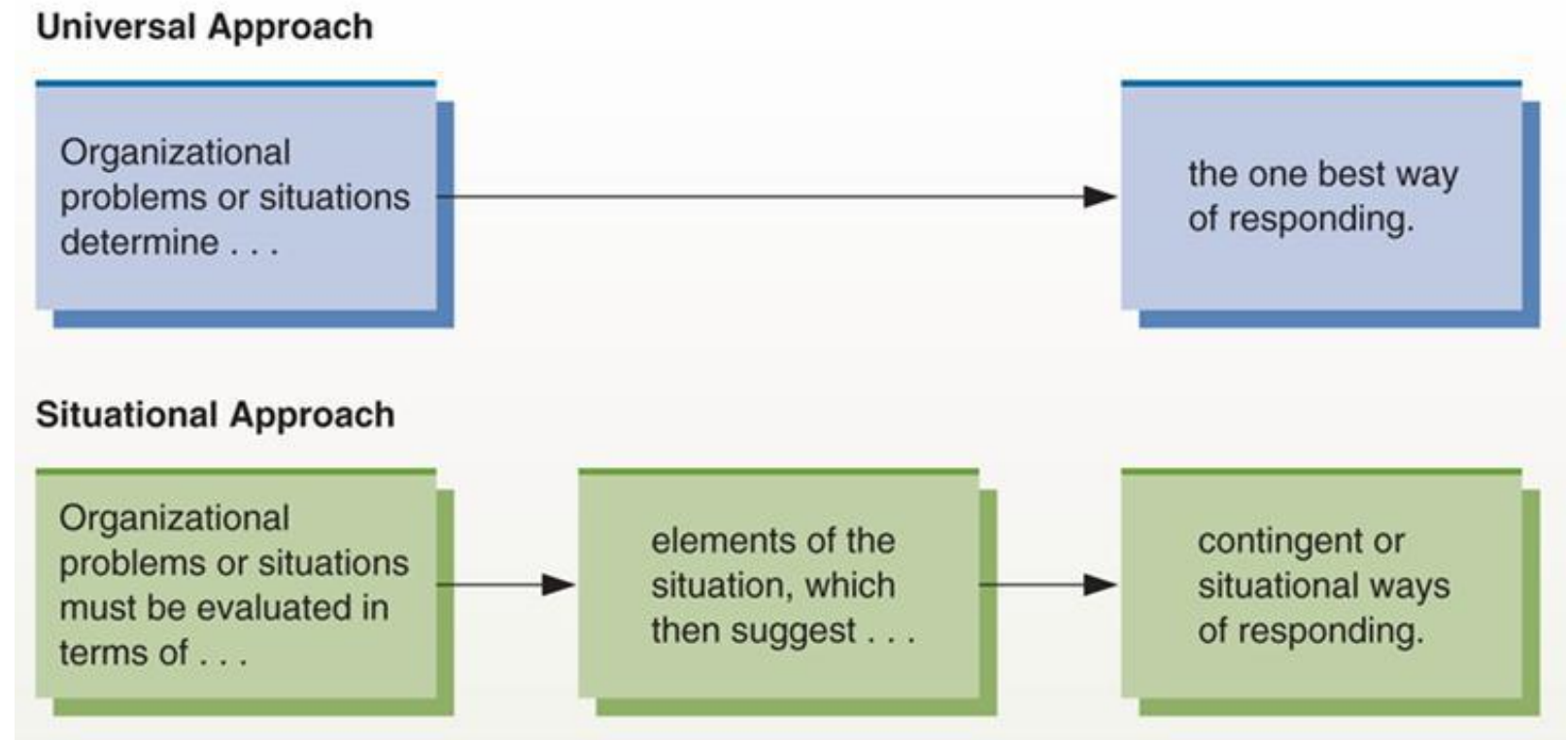
The Situational Perspective (2 of 2)

- The situational perspective
  - In most organizations, situations and outcomes are influenced by other variables

- The universal model
  - Presumes a direct cause-and-effect linkage between variables
  - Complexities of human behavior and organizational settings make universal conclusions virtually impossible

Universal versus Situational Approach

Figure 1.4

Managers once believed that they could identify the "one best way" of solving problems or reacting to situations. Here we illustrate a more realistic view, the situational approach. The situational approach suggests that approaches to problems and situations are contingent on elements of the situation.

Universal Approach

Organizational problems or situations determine . . . → the one best way of responding.

Situational Approach

Organizational problems or situations must be evaluated in terms of . . . → elements of the situation, which then suggest . . . → contingent or situational ways of responding.

Interactionalism: People and Situations

- Interactionalism
  - Focuses on how individuals and situations interact continuously to determine individuals' behavior
  - Attempts to explain how people select, interpret, and change various situations

Managing for Effectiveness (1 of 8)

- Managers' goals
  - Enhance behaviors and attitudes
  - Promote citizenship
  - Minimize dysfunctional behaviors
  - Drive strategic execution

Managing for Effectiveness (2 of 8)

- Individual behaviors
  - Productivity
    - Narrow measure of efficiency: number of products or services created per unit of input
  - Performance
    - Broader concept made up of all work-related behaviors
  - Commitment
    - The degree to which an employee considers himself or herself a true member of the organization, overlooks minor sources of dissatisfaction, and intends to stay with the organization

Managing for Effectiveness (3 of 8)

- Organizational citizenship
  - Behavior of individuals that makes a positive overall contribution to the organization
  - Encompasses all factors outside the strict requirements of the job
  - Examples
    - Willingness to train new hires
    - Works late/overtime
    - Good attendance
    - Represents the organization well
    - Personal values consistent with the organization

- Dysfunctional behaviors
  - Behaviors that detract from, rather than contribute to, organizational performance
  - Examples
    - Absenteeism
    - Turnover
    - Theft, sabotage
    - Sexual and Racial Harassment
    - Politicized behavior (spreading rumors, etc.)
    - Incivility, rudeness
   - Bullying and Workplace violence

Managing for Effectiveness (5 of 8)

- Strategic execution
  - The degree to which managers and their employees understand and carry out the actions needed to achieve strategic goals
  - Assessed at the individual/group level, the organizational level, and in terms of financial performance
  - Often requires balancing seemingly contradictory outcomes
    - For example, paying workers high salaries can enhance satisfaction and reduce turnover, but detracts from bottom-line performance.

Managing for Effectiveness (6 of 8)

- Quality of information: How do we know what we know?
  - "Common" sense and intuition and are often wrong—examples where one thing doesn't necessarily lead to the other
    - Goals, confidence and performance
    - Satisfaction and productivity
    - Cohesion and perfomance
    - Rewards and motivation
  - OB relies on the *scientific method*
    - Method of knowledge generation that relies on systematic studies that identify and replicate a result using a variety of methods, samples, and settings

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The Scientific Method
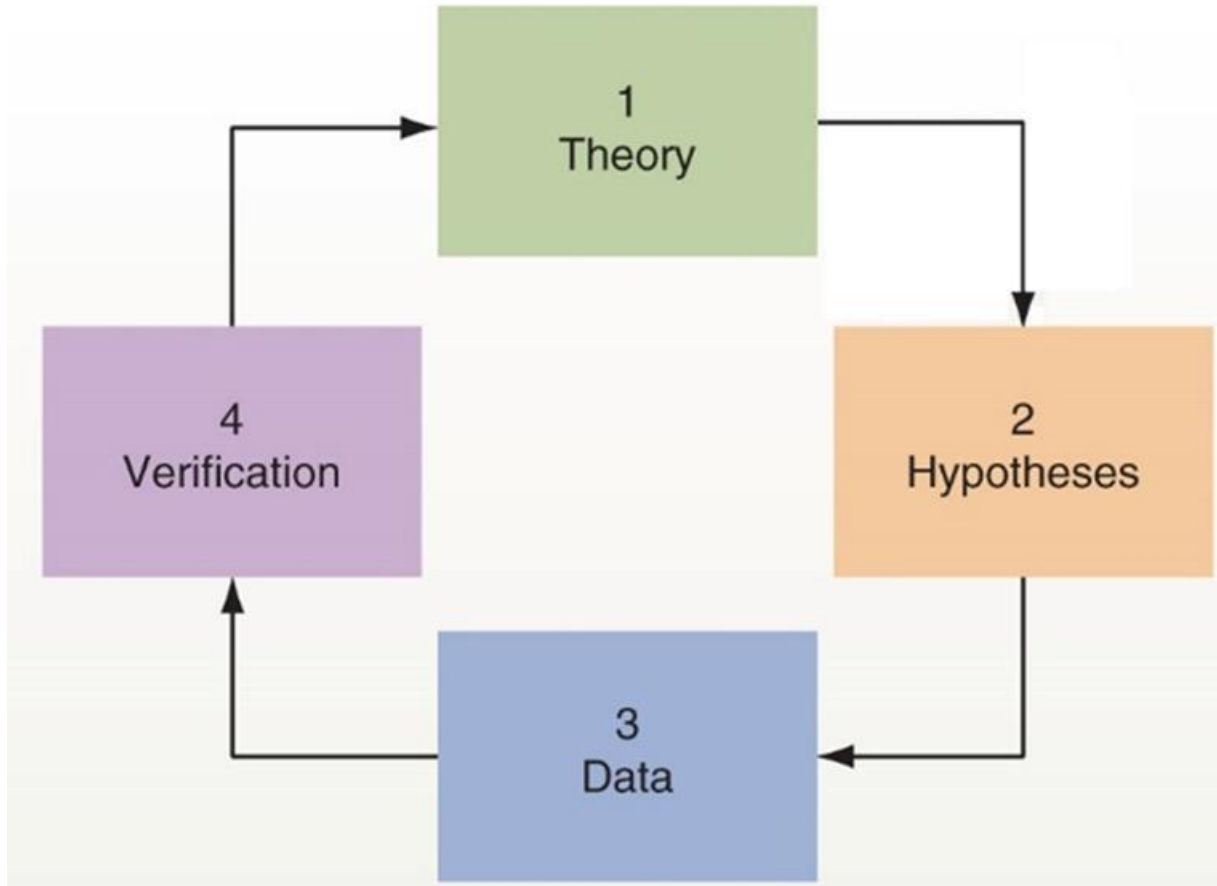
Figure 1.5

The scientific method is a useful approach to learning more about organizational behavior. Using theory to develop hypotheses and then collecting and studying relevant data can help generate new knowledge.

Managing for Effectiveness (7 of 8)

- The scientific method
  - A ***theory*** is a collection of verbal and symbolic assertions that specify how and why variables are related, and the conditions under which they should and should not relate.
  - A ***hypothesis*** is a written prediction specifying expected relationships between certain variables.
  - The ***independent variable*** is the variable that is predicted to affect something else.
  - The ***dependent variable*** is variable predicted to be affected by something else.
    - Example: In a hypothetical case, setting a specific, difficult, achievable goal is the independent variable, and the number of products assembled is our dependent variable.

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Managing for Effectiveness (8 of 8)

- Correlation—Reflects the size and strength of the statistical relationship between two variables

    - Ranges between −1 and +1

    - A correlation of +1 is a perfect positive relationship: the higher the goal, the more products assembled.

    - A correlation of −1 is a perfect negative relationship: higher an assembler's goal, the lower her performance

    - A correlation of 0 means that there is no statistical relationship

- Meta-analysis is used to combine the results of many different research studies done in a variety of organizations and for a variety of jobs.

- There may not be global replication of behaviors

Interpreting Correlations

Figure 1.6

Correlations between variables can range from −1 to +1. By studying correlations we can learn more about how two variable are related. Correlations of −1 or +1 are unusual, as is a correlation of 0. Fortunately, we can still learn a great deal from correlations that are statistically significant.
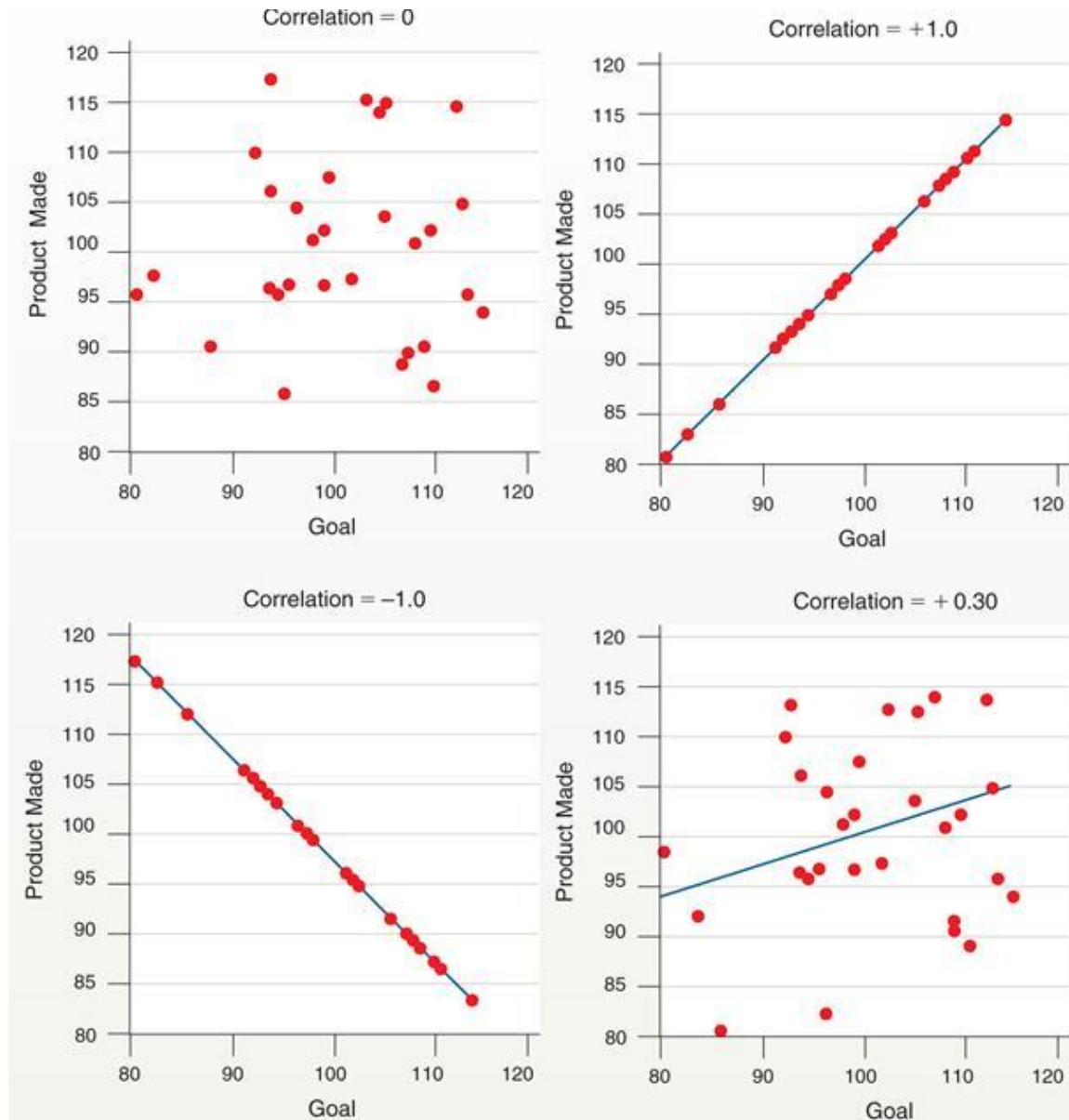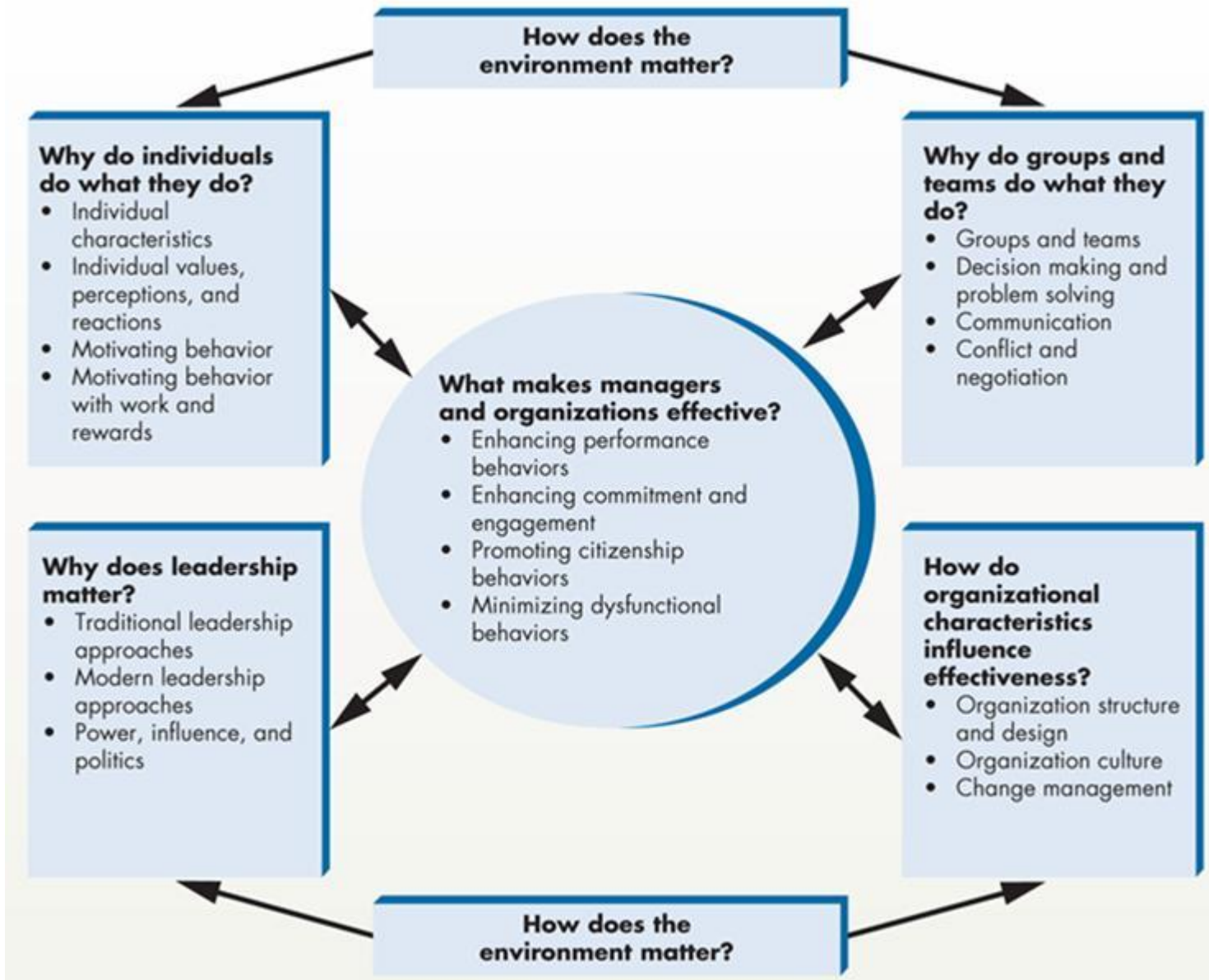
The Framework of the Text

- How our textbook is organized
  - Part 1 (chapters 1–2): environmental factors
  - Part 2 (chapters 3–6): individual factors
  - Part 3 (chapters 7–10): group factors
  - Part 4 (chapters 11–13): leadership
  - Part 5 (chapters 14–16): organizational factors

Organizational Behavior Framework

Figure 1.7

An array of environmental, individual, group and team, leadership, and organizational characteristics impact organizational behavior. If managers understand these concepts and characteristics they can better promote organizational effectiveness.

How does the environment matter?

Why do individuals do what they do?
- Individual characteristics
- Individual values, perceptions, and reactions
- Motivating behavior
- Motivating behavior with work and rewards

Why do groups and teams do what they do?
- Groups and teams
- Decision making and problem solving
- Communication
- Conflict and negotiation

What makes managers and organizations effective?
- Enhancing performance behaviors
- Enhancing commitment and engagement
- Promoting citizenship behaviors
- Minimizing dysfunctional behaviors

Why does leadership matter?
- Traditional leadership approaches
- Modern leadership approaches
- Power, influence, and politics

How do organizational characteristics influence effectiveness?
- Organization structure and design
- Organization culture
- Change management

How does the environment matter?

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Organizational Behavior in Action

- Based on your reading of this chapter:

  - What do you think are the most important things a manager does? Is how a manager does these things also important? Why or why not?

  - Some people have suggested that understanding human behavior at work is the single most important requirement for managerial success. Do you agree or disagree with this statement? Why?

  - The chapter identifies four basic managerial functions. Based on your own experiences and observations, provide an example of each function.

  - Why will learning about OB help you to get a better job and a better career, and be a better manager?

  - Some people believe that individuals working in an organization have basic human rights to satisfaction with their work and to the opportunity to grow and develop. How would you defend this position? How would you argue against it?

  - Think of something that you believe leads to employee productivity based on intuition that may not prove to be true if tested systematically. Now apply the scientific method and describe how you might test your theory.

PART 1
Introduction to Organizational Behavior

CHAPTER 2
The Changing Environment of Organizations

Chapter Learning Objectives
## After studying this chapter, you should be able to:

1. Describe the nature of diversity in organizations.

2. Describe the different types of diversity and barriers to inclusion that exist in the workplace.

3. Discuss the emergence of globalization and cross-cultural differences and similarities.

4. Discuss the changing nature of technology and its impact on business.

5. Describe emerging perspectives on ethics and corporate governance.

6. Discuss the key issues in new employment relationships.

The Changing Environment of Business

Figure 2.1

The changing environment of business presents both opportunities and challenges for managers today. Five important environmental forces are globalization, diversity, technology, ethics and corporate governance, and new employment relationships.
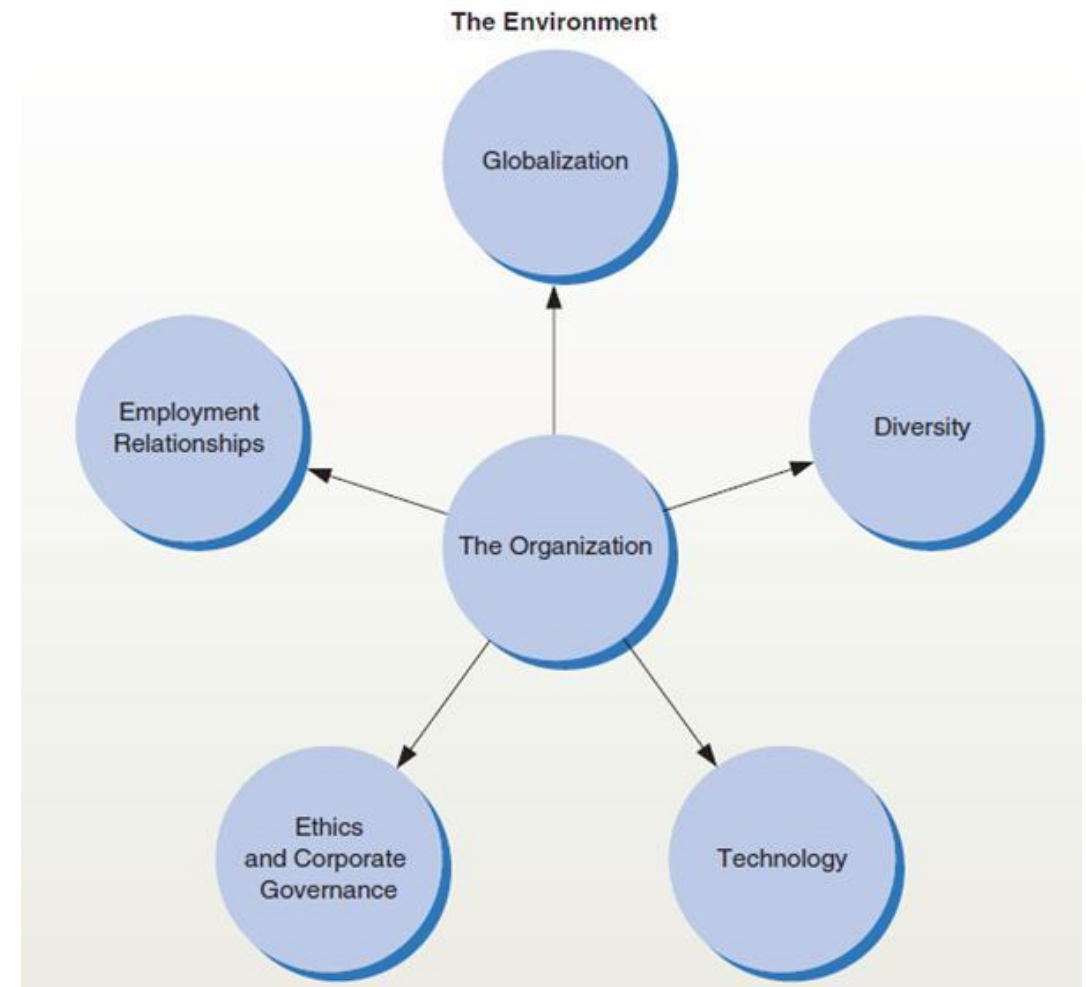
- Diversity
  - The variety of observable and unobservable similarities and differences among people
- Types of diversity
  - Surface-level: Observable differences in people, including race, age, ethnicity, physical abilities, physical characteristics, and gender
  - Deep-level: Individual differences that cannot be seen directly, including goals, values, personalities decision-making styles, knowledge, skills, abilities, and attitudes
  - Separation: Differences in position or opinion among group members reflecting disagreement or opposition—dissimilarity in an attitude or value, for example, especially with regard to group goals or processes

Diversity and Business (2 of 7)

- – Variety: Differences in a certain type or category, including group members' expertise, knowledge, or functional background

- – Disparity: Differences in the concentration of valuable social assets or resources—dissimilarity in rank, pay, decisionmaking authority, or status, for example

- Trends in Diversity

  - – The population is projected to become older.

  - – By 2050, the total population is forecasted to grow from 282.1 million in 2000 to 419.9 million, a 49 percent increase.

  - – Non-Hispanic Whites are expected to decrease.

  - – Proportion of Blacks, Asians, and Hispanics will increase.

  - – Talent shortages are forecast to rise globally.

Table 2.1 Five Types of Diversity

1. Surface-level diversity: observable differences in people, including gender, race, age, ethnicity, and physical abilities
2. Deep-level diversity: individual differences that cannot be seen directly, including goals, values, personalities, decision-making styles, knowledge, and attitudes
3. Separation: differences in position or opinion among group members reflecting disagreement or opposition, especially with regard to group goals or processes— dissimilarity in an attitude or value, for example (a type of deep-level diversity)
4. Variety: differences in a certain type or category, including group members' expertise, knowledge, or functional background (a type of deep-level diversity)
5. Disparity: differences in the concentration of valuable social assets or resources— including dissimilarity in rank, pay, decision-making authority, or status (a type of deep-level diversity)
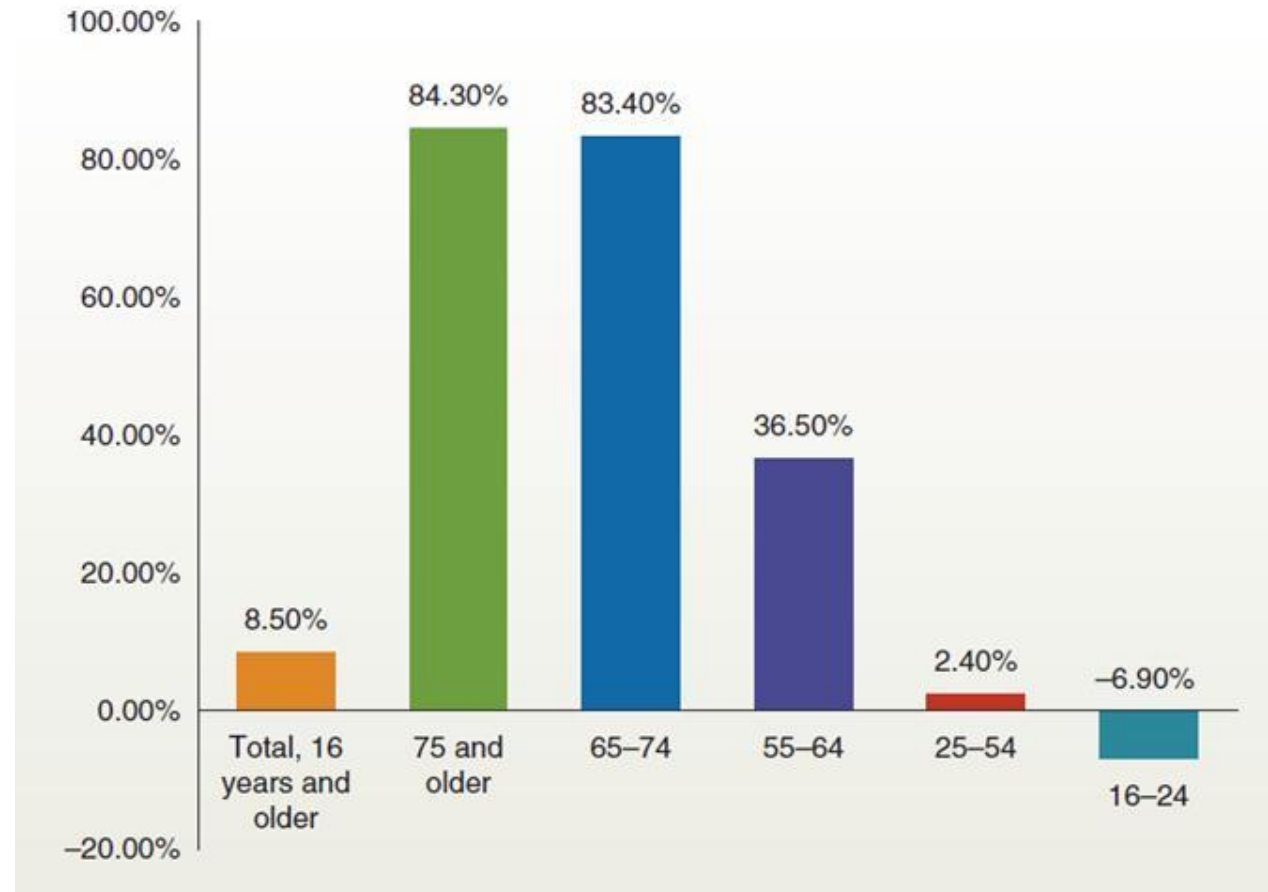
Diversity and Business (3 of 7)

- Generational diversity
  - Age diversity
    - May result in younger managers supervising older workers
    - Reverse mentoring: pairing a junior employee with a senior employee to transfer technical/computer skills from the junior employee to the senior one

Projected Percentage Change in the U.S. Labor Force by Age from 2006 to 2016

Figure 2.2

The labor force in the United States is getting older. For example, as shown here, between 2006 and 2016 the number of U.S. workers between the ages of 65 and 74 grew by 83.4 percent, and the percentage of workers 75 and older grew by 84.3 percent. In contrast, the number of workers between the ages of 25 and 54 grew only by 2.4 percent.

Diversity and Business (4 of 7)

- Generations (by birth year)
  - Seniors: 1922–1943
  - Baby boomers: 1943–1963
  - Generation X: 1964–1980
  - Generation Y/Millennials: 1980–2000
- Older workers may have better job performance but need mentoring to adopt new technology.

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Diversity and Business

- Diversity issues for managers
  - The business case for diversity
    - Diversity also fosters greater creativity and innovation.
    - Organizational performance increases when employees have a positive attitude toward diversity.
    - Culturally diverse teams make better decisions over time than homogeneous ones.
    - Women in top management results in more innovation.
    - Title VII of the Civil Rights Act of 1964 prohibits employment discrimination based on race, color, religion, sex, or national origin.

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Table 2.2 Barriers to Inclusion

The "like me" bias	People prefer to associate with others they perceive to be like themselves.
Stereotypes	A belief about an individual or a group based on the idea that everyone in a particular group will behave the same way or have the same characteristics.
Prejudice	Outright bigotry or intolerance for other groups.
Perceived threat of loss	If some employees perceive a direct threat to their own career opportunities, they may feel that they need to protect their own prospects by impeding diversity efforts.
Ethnocentrism	The belief that one's own language, native country, and cultural rules and norms are superior to all others.
Unequal access to organizational networks	Women and minorities are often excluded from organizational networks, which can be important to job performance, mentoring opportunities, and being seen as a candidate for promotion

Diversity and Business (6 of 7)

- Managing diversity

  - Top management support for diversity and for diversity initiatives.

  - Reciprocal mentoring: matches senior employees with diverse junior employees to allow both individuals to learn more about a different group.

  - Older adults may benefit fromself-paced learning environments and confidence-boosting interventions.

  - It is not realistic to claim or topursue an "I'm totally unbiased" stance with regard to diversity.

- Globalization

  – The internationalization of business activities and the shift toward an integrated global economy

- Factors increasing globalization

  – Advances in communication and transportation

  – Businesses have expanded internationally to increase their markets.

  – Control of labor, distribution and distribution costs

  – Increased international competition

Globalization and Business (2 of 5)

- Cultural competence

  - Culture

    o The set of shared values, often taken for granted,that help people in a group, organization, or society understand which actions are considered acceptable and which are deemed unacceptable

- Cultural competence: The ability to interact effectively with people of different cultures

    o Awareness of our worldview and our reactions to people who are different

    o Our attitude toward cultural differences

    o Knowledge of different worldviews and cultural practices

    o Cross-cultural skills

Globalization and Business (3 of 5)

- Cross-Cultural Differences and Similarities
  - General observations
    - Cultural and national boundaries may not coincide
    - Behavior in organizational settings varies across cultures
    - Culture is one major cause of this variation
    - Organizations and the way they are structured appear to be growing increasingly similar.
    - The same individual behaves differently in different cultural settings.
    - Cultural diversity can be an important source of synergy in enhancing organizational effectiveness.

- Specific Cultural Issues
  - Geert Hofstede's research
    - Attitudes and behaviors differ significantly because of values and beliefs that characterize those countries
  - Hofstede's Categories
    - Individualism
    - Collectivism
    - Power distance
    - Uncertainty avoidance
    - Masculinity
    - Long-term orientation
    - Short-term orientation

Hofstede's Primary Dimensions

Individualism	Exists to the extent that people in a culture define themselves primarily as individuals rather than as part of one or more groups or organizations
Collectivism	Characterized by tight social frameworks in which people tend to base their identities on the group or organization to which they belong
Power distance	The extent to which people accept as normal an unequal distribution of power
Uncertainty avoidance (also preference for stability)	The extent to which people feel threatened by unknown situations and prefer to be in clear and unambiguous situations
Masculinity (also assertiveness or materialism)	The extent to which the dominant values in a society emphasize aggressiveness and the acquisition of money and other possessions as opposed to concern for people, relationships among people, and overall quality of life
Long-term Values	Include focusing on the future, working on projects that have a distant payoff, persistence, and thrift
Short-term Values	More oriented toward the past and the present and include respect for traditions and social obligations

Table 2.3 Work-Related Differences in 10 Countries

Country	Individualism/Collectivism	Power Distance	Uncertainty Avoidance	Masculinity	Long-Term Orientation
CANADA	H	M	M	M	L
GERMANY	M	M	M	M	M
ISRAEL	M	L	M	M	(no data)
ITALY	H	M	M	H	(no data)
JAPAN	M	M	H	H	H
MEXICO	H	H	H	M	(no data)
PAKISTAN	L	M	M	M	L
SWEDEN	H	M	L	L	M
UNITED STATES	H	M	M	M	L
VENEZUELA	L	H	M	H	(no data)

Note: H = high; M = moderate; L = low for INDIVIDUALISM/COLLECTIVISM. H means High Individualism, L means High Collectivism and M means a balance of individualism and collectivism. These are only 10 of the more than 60 countries that Hofstede and others have studied.

References: Adapted from Geert Hofstede and Michael Harris Bond, "The Confucius Connection: From Cultural Roots to Economic Growth," *Organizational Dynamics,* Spring 1988, pp. 5–21; Geert Hofstede, "Motivation, Leadership, and Organization: Do American Theories Apply Abroad?" *Organizational Dynamics,* Summer 1980, pp. 42–63.

– Global Perspective

■ A willingness to be open to and learn from the alternative systems and meanings of other people and cultures, and a capacity to avoid assuming that people from everywhere are the same.

Technology and Business (1 of 2)

- Technology
  - Refers to the methods used to create products, including both physical goods and intangible services

- Manufacturing
  - A form of business that combines and transforms resources into tangible outcomes that are then sold to others

- Service organization
  - One that transforms resources into an intangible output and creates time or place utility for its customers

Technology and Business (2 of 2)

- Technology and Competition
  - Maintaining a leadership position: technology is the basis of competition for some firms
  - Coping with decreasing cycle times (the time it takes a firm to accomplish some recurring activity or function, e.g., making deliveries, processing credit payments)
- Information technology and social media
  - Advantages: leaner and more flexible organizations, increased collaboration, improved management processes/systems
  - Disadvantages: less personal communication, less "down time," an increased sense of communication and decision-making urgency
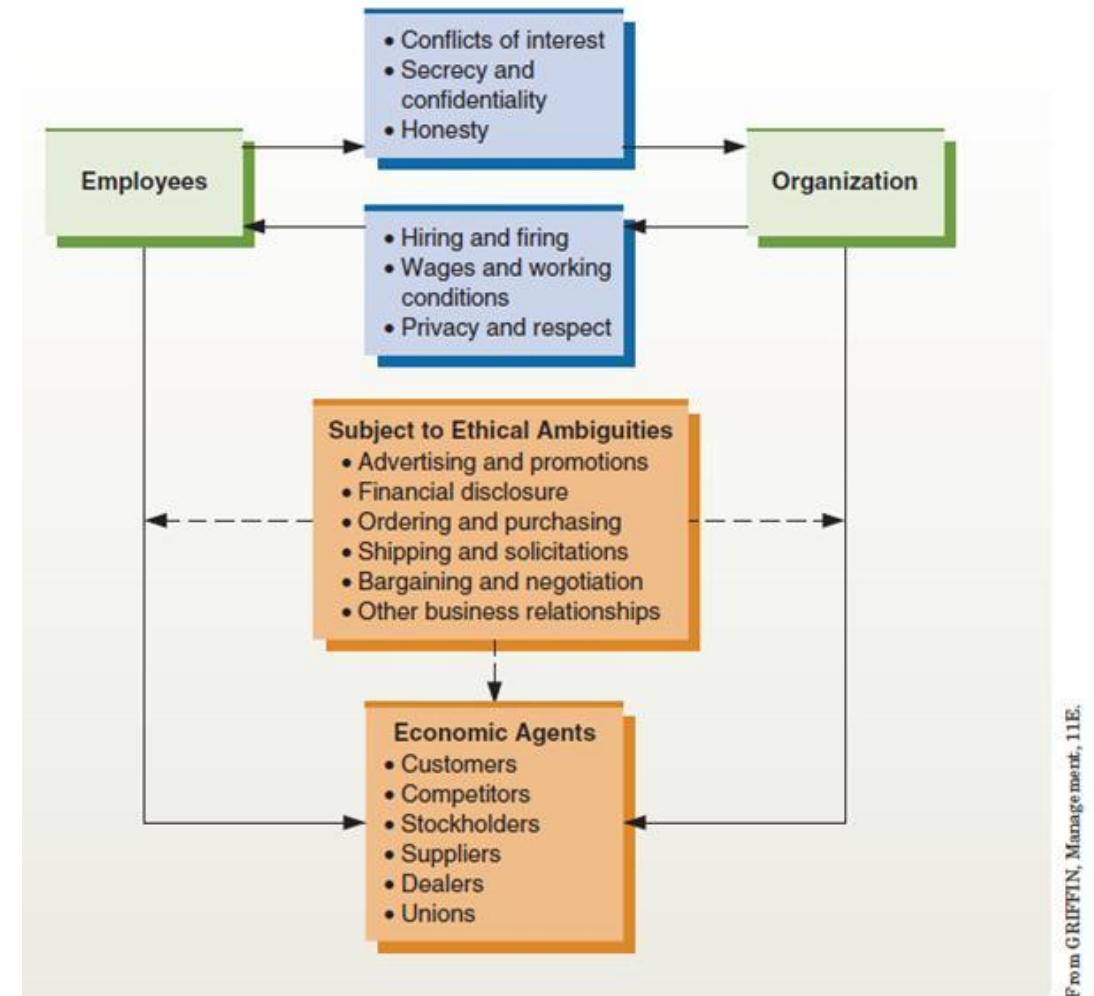
Ethics and Corporate Governance (1 of 3)

- Ethics
  - A person's beliefs regarding what is right or wrong in a given situation
- Framing ethical issues
  - Treatment of employees (hiring, firing, wages, working conditions, respect, privacy)
  - How employees treat the organization (conflicts of interest, secrecy, confidentiality, personal internet use, unacceptable absenteeism)
  - Treatment of economic agents (customers, competitors, stockholders, suppliers, dealers, unions)
  - Variations in ethical and legal business practices across countries

Managerial Ethics

Figure 2.3

Managers face a variety of ethical situations. In most cases these situations involve how the organization treats its employees, how employees treat the organization, and how employees and organizations treat other economic agents.

Ethics and Corporate Governance (2 of 3)

- Corporate governance
  - Refers to the oversight of a public corporation by its board of directors
- Governance issues
  - Proper management of the business in the best interests of shareholders and other stakeholders
  - Independence of the board from the business
- Ethical Issues and Information Technology
  - individual rights to privacy and the potential abuse of information technology by companies.

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Ethics and Corporate Governance (3 of 3)

- Social responsibility

  - Businesses living and working together for the common good and valuing human dignity

  - have lasting effects, social responsibility efforts should be integrated into the culture of the organization

  - The International Organization for Standardization (ISO) has created a variety of standards that help organizations gain international acceptance of their practices and outcomes.

New Employment Relationships (1 of 5)

- Management of knowledge workers
  - Those employees who add value in an organization simply because of what they know
    - Examples: computer scientists, physical scientists, engineers, product designers, video game developers
- Knowledge worker employment issues
  - Unique working arrangements and performance motivation requirements
    - Autonomous work, strong identification with professional standard, continual updating of skills
  - Specifically (individually) tailored compensation packages
    - Growth opportunities, profit sharing, less bureaucracy

New Employment Relationships (2 of 5)

- Outsourcing
  - The practice of hiring other firms to do work previously performed by the organization itself; when this work is moved overseas, it is often called offshoring

- Advantages of outsourcing
  - Helps firms to focus on core activities
  - Lowers labor costs through exportation of work

- Disadvantages of outsourcing
  - Disaffected employees: out-of-job workers are used to train the newly hired foreign replacements
  - Reduction of domestic job opportunities

New Employment Relationships (3 of 5)

- Offshoring
  – Outsourcing to workers in another country
- Advantages of offshoring
  – Lower labor costs
- Disadvantages of offshoring
  – Results in loss of jobs in home country
  – Controversial issue

- Temp and contingency workers
  - Work for an organization on something other than a permanent or full-time basis as independent contractors, on-call workers, temporary employees (usually hired through outside agencies), and contract and leased employees
  - contingent worker: A person who works for an organization on something other than a permanent or full-time basis
- Tiered workforce
  - When one group of an organization's workforce has a contractual arrangement with the organization objectively different from another group performing the same jobs
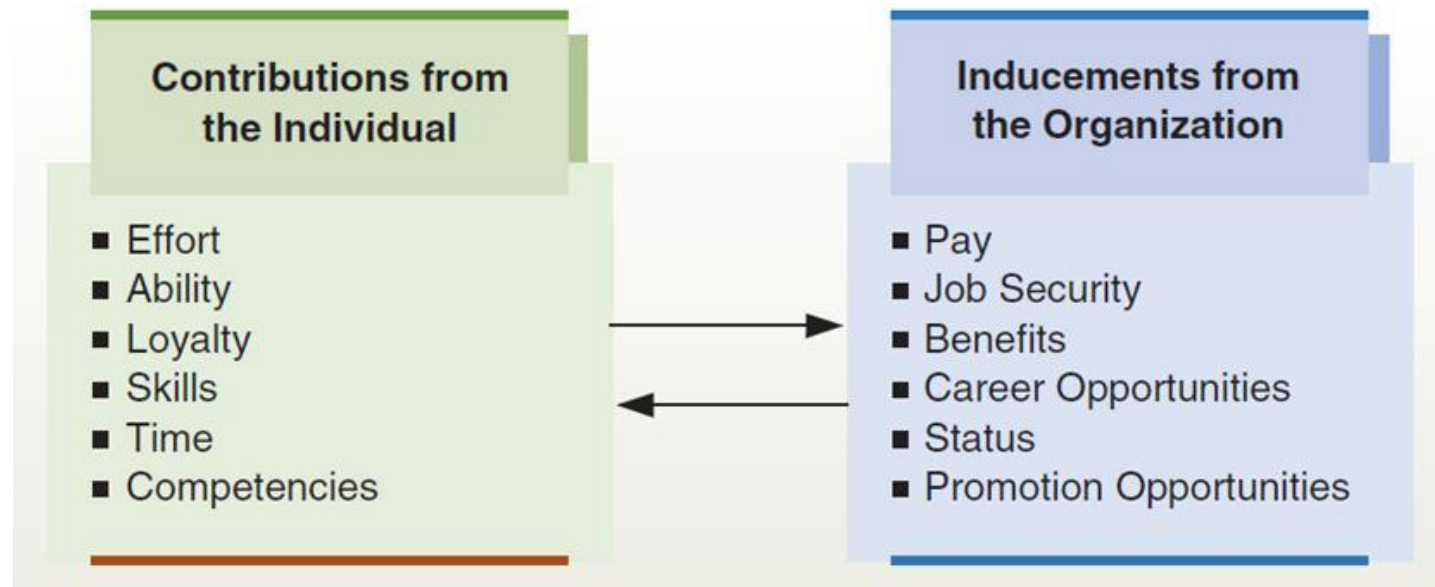 - Occurs with contracts negotiated at different times

New Employment Relationships (5 of 5)

- Psychological contract
  - A person's set of expectations regarding what he or she will contribute to an organization and what the organization, in return, will provide to the individual
  - Individuals contribute effort, skills, ability, time, loyalty
  - Organizations provide inducements in the form of tangible/intangible rewards

The Psychological Contract

Figure 2.4

Psychological contracts govern the basic relationship between people and organizations. Individuals contribute such things as effort and loyalty. In turn, organizations offer such inducements as pay and job security.

Contributions from the Individual	Inducements from the Organization
■ Effort	■ Pay
■ Ability	■ Job Security
■ Loyalty	■ Benefits
■ Skills	■ Career Opportunities
■ Time	■ Status
■ Competencies	■ Promotion Opportunities

Organizational Behavior in Action (1 of 2)

- After reading the chapter:
  - Which do you think is more important to team performance, surface-level or deep-level diversity? Why?
  - How can diversity create a competitive advantage for a firm?
  - If a subordinate came to you and said that they felt the company's new diversity hiring initiative was unfair and would compromise their welldeserved opportunities for advancement, how would you respond?
  - What can leaders do to be effective when team members are from different cultures and have different expectations about how the leader should behave?
  - Identify at least three ways in which the globalization of business affects businesses in your community.

Organizational Behavior in Action (2 of 2)

- What roles do changing technologies play in your daily activities?

- Do you think that concerns regarding ethics will become more or less important in business? Why?

- What are your personal opinions about international outsourcing in the garment industry? Do you think that lower prices are worth sending U.S. jobs to other countries? Explain your answer.

PART 2
Individual Behaviors and Processes in Organizations

CHAPTER 3
Individual Characteristics

Chapter Learning Objectives
After studying this chapter, you should be able to:

1. Explain the nature of individual differences, the concept of fit, and the role of realistic job previews.

2. Define personality and describe general personality frameworks and attributes that affect behavior in organizations.

3. Identify and discuss other important personality traits that affect behavior in organizations.

4. Discuss different kinds of intelligence that affect behavior in organizations.

5. Describe different learning styles that influence how people process information and that affect behavior in organizations.

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People in Organizations (1 of 2)

- Individual differences
  - Personal attributes that vary from one person to another
- The concept of fit
  - Person-job fit—The fit between a person's abilities and the demands of the job, and the fit between a person's desires and motivations and the attributes and rewards of a job
  - Person-group fit—The extent to which an individual fits with the workgroup's and supervisor's work styles, skills, and goals
  - Person-organization fit— The fit between an individual's values, beliefs, and personality and the values, norms, and culture of the organization
  - Person-vocation fit—The fit between a person's interests, abilities, values, and personality and a profession

People in Organizations (2 of 2)

- Realistic job previews (RJPs)
  - Present both positive and potentially negative information to job candidates
  - Goal is not to deter candidates, but to:
    - Provide accurate information about job and organization
    - Build trust
    - Reduce turnover (especially from employees who quit because the job wasn't what they expected)

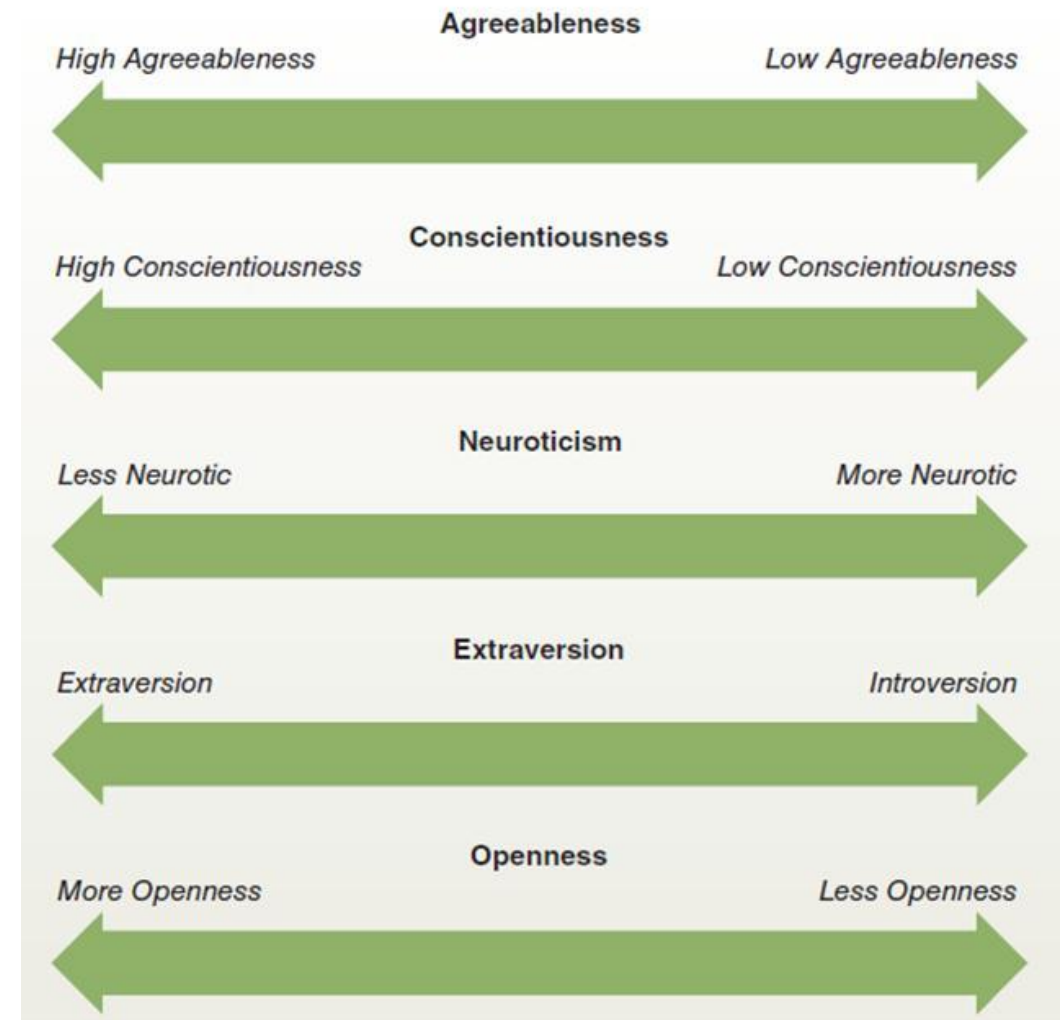# Personality and Individual Behavior (1 of 3)

- Personality
  - The relatively stable set of psychological attributes that distinguish one person from another, nature versus nurture?

- The "Big Five" personality traits
  - A set of fundamental traits that are especially relevant to organizations

Agreeableness	The ability to get along with others
Conscientiousness	Refers to an individual being dependable and organized
Neuroticism	Characterized by a person's tendency to experience unpleasant emotions such as anger, anxiety, depression, and feelings of vulnerability
Extraversion	The quality of being comfortable with relationships
Introversion	The tendency to be less comfortable in relationships and social situations
Openness	The capacity to entertain new ideas and to change as a result of new information

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"Big Five" personality traits

Figure 3.1

The "big five" personality framework is currently very popular among researchers and managers. These five dimensions represent fundamental personality traits presumed to be important in determining the behaviors of individuals in organizations. In general, experts agree that personality traits closer to the left end of each dimension are more positive in organizational settings, whereas traits closer to the right are less positive.

Personality and Individual Behavior (2 of 3)

- The Myers-Briggs framework
  - Used to categorize personality
  - Differentiation across four general dimensions
    - Extroversion (E)/Introversion (I)
    - Sensing (S)/Intuition (N)
    - Thinking (T)/Feeling (F)
    - Judging (J)/Perceiving (P)

Personality and Individual Behavior (3 of 3)

- – Sixteen personality classifications result from the higher and lower positions of the general dimensions

- – Myers-Briggs type indicator (MBTI) is a popular questionnaire used to assess personality types

  - ▪ Communications styles

  - ▪ Interaction preferences

Other Important Personality Traits (1 of 2)

Locus of control	The extent to which one believes one's circumstances are a function of either one's own actions or of external factors beyond one's control
Self-efficacy	A person's confidence in his or her ability to organize and execute the courses of action necessary to accomplish a specific task
General self-efficacy	Your generalized belief that you will be successful at whatever challenges or tasks you might face
Self -esteem	Our feelings of self-worth and our liking or disliking of ourselves
Authoritarianism	The belief that power and status differences are appropriate within hierarchical social systems such as organizations

Table 3.2 Effects of Locus of Control on Organizational Outcomes

Organizational Outcome	Internal versus External Locus of Control
Job satisfaction	Internals are generally more satisfied with their job, pay, supervisor, and coworkers.
Commitment	Internals are more committed and have lower absenteeism.
Job motivation	Internals have greater task motivation, job involvement, and self-confidence than do externals.
Job performance	Internals tend to have higher job performance than externals.
Career success	Internals tend to earn a higher salary than do externals.
Conflict and stress	Internals report lower role conflict, work-family conflict, burnout, and stress than do externals
Social integration	Internals tend to be more socially integrated at work and report more favorable relationships with their supervisors

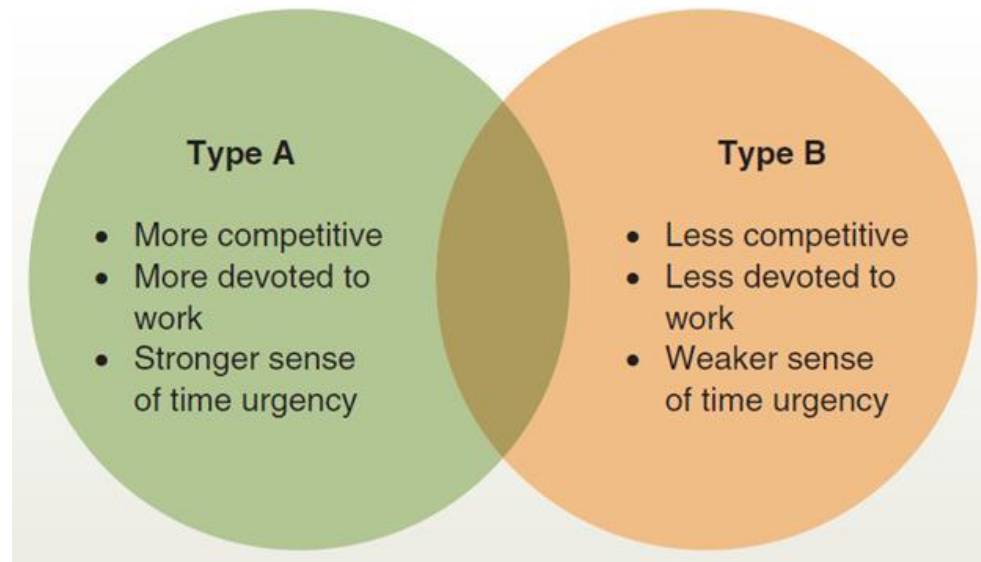# Other Important Personality Traits (2 of 2)

Machiavellianism	Traits causing a person to behave in ways to gain power and control the behavior of others
Tolerance for risk (or risk propensity)	The degree to which a person is comfortable with risk and is willing to take chances and make risky decisions
Tolerance for ambiguity	Reflects the tendency to view ambiguous situations as either threatening or desirable
Type A personality	Impatient, competitive, ambiguous, and uptight
Type B personality	More relaxed and easygoing, less overtly competitive than Type A; handles stress less frantically
Bullying personality	Repeated mistreatment of another employee through verbal abuse; conduct that is threatening, humiliating, or intimidating; or sabotage that interferes with the other person's work.

The relationship between personality and behavior changes depending on the strength of the situation.

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Type A and B Traits

Figure 3.2

Few people have extreme Type A or Type B personality profiles. Instead, people tend toward one type or the other. This is reflected by the overlap between the profiles shown here.

Type A
- More competitive
- More devoted to work
- Stronger sense of time urgency

Type B
- Less competitive
- Less devoted to work
- Weaker sense of time urgency

Intelligence (1 of 3)

- General mental ability
  - The capacity to rapidly and fluidly acquire, process, and apply information

- Information processing capacity
  - Involves the manner in which individuals process and organize information

Intelligence (2 of 3)

- Gardner's Theory of Multiple Intelligences

Linguistic	Words and language
logical-mathematical	Logic and numbers
Musical	Music, rhythm, and sound
bodily-kinesthetic	Body movement and control
spatial-visual	Images and space
Interpersonal	Other people's feelings
Intrapersonal	Self-awareness

This theory says there is more than one way to be smart. Important for determining different learning preferences.

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Intelligence (3 of 3)

- Emotional intelligence (EQ)
  - An interpersonal capability that includes the ability to perceive and express emotions, to understand and use them, and to manage emotions in oneself and other people
    - Self-awareness: being aware of what you're feeling
    - Self-motivation: persisting in the face of obstacles, setbacks, and failures.
    - Self-management: managing your own emotions and impulses
    - Empathy: sensing how others are feeling
    - Social skills: effectively handling emotions of others

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Table 3.4 Matching Intelligence Types with Career Choices (1 of 2)

Type of Intelligence	Related Careers	Preferred Learning Style
Bodily-Kinesthetic: physical agility and balance; body control; hand-eye coordination	Athletes, firefighters, chefs, actors, gardeners	Touch and feel, physical experience
Interpersonal: ability to relate to others and perceive their feelings; interprets behaviors of others; relates to emotional intelligence	Psychologists, doctors, educators, salespeople, politicians	Human contact, teamwork
Intrapersonal: self-awareness; understands oneself and one's relationship to others and to the world; relates to emotional intelligence	Related to success in almost all careers	Self-reflection, self-discovery
Linguistic: verbal and written language; explaining and interpreting ideas and information	Authors, speakers, lawyers, TV and radio hosts, translators	Verbal and written words and language

Source: Based on Gardner, H. (1983). Frames of Mind. New York: Basic Books; Gardner, H. (1993a). Multiple Intelligences: The Theory in Practice. NY: Basic Books; Gardner, H. (1993b). Creating Minds. NY: Basic Books; Marks-Tarlow, T. (1995). Creativity Inside Out: Learning Through Multiple Intelligences. Reading, MA: Addison-Wesley.

Table 3.4 Matching Intelligence Types with Career Choices (2 of 2)

Type of Intelligence	Related Careers	Preferred Learning Style
Logical-Mathematical: logic and pattern detection; analytical; problem solving; excels at math	Engineers, directors, scientists, researchers, accountants, statisticians	Logic and numbers
Musical:recognition of rhythm and tonal patterns; musical ability; high awareness and use of sound	Musicians, DJs, music teachers, acoustic engineers, music producers, composers	Music, Sounds, and rhythm
Spatial-Visual: creation and interpretation of visual images; visual and special perception	Artists, engineers, photographers, inventors, beauty consultants	Pictures, shapes, visually

Source: Based on Gardner, H. (1983). Frames of Mind. New York: Basic Books; Gardner, H. (1993a). Multiple Intelligences: The Theory in Practice. NY: Basic Books; Gardner, H. (1993b). Creating Minds. NY: Basic Books; Marks-Tarlow, T. (1995). Creativity Inside Out: Learning Through Multiple Intelligences. Reading, MA: Addison-Wesley.

Learning Styles

- Learning styles—Individual differences and preferences in how we process information while problem-solving, learning, or engaging in similar activities

- Sensory modalities approach

  - Visual: learning by seeing

  - Auditory: learning by hearing

  - Tactile: learning by touching

  - Kinesthetic: learning by doing

Kolb Learning Style Inventory

Convergers	Learn by active experimentation and abstract conceptualization; superior in technical tasks, inferior in interpersonal settings
Divergers	Learn by concrete experience and reflective observation; superior in generating alternate hypotheses and ideas; tend to be imaginative and people or feeling-oriented
Assimilators	Learn by abstract conceptualization and reflective observation; more concerned about abstract concepts and logical soundness than about people and practical values; suited to research and planning
Accommodators	Learn by active experimentation and concrete experience; focus on risk taking, opportunity seeking, and action; deal with people easily; suited to action-oriented jobs such as marketing and sales

Learning Style Orientations

Discovery learning	An inclination for exploration during learning
Experiential learning	A desire for hands-on approaches to instruction
Observational learning	A preference for external stimuli such as demonstrations and diagrams
Structured learning	A preference for processing strategies such as taking notes, writing down task steps, subjective assessments
Group learning	Preference to work with others while learning, active and interactional

Organizational Behavior in Action

- After reading the chapter:
  - What is a psychological contract? Why is it important? What psychological contracts do you currently have?
  - What individual differences do you feel are most important to organizations? Why?
  - If you were denied a job because of your score on a personality test, what would be your reaction?
  - If your supervisor exhibited bullying behaviors, what would you do?
  - Which of Gardner's multiple intelligences do you feel are most important for managers?

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PART 2
Individual Behaviors and Processes in Organizations

CHAPTER 4
Individual Values, Perceptions, and Reactions

Chapter Learning Objectives
After studying this chapter you should be able to:

1. Discuss how attitudes are formed, describe the meaning of cognitive dissonance, and identify and describe three important work-related attitudes.

2. Describe the role and importance of values and emotions in organizational behavior.

3. Describe basic perceptual processes and how perception affects fairness, justice, and trust in organizations.

4. Discuss the nature of stress, identify the basic causes and consequences of stress, and describe how stress can be managed.

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Attitudes in Organizations (1 of 4)

- Attitudes
  - A person's complexes of beliefs and feelings about specific ideas, situations, or other people
- Structural components of attitudes
  - Cognition: the knowledge a person presumes to have about something
  - Affect: a person's feelings toward something
  - Intention: component of an attitude that guides a person's behavior

Attitude Formation

Figure 4.1

Attitudes are generally formed around a sequence of cognition, affect, and behavioral intention. That is, we come to know something that we believe to be true (cognition). This knowledge triggers a feeling (affect). Cognition and affect then together influence how we intend to behave in the future.
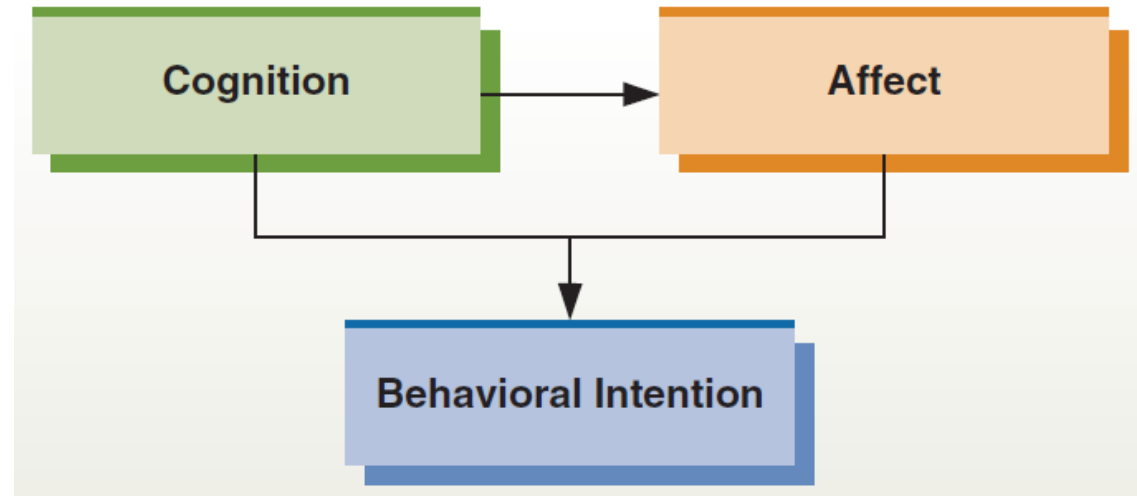
- Cognitive dissonance
  - An incompatibility or conflict between behavior and an attitude or between two different attitudes
- How to reduce cognitive dissonance?
  - Change the conflicting attitude
  - Change the conflicting behavior
  - Reason that one of the conflicting attitudes or behaviors is not important in this context
  - Seek additional information to better reason that the benefits of one of the conflicting attitudes or behaviors outweigh the costs of the other
- Recognize that attitudes can change

Attitudes in Organizations (3 of 4)

Key work-related attitudes

Job satisfaction	Reflects our attitudes and feelings about our jobs
Organizational commitment	Reflects the degree to which an employee identifies with the organization and its goals and wants to stay with the organization
Employee engagement	Heightened emotional and intellectual connection that an employee has for his/ her job, organization, manager, or coworkers that, in turn, influences him/her to apply additional discretionary effort to his/her work

# Attitudes in Organizations (4 of 4)

Types of organizational commitment

Affective commitment	Positive emotional attachment to the organization and strong identification with its values, and its goals; employees *want* to stay with the organization
Normative commitment	A feeling of moral or ethical obligation to the organization; employees stay because they believe it would be *wrong* to leave
Continuance commitment	Staying with the organization because of perceived high economic and/or social costs; employees stay because they feel they *have to*

Influences on Job Satisfaction

Figure 4.2

Job satisfaction is one of the most important job-related attitudes in organizations. It reflects both our attitudes and our feelings about our job. Job satisfaction is strongly influenced by our personality, values, other attitudes, and the work itself.
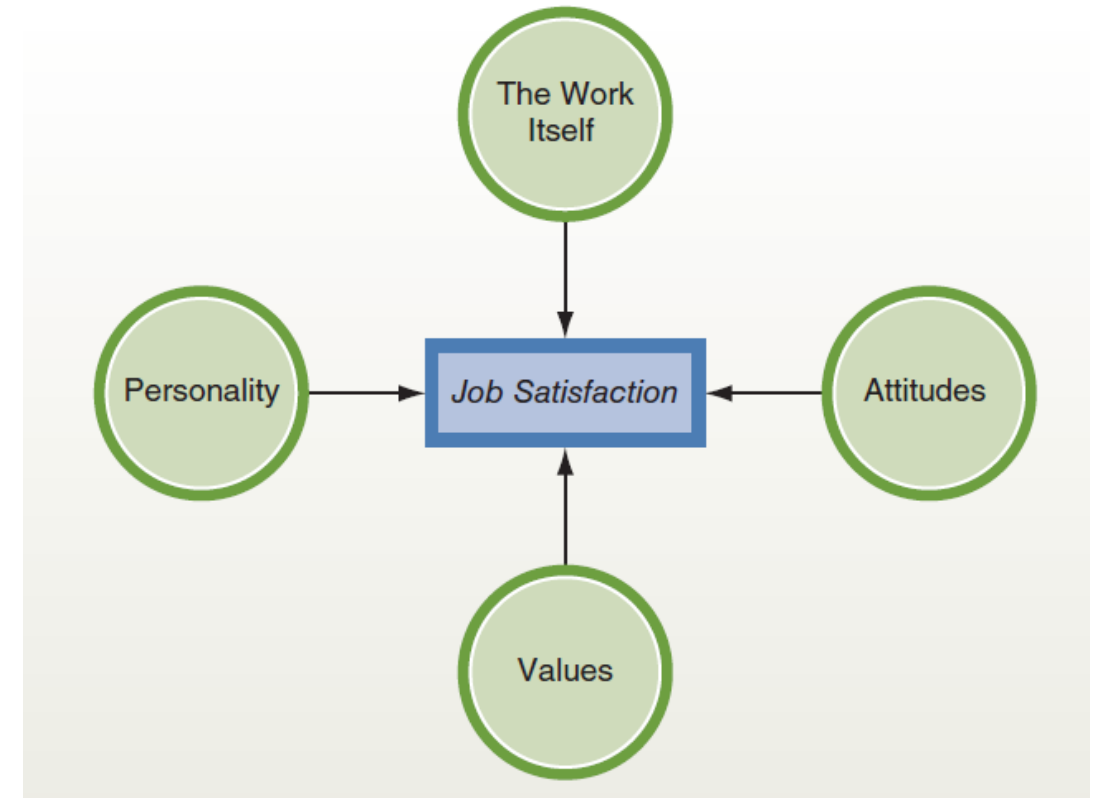
Table 4.1 Top Three Worldwide Drivers of Employee Attraction, Retention, and Engagement for Different Age Groups

Top Drivers of Attraction for 18- to 24-Year-Olds	Top Drivers of Retention for 18- to 24-Year-Olds	Top Drivers of Engagement for 18- to 24-Year-Olds
Career advancement opportunities	Have excellent career advancement opportunities	Organization develops leaders at all levels
Competitive base pay	Work in an environment where new ideas are encouraged	Organization quickly resolves customer concerns
Learning and development opportunities	Satisfaction with the organization's business decisions	Senior management is sincerely interested in employee well-being
Top Drivers of Attraction for 45- to 54-Year-Olds	Top Drivers of Retention for 45- to 54-Year-Olds	Top Drivers of Engagement for 45- to 54-Year-Olds
Competitive base pay	Organization's reputation as a great place to work	Senior management is sincerely interested in employee well-being
Challenging work	Satisfaction with the organization's people decisions	Improved my skills and capabilities over the last year
Convenient work location	Understand potential career track within the organization	The organization's reputation for social responsibility

Source: Based on information provided in Exhibits 14, 15, and 16 of Towers Perrin Global Workforce Study—Global Report at http://www.towersperrin.com/tp/getwebcachedoc?webc=HRS/USA/2008/200803/GWS_Global_Report20072008_31208.pdf.

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- **Values**
  - Ways of behaving or end-states that are desirable to a person or to a group
- Types of values
  - Terminal: reflect long-term life goals such as prosperity, happiness, secure family, and a sense of accomplishment
  - Instrumental: preferred means of achieving terminal values or preferred ways of behaving
  - Intrinsic: relate to the work itself
  - Extrinsic: relate to the outcomes of doing work

Values and Emotions in Organizations (2 of 4)

- Conflicts among values
  - Intrapersonal: Conflict between the instrumental value of ambition and the terminal value of happiness
  - Interpersonal: Occurs when two different people hold conflicting values
 - Individual-organization: When an employee's values conflict with those of the organization

Values and Emotions in Organizations (3 of 4)

- Values differ around the world—leads to different managerial behaviors

- Two major dimensions
  - Traditional versus secular-rational values: reflects the contrast between societies in which religion is very important and those in which it is not
  - Survival versus self-expression values: reflects the contrast between societies that emphasize economic and physical security and those that emphasize subjective well-being, self-expression, and quality of life, giving high priority to environmental protection, diversity tolerance, and participation in decision making

How Values Differ around the World

Figure 4.3

Values differ around the world. One useful way to understand differences in values is in terms of secular/rational values and survival/self-expression values. This figure illustrates how different regions of the world reflect these two sets of values.
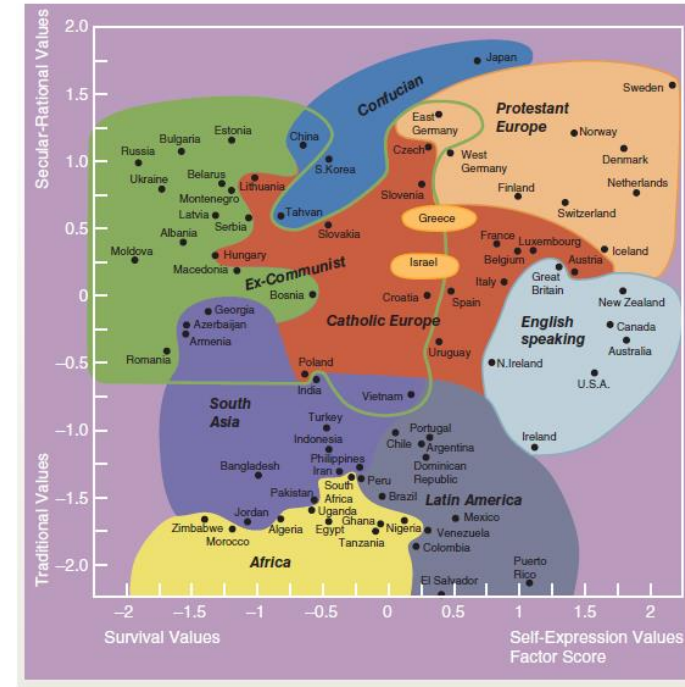
Source: Inglehart, R., & Welzel, C. (2005). *Modernization, Cultural Change and Democracy* (p. 64). New York: Cambridge University Press. Based on the World Values Surveys, see http://www.worldvaluessurvey.Org.

Copyright © 2005 Ronald Inglehart and Christian Welzel. Reprinted with the permission of Cambridge University Press.

Values and Emotions in Organizations

The role of emotions in behavior

- Emotions
  - Intense, short-term physiological, behavioral, and psychological reactions to a specific object, person, or event that prepare us to respond to it
- Moods
  - Short-term emotional states that are not directed toward anything in particular
- Affectivity
  - The tendency to experience a particular mood or to react to things with certain emotions

The Role of Emotions in Behavior

Affect and Mood in organizations

Positive affect	Reflects a combination of high energy and positive evaluation characterized by emotions like elation
Negative affect	Comprises feelings of being upset, fearful, and distressed

Figure 4.4

Positive and Negative Affect

Affect can vary anywhere along a continuum ranging from positive affect to negative affect. As illustrated here, it is also possible to fall in between these extremes and reflect neither positive nor negative affect.
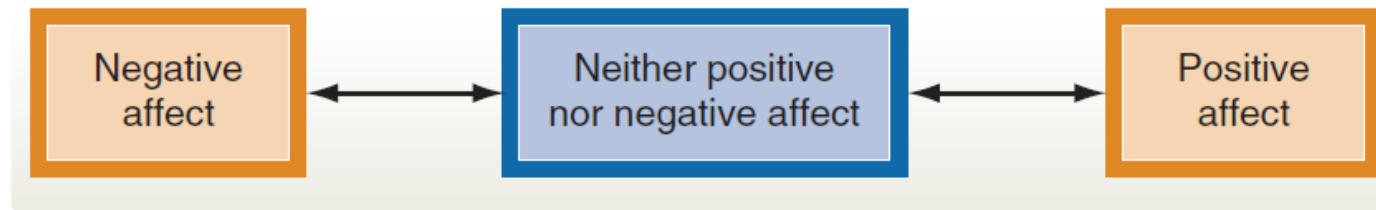
Source: Thompson, E. R., Development and Validation of an Internationally Reliable Short-Form of the Positive and Negative Affect Schedule (PANAS), *Journal of Cross-Cultural Psychology*, *38*(2), 227–242. © 2007 by SAGE Publications. Reprinted by Permission of SAGE Publications.

Perception in Organizations (1 of 5)

- **Perception**
  - The set of processes by which an individual becomes aware of and interprets information about the environment

- Basic perceptual processes
  - Selective perception: screening out information that we are uncomfortable with or that contradicts our beliefs
  - Stereotyping: categorizing or labeling people on the basis of a single attribute

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Perception errors

Categorization	The tendency to put things into groups and then exaggerate the similarities within and the differences among the groups
Halo effect	Forming a general impression of something or someone based on a single (usually good) characteristic
Contrast effect	Evaluating someone by comparing them with recently encountered people
Projection	Seeing one's own characteristics in others
First impression bias	The inability to let go of first impressions, particularly negative ones
Self-fulfilling prophecies	Treating people the way we categorize them and having them react accordingly

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Perception in Organizations (3 of 5)

- Attribution
  - The way we explain the causes of our own as well as other people's behaviors and achievements, and understand why people do what they do
    - Are they due to the *individual* because of **internal factors** such as effort and ability?
    - Or are they due to the *environment* because of **external factors** such as luck, resources, and other people?
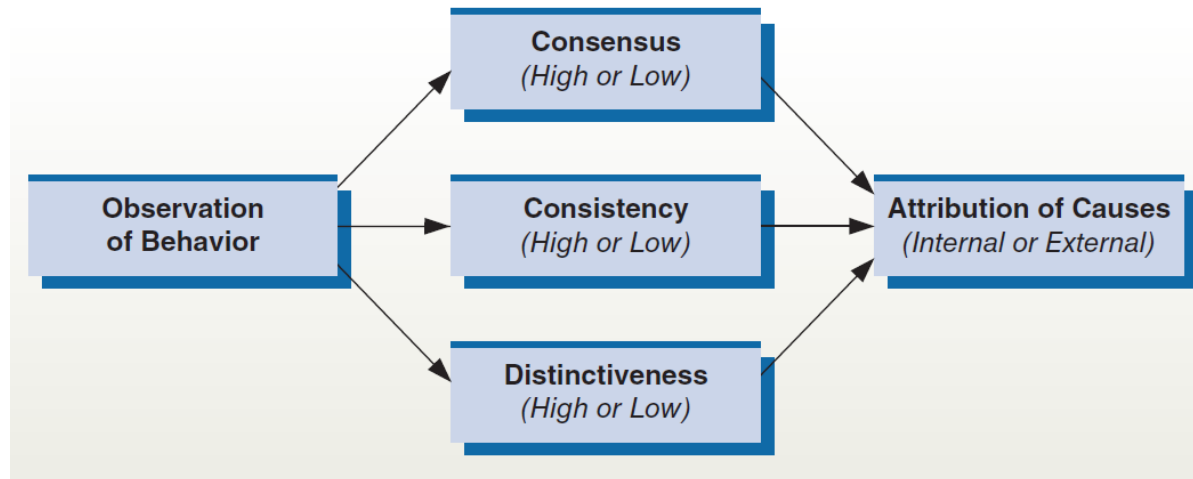
Perception in Organizations (4 of 5)

- Three rules to evaluate whether to assign an internal or an external attribution
  - Consistency: Has the person regularly behaved this way or experienced this outcome in the past?
  - Distinctiveness: Does the person act the same way or receive similar outcomes in different types of situations?
  - Consensus: Would others behave similarly in the same situation or receive the same outcome?
- Self-handicapping
  - When people create obstacles for themselves that make success less likely

The Attribution Process

Figure 4.5

The attribution process involves observing behavior and then attributing causes to it. Observed behaviors are interpreted in terms of their consensus, their consistency, and their distinctiveness. Based on these interpretations, behavior is attributed to either internal or external causes.

Perception in Organizations (5 of 5)

- Perceptions and fairness, justice, and trust
  - Organizational fairness—Employees' perceptions of organizational events, policies, and practices as being fair or not fair
  - Distributive fairness—Perceived fairness of the outcome received, including resources distributions, promotions, hiring and layoff decisions, and raises
  - Procedural fairness—Addresses the fairness of the procedures used to generate the outcome
  - Interactional fairness—Whether the amount of information about the decision and process was adequate, perceived fairness of interpersonal treatment and explanations received during the decision-making process
  - Trust—The expectation that another person will not act to take advantage of us, regardless of our ability to monitor or control them.
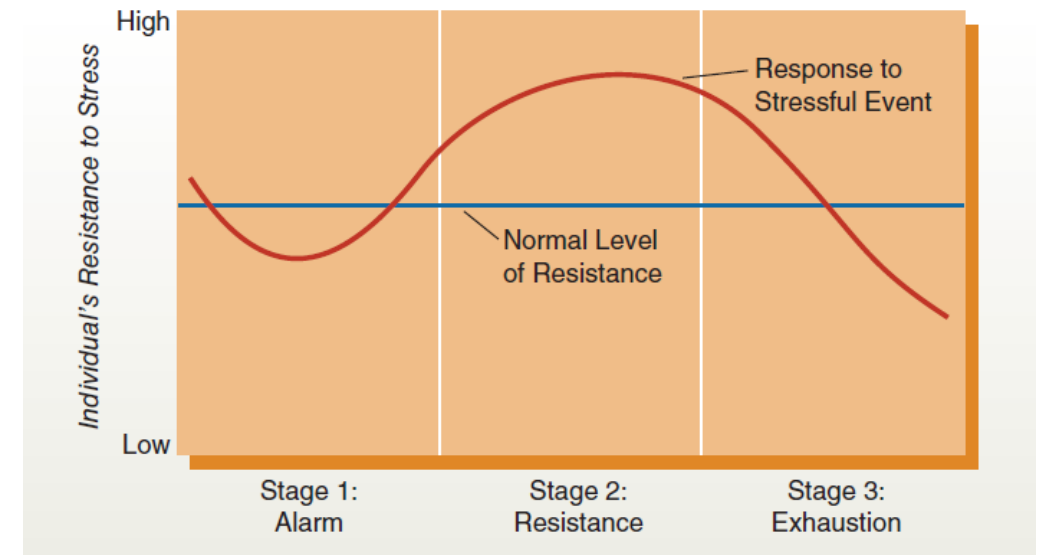
Stress in Organizations (1 of 6)

- Stress
  - A person's adaptive response to a stimulus that places excessive psychological or physical demands on that person
- The stress process (Selye)
  - General adaptation syndrome (GAS)
    - Identifies three stages of response to a stressor: alarm, resistance, and exhaustion
    - Sources of stress
      - Eustress: pleasurable stress that accompanies positive events
      - Distress: unpleasant stress accompanies negative events

The General Adaptation System

Figure 4.6

The general adaptation syndrome (GAS) perspective describes three stages of the stress process. The initial stage is called alarm. As illustrated here, a person's resistance often dips slightly below the normal level during this stage. Next comes actual resistance to the stressor, usually leading to an increase above the person's normal level of resistance. Finally, in stage 3, exhaustion may set in, and the person's resistance declines sharply below normal levels.
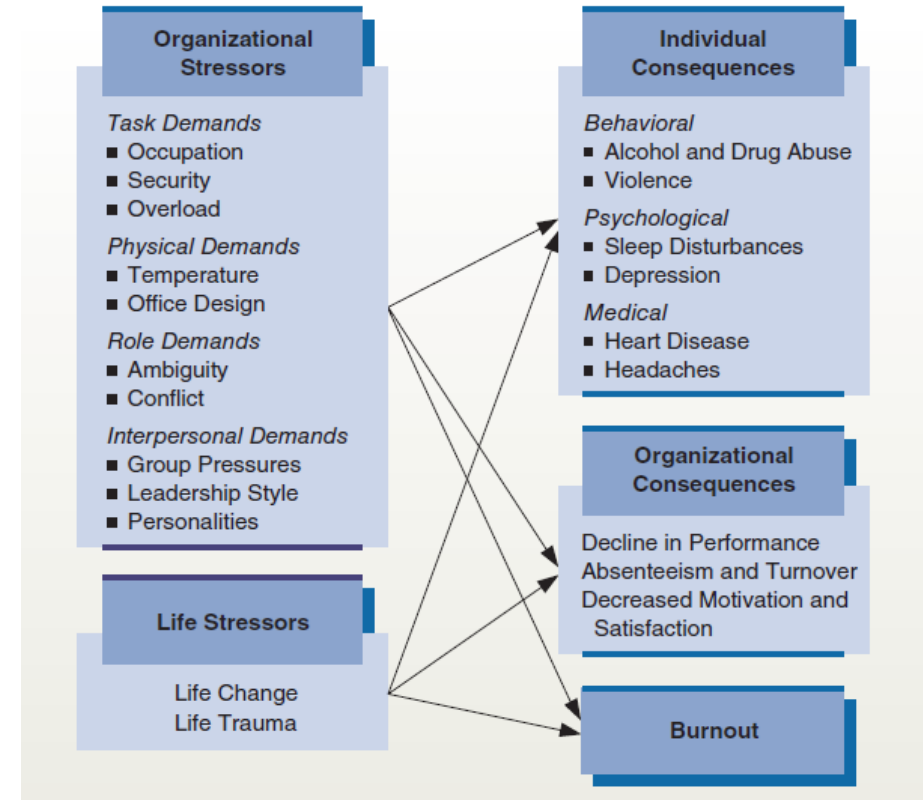
Stress in Organizations (2 of 6)

- Common causes of stress
  - Organizational stressors: various factors in the workplace that can cause stress
    - Task demands—Associated with the specific job a person performs
    - Physical demands—Associated with the job's physical setting and requirements
    - Role demands—Associated with the expected behaviors of a particular position in a group or organization
    - Interpersonal demands—Group pressures, leadership, interpersonal conflicts
  - Life stressors: life changes or traumas

Causes and Consequences of Stress

Figure 4.7

The causes and consequences of stress are related in complex ways. As shown here, most common causes of stress can be classified as either organizational stressors or life stressors. Similarly, common consequences include individual and organizational consequences, as well as burnout.

Organizational Stressors		Individual Consequences
Task Demands ▪ Occupation ▪ Security ▪ Overload **Physical Demands** ▪ Temperature ▪ Office Design **Role Demands** ▪ Ambiguity ▪ Conflict **Interpersonal Demands** ▪ Group Pressures ▪ Leadership Style ▪ Personalities		*Behavioral* ▪ Alcohol and Drug Abuse ▪ Violence *Psychological* ▪ Sleep Disturbances ▪ Depression *Medical* ▪ Heart Disease ▪ Headaches

Organizational Consequences
Decline in Performance
Absenteeism and Turnover
Decreased Motivation and Satisfaction

Life Stressors
Life Change
Life Trauma

Burnout

Reference: Adapted from James C. Quick and Jonathan D. Quick, *Organizational Stress and Preventive Management* (McGraw-Hill, 1984) pgs. 19, 44, and 76. Used by permission of James C. Quick.

Workload, Stress, and Performance

Figure 4.8

Too much stress is clearly undesirable, but too little stress can also lead to unexpected problems. For example, too little stress may result in boredom and apathy and be accompanied by low performance. And although too much stress can cause tension, anxiety, and low performance, for most people there is an optimal level of stress that results in high energy, motivation, and performance.
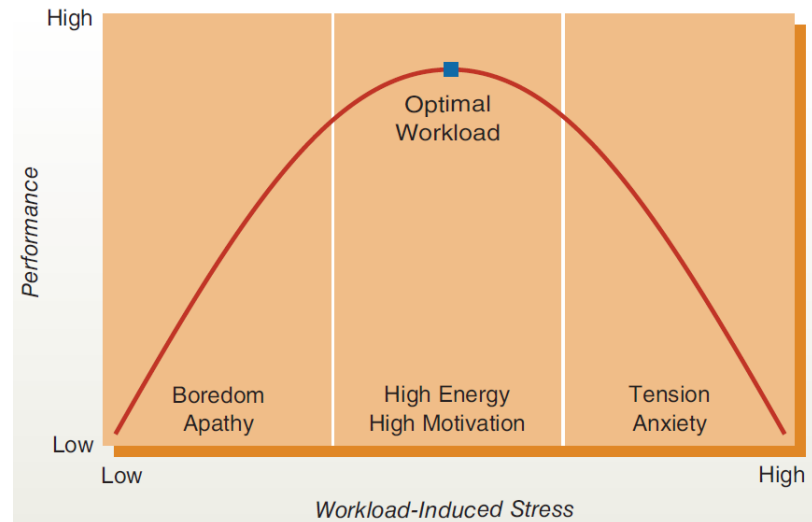
Stress in Organizations (3 of 6)

- Consequences of Stress
  - Individual consequences
    - Behavioral consequences
    - Psychological consequences
    - Medical consequence
  - Organizational consequences
    - Burnout
      - A general feeling of exhaustion that develops when an individual simultaneously experiences too much pressure and has too few sources of satisfaction

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Stress in Organizations (4 of 6)

- Managing and Controlling Stress
- Individual Coping Strategies
  - Exercise
  - relaxation.
  - to develop and maintain support groups.

Stress in Organizations (5 of 6)

- Organizational coping strategies
  - Institutional programs
    - Properly designed jobs and work schedules
    - Fostering a healthy work culture
    - Supervision—keep workloads reasonable
  - Collateral programs
    - Organizational programs specifically created to help employees deal with stress
      - Stress management, health promotion, employee fitness programs, career development

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Work-life balance

- Fundamental work-life relationships

- work-life relationships

    - Interrelationships between a person's work life and personal life

- Balancing work-life linkages

    - Importance of long-term versus short-term perspectives

    - Balance needs of both wage earners in double-income families

    - Accept that there's a work-life integration

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Organizational Behavior in Action

- After reading the chapter:
  - If your boss was not sure it would be worth the investment to change the company's hiring practices to include an evaluation of applicants' attitudes, what would you tell him or her?
  - Do you think that it would be easy to influence a subordinate's attitudes, values, or emotions? Why? Which would have the largest influence on the employee's behavior? Why?

PART 2
Individual Behaviors and Processes in Organizations

CHAPTER 5
Motivating Behavior

Chapter Learning Objectives
After studying this chapter you should be able to:

1. Characterize the nature of motivation, including its importance and basic historical perspectives.

2. Identify and describe the need-based perspectives on motivation.

3. Identify and describe the major process-based perspectives on motivation.

4. Describe learning-based perspectives on motivation.

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The Nature of Motivation (1 of 4)

- Motivation
  - The set of forces that leads people to behave in particular ways
- The importance of motivation
  - Job performance (P) depends upon motivation (M), ability (A), and environment (E)
    - **P = M × A × E**

Motivational Framework

Figure 5.1

This framework provides a useful way to see how motivational processes occur. When people experience a need deficiency, they seek ways to satisfy it, which results in a choice of goal-directed behaviors. After performing the behavior, the individual experiences rewards or punishments that affect the original need deficiency.
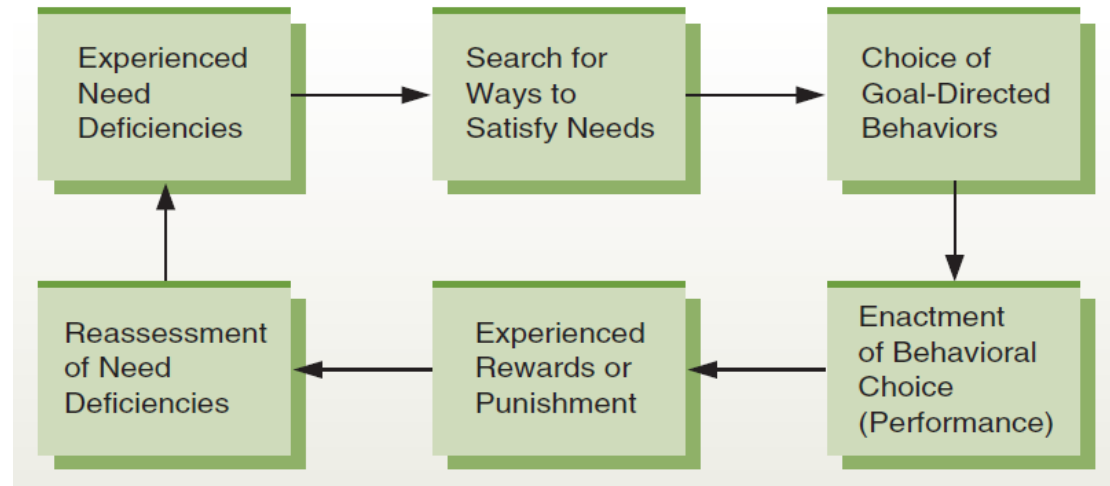
The Nature of Motivation (2 of 4)

- The motivational framework
  - How motivational processes occur
    - **Need:** anything an individual requires or wants
    - **Need deficiency:** triggers attempts to satisfy the need
    - **Goal-directed behaviors** result from individuals trying to satisfy their need deficiencies
    - **Rewards and punishments** are consequences of the goal-directed behavior
    - **Reassessment of need deficiency:** an assessment of the extent to which the outcome addressed the original need deficiency

- Early perspectives on motivation
  - The traditional approach
    - "Scientific Management"- Approach to motivation that assumes that employees are motivate by money
  - The human relations approach- Suggests that fostering a sense of employees' inclusion in decision making will result in positive employee attitudes and motivation to work hard
  - The human resource approach - Assumes that people want to contribute and are able to make genuine contributions

The Nature of Motivation (4 of 4)

- Individual Differences and Motivation
  - Task-specific self-efficacy: A person's beliefs in his or her capabilities to do what is required to accomplish a specific task
  - The three dimensions of self-efficacy

Magnitude	Beliefs about how difficult a task can be accomplished
Strength	Beliefs about how confident the person is that the specific task can be accomplished
Generality	Beliefs about the degree to which similar tasks can be accomplished.

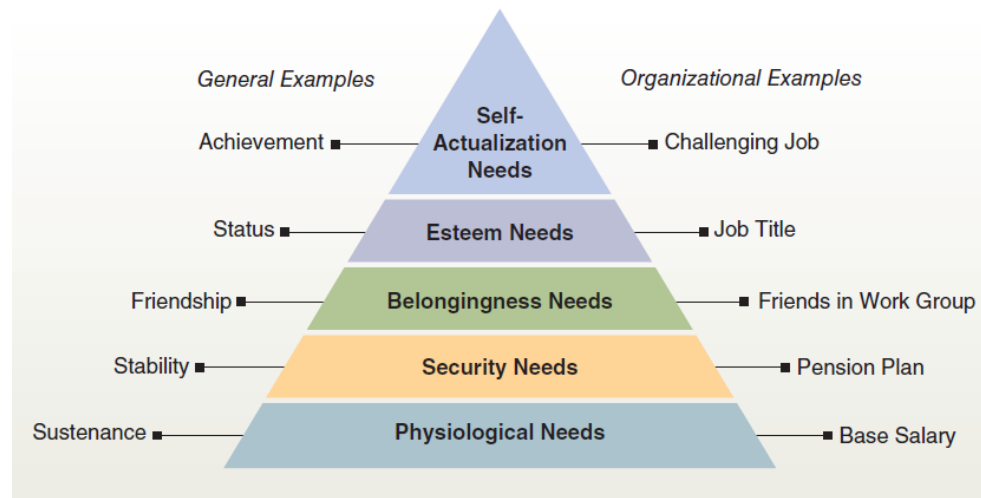# Need-Based Perspectives on Motivation (1 of 3)

- Need-based theories
  - Assume that need deficiencies cause behavior
- The hierarchy of needs
  - Assumes that human needs are arranged in a hierarchy of importance
    - Basic (or deficiency) needs
      - Physiological
      - Security
      - Belongingness
    - Growth needs
      - Esteem
      - Self-actualization

The Hierarchy of Needs

Figure 5.2

Maslow's hierarchy of needs consists of five basic categories of needs. This figure illustrates both general and organizational examples of each type of need. Of course, each individual has a wide variety of specific needs within each category.

Source: Adapted from Abraham H. Maslow, "A Theory of Human Motivation," *Psychological Review*, 1943, vol., 50, pp. 374–396.
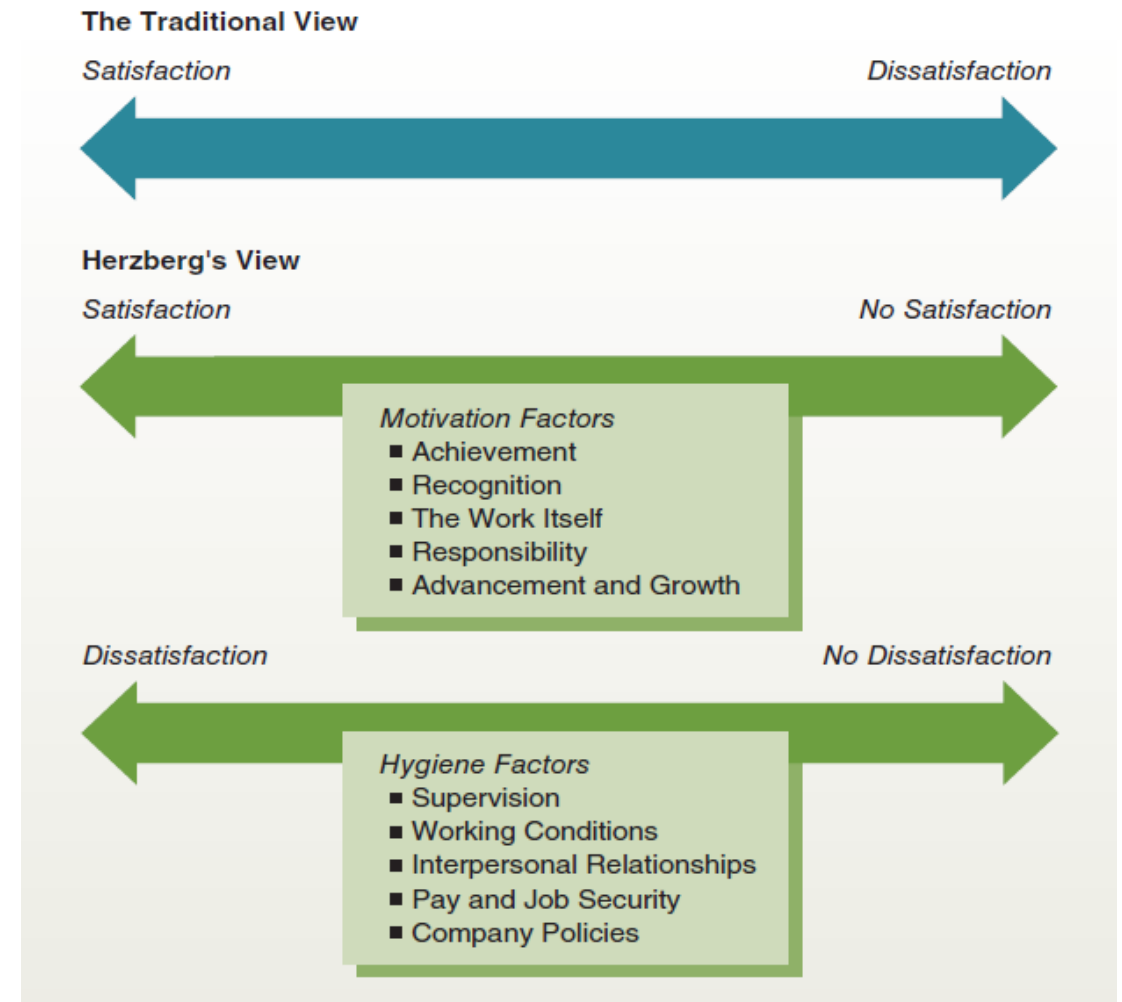
Need-Based Perspectives on Motivation (2 of 3)

- **ERG theory**
  - Describes **existence (E), relatedness (R),** and **growth (G)** needs
  - Assumptions
    - More than one need may motivate a person at the same time
    - Satisfaction-progression and frustration-regression components
- **The two-factor theory**
  - Identifies motivation factors, which affect satisfaction, and hygiene factors, which determine dissatisfaction
  - Development of the Theory
    - Motivation factors — Are intrinsic to the work itself and include factor such as achievement an recognition
    - Hygiene factors — Are extrinsic to the work itself and include factors such as pay and job security

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The Two Factor Theory of Motivation

Figure 5.3

The traditional view of satisfaction suggested that satisfaction and dissatisfaction were opposite ends of a single dimension. Herzberg's Two Factor theory found evidence of a more complex view. In this theory, motivation factors affect one dimension, ranging from satisfaction to no satisfaction. Other workplace characteristics, called "hygiene factors," are assumed to affect another dimension, ranging from dissatisfaction to no dissatisfaction.

The Traditional View

Satisfaction ◄──────────────► Dissatisfaction

Herzberg's View

Satisfaction ◄──────────────► No Satisfaction

Motivation Factors
- Achievement
- Recognition
- The Work Itself
- Responsibility
- Advancement and Growth

Dissatisfaction ◄──────────────► No Dissatisfaction

Hygiene Factors
- Supervision
- Working Conditions
- Interpersonal Relationships
- Pay and Job Security
- Company Policies

Needs-Based Perspectives (3 of 3)

- The Acquired needs framework
  - Centers on the needs for achievement, affiliation,, and power.
  - need for achievement
    - The desire to accomplish a task or goal more effectively than was done in the past
  - need for affiliation
    - The need for human companionship
  - need for power
    - The desire to control the resources in one's environment

Process-Based Perspectives on Motivation (1 of 7)

- Process-based perspectives
  - Focus on how people behave in their efforts to satisfy their needs
  - How people evaluate their satisfaction after they have attained these goals
  - Includes equity and expectancy theories

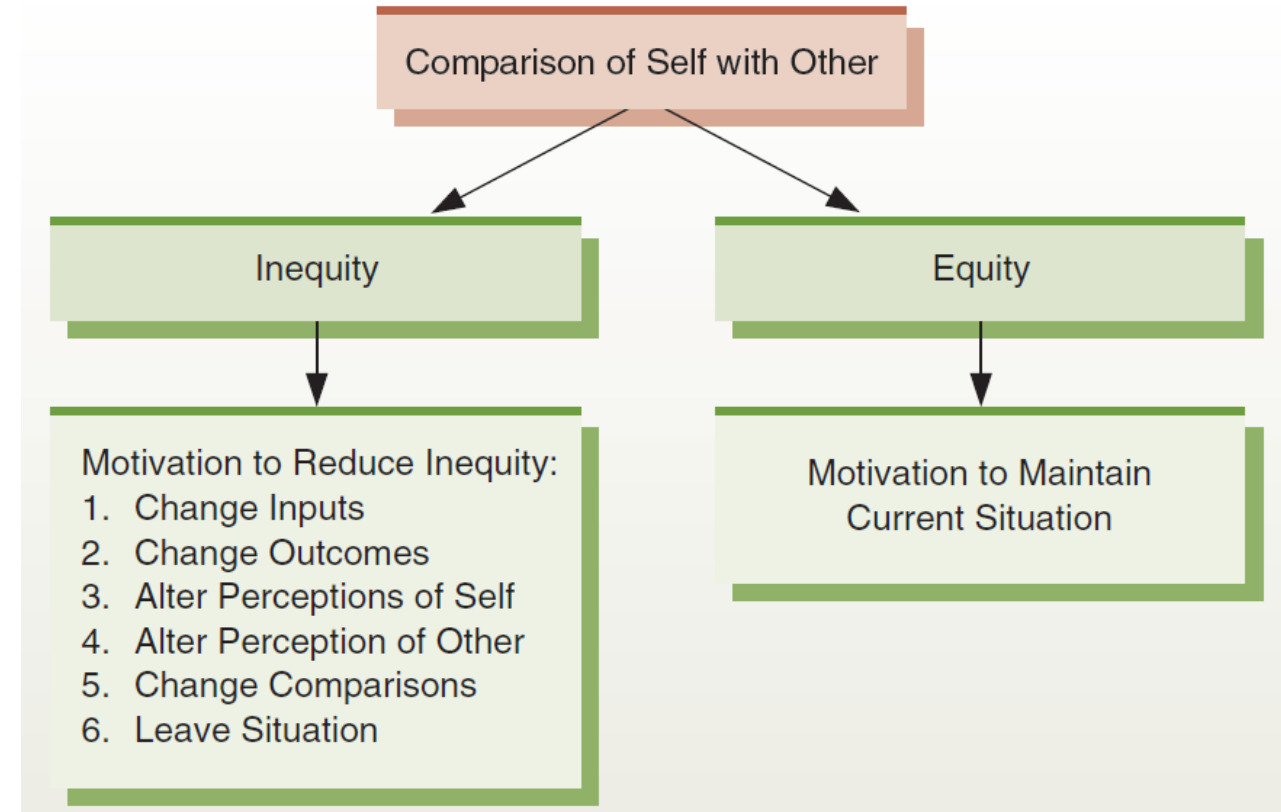# Process-Based Perspectives on Motivation

- The equity theory of motivation

  - Equity theory — Focuses on people's desire to be treated with what they perceive as equity and to avoid perceived inequity

  - Equity —The belief that we are being treated fairly in relation to others; inequity is the belief that we are being treated unfairly in relation to others

- Forming Equity Perceptions

  - Focuses on the desire to be treated with equity and to avoid perceived inequity

  - The equity comparison

$$\frac{\text{Outcomes(Self)}}{\text{Inputs(self)}} \quad \textit{compared with} \quad \frac{\text{Outcomes(other)}}{\text{Inputs(other)}}$$

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Responses to Perceptions of Equity and Inequity

Figure 5.4

People form equity perceptions by comparing their situation with that of someone else's. If they perceive equity, they are motivated to maintain the current situation. If they perceive inequity, they are motivated to use one or more of the strategies shown here to reduce the inequity.

Comparison of Self with Other

Inequity

Equity

Motivation to Reduce Inequity:
1. Change Inputs
2. Change Outcomes
3. Alter Perceptions of Self
4. Alter Perception of Other
5. Change Comparisons
6. Leave Situation

Motivation to Maintain Current Situation

Process-Based Perspectives on Motivation
(3 of 7)

- The expectancy theory of motivation
  - Expectancy theory — Suggests that People are motivated by how much they want something and the likelihood they perceive of getting it
  - Key components

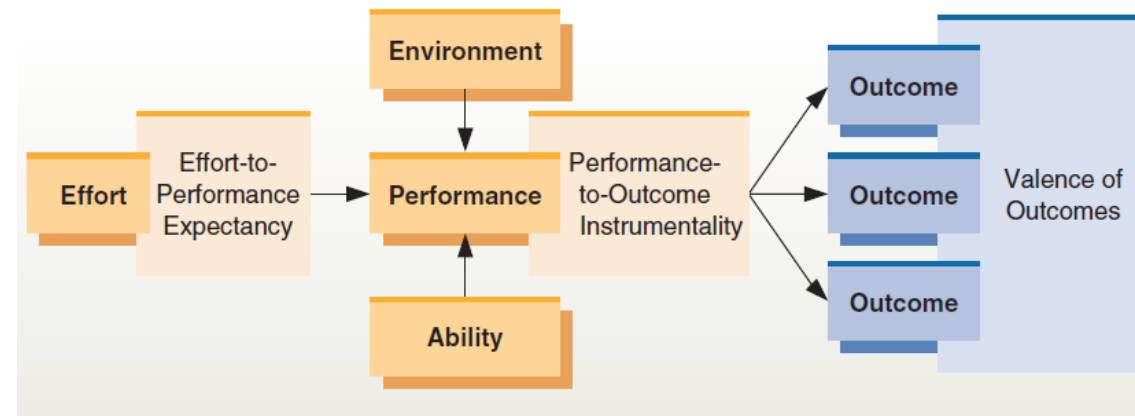|	
Effort-to performance expectancy	The perceived probability that effort will lead to performance
Performance-to-outcome expectancy	The perceived probability that performance will lead to certain outcomes
Outcome	Anything that results from performing a behavior
Valence	The degree of attractiveness or unattractiveness (value) that a particular outcome has for a person

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Process-Based Perspectives on Motivation

- The Basic Expectancy Model
  - Victor Vroom is generally credited with first applying the theory to motivation in the workplace
  - The model's general components are effort (the result of motivated behavior), performance, and outcomes.

The Expectancy Theory of Motivation

Figure 5.5

The expectancy theory is the most complex model of employee motivation in organizations. As shown here, the key components of expectancy theory are effort-to-performance expectancy, performanceto- outcome instrumentality, and outcomes, each of which has an associated valence. These components interact with effort, the environment, and the ability to determine an individual's performance.

- Effort-to-Performance Expectancy
  - A person's perception of the probability that effort will lead to performance
- Performance-to-Outcome Instrumentality
  - The individual's perception of the probability that performance will lead to certain outcomes
- Outcomes and Valences
  - Outcome — Anything that results from performing a particular behavior
  - valence — The degree of attractiveness or unattractiveness a particular outcome has for a person

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Process-Based Perspectives on Motivation

- The Porter–Lawler model
  - Focuses on the relationship between satisfaction and performance
  - Conventional theory assumed satisfaction leads to performance
  - This model assumes that:
    - If rewards are adequate, high levels of performance may lead to satisfaction
    - Satisfaction is determined by the perceived equity of intrinsic (intangible) and extrinsic (tangible) rewards for performance

The Porter-Lawler Model

Figure 5.6

The Porter and Lawler expectancy model provides interesting insights into the relationships between satisfaction and performance. As illustrated here, this model predicts that satisfaction is determined by the perceived equity of intrinsic and extrinsic rewards for performance. That is, rather than satisfaction causing performance, which many people might predict, this model argues that it is actually performance that eventually leads to satisfaction.
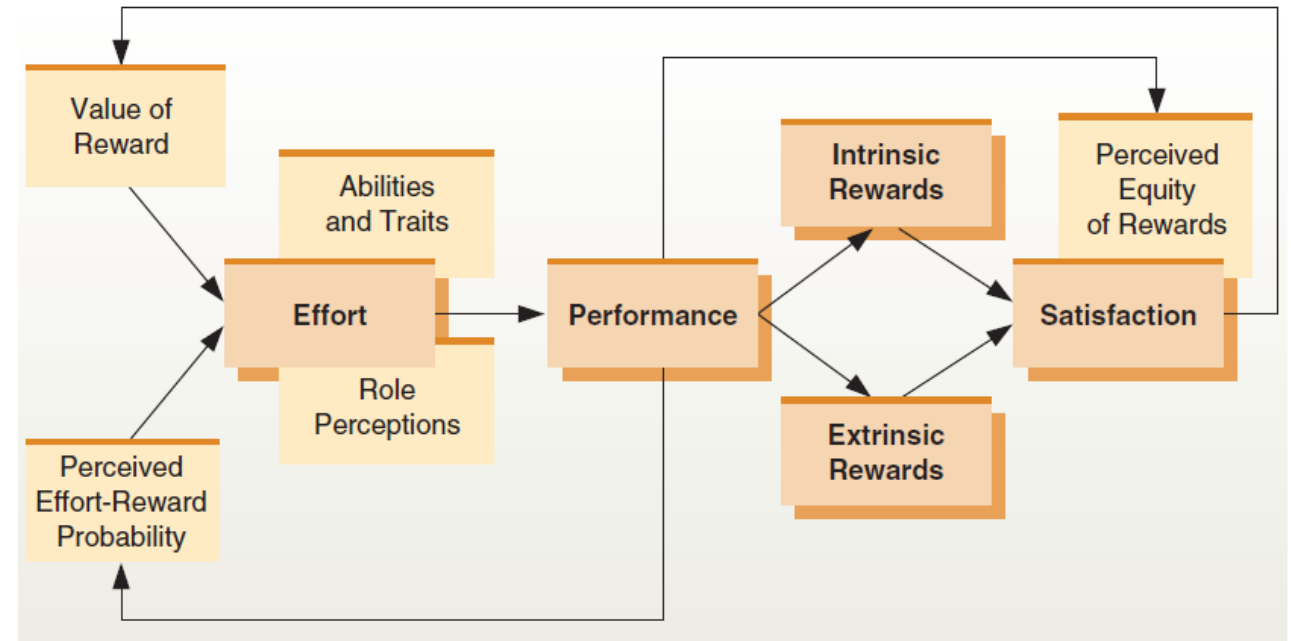
Source: Figure from Lyman W. Porter and Edward E. Lawler, *Managerial Attitudes and Performance*. Copyright © 1968. McGraw-Hill, Inc. Used by permission of Lyman W. Porter.

- Evaluation and Implications
  - Expectancy theory has been tested by many different researchers in a variety of settings and using a variety of methods.
  - expectancy theory is so complicated that researchers have found it quite difficult to test.
  - confirmed expectancy theory's claims that people will not engage in motivated behavior unless they
    - value the expected rewards
    - believe their efforts will lead to performance
    - believe their performance will result in the desired rewards

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Learning-Based Perspectives on Motivation (1 of 6)

- Learning
  - A relatively permanent change in behavior or behavioral potential resulting from direct or indirect experience

- How learning occurs
  - Traditional view: Classical Conditioning
    - A simple form of learning that links a conditioned response with an unconditioned stimulus
  - Contemporary view: Learning as a Cognitive Process
    - Assumes people are conscious, active participants in how they learn

Learning-Based Perspectives on Motivation (2 of 6)

- Reinforcement theory and learning
  - Reinforcement theory — Based on the idea that behavior is a function of its consequences
  - Operant conditioning (Skinner)
    - Behavior is a function of its consequences
    - Reinforcement is the consequence of behavior
- Social Learning — When people observe the behaviors of others, recognize the consequences, and alter their ow behavior as a result
  - Behavior being observed and imitated must be relatively simple
  - Observed and imitated behavior must be concrete, not intellectual
  - Learner must have the physical ability to imitate the observed behavior

- Behavior modification
  - The application of a reinforcement theory to influence the behaviors of people in organizational settings
- Kinds of Reinforcement
  - Positive reinforcement — A reward or other desirable consequence that a person receives after exhibiting behavior
  - Negative reinforcement (avoidance) — The opportunity to avoid or escape from an unpleasant circumstance after exhibiting behavior
  - Punishment — An unpleasant or aversive consequence that results from behavior
  - Extinction — Decreases the frequency of behavior by eliminating a reward or desirable consequence that follows that behavior

Learning-Based Perspectives on Motivation (4 of 6)

- Social learning in organizations
  - Occurs when people observe the behaviors of others, recognize the consequences, and alter their own behavior as a result
    - Conditions for social learning
      - Behavior being observed and imitated must be relatively simple
      - Observed and imitated behavior must be concrete, not intellectual
      - Learner must have the physical ability to imitate the observed behavior
  - Behavior modification
    - The application of a reinforcement theory to influence the behaviors of people in organizational settings

Types of Reinforcers

Figure 5.7

Individual behavior can be affected when stimulus is either presented or removed after a particular behavior. This is also dependent on whether the stimulus is positive or negative.

		Nature of the Stimulus	
		Positive	**Negative**
Action	**Present the Stimulus**	*Positive reinforcement;* increases the behavior	*Punishment;* decreases the behavior
	Remove the Stimulus	*Extinction;* decreases the behavior	*Negative reinforcement;* increases the behavior

Learning-Based Perspectives on Motivation (5 of 6)

- The Timing of Reinforcement

TIMING OF REINFORCEMENT	NATURE OF REINFORCEMENT
Fixed-ratio	Behavior is reinforced according to the number of behaviors exhibited, with the number of behaviors needed to gain reinforcement held constant
Fixed-interval	Behavior is reinforced according to some predetermined, constant schedule based on time
Variable-ratio	Behavior is reinforced according to the number of behaviors exhibited, but the number of behaviors needed to gain reinforcement varies from one time to the next
Variable-interval	Behavior is reinforced after periods of time, but the time span varies from one time to the next

- Motivating the right behavior
  - Define the problem—what is it that could be improved?
  - Identify and define the specific behavior(s) you wish to change.
  - Record and track the occurrence of the target behavior.
  - Analyze the current negative consequences of the undesired behavior and arrange for more positive consequences to follow the desired behavior.
  - Evaluate whether the behavior has improved, and by how much.

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Table 5.1 Different motivation concepts and theories can be applied to various managerial challenges to enhance employee motivation

Managerial Challenges	Motivation Theories: Self-Efficacy	Motivation Theories: McClelland's Needs Theory	Motivation Theories: Herzberg's Two-Factor Theory	Motivation Theories: Expectancy Theory	Motivation Theories: Equity Theory	Motivation Theories: Reinforcement
Firm has a low-cost business strategy but needs to motivate employees	x	x	x	x	x	x
An employee feels he cannot meet his performance goals	x			x		
An employee feels underpaid relative to her coworkers			x		x	
An employee engages in inappropriate behavior (bullying, ridiculing coworkers)						x
A talented employee is not feeling challenged at work		x	x	x		
Because the work is repetitive, some employees find it boring and hard to stay motivated		x	x			

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Organizational Behavior in Action (1 of 2)

- After reading this chapter:
  - When has your level of performance been directly affected by your motivation? By your ability? By the environment?
  - Identify examples from your own experience that support, and others that refute, Maslow's hierarchy of needs theory.
  - Have you ever experienced inequity in a job or a class? How did it affect you?
  - Which is likely to be a more serious problem—perceptions of being underrewarded or perceptions of being overrewarded?

Organizational Behavior in Action (2 of 2)

- After reading this chapter:
  - Do you think expectancy theory is too complex for direct use in organizational settings? Why or why not?
  - Do the relationships between performance and satisfaction suggested by Porter and Lawler seem valid? Cite examples that both support and refute the model.
  - Think of occasions on which you experienced each of the four types of reinforcement.
  - Identify the five forms of reinforcement that you receive most often (i.e., wages, grades, etc.). On what schedule do you receive each of them?