

Ninth Edition

Organizational Behavior

Steven L. McShane

University of Newcastle (Australia)

Mary Ann Von Glinow

Florida International University

Mc
Graw
Hill

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

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

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

This book is printed on acid-free paper.

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

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

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

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

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

Portfolio Director: *Michael Ablassmeir*

Senior Product Developer: *Anne Ehrenworth*

Product Coordinator: *Allison Marker*

Executive Marketing Manager: *Debbie Clare*

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

Senior Project Manager, Assessment Content: *Keri Johnson*

Project Manager, Media Content: *Karen Jozefowicz*

Senior Buyer: *Sandy Ludovissy*

Design Manager: *Debra Kubiak*

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

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

Compositor: *Aptara®, Inc.*

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

Library of Congress Cataloging-in-Publication Data

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

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

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

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

Subjects: LCSH: Organizational behavior.

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

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

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

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



about the AUTHORS

Steven L. McShane

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

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

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

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



Courtesy of Donna McClement



Mary Ann Von Glinow

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



Mary Ann Von Glinow



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

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

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



dedication

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

—S.L.M.

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

—M.A.V.G.



v



brief CONTENTS

1 INTRODUCTION

- Chapter 1 Introduction to the Field of Organizational Behavior 2

2 INDIVIDUAL BEHAVIOR AND PROCESSES

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

3 TEAM PROCESSES

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

4 ORGANIZATIONAL PROCESSES

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

ADDITIONAL CASES

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

Appendix A

- Theory Building and Systematic Research Methods 590
Organization Index I-1
Name Index I-5
Glossary/Subject Index I-29



contents

Preface xiv



Richard Drew/AP Images

INTRODUCTION 2

CHAPTER 1 Introduction to the Field of Organizational Behavior 2

Welcome to the Field of Organizational Behavior! 4

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

Why Organizational Behavior Is Important 6

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

Anchors of Organizational Behavior Knowledge 12

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

The Emerging Workplace Landscape 15

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

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

MARS Model of Individual Behavior and Performance 22

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

Types of Individual Behavior 25

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

The Journey Begins 29

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



Case Study: Promoting Safe Behavior at Mother Parkers 32

Case Study: Pushing Papers Can Be Fun 33

Class Exercise: World Café on the Emerging Workplace 33



Westend61/Getty Images

INDIVIDUAL BEHAVIOR AND PROCESSES 44

CHAPTER 2 Individual Differences: Personality and Values 44

Personality and the Five-Factor Model in Organizations 46

- What Causes Personality: Nature versus Nurture 46
- Five-Factor Model of Personality 47
- Self-Assessment 2.1: What Is Your Big Five Personality? 48
- Self-Assessment 2.2: Are You Introverted or Extraverted? 48
- Self-Assessment 2.3: Can You Identify Personality Traits from Blogging Words? 50
- Issues When Applying the Five-Factor Model 50

Other Personality Concepts:

The Dark Triad and MBTI Types 51

- The Dark Triad 51
- Self-Assessment 2.4: How Machiavellian Are You? 54
- Jungian Personality Theory and the Myers-Briggs Type Indicator 54
- Self-Assessment 2.5: Are You a Sensing or Intuitive Type? 55

Values in the Workplace 56

- Types of Values 57
- Self-Assessment 2.6: What Are Your Dominant Values? 58
- Values and Individual Behavior 58
- Values Congruence 59

Ethical Values and Behavior 60

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

Values across Cultures 64

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

Self-Assessment 2.8: What Is Your Level of Power Distance? 66	
Uncertainty Avoidance 66	
Achievement-Nurturing Orientation 66	
Caveats about Cross-Cultural Knowledge 67	
Cultural Diversity in the United States 67	
Chapter Summary 68	
Key Terms 69	
Critical Thinking Questions 69	
Case Study: SNC-Lavalin Group Inc. 69	
Class Exercise: Which Big Five Factors Fit Specific Occupations? 71	
Class Exercise: Personal Values Exercise 72	
Team Exercise: Ethics Dilemma Vignettes 72	
CHAPTER 3 Perceiving Ourselves and Others in Organizations 80	
Self-Concept: How We Perceive Ourselves 82	
Self-Concept Complexity, Consistency, and Clarity 82	
Self-Assessment 3.1: How Much Does Work Define Your Self-Concept? 85	
Self-Enhancement 85	
Self-Verification 86	
Self-Evaluation 86	
Self-Assessment 3.2: How Much General Self-Efficacy Do You Have? 87	
The Social Self 87	
Self-Concept and Organizational Behavior 89	
Perceiving the World around Us 89	
Perceptual Organization and Interpretation 91	
Self-Assessment 3.4: How Much Perceptual Structure do You Need? 92	
Specific Perceptual Processes and Problems 93	
Stereotyping in Organizations 93	
Attribution Theory 96	
Self-Fulfilling Prophecy 98	
Other Perceptual Effects 99	
Improving Perceptions 101	
Awareness of Perceptual Biases 101	
Improving Self-Awareness 102	
Meaningful Interaction 103	
Self-Assessment 3.5: How Strong Is Your Perspective Taking (Cognitive Empathy)? 104	
Self-Assessment 3.6: How Strong Is Your Emotional Empathy? 104	
Global Mindset: Developing Perceptions across Borders 104	
Developing a Global Mindset 105	
Chapter Summary 106	
Key Terms 107	
Critical Thinking Questions 107	



Case Study: Bridging the Two Worlds 108	
Case Study: HY Dairies, Inc. 109	
Class Exercise: Who's Who? 110	
Team Exercise: Personal and Organizational Strategies for Developing a Global Mindset 111	
CHAPTER 4 Workplace Emotions, Attitudes, and Stress 120	
Emotions in the Workplace 122	
Types of Emotions 122	
Emotions, Attitudes, and Behavior 123	
Cognitive Dissonance 127	
Emotions and Personality 128	
Self-Assessment 4.1: What Is Your Emotional Personality? 128	
Managing Emotions at Work 128	
Emotional Display Norms across Cultures 128	
Strategies for Displaying Expected Emotions 130	
Emotional Intelligence 131	
Self-Assessment 4.2: How Well Do You Recognize And Regulate Emotions? 132	
Emotional Intelligence Outcomes and Development 132	
Job Satisfaction 133	
Job Satisfaction and Work Behavior 134	
Job Satisfaction and Performance 135	
Job Satisfaction and Customer Satisfaction 136	
Job Satisfaction and Business Ethics 137	
Organizational Commitment 137	
Self-Assessment 4.3: How Committed Are You To Your School? 138	
Consequences of Affective and Continuance Commitment 138	
Building Organizational Commitment 139	
Work-Related Stress and Its Management 140	
Self-Assessment 4.4: How Stressed Are You? 140	
General Adaptation Syndrome 141	
Consequences of Distress 141	
Stressors: The Causes of Stress 142	
Individual Differences in Stress 143	
Self-Assessment 4.5: Are You A Workaholic? 144	
Managing Work-Related Stress 144	
Self-Assessment 4.6: How Do You Cope with Stressful Situations? 146	
Chapter Summary 146	
Key Terms 147	
Critical Thinking Questions 147	
Case Study: Diana's Disappointment: The Promotion Stumbling Block 148	
Class Exercise: Strengths-Based Coaching 149	
Team Exercise: Ranking Jobs on Their Emotional Labor 150	



CHAPTER 5 Foundations of Employee Motivation 162

Employee Motivation, Drives, and Needs 164

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

Drive-Based Motivation Theories 167

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

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

- Intrinsic and Extrinsic Motivation 170
- Learned Needs Theory 171

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

Expectancy Theory of Motivation 173

- Expectancy Theory in Practice 174

Organizational Behavior Modification and Social Cognitive Theory 176

- Organizational Behavior Modification 176
- Social Cognitive Theory 178

Goal Setting and Feedback 179

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

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

Organizational Justice 184

- Distributive Justice and Equity Theory 184

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

- Procedural and Interactional Justice 188

Chapter Summary 190

Key Terms 191

Critical Thinking Questions 191

Case Study: Cincinnati Super Subs 192

Case Study: Steelfab Corp. 193

Team Exercise: Predicting Harry's Work Effort 193

Class Exercise: Needs Priority Exercise 194

Team Exercise: Bonus Decision Exercise 195

CHAPTER 6 Applied Performance Practices 206

The Meaning of Money in the Workplace 208

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

Financial Reward Practices 209

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

Improving Reward Effectiveness 214

- Link Rewards to Performance 214

Ensure that Rewards Are Relevant 215

Use Team Rewards for Interdependent Jobs 215

Ensure that Rewards Are Valued 215

Watch Out for Unintended Consequences 215

Job Design Practices 217

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

Job Design and Work Motivation 219

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

Job Design Practices that Motivate 222

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

Psychological Empowerment Practices 225

- Self-Assessment 6.2: Are You Empowered as a Student? 226
- Supporting Psychological Empowerment 226

Self-Leadership Practices 227

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

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

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

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

- Chapter Summary 231
- Key Terms 232
- Critical Thinking Questions 232
- Case Study: Yakkatech, Inc. 232
- Team Exercise: Is Student Work Enriched? 233

CHAPTER 7 Decision Making and Creativity 242

Rational Choice Decision Making 244

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

Identifying Problems and Opportunities 247

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



Searching for, Evaluating, and Choosing Alternatives 249

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

Emotions and Intuition in Decision Making 253

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

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

- Making Choices More Effectively 254

Implementing and Evaluating Decisions 255

- Implementing Decisions 255
- Evaluating Decisions 255

Creativity 258

- The Creative Process 258
- Self-Assessment 7.2: How Well Do You Engage in Divergent Thinking? 259
 - Characteristics of Creative People 260
- Self-Assessment 7.3: Do You Have a Creative Personality? 261
 - Organizational Conditions Supporting Creativity 261
 - Activities that Encourage Creativity 262
- Employee Involvement in Decision Making 265
 - Benefits of Employee Involvement 265
 - Contingencies of Employee Involvement 266
- Chapter Summary 268
- Key Terms 269
- Critical Thinking Questions 269
- Case Study: How KGame Boosts Employee Creativity 270
- Case Study: Dogged by the Wrong Problem 271
- Class Exercise: Employee Involvement Incidents 272
- Team Exercise: Where in the World are We? 273
- Class Exercise: Creativity Brainbusters 275



TEAM PROCESSES 284

CHAPTER 8 Team Dynamics 284

Teams and Informal Groups 286

- Informal Groups 287

Advantages and Disadvantages of Teams 288

- The Challenges of Teams 289

A Model of Team Effectiveness 291

- Organizational and Team Environment 292

Team Design Elements 293

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



Team Processes 298

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

- Team Development 298

Self-Assessment 8.2: What Team Roles

Do You Prefer? 300

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

Self-Assessment 8.3: How Trusting Are You? 306

- Success Factors for Self-Directed Teams 307

Self-Directed Teams 306

Remote (Virtual) Teams 307

- Success Factors for Remote Teams 309

Team Decision Making 310

- Constraints on Team Decision Making 310

- Improving Creative Decision Making in Teams 311

Chapter Summary 313

Key Terms 314

Critical Thinking Questions 314

Case Study: Conifer Corp. 315

Team Exercise: Team Tower Power 316

Team Exercise: Human Checkers 316

Team Exercise: Survival on the Moon 317

CHAPTER 9 Communicating in Teams and Organizations 328

The Importance of Communication 331

A Model of Communication 332

- Influences on Effective Encoding and Decoding 333

Communication Channels 334

- Digital Written Communication 334

- Social Media Communication in the Workplace 337

- Nonverbal Communication 339

Choosing the Best Communication Channel 340

- Synchronicity 340

- Social Presence 341

- Social Acceptance 341

- Media Richness 342

- Communication Channels and Persuasion 344

Communication Barriers (Noise) 345

- Perceptions 345

- Language 345

- Jargon 346

- Filtering 346

- Information Overload 346

Cross-Cultural and Gender Communication 347

- Nonverbal Differences across Cultures 348

- Gender Differences in Communication 349

Improving Interpersonal Communication 349
Getting Your Message Across 350
Active Listening 350
Self-Assessment 9.1: Are You an Active Listener? 351
Improving Communication throughout the Hierarchy 351
Workspace Design 351
Digitally-Based Organizational Communication 352
Direct Communication with Top Management 352
Communicating through the Grapevine 353
Grapevine Characteristics 353
Grapevine Benefits and Limitations 353
Chapter Summary 355
Key Terms 356
Critical Thinking Questions 356
Case Study: Silver Lines: Challenges in Team Communication 356
Team Exercise: Cross-Cultural Communication Game 358
Team Exercise: Visual Instructions Exercise 359
CHAPTER 10 Power and Influence in the Workplace 366
The Meaning of Power 368
Sources of Power in Organizations 370
Legitimate Power 370
Reward Power 371
Coercive Power 371
Expert Power 372
Referent Power 372
Contingencies of Power 373
Nonsubstitutability 373
Centrality 374
Visibility 375
Discretion 376
The Power of Social Networks 376
Self-Assessment 10.1: Do You Have a Guanxi Orientation? 376
Social Capital and Sources of Power 377
Gaining Power through Social Networks 378
Consequences of Power 380
Influencing Others 380
Self-Assessment 10.2: What Is Your Approach to Influencing Coworkers? 381
Types of Influence Tactics 381
Consequences and Contingencies of Influence Tactics 384
Organizational Politics 386
Individual Differences in Organizational Politics 386
Minimizing Organizational Politics 387

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

Key Terms 389
Critical Thinking Questions 389
Case Study: Resonus Corporation 390
Case Study: JP Morgan's Whale 391
Team Exercise: Deciphering the Network 392
Team Exercise: Bingo Networking 393
Team Exercise: Managing Your Boss 393

CHAPTER 11 Conflict and Negotiation in the Workplace 400

The Meaning and Consequences of Conflict 402

Is Conflict Good or Bad? 403

The Emerging View: Task and Relationship Conflict 404

Task Conflict 404
Relationship Conflict 404
Minimizing Relationship Conflict during Task Conflict 405

Conflict Process Model 407

Structural Sources of Conflict in Organizations 408

Incompatible Goals 408
Differentiation 408
Interdependence 409
Scarce Resources 410
Ambiguous Rules 410
Communication Problems 411

Interpersonal Conflict-Handling Styles 411

Self-Assessment 11.1: What Is Your Preferred Conflict-Handling Style? 412
Choosing the Best Conflict-Handling Style 413
Cultural and Gender Differences in Conflict-Handling Styles 415

Structural Approaches to Conflict Management 415

Emphasizing Superordinate Goals 415
Reducing Differentiation 416
Improving Communication and Mutual Understanding 416
Reducing Interdependence 418
Increasing Resources 418
Clarifying Rules and Procedures 418

Third-Party Conflict Resolution 419

Choosing the Best Third-Party Intervention Strategy 420

Resolving Conflict through Negotiation 421

Distributive versus Integrative Approaches to Negotiation 421
Preparing to Negotiate 421
The Negotiation Process 423
The Negotiation Setting 426
Gender and Negotiation 427

Chapter Summary	428
Key Terms	429
Critical Thinking Questions	429
Case Study: Maelstrom Communications	430
Case Study: Discord Investments	430
Class Exercise: Conflict Handling Incidents	431
Team Exercise: Kumquat Conflict Role Play	433

CHAPTER 12 Leadership in Organizational Settings 444

What Is Leadership? 446

Shared Leadership 446

Transformational Leadership Perspective 447

Develop and Communicate a Strategic Vision 448

Model the Vision 450

Encourage Experimentation 450

Build Commitment toward the Vision 450

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

Transformational Leadership and Charisma 451

Evaluating the Transformational Leadership Perspective 452

Managerial Leadership Perspective 452

Interdependence of Managerial and Transformational Leadership 453

Task-Oriented and People-Oriented Leadership 453

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

Servant Leadership 454

Path-Goal and Leadership Substitute Theories 455

Path–Goal Leadership Theory 455

Leadership Substitutes Theory 457

Implicit Leadership Perspective 458

Prototypes of Effective Leaders 459

The Romance of Leadership 459

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

Personal Attributes Perspective of Leadership 460

Eight Important Leadership Attributes 460

Authentic Leadership 462

Leadership Attributes Perspective Limitations and Practical Implications 463

Cross-Cultural and Gender Issues in Leadership 464

Gender and Leadership 465

Chapter Summary 465

Key Terms 466

Critical Thinking Questions 466

Case Study: A Window on Life 467

Team Exercise: Leadership Diagnostic Analysis 468



ORGANIZATIONAL PROCESSES 476

CHAPTER 13 Designing Organizational Structures 476

Division of Labor and Coordination 479

Division of Labor 479

Coordination of Work Activities 479

Elements of Organizational Structure 482

Span of Control 482

Centralization and Decentralization 485

Formalization 486

Mechanistic versus Organic Structures 486

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

Forms of Departmentalization 487

Simple Structure 488

Functional Structure 488

Divisional Structure 489

Team-Based Structure 491

Matrix Structure 493

Network Structure 496

Contingencies of Organizational Design 497

External Environment 497

Organizational Size 498

Technology 499

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

Organizational Strategy 499

Chapter Summary 500

Key Terms 500

Critical Thinking Questions 501

Case Study: Merritt's Bakery 501

Team Exercise: The Club Ed Exercise 502



CHAPTER 14 Organizational Culture 508

Elements of Organizational Culture 510

Espoused versus Enacted Values 510

Content of Organizational Culture 512

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

Organizational Subcultures 514

Deciphering Organizational Culture through Artifacts 514

Organizational Stories and Legends 515

Organizational Language 515

Rituals and Ceremonies 515

Physical Structures and Symbols 516

**Is Organizational Culture Important? 517**

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

Merging Organizational Cultures 522

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

Changing and Strengthening Organizational Culture 525

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

Organizational Socialization 528

- Learning and Adjustment Process 528
- Psychological Contracts 529
- Stages of Organizational Socialization 529
- Improving the Socialization Process 531
- Chapter Summary 532
- Key Terms 533
- Critical Thinking Questions 533
- Case Study: Hilton's Transformation 533
- Team Exercise: Organizational Culture Metaphors 534
- Class Exercise: Diagnosing Corporate Culture Proclamations 536

CHAPTER 15 Organizational Change 542**Lewin's Force Field Analysis Model 544****Understanding Resistance to Change 546**

- Why Employees Resist Change 547

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

- Creating an Urgency for Change 549

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

- Reducing the Restraining Forces 551
- Refreezing the Desired Conditions 553

Leadership, Coalitions, and Pilot Projects 554

- Transformational Leadership and Change 554

Coalitions, Social Networks, and Change 555

- Pilot Projects and Diffusion of Change 556

Four Approaches to Organizational Change 557

- Action Research Approach 557
- Appreciative Inquiry Approach 558
- Large Group Intervention Approach 562
- Parallel Learning Structure Approach 562

Cross-Cultural and Ethical Issues in Organizational Change 563

- Organizational Behavior:**
The Journey Continues 563
- Chapter Summary 564
- Key Terms 564
- Critical Thinking Questions 565
- Case Study: Transact Insurance Corporation 565
- Team Exercise: Strategic Change Incidents 566

ADDITIONAL CASES

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

Appendix A

- Theory Building and Systematic Research Methods 590

Organization Index I-1

Name Index I-5

Glossary/Subject Index I-29



preface

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

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

Linking Theory with Reality

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

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

Global Focus

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



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

Contemporary Theory Foundation

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

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

Organizational Behavior Knowledge for Everyone

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

Active Learning and Critical Thinking Support

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



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

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

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

Changes to the Ninth Edition

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

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

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

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

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



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

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

acknowledgments

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

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

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

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

Lauren Rich
University of West Florida, Pensacola

Dr. Marian T. Mety
Wayne State University

Todd Korol
Monroe County Community College

Atul Teckchandani
California State University, Fullerton

Maureen Andrade
Utah Valley University

Rachel Frieder
University of North Florida

Lauren Long
Liberty University

Joseph Thibault
Straighter Line

Audrey Blume
Wilmington University, Dover

Edward Meda
University of Texas, Dallas

Dr Jackson Musyimi
Daytona State College

Caroline Leffall
Bellevue College

David Ruderman
University of Colorado, Denver

Diane Denslow
University of North Florida

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

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

supporting the learning process

AN INTERNATIONAL AUTHOR TEAM FOR THE GLOBAL EMPLOYEE

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

DEBATING POINTS

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

REAL-WORLD EXAMPLES BRING OB TO LIFE

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

SELF-ASSESSMENTS

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



student and instructor support materials

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

INSTRUCTOR'S MANUAL

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

TEST BANK AND TEST BUILDER

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

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

Test Builder allows you to:

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

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

POWERPOINT PRESENTATION SLIDES

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



Video Resources

MANAGER'S HOT SEAT

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

Create

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

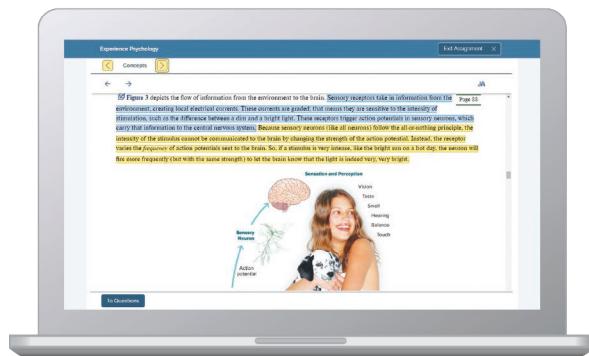


FOR INSTRUCTORS

You're in the driver's seat.

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

65%
Less Time
Grading



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

They'll thank you for it.

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

**Make it simple,
make it affordable.**



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

Padlock: Jobalou/Getty Images

Solutions for your challenges.



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

Checkmark: Jobalou/Getty Images

**SUPPORT AT
every step**

FOR STUDENTS

Effective, efficient studying.

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

Study anytime, anywhere.

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

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

- Jordan Cunningham,
Eastern Washington University



Calendar: owtaphotos/Getty Images

No surprises.

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



Learning for everyone.

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

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





Organizational Behavior



1

Introduction to the Field of Organizational Behavior



After reading this chapter, you should be able to:

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

Globant is one of the great technology company success stories in South America. Founded less than two decades ago in Buenos Aires, Argentina, the software development company has grown to more than 7,000 employees in a dozen countries who work with the world's largest client firms.

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

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

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



PART 1: INTRODUCTION

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

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

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



Richard Drew/AP Images

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

Welcome to the Field of Organizational Behavior!

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

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

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

WHAT IS ORGANIZATIONAL BEHAVIOR?

LO 1-1



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

The definition of organizational behavior begs the question: What are organizations? **Organizations** are groups of people who work interdependently toward some purpose.³ Notice that organizations are not buildings or government-registered entities. In fact, many organizations exist with neither physical walls nor government documentation to confer their legal status. Organizations have existed for as long as people have worked together. Massive temples dating back to 3500 BC were constructed through the organized

actions of multitudes of people. Craftspeople and merchants in ancient Rome formed guilds, complete with elected managers. More than 1,000 years ago, Chinese factories were producing 125,000 tons of iron each year.⁴

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

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

organizations
groups of people who work
interdependently toward
some purpose

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

Tony Avelar/Bloomberg/Getty Images



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

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

HISTORICAL FOUNDATIONS OF ORGANIZATIONAL BEHAVIOR

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

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

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



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

Why Organizational Behavior Is Important

LO 1-2



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

WHY OB IS IMPORTANT FOR YOU

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

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

EXHIBIT 1.1 Most Important Skills for New Hires

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

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



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

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

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

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

WHY OB IS IMPORTANT FOR ORGANIZATIONS

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

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

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

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

open systems

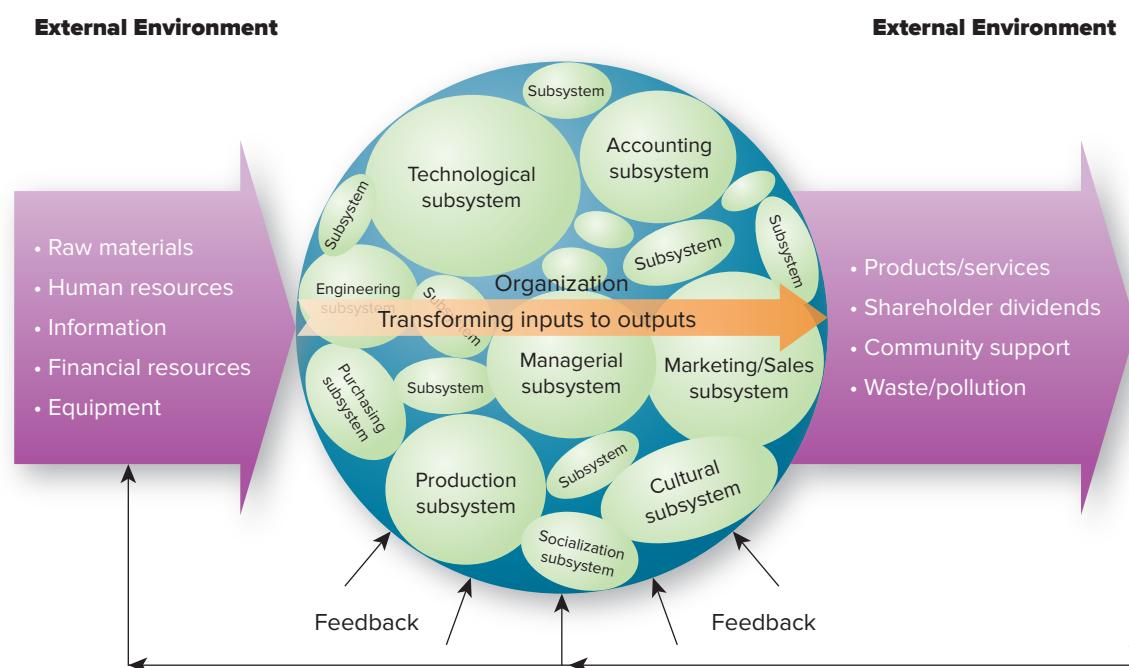
the view that organizations depend on the external environment for resources, affect that environment through their output, and consist of internal subsystems that transform inputs to outputs

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

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

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

EXHIBIT 1.2 Organizations as Open Systems





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

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

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

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

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

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

human capital

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

stakeholders

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

values

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



global connections 1.1

21 Days of Y'ello Care

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



Courtesy of MTN Group

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

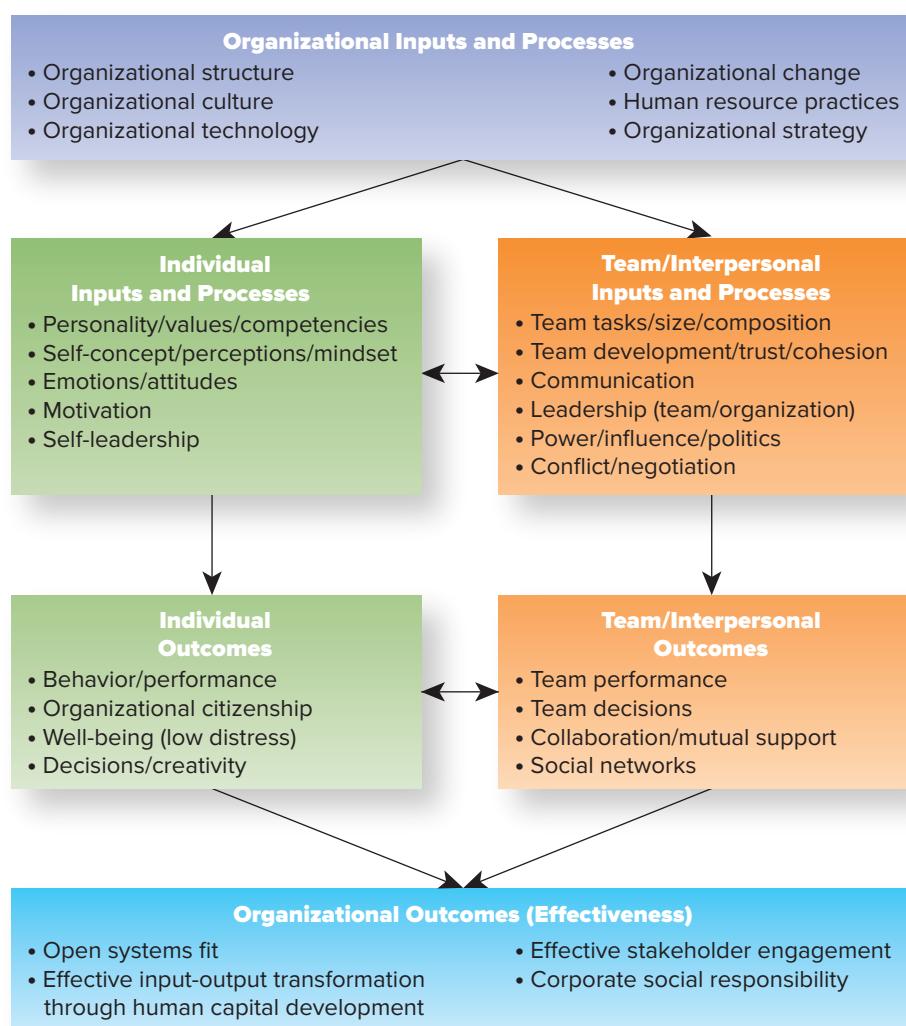
company's executive team and board of directors rely on their personal values to decide how the company should prioritize its investments for future growth and how its current earnings should be distributed (e.g., to stockholders, employees, community, etc.).

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

CONNECTING THE DOTS: AN INTEGRATIVE MODEL OF ORGANIZATIONAL BEHAVIOR

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

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

EXHIBIT 1.3**An Integrative Model of Organizational Behavior**

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

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

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

Anchors of Organizational Behavior Knowledge

LO 1-3



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

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

THE SYSTEMATIC RESEARCH ANCHOR

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

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

EXHIBIT 1.4

Anchors of Organizational Behavior Knowledge

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



debating point

IS THERE ENOUGH EVIDENCE TO SUPPORT EVIDENCE-BASED MANAGEMENT?

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

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

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

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

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

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

THE PRACTICAL ORIENTATION ANCHOR

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

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



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

THE MULTIDISCIPLINARY ANCHOR

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

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

THE CONTINGENCY ANCHOR

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

THE MULTIPLE LEVELS OF ANALYSIS ANCHOR

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

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

The Emerging Workplace Landscape

LO 1-4

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

DIVERSITY AND THE INCLUSIVE WORKPLACE

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

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

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

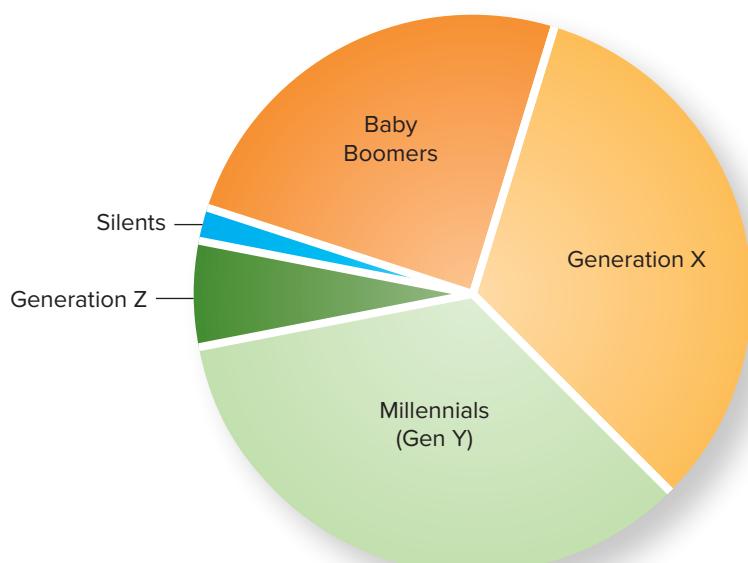
When diversity is mentioned, most people initially think about **surface-level diversity**—the observable demographic and other overt differences among members of a group, such as their race, ethnicity, gender, age, and physical capabilities.⁴⁴ Surface-level diversity in the United States and many other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

inclusive workplace

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

surface-level diversity

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

EXHIBIT 1.5**America's Multigenerational Workforce^g**

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

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

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

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

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

Supporting workforce diversity is the right thing to do as well as a source of competitive advantage at MasterCard Incorporated. “Our culture of inclusion has established us as a global company of empowered employees who use their diversity of thought, experience and background to advance innovation and MasterCard’s contributions to society,” says MasterCard president and CEO Ajay Banga (shown in this photo). Banga personally chairs MasterCard’s Global Diversity and Inclusion Council and meets several times each year with its eight Business Resource Groups. More than half of MasterCard’s employees participate in these diversity-based groups, which serve as internal business consultants to guide the company on consumer preferences, cultural insights, and access to networks. “By valuing of a culture of inclusion, we gain additional insights and perspectives that allow us to make the best decisions for our business and customers,” explains Donna Johnson, MasterCard’s chief diversity officer.⁵¹

Pau Barrena/Bloomberg/
Getty Images



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

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

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

WORK–LIFE INTEGRATION

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



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

work-life integration

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

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

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

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

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

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

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

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

REMOTE WORK

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



global connections 1.2

Emsisoft Thrives as a Fully Remote Organizationⁱ

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

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

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

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

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

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



NakoPhotography/Shutterstock

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

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

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



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

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

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

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

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

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

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

EXHIBIT 1.6

Potential Benefits and Risks of Remote Working

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



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

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

connect

SELF-ASSESSMENT 1.1: Are You a Good Remote Worker?

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

EMPLOYMENT RELATIONSHIPS

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

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

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

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

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

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

MARS Model of Individual Behavior and Performance

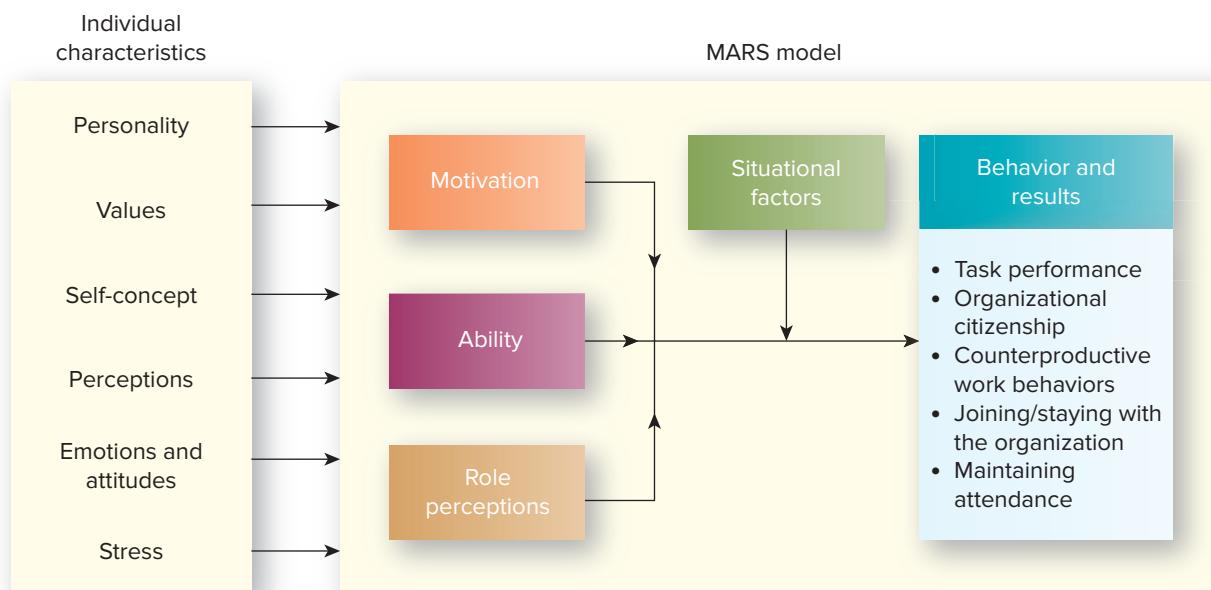
LO 1-5



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

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

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

EXHIBIT 1.7 MARS Model of Individual Behavior and Results

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

EMPLOYEE MOTIVATION

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

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

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

motivation

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

ability

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

ABILITY

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

MIND THE MARS GAP ON ABILITY, ROLE PERCEPTIONS, AND SITUATIONAL FACTORS¹

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



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

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

(photo) Maren Wischnewski/Alamy Stock Photo

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

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

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

The challenge is to match a person's abilities with the job's requirements because a good match tends to increase employee performance and well-being. One matching strategy is to select applicants who already demonstrate the required competencies. For example, companies ask applicants to perform work samples, provide references for checking their past performance, and complete various selection tests. A second strategy is to train employees who lack specific knowledge or skills needed for the job.⁸¹ The third person-job matching strategy is to redesign the job so that employees are given tasks only within their current abilities. For example, a complex task might be simplified—some aspects of the work are transferred to others—so that a new employee performs only tasks that he or she is currently able to perform. As the employee becomes more competent at these tasks, other tasks are added back into the job.

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

ROLE PERCEPTIONS

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

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

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

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

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



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

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

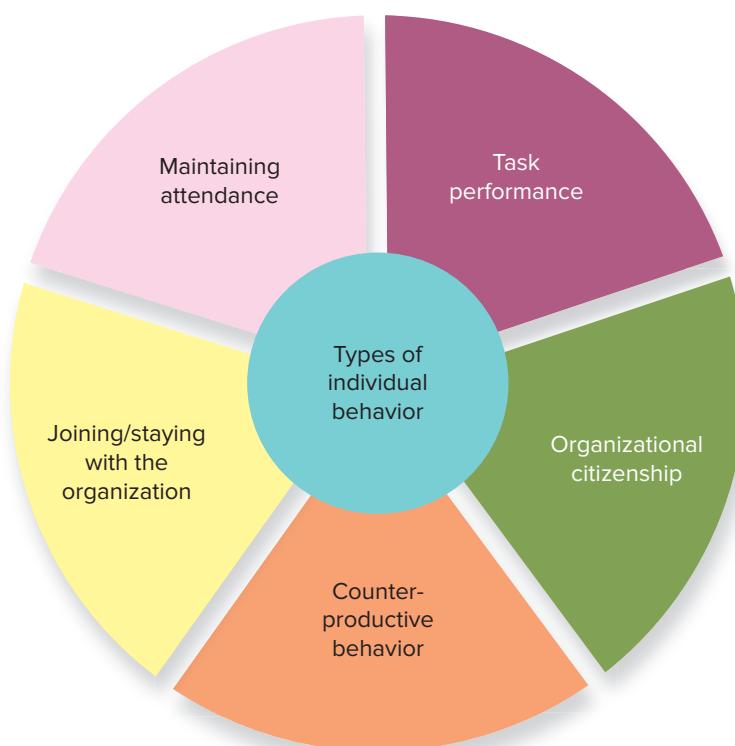
SITUATIONAL FACTORS

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

Types of Individual Behavior

LO 1-6

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

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

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

TASK PERFORMANCE

Task performance refers to the individual's voluntary goal-directed behaviors that contribute to organizational objectives.⁸⁶ Most jobs require incumbents to complete several tasks. For example, foreign exchange traders at Morgan Stanley must be able to identify and execute profitable trades, work cooperatively with clients and coworkers, assist in training new staff, and work on special telecommunications equipment without error. These tasks involve working with people, data, things, and ideas.⁸⁷ Foreign exchange traders mainly work with data (e.g., performing technical analysis of trends), people (e.g., sharing information with coworkers and clients), and ideas (interpreting charts and company reports).⁸⁸

There are three types of task performance: proficient, adaptive, and proactive.⁸⁸

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

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

ORGANIZATIONAL CITIZENSHIP

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

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

COUNTERPRODUCTIVE WORK BEHAVIORS

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

JOINING AND STAYING WITH THE ORGANIZATION

Companies suffer and potentially fail if they can't hire and retain enough people with the right skills and knowledge to perform the work.⁹⁴ This isn't a hypothetical statement. The United States and several other countries are experiencing significant economic growth, which has pushed the demand for some skills well beyond the available supply. One major survey recently reported that 45 percent of 39,000 employers across two dozen countries said they can't find enough people with the skills needed. This problem is worse in large organizations, where more than two-thirds report a significant skills shortage. For example, Boeing is facing a shortage of aviation production workers as it

scrambles to satisfy increased demand for its aircraft. As a short-term measure, the aerospace giant is even enticing retirees to come back to work. Hospitals in several countries have temporarily shut beds due to a shortage of nurses. One small community hospital in the United Kingdom recently closed completely because it was unable to hire enough nurses.⁹⁵

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

organizational citizenship behaviors (OCBs)
various forms of cooperation and helpfulness to others that support the organization's social and psychological context

counterproductive work behaviors (CWBs)
voluntary behaviors that have the potential to directly or indirectly harm the organization

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



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

MAINTAINING WORK ATTENDANCE

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

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

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



global connections 1.3

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

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

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

"There is an unspoken understanding that you probably should be on your deathbed if you are calling in sick," says an attending physician at a Philadelphia hospital where 83 percent of doctors admitted working while sick within the past year. "It inconveniences my colleagues, is complicated to pay back shifts, and makes me look bad to do so."¹⁰⁰



pathdoc/Shutterstock

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

The Journey Begins

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

chapter summary

LO 1-1 Define organizational behavior and organizations.

Organizational behavior is the study of what people think, feel, and do in and around organizations. It examines how individuals and teams in organizations relate to one another, and how organizations interact with their external environments. This field of knowledge emerged around the early 1940s, but organizations have been studied by other disciplines for more than two thousand years. Organizations are groups of people who work interdependently toward some purpose. They consist of people who interact with one another in an organized way and have a collective sense of purpose.

LO 1-2 Explain why organizational behavior knowledge is important for you and for organizations.

Organizational behavior is important for you because it offers a core foundation of knowledge and skill development for your success in organizations. The skills and knowledge that employers look for in new hires, above anything else, are the topics found in organizational behavior, including problem solving, working effectively in teams, communication, and leadership. More broadly, OB helps you adopt better personal theories to understand, predict, and influence organizational events. OB knowledge is for everyone, not just managers.

OB theories and practices are vital to the organization's survival and success. In fact, most OB theories implicitly or explicitly try to improve organizational effectiveness—an ideal state in which an organization has a good fit with its external environment, effectively transforms inputs to outputs through human capital, and satisfies the needs of key stakeholders. Organizational behavior knowledge is highly relevant to the open systems view of organizations by identifying organizational characteristics that "fit" some external environments better than others. OB theories offer guidance on how to effectively transform inputs to outputs.

OB is also important for organizations because it identifies ways for organizations to develop and leverage the potential of human capital—the knowledge, skills, abilities, creativity, and other valued resources that employees bring to the organization. Several organizational behavior topics also give us a better understanding of relations with stakeholders—individuals, groups, and other entities that affect, or are affected by, the organization's objectives and actions. This latter focus includes the role of personal values (the relatively stable, evaluative beliefs that guide a person's preferences for outcomes or courses of action in a variety of situations) and corporate social responsibility (organizational activities intended to benefit society and the environment beyond the firm's immediate financial interests or legal obligations).

LO 1-3 Describe the anchors on which organizational behavior knowledge is based.

The systematic research anchor states that OB knowledge should be based on systematic research, consistent with evidence-based management. The practical orientation anchor states that OB theories need to be useful in practice, such as by helping organizations become more effective. The multidisciplinary anchor states that the field should develop from knowledge in other disciplines (e.g., psychology, sociology, economics), not just from its own isolated research base. The contingency anchor states that OB theories generally need to consider

that there will be different consequences in different situations. The multiple levels of analysis anchor states that OB topics may be viewed from the individual, team, and organization levels of analysis.

LO 1-4 Summarize the workplace trends of diversity and the inclusive workplace, work-life integration, remote work, and emerging employment relationships.

An inclusive workplace values people of all identities and allows them to be fully themselves while contributing to the organization. It views diversity as a valued resource. An organization's workforce has both surface-level diversity (observable demographic and other overt differences in people) and deep-level diversity (differences in personalities, beliefs, values, and attitudes). Inclusive workplaces produce better decisions, employee attitudes, team performance, and a host of other favorable outcomes for employees and the organization. However, diversity also poses challenges, such as dysfunctional conflict and slower team development.

Work-life integration refers to the degree that people are effectively engaged in their various work and nonwork roles and have a low degree of role conflict across those life domains. Various work and nonwork roles are inherently integrated because the physical, cognitive, and emotional resources produced or consumed by one role potentially enrich or undermine the success and enjoyment of other roles. There are several ways to maximize work-life integration, such as doing things that mix two roles, engage in flexible work scheduling, ensure that work and nonwork roles are aligned with your personal characteristics, and engage in some degree of "boundary management" across roles.

An increasing percentage of the workforce performs their job remotely some or all of the time rather than at the organization's physical work site. Some organizations are completely remote—everyone works at home and cafés and the company has no physical head office. Working remotely potentially benefits employees and employers, but there are also disadvantages. The effectiveness of remote work depends on the employee, job, and organization.

Most of the workforce has a direct employment relationship—working as an employee for an organization—but an increasing percentage has more fragile direct employment relationships (part-time, on-call, etc.). The largest labor market growth has been indirect (outsourced/agency) and contract work. Some contractors negotiate their own contracts with the client, whereas others work through branded platform companies (e.g., Uber). These emerging employment relationships have both positive and negative consequences for job performance, job satisfaction, team dynamics, self-concept stability and clarity, and the ambiguity of managerial roles.

LO 1-5 Describe the four factors that directly influence individual behavior and performance.

Four variables—motivation, ability, role perceptions, and situational factors—which are represented by the acronym MARS, directly influence individual behavior and performance. Motivation represents the forces within a person that affect his or her direction, intensity, and persistence of voluntary behavior; ability includes both the natural aptitudes and

the learned capabilities required to successfully complete a task; role perceptions are the extent to which people understand the job duties (roles) assigned to them or expected of them; and situational factors include conditions beyond the employee's immediate control that constrain or facilitate behavior and performance.

LO 1-6 Summarize the five types of individual behavior in organizations.

There are five main types of workplace behavior. Task performance refers to goal-directed behaviors under the individual's

control that support organizational objectives. It includes proficiency, adaptivity, and proactivity. Organizational citizenship behaviors consist of various forms of cooperation and helpfulness to others that support the organization's social and psychological context. Counterproductive work behaviors are voluntary behaviors that have the potential to directly or indirectly harm the organization. Joining and staying with the organization refers to agreeing to become an organizational member and remaining with the organization. Maintaining work attendance includes minimizing absenteeism when capable of working and avoiding scheduled work when not fit (i.e., low presenteeism).

key terms

ability, p. 23	MARS model, p. 22	role perceptions, p. 24
corporate social responsibility (CSR), p. 10	motivation, p. 23	stakeholders, p. 9
counterproductive work behaviors (CWBs), p. 27	open systems, p. 8	surface-level diversity, p. 15
deep-level diversity, p. 16	organizational behavior (OB), p. 4	task performance, p. 26
evidence-based management, p. 12	organizational citizenship behaviors (OCBs), p. 27	values, p. 9
human capital, p. 9	organizational effectiveness, p. 7	work-life integration, p. 18
inclusive workplace, p. 15	organizations, p. 4	

critical thinking questions

1. A friend suggests that organizational behavior courses are useful only to people who will enter management careers. Discuss the accuracy of your friend's statement.
2. Problem solving, teamwork, communication, and leadership are four of the top skills identified by employers as most important when hiring (see Exhibit 1.1). How have these skills been important (or unimportant) for you in jobs that you have held or as a student? Identify one other skill that you would place at or near the top of the list for working effectively in organizations.
3. A young student from the United States is interested in doing international business across China, India, Brazil, and Russia. Discuss how the knowledge of OB can be useful to the student.
4. A common refrain among executives is "People are our most important asset." Relate this statement to how organizational behavior theories and practices improve organizational effectiveness through human capital.
5. Corporate social responsibility is one of the hottest issues in corporate boardrooms these days, partly because it is becoming increasingly important to employees and other stakeholders. In your opinion, why have stakeholders given CSR more attention recently? Does abiding by CSR standards potentially cause companies to have conflicting objectives with some stakeholders in some situations?
6. What does *evidence-based management* mean? Describe situations you have heard about in which companies have practiced evidence-based management, as well as situations in which companies have relied on fads that lacked sufficient evidence of their worth.
7. Work-life integration is one of the most important issues that job applicants consider when choosing where to work. Think about the variety of specific benefits, working conditions, or resources that employers offer to support work-life integration. Which of these is most valuable to you personally at this stage in your life and career? Why? In what ways have you personally been able to minimize conflict between your work (including school) and nonwork roles?
8. Emsisoft and Automatic are completely remote (distributed) companies. Everyone who works for these firms performs their jobs from home or cafés. In your opinion, will distributed companies become more common in the future? Why or why not? Would you prefer working in a remote company—one that has no physical location, just (maybe) an occasional gathering of staff at a conference setting or resort? Or do you prefer working face-to-face most days with coworkers at a company worksite? Why?
9. A federal government department has high levels of absenteeism among the office staff. The head of office administration argues that employees are misusing the company's sick leave benefits. However, some of the mostly female staff members have explained that family responsibilities interfere with work. Using the MARS model, as well as your knowledge of absenteeism behavior, discuss some of the possible reasons for absenteeism here and how it might be reduced.
10. Why might employees display presenteeism? What can organizations do to reduce presenteeism and how ethical are these strategies?



CASE STUDY: PROMOTING SAFE BEHAVIOR AT MOTHER PARKERS

By Steven L. McShane, University of Newcastle (Australia)

Most companies try to create a safe work environment, but few are as dedicated as Mother Parkers Tea & Coffee Inc. As North America's largest private label coffee producer, Mother Parkers infuses safety knowledge, awareness, and engagement in every employee and contractor. "One of our priorities here has been to provide a safe workplace to our employees," says Adrian Khan, Mother Parkers' Senior Manager of Environmental, Health, Safety, and Security for North America. "They make a commitment to us to help produce great quality products; we make a commitment to them to provide them with a safe working environment."

To begin with, Mother Parkers creates a physically safe work environment through well-designed barriers and cues at its award-winning automated production facilities in Fort Worth, Texas, and Ontario, Canada. The production floor includes physical barriers to separate people from moving equipment. Safe walking areas are brightly marked, including specific spots where people must stop and look both ways before crossing forklift travel areas. At eye level next to doors are signs specifying what equipment (shoes, eyewear, etc.) must be worn before entering the next area. Updated lighting systems provide superior visibility and eye comfort.

Another way that Mother Parkers supports safe behavior is by investing in employee training. Staff learn safety procedures before they are allowed to enter the production floor. They also learn about new safety technology and practices from community experts at special health and safety day events.

Employee involvement is an important part of safety improvement at Mother Parkers. Employees participate in safety issues so decisions are based on a full complement of knowledge from employees, not just from management and outside experts. "We wanted to empower the operators to recognize hazards in their work area, voice those concerns, and to be a part of the solutions," says Khan, who recently won a national safety leadership award. "When it comes down to it, they are the experts running the machines who know exactly what the hazards are in the workplace." For example, when the company decided to buy an ergonomic roll lifter (a machine that holds and transports heavy rolls of metal), employees on the ergonomics team tested many of the roll lifters on the market to determine which one was the best fit for their application.

Mother Parkers has held numerous "ergonomic blitzes," whereby an external consultant and production staff conduct an intensive review of health and safety concerns in each specific work area. "We jump-started our program by having ergonomics blitz events so that the team could 'Find It' (hazards), 'Fix It' (countermeasures), and 'Check It' (happy operators)," says Khan. "From there, the team would have a number of short-term solutions that could be

implemented immediately, and also a list of longer-term improvements that could be planned for."

A special cross-functional team developed from these "ergo blitzes," whose members now serve as role models for safety behavior and as valuable sources of safety knowledge. "This creates a go-to group of operators on the floor that their peers feel comfortable with and can go to if they want to report an issue," Khan observes.

Employee involvement also generates employee commitment to safety. "There's a high level of engagement here," says a Mother Parkers production manager. "The operators have been developing most of the procedures for equipment operation, cleaning, quality checks, and troubleshooting. The operators take ownership of their positions." Mike Bate, Mother Parkers vice president of human resources, notes that employees are more motivated to act safely because the company pays attention to their ideas. "Our health and safety committees are now engaged, they have plans, they have ideas, people's voices get heard. And when they bring issues on the table, those issues get dealt with and they get addressed and they are part of the planning process."

Another way that Mother Parkers promotes workplace safety is by continuously reminding everyone that safety is an important part of everyone's job. This message occurs through ongoing safety training, employee involvement in ergonomic risk prevention, and the presence of numerous workplace safety cues. Reminding everyone about safety is even a daily event. "Safety is the core of everything we do here," explains the production manager of Mother Parkers' award-winning RealCup operations. "We begin our production meetings and shift handovers by talking about safety."

Safety-focused expectations also extend to contractors, all of whom complete a safety training program before their projects begin. "We set expectations and standards with contractors before they come on site on what it means to be on site at Mother Parkers from a health and safety perspective," says Mike Bate. "Before they even get approved to come on site and work with us as a contractor [they have to] register themselves to say they have gone through this education. So by the time they arrive, [contractors] understand the risks, they bring the proper protective equipment that may be required, or they understand what they need from us to make the workplace safe for them to work in."

Discussion Questions

1. Apply the MARS model to explain how Mother Parkers improves safety in the workplace.
2. What other organizational behavior topics are generally apparent in this description of how Mother Parkers creates a safe workplace?

Sources: Based on information in: J. Smith, "Top Plant: Mother Parkers: Recipe for Growth," *Plant Engineering* 68, no. 10 (2014): 26–31; "We Listen, We Lead," Canadian HR Reporter, October 13, 2016; *Canadian HR Reporter*, "2016 COS Safety Leader of the Year," YouTube, December 15 2016, <https://www.youtube.com/watch?v=ViH3d9B7wOI&t=55s>,

Video; C. Lotz. Interview: 2016 Canadian Safety Leader of the Year. Michigan: Humantech, Inc. 2016; A. Silliker. Meet the 2016 Safety Leader of the Year. Luxembourg: Thomson Reuters Corporation. 2017; A. Silliker, "Tea Time: Meet the 2016 Safety Leader of the Year," *Canadian Occupational Safety*, December/January 2017, 28–30.



CASE STUDY: PUSHING PAPERS CAN BE FUN

By Terence R. Mitchell, University of Washington

A large metropolitan city government was putting on a number of seminars for managers of various departments throughout the city. At one of these sessions the topic to be discussed was motivation—how we can get public servants motivated to do a good job. The plight of a police captain became the central focus of the discussion:

I've got a real problem with my officers. They come on the force as young, inexperienced rookies, and we send them out on the street, either in cars or on a beat. They seem to like the contact they have with the public, the action involved in crime prevention, and the apprehension of criminals. They also like helping people out at fires, accidents, and other emergencies.

The problem occurs when they get back to the station. They hate to do the paperwork, and because they dislike it, the job is frequently put off or done inadequately. This lack of attention hurts us later on when we get to court. We need clear, factual reports. They must be highly detailed and unambiguous. As soon as one part of a report is shown to be inadequate or incorrect, the rest of the report is suspect. Poor reporting probably causes us to lose more cases than any other factor.

I just don't know how to motivate them to do a better job. We're in a budget crunch and I have absolutely no financial rewards at my disposal. In fact, we'll probably have to lay some people off in the near future. It's hard for me to make the job interesting and challenging because it isn't—it's boring, routine paperwork, and there isn't much you can do about it.

Finally, I can't say to them that their promotions will hinge on the excellence of their paperwork. First of all, they

know it's not true. If their performance is adequate, most are more likely to get promoted just by staying on the force a certain number of years than for some specific outstanding act. Second, they were trained to do the job they do out in the streets, not to fill out forms. All through their career it is the arrests and interventions that get noticed.

Some people have suggested a number of things, like using conviction records as a performance criterion. However, we know that's not fair—too many other things are involved. Bad paperwork increases the chance that you lose in court, but good paperwork doesn't necessarily mean you'll win. We tried setting up team competitions based upon the excellence of the reports, but the officers caught on to that pretty quickly. No one was getting any type of reward for winning the competition, and they figured why should they bust a gut when there was no payoff.

I just don't know what to do.

Discussion Questions

1. What performance problems is the captain trying to correct?
2. Use the MARS model of individual behavior and performance to diagnose the possible causes of the unacceptable behavior.
3. Has the captain considered all possible solutions to the problem? If not, what else might be done?

Source: Terence R. Mitchell, *People in Organizations: Understanding Their Behavior*, (New York: McGraw-Hill, 1978), 171. Used with permission.



CLASS EXERCISE: WORLD CAFÉ ON THE EMERGING WORKPLACE

By Steven L. McShane, University of Newcastle (Australia)

PURPOSE This exercise is designed to help you understand organizational behavior issues that arise in the emerging workplace landscape, particularly regarding inclusive workplace, remote work, and emerging employment relationships (agency and contract workers).

MATERIALS The learning space should allow for one large table or other dedicated area for every 10 or so students in the class. One person at each table (the "scribe") should have some means (e.g., paper/pencil, computer/tablet) of documenting ideas presented.

INSTRUCTIONS *Step 1:* Students are organized into teams of approximately 10 people. Each team is initially assigned to a large table or dedicated space for the team. The instructor will assign one of the three themes (see below) to each table. For example, if the class has 60 students, there would be six tables of 10 students. Two tables would be assigned the theme of inclusive workplace, two tables would look at remote work, and two tables would look at employment relationships (agency/contract work).

Step 2: One person on each team volunteers to be the "scribe" for that table. Throughout the exercise, the scribe documents the main ideas presented by students who

attend that table. The scribe remains at that table for the entire exercise (other team members will move to other tables during the exercise). All scribes will later debrief the class on the key points they documented on the theme assigned to their table.

Step 3: Teams will read the questions assigned to the theme of their initial table (see below). They have a fixed time (usually between 10 and 15 minutes) to discuss their views and offer answers to those questions.

Step 4: After the preset discussion time has ended, the instructor will direct students at each table (except the scribe who remains at the table) to another table that has a different theme. For example, students at a “remote work” table would move to a table assigned the “agency/contract work” or “inclusive workplace” theme. Students will read the questions assigned to the theme of this second table. The instructor again assigns a fixed time (10–15 minutes) for students to discuss their new theme.

Step 5: The scribe will add the ideas presented by the second group to those provided by the first group. The scribe should *not* tell the second group what the first group discussed about this theme. The scribe should remain quiet, except for asking for clarification.

Step 6: After the preset discussion time has ended, the instructor will direct students at each table (except the scribe who remains at the table) to the third table that has a different theme from the previous two tables. Scribes document ideas from their third group without informing them of what the previous teams discusses on that theme.

Step 7: After the third round of discussion has ended, the whole class will gather and listen to the main ideas documented by the scribes. This is usually 3 to 5 minutes per scribe. If two or more tables have the same theme, the scribes of those tables should present at the same time or consecutively (e.g., if two scribes have the remote work theme, they should speak to the class together or one after the other).

WORLD CAFÉ DISCUSSION THEMES

Table 1: Inclusive Workplace

An inclusive workplace values people of all identities (i.e., surface- and deep-level diversity) and allows them to be fully themselves while contributing to the organization.

1. What challenges do organizations and their employees experience on their journey toward an inclusive workplace? Provide specific examples.

2. How can leaders (supervisors to executives) support and maintain workplace diversity? Provide specific examples from your experience in an organization that emphasizes and leverages (or undermines) the value of diversity.

3. What personal characteristics of leaders (supervisors to executives) make them better (or worse) equipped to support and lead people in an inclusive workplace? Why are those attributes important?

Table 2: Remote Workers

Remote workers are people who work from home or other off-site location (not at client sites) some or all of the time.

1. What are the challenges for the organization and for employees who work remotely in terms of their effectiveness and well-being in this work arrangement? Provide specific examples. Several firms (Yahoo, IBM, etc.) have recently reduced the level of remote work. What problems do you think they experienced?
2. What personal characteristics enable some people to work remotely better (or worse) than other people? Why are those attributes important?
3. How can leaders (supervisors to executives) support and maintain the performance of remote workers? Provide specific examples from your experience as a remote worker, a supervisor of remote workers, or knowledge of others in those situations.

Table 3: Agency and Contract Workers

Agency workers work regularly at a client site but are employed by another firm (outsource company). Contractors are self-employed. This table will refer only to contractors who work at client sites.

1. What are the challenges for the organization and for employees who work as agency employees or contractors in terms of their effectiveness and well-being in this work arrangement? Provide specific examples.
2. What personal characteristics enable some people to work as agency/contract workers better (or worse) than other people? Why are those attributes important?
3. How can leaders (supervisors to executives) support and maintain the performance of agency and contract workers who are not their own employees? Provide specific examples from your experience as an agency/contract worker, a manager of agency/contract workers, or knowledge of others in those situations.



CLASS EXERCISE: IT ALL MAKES SENSE?

PURPOSE This exercise is designed to help you comprehend how organizational behavior knowledge can help you understand life in organizations.

INSTRUCTIONS Read each of the statements below and determine whether each statement is true or false, in your

opinion. The class will consider the answers to each question and discuss the implications for studying organizational behavior.

This exercise may also be conducted as a team activity, whereby students answer these questions in teams rather than alone.

- | | | | |
|------------------|--|-------------------|--|
| 1. True False | A happy worker is a productive worker. | 6. True False | Employees perform better without stress. |
| 2. True False | A decision maker's effectiveness increases with the number of choices or alternatives available to her or him. | 7. True False | The best way to change people and organizations is by pinpointing the source of their current problems. |
| 3. True False | Organizations are more effective when they minimize conflict among employees. | 8. True False | Female leaders involve employees in decisions to a greater degree than do male leaders. |
| 4. True False | Employees have more power with many close friends than with many acquaintances. | 9. True False | The best decisions are made without emotion. |
| 5. True False | Companies are more successful when they have strong corporate cultures. | 10. True False | If employees feel they are paid unfairly, nothing other than changing their pay will reduce their feelings of injustice. |

endnotes

1. S. Foggin, "In Conversation with Software Development Giant Globant Co-Founder Guibert Englebienne," *Latam Tech*, August 14, 2018; "Globant Named a Best Company for Culture and Diversity by Comparably," News release (San Francisco: Globant, December 19, 2018); M. Baxter, "Digital Transformation and Sprints: How Globant Helps Companies Metaphorically Eat an Elephant," *Information Age*, January 31, 2019.
2. M. Warner, "Organizational Behavior Revisited," *Human Relations* 47 (1994): 1151–66; R. Westwood and S. Clegg, "The Discourse of Organization Studies: Dissensus, Politics, and Paradigms," in *Debating Organization: Point-Counterpoint in Organization Studies*, ed. R. Westwood and S. Clegg (Malden, MA: Wiley-Blackwell, 2003), 1–42.
3. R.N. Stern and S.R. Barley, "Organizations as Social Systems: Organization Theory's Neglected Mandate," *Administrative Science Quarterly* 41 (1996): 146–62; D. Katz and R.L. Kahn, *The Social Psychology of Organizations* (New York: Wiley, 1966), Chap. 2.
4. L.E. Greiner, "A Recent History of Organizational Behavior," in *Organizational Behavior*, ed. S. Kerr (Columbus, OH: Grid, 1979), 3–14; J. Micklenthwait and A. Wooldridge, *The Company: A Short History of a Revolutionary Idea* (New York: Random House, 2003).
5. T. Lawson, "The Nature of the Firm and Peculiarities of the Corporation," *Cambridge Journal of Economics* 39, no. 1 (2015): 1–32.
6. "A Field Is Born," *Harvard Business Review* 86, no. 7/8 (2008): 164; P.R. Lawrence, "The Key Job Design Problem Is Still Taylorism," *Journal of Organizational Behavior* 31, no. 2/3 (2010): 412–21; L.W. Porter and B. Schneider, "What Was, What Is, and What May Be in OP/OB," *Annual Review of Organizational Psychology and Organizational Behavior* 1, no. 1 (2014): 1–21.
7. T. Takala, "Plato on Leadership," *Journal of Business Ethics* 17 (1998): 785–98; J.A. Fernandez, "The Gentleman's Code of Confucius: Leadership by Values," *Organizational Dynamics* 33, no. 1 (2004): 21–31; A.M. Blake and J.L. Moseley, "Frederick Winslow Taylor: One Hundred Years of Managerial Insight," *International Journal of Management* 28, no. 4 (2011): 346–53; J.W. Stutje, ed., *Charismatic Leadership and Social Movements: The Revolutionary Power of Ordinary Men and Women, International Studies in Social History* (New York: Berghahn Books, 2012).
8. C.D. Wrege, "Solving Mayo's Mystery: The First Complete Account of the Origin of the Hawthorne Studies—the Forgotten Contributions of C. E. Snow and H. Hibarger" (paper presented at the Academy of Management Proceedings, August 1976), 12–16; P. Graham, ed., *Mary Parker Follett: Prophet of Management* (Boston: Harvard Business School Press, 1995); J.H. Smith, "The Enduring Legacy of Elton Mayo," *Human Relations* 51, no. 3 (1998): 221–49; R. Busse and M. Warner, "The Legacy of the Hawthorne Experiments: A Critical Analysis of the Human Relations School of Thought," *History of Economic Ideas* 25, no. 2 (2017): 91–114, <https://doi.org/10.19272/201706102004>; G.M. Nelson, "Mary Parker Follett—Creativity and Democracy," *Human Service Organizations: Management, Leadership & Governance* 41, no. 2 (2017): 178–85, <https://doi.org/10.1080/23303131.2016.1263073>.
9. The extent to which OB influences career success depends on course pedagogy as well as the practical value of the OB concepts covered in the course. In fact, OB scholars have an ongoing debate about the practical relevance of OB research. See, for example: J.P. Walsh et al., "On the Relationship between Research and Practice: Debate and Reflections," *Journal of Management Inquiry* 16, no. 2 (2007): 128–54; R. Gulati, "Tent Poles, Tribalism, and Boundary Spanning: The Rigor-Relevance Debate in Management Research," *Academy of Management Journal* 50, no. 4 (2007): 775–82; J. Pearce and L. Huang, "The Decreasing Value of Our Research to Management Education," *Academy of Management Learning & Education* 11, no. 2 (2012): 247–62; J.M. Bartunek and S.L. Rynes, "Academics and Practitioners Are Alike and Unlike: The Paradoxes of Academic-Practitioner Relationships," *Journal of Management* 40, no. 5 (2014): 1181–201; N. Butler, H. Delaney, and S. Spoelstra, "Problematizing 'Relevance' in the Business School: The Case of Leadership Studies," *British Journal of Management* 26, no. 4 (2015): 731–44.

10. G. Loewenstein, "The Psychology of Curiosity: A Review and Reinterpretation," *Psychological Bulletin* 116, no. 1 (1994): 75–98; C. Kidd and B.Y. Hayden, "The Psychology and Neuroscience of Curiosity," *Neuron* 88, no. 3 (November 2015): 449–60, <https://doi.org/10.1016/j.neuron.2015.09.010>; M. Livio, *Why?: What Makes Us Curious* (New York: Simon and Schuster, 2017).
11. R. L. Priem and J. Rosenstein, "Is Organization Theory Obvious to Practitioners? A Test of One Established Theory," *Organization Science* 11, no. 5 (2000): 509–24.
12. R.S. Rubin and E.C. Dierdorff, "How Relevant Is the MBA? Assessing the Alignment of Required Curricula and Required Managerial Competencies," *Academy of Management Learning & Education* 8, no. 2 (2009): 208–24; Y. Baruch and O. Lavi-Steiner, "The Career Impact of Management Education from an Average-Ranked University: Human Capital Perspective," *Career Development International* 20, no. 3 (2015): 218–37.
13. M.S. Myers, *Every Employee a Manager* (New York: McGraw-Hill, 1970).
14. For example, see: M.A. West et al., "Reducing Patient Mortality in Hospitals: The Role of Human Resource Management," *Journal of Organizational Behavior* 27, no. 7 (2006): 983–1002; I.S. Fulmer and R.E. Ployhart, "'Our Most Important Asset': A Multidisciplinary/Multilevel Review of Human Capital Valuation for Research and Practice," *Journal of Management* 40, no. 1 (2014): 161–92; M.C. Diaz-Fernández, M.R. González-Rodríguez, and B. Simonetti, "Top Management Team's Intellectual Capital and Firm Performance," *European Management Journal* 33, no. 5 (2015): 322–31, <https://doi.org/10.1016/j.emj.2015.03.004>; N. Taylor et al., "High Performing Hospitals: A Qualitative Systematic Review of Associated Factors and Practical Strategies for Improvement," *BMC Health Services Research* 15, no. 1 (2015): 244, <https://doi.org/10.1186/s12913-015-0879-z>; S. Hauff, D. Alewell, and N.K. Hansen, "Further Exploring the Links between High-Performance Work Practices and Firm Performance: A Multiple-Mediation Model in the German Context," *German Journal of Human Resource Management* 32, no. 1 (2018): 5–26, <https://doi.org/10.1177/2397002217728251>.
15. J.T. Comeault and D. Wheeler, "Human Capital-Based Investment Criteria for Total Shareholder Returns," in *Pensions at Work: Socially Responsible Investment of Union-Based Pension Funds*, ed. J. Quarter, I. Carmichael, and S. Ryan (Toronto: University of Toronto Press, 2008); S. Abhayawansa, M. Aleksanyan, and J. Bahtsevoglou, "The Use of Intellectual Capital Information by Sell-Side Analysts in Company Valuation," *Accounting and Business Research* 45, no. 3 (2015): 279–306; S. Abhayawansa and J. Guthrie, "Drivers and Semantic Properties of Intellectual Capital Information in Sell-Side Analysts' Reports," *Journal of Accounting & Organizational Change* 12, no. 4 (2016): 434–71, <https://doi.org/10.1108/JAOC-05-2014-0027>.
16. S. A. Mohrman, C. B. Gibson, and A. M. Mohrman Jr., "Doing Research That Is Useful to Practice: A Model and Empirical Exploration," *Academy of Management Journal* 44 (2001): 357–75; J. P. Walsh et al., "On the Relationship between Research and Practice," *Journal of Management Inquiry* 16, no. 2 (June 2007): 128–54.
- Similarly, in 1961, Harvard business professor Fritz Roethlisberger proposed that the field of OB is concerned with human behavior "from the points of view of both (a) its determination . . . and (b) its improvement." See P. B. Vaill, "F. J. Roethlisberger and the Elusive Phenomena of Organizational Behavior," *Journal of Management Education* 31, no. 3 (2007): 321–38.
17. R. H. Hall, "Effectiveness Theory and Organizational Effectiveness," *Journal of Applied Behavioral Science* 16, no. 4 (1980): 536–45; K. Cameron, "Organizational Effectiveness: Its Demise and Re-Emergence through Positive Organizational Scholarship," in *Great Minds in Management*, ed. K. G. Smith and M. A. Hitt (New York: Oxford University Press, 2005), 304–30.
18. A.A. Amirkhanyan, H.J. Kim, and K.T. Lambright, "The Performance Puzzle: Understanding the Factors Influencing Alternative Dimensions and Views of Performance," *Journal of Public Administration Research and Theory* 24, no. 1 (2014): 1–34.
19. Chester Barnard gives one of the earliest descriptions of organizations as systems interacting with external environments and that are composed of subsystems. See C. Barnard, *The Functions of the Executive* (Cambridge, MA: Harvard University Press, 1938), esp. Chap. 6. Also see F.E. Kast and J.E. Rosenzweig, "General Systems Theory: Applications for Organization and Management," *Academy of Management Journal* 15, no. 4 (1972): 447–65; P.M. Senge, *The Fifth Discipline: The Art and Practice of the Learning Organization* (New York: Doubleday Currency, 1990); G. Morgan, *Images of Organization*, 2nd ed. (Newbury Park: Sage, 1996); A. de Geus, *The Living Company* (Boston: Harvard Business School Press, 1997).
20. D. Katz and R.L. Kahn, *The Social Psychology of Organizations* (New York: Wiley, 1966), Chap. 2; J. McCann, "Organizational Effectiveness: Changing Concepts for Changing Environments," *Human Resource Planning* 27, no. 1 (2004): 42–50; A.H. Van de Ven, M. Ganco, and C.R. Hinings, "Returning to the Frontier of Contingency Theory of Organizational and Institutional Designs," *Academy of Management Annals* 7, no. 1 (2013): 391–438.
21. K.E. Weick, *The Social Psychology of Organizing* (Reading, MA: Addison-Wesley, 1979); J.L. Claggett and E. Karahanna, "Unpacking the Structure of Coordination Mechanisms and the Role of Relational Coordination in an Era of Digitally Mediated Work Processes," *Academy of Management Review* 43, no. 4 (2018): 704–22, <https://doi.org/10.5465/amr.2016.0325>; R.M. Burton and B. Obel, "The Science of Organizational Design: Fit between Structure and Coordination," *Journal of Organization Design* 7, no. 5 (2018), <https://doi.org/10.1186/s41469-018-0029-2>.
22. J. Barney, "Firm Resources and Sustained Competitive Advantage," *Journal of Management* 17, no. 1 (1991): 99–120. The scholarly literature has separated human capital from social capital (social networks) and psychological capital (personal cognitive and emotional resources such as hope and optimism). On closer inspection, however, social and psychological capital may be embedded in, or consequences of, human capital. Consequently, the three concepts may be integrated in some ways.
23. J. Combs et al., "How Much Do High-Performance Work Practices Matter? A Meta-Analysis of Their Effects on

- Organizational Performance," *Personnel Psychology* 59, no. 3 (2006): 501–28; P. Tharenou, A.M. Saks, and C. Moore, "A Review and Critique of Research on Training and Organizational-Level Outcomes," *Human Resource Management Review* 17, no. 3 (2007): 251–73; D.Y. Jeong and M. Choi, "The Impact of High-Performance Work Systems on Firm Performance: The Moderating Effects of the Human Resource Function's Influence," *Journal of Management & Organization* 22, no. 3 (2016): 328–48.
24. J. Camps and R. Luna-Arcas, "A Matter of Learning: How Human Resources Affect Organizational Performance," *British Journal of Management* 23, no. 1 (2012): 1–21; R.R. Kehoe and P.M. Wright, "The Impact of High-Performance Human Resource Practices on Employees' Attitudes and Behaviors," *Journal of Management* 39, no. 2 (2013): 366–91; B. Fabi, R. Lacoursière, and L. Raymond, "Impact of High-Performance Work Systems on Job Satisfaction, Organizational Commitment, and Intention to Quit in Canadian Organizations," *International Journal of Manpower* 36, no. 5 (2015): 772–90.
 25. R.E. Freeman, J.S. Harrison, and A.C. Wicks, *Managing for Stakeholders: Survival, Reputation, and Success* (New Haven, CT: Yale University Press, 2007); B.L. Parmar et al., "Stakeholder Theory: The State of the Art," *Academy of Management Annals* 4, no. 1 (2010): 403–45; S. Sachs and E. Rühli, *Stakeholders Matter: A New Paradigm for Strategy in Society* (Cambridge, UK: Cambridge University Press, 2011).
 26. R. B. Adams, A. N. Licht, and L. Sagiv, "Shareholders and Stakeholders: How Do Directors Decide?," *Strategic Management Journal* 32, no. 12 (2011): 1331–55; A. Santana, "Three Elements of Stakeholder Legitimacy," *Journal of Business Ethics* 105, no. 2 (2012): 257–65; D. Crilly and P. Sloan, "Autonomy or Control? Organizational Architecture and Corporate Attention to Stakeholders," *Organization Science* 25, no. 2 (2014): 339–55; M. Hall, Y. Millo, and E. Barman, "Who and What Really Counts? Stakeholder Prioritization and Accounting for Social Value," *Journal of Management Studies* 52, no. 7 (2015): 907–34; D. Weitzner and Y. Deutsch, "Understanding Motivation and Social Influence in Stakeholder Prioritization," *Organization Studies* 36, no. 10 (2015): 1337–60.
 27. B.M. Meglino and E.C. Ravlin, "Individual Values in Organizations: Concepts, Controversies, and Research," *Journal of Management* 24, no. 3 (1998): 351–89; S. Hitlin and J.A. Pilavin, "Values: Reviving a Dormant Concept," *Annual Review of Sociology* 30 (2004): 359–93; L. Sagiv et al., "Personal Values in Human Life," *Nature Human Behaviour* 1, no. 9 (September 2017): 630–39, <https://doi.org/10.1038/s41562-017-0185-3>.
 28. M. van Marrewijk, "Concepts and Definitions of CSR and Corporate Sustainability: Between Agency and Communion," *Journal of Business Ethics* 44 (2003): 95–105; H. Aguinis and A. Glavas, "What We Know and Don't Know about Corporate Social Responsibility: A Review and Research Agenda," *Journal of Management* 38, no. 4 (2012): 932–68; T. Meynhardt and P. Gomez, "Building Blocks for Alternative Four-Dimensional Pyramids of Corporate Social Responsibilities," *Business & Society* 58, no. 2 (2019): 404–38, <https://doi.org/10.1177/0007650316650444>.
 29. A.B. Carroll and K.M. Shabana, "The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice," *International Journal of Management Reviews* 12, no. 1 (2010): 85–105; J. Kim and J. Kim, "Corporate Sustainability Management and Its Market Benefits," *Sustainability* 10, no. 5 (May 2018): 1455, <https://doi.org/10.3390/su10051455>; M. Ong et al., "When Corporate Social Responsibility Motivates Employee Citizenship Behavior: The Sensitizing Role of Task Significance," *Organizational Behavior and Human Decision Processes* 144 (2018): 44–59, <https://doi.org/10.1016/j.obhdp.2017.09.006>; B. Lis, "Corporate Social Responsibility's Influence on Organizational Attractiveness: An Investigation in the Context of Employer Choice," *Journal of General Management* 43, no. 3 (2018): 106–14, <https://doi.org/10.1177/0306307017749627>.
 30. Most of these anchors are mentioned in J.D. Thompson, "On Building an Administrative Science," *Administrative Science Quarterly* 1, no. 1 (1956): 102–11.
 31. This anchor has a colorful history dating back to critiques of business schools in the 1950s. Soon after, systematic research became a mantra for many respected scholars. See, for example, J.D. Thompson, "On Building an Administrative Science," *Administrative Science Quarterly* 1, no. 1 (1956): 102–11.
 32. J. Pfeffer and R.I. Sutton, *Hard Facts, Dangerous Half-Truths, and Total Nonsense* (Boston: Harvard Business School Press, 2006); D.M. Rousseau and S. McCarthy, "Educating Managers from an Evidence-Based Perspective," *Academy of Management Learning & Education* 6, no. 1 (2007): 84–101; R.B. Briner and D.M. Rousseau, "Evidence-Based I-O Psychology: Not There Yet," *Industrial and Organizational Psychology* 4, no. 1 (2011): 3–22.
 33. J. Hamet and F. Maurer, "Is Management Research Visible Outside the Academic Community?," *M@n@gement* Vol. 20, no. 5 (2017): 492–516.
 34. J. Pfeffer and R.I. Sutton, *Hard Facts, Dangerous Half-Truths, and Total Nonsense* (Boston: Harvard Business School Press, 2006).
 35. E. Abrahamson, H. Berkowitz, and H. Dumez, "A More Relevant Approach to Relevance in Management Studies: An Essay on Performativity," *Academy of Management Review* 41, no. 2 (2016): 367–81, <https://doi.org/10.5465/amr.2015.0205>; J.M. Bartunek and J. McKenzie, eds., *Academic-Practitioner Relationships: Developments, Complexities and Opportunities*, 1 edition (New York: Routledge, 2017); G. Carton and P. Mouricou, "Is Management Research Relevant? A Systematic Analysis of the Rigor-Relevance Debate in Top-Tier Journals (1994–2013)," *M@n@gement* Vol. 20, no. 2 (2017): 166–203; J. Hamet and S. Michel, "Rigor, Relevance, and the Knowledge 'Market,'" *European Business Review* 30, no. 2 (2018): 183–201, <https://doi.org/10.1108/EBR-01-2017-0025>.
 36. P.H. Kim, R.E. Ployhart, and C.B. Gibson, "Editors' Comments: Is Organizational Behavior Overtheorized?," *Academy of Management Review* 43, no. 4 (October 2018): 541–45, <https://doi.org/10.5465/amr.2018.0233>.
 37. M. N. Zald, "More Fragmentation? Unfinished Business in Linking the Social Sciences and the Humanities,"

- Administrative Science Quarterly* 41 (1996): 251–61; C. Oswick, P. Fleming, and G. Hanlon, “From Borrowing to Blending: Rethinking the Processes of Organizational Theory Building,” *Academy of Management Review* 36, no. 2 (2011): 318–37; B.M. Staw, “Stumbling Toward a Social Psychology of Organizations: An Autobiographical Look at the Direction of Organizational Research,” *Annual Review of Organizational Psychology and Organizational Behavior* 3, no. 1 (2016): 1–19, <https://doi.org/10.1146/annurev-orgpsych-041015-062524>
38. C.M. Christensen and M.E. Raynor, “Why Hard-Nosed Executives Should Care about Management Theory,” *Harvard Business Review* (2003): 66–74; C.E.J. Härtel and J.M. O’Connor, “Contextualizing Research: Putting Context Back into Organizational Behavior Research,” *Journal of Management & Organization* 20, no. 4 (2014): 417–22. For excellent critique of the “one best way” approach in early management scholarship, see P.F. Drucker, “Management’s New Paradigms,” *Forbes* (1998): 152–77.
 39. H.L. Tosi and J.W. Slocum Jr., “Contingency Theory: Some Suggested Directions,” *Journal of Management* 10 (1984): 9–26.
 40. D.M. Rousseau and R.J. House, “Meso Organizational Behavior: Avoiding Three Fundamental Biases,” in *Trends in Organizational Behavior*, ed. C.L. Cooper and D.M. Rousseau (Chichester, UK: Wiley, 1994), 13–30.
 41. M. Arando, “Adriana Robles and How She Enjoys Her Globant Teammates,” *Globant Tech Blog* (blog), February 18, 2019, <https://stayrelevant.globant.com/en/cover-story-teammates/>.
 42. “Sustainability Report 2015” (Buenos Aires, Argentina: Globant, September 2016); C. Mas, “Women in Technology: An Encouraging Webinar about Taking Risks, Setting Priorities, and Finding a Work-Life Balance,” *Globant Tech Blog* (blog), February 27, 2018, <https://stayrelevant.globant.com/en/women-technology-encouraging-webinar-taking-risks-setting-priorities-finding-work-life-balance/>; “Integrated Report 2017” (Buenos Aires, Argentina: Globant, April 2018); Globant, “Globant Named a Best Company for Culture and Diversity by Comparably” (San Francisco, December 19, 2018).
 43. B.M. Ferdinand, “Paradoxes of Inclusion: Understanding and Managing the Tensions of Diversity and Multiculturalism,” *The Journal of Applied Behavioral Science* 53, no. 2 (2017): 235–63, <https://doi.org/10.1177/0021886317702608>; A.E. Randel et al., “Inclusive Leadership: Realizing Positive Outcomes through Belongingness and Being Valued for Uniqueness,” *Human Resource Management Review* 28, no. 2 (2018): 190–203, <https://doi.org/10.1016/j.hrmr.2017.07.002>; L.M. Shore, J.N. Cleveland, and D. Sanchez, “Inclusive Workplaces: A Review and Model,” *Human Resource Management Review* 28, no. 2 (2018): 176–89, <https://doi.org/10.1016/j.hrmr.2017.07.003>.
 44. D.A. Harrison et al., “Time, Teams, and Task Performance: Changing Effects of Surface- and Deep-Level Diversity on Group Functioning,” *Academy of Management Journal* 45, no. 5 (2002): 1029–46; W.J. Casper, J.H. Wayne, and J.G. Manegold, “Who Will We Recruit? Targeting Deep- and Surface-Level Diversity with Human Resource Policy Advertising,” *Human Resource Management* 52, no. 3 (2013): 311–32; J.E. Mathieu et al., “A Review and Integration of Team Composition Models: Moving toward a Dynamic and Temporal Framework,” *Journal of Management* 40, no. 1 (2014): 130–60.
 45. D. Cohn, *Future Immigration Will Change the Face of America by 2065*, (Washington, DC: Pew Research Center, October 5, 2015); US Census Bureau, “National Diversity Day: October 5, 2018,” News release (Washington, DC: U.S. Census Bureau, October 5, 2018).
 46. J. Qin, N. Muenjohn, and P. Chhetri, “A Review of Diversity Conceptualizations: Variety, Trends, and a Framework,” *Human Resource Development Review* 13, no. 2 (2014): 133–57.
 47. M.H. Davis, S. Capobianco, and L.A. Kraus, “Gender Differences in Responding to Conflict in the Workplace: Evidence from a Large Sample of Working Adults,” *Sex Roles* 63, no. 7 (2010): 500–14; J.L. Locke, *Duels and Duets: Why Men and Women Talk So Differently* (New York: Cambridge University Press, 2011); R. Friesdorf, P. Conway, and B. Gawronski, “Gender Differences in Responses to Moral Dilemmas: A Process Dissociation Analysis,” *Personality and Social Psychology Bulletin* 41, no. 5 (2015): 696–713.
 48. E. Bolland and C. Lopes, *Generations and Work* (New York: Palgrave Macmillan, 2014); P. Taylor, *The Next America: Boomers, Millennials, and the Looming Generational Showdown* (New York: PublicAffairs, 2014); J. Bristow, *Baby Boomers and Generational Conflict* (London: Palgrave Macmillan, 2015).
 49. S. Lyons and L. Kuron, “Generational Differences in the Workplace: A Review of the Evidence and Directions for Future Research,” *Journal of Organizational Behavior* 35, no. S1 (2014): S139–57, <https://doi.org/10.1002/job.1913>; K.L. Zabel et al., “Generational Differences in Work Ethic: Fact or Fiction?,” *Journal of Business and Psychology* 32, no. 3 (2017): 301–15, <https://doi.org/10.1007/s10869-016-9466-5>; J.M. Cucina et al., “Generational Differences in Workplace Attitudes and Job Satisfaction: Lack of Sizable Differences across Cohorts,” *Journal of Managerial Psychology* 33, no. 3 (2018): 246–64, <https://doi.org/10.1108/JMP-03-2017-0115>; M. Schröder, “Der Generationenmythos (The Generation Myth),” *Kölner Zeitschrift für Soziologie und Sozialpsychologie* 70, no. 3 (2018): 469–94, <https://doi.org/10.1007/s11577-018-0570-6>.
 50. M.-E. Roberge and R. van Dick, “Recognizing the Benefits of Diversity: When and How Does Diversity Increase Group Performance?,” *Human Resource Management Review* 20, no. 4 (2010): 295–308; M. Singal, “The Business Case for Diversity Management in the Hospitality Industry,” *International Journal of Hospitality Management* 40 (2014): 10–19; C.-M. Lu et al., “Effect of Diversity on Human Resource Management and Organizational Performance,” *Journal of Business Research* 68, no. 4 (2015): 857–61; Y. Zhang and M.-Y. Huai, “Diverse Work Groups and Employee Performance: The Role of Communication Ties,” *Small Group Research* 47, no. 1 (2016): 28–57.
 51. Q. Roberson, O. Holmes, and J.L. Perry, “Transforming Research on Diversity and Firm Performance: A Dynamic Capabilities Perspective,” *Academy of Management*

- Annals* 11 (2017): 189–216; Y.R.F. Guillaume et al., “Harnessing Demographic Differences in Organizations: What Moderates the Effects of Workplace Diversity?”, *Journal of Organizational Behavior* 38, no. 2 (2017): 276–303, <https://doi.org/10.1002/job.2040>; N. Luan-glath, M. Ali, and K. Mohannak, “Top Management Team Gender Diversity and Productivity: The Role of Board Gender Diversity,” *Equality, Diversity and Inclusion: An International Journal* 38, no. 1 (2019): 71–86, <https://doi.org/10.1108/EDI-04-2018-0067>.
52. T. Kochan et al., “The Effects of Diversity on Business Performance: Report of the Diversity Research Network,” *Human Resource Management* 42 (2003): 3–21; S.T. Bell et al., “Getting Specific about Demographic Diversity Variable and Team Performance Relationships: A Meta-Analysis,” *Journal of Management* 37, no. 3 (2011): 709–43; S.M.B. Thatcher and P.C. Patel, “Group Faultlines: A Review, Integration, and Guide to Future Research,” *Journal of Management* 38, no. 4 (2012): 969–1009; C. Ozgen et al., “Does Cultural Diversity of Migrant Employees Affect Innovation?,” *International Migration Review* 48 (2014): S377–S416; K. Hoisl, M. Gruber, and A. Conti, “R&D Team Diversity and Performance in Hypercompetitive Environments,” *Strategic Management Journal* 38, no. 7 (2017): 1455–77, <https://doi.org/10.1002/smj.2577>.
53. “The 2016 Deloitte Millennial Survey: Winning over the Next Generation of Leaders” (New York: Deloitte Touche Tohmatsu, January 2016); B.W. Reynolds, “2017 Annual Survey Finds Workers Are More Productive at Home, And More,” *FlexJobs* (blog), August 21, 2017, <https://www.flexjobs.com/blog/post/productive-working-remotely-top-companies-hiring/>.
54. Jeffrey H. Greenhaus and Lieke L. ten Brummelhuis, “Models and Frameworks Underlying Work-Life Research: Challenges and Opportunities,” in *Handbook of Work-Life Integration Among Professionals: Challenges and Opportunities*, ed. D.A. Major and R.J. Burke (Cheltenham, UK: Edward Elgar Publishing, 2013), 14–34; M.J. Sirgy and D.-J. Lee, “Work-Life Balance: An Integrative Review,” *Applied Research in Quality of Life* 13, no. 1 (2018): 229–54, <https://doi.org/10.1007/s11482-017-9509-8>.
55. Katie Clarey, “Work-Life Balance? There’s No Such Thing,” *HR Dive*, December 18, 2018.
56. L.L. ten Brummelhuis and A.B. Bakker, “A Resource Perspective on the Work-Home Interface: The Work-Home Resources Model,” *American Psychologist* 67, no. 7 (2012): 545–56, <https://doi.org/10.1037/a0027974>; L.L. ten Brummelhuis and J.H. Greenhaus, “How Role Jugglers Maintain Relationships at Home and at Work: A Gender Comparison,” *Journal of Applied Psychology* 103, no. 12 (2018): 1265–82, <https://doi.org/10.1037/apl0000340>; A. Li, A. Butler, and J. Bagger, “Depletion or Expansion? Understanding the Effects of Support Policy Use on Employee Work and Family Outcomes,” *Human Resource Management Journal* 28, no. 2 (2018): 216–34, <https://doi.org/10.1111/1748-8583.12174>.
57. S.D. Friedman, *Leading the Life You Want: Skills for Integrating Work and Life* (Boston: Harvard Business Press, 2014); A.M. Foreman et al., “Dogs in the Workplace: A Review of the Benefits and Potential Challenges,” *International Journal of Environmental Research and Public Health* 14, no. 5 (2017), <https://doi.org/10.3390/ijerph14050498>; K. Goldin, “Why Meetings On The Move Should Be The New Normal (And How To Ensure They’re Productive),” *Forbes*, April 20, 2018; Kris Fannin, “Why Work-Life Integration Is the New Work-Life Balance and How To...” *Intelivate* (blog), January 29, 2018. <https://www.intelivate.com/team-strategy/work-life-integration-work-life-balance>; K. Lockwood, “Achieving Work-Life Integration In This New World Of Work.” *Forbes*, April 18, 2018. Although almost all firms have practices that support work-life integration, many employers implicitly limit the career progress of those who use some of these practices. see: S. Bourdeau, A. Ollier-Malaterre, and N. Houlfort, “Not All Work-Life Policies Are Created Equal: Career Consequences of Using Enabling Versus Enclosing Work-Life Policies,” *Academy of Management Review* 44, no. 1 (2019): 172–93, <https://doi.org/10.5465/amr.2016.0429>.
58. E.E. Kossek and R.J. Thompson, “Workplace Flexibility: Integrating Employer and Employee Perspectives to Close the Research-Practice Implementation Gap,” in *The Oxford Handbook of Work and Family*, ed. T.D. Allen and L.T. Eby (New York: Oxford University Press, 2016), 255–70, <https://doi.org/10.1093/oxfordhb/9780199337538.013.19>; M. Beatson, “Megatrends: Flexible Working” (London: Chartered Institute of Personnel and Development, January 15, 2019).
59. L.A. Perlow, *Sleeping with Your Smartphone: How to Break the 24/7 Habit and Change the Way You Work* (Boston: Harvard Business Press, 2012); T.D. Allen, E. Cho, and L.L. Meier, “Work-Family Boundary Dynamics,” *Annual Review of Organizational Psychology and Organizational Behavior* 1, no. 1 (2014): 99–121, <https://doi.org/10.1146/annurev-orgpsych-031413-091330>; A.R. Koch and C. Binnewies, “Setting a Good Example: Supervisors as Work-Life-Friendly Role Models within the Context of Boundary Management,” *Journal of Occupational Health Psychology* 20, no. 1 (2015): 82–92, <https://doi.org/10.1037/a0037890>; Nancy P. Rothbard and Ariane Ollier-Malaterre, “Boundary Management,” in *The Oxford Handbook of Work and Family*, ed. T.D. Allen and L.T. Eby (New York: Oxford University Press, 2016), 109–24, <https://doi.org/10.1093/oxfordhb/9780199337538.013.19>; R. Hackwill, “French First to Protect ‘the Right to Disconnect’,” *EuroNews*, January 2, 2017.
60. T.L. Johns, “The Third Wave of Virtual Work,” *Harvard Business Review* 91, no. 1 (2013): 66–73.
61. A. Mann and A. Adkins, “America’s Coming Workplace: Home Alone,” *Gallup Business Journal*, March 15, 2017.
62. S. Kasriel, “IBM’s Remote Work Reversal Is A Losing Battle Against The New Normal,” *Fast Company*, May 23, 2017; J. Kador, “Trust And Leadership In The World Of Remote Work,” *ChiefExecutive.Net* (blog), April 10, 2018, <https://chiefexecutive.net/trust-and-leadership-in-the-world-of-remote-work/>.
63. G. Leibowitz, “This CEO Runs a Billion-Dollar Company With No Offices or Email,” *Inc*, March 16, 2016; J. Bort, “\$1 Billion Startup Automattic Is Closing Its San Francisco Office and Having Everyone Work from Home,” *Business Insider*, June 13, 2017.

64. E.J. Hill et al., "Workplace Flexibility, Work Hours, and Work-Life Conflict: Finding an Extra Day or Two," *Journal of Family Psychology* 24, no. 3 (2010): 349–58; M.C. Noonan and J.L. Glass, "The Hard Truth about Telecommuting," *Monthly Labor Review* 135, no. 6 (2012): 38–45; B.H. Martin and R. MacDonnell, "Is Telework Effective for Organizations?," *Management Research Review* 35, no. 7 (2012): 602–16; T.D. Allen, T.D. Golden, and K.M. Shockley, "How Effective Is Telecommuting? Assessing the Status of Our Scientific Findings," *Psychological Science in the Public Interest* 16, no. 2 (2015): 40–68; N. Bloom et al., "Does Working from Home Work? Evidence from a Chinese Experiment," *The Quarterly Journal of Economics* 130, no. 1 (2015): 165–218; R.S. Gajendran, D.A. Harrison, and K. Delaney-Klinger, "Are Telecommuters Remotely Good Citizens? Unpacking Telecommuting's Effects on Performance Via I-Deals and Job Resources," *Personnel Psychology* 68, no. 2 (2015): 353–93. The WestJet quotation is from: R. Marowits, "More Employees Working from Home in Shift to Telecommuting," *Toronto Star*, 23 May 2016.
65. D. Meinert, "Make Telecommuting Pay Off," *HR Magazine*, June 2011, 33; M. McQuigge, "A Panacea for Some, Working from Home Still a Tough Sell for Some Employers," *Canadian Press* (Toronto), June 26, 2013; Aetna, "Teleworking on the Rise, Saving Costs and the Environment," May 2015, <https://news.aetna.com/2015/05/teleworking-rise-saving-costs-environment/> (accessed March 4, 2016).
66. C.A. Bartel, A. Wrzesniewski, and B.M. Wiesenfeld, "Knowing Where You Stand: Physical Isolation, Perceived Respect, and Organizational Identification among Virtual Employees," *Organization Science* 23, no. 3 (2011): 743–57; E.E. Kossek, R.J. Thompson, and B.A. Lautsch, "Balanced Workplace Flexibility: Avoiding the Traps," *California Management Review* 57, no. 4 (2015): 5–25.
67. K. Kaplan, "Telecommuting: No Place Like Home," *Nature* 506, no. 7486 (2014): 121–3. London.
68. T.A. O'Neill, L.A. Hambley, and G.S. Chatellier, "Cyberslacking, Engagement, and Personality in Distributed Work Environments," *Computers in Human Behavior* 40 (2014): 152–60; N.W. Van Yperen, E.F. Rietzschel, and K.M.M. De Jonge, "Blended Working: For Whom It May (Not) Work," *PLoS ONE* 9, no. 7 (2014): e102921; D. Karis, D. Wildman, and A. Mané, "Improving Remote Collaboration with Video Conferencing and Video Portals," *Human-Computer Interaction* 31, no. 1 (2016): 1–58.
69. P. Cappelli and J. Keller, "Classifying Work in the New Economy," *Academy of Management Review* 38, no. 4 (2013): 575–96, <https://doi.org/10.5465/amr.2011.0302>; T.S.-C. Poon, "Independent Workers: Growth Trends, Categories, and Employee Relations Implications in the Emerging Gig Economy," *Employee Responsibilities and Rights Journal* 31, no. 1 (2019): 63–69, <https://doi.org/10.1007/s10672-018-9318-8>.
70. L.F. Katz and A.B. Krueger, "The Rise and Nature of Alternative Work Arrangements in the United States, 1995–2015," *ILR Review* 72, no. 2 (2019): 382–416, <https://doi.org/10.1177/0019793918820008>; World Employment Federation, "Economic Report, 2018" (Brussels, Belgium: World Employment Federation, July 2018).
71. M.A. Cherry and A. Aloisi, "Dependent Contractors' in the Gig Economy: A Comparative Approach," *American University Law Review* 66 (2017): 635–89, <https://doi.org/10.2139/ssrn.2847869>; K.M. Kuhn and A. Maleki, "Micro-Entrepreneurs, Dependent Contractors, and Instasersfs: Understanding Online Labor Platform Workforces," *Academy of Management Perspectives* 31, no. 3 (2017): 183–200, <https://doi.org/10.5465/amp.2015.0111>; UpWork, "New 5th Annual 'Freelancing in America' Study Finds That the U.S. Freelance Workforce, Now 56.7 Million People, Grew 3.7 Million Since 2014," News release (New York: Upwork and Freelancers Union, October 31, 2018).
72. M. Banerjee, P.S. Tolbert, and T. DiCicco, "Friend or Foe? The Effects of Contingent Employees on Standard Employees' Work Attitudes," *The International Journal of Human Resource Management* 23, no. 11 (2012): 2180–2204, <https://doi.org/10.1080/09585192.2011.637061>; S.L. Fisher and C.E. Connolly, "Lower Cost or Just Lower Value? Modeling the Organizational Costs and Benefits of Contingent Work," *Academy of Management Discoveries* 3, no. 2 (2016): 165–86, <https://doi.org/10.5465/amd.2015.0119>; G.M. Spreitzer, L. Cameron, and L. Garrett, "Alternative Work Arrangements: Two Images of the New World of Work," *Annual Review of Organizational Psychology and Organizational Behavior* 4, no. 1 (March 21, 2017): 473–99, <https://doi.org/10.1146/annurev-orgpsych-032516-113332>; C.L. Wilkin, J.P. de Jong, and C. Rubino, "Teaming up with Temps: The Impact of Temporary Workers on Team Social Networks and Effectiveness," *European Journal of Work and Organizational Psychology* 27, no. 2 (2018): 204–18, <https://doi.org/10.1080/1359432X.2017.1418329>; T.A. Kochan et al., "The Changing Nature of Employee and Labor-Management Relationships," *Annual Review of Organizational Psychology and Organizational Behavior* 6, no. 1 (2019): 195–219, <https://doi.org/10.1146/annurev-orgpsych-012218-015335>.
73. E. Selenko et al., "On the Dynamics of Work Identity in Atypical Employment: Setting out a Research Agenda," *European Journal of Work and Organizational Psychology* 27, no. 3 (2018): 324–34, <https://doi.org/10.1080/1359432X.2018.1444605>; T.A. Kochan et al., "The Changing Nature of Employee and Labor-Management Relationships," *Annual Review of Organizational Psychology and Organizational Behavior* 6, no. 1 (2019): 195–219, <https://doi.org/10.1146/annurev-orgpsych-012218-015335>; G. Petriglieri, S.J. Ashford, and A. Wrzesniewski, "Agony and Ecstasy in the Gig Economy: Cultivating Holding Environments for Precarious and Personalized Work Identities," *Administrative Science Quarterly* 64, no. 1 (2019): 124–70, <https://doi.org/10.1177/0001839218759646>.
74. L.L. Thurstone, "Ability, Motivation, and Speed," *Psychometrika* 2, no. 4 (1937): 249–54; N.R.F. Maier, *Psychology in Industry*, 2nd ed. (Boston: Houghton Mifflin, 1955); V.H. Vroom, *Work and Motivation* (New York: Wiley, 1964); J.P. Campbell et al., *Managerial Behavior, Performance, and Effectiveness* (New York: McGraw-Hill, 1970).

75. R.S. Dalal, D.P. Bhave, and J. Fiset, "Within-Person Variability in Job Performance: A Theoretical Review and Research Agenda," *Journal of Management* 40, no. 5 (2014): 1396–436; S. Aryee et al., "Developing and Leveraging Human Capital Resource to Promote Service Quality: Testing a Theory of Performance," *Journal of Management* 42, no. 2 (2016): 480–99.
76. E.E. Lawler III and L.W. Porter, "Antecedent Attitudes of Effective Managerial Performance," *Organizational Behavior and Human Performance* 2 (1967): 122–42; O.-P. Kauppila, "So, What Am I Supposed to Do? A Multilevel Examination of Role Clarity," *Journal of Management Studies* 51, no. 5 (2014): 737–63.
77. Only a few sources have included all four factors. These include J.P. Campbell and R.D. Pritchard, "Motivation Theory in Industrial and Organizational Psychology," in *Handbook of Industrial and Organizational Psychology*, ed. M.D. Dunnette (Chicago: Rand McNally, 1976), 62–130; T.R. Mitchell, "Motivation: New Directions for Theory, Research, and Practice," *Academy of Management Review* 7, no. 1 (1982): 80–88; G.A.J. Churchill et al., "The Determinants of Salesperson Performance: A Meta-Analysis," *Journal of Marketing Research* 22, no. 2 (1985): 103–18; R.E. Plank and D.A. Reid, "The Mediating Role of Sales Behaviors: An Alternative Perspective of Sales Performance and Effectiveness," *Journal of Personal Selling & Sales Management* 14, no. 3 (1994): 43–56. The "MARS" acronym was coined by senior officers in the Singapore Armed Forces during a senior officer program taught by Steve McShane.
78. Technically, the model proposes that situation factors moderate the effects of the three within-person factors. For instance, the effect of employee motivation on behavior and performance depends on (is moderated by) the situation.
79. G.P. Latham and C.C. Pinder, "Work Motivation Theory and Research at the Dawn of the Twenty-First Century," *Annual Review of Psychology* 56 (2005): 485–516; G.P. Latham, *Work Motivation: History, Theory, Research, and Practice*, Revised ed. (Thousand Oaks, CA: Sage, 2012), 7.
80. L. M. Spencer and S. M. Spencer, *Competence at Work: Models for Superior Performance* (New York: Wiley, 1993); D. Bartram, "The Great Eight Competencies: A Criterion-Centric Approach to Validation," *Journal of Applied Psychology* 90, no. 6 (2005): 1185–203; R. A. Roe, "Using Competences in Employee Development," in *Wiley Blackwell Handbook of the Psychology of Training, Development, and Performance Improvement*, ed. K. Kraiger et al. (Chichester: Wiley, 2014), 303–35.
81. P. Tharenou, A.M. Saks, and C. Moore, "A Review and Critique of Research on Training and Organizational-Level Outcomes," *Human Resource Management Review* 17, no. 3 (2007): 251–73; Y. Kim and R.E. Ployhart, "The Effects of Staffing and Training on Firm Productivity and Profit Growth before, during, and after the Great Recession," *Journal of Applied Psychology* 99, no. 3 (2014): 361–89; M. Choi and H.J. Yoon, "Training Investment and Organizational Outcomes: A Moderated Mediation Model of Employee Outcomes and Strategic Orientation of the HR Function," *The International Journal of Human Resource Management* 26, no. 20 (2015): 2632–51.
82. BlessingWhite, *Employee Engagement Research Update* (Princeton, NJ: BlessingWhite, January 2013).
83. E.C. Dierdorff, R.S. Rubin, and D.G. Bachrach, "Role Expectations as Antecedents of Citizenship and the Moderating Effects of Work Context," *Journal of Management* 38, no. 2 (2012): 573–98; A. Newman, B. Allen, and Q. Miao, "I Can See Clearly Now: The Moderating Effects of Role Clarity on Subordinate Responses to Ethical Leadership," *Personnel Review* 44, no. 4 (2015): 611–28.
84. W.H. Cooper and M.J. Withey, "The Strong Situation Hypothesis," *Personality and Social Psychology Review* 13, no. 1 (2009): 62–72; N.A. Bowling et al., "Situational Strength as a Moderator of the Relationship between Job Satisfaction and Job Performance: A Meta-Analytic Examination," *Journal of Business and Psychology* 30, no. 1 (2015): 89–104; T.A. Judge and C.P. Zapata, "The Person-Situation Debate Revisited: Effect of Situation Strength and Trait Activation on the Validity of the Big Five Personality Traits in Predicting Job Performance," *Academy of Management Journal* 58, no. 4 (2015): 1149–79; J.F. Rauthmann and R.A. Sherman, "Situation Change: Stability and Change of Situation Variables between and within Persons," *Frontiers in Psychology* 6 (2016).
85. L.H. Peters and E.J. O'Connor, "Situational Constraints and Work Outcomes: The Influences of a Frequently Overlooked Construct," *Academy of Management Review* 5, no. 3 (1980): 391–97; G. Johns, "Commentary: In Praise of Context," *Journal of Organizational Behavior* 22 (2001): 31–42; C.E.J. Härtel and J.M. O'Connor, "Contextualizing Research: Putting Context Back into Organizational Behavior Research," *Journal of Management & Organization* 20, no. 4 (2014): 417–22.
86. R.D. Hackett, "Understanding and Predicting Work Performance in the Canadian Military," *Canadian Journal of Behavioural Science* 34, no. 2 (2002): 131–40; J.P. Campbell and B.M. Wiernik, "The Modeling and Assessment of Work Performance," *Annual Review of Organizational Psychology and Organizational Behavior* 2, no. 1 (2015): 47–74.
87. L. Tay, R. Su, and J. Rounds, "People-Things and Data-Ideas: Bipolar Dimensions?," *Journal of Counseling Psychology* 58, no. 3 (2011): 424–40.
88. E.D. Pulakos et al., "Predicting Adaptive Performance: Further Tests of a Model of Adaptability," *Human Performance* 15, no. 4 (2002): 299–323; M.A. Griffin, A. Neal, and S.K. Parker, "A New Model of Work Role Performance: Positive Behavior in Uncertain and Interdependent Contexts," *Academy of Management Journal* 50, no. 2 (2007): 327–47; S.K. Baard, T.A. Rench, and S.W.J. Kozlowski, "Performance Adaptation: A Theoretical Integration and Review," *Journal of Management* 40, no. 1 (2014): 48–99; D.K. Jundt, M.K. Shoss, and J.L. Huang, "Individual Adaptive Performance in Organizations: A Review," *Journal of Organizational Behavior* 36, no. S1 (2015): S53–S71; J.A. Carpin, S.K. Parker, and M.A. Griffin, "A Look Back and a Leap Forward: A Review and Synthesis of the Individual Work Performance Literature," *Academy of Management Annals* 11, no. 2 (2017): 825–85, <https://doi.org/10.5465/annals.2015.0151>.

89. D.W. Organ, "Organizational Citizenship Behavior: It's Construct Clean-up Time," *Human Performance* 10 (1997): 85–97; J.A. LePine, A. Erez, and D.E. Johnson, "The Nature and Dimensionality of Organizational Citizenship Behavior: A Critical Review and Meta-Analysis," *Journal of Applied Psychology* 87 (2002): 52–65; N.P. Podsakoff et al., "Consequences of Unit-Level Organizational Citizenship Behaviors: A Review and Recommendations for Future Research," *Journal of Organizational Behavior* 35, no. S1 (2014): S87–S119.
90. E.W. Morrison, "Role Definitions and Organizational Citizenship Behavior: The Importance of the Employee's Perspective," *Academy of Management Journal* 37, no. 6 (1994): 1543–67; N. Podsakoff et al., "Individual- and Organizational-Level Consequences of Organizational Citizenship Behaviors: A Meta-Analysis," *Journal of Applied Psychology* 94, no. 1 (2009): 122–41; E.C. Dierdorff, R.S. Rubin, and D.G. Bachrach, "Role Expectations as Antecedents of Citizenship and the Moderating Effects of Work Context," *Journal of Management* 38, no. 2 (2012): 573–598.
91. M. Ozer, "A Moderated Mediation Model of the Relationship between Organizational Citizenship Behaviors and Job Performance," *Journal of Applied Psychology* 96, no. 6 (2011): 1328–36; S.B. MacKenzie, N.P. Podsakoff, and P.M. Podsakoff, "Individual- and Organizational-Level Consequences of Organizational Citizenship Behaviors," in *The Oxford Handbook of Organizational Citizenship Behavior*, ed. P.M. Podsakoff, S.B. MacKenzie, and N.P. Podsakoff (New York: Oxford University Press, 2018).
92. M.C. Bolino, A.C. Klotz, and W.H. Turnley, "The Unintended Consequences of Organizational Citizenship Behaviors for Employees, Teams, and Organizations," in *The Oxford Handbook of Organizational Citizenship Behavior*, ed. P.M. Podsakoff, S.B. MacKenzie, and N.P. Podsakoff (New York: Oxford University Press, 2018), 185–202.
93. M. Rotundo and P. Sackett, "The Relative Importance of Task, Citizenship, and Counterproductive Performance to Global Ratings of Job Performance: A Policy-Capturing Approach," *Journal of Applied Psychology* 87 (2002): 66–80; N.A. Bowling and M.L. Gruys, "Overlooked Issues in the Conceptualization and Measurement of Counterproductive Work Behavior," *Human Resource Management Review* 20, no. 1 (2010): 54–61; B. Marcus et al., "The Structure of Counterproductive Work Behavior: A Review, a Structural Meta-Analysis, and a Primary Study," *Journal of Management* 42, no. 1 (2016): 203–33; R.S. Dalal and N.C. Carpenter, "The Other Side of the Coin?: Similarities and Differences between Organizational Citizenship Behavior and Counterproductive Work Behavior," in *The Oxford Handbook of Organizational Citizenship Behavior*, ed. P.M. Podsakoff, S.B. MacKenzie, and N.P. Podsakoff (New York: Oxford University Press, 2018), 69–90.
94. The relationship between employee turnover and firm performance is actually very low, but this is due to moderators and is stronger for some forms of firm performance. See: J.I. Hancock et al., "Meta-Analytic Review of Employee Turnover as a Predictor of Firm Performance," *Journal of Management* 39, no. 3 (2013): 573–603.
95. E.M. Johnson, "Boeing Calling Back Retirees to Fix 737 Production Snags," *Reuters*, September 11, 2018; "Nurse Shortage Leads Wareham Hospital to Close All Beds," *BBC News*, October 23, 2018; "Nurse Shortage Forces Bed Reduction," *BBC News*, January 8, 2019. The global survey report is: "Solving the Talent Shortage: Build, Buy, Borrow and Bridge" (Milwaukee: Manpower Group, June 2018).
96. T.-Y. Park and J. Shaw, "Turnover Rates and Organizational Performance: A Meta-Analysis," *Journal of Applied Psychology* 98, no. 2 (2013): 268–309; J.I. Hancock et al., "Meta-Analytic Review of Employee Turnover as a Predictor of Firm Performance," *Journal of Management* 39, no. 3 (2013): 573–603; J.G. Messersmith et al., "Turnover at the Top: Executive Team Departures and Firm Performance," *Organization Science* 25, no. 3 (2014): 776–93; B.C. Holtom and T.C. Burch, "A Model of Turnover-Based Disruption in Customer Services," *Human Resource Management Review* 26, no. 1 (2016): 25–36.
97. P.S. Goodman and R.S. Atkin, "Effects of Absenteeism on Individuals and Organizations," in *Absenteeism: New Approaches to Understanding, Measuring and Managing Employee Attendance*, ed. P.S. Goodman and R.S. Atkin (San Francisco: Jossey-Bass, 1984), 276–321; D.A. Harrison and J.J. Martocchio, "Time for Absenteeism: A 20-Year Review of Origins, Offshoots, and Outcomes," *Journal of Management* 24, no. 3 (1998): 305–50.
98. W. Beemsterboer et al., "A Literature Review on Sick Leave Determinants (1984–2004)," *International Journal of Occupational Medicine and Environmental Health* 22, no. 2 (2009): 169–79; C. M. Berry, A. M. Lelchook, and M. A. Clark, "A Meta-Analysis of the Interrelationships between Employee Lateness, Absenteeism, and Turnover: Implications for Models of Withdrawal Behavior," *Journal of Organizational Behavior* 33, no. 5 (2012): 678–99; C. Magee et al., "Workplace Bullying and Absenteeism: The Mediating Roles of Poor Health and Work Engagement," *Human Resource Management Journal* 27, no. 3 (2017): 319–34, <https://doi.org/10.1111/1748-8583.12156>.
99. G. Johns, "Presenteeism in the Workplace: A Review and Research Agenda," *Journal of Organizational Behavior* 31, no. 4 (2010): 519–42; R. K. Skagen and A. M. Collins, "The Consequences of Sickness Presenteeism on Health and Wellbeing over Time: A Systematic Review," *Social Science & Medicine* 161 (2016): 169–77.
100. G. Johns, "Attendance Dynamics at Work: The Antecedents and Correlates of Presenteeism, Absenteeism, and Productivity Loss," *Journal of Occupational Health Psychology* 16, no. 4 (2011): 483–500; D. Baker-McClearn et al., "Absence Management and Presenteeism: The Pressures on Employees to Attend Work and the Impact of Attendance on Performance," *Human Resource Management Journal* 20, no. 3 (2010): 311–28; R. Pohling et al., "Work-Related Factors of Presenteeism: The Mediating Role of Mental and Physical Health," *Journal of Occupational Health Psychology* 21, no. 2 (2016): 220–34.
- a. B. Schlesinger and S. Jobs, "The Three Faces of Steve," *Fortune*, November 9, 1998, 96–101.
- b. A. Bateta, "MTN Rwanda Helps in Rural Electricity," *East African Business Week* (Kampala, Uganda), June 22, 2015; "MTN Employees Give Back for 21 Days of Yello

- Care," News release (Johannesburg, South Africa: MTN, May 31, 2018).
- c. M.A. Cronin and R. Klimoski, "Broadening the View of What Constitutes 'Evidence,'" *Industrial and Organizational Psychology* 4, no. 1 (2011): 57–61; P.E. Spector and L.L. Meier, "Methodologies for the Study of Organizational Behavior Processes: How to Find Your Keys in the Dark," *Journal of Organizational Behavior* 35, no. 8 (2014): 1109–19; K. Morrell and M. Learmonth, "Against Evidence-Based Management, for Management Learning," *Academy of Management Learning & Education* 14, no. 4 (2015): 520–33.
 - d. J.M. Bartunek and S.L. Rynes, "Academics and Practitioners Are Alike and Unlike: The Paradoxes of Academic-Practitioner Relationships," *Journal of Management* 40, no. 5 (2014): 1181–1201, <https://doi.org/10.1177/0149206314529160>; S. Johnson and K. Orr, "What Is Business School Research for? Academic and Stakeholder Perspectives, Politics and Relationality," *Studies in Higher Education* 0, no. 0 (2019): 1–22, <https://doi.org/10.1080/03075079.2018.1564901>.
 - e. J. Greenberg and E.C. Tomlinson, "Situated Experiments in Organizations: Transplanting the Lab to the Field," *Journal of Management* 30, no. 5 (2004): 703–24; W. Zhang, A. Levenson, and C. Crossley, "Move Your Research from the Ivy Tower to the Board Room: A Primer on Action Research for Academics, Consultants, and Business Executives," *Human Resource Management* 54, no. 1 (2015): 151–74.
 - f. A. Franco, N. Malhotra, and G. Simonovits, "Publication Bias in the Social Sciences: Unlocking the File Drawer," *Science* 345, no. 6203 (2014): 1502–05; G.C. Banks, S. Kepes, and M.A. McDaniel, "Publication Bias: Understanding the Myths Concerning Threats to the Advancement of Science," in *More Statistical and Methodological Myths and Urban Legends*, ed. C.E. Lance and R.J. Vandenberg (New York: Routledge, 2015), 36–64. On the uneven replication of research, see: Open Science Collaboration, "Estimating the Reproducibility of Psychological Science," *Science* 349, no. 6251 (2015): 943, aac4716–1–aac16–8; C.J. Anderson et al., "Response to Comment on 'Estimating the Reproducibility of Psychological Science,'" *Science* 351, no. 6277 (2016): 1037c. Even meta-analyses might not be the magic solution to research bias and variability. See: J. Vrieze, "Meta-Analyses Were Supposed to End Scientific Debates. Often, They Only Cause More Controversy," *Science*, September 18, 2018, <https://doi.org/10.1126/science.aav4617>.
 - g. Source: Based on data in R. Fry, "Millennials Are Largest Generation in the U.S. Labor Force," Pew Research Center (blog), April 11, 2018, <http://www.pewresearch.org/fact-tank/2018/04/11/millennials-largest-generation-us-labor-force/>; U.S. Bureau of Labor Statistics, Household Data, Annual Averages: Employment Status of the Civilian Noninstitutional Population by Age, Sex, and Race (Washington, DC: U.S. Bureau of Labor Statistics, 2018)
 - h. *Mastercard Diversity and Inclusion* (Purchase, NY: MasterCard, July 24, 2014); "Top 10 Employers Have More Women, Minority Leaders," *Diversity Inc.*, April 19, 2016; "Diversity in the Workplace," *About MasterCard*, 2016, www.diversityinc.com/mastercard-worldwide-2015/ (accessed July 12, 2016).
 - i. J. Trigwell, "What I've Learned about Running an All-Remote Company during 15-Years as the CEO of the World's First All-Remote AV Company," *Emsisoft | Security Blog* (blog), November 20, 2018, <https://blog.emsisoft.com/en/32308/what-i've-learned-about-running-an-all-remote-company-during-15-years-as-the-ceo-of-the-worlds-first-all-remote-av-company/>; R. Chan, "How a Tech CEO Runs His 40-Employee Company from a Farm in New Zealand," *stuff.co.nz*, January 21, 2019.
 - j. *The Interserve Society Report* (Reading, UK: Interserve, January 30, 2015); J. Harter, "Obsolete Annual Review: Gallup's Advice" (Washington, DC: Gallup, Inc., September 28, 2015); Randstad, "Prospects for Older Workers Shrink While the Skills Gap Widens," *Randstad Workmonitor* (Amsterdam, The Netherlands: Randstad Holding nv, June 2016); TINYpulse, *The TINYpulse 2015 Employee Engagement & Organizational Culture Report: The Era of Personal and Peer Accountability* (Seattle: TINYpulse, February 2016); Gallup Inc., *State of the American Workplace* (Washington, DC: Gallup, February 23, 2017).
 - k. A. Friedman, "Workers at Valley Stores Prepare for Black Friday," *Las Vegas Review-Journal*, November 21, 2015; A. Rumbaugh, "Best Buy, Other Retailers Prepare for the Super Bowl of Shopping," *Houston Chronicle*, November 21, 2015.
 - l. "Driver Turnover Rate on the Rise," *Fleet Owner*, June 7, 2018; M. Boyle, "Walmart Doubles Spending in Battle for Truckers," *Bloomberg*, September 10, 2018; R. Premack, "Household Staples from Hershey's Chocolate to Crest Toothpaste Will Get More Expensive Next Year, and Executives Are Partially Blaming the 'Overrun' Trucking Industry," *Business Insider*, November 14, 2018.
 - m. M.B. Edmond, "How Sick Is Too Sick to Work? Presenteeism in Healthcare," *Medscape*, September 23, 2015; C. Chambers, *Superheroes Don't Take Sick Leave*, Association of Salaried Medical Specialists (New Zealand), November 2015; J.E. Szymczak et al., "Reasons Why Physicians and Advanced Practice Clinicians Work While Sick: A Mixed-Methods Analysis," *JAMA Pediatrics* 169, no. 9 (2015): 815–21; S. Marie Gustafsson, K. Schenck-Gustafsson, and A. Fridner, "Gender Differences in Reasons for Sickness Presenteeism—A Study among GPs in a Swedish Health Care Organization," *Annals of Occupational and Environmental Medicine* 28, no. 50 (2016).



2



Individual Differences: Personality and Values

Learning Objectives ➤

After studying this chapter, you should be able to:

- LO 2-1** Define personality and discuss how the Big Five personality factors relate to workplace behavior and performance.
- LO 2-2** Describe the dark triad of personality and the MBTI types and discuss their implications for organizational behavior.
- LO 2-3** Summarize Schwartz's model of individual values and discuss the conditions where values influence behavior.
- LO 2-4** Describe four ethical principles and discuss three factors that influence ethical behavior.
- LO 2-5** Describe five values commonly studied across cultures.

Getting hired at Bridgewater Associates—the world's largest hedge fund—is not a cake-walk. Job applicants first watch online videos depicting the culture and daily office life at the Westport, Connecticut, investment firm. Next, they spend a few hours completing four online assessments of their personality and values.

Applicants who pass the online selection process engage in a structured interview over the phone with consultants, who further assess the individual's character. Even after accepting Bridgewater's job offer, new recruits take a final two-hour personality and personal values assessment developed by the company.

Bridgewater Associates founder Ray Dalio says assessing an individual's personality and values helps the investment firm assign people to jobs that fit their personal attributes. "I needed a systematic approach to capturing and recording our differences so that we could actively take them into consideration when putting people into different roles at Bridgewater," he wrote in his recent book. The information is also used to diagnose why conflicts occur and why problems arise.

Each employee's personality, values, and other attributes are displayed on baseball cards available through a digital app to everyone in the company. Each attribute has a score based on the personality test results as well as subsequent ongoing instant evaluations by coworkers. "I found that we needed to have these [baseball cards] and refer to them regularly because without them, people tended to interact with each other without any regard to who was good or bad at what," says Dalio.¹

PART 2: INDIVIDUAL BEHAVIOR AND PROCESSES

Bridgewater Associates places considerable weight on the personality, values, and other individual differences of its job applicants and employees. It views personality and values as strong predictors of a person's decisions and behavior, which then relate to how well they fit into particular roles and how well they work with others at Bridgewater.

Part 2 of this book discusses individual differences and begins in this chapter by presenting current knowledge about personality and values in organizations. We describe the meaning and origins of personality, introduce the five-factor personality model, and identify how each dimension of this highly regarded model relates to job performance and related behaviors. Two other personality models are then introduced: the dark triad (Machiavellianism, narcissism, and psychopathy) and the Jungian personality theory applied by the Myers-Briggs Type Indicator (MBTI). Next, our attention turns to personal values. We describe Schwartz's values circumplex model, explain how personal values influence workplace decisions and behavior, and introduce the concept of values congruence. Next, we examine ethical values and the mechanisms through which they influence a person's decisions and behavior. The final section of this chapter describes the best known cross-cultural values and explains their relevance to organizational behavior.



Westend61/Getty Images

Bridgewater Associates places considerable weight on the personality, values, and other individual differences of its job applicants and employees.

Personality and the Five-Factor Model in Organizations

LO 2-1



personality
the relatively enduring pattern of thoughts, emotions, and behaviors that characterize a person, along with the psychological processes behind those characteristics

Delaware North Companies had high turnover at its call center in Fresno, California. The hospitality and food management company decided to solve this problem by hiring people with the same personality traits and skills of its best-performing staff members. Through tests, Delaware North discovered that the best performers display friendliness and curiosity, so job applicants now complete a personality test that measures these traits. Employee turnover at Delaware North's Fresno call center has since dropped significantly. "Now we understand better what makes a great reservation sales applicant," says a Delaware North executive.²

Delaware North, Bridgewater Associates, and many other companies try to measure each job applicant's **personality**—the relatively enduring pattern of thoughts, emotions, and behaviors that characterize a person, along with the psychological processes behind those characteristics.³ Personality is, in essence, the bundle of characteristics that make us similar to or different from other people. We estimate an individual's personality by what he or she says and does, and we infer the person's internal states—including thoughts and emotions—from these observable behaviors. This definition attempts to cover the broad meaning of personality. However, defining personality is a challenge—one personality theorist bluntly calls it impossible—because there are several perspectives or approaches to personality, each of which has a somewhat different view or emphasis on how personality should be defined. For example, needs and motives, which we discuss in Chapter 5, are often discussed as components of personality.

People engage in a wide range of behaviors in their daily lives, yet close inspection of those actions reveals discernible patterns called *personality traits*.⁴ Traits are broad concepts that allow us to label and understand individual differences. For example, some of your friends are probably quite talkative whereas others tend to be quieter. Some people like to take risks whereas others are risk-averse. Each trait implies that there is something within the person, rather than environmental influences alone, that predicts this behavioral tendency. In fact, studies report that an individual's personality traits measured in childhood predict many behaviors and outcomes in adulthood, including educational attainment, employment success, marital relationships, illegal activities, and health-risk behaviors.⁵

Although people have behavioral tendencies, they do not act the same way in all situations. Such consistency would be considered abnormal because it indicates a person's insensitivity to social norms, reward systems, and other external conditions.⁶ People vary their behavior to suit the situation, even if the behavior is at odds with their personality. For example, talkative people remain relatively quiet in a library where "no talking" rules are explicit and strictly enforced. Even there, personality differences are apparent because talkative people tend to do more talking in libraries relative to how much other people talk in libraries.

WHAT CAUSES PERSONALITY: NATURE VERSUS NURTURE

Personality is shaped by both nature and nurture, although the relative importance of each continues to be debated and studied.⁷ *Nature* refers to our genetic or hereditary origins—the genes that we inherit from our parents. Studies of identical twins reveal that heredity has a very large effect on personality; up to 50 percent of variation in behavior and 30 percent of temperament preferences can be attributed to a person's genetic characteristics. In other words, genetic code not only determines our eye color, skin tone, and physical shape; it also significantly affects our attitudes, decisions, and behavior.

Personality is also shaped by *nurture*—our socialization, life experiences, and other forms of interaction with the environment. Personality develops and changes mainly



from childhood to young adulthood, typically stabilizing by around age 30. However, some personality changes continue to occur later in life. For instance, a few traits (openness to experience, social vitality) increase through to young adulthood, then decline in later years, whereas other traits (agreeableness, conscientiousness) tend to increase through to late life. Our personality is also influenced somewhat by the job we work in over a long time period. Even migrating to another culture can change our personality to some extent.⁸

The main explanation of why personality becomes more stable by adulthood is that we form a clearer and more rigid self-concept. This increasing clarity of “who we are” anchors our behavior with the help of our *executive function*. This is the part of the brain that monitors and regulates goal-directed behavior to keep it consistent with our self-concept. Our self-view becomes clearer and more stable with age, which increases the stability and consistency of our personality and behavior.⁹ We discuss the elements and influences of self-concept in Chapter 3. The main point here is that personality is not completely determined by heredity; life experiences, particularly early in life, also shape each individual’s personality traits.

FIVE-FACTOR MODEL OF PERSONALITY

five-factor (Big Five) model
the five broad dimensions representing most personality traits: conscientiousness, emotional stability, openness to experience, agreeableness, and extraversion; also known as the “Big Five”

Sociable, anxious, curious, dependable, suspicious, talkative, adventurous, and hundreds of other personality traits have been described over the years, so experts have tried to organize them into smaller clusters. The most researched and respected clustering of personality traits is the **five-factor model**, also known as the *Big Five*.¹⁰ Several decades ago, personality experts identified more than 17,000 words that describe an individual’s personality. These words were distilled down to five broad personality factors, each with a cluster of specific traits. Similar results were found in studies of different languages, suggesting that the five-factor model is fairly robust across cultures. These Big Five factors, represented by the handy acronym *CANOE*, are outlined in Exhibit 2.1 and described as follows:

- **Conscientiousness.** Characterizes people who are organized, dependable, goal-focused, thorough, disciplined, methodical, and industrious. People with low conscientiousness tend to be careless, disorganized, and less thorough.
- **Agreeableness.** Describes people who are trusting, helpful, good-natured, considerate, tolerant, selfless, generous, and flexible. People with low agreeableness tend to be uncooperative and intolerant of others’ needs as well as more suspicious and self-focused.
- **Neuroticism.** Refers to people who tend to be anxious, insecure, self-conscious, depressed, and temperamental. In contrast, people with low neuroticism (high emotional stability) are poised, secure, and calm.
- **Openness to experience.** Characterizes people who are imaginative, creative, unconventional, curious, nonconforming, autonomous, and aesthetically perceptive. Those with low scores on this factor tend to be more resistant to change, less open to new ideas, and more conventional and fixed in their ways.

conscientiousness
a personality dimension describing people who are organized, dependable, goal-focused, thorough, disciplined, methodical, and industrious

agreeableness
a personality dimension describing people who are trusting, helpful, good-natured, considerate, tolerant, selfless, generous, and flexible

neuroticism
a personality dimension describing people who tend to be anxious, insecure, self-conscious, depressed, and temperamental

openness to experience
a personality dimension describing people who are imaginative, creative, unconventional, curious, nonconforming, autonomous, and aesthetically perceptive

extraversion
a personality dimension describing people who are outgoing, talkative, sociable, and assertive

- **Extraversion.** Describes people who are outgoing, talkative, energetic, sociable, and assertive. The opposite is *introversion*, which applies to those who are quiet, cautious, and less interactive with others. Extraverts get their energy from people and things around them, whereas introverts get their energy more from personal reflection on concepts and ideas. Introverts do not necessarily lack social skills. Instead, they are more inclined to direct their interests to ideas than to social events. Introverts feel more comfortable being alone than do extraverts.

EXHIBIT 2.1**Five-Factor Model of Personality**

Personality factor	People with higher scores on this factor tend to be more:
Conscientiousness	Organized, dependable, goal-focused, thorough, disciplined, methodical, industrious
Agreeableness	Trusting, helpful, good-natured, considerate, tolerant, selfless, generous, flexible
Neuroticism	Anxious, insecure, self-conscious, depressed, temperamental
Openness to experience	Imaginative, creative, unconventional, curious, nonconforming, autonomous, perceptive
Extraversion	Outgoing, talkative, energetic, sociable, assertive

**SELF-ASSESSMENT 2.1:****What Is Your Big Five Personality?**

Personality experts have organized the dozens of personality traits into five main factors, known as the five-factor or Big Five model. Each factor consists of several specific personality traits that cluster together. Most scholarly research on personality relies on this model, but it is also useful in everyday life as a relatively easy categorization of personalities. You can discover your Big Five personality by locating this self-assessment in Connect if it is assigned by your instructor.

**SELF-ASSESSMENT 2.2:****Are You Introverted or Extraverted?**

One of the most widely studied and discussed personality factors in the five-factor (Big Five) model of personality is introversion–extraversion. Introversion characterizes people who tend to be quiet, shy, and cautious. Extraversion characterizes people who tend to be outgoing, talkative, sociable, and assertive. You can discover your level of introversion or extraversion by locating this self-assessment in Connect if it is assigned by your instructor.

Five-Factor Model and Work Performance Personality mainly affects behavior and performance through motivation, specifically by influencing employees' direction and intensity of effort (i.e., what goals they choose to reach and how much effort they apply to reach those goals). Consequently, all of the Big Five factors predict one or more types of employee behavior and performance to some extent.

Exhibit 2.2 highlights which Big Five personality factors best predict the three types of task performance as well as organizational citizenship and counterproductive work behaviors (see Chapter 1).¹¹ Conscientiousness stands out as the best overall personality predictor of proficient task performance for most jobs. The specific conscientiousness traits of industriousness (achievement, self-discipline, purposefulness) and dutifulness are the best predictors of proficient task performance. Conscientious employees set higher personal goals for themselves and are more persistent. They also engage in more organizational citizenship and in less counterproductive work behavior. Conscientiousness is a weak predictor of adaptive (responding to change) and proactive performance (taking initiative toward new work patterns). In fact, two specific conscientiousness traits—orderliness and dependability—tend to suppress adaptivity.

Extraversion is the second best overall personality predictor of proficient task performance, but is a much weaker predictor than is conscientiousness. Among the specific traits within the extraversion factor, assertiveness and positive emotionality are the strongest predictors of proficient task performance. Assertiveness is also a strong predictor of adaptive and proactive performance. Assertive employees tend to have a “take charge” approach to situations, which is consistent with adapting to change and proactively initiating change. Extraversion is associated with influencing others and being comfortable in

EXHIBIT 2.2 Big Five Personality and Work Performance

Type of Performance	Proficient task performance	Adaptive task performance	Proactive task performance
Relevant Personality Factors	<ul style="list-style-type: none"> Conscientiousness Extraversion 	<ul style="list-style-type: none"> Emotional stability Extraversion (assertiveness) Openness to experience 	<ul style="list-style-type: none"> Extraversion (assertiveness) Openness to experience 
Type of Performance	Organizational citizenship 		
Relevant Personality Factors	<ul style="list-style-type: none"> Conscientiousness Agreeableness <ul style="list-style-type: none"> Conscientiousness* Agreeableness* 		

*Negative relationship.

(top-left): Ildar Galeev/Shutterstock; (top-center): Fred Ho Yeow Hui/Shutterstock; (top-right): malika.1028/Shutterstock;
(bottom-left): Aha-Soft/Shutterstock; (bottom-right): Sign N Symbol Production/Shutterstock



social settings, which (along with being assertive) explains why effective leaders and salespeople tend to be somewhat more extraverted than the general population.

Agreeableness is positively associated with most forms of organizational citizenship and negatively associated with counterproductive work behaviors.¹² The reason is that employees with high agreeableness are more cooperative, sensitive, flexible, and supportive. Agreeableness does not predict proficient or proactive task performance very well, mainly because it is associated with lower motivation to set goals and achieve results. However, employees with higher (but not too high) agreeableness tend to improve team performance through better knowledge sharing and motivation to help the team. Agreeableness also has a positive effect on friendliness behavior in customer service jobs.¹³ For example, this section of the chapter opened with the story about Delaware North Companies, which identified friendliness (a form of agreeableness) as a personality trait of successful call center agents.

Openness to experience is a weak predictor of proficient task performance, but it is one of the best personality predictors of adaptive and proactive performance. The main reason is that employees with higher openness scores have more curiosity, imagination, and tolerance of change.¹⁴ These traits also explain why openness to change is associated with successful performance in creative work.

Emotional stability (low neuroticism) is one of the best personality predictors of adaptive performance.¹⁵ The central explanation is that employees with higher emotional stability cope better with the ambiguity and uncertainty of change. In contrast, those with higher neuroticism view change as a threat, so they tend to avoid change and experience more stress when faced with workplace adjustments. These characteristics would suggest that emotional stability also predicts proactive performance, but the limited research has reported mixed results.

McGraw-Hill Connect

SELF-ASSESSMENT 2.3: Can You Identify Personality Traits from Blogging Words?

Personality influences all aspects of our lives, including the words we use when writing blogs. In fact, some companies now use sophisticated software to estimate the personality traits of job applicants from the words they use in blogs and other online writing. You can discover how well you interpret someone's personality in blogs and other writing by locating this self-assessment in Connect if it is assigned by your instructor.

ISSUES WHEN APPLYING THE FIVE-FACTOR MODEL

The five-factor model of personality is widely accepted among scholars and has a deep research foundation to support its structure and usefulness at predicting workplace behavior. However, we need to alert you to several issues to better understand and apply this theory to the workplace.

- *Higher isn't always better.* A common assumption is that the "perfect employee" has the highest scores on all of the Big Five personality factors (where emotional stability is high and neuroticism is low). Part of the problem may be that the labels and structure of the Big Five factors have a strong linear bias (high is good, low is bad).¹⁶ But several studies have reported that the best employees don't have the highest scores on some personality factors. In other words, the relationship between personality and performance is often nonlinear. Employees with moderate extraversion perform better in sales jobs than those with high or low extraversion.¹⁷ One recent study found that students with the best peer-rated contributions to teamwork have relatively high extraversion, but moderately high conscientiousness, and only around the mid-point on agreeableness.



- *Specific traits may be better predictors than the Big Five factors.* We pay so much attention to the Big Five factors that it's easy to forget that each factor clusters several specific personality traits. For instance, conscientiousness clusters specific traits such as organized, dependable, goal-focused, thorough, disciplined, methodical, and industrious. Specific traits are sometimes better than the broader factor at predicting behavior and performance. For example, earlier we pointed out that the specific extraversion traits of assertiveness and positive emotionality predict proficient task performance better than the other extraversion traits or the overall extraversion factor.
- *Personality isn't static.* There is an unfortunate tendency to think "that's the way s/he is" as if an adult's personality is frozen for a lifetime. Labelling people ("He's an introvert") reinforces this fallacy that personality is static. Personality does stabilize around age 30, but that doesn't mean it is static. As we noted at the beginning of this topic, some Big Five factors tend to increase or decrease as we age. Some personality factors also change when our environment significantly changes over a long time, such as when moving to a different culture or working in a job for many years.
- *The five-factor model doesn't cover all personality.* Many of us—including some researchers—make the mistake of assuming that the five-factor model measures all of our personality.¹⁸ The five-factor model does capture a large portion of the domain we call *personality*, but not all of it. As mentioned at the outset of this topic, personality is difficult to define because there are several perspectives of this topic. The Big Five reflects only some of those perspectives. This is apparent in the next section of this chapter, which introduces two other models of personality that only partially overlap with the Big Five factors.

Other Personality Concepts: The Dark Triad and MBTI Types

LO 2-2

THE DARK TRIAD

Several decades ago when personality experts distilled thousands of dictionary words down to the five-factor model, they deliberately excluded words with explicitly positive or negative valence, such as *humbleness* (positive) or *sinister* (negative). They initially even excluded words such as *agreeable* and *ambitious* that were later added to the Big Five analysis. The process of reducing words into categories also chopped off weaker clusters that coincidentally had positive or negative orientations. Yet, some of these excluded traits (such as *impulsive*) appeared in earlier personality models and were widely known in clinical work.¹⁹

Personality experts have since re-examined personality traits with positive and negative valences. Out of these studies has emerged a cluster of three socially undesirable personality traits—Machiavellianism, narcissism, and psychopathy—called the **dark triad**.²⁰ Although these traits are distinct, they have a common "dark core" consisting of either low humility/honesty or a tendency to malevolently undermine others to maximize one's own gains.²¹

dark triad
a cluster of three socially undesirable (dark) personality traits: Machiavellianism, narcissism, and psychopathy

Machiavellianism
a personality trait of people who demonstrate a strong motivation to achieve their own goals at the expense of others, who believe that deceit is a natural and acceptable way to achieve their goals, who take pleasure in outwitting and misleading others using crude influence tactics, and who have a cynical disregard for morality

- **Machiavellianism.** This personality trait is named after Niccolò Machiavelli, the 16th-century Italian philosopher who wrote *The Prince*, a famous treatise about political behavior. People with high Machiavellianism (*high-Machs*) demonstrate a strong motivation to get what they want at the expense of others. They believe that deceit is a natural and acceptable way to achieve their goals; indeed, they take pleasure



in misleading, outwitting, and otherwise controlling others. High-Machs routinely use lies, manipulation, exploitation, and other undesirable influence tactics (see Chapter 10). They have a cynical disregard for moral principles, believe that getting more than one deserves is acceptable, and seldom empathize with or trust coworkers.²²

- **Narcissism.** This personality trait is named after Narcissus, the young male hunter in Greek mythology who was so obsessed with his beauty that he could not stop admiring the reflection of himself in a pool of water (he died of thirst because he didn't want to stop looking at himself). This trait is evident in people who have an obsessive belief in their superiority and entitlement. Along with their grandiose, inflated self-view, narcissists have an excessive need for attention, so they aggressively engage in self-promotion, exhibitionism, and other attention-seeking behaviors. Although known to be initially charming, narcissists are intensely envious of others, which is eventually apparent in their arrogance, schadenfreude (deriving pleasure from another person's misfortune), callous disregard for others' feelings (i.e., low empathy), and exploitation of others for personal aggrandizement.²³
- **Psychopathy.** This personality trait is often considered the most sinister of the triad. It refers to social predators who ruthlessly dominate and manipulate others, yet without empathy or any feelings of remorse or anxiety. They are selfish self-promoters who use superficial charm (called the "mask" of psychopathy), yet engage in antisocial, impulsive, and often fraudulent thrill-seeking behavior. These people callously do as they please and take what they want.²⁴

The Dark Triad in the Workplace Machiavellianism, narcissism, and psychopathy may seem like they belong in textbooks on criminology or medieval politics, not organizational behavior. Yet these traits are gaining attention because they are prevalent throughout the workplace. As one personality researcher warned in his keynote address to a national police association: "Not all psychopaths are in prison. Some are in the board room."²⁵

These three traits produce numerous dysfunctional outcomes in organizational settings.²⁶ Dishonesty is a core characteristic of the dark triad, so people with these traits are more likely to lie and deceive others at work. Similarly, they malevolently undermine others to maximize their own gains. This is the essence of **organizational politics** (see Chapter 10), which is about using influence tactics for personal gain at the expense of others and the interests of the entire organization. Political tactics produce a host of dysfunctional outcomes, ranging from employee stress and dissatisfaction to unproductive use of organizational resources.

Counterproductive work behaviors, such as taking company property from work without permission or deliberately working slowly to get overtime, are predicted by the dark triad to some extent, but they are more closely associated with specific Big Five factors (low

narcissism a personality trait of people with a grandiose, obsessive belief in their superiority and entitlement, a propensity to aggressively engage in attention-seeking behaviors, an intense envy of others, and tendency to exhibit arrogance, callousness, and exploitation of others for personal aggrandizement	psychopathy a personality trait of people who ruthlessly dominate and manipulate others without empathy or any feelings of remorse or anxiety, use superficial charm, yet are social predators who engage in antisocial, impulsive, and often fraudulent thrill-seeking behavior	organizational politics the use of influence tactics for personal gain at the perceived expense of others and the organization	counterproductive work behaviors (CWBs) voluntary behaviors that have the potential to directly or indirectly harm the organization
---	--	--	---



global connections 2.1

Is Your CEO Narcissistic? Count the Tweets^a

Elon Musk has never been shy about saying what he thinks. The CEO of Tesla, SpaceX, and the Boring Company, tweeted an average of 88 messages per month over the past three years. That was before his recent tsunami, reaching 400 messages in one month alone. To put this in perspective, only 15 percent of *Fortune* 500 CEOs are on Twitter at all, and less than two-thirds of them tweet more than once per month.

Musk's tweet mania and his flair for crafting casual messages makes him a good communicator, suggests a partner at one global communications firm. But the volume of tweets might also reveal narcissistic tendencies. A recent meta-analysis reported that individuals with high scores on grandiose narcissism produce a significantly higher number of tweets and Facebook updates, have more friends (or followers), and post more selfies. To a lesser extent, they also spend more time on social media.

Grandiose narcissism refers to people who are interpersonally dominant, self-absorbed, overconfident, and have an inflated sense of superiority and entitlement. As part of the dark triad, narcissists also tend to be more disagreeable and antagonistic toward others compared to the average person. Twitter tweets and Facebook updates fit nicely with grandiose narcissism because these people prefer emotionally shallow social relationships and rely on mass communication to fulfill their need for attention and self-promotion.

Elon Musk's tweet output doesn't necessarily mean that he is narcissistic, although more than a dozen leading



PirStudio/Alamy Stock Photo

newspapers, magazines, and business school blogs have recently made that assertion. Also, the aggressive and antagonistic content of Musk's tweets are consistent with grandiose narcissism.

Tesla's recent battles (arising from Musk's tweets) with the Securities and Exchange Commission and the justice system are also consistent with studies on narcissistic executives. One recent study concluded that "narcissistic CEOs subject their organizations to undue legal risk because they are overconfident about their ability to win and less sensitive to the costs to their organizations of such litigation."

But Elon Musk might have the last word on this matter: "If I am a narcissist (which might be true), at least I am a useful one," he tweeted.

agreeableness and conscientiousness) that were identified earlier in Exhibit 2.2. Instead, dark triad traits are more strongly associated with serious white-collar crimes. For instance, one study reported that a dark triad measure from video analysis was highly effective at identifying chief executive officers who were implicated in unethical misconduct and fraud.²⁷

The dark triad is also associated with bullying and other forms of workplace aggression.²⁸ In particular, employees in organizations with psychopathic managers observe significantly more incidents of bullying than employees in other organizations. People with dark triad personality traits tend to make decisions that produce poorer absolute and risk-adjusted investment returns. In particular, those with high psychopathy take excessive risks, due to their overconfidence and disregard for consequences.²⁹

Aside from making unethical and poor risk-oriented decisions, the dark triad has a complex relationship with other forms of task performance and career success. People with these traits are dysfunctional team members in the long term because, by definition, they don't trust coworkers and focus on their own goals at the expense of team goals.³⁰ At the same time, dark triad employees are known to help others in the short run when it serves their self-interest.

People who possess dark triad personality traits aren't always worse off. These traits are associated with manipulative political skill, which some supervisors rate favorably in employee performance. Being manipulative occasionally helps employees move into more central (and therefore powerful) positions in informal employee networks. Narcissistic CEOs

tend to have higher direct pay as well as a higher gap in pay from other members of the executive team.³¹ Finally, studies point to one component of psychopathy called “fearless dominance” as a predictor of career success. Indeed, this sub-trait is found in a few of the more successful U.S. presidents. However, several experts doubt that fearless dominance should be separated from other aspects of psychopathy, which are negatively associated with career success. Some even argue that fearless dominance doesn’t belong in the dark triad at all.³²



SELF-ASSESSMENT 2.4: How Machiavellian are You?

Named after the 16th-century Italian philosopher who wrote a famous treatise about political behavior (*The Prince*), Machiavellianism is a personality trait characteristic of people who demonstrate a strong motivation to achieve their own goals at the expense of others, who believe that deceit is a natural and acceptable way to achieve their goals, who take pleasure in outwitting and misleading others using crude influence tactics, and who have a cynical disregard for morality. Although few people want to be viewed as Machiavellian, measures suggest that many of us exhibit aspects of this trait to some extent. You can discover your level of Machiavellianism by locating this self-assessment in Connect if it is assigned by your instructor.

Myers-Briggs Type Indicator (MBTI)

an instrument designed to measure the elements of Jungian personality theory, particularly preferences regarding perceiving and judging information

JUNGIAN PERSONALITY THEORY AND THE MYERS-BRIGGS TYPE INDICATOR

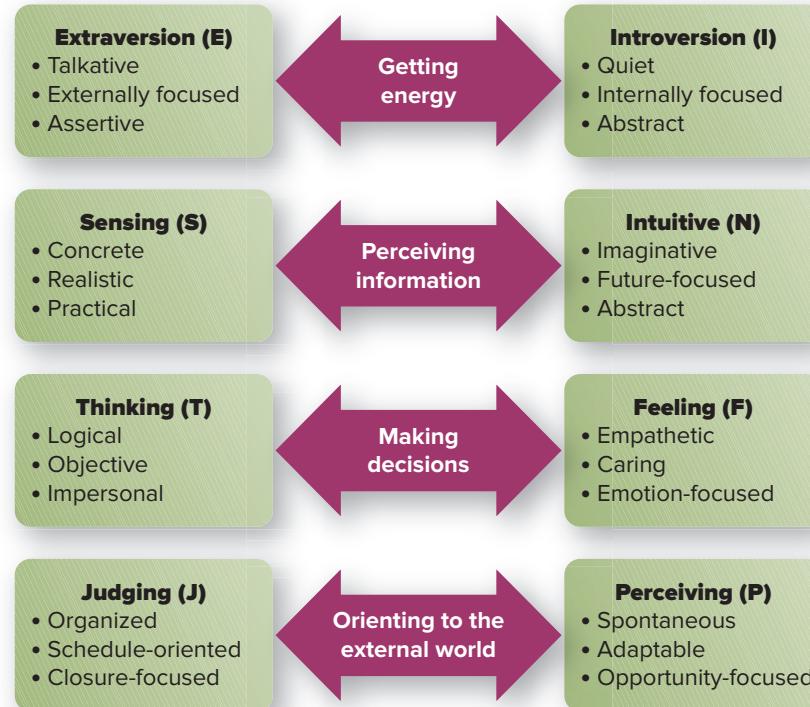
The five-factor model of personality has the most research support, but it is not the most popular personality test in practice. That distinction goes to Jungian personality theory, which is measured through the **Myers-Briggs Type Indicator (MBTI)** (see Exhibit 2.3).

Nearly a century ago, Swiss psychiatrist Carl Jung suggested that personality is mainly represented by the individual’s preferences regarding perceiving and judging information.³³ Jung explained that the perceiving function—how people prefer to gather

EXHIBIT 2.3

Jungian and Myers-Briggs Type Indicator Types

Sources: Adapted from an exhibit found at <http://www.16-personality-types.com>. Based on data from CPP, Inc., Sunnyvale, CA 94086 from *Introduction to Type and Careers* by Allen L. Hammer.





As CEO (now a director) of Hawaii's Central Pacific Bank, John Dean realized that the executive team needed to work together better to rebuild the bank and its culture. The executives completed the Myers-Briggs Type Indicator with debriefing by executive coaches. The executives shared their results to gain a better understanding of one another's personality, particularly how they perceive things and analyze information. "Knowing this personal information leads to more trust," says Dean, shown in this photo. He has noticed that disagreements are now resolved more easily. "Knowing more about someone's personality can help alleviate some of those problems that crop up when management teams work together."^b

©Tina Yuen/Pacific Business News

MBTI has a number of benefits, but it is usually a poor predictor of job performance and is generally not recommended for employment selection or promotion decisions.³⁴ There are also issues with its measurement. MBTI can potentially identify employees who prefer face-to-face versus virtual teamwork, but does not seem to predict how well a team develops. It also has questionable value in predicting leadership effectiveness.

In spite of these limitations, the MBTI is the most widely studied measure of cognitive style in management research and is the most popular personality assessment for career counseling and executive coaching.³⁵ It is even being used by artificial intelligence engineers to adapt the behavior of robots to user preferences. MBTI takes a neutral or balanced approach by recognizing both the strengths and limitations of each personality type in different situations. In contrast, the five-factor model views people with higher scores as better than those with lower scores on each dimension. This may be a restrictive view of personality and makes the Big Five model more difficult to apply in coaching and development settings.³⁶

connect[®]

SELF-ASSESSMENT 2.5: Are You a Sensing or Intuitive Type?

Nearly a century ago, Swiss psychiatrist Carl Jung proposed that personality is primarily represented by the individual's preferences regarding perceiving and judging information. Jung explained that perceiving, which involves how people prefer to gather information or perceive the world around them, occurs through two competing orientations: sensing (S) and intuition (N). You can discover the extent to which you are a sensing or intuitive type by locating this self-assessment in Connect if it is assigned by your instructor.



debating point

SHOULD COMPANIES USE PERSONALITY TESTS TO SELECT JOB APPLICANTS?

Personality theory has made significant strides over the past two decades, particularly in demonstrating that specific traits are associated with specific workplace behaviors and outcomes. Various studies have reported that specific Big Five dimensions predict overall job performance, organizational citizenship, leadership, counterproductive work behaviors, training performance, team performance, and a host of other important outcomes. These findings cast a strong vote in favor of personality testing in the workplace.

A few prominent personality experts urge caution, however.^c They point out that although traits are associated with workplace behavior to some extent, there are better predictors of work performance, such as work samples and past performance. Furthermore, selection procedures typically assume that more of a personality trait is better, whereas an increasing number of studies indicate that the best candidates might be closer to the middle than the extremes of the range. For instance, job performance apparently increases with

conscientiousness, yet employees with high conscientiousness might be so thorough that they become perfectionists, which can stifle rather than enhance job performance.^d A third concern is that, depending on how the selection decision applies the test results, personality instruments may unfairly discriminate against specific groups of people.^e

A fourth worry is that most personality tests are self-reported scales, so applicants might try to fake their answers.^f Worse, the test scores might not represent the individual's personality or anything else meaningful because test takers often don't know what personality traits the company is looking for. Studies show that candidates who try to fake "good" personality scores change the selection results. Supporters of personality testing offer the counterargument that few job applicants try to fake their scores. One major study recently found that most personality dimensions are estimated better by observers than by self-ratings, but few companies rely on ratings from other people.^g

Values in the Workplace

LO 2-3

values

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

The decision to embrace energy efficiency and to "go green" was easy for owner Jerry Gray and his 25 employees at Sloan Electromechanical Service & Sales. The market was shifting in that direction, but the bigger influence was everyone's personal values. "It was primarily about the values—my personal values and our company's values. Talking with my employees, we all agreed this was the right thing to do," Gray recalls. The San Diego provider of motor, generator, and control services initially experienced higher inventory costs and more sales effort to educate customers, but the results are paying off for the business and for Gray's peace of mind. "It was just the morally right thing to do," he says.³⁷

Jerry Gray and his employees relied on their personal values to guide them in the decision toward energy efficiency and more environmentally friendly business practices. **Values**, a concept that we introduced in Chapter 1, are stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations.³⁸ They are perceptions about what is good or bad, right or wrong. Values tell us to what we "ought" to do. They serve as a moral compass that directs our motivation and, potentially, our decisions and actions. They also provide justification for past decisions and behavior.

People arrange values into a hierarchy of preferences, called a *value system*. Some individuals value new challenges more than they value conformity. Others value generosity more than frugality. Each person's unique value system is developed and reinforced through socialization from parents, religious institutions, friends, personal experiences, and the society in which he or she lives. As such, a person's hierarchy of values is stable and long-lasting. For example, one study found that value systems of a sample of adolescents were remarkably similar 20 years later when they were adults.³⁹

Notice that our description of values has focused on individuals, whereas Jerry Gray and other executives often describe values as though they belong to the organization. In reality, values exist only within individuals—we call them *personal values*. However, groups

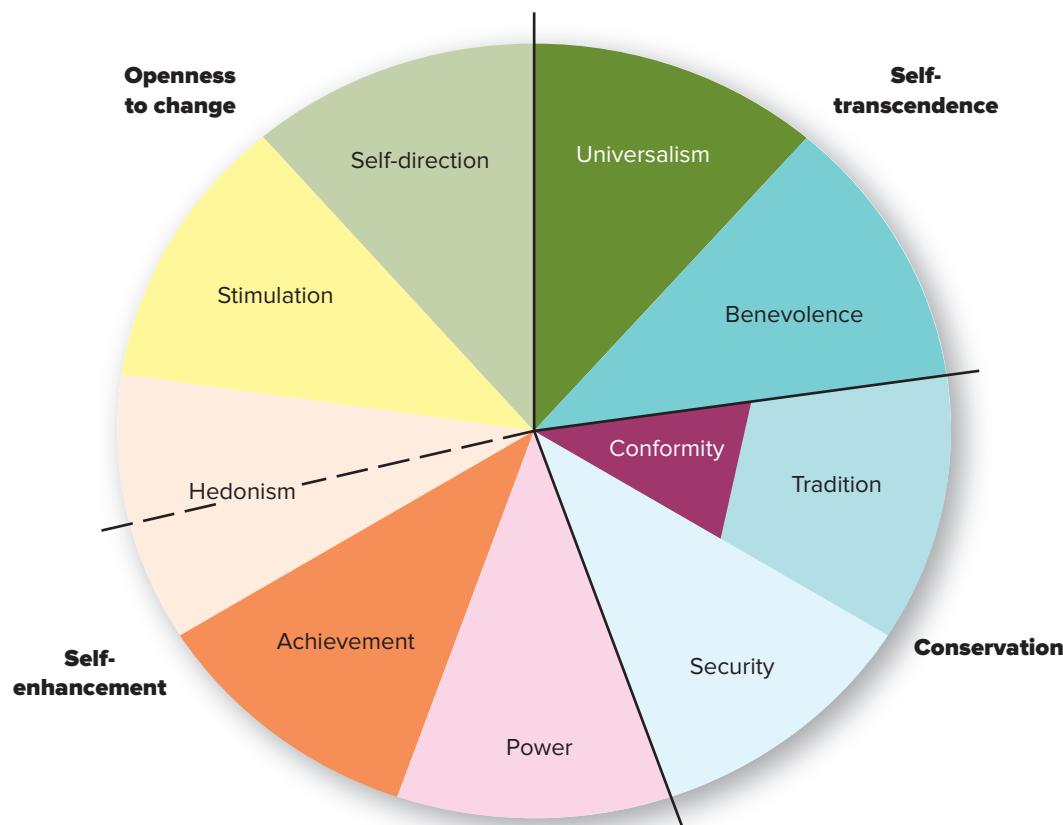
of people might hold the same or similar values, so we tend to ascribe these *shared values* to the team, department, organization, profession, or entire society. The values shared by people throughout an organization (*organizational values*) receive fuller discussion in Chapter 14 because they are a key part of corporate culture. The values shared across a society (*cultural values*) receive attention in the last section of this chapter.

Values and personality traits are related to each other, but the two concepts differ in a few ways.⁴⁰ The most noticeable distinction is that values are evaluative—they tell us what we *ought* to do—whereas personality traits describe what we naturally *tend* to do. A second distinction is that personality traits have minimal conflict with each other (e.g., you can have high agreeableness and high introversion), whereas some values are opposed to other values. For example, someone who values excitement and challenge would have difficulty also valuing stability and moderation. Third, although personality and values are both partly determined by heredity, values are influenced more by socialization whereas heredity has a stronger influence on an individual's personality traits.

TYPES OF VALUES

Values come in many forms, and experts on this topic have devoted considerable attention to organizing them into clusters. By far, the most widely accepted model of personal values is Schwartz's values circumplex, developed and tested by social psychologist Shalom Schwartz and his colleagues.⁴¹ This model clusters 57 values into 10 broad categories that are organized into the circular model (circumplex) shown in Exhibit 2.4.

EXHIBIT 2.4 Schwartz's Values Circumplex



Sources: S.H. Schwartz, "Universals in the Content and Structure of Values: Theoretical Advances and Empirical Tests in 20 Countries," *Advances in Experimental Social Psychology* 25 (1992): 1–65; S.H. Schwartz and K. Boehnke, "Evaluating the Structure of Human Values with Confirmatory Factor Analysis," *Journal of Research in Personality* 38, no. 3 (2004): 230–55; Academic Rss. Inc.



The 10 categories include universalism, benevolence, tradition, conformity, security, power, achievement, hedonism, stimulation, and self-direction. Each category is a cluster of more specific values (not shown). For example, conformity includes the specific values of politeness, honoring parents, self-discipline, and obedience.

These 10 broad values categories are further clustered into four quadrants. One quadrant, called *openness to change*, refers to the extent to which a person is motivated to pursue innovative ways. This quadrant includes the value categories of self-direction (creativity, independent thought), stimulation (excitement and challenge), and hedonism (pursuit of pleasure, enjoyment, gratification of desires). The opposing quadrant is *conservation*, which is the extent to which a person is motivated to preserve the status quo. The conservation quadrant includes the value categories of conformity (adherence to social norms and expectations), security (safety and stability), and tradition (moderation and preservation of the status quo).

The third quadrant in Schwartz's circumplex model, called *self-enhancement*, refers to how much a person is motivated by self-interest. This quadrant includes the values categories of achievement (pursuit of personal success), power (dominance over others), and hedonism (a values category shared with openness to change). The opposite of self-enhancement is *self-transcendence*, which refers to motivation to promote the welfare of others and nature. Self-transcendence includes the value categories of benevolence (concern for others in one's life) and universalism (concern for the welfare of all people and nature).

McGraw Hill connect

SELF-ASSESSMENT 2.6: What Are Your Dominant Values?

Values are stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations. They are perceptions about what is good or bad, right or wrong. We arrange our personal values into a hierarchy of preferences, called a value system. Schwartz's values circumplex organizes the dozens of personal values into 10 categories placed in a circle (circumplex). You can discover your value system hierarchy in Schwartz's model by locating this self-assessment in Connect if it is assigned by your instructor.

VALUES AND INDIVIDUAL BEHAVIOR

Personal values influence decisions and behavior in various ways.⁴² First, values directly motivate our actions by shaping the relative attractiveness (*valence*) of the choices available. In other words, we experience more positive feelings toward alternatives that are aligned with our most important values. If stimulation is at the top of our values hierarchy, then a job opportunity offering new experiences will appeal to us more than a job opportunity with more predictable and stable work.

Second, values indirectly motivate behavior by framing our perceptions of reality. Specifically, values influence whether we notice something as well as how we interpret it. Our decisions and actions are affected by how we perceive those situations. Third, we are motivated to act consistently with our self-concept and public self-presentation. If we have a self-view and public image that values achievement, then we try to ensure that our behavior is consistent with that value. This consistency is particularly important for behaviors that more clearly depict a specific underlying value.

Personal values motivate behavior to some extent, but this connection isn't as strong as we might like to believe.⁴³ One reason for this "disconnect" between personal values and individual behavior is the situation. Personal values motivate us to engage in specific behavior, but the MARS model points out that the situation can prevent us from engaging in values-consistent behavior. For example, individuals with strong self-transcendent values are motivated to engage in recycling and other environmentally friendly behaviors, but

TNW Corporation operates three short-line railroads in Texas and provides railroad maintenance and logistics services. The work requires a strong focus on safety, which is a core value at TNW and a dominant personal value among staff. To maintain a high awareness of the safety value, TNW invited the employees' children to draw pictures and write postcards urging their parents to be safe at work. "Never stop between [rail] cars. And wear a safety vest. Thank you dad for all your hard work and staying safe," wrote one child. These messages and artwork are prominently displayed around the workplace, keeping employees vigilant of safety at all times.^h

Monty Rakusen/Cultura/Getty Images



lack of recycling facilities prevents or severely limits this behavior. People also deviate from their personal values due to strong counter-motivational forces. For instance, employees caught in illegal business dealings sometimes attribute their unethical activities to pressure from management to achieve their performance at any cost.

Another reason why decisions and behavior are inconsistent with our personal values is that we don't actively think about them much of the time.⁴⁴ Values are abstract concepts, so their relevance is not obvious in many situations. Furthermore, many daily decisions and actions occur routinely, so we don't actively evaluate their consistency with our values. We do consciously consider our values in some situations, of course, such as realizing how much we value security when deciding whether to perform a risky task. However, many daily events do not trigger values awareness, so we act without their guidance. We literally need to be reminded of our values so they can guide our decisions and actions.

The effect of values awareness on behavior was apparent in a study in which students were given a math test and received a payment for each correct answer.⁴⁵ One group submitted their results to the experimenter for scoring, so they couldn't lie about their results. A second group could lie because they scored the test themselves and told the experimenter their test score. A third group was similar to the second (they scored their own test), but that test included the following statement, and students were required to sign their name to that statement: "I understand that this short survey falls under (the university's) honor system." The researchers estimated that some students cheated when they scored their own test without the "honor system" statement, whereas no one given the "honor system" form lied about the results. The university didn't actually have an honor system, but the message made students pay attention to their honesty. In short, people are more likely to apply their values (honesty, in this case) when they are explicitly reminded of those values and see their relevance to the situation.

VALUES CONGRUENCE

Values tell us what is right or wrong and what we ought to do. This evaluative characteristic affects how comfortable we are with specific organizations and individuals. The key concept here is *values congruence*, which refers to how similar a person's values hierarchy is to the values hierarchy of another entity, such as the employee's team or organization. An employee's values congruence with team members increases the team's cohesion and



global connections 2.2

"Your Values Are More Important Than Your CV" at IKEAⁱ

When IKEA recently advertised a job opening for a kitchen coworker (chef) in the Middle East country of Kuwait, the job description identified experience in hospitality, computer literacy, attention to detail, and other traditional criteria. But it also emphasized something that isn't found in most job ads: "The IKEA values truly reflect your personal values."

IKEA describes itself as a values-driven company, so job applicants need to reflect on whether their personal values are congruent with the global retailer's organizational values. "We recruit by values," explains Anna Carin Måansson, Country HR Manager, IKEA India. "We like to understand personal values of a candidate and how these come out in typical behavior in everyday life."

Måansson's team pays attention to whether job applicants have really considered values congruence. "When recruiting for IKEA, it is attractive to recognize that the applicant has read up about the company and managed to describe the connection—i.e., what are the values they have as a person which makes them the perfect fit for working with the organization."

D'neale Prosser echoes Måansson's views. "Your values are more important than your CV," says the national talent manager at IKEA Australia. Prosser adds that values congruence isn't just useful for getting hired at IKEA. It is central to a person's success and happiness in life. "Find an organization that connects with your personal values and allows you to be yourself at work," advises Prosser. "This will add value and meaning to your everyday life."



Iroz Gaizka/AFP/Getty Images

performance. Congruence with the organization's values tends to increase the employee's job satisfaction, loyalty, and organizational citizenship. It also tends to reduce stress and turnover. Furthermore, employees are more likely to make decisions that are compatible with organizational expectations when their personal values are congruent with the organization's shared values.⁴⁶

Are organizations the most successful when every employee's personal values align with the company's values? Not at all! While a large degree of values congruence is necessary for the reasons just noted, organizations also benefit from some level of incongruence. Employees with diverse values offer different perspectives, which potentially lead to better decision making. Also, too much congruence can create a "corporate cult" that potentially undermines creativity, organizational flexibility, and business ethics (see Chapter 14).

Ethical Values and Behavior

LO 2-4

When 195 business leaders across 15 countries were asked to identify the most important leader competencies, "high ethics and moral standards" was the top-rated item from the list of 74 characteristics. Similarly, when 1,000 CEOs and other top-level executives around the world were asked to list the most important attributes of effective leaders, the most frequently mentioned characteristic was *integrity*—the leader's ethical standards.⁴⁷ These surveys reveal the importance of ethics in the workplace. *Ethics* refers to the study of moral principles or values that determine whether actions are right or wrong and outcomes are good or bad (see Chapter 1). People rely on their ethical values to determine "the right thing to do."



FOUR ETHICAL PRINCIPLES

To better understand business ethics, we need to consider four distinct types of ethical principles: utilitarianism, individual rights, distributive justice, and the ethic of care.⁴⁸ Your personal values might sway you more toward one principle than the others, but all four should be actively considered to put important ethical issues to the test.

- *Utilitarianism.* This principle says the only moral obligation is to seek the greatest good for the greatest number of people. In other words, we should choose the option that provides the highest degree of satisfaction to those affected. One problem is that utilitarianism requires a cost-benefit analysis, yet many outcomes aren't measurable. Another problem is that utilitarianism could justify actions that other principles would consider immoral because those means produce the greatest good overall.
- *Individual rights.* This principle says that everyone has the same set of natural rights, such as freedom of movement, physical security, freedom of speech, and fair trial. The individual-rights principle extends beyond legal rights to human rights that everyone is granted as a moral norm of society. One problem with this principle is that some individual rights may conflict with others. The shareholders' right to be informed about corporate activities may ultimately conflict with an executive's right to privacy, for example.
- *Distributive justice.* This principle says that the benefits and burdens of similar individuals should be the same; otherwise they should be proportional. For example, employees who contribute equally in their work should receive similar rewards, whereas those who make a lesser contribution should receive less. A variation of this principle says that inequalities are acceptable when they benefit the least well off in society. The main problem with the distributive justice principle is that it is difficult to agree on who is "similar" and what factors are "relevant." We discuss distributive justice further in Chapter 5.
- *Ethic of Care.* The ethic of care principle states that everyone has a moral obligation to help others within their relational sphere to grow and self-actualize.⁴⁹ It recognizes that caring for others is a fundamental characteristic of humanity. Whereas the other three principles emphasize impartial rules, the ethic of care principle emphasizes partiality—favoring those with whom we have relationships. As such, the ethic of care is a practice, not a set of principles. It involves caring about others by being attentive to their needs, taking care of others through responsibility, giving care to others through one's skills and abilities, and by being responsive to (having empathy for) the person receiving care. Although originally from feminist and caregiving literature, the ethic of care has been identified as a core principle in how organizations should work with stakeholders (see Chapter 1) and how leaders should serve employees (see servant leadership in Chapter 12).⁵⁰

MORAL INTENSITY, MORAL SENSITIVITY, AND SITUATIONAL INFLUENCES

Along with ethical principles and their underlying values, three other factors influence ethical conduct in the workplace: the moral intensity of the issue, the individual's moral sensitivity, and situational influences.⁵¹

moral intensity
the degree to which an issue demands the application of ethical principles

Moral Intensity Moral intensity is the degree to which an issue demands the application of ethical principles. Decisions with high moral intensity have strong ethical implications that usually affect many people, so the decision maker needs to carefully apply ethical principles to make the best choice. The moral intensity of a situation is higher when (a) the consequences of the decision could be very good or bad, (b) there is high agreement by others that the decision outcomes are good or bad, (c) there is a high probability that the good or bad outcomes will occur, and (d) many people will experience the consequences of the decision.⁵²



global connections 2.3

Alcoa Executive Sets Ethical Standard in Russia

When William O'Rourke became Alcoa Russia's first CEO, he knew that bribery was a serious problem in that country, so he made his position clear to staff: "We don't condone it. We don't participate in it. We are not going to do it. Period." This ethical mandate was soon tested when local police stopped delivery of an expensive furnace and warned that delivery would resume only after Alcoa paid \$25,000 to a government official.

"My bonus was based in large part on making the planned investments happen on time," says O'Rourke, adding that a few Alcoa executives in the United States implied that he should do whatever it takes to keep the work on schedule. "Nonetheless, I stood my ground." The new furnace arrived three days later without any bribery payment. It took another 18 months before the bribery attempts stopped.^j



Mario Laporta/AFP/Getty Images

Moral Sensitivity Moral sensitivity (also called *ethical sensitivity*) is a characteristic of the person, namely his or her ability to detect a moral dilemma and estimate its relative importance.⁵³ People with high moral sensitivity can more quickly and accurately estimate the moral intensity of the issue. This awareness does not necessarily translate into more ethical behavior; it just means that people with higher moral sensitivity are more likely to know when unethical behavior occurs.

Several factors are associated with a person's moral sensitivity.⁵⁴

- *Expertise or knowledge of prescriptive norms and rules.* For example, accountants are more morally sensitive regarding specific accounting procedures than are people who lack experience in this profession.
- *Previous experience with specific moral dilemmas.* Past incidents likely generate internal cues that trigger awareness of future ethical dilemmas with similar characteristics.
- *Ability to empathize with those affected by the decision.* On average, women have higher moral sensitivity compared to men, partly because women tend to have higher empathy.
- *A strong self-view of being a morally sensitive person.*⁵⁵ Employees who strongly define themselves by their moral character (called their *moral identity*) tend to have higher moral sensitivity because they put more energy into maintaining ethical conduct.
- *A high degree of situational mindfulness.*⁵⁶ **Mindfulness** refers to a person's receptive and impartial attention to and awareness of the present situation as well as to one's own thoughts and emotions in that moment. Mindfulness increases moral sensitivity because it involves actively monitoring the environment as well as being sensitive to our responses to that environment. This vigilance requires effort as well as skill to receptively evaluate our thoughts and emotions. Unfortunately, we have a natural tendency to minimize effort, which leads to less mindfulness. For instance, employees fail to recognize many ethical violations because they don't pay attention to those who are assumed to have high ethical standards.

moral sensitivity

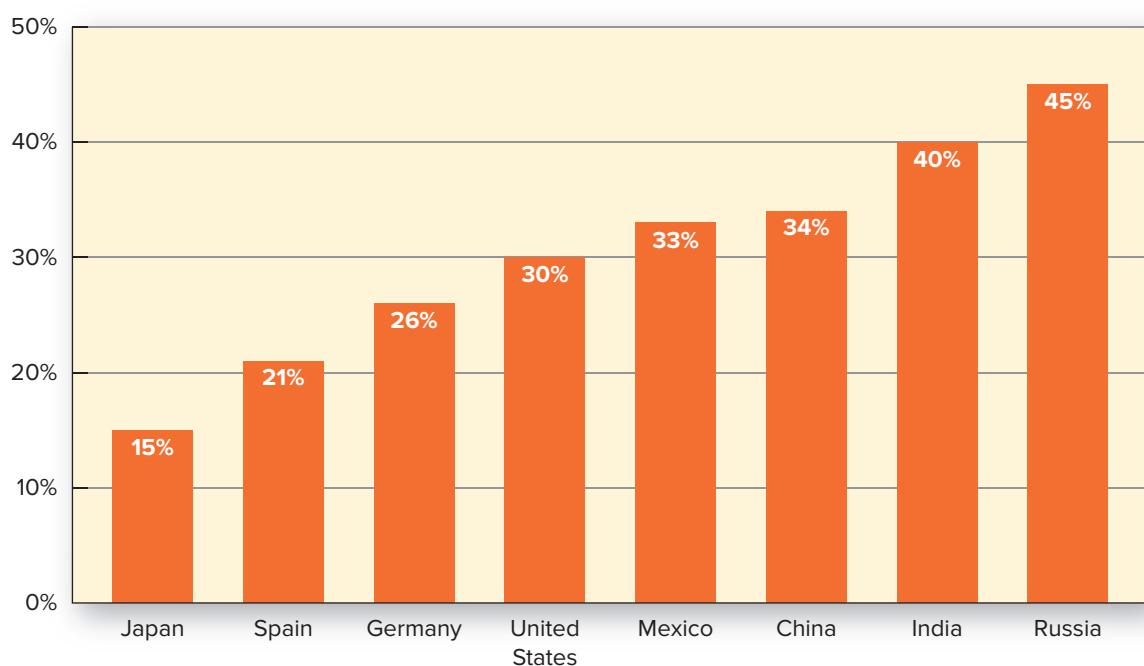
a person's ability to recognize the presence of an ethical issue and determine its relative importance

mindfulness

a person's receptive and impartial attention to and awareness of the present situation as well as to one's own thoughts and emotions in that moment

Situational Factors Along with moral intensity and moral sensitivity, ethical conduct is influenced by the situation in which the conduct occurs.⁵⁷ Some employees say they regularly experience pressure from top management that motivates them to lie to customers, breach regulations, or otherwise act unethically. Fortunately, few people experience this pressure. One large-scale survey recently reported that only 8 percent of UK employees and 13 percent of Continental Europe employees felt pressure to compromise their organization's ethical standards. Another recent survey found that only 8 percent of American and 14 percent of UK financial services and banking staff felt such pressure. However, this pressure was much higher (23 percent) among high-income finance/banking executives. Situational factors do not justify unethical conduct. Rather, we need to be aware of these factors so organizations can reduce their influence.

CORPORATE MISCONDUCT REPORTED IN SELECTED COUNTRIES^k



Note: Percentage of employees surveyed in selected countries (1,000 respondents per country) who personally observed misconduct in their workplace within the previous 12 months.

SUPPORTING ETHICAL BEHAVIOR

Most large and medium-sized organizations in the United States and other developed countries maintain or improve ethical conduct through systematic practices. One of the most basic steps in this direction is a code of ethical conduct—a statement about desired activities, rules of conduct, and philosophy about the organization's relationship to its stakeholders and the environment.⁵⁸ Almost all *Fortune* 500 companies in the United States and the majority of the 500 largest companies in the United Kingdom have ethics codes. These codes are supposed to motivate and guide employee behavior, signal the importance of ethical conduct, and build the firm's trustworthiness to stakeholders. However, critics suggest that they do little to reduce unethical conduct.

Another strategy to improve ethical conduct is to train and regularly evaluate employees on their knowledge of proper ethical conduct. Many large firms have annual quizzes to test employee awareness of company rules and practices concerning important ethical issues such as giving gifts and receiving sensitive information about competitors or governments. In some firms, employees participate in elaborate games that present increasingly challenging and complex moral dilemmas. A popular practice to improve ethical conduct is an ethics

telephone hotline and website, typically operated by an independent organization, where employees can anonymously report suspicious behavior. A few very large businesses also employ ombudspersons who receive information confidentially from employees and proactively investigate possible wrongdoing. Ethics audits are also conducted in some organizations but are more common for evaluation of corporate social responsibility practices.⁵⁹

Training, hotlines, audits, and related activities improve ethical conduct to some extent, but the most powerful foundation is a set of shared values that reinforces ethical conduct. As we describe in Chapter 14 (organizational culture), an ethical culture is supported by the conduct and vigilance of corporate leaders. By acting with the highest moral standards, leaders not only gain support and trust from followers; they role-model the ethical standards that employees are more likely to follow.⁶⁰

Values across Cultures

LO 2-5

As the only Westerner in a 50-employee winery in China, Emilie noticed that Chinese managers seemed to be more sensitive than European or American bosses about maintaining their authority over employees. “I was surprised to see that taking the initiative most of the time was seen as rude and as a failure to respect the executives’ authority,” says the public relations professional from France. “At work, everyone had to perform well in their own tasks, but permission was required for anything other than what was expected.” The power relationship was also apparent in how Chinese managers interacted with staff. “Western-style bosses tend to develop a closer relationship with employees,” Emilie suggests. “The hierarchy is much more clearly divided in Chinese-dominant companies than it is in foreign ones.”⁶¹

Emilie experienced the often-subtle fact that expectations and values differ around the world. Over the next few sections, we introduce five values that have cross-cultural significance: individualism, collectivism, power distance, uncertainty avoidance, and achievement-nurturing orientation. Exhibit 2.5 summarizes these values and lists countries that have high, medium, or low emphasis on these values.

EXHIBIT 2.5 Five Cross-Cultural Values

VALUE	SAMPLE COUNTRIES	REPRESENTATIVE BELIEFS/BEHAVIORS IN “HIGH” CULTURES
Individualism	High: United States, Chile, Canada, South Africa Medium: Japan, Denmark Low: Taiwan, Venezuela	Defines self more by one’s uniqueness; personal goals have priority; decisions have low consideration of effect on others; relationships are viewed as more instrumental and fluid.
Collectivism	High: Israel, Taiwan Medium: India, Denmark Low: United States, Germany, Japan	Defines self more by one’s in-group membership; goals of self-sacrifice and harmony have priority; behavior regulated by in-group norms; in-group memberships are viewed as stable with a strong differentiation with out-groups.
Power distance	High: India, Malaysia Medium: United States, Japan Low: Denmark, Israel	Reluctant to disagree with or contradict the boss; managers are expected and preferred decision makers; perception of dependence on (versus interdependence with) the boss.
Uncertainty avoidance	High: Belgium, Greece Medium: United States, Norway Low: Denmark, Singapore	Prefer predictable situations; value stable employment, strict laws, and low conflict; dislike deviations from normal behavior.
Achievement orientation	High: Austria, Japan Medium: United States, Brazil Low: Sweden, Netherlands	Focus on outcomes (versus relationships); decisions based on contribution (equity versus equality); low empathy or showing emotions (versus strong empathy and caring).

Sources: Individualism and collectivism descriptions and results are from the meta-analysis reported in D. Oyserman, H.M. Coon, and M. Kemmelmeier, “Rethinking Individualism and Collectivism: Evaluation of Theoretical Assumptions and Meta-Analyses,” *Psychological Bulletin*, 128 (2002): 3–72. The other information is from G. Hofstede, *Culture’s Consequences*, 2nd ed. (Thousand Oaks, CA: Sage, 2001).



INDIVIDUALISM AND COLLECTIVISM

Two seemingly inseparable cross-cultural values are individualism and collectivism. **Individualism** is the extent to which we value independence and personal uniqueness. Highly individualist people value personal freedom, self-sufficiency, control over their own lives, and appreciation of the unique qualities that distinguish them from others. Americans, Chileans, Canadians, and South Africans generally exhibit high individualism, whereas Taiwan and Venezuela are countries with low individualism.⁶² **Collectivism** is the extent to which we value our duty to groups to which we belong and to group harmony. Highly collectivist people define themselves by their group memberships, emphasize their personal connection to others in their in-groups, and value the goals and well-being of people within those groups.⁶³ Low collectivism countries include the United States, Japan, and Germany, whereas Israel and Taiwan have relatively high collectivism.

Contrary to popular belief, individualism is not the opposite of collectivism. In fact, the two concepts are typically uncorrelated.⁶⁴ For example, cultures that highly value duty to one's group do not necessarily give a low priority to personal freedom and uniqueness. Generally, people across all cultures define themselves by both their uniqueness and their relationship to others. It is an inherent characteristic of everyone's self-concept, which we discuss in the next chapter. Some cultures clearly emphasize either personal uniqueness or group obligations, but both have a place in a person's values and self-concept.

Also note that people in Japan have relatively low collectivism. This is contrary to many cross-cultural books, a few of which claim that Japan is one of the most collectivist countries on the planet! There are several explanations for the historical misinterpretation, ranging from problems defining and measuring collectivism to erroneous reporting of early cross-cultural research. Whatever the reasons, studies consistently report that people in Japan tend to have relatively low collectivism and moderate individualism (as indicated in Exhibit 2.5).⁶⁵



SELF-ASSESSMENT 2.7:

How Much Do You Value Individualism and Collectivism?

Cross-cultural values have become an important part of organizational life due to globalization and an increasingly multicultural workforce. Two of the most commonly studied cross-cultural values are individualism and collectivism. You can discover your level of individualism and collectivism by locating this self-assessment in Connect if it is assigned by your instructor.

POWER DISTANCE

Power distance refers to the extent to which people accept unequal distribution of power in a society.⁶⁶ Those with high power distance value unequal power. Those in higher positions expect obedience to authority; those in lower positions are comfortable receiving commands from their superiors without consultation or debate. People with high power distance also prefer to resolve differences through formal procedures rather than direct informal discussion. In contrast, people with low power distance expect relatively equal power sharing. They view the relationship with their boss as one of interdependence, not dependence; that is, they believe their boss is also dependent on them, so they expect power sharing and consultation before decisions

affecting them are made. People in India and Malaysia tend to have high power distance, whereas people in Denmark and Israel generally have low power distance. Americans collectively have medium-low power distance.

individualism

a cross-cultural value describing the degree to which people in a culture emphasize independence and personal uniqueness

collectivism

a cross-cultural value describing the degree to which people in a culture emphasize duty to groups to which they belong and to group harmony

power distance

a cross-cultural value describing the degree to which people in a culture accept unequal distribution of power in a society



global connections 2.4

Cross-Cultural Hiccups at Beam Suntory

Suntory Holdings Ltd. is working through a few cross-cultural hiccups after the Japanese alcoholic beverage company acquired Jim Beam, which makes bourbon in Kentucky. "We have to overcome the huge differences in the Japanese mentality and the American mentality," Suntory CEO Takeshi Niinami advised soon after the acquisition. "It creates misunderstandings." Niinami (in photo) says he prefers the "blunt but honest" American approach, but that style may conflict with the Japanese preference for modesty, detail, and consensus. Japanese and American employees also have different career aspirations and reward systems. "Beam and Suntory definitely have differences," Niinami recently acknowledged. "This is not an easy task. But I'm ready for it."⁶¹



Akio Kon/Bloomberg/Getty Images

McGraw-Hill connect

SELF-ASSESSMENT 2.8: What Is Your Level of Power Distance?

Some employees value obedience to authority and are comfortable receiving commands from their superiors without consultation or debate. Others expect equal status and authority with their manager. This power distance orientation varies from one person to the next; it also varies across cultures. You can discover your power distance orientation by locating this self-assessment in Connect if it is assigned by your instructor.

UNCERTAINTY AVOIDANCE

Uncertainty avoidance is the degree to which people tolerate ambiguity (low uncertainty avoidance) or feel threatened by ambiguity and uncertainty (high uncertainty avoidance). Employees with high uncertainty avoidance value structured situations in which rules of conduct and decision making are clearly documented. They usually prefer direct rather than indirect or ambiguous communications. Uncertainty avoidance tends to be high in Belgium and Greece and very high in Japan. It is generally low in Denmark and Singapore. Americans collectively have medium-low uncertainty avoidance.

uncertainty avoidance

a cross-cultural value describing the degree to which people in a culture tolerate ambiguity (low uncertainty avoidance) or feel threatened by ambiguity and uncertainty (high uncertainty avoidance)

achievement-nurturing orientation

a cross-cultural value describing the degree to which people in a culture emphasize competitive versus cooperative relations with other people

ACHIEVEMENT-NURTURING ORIENTATION

Achievement-nurturing orientation reflects a competitive versus cooperative view of relations with other people.⁶⁷ People with a high achievement orientation value assertiveness, competitiveness, and materialism. They appreciate people who are tough, and they favor the acquisition of money and material goods. In contrast, people in nurturing-oriented cultures emphasize relationships and the well-being of others. They focus on human interaction



and caring rather than competition and personal success. People in Sweden, Norway, and the Netherlands have a very low achievement orientation (i.e., they have a high nurturing orientation). In contrast, very high achievement orientation scores have been reported in Japan and Austria. The United States is located a little above the middle of the range on achievement-nurturing orientation.

CAVEATS ABOUT CROSS-CULTURAL KNOWLEDGE

Cross-cultural organizational research has gained considerable attention over the past two decades, likely due to increased globalization and cultural diversity within organizations. Our knowledge of cross-cultural dynamics has blossomed, and many of these findings will be discussed throughout this book, particularly regarding leadership, conflict handling, and influence tactics. However, we also need to raise a few warning flags about cross-cultural knowledge. One problem is that too many studies have relied on small, convenient samples (such as students attending one university) to represent an entire culture.⁶⁸ The result is that many cross-cultural studies draw conclusions that might not generalize to the cultures they intended to represent.

A second problem is that cross-cultural studies often assume that each country has one culture.⁶⁹ In reality, the United States and many other countries have become culturally diverse. As more countries embrace globalization and multiculturalism, it becomes even less appropriate to assume that an entire country has one unified culture. A third concern is that cross-cultural research and writing continues to rely on a major study conducted almost four decades ago of 116,000 IBM employees across dozens of countries. That study helped ignite subsequent cross-cultural research, but its findings are becoming out-of-date as values in some cultures have shifted over the years.⁷⁰

CULTURAL DIVERSITY IN THE UNITED STATES

The United States is widely recognized for its cultural diversity. But even Americans may be surprised to know the degree of deep-level diversity across this country.⁷¹ One form of deep-level diversity is cultural values across ethnic groups. A major review of past studies reported that, on average, African Americans have significantly higher individualism than European and Hispanic Americans, whereas Asian Americans have the lowest individualism among these demographic groups.⁷²

Americans also differ from each other across regions.⁷³ Some research identifies significant cultural differences between the northern and southern states. Other research has found variations in collectivism across the country. Collectivism is highest across the southern states, California, and Hawaii and lowest in the Mountain, Northwest, and Great Plains states. Other studies report that regions vary in personality profiles. The New England, Middle Atlantic, and Pacific regions have high openness to experience, whereas people living in the Great Plains and midwestern and southeastern states have the lowest scores. Neuroticism scores are highest in the Northeast and Southeast and lowest in the Midwest and West.⁷⁴ One study found that Americans have fairly accurate stereotypes of these regional differences.

Why do Americans vary in their values and personalities across regions?⁷⁵ One explanation is that regional institutions—such as local governments, educational systems, and dominant religious groups—have a greater influence than national institutions on socialization practices and resulting personal values. For instance, research suggests that the number of rules and social controls (called *cultural tightness*) within each state explains differences in personality and values across the country.⁷⁶

Some experts suggest that a person's values are influenced by the physical environment (flat versus mountainous), climatic conditions (temperate versus tropical), and socioeconomic conditions (low income versus relatively wealthy). For instance, research has found that residents of mountainous U.S. states are, on average, more introverted than residents who live near the ocean. However, the physical environment probably has a limited effect on individual traits and values. Instead, evidence suggests that people migrate to places that are more compatible with their values and self-views.⁷⁷

chapter summary

LO 2-1 Define personality and discuss how the Big Five personality factors relate to workplace behavior and performance.

Personality refers to the relatively enduring pattern of thoughts, emotions, and behaviors that characterize a person, along with the psychological processes behind those characteristics. Personality is formed through heredity (nature) as well as socialization (nurture).

The Big Five personality factors include conscientiousness, agreeableness, neuroticism, openness to experience, and extraversion. Conscientiousness and extraversion are the best overall predictors of job performance in most job groups. Extraversion and openness to experience are the best predictors of adaptive and proactive performance. Emotional stability (low neuroticism) is also associated with better adaptivity. Conscientiousness and agreeableness are the two best personality predictors of organizational citizenship and (negatively) counterproductive work behaviors.

Four issues to consider about the Big Five personality factors is that (a) people with higher personality levels aren't necessarily the best performers, (b) specific personality traits are sometimes better predictors of behavior than are the broader Big Five factors, (c) personality changes to some extent over a person's lifetime, and (d) the five-factor model doesn't cover all of an individual's personality.

LO 2-2 Describe the dark triad of personality and the MBTI types and discuss their implications for organizational behavior.

The dark triad is a cluster of three socially undesirable personality traits: Machiavellianism, narcissism, and psychopathy. They have a common core of low humility/honesty or a tendency to malevolently undermine others to maximize one's own gains. Machiavellianism refers to people who demonstrate a strong motivation to achieve their own goals at the expense of others, who believe that deceit is a natural and acceptable way to achieve their goals, who take pleasure in outwitting and misleading others using crude influence tactics, and who have a cynical disregard for morality. Narcissism is a personality trait of people with a grandiose, obsessive belief in their superiority and entitlement, a propensity to aggressively engage in attention-seeking behaviors, an intensive envy of others, and tendency to exhibit arrogance, callousness, and exploitation of others for personal aggrandizement. Psychopathy refers to people who ruthlessly dominate and manipulate others without empathy or any feelings of remorse or anxiety, use superficial charm, yet are social predators who engage in antisocial, impulsive, and often fraudulent thrill-seeking behavior. People with the dark triad personality engage in more organizational politics, white-collar crime, workplace aggression, and (to some degree) counterproductive work behaviors and poor team behavior. They also make riskier decisions, resulting in poorer investment returns. However, the dark triad personality is also associated with manipulative political skill that can lead to higher performance reviews, more central positions in employee networks, and better pay.

Based on Jungian personality theory, the Myers-Briggs Type Indicator (MBTI) identifies competing orientations for getting energy (extraversion versus introversion), perceiving information (sensing versus intuiting), processing information and making decisions (thinking versus feeling), and orienting to the external world (judging versus perceiving). The MBTI improves self-awareness for career development and mutual understanding but is more popular than valid.

LO 2-3 Summarize Schwartz's model of individual values and discuss the conditions where values influence behavior.

Values are stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations. Compared to personality traits, values are evaluative (rather than descriptive), more likely to conflict, and formed more from socialization than heredity. Schwartz's model organizes 57 values into a circumplex of 10 dimensions along two bipolar dimensions: openness to change to conservation and self-enhancement to self-transcendence. Values influence behavior in three ways: (1) shaping the attractiveness of choices, (2) framing perceptions of reality, and (3) aligning behavior with self-concept and self-presentation. However, the effect of values on behavior also depends on whether the situation supports or prevents that behavior and on how actively we think about them and understand their relevance to the situation. Values congruence refers to how similar a person's values hierarchy is to the values hierarchy of another source (organization, team, etc.).

LO 2-4 Describe four ethical principles and discuss three factors that influence ethical behavior.

Ethics refers to the study of moral principles or values that determine whether actions are right or wrong and outcomes are good or bad. Four ethical principles are utilitarianism (greatest good for the greatest number), individual rights (upholding natural rights), distributive justice (same or proportional benefits and burdens), and ethic of care (the moral obligation to help others). Ethical behavior is influenced by the degree to which an issue demands the application of ethical principles (moral intensity), the individual's ability to recognize the presence and relative importance of an ethical issue (moral sensitivity), and situational forces. Ethical conduct at work is supported by codes of ethical conduct, mechanisms for communicating ethical violations, the organization's culture, and the leader's behavior.

LO 2-5 Describe five values commonly studied across cultures.

Five values often studied across cultures are individualism (valuing independence and personal uniqueness); collectivism (valuing duty to in-groups and group harmony); power distance (valuing unequal distribution of power); uncertainty avoidance (tolerating or feeling threatened by ambiguity and uncertainty); and achievement-nurturing orientation (valuing competition versus cooperation).

key terms

achievement-nurturing orientation, p. 66	five-factor (Big Five) model, p. 47	neuroticism, p. 47
agreeableness, p. 47	individualism, p. 65	openness to experience, p. 47
collectivism, p. 65	Machiavellianism, p. 51	organizational politics, p. 52
conscientiousness, p. 47	mindfulness, p. 62	personality, p. 46
counterproductive work behaviors (CWBs), p. 52	moral intensity, p. 61	power distance, p. 46
dark triad, p. 51	moral sensitivity, p. 62	psychopathy, p. 52
extraversion, p. 48	Myers-Briggs Type Indicator (MBTI), p. 54	uncertainty avoidance, p. 66
	narcissism, p. 52	values, p. 56

critical thinking questions

- Studies report that heredity has a strong influence on an individual's personality. What are the implications of this influence in organizational settings?
- All candidates applying for a management trainee position are given a personality test that measures the five dimensions in the five-factor model. Which personality traits would you consider most important for this type of job? Explain your answer.
- As head of product development for mobile telephones, you are about to hire someone to assist in the human interface features of product design. The nature of this work calls for a creative, "break out of the box" thinker who works well in a team setting. Five short-listed applicants have completed a valid measure of the Big Five personality factors. If these applicants all have similar intelligence and work experience, which Big Five personality factors would best predict job performance (you may select one or more factors). Which Big Five factor would be least relevant? Justify your answer.
- The dark triad is understandably a personality cluster of great concern in organizations. Yet, even though it consists of three socially undesirable personality traits, there is evidence that senior executives are more likely than the rest of us to possess some of these traits. Why would this occur? Does this mean that the dark triad isn't so bad after all?
- This chapter discussed values congruence mostly in the context of an employee's personal values versus the organization's values. But values congruence also relates to the juxtaposition of other pairs of value systems. Explain how values congruence is relevant with respect to organizational versus professional values (i.e., values of a professional occupation, such as physician, accountant, pharmacist).
- The CEO and two other executives at an automotive parts manufacturer were recently fired after being charged with fixing prices on several key automotive parts sold to the auto industry. Executives at competing manufacturers face the same charges for also participating in this collusion. Profit margins have come under intense pressure in the industry, which could cause one or more auto parts firms (possibly this company) to go bankrupt. When the wrong-doing was discovered, most employees involved in product pricing (but not implicated in price fixing) were surprised. The executives were highly respected in their fields of expertise, so many staff members interpreted the unusual pricing decisions as a new strategy, not an illegal activity. Apply your knowledge of personal and ethical values and behavior to explain why the unethical activity may have occurred.
- "All decisions are ethical decisions." Comment on this statement, particularly by referring to the concepts of moral intensity and moral sensitivity.
- People in a particular South American country have high power distance and high collectivism. What does this mean, and what are the implications of this information when you (a senior executive) visit employees working for your company in that country?



CASE STUDY: SNC-LAVALIN GROUP INC.

By Steven L. McShane, University of Newcastle (Australia)

Bribery of foreign public officials, conspiracy to commit fraud and forgery, money laundering, possessing property obtained by crime, and attempts to secretly smuggle the son of a former dictator into safer countries. Sounds like the plot of a twisted crime novel. Yet these are the charges laid against former executives at SNC-Lavalin (SNCL), one of Canada's largest engineering and construction firms.

The Royal Canadian Mounted Police (RCMP) allege that over the past decade SNCL funneled CAD \$118 million through offshore bank accounts as bribes to secure contracts in Libya. Separately, the World Bank, the African Development Bank, Swiss police, and other entities have uncovered

evidence that SNCL bribed or attempted to bribe government staff and leaders to win contracts in Africa and Asia. SNCL is also being investigated for unethical activities in contract bidding on a major Canadian project involving a Montreal superhospital. Almost a dozen former SNCL executives, most of whom held senior positions, either face charges of criminal activity or are under investigation. The company and its 100 subsidiaries have been banned for a decade from bidding on World Bank-funded contracts.

The World Bank and other investigators report that in several contracts SNCL processed bribes through an expense line called "project consultancy cost" or PCC. For example, SNCL recently settled a corruption case filed by the African

Development Bank, which had discovered project consultancy cost items representing 7.5 percent of the total contract value of two SNCL road projects in Uganda and Mozambique. The engineering firm recently acknowledged that none of these expenses were legitimate. "Everybody used this term, and all know what that means," admits SNCL's former director of international projects. "Sometimes it was 'project consultancy cost,' sometimes 'project commercial cost,' but [the] real fact is the intention is [a] bribe."

SNCL paid the PCC bribes indirectly through employees. One SNCL engineer in Nigeria said he was told to use his personal funds to pay a Nigerian official for a "soils investigation." The official had selected the engineering firm for a contract. The engineer was subsequently reimbursed by SNCL through a fictitious company. When asked why he participated in the kickback scheme, the engineer (who now works in India for another company) replied: "When the boss asks, in that part of the world . . . what would you do if you were put in my shoes if you were in a remote area of Nigeria?"

Another way that SNCL executives apparently bribed officials was through "agent fees." Retaining a local agent is common and sometimes required for foreign contract bids to arrange permits, imports, and other activities. However, investigators uncovered numerous questionable transfers of large funds from SNCL to banks in Switzerland, the Bahamas and other countries.

The largest corruption of the "agent fee" process involved SNCL transferring more than CAD \$120 million over 10 years to a Swiss bank account controlled by a SNCL executive vice president working in North Africa and later at headquarters in Montreal. The executive was subsequently convicted and served jail time in Switzerland for corruption and money laundering regarding these funds, \$47 million of which he handed over to Swiss authorities as part of that conviction. During the Swiss trial, the executive admitted that he bribed Saadi Gaddafi, a son of Libya's dictator at that time, for the purpose of having SNCL win five major contracts in Libya. In separate charges, an RCMP affidavit claims that the same executive masterminded a failed attempt to smuggle Saadi Gaddafi and his family into Mexico. A former SNCL contractor in Canada spent 18 months in a Mexican prison in relation to that mission.

SNCL is suing the executive convicted in Switzerland and others for recovery of the transferred funds, claiming that they were intended as legitimate agent fees. The executive counterclaims that the top brass (below the board level) had arranged or knew these funds were being used for bribery payments and that the executive was following orders. Separate actions by SNCL's CEO at the time lend support to the jailed executive's claims. Specifically, in spite of opposition from the chief financial officer and head of international operations, the CEO authorized undocumented payments totaling CAD \$56 million to unknown "agents" in Libya and the Bahamas. Quebec's anti-corruption police say the CEO's largest undocumented payment (\$22.5 million sent to the Bahamas) was a bribe to win a major

Montreal superhospital contract. The CEO resigned when an internal review informed SNCL's board of the CEO's actions. The board granted the CEO a severance payout, but the severance payments were later stopped when Quebec's anti-corruption police charged the former CEO with fraud.

Another SNCL vice president, now facing several charges, also admits to engaging in bribery and related crimes. He explained that SNC-Lavalin had "a corporate culture where it was common practice to do all that was necessary, including the payment of 'commissions' and other benefits to obtain contracts, including in Libya." The second executive also argued that he was under pressure to engage in these illegal activities because the executive above him said "that he had to follow their orders to satisfy their expectations." In fact, a few former SNCL executives have since tried to sue the company for wrongful dismissal on the grounds that their illegal activities were required by the company to keep their jobs.

SNCL's board of directors seems to have downplayed personal responsibility for these events. Very early in the RCMP investigation, SNCL's board received an anonymous internal letter describing the bribery activities, yet the board later admitted that it only "took note" of the allegations, pointing out that they have "received anonymous letters before that have no credibility." And when the extent of wrongdoing at SNCL eventually became public, the board chair said: "Clearly, our board of directors can't govern something that they don't know about, or prevent something they are not aware of."

Discussion Questions

1. Explain how moral sensitivity and moral intensity apply to the unethical behavior among several SNC-Lavalin executives and other staff.
2. This case describes several incidents of unethical and illegal behavior at SNC-Lavalin. To what extent did motivation, ability, role perceptions, and situation (i.e., MARS model from Chapter 1) influence this behavior among executives and employees? How did the personal values of these people affect their actions?
3. What steps should SNC-Lavalin and other companies in this situation take to minimize these types of corporate wrongdoing?

Sources: J. Castaldo, "SNC Lavalin's Missing Millions Mess: Is Ben Aïssa Responsible?," *Canadian Business*, July 9, 2012; T. McMahon and C. Sorensen, "Boardroom Blunders at SNC-Lavalin," *Maclean's*, December 5, 2012, 24; D. Seglins, "SNC-Lavalin International Used Secret Code for 'Bribery' Payments," *CBC News*, May 15, 2013; "SNC-Lavalin Says Former Executive's Illegal Actions Justify Firing," *Maclean's*, May 17, 2013; J. Nicol and D. Seglins, "RCMP Moving to Freeze Assets in Widening SNC-Lavalin Probe," *CBC News*, May 23, 2013; B. Hutchinson, "The 'Clandestine World' of SNC's Fallen Star," *National Post* (Toronto), March 19, 2015, FP1; R. Marowitz, "SNC-Lavalin Settles Corruption Case Brought by African Development Bank," *Canadian Press*, October 2, 2015; "SNC-Lavalin Executive Claims He Was Scapegoat in Gadhafi Bribery Scheme," *Global Construction Review* (London), September 14, 2015; R. Marowitz, "SNC-Lavalin Still Hoping to Resolve Criminal Charges as Hearing Set for 2018," *Canadian Press*, February 27, 2016.



CLASS EXERCISE: WHICH BIG FIVE FACTORS FIT SPECIFIC OCCUPATIONS?

By Steven L. McShane, University of Newcastle (Australia)

PURPOSE This exercise is designed to help you think about and understand how the Big Five personality factors are associated with the motivational and situational requirements of specific occupations.

INSTRUCTIONS (LARGE CLASS) Below are two sets of questions relating to the Big Five personality factors and various occupations. Answer each of these questions, relying on your knowledge of the five-factor model of personality and their relationship to job performance generally. Later, your instructor will show you answers based on scholarly results.

INSTRUCTIONS (SMALL CLASS) Below are two sets of questions relating to the Big Five personality factors and various occupations. Working in small teams, answer each of these questions, relying on your team's knowledge of the

five-factor model of personality and their relationship to job performance generally. Be prepared to explain your decisions and select a spokesperson if the instructor asks specific teams to present their answer. During the debriefing, your instructor will show you answers based on scholarly results. (*Note:* The instructor might create a friendly competition to see which team has the most answers correct.)

Personality and Occupational Preferences Questions

1. You have been asked to select job applicants for a nine-month over-winter assignment working in an Antarctic research station with a dozen other people. Assuming that all candidates have equal skills, experience, and health, identify which level of each personality factor would be best for people working in these remote, confined, and isolated conditions.

PERSONALITY FACTOR	LOW	BELOW AVERAGE	AVERAGE	ABOVE AVERAGE	HIGH
Conscientiousness	<input type="checkbox"/>				
Agreeableness	<input type="checkbox"/>				
Neuroticism	<input type="checkbox"/>				
Openness to experience	<input type="checkbox"/>				
Extraversion	<input type="checkbox"/>				

2. Listed below are several occupations. Please check one or two personality factors that you believe are

positively associated with preferences for each occupation.

OCCUPATION	EXTRAVERSION	CONSCIENTIOUSNESS	AGREEABLENESS	NEUROTICISM	OPENNESS TO EXPERIENCE
Budget analyst	<input type="checkbox"/>				
Corporate executive	<input type="checkbox"/>				
Engineer	<input type="checkbox"/>				
Journalist	<input type="checkbox"/>				
Life insurance agent	<input type="checkbox"/>				
Nurse	<input type="checkbox"/>				
Physician	<input type="checkbox"/>				
Production supervisor	<input type="checkbox"/>				
Public relations director	<input type="checkbox"/>				
Research analyst	<input type="checkbox"/>				
Schoolteacher	<input type="checkbox"/>				
Sculptor	<input type="checkbox"/>				



CLASS EXERCISE: PERSONAL VALUES EXERCISE

By Steven L. McShane, University of Newcastle (Australia)

PURPOSE This exercise is designed to help you understand Schwartz's values model and relate its elements to your personal values and the values held by others in your class.

INSTRUCTIONS Your instructor will distribute a sheet with 44 words and phrases representing different personal values. Read these words and phrases carefully, then follow these steps:

1. Pick THREE (3) of these words/phrases that represent the MOST important values to you personally. Print each of the three values on the three yellow-colored

sticky notes provided by your instructor (i.e., print one value on each note).

2. From the remaining 41 values on the sheet provided by your instructor, pick THREE (3) of these that represent the LEAST important values to you personally. Print each of the three values on three sticky notes of the second color provided by your instructor (i.e., print one value on each note).
3. The instructor will advise you what to do with the six sticky notes on which you wrote your most and least important values.
4. The class will engage in a debriefing, using the information created in the third step of this activity.



TEAM EXERCISE: ETHICS DILEMMA VIGNETTES

By Steven L. McShane, University of Newcastle (Australia)

PURPOSE This exercise is designed to make you aware of the ethical dilemmas people face in various business situations, as well as the competing principles and values that operate in these situations.

INSTRUCTIONS (SMALL CLASS) The instructor will form teams of four or five students. Team members will read each of the following cases and discuss the extent to which the company's action in each case was ethical. Teams should be prepared to justify their evaluation using ethics principles and the perceived moral intensity of each incident.

INSTRUCTIONS (LARGE CLASS) Working alone, read each of the following cases and determine the extent to which the company's action in each case was ethical. The instructor will use a show of hands to determine the extent to which students believe the case represents an ethical dilemma (high or low moral intensity) and the extent to which the main people or company in each incident acted ethically.

Case One A large multinational grocery chain that emphasizes healthy lifestyles is recognized as one of the nation's "greenest" companies and is perennially rated as one of the best places to work. Full-time and longer-service part-time staff receive health insurance coverage. Most employees receive a 20 percent discount on company products. Employees who participate in the company's voluntary "Healthy Discount Incentive Program" receive up to another 10 percent discount on their purchases (i.e., up to a total 30 percent discount). These additional discounts are calculated from employees' blood pressure, total cholesterol (or LDL) levels, Body Mass Index (BMI), and nicotine-free lifestyle. For example, the full additional 10 percent discount is awarded to those who do not use

nicotine products, have 110/70 or lower blood pressure, have cholesterol levels under 150, and have a BMI of less than 24. Employees do not receive the additional discount if they use nicotine products, or have any one of the following: blood pressure above 140/90, cholesterol of 195 or higher, or BMI of 30 or higher. In his letter to employees when announcing the plan, the CEO explained that these incentives "encourage our Team Members to be healthier and to lower our health care costs."

Case Two A 16-year-old hired as an office administrator at a small import services company started posting her thoughts about the job on her Facebook site. After her first day, she wrote: "first day at work. omg!! So dull!!" Two days later, she complained "all i do is shred holepunch n scan paper!!! omg!" Two weeks later she added "im so totally bord!!!" These comments were intermixed with the other usual banter about her life. Her Facebook site did not mention the name of the company where she worked. Three weeks after being hired, the employee was called into the owner's office, where he fired her for the comments on Facebook, then had her escorted from the building. The owner argues that these comments put the company in a bad light, and her "display of disrespect and dissatisfaction undermined the relationship and made it untenable."

Case Three The waiter at a café in a large city mixed up Heidi Clarke's meal order with the meal that a male customer at a nearby table had requested. The two strangers discovered the mistake and briefly enjoyed a friendly chat while swapping plates. The male patron departed soon after but accidentally left his new tuxedo jacket behind on his chair. Clarke wanted to meet him again, so she took the jacket home. Following a friend's suggestion, Heidi launched a YouTube video and website, in which she shyly

told her story, detailed the jacket's features, and prominently displayed a label with the name of a popular fashion retailer. The website even included photos of Heidi posing in the jacket. The next day, she gave the café staff the jacket and a note with her name and phone number. Heidi's YouTube video soon went viral, her website crashed from so many visitors, and a major newspaper and television station featured Heidi's quest to find the man with the missing jacket. The incident is a romantic reversal of the Cinderella story . . . except it was a fake event staged by a marketing company. "Heidi" is an actress and model hired by the marketer to promote the fashion retailer's new line of jackets for men. A partner at the marketing firm justified the hoax by saying that "when you've got a very well-established brand you need to do something that's got talkability and intrigue to reassess what that brand is about." The marketing executive argued that this was an acceptable marketing event because "nobody's been harmed" and the firm intended to eventually reveal the truth. Indeed, the actress (whose real name is Lily, not Heidi) released a second video acknowledging that the incident was fake and explaining that she's a hopeless romantic who loves a good love story.

Case Four Computer printer manufacturers usually sell printers at a low margin over cost and generate much more

income from subsequent sales of the high-margin ink cartridges required for each printer. One global printer manufacturer now designs its printers so that they work only with ink cartridges made in the same region. Ink cartridges purchased in the United States will not work with the same printer model sold in Europe, for example. This "region coding" of ink cartridges does not improve performance. Rather, it prevents consumers and gray marketers from buying the product at a lower price in another region. The company says this policy allows it to maintain stable prices within a region rather than continually changing prices due to currency fluctuations.

Case Five A large European bank requires all employees to open a bank account with that bank. The bank deposits employee paychecks to those accounts. The bank explains that this is a formal policy, which all employees agreed to at the time of hire. Furthermore, failure to have an account with the bank shows disloyalty, which could limit the employee's career advancement opportunities with the bank. Until recently, the bank has reluctantly agreed to deposit paychecks to accounts at other banks for a small percentage of employees. Now, bank executives want to reinforce the policy. They announced that employees have three months to open an account with the bank or face disciplinary action.

endnotes

1. K. Roose, "Ray Dalio Is Building a Baseball Card Collection," *New York Magazine*, June 14, 2012; R. Feloni, "Here's Why the World's Largest Hedge Fund Makes Applicants Take 5 Personality Tests before Sitting through Hours of Intensive Interviews," *Business Insider*, August 16, 2016; R. Feloni, "These Are the Personality Tests You Take to Get a Job at the World's Largest Hedge Fund," *Business Insider*, August 27, 2016; R. Dalio, *Principles: Life and Work* (New York: Simon and Schuster, 2017).
2. Based on information in L. Weber, "To Get a Job, New Hires Are Put to the Test," *The Wall Street Journal*, April 15, 2015, A1.
3. The definition presented here is based on: D.C. Funder, *The Personality Puzzle* (New York: W W Norton & Company, 2016); C.S. Carver and M.F. Scheier, *Perspectives on Personality*, 8th ed. (Hoboken, N.J.: Pearson Education, 2017). Both of these books recognize the varied perspectives of and approaches to personality. Several recent articles also recognize and attempt to address this conceptual diversity, such as: D. Cervone and B.R. Little, "Personality Architecture and Dynamics: The New Agenda and What's New about It," *Personality and Individual Differences*, 136 (2019): 12–23, <https://doi.org/10.1016/j.paid.2017.07.001>; E. Jayawickreme, C.E. Zachry, and W. Fleeson, "Whole Trait Theory: An Integrative Approach to Examining Personality Structure and Process," *Personality and Individual Differences*, 136 (2019): 2–11, <https://doi.org/10.1016/j.paid.2018.06.045>.
4. J. Anglim and P. O'Connor, "Measurement and Research Using the Big Five, HEXACO, and Narrow Traits: A Primer for Researchers and Practitioners," *Australian Journal of Psychology*, 51, no. 1 (2009): 1–12, <https://doi.org/10.1080/00049270902780001>.
5. K. Roose, "Ray Dalio Is Building a Baseball Card Collection," *New York Magazine*, June 14, 2012; R. Feloni, "Here's Why the World's Largest Hedge Fund Makes Applicants Take 5 Personality Tests before Sitting through Hours of Intensive Interviews," *Business Insider*, August 16, 2016; R. Feloni, "These Are the Personality Tests You Take to Get a Job at the World's Largest Hedge Fund," *Business Insider*, August 27, 2016; R. Dalio, *Principles: Life and Work* (New York: Simon and Schuster, 2017).
6. Journal of Psychology 71, no. 1 (2019): 16–25, <https://doi.org/10.1111/ajpy.12202>.
7. B. W. Roberts and A. Caspi, "Personality Development and the Person-Situation Debate: It's Déjà Vu All over Again," *Psychological Inquiry* 12, no. 2 (2001): 104–109; N. A. Turiano et al., "Personality and Substance Use in Midlife: Conscientiousness as a Moderator and the Effects of Trait Change," *Journal of Research in Personality* 46, no. 3 (2012): 295–305; C. R. Gale et al., "Neuroticism and Extraversion in Youth Predict Mental Wellbeing and Life Satisfaction 40 Years Later," *Journal of Research in Personality* 47, no. 6 (2013): 687–97; M. Pluess and M. Bartley, "Childhood Conscientiousness Predicts the Social Gradient of Smoking in Adulthood: A Life Course Analysis," *Journal of Epidemiology and Community Health* 69, no. 4 (2015): 330–38; M. Blatný et al., "Personality Predictors of Successful Development: Toddler Temperament and Adolescent Personality Traits Predict Well-Being and Career Stability in Middle Adulthood," *PLoS ONE* 10, no. 4 (2015): e0126032.
8. W. Mischel, "Toward an Integrative Science of the Person," *Annual Review of Psychology* 55 (2004): 1–22; W. H. Cooper and M. J. Withey, "The Strong Situation Hypothesis," *Personality and Social Psychology Review* 13, no. 1 (2009): 62–72; T.A. Judge and C.P. Zapata, "The Person-Situation Debate Revisited," *Academy of Management Journal* 58, no. 4 (2015): 1149–79.
9. T. Vukasović and D. Bratko, "Heritability of Personality: A Meta-Analysis of Behavior Genetic Studies," *Psychological Bulletin* 141, no. 4 (2015): 769–85, <https://doi.org/10.1037/bul0000017>; W. Bleidorn, "What Accounts for Personality

- Maturation in Early Adulthood?,” *Current Directions in Psychological Science* 24, no. 3 (2015): 245–52; T.J.C. Polderman et al., “Meta-Analysis of the Heritability of Human Traits Based on Fifty Years of Twin Studies,” *Nature Genetics* 47, no. 7 (2015): 702–709; L. Penke and M. Jokela, “The Evolutionary Genetics of Personality Revisited,” *Current Opinion in Psychology* 7 (2016): 104–109; M.-T. Lo et al., “Genome-Wide Analyses for Personality Traits Identify Six Genomic Loci and Show Correlations with Psychiatric Disorders,” *Nature Genetics* 49, no. 1 (2017): 152–56, <https://doi.org/10.1038/ng.3736>.
8. R. Mittus et al., “Within-Trait Heterogeneity in Age Group Differences in Personality Domains and Facets: Implications for the Development and Coherence of Personality Traits,” *PLoS ONE* 10, no. 3 (2015): e0119667; M. Liu and J.L. Huang, “Cross-Cultural Adjustment to the United States: The Role of Contextualized Extraversion Change,” *Frontiers in Psychology* 6 (2015), <https://doi.org/10.3389/fpsyg.2015.01650>; S. Tasselli, M. Kilduff, and B. Landis, “Personality Change: Implications for Organizational Behavior,” *Academy of Management Annals* 12, no. 2 (2018): 467–93, <https://doi.org/10.5465/annals.2016.0008>; W. Bleidorn, C.J. Hopwood, and R.E. Lucas, “Life Events and Personality Trait Change,” *Journal of Personality* 86, no. 1 (2018): 83–96, <https://doi.org/10.1111/jopy.12286>; P.T. Costa, R.R. McCrae, and C.E. Löckenhoff, “Personality Across the Life Span,” *Annual Review of Psychology* 70, no. 1 (2019): 423–48, <https://doi.org/10.1146/annurev-psych-010418-103244>.
 9. R.F. Baumeister, B.J. Schmeichel, and K.D. Vohs, “Self-Regulation and the Executive Function: The Self as Controlling Agent,” in *Social Psychology: Handbook of Basic Principles*, ed. A.W. Kruglanski and E.T. Higgins (New York: Guilford, 2007), 516–39; K. Murdock, K. Oddi, and D. Bridgett, “Cognitive Correlates of Personality: Links between Executive Functioning and the Big Five Personality Traits,” *Journal of Individual Differences* 34, no. 2 (2013): 97–104; P. Baggetta and P.A. Alexander, “Conceptualization and Operationalization of Executive Function,” *Mind, Brain, and Education* 10, no. 1 (2016): 10–33.
 10. J.M. Digman, “Personality Structure: Emergence of the Five-Factor Model,” *Annual Review of Psychology* 41 (1990): 417–40; O.P. John and S. Srivastava, “The Big Five Trait Taxonomy: History, Measurement, and Theoretical Perspectives,” in *Handbook of Personality: Theory and Research*, ed. L.A. Pervin and O.P. John (New York: Guilford Press, 1999), 102–38; R.R. McCrae, J.F. Gaines, and M.A. Wellington, “The Five-Factor Model in Fact and Fiction,” in *Handbook of Psychology*, ed. I.B. Weiner (2012), 65–91.
 11. M.R. Barrick and M.K. Mount, “Yes, Personality Matters: Moving on to More Important Matters,” *Human Performance* 18, no. 4 (2005): 359–72; P.R. Sackett and P.T. Walmsley, “Which Personality Attributes Are Most Important in the Workplace?,” *Perspectives on Psychological Science* 9, no. 5 (2014): 538–51; L.M. Penney, E. David, and L.A. Witt, “A Review of Personality and Performance: Identifying Boundaries, Contingencies, and Future Research Directions,” *Human Resource Management Review* 21, no. 4 (2011): 297–310; T. Judge et al., “Hierarchical Representations of the Five-Factor Model of Personality in Predicting Job Performance: Integrating Three Organizing Frameworks with Two Theoretical Perspectives,” *Journal of Applied Psychology* 98, no. 6 (2013): 875–925; J. Huang et al., “Personality and Adaptive Performance at Work: A Meta-Analytic Investigation,” *Journal of Applied Psychology* 99, no. 1 (2014): 162–79.
 12. R.D.S. Chiaburu et al., “The Five-Factor Model of Personality Traits and Organizational Citizenship Behaviors: A Meta-Analysis,” *Journal of Applied Psychology* 96, no. 6 (2011): 1140–66; D.S. Chiaburu, I.-S. Oh, and S.V. Marinova, “Five-Factor Model of Personality Traits and Organizational Citizenship Behavior: Current Research and Future Directions,” in *The Oxford Handbook of Organizational Citizenship Behavior*, ed. P.M. Podsakoff, S.B. MacKenzie, and N.P. Podsakoff (New York: Oxford University Press, 2018), 203–20.
 13. R.F. Hurley, “Customer Service Behavior in Retail Settings: A Study of the Effect of Service Provider Personality,” *Journal of the Academy of Marketing Science* 26, no. 2 (1998): 115–27, <https://doi.org/10.1177/0092070398262003>; M.A.G. Peeters et al., “Personality and Team Performance: A Meta-Analysis,” *European Journal of Personality* 20, no. 5 (2006): 377–96, <https://doi.org/10.1002/per.588>; J.L. Huang and A.M. Ryan, “Beyond Personality Traits: A Study of Personality States and Situational Contingencies in Customer Service Jobs,” *Personnel Psychology* 64, no. 2 (2011): 451–88, <https://doi.org/10.1111/j.1744-6570.2011.01216.x>; B.H. Bradley et al., “Team Players and Collective Performance: How Agreeableness Affects Team Performance Over Time,” *Small Group Research* 44, no. 6 (2013): 680–711, <https://doi.org/10.1177/1046496413507609>.
 14. A. Neal et al., “Predicting the Form and Direction of Work Role Performance from the Big 5 Model of Personality Traits,” *Journal of Organizational Behavior* 33, no. 2 (2012): 175–92.
 15. J. L. Huang et al., “Personality and Adaptive Performance at Work,” *Journal of Applied Psychology* 99, no. 1 (2014): 162–79.
 16. J.B. Lloyd, “Unsubstantiated Beliefs and Values Flaw the Five-Factor Model of Personality,” *Journal of Beliefs & Values* 36, no. 2 (2015): 156–64.
 17. H. Le et al., “Too Much of a Good Thing: Curvilinear Relationships between Personality Traits and Job Performance,” *Journal of Applied Psychology* 96, no. 1 (2011): 113–33; A.M. Grant, “Rethinking the Extraverted Sales Ideal: The Ambivert Advantage,” *Psychological Science* 24, no. 6 (2013): 1024–30; G. Blalock et al., “Extraversion and Job Performance: How Context Relevance and Bandwidth Specificity Create a Non-Linear, Positive, and Asymptotic Relationship,” *Journal of Vocational Behavior* 87 (2015): 80–88; P.L. Curșeu et al., “Personality Characteristics That Are Valued in Teams: Not Always ‘More Is Better?’,” *International Journal of Psychology*, 2019, <https://doi.org/10.1002/ijop.12511>.
 18. J. Anglim and P. O’Connor, “Measurement and Research Using the Big Five, HEXACO, and Narrow Traits: A Primer for Researchers and Practitioners,” *Australian Journal of Psychology* 71, no. 1 (2019): 16–25, <https://doi.org/10.1111/ajpy.12202>.
 19. N.G. Waller and J.D. Zavala, “Evaluating the Big Five,” *Psychological Inquiry* 4, no. 2 (1993): 131–34, https://doi.org/10.1207/s15327965pli0402_13; S.V. Paunonen and

- D.N. Jackson, "What Is Beyond the Big Five? Plenty!," *Journal of Personality* 68, no. 5 (2000): 821–35, <https://doi.org/10.1111/1467-6494.00117>; L.J. Simms, "The Big Seven Model of Personality and Its Relevance to Personality Pathology," *Journal of Personality* 75, no. 1 (February 2007): 65–94, <https://doi.org/10.1111/j.1467-6494.2006.00433.x>.
20. D.L. Paulhus and K.M. Williams, "The Dark Triad of Personality: Narcissism, Machiavellianism, and Psychopathy," *Journal of Research in Personality* 36, no. 6 (2002): 556–63, [https://doi.org/10.1016/S0092-6566\(02\)00505-6](https://doi.org/10.1016/S0092-6566(02)00505-6); J.M. LeBreton, L.K. Shiverdecker, and E.M. Grimaldi, "The Dark Triad and Workplace Behavior," *Annual Review of Organizational Psychology and Organizational Behavior* 5, no. 1 (2018): 387–414, <https://doi.org/10.1146/annurev-orgpsych-032117-104451>; R. Rogoza and J. Cieciuch, "Dark Triad Traits and Their Structure: An Empirical Approach," *Current Psychology*, March 19, 2018, <https://doi.org/10.1007/s12144-018-9834-6>; S.M. Spain, "The Dark Side of Personality," in *Leadership, Work, and the Dark Side of Personality*, ed. S.M. Spain (Academic Press, 2019), 41–93, <https://doi.org/10.1016/B978-0-12-812821-3.00003-7>. A fourth trait—sadism—has recently been suggested, but it is early days to add this as a dark tetrad to our discussion.
 21. D.N. Jones and D.L. Paulhus, "Differentiating the Dark Triad Within the Interpersonal Circumplex," in *Handbook of Interpersonal Psychology*, ed. L.M. Horowitz and S. Strack (Hoboken, NJ, USA: John Wiley & Sons, Inc., 2012), 249–67, <https://doi.org/10.1002/9781118001868.ch15>; A. Book et al., "Unpacking More 'Evil': What Is at the Core of the Dark Tetrad?," *Personality and Individual Differences* 90 (2016): 269–72, <https://doi.org/10.1016/j.paid.2015.11.009>; M. Moshagen, B.E. Hilbig, and I. Zettler, "The Dark Core of Personality," *Psychological Review* 125, no. 5 (2018): 656–88, <https://doi.org/10.1037/rev0000111>; G. Hodson et al., "Is the Dark Triad Common Factor Distinct from Low Honesty-Humility?," *Journal of Research in Personality* 73 (2018): 123–29, <https://doi.org/10.1016/j.jrp.2017.11.012>.
 22. R. Christie and F. Geis, *Studies in Machiavellianism* (New York: Academic Press, 1970); S. R. Kessler et al., "Re-Examining Machiavelli: A Three-Dimensional Model of Machiavellianism in the Workplace," *Journal of Applied Social Psychology* 40, no. 8 (2010): 1868–96; E. O'Boyle et al., "A Meta-Analysis of the Dark Triad and Work Behavior: A Social Exchange Perspective," *Journal of Applied Psychology* 97, no. 3 (2012): 557–79.
 23. Z. Krizan and O. Johar, "Envy Divides the Two Faces of Narcissism," *Journal of Personality* 80, no. 5 (2012): 1415–51, <https://doi.org/10.1111/j.1467-6494.2012.00767.x>.
 24. C.J. Patrick, "Psychopathy as Masked Pathology," in *Handbook of Psychopathy*, 2nd ed. (New York: The Guilford Press, 2018), 3–21.
 25. Cited in: S.F. Smith and S.O. Lilienfeld, "Psychopathy in the Workplace: The Knowns and Unknowns," *Aggression and Violent Behavior* 18, no. 2 (2013): 204–18, <https://doi.org/10.1016/j.avb.2012.11.007>.
 26. S.F. Smith and S.O. Lilienfeld, "Psychopathy in the Workplace: The Knowns and Unknowns," *Aggression and Violent Behavior* 18, no. 2 (2013): 204–18, <https://doi.org/10.1016/j.avb.2012.11.007>; A. Cohen, "Are They among Us? A Conceptual Framework of the Relationship between the Dark Triad Personality and Counterproductive Work Behaviors (CWBs)," *Human Resource Management Review* 26, no. 1 (2016): 69–85, <https://doi.org/10.1016/j.hrmr.2015.07.003>; A. Harrison, J. Summers, and B. Mennecke, "The Effects of the Dark Triad on Unethical Behavior," *Journal of Business Ethics* 153, no. 1 (2018): 53–77, <https://doi.org/10.1007/s10551-016-3368-3>.
 27. H.L. DeShong, D.M. Grant, and S.N. Mullins-Sweatt, "Comparing Models of Counterproductive Workplace Behaviors: The Five-Factor Model and the Dark Triad," *Personality and Individual Differences* 74 (2015): 55–60, <https://doi.org/10.1016/j.paid.2014.10.001>; J.R. Van Scotter and K.D.D. Roglio, "CEO Bright and Dark Personality: Effects on Ethical Misconduct," *Journal of Business Ethics*, 2019, <https://doi.org/10.1007/s10551-018-4061-5>.
 28. C.R. Boddy, "Corporate Psychopaths, Bullying and Unfair Supervision in the Workplace," *Journal of Business Ethics* 100, no. 3 (2011): 367–79, <https://doi.org/10.1007/s10551-010-0689-5>; S.F. Smith and S.O. Lilienfeld, "Psychopathy in the Workplace: The Knowns and Unknowns," *Aggression and Violent Behavior* 18, no. 2 (2013): 204–18, <https://doi.org/10.1016/j.avb.2012.11.007>.
 29. D.N. Jones, "Risk in the Face of Retribution: Psychopathic Individuals Persist in Financial Misbehavior among the Dark Triad," *Personality and Individual Differences*, The Dark Triad of Personality, 67 (2014): 109–13, <https://doi.org/10.1016/j.paid.2014.01.030>; L. ten Brinke, A. Kish, and D. Keltner, "Hedge Fund Managers With Psychopathic Tendencies Make for Worse Investors," *Personality and Social Psychology Bulletin* 44, no. 2 (2018): 214–23, <https://doi.org/10.1177/0146167217733080>.
 30. M.A. Baysinger, K.T. Scherer, and J.M. LeBreton, "Exploring the Disruptive Effects of Psychopathy and Aggression on Group Processes and Group Effectiveness," *Journal of Applied Psychology* 99, no. 1 (2014): 48–65, <https://doi.org/10.1037/a0034317>; A.G. Nassif, "Heterogeneity and Centrality of 'Dark Personality' within Teams, Shared Leadership, and Team Performance: A Conceptual Moderated-Mediation Model," *Human Resource Management Review*, December 2018, <https://doi.org/10.1016/j.hrmr.2018.11.003>.
 31. C.A. O'Reilly et al., "Narcissistic CEOs and Executive Compensation," *The Leadership Quarterly* 25, no. 2 (2014): 218–31, <https://doi.org/10.1016/j.lequa.2013.08.002>; K.J. Templar, "Dark Personality, Job Performance Ratings, and the Role of Political Skill: An Indication of Why Toxic People May Get Ahead at Work," *Personality and Individual Differences* 124 (2018): 209–14, <https://doi.org/10.1016/j.paid.2017.11.030>; W. Hart, K. Richardson, and G.K. Tortoriello, "Meet Your Public Relations Team: People with Dark Traits May Help You Manage Your Image," *Personality and Individual Differences* 134 (2018): 164–73, <https://doi.org/10.1016/j.paid.2018.06.019>; D.K. Marcus, J. Preszler, and V. Zeigler-Hill, "A Network of Dark Personality Traits: What Lies at the Heart of Darkness?," *Journal of Research in Personality* 73 (2018): 56–62, <https://doi.org/10.1016/j.jrp.2017.11.003>.
 32. E.A. Witt et al., "Assessment of Fearless Dominance and Impulsive Antisociality via Normal Personality Measures: Convergent Validity, Criterion Validity, and Developmental Change," *Journal of Personality*

- Assessment* 91, no. 3 (May 2009): 265–76, <https://doi.org/10.1080/00223890902794317>; S.O. Lilienfeld et al., “Fearless Dominance and the U.S. Presidency: Implications of Psychopathic Personality Traits for Successful and Unsuccessful Political Leadership,” *Journal of Personality and Social Psychology* 103, no. 3 (2012): 489–505, <https://doi.org/10.1037/a0029392>; J.L. Maples et al., “An Examination of the Correlates of Fearless Dominance and Self-Centered Impulsivity among High-Frequency Gamblers,” *Journal of Personality Disorders, New York* 28, no. 3 (June 2014): 379–93, <http://dx.doi.org.ezproxy.newcastle.edu.au/101521pedi201327125>; H. Eisenbarth, C.M. Hart, and C. Sedikides, “Do Psychopathic Traits Predict Professional Success?,” *Journal of Economic Psychology* 64 (2018): 130–39, <https://doi.org/10.1016/j.jeop.2018.01.002>.
33. C.G. Jung, *Psychological Types*, trans. H.G. Baynes (Princeton, NJ: Princeton University Press, 1971); I.B. Myers, *The Myers-Briggs Type Indicator* (Palo Alto, CA: Consulting Psychologists Press, 1987).
 34. J. Michael, “Using the Myers-Briggs Type Indicator as a Tool for Leadership Development? Apply with Caution,” *Journal of Leadership & Organizational Studies* 10 (2003): 68–81; R.M. Capraro and M.M. Capraro, “Myers-Briggs Type Indicator Score Reliability across Studies: A Meta-Analytic Reliability Generalization Study,” *Educational and Psychological Measurement* 62 (2002): 590–602; B.S. Kuipers et al., “The Influence of Myers-Briggs Type Indicator Profiles on Team Development Processes,” *Small Group Research* 40, no. 4 (2009): 436–64; F.W. Brown and M.D. Reilly, “The Myers-Briggs Type Indicator and Transformational Leadership,” *Journal of Management Development* 28, no. 10 (2009): 916–32; A. Luse et al., “Personality and Cognitive Style as Predictors of Preference for Working in Virtual Teams,” *Computers in Human Behavior* 29, no. 4 (2013): 1825–32.
 35. R.B. Kennedy and D.A. Kennedy, “Using the Myers-Briggs Type Indicator in Career Counseling,” *Journal of Employment Counseling* 41, no. 1 (2004): 38–44; K.-H. Lee, Y. Choi, and D.J. Stonier, “Evolutionary Algorithm for a Genetic Robot’s Personality Based on the Myers-Briggs Type Indicator,” *Robotics and Autonomous Systems* 60, no. 7 (2012): 941–61; S.J. Armstrong, E. Cools, and E. Sadler-Smith, “Role of Cognitive Styles in Business and Management: Reviewing 40 Years of Research,” *International Journal of Management Reviews* 14, no. 3 (2012): 238–62.
 36. J.B. Lloyd, “Unsubstantiated Beliefs and Values Flaw the Five-Factor Model of Personality,” *Journal of Beliefs & Values* 36, no. 2 (2015): 156–64.
 37. Based on information in B. O’Leary, “Conserve, Preserve, and Serve,” *Electrical Apparatus*, February 2016, 19–22.
 38. B.M. Meglino and E.C. Ravlin, “Individual Values in Organizations: Concepts, Controversies, and Research,” *Journal of Management* 24, no. 3 (1998): 351–89; B.R. Agle and C.B. Caldwell, “Understanding Research on Values in Business,” *Business and Society* 38, no. 3 (1999): 326–87; S. Hitlin and J.A. Pilavin, “Values: Reviving a Dormant Concept,” *Annual Review of Sociology* 30 (2004): 359–93; L. Sagiv et al., “Personal Values in Human Life,” *Nature Human Behaviour* 1, no. 9 (September 2017): 630–39, <https://doi.org/10.1038/s41562-017-0185-3>.
 39. D. Lubinski, D.B. Schmidt, and C.P. Benbow, “A 20-Year Stability Analysis of the Study of Values for Intellectually Gifted Individuals from Adolescence to Adulthood,” *Journal of Applied Psychology* 81 (1996): 443–51. A more recent example of values stability is reported in: R. Sundberg, “Value Stability and Change in an ISAF Contingent,” *Journal of Personality* 84, no. 1 (2016): 91–101, <https://doi.org/10.1111/jopy.12142>.
 40. L. Parks and R.P. Guay, “Personality, Values, and Motivation,” *Personality and Individual Differences* 47, no. 7 (2009): 675–84; L. Parks-Leduc, G. Feldman, and A. Bardi, “Personality Traits and Personal Values: A Meta-Analysis,” *Personality and Social Psychology Review* 19, no. 1 (2015): 3–29.
 41. S.H. Schwartz, “Universals in the Content and Structure of Values: Theoretical Advances and Empirical Tests in 20 Countries,” *Advances in Experimental Social Psychology* 25 (1992): 1–65; S.H. Schwartz and K. Boehnke, “Evaluating the Structure of Human Values with Confirmatory Factor Analysis,” *Journal of Research in Personality* 38, no. 3 (2004): 230–55; I. Borg, A. Bardi, and S.H. Schwartz, “Does the Value Circle Exist Within Persons or Only Across Persons?,” *Journal of Personality* 85, no. 2 (2017): 151–62, <https://doi.org/10.1111/jopy.12228>. Schwartz’s model is currently being revised, but the new model is similar in overall design and still requires refinement. One recent study found that Schwartz’s new model is the strongest predictor among various values models. See S.H. Schwartz et al., “Refining the Theory of Basic Individual Values,” *Journal of Personality and Social Psychology* 103, no. 4 (2012): 663–88; P.H.P. Hanek, L.F. Litzellachner, and G.R. Maio, “An Empirical Comparison of Human Value Models,” *Frontiers in Psychology* 9 (September 25, 2018), <https://doi.org/10.3389/fpsyg.2018.01643>
 42. N.T. Feather, “Values, Valences, and Choice: The Influence of Values on the Perceived Attractiveness and Choice of Alternatives,” *Journal of Personality and Social Psychology* 68, no. 6 (1995): 1135–51; L. Sagiv, N. Sverdlik, and N. Schwarz, “To Compete or to Cooperate? Values’ Impact on Perception and Action in Social Dilemma Games,” *European Journal of Social Psychology* 41, no. 1 (2011): 64–77; S.H. Schwartz and T. Butenko, “Values and Behavior: Validating the Refined Value Theory in Russia,” *European Journal of Social Psychology* 44, no. 7 (2014): 799–813.
 43. G.R. Maio et al., “Addressing Discrepancies between Values and Behavior: The Motivating Effect of Reasons,” *Journal of Experimental Social Psychology* 37, no. 2 (2001): 104–17; A. Bardi and S.H. Schwartz, “Values and Behavior: Strength and Structure of Relations,” *Personality and Social Psychology Bulletin* 29, no. 10 (2003): 1207–20; L. Sagiv, N. Sverdlik, and N. Schwarz, “To Compete or to Cooperate? Values’ Impact on Perception and Action in Social Dilemma Games,” *European Journal of Social Psychology* 41, no. 1 (2011): 64–77; K.M. Sheldon and L.S. Krieger, “Walking the Talk: Value Importance, Value Enactment, and Well-Being,” *Motivation and Emotion* 38 (2014): 609–19.
 44. E. Dreezens et al., “The Missing Link: On Strengthening the Relationship between Values and Attitudes,” *Basic and Applied Social Psychology* 30, no. 2 (2008): 142–52; S. Arieli, A.M. Grant, and L. Sagiv, “Convincing Yourself to Care About Others: An Intervention for Enhancing Benevolence Values,” *Journal of Personality* 82, no. 1 (2014): 15–24.

45. N. Mazar, O. Amir, and D. Ariely, "The Dishonesty of Honest People: A Theory of Self-Concept Maintenance," *Journal of Marketing Research* 45 (2008): 633–44.
46. M.L. Verquer, T.A. Beehr, and S.H. Wagner, "A Meta-Analysis of Relations between Person–Organization Fit and Work Attitudes," *Journal of Vocational Behavior* 63 (2003): 473–89; J.W. Westerman and L.A. Cyr, "An Integrative Analysis of Person–Organization Fit Theories," *International Journal of Selection and Assessment* 12, no. 3 (2004): 252–61; J.R. Edwards and D.M. Cable, "The Value of Value Congruence," *Journal of Applied Psychology* 94, no. 3 (2009): 654–77. We use the phrase "values congruence" (plural, NOT the singular "value congruence") because values operate as a set, not individually. Also, "value" is easily confused with the economic concept of worth of something relative to price.
47. The Conference Board, *CEO Challenge 2014* (New York: The Conference Board, January 2014); S. Giles, "The Most Important Leadership Competencies, According to Leaders around the World," *Harvard Business Review Digital Articles* (March 2016): 2–6.
48. P.L. Schumann, "A Moral Principles Framework for Human Resource Management Ethics," *Human Resource Management Review* 11(2001): 93–111; J.A. Boss, *Analyzing Moral Issues*, 6th ed. (New York: McGraw-Hill, 2013), Chap. 1; A. Gustafson, "In Defense of a Utilitarian Business Ethic," *Business and Society Review* 118, no. 3 (2013): 325–60.
49. J.C. Tronto, *Moral Boundaries: A Political Argument for an Ethic of Care* (Psychology Press, 1993), Chap. 5; T.F. Hawk, "An Ethic of Care: A Relational Ethic for the Relational Characteristics of Organizations," in *Applying Care Ethics to Business*, ed. M. Hamington and M. Sander-Staudt (Dordrecht: Springer Netherlands, 2011), 3–34, https://doi.org/10.1007/978-90-481-9307-3_1.
50. D. Engster, "Care Ethics and Stakeholder Theory," in *Applying Care Ethics to Business*, ed. M. Hamington and M. Sander-Staudt (Dordrecht: Springer Netherlands, 2011), 93–110, https://doi.org/10.1007/978-90-481-9307-3_5; J. Nicholson and E. Kurucz, "Relational Leadership for Sustainability: Building an Ethical Framework from the Moral Theory of 'Ethics of Care,'" *Journal of Business Ethics*, 2017, <https://doi.org/10.1007/s10551-017-3593-4>; G.J. Lemoine, C.A. Hartnell, and H. Leroy, "Taking Stock of Moral Approaches to Leadership: An Integrative Review of Ethical, Authentic, and Servant Leadership," *Academy of Management Annals* 13, no. 1 (2018): 148–87, <https://doi.org/10.5465/annals.2016.0121>.
51. For analysis of these predictors of ethical conduct, see J.J. Kish-Gephart, D.A. Harrison, and L.K. Treviño, "Bad Apples, Bad Cases, and Bad Barrels: Meta-Analytic Evidence about Sources of Unethical Decisions at Work," *Journal of Applied Psychology* 95, no. 1 (2010): 1–32.
52. T.M. Jones, "Ethical Decision Making by Individuals in Organizations: An Issue-Contingent Model," *Academy of Management Review* 16 (1991): 366–95; T. Barnett, "Dimensions of Moral Intensity and Ethical Decision Making: An Empirical Study," *Journal of Applied Social Psychology* 31, no. 5 (2001): 1038–57; S. Valentine and D. Hollingsworth, "Moral Intensity, Issue Importance, and Ethical Reasoning in Operations Situations," *Journal of Business Ethics* 108, no. 4 (2012): 509–23; T.T. Moores, H.J. Smith, and M. Limayem, "Putting the Pieces Back Together: Moral Intensity and Its Impact on the Four-Component Model of Morality," *Business and Society Review* 123, no. 2 (2018): 243–68, <https://doi.org/10.1111/basr.12141>.
53. K. Weaver, J. Morse, and C. Mitcham, "Ethical Sensitivity in Professional Practice: Concept Analysis," *Journal of Advanced Nursing* 62, no. 5 (2008): 607–18; L.J.T. Pedersen, "See No Evil: Moral Sensitivity in the Formulation of Business Problems," *Business Ethics: A European Review* 18, no. 4 (2009): 335–48. According to one recent neuroscience study, the emotional aspect of moral sensitivity declines and the cognitive aspect increases between early childhood and young adulthood. See J. Decety, K.J. Michalska, and K.D. Kinzler, "The Contribution of Emotion and Cognition to Moral Sensitivity: A Neurodevelopmental Study," *Cerebral Cortex* 22, no. 1 (2012): 209–20.
54. D. You, Y. Maeda, and M.J. Bebeau, "Gender Differences in Moral Sensitivity: A Meta-Analysis," *Ethics & Behavior* 21, no. 4 (2011): 263–82; A.H. Chan and H. Cheung, "Cultural Dimensions, Ethical Sensitivity, and Corporate Governance," *Journal of Business Ethics* 110, no. 1 (2012): 45–59; J.R. Sparks, "A Social Cognitive Explanation of Situational and Individual Effects on Moral Sensitivity," *Journal of Applied Social Psychology* 45, no. 1 (2015): 45–54; S.J. Reynolds and J.A. Miller, "The Recognition of Moral Issues: Moral Awareness, Moral Sensitivity and Moral Attentiveness," *Current Opinion in Psychology* 6 (2015): 114–17.
55. J. Boegershausen, K. Aquino, and A. Reed II, "Moral Identity," *Current Opinion in Psychology* 6 (2015): 162–66.
56. N. Ruedy and M. Schweitzer, "In the Moment: The Effect of Mindfulness on Ethical Decision Making," *Journal of Business Ethics* 95, no. 1 (2010): 73–87.
57. M.H. Bazerman and F. Gino, "Behavioral Ethics: Toward a Deeper Understanding of Moral Judgment and Dishonesty," *Annual Review of Law and Social Science* 8, no. 1 (2012): 85–104; M. Knoll et al., "Examining the Moral Grey Zone: The Role of Moral Disengagement, Authenticity, and Situational Strength in Predicting Unethical Managerial Behavior," *Journal of Applied Social Psychology* 46, no. 1 (2016): 65–78. The survey results are reported in A. Tenbrunsel and J. Thomas, *The Street, the Bull and the Crisis: A Survey of the US & UK Financial Services Industry*, University of Notre Dame and Labaton Sucharow (Indiana and New York: May 2015); D. Johnson, *Ethics at Work 2015 Survey of Employees: Main Findings and Themes* (London: Institute of Business Ethics, November 2015).
58. H. Donker, D. Poff, and S. Zahir, "Corporate Values, Codes of Ethics, and Firm Performance: A Look at the Canadian Context," *Journal of Business Ethics* 82, no. 3 (2008): 527–37; G. Svensson et al., "Ethical Structures and Processes of Corporations Operating in Australia, Canada, and Sweden: A Longitudinal and Cross-Cultural Study," *Journal of Business Ethics* 86, no. 4 (2009): 485–506; L. Preuss, "Codes of Conduct in Organisational Context: From Cascade to Lattice-Work of Codes," *Journal of Business Ethics* 94, no. 4 (2010): 471–87.
59. G. Svensson et al., "Ethical Structures and Processes of Corporations Operating in Australia, Canada, and

- Sweden: A Longitudinal and Cross-Cultural Study," *Journal of Business Ethics* 86, no. 4 (2009): 485–506.
60. S.L. Grover, T. Nadisic, and D.L. Patient, "Bringing Together Different Perspectives on Ethical Leadership," *Journal of Change Management* 12, no. 4 (2012): 377–81; J. Jordan et al., "Someone to Look Up To: Executive-Follower Ethical Reasoning and Perceptions of Ethical Leadership," *Journal of Management* 39, no. 3 (2013): 660–83; J. Jaeger, "Compliance Culture Depends on Middle Management," *Compliance Week*, February 2014, 47–61.
 61. Y. Minji. "Rolling Up the Sleeves," *Shanghai Daily*, September 3, 2012.
 62. Individualism and collectivism information is from the meta-analysis by Oyserman et al., not the earlier findings by Hofstede. See D. Oyserman, H.M. Coon, and M. Kemmelmeier, "Rethinking Individualism and Collectivism: Evaluation of Theoretical Assumptions and Meta-Analyses," *Psychological Bulletin* 128 (2002): 3–72. Consistent with Oyserman et al., a recent study found high rather than low individualism among Chileans. See A. Kolstad and S. Horpestad, "Self-Construal in Chile and Norway," *Journal of Cross-Cultural Psychology* 40, no. 2 (2009): 275–81.
 63. F.S. Niles, "Individualism–Collectivism Revisited," *Cross-Cultural Research* 32 (1998): 315–41; C.P. Earley and C.B. Gibson, "Taking Stock in Our Progress on Individualism–Collectivism: 100 Years of Solidarity and Community," *Journal of Management* 24 (1998): 265–304; C.L. Jackson et al., "Psychological Collectivism: A Measurement Validation and Linkage to Group Member Performance," *Journal of Applied Psychology* 91, no. 4 (2006): 884–99.
 64. D. Oyserman, H.M. Coon, and M. Kemmelmeier, "Rethinking Individualism and Collectivism: Evaluation of Theoretical Assumptions and Meta-Analyses," *Psychological Bulletin* 128 (2002): 3–72; H. Vargas and M. Kemmelmeier, "Ethnicity and Contemporary American Culture: A Meta-Analytic Investigation of Horizontal–Vertical Individualism–Collectivism," *Journal of Cross-Cultural Psychology* 44, no. 2 (2013): 195–222; Y. Kashima, P.G. Bain, and A. Perfors, "The Psychology of Cultural Dynamics: What Is It, What Do We Know, and What Is Yet to Be Known?," *Annual Review of Psychology* 70, no. 1 (2019): 499–529, <https://doi.org/10.1146/annurev-psych-010418-103112>.
 65. M. Voronov and J.A. Singer, "The Myth of Individualism–Collectivism: A Critical Review," *Journal of Social Psychology* 142 (2002): 461–80; Y. Takano and S. Sogon, "Are Japanese More Collectivistic Than Americans?," *Journal of Cross-Cultural Psychology* 39, no. 3 (2008): 237–50; D. Dalsky, "Individuality in Japan and the United States: A Cross-Cultural Priming Experiment," *International Journal of Intercultural Relations* 34, no. 5 (2010): 429–35. Japan scored 46 on individualism in Hofstede's original study, placing it a little below the middle of the range and around the 60th percentile among the countries studied. Recent studies suggest that Japan has become even more individualistic in recent years. See Y. Ogihara et al., "Are Common Names Becoming Less Common? The Rise in Uniqueness and Individualism in Japan," *Frontiers in Psychology* 6 (2015): 1490.
 66. G. Hofstede, *Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations across Nations*, 2nd ed. (Thousand Oaks, CA: Sage, 2001).
 67. G. Hofstede, *Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations across Nations*, 2nd ed. (Thousand Oaks, CA: Sage, 2001). Hofstede used the terms *masculinity* and *femininity* for *achievement* and *nurturing orientation*, respectively. We (along with other writers) have adopted the latter two terms to minimize the sexist perspective of these concepts. Also, readers need to be aware that achievement orientation is assumed to be opposite of nurturing orientation, but this opposing relationship might be questioned.
 68. V. Taras, J. Rowley, and P. Steel, "Half a Century of Measuring Culture: Review of Approaches, Challenges, and Limitations Based on the Analysis of 121 Instruments for Quantifying Culture," *Journal of International Management* 15, no. 4 (2009): 357–73.
 69. R.L. Tung and A. Verbeke, "Beyond Hofstede and GLOBE: Improving the Quality of Cross-Cultural Research," *Journal of International Business Studies* 41, no. 8 (2010): 1259–74.
 70. N. Jacob, "Cross-Cultural Investigations: Emerging Concepts," *Journal of Organizational Change Management* 18, no. 5 (2005): 514–28; V. Taras, B.L. Kirkman, and P. Steel, "Examining the Impact of Culture's Consequences: A Three-Decade, Multilevel, Meta-Analytic Review of Hofstede's Cultural Value Dimensions," *Journal of Applied Psychology* 95, no. 3 (2010): 405–39.
 71. M. Adams, *Fire and Ice: The United States, Canada, and the Myth of Converging Values* (Toronto: Penguin Canada, 2004); C. Woodard, *American Nations: A History of the Eleven Rival Regional Cultures of North America* (New York: Viking, 2011).
 72. D. Oyserman, H.M. Coon, and M. Kemmelmeier, "Rethinking Individualism and Collectivism: Evaluation of Theoretical Assumptions and Meta-Analyses," *Psychological Bulletin* 128 (2002): 3–72. However, a recent meta-analysis found only minor differences across ethnic groups. See J.H. Vargas and M. Kemmelmeier, "Ethnicity and Contemporary American Culture: A Meta-Analytic Investigation of Horizontal–Vertical Individualism–Collectivism," *Journal of Cross-Cultural Psychology* 44, no. 2 (2013): 195–222.
 73. J.A. Vandello and D. Cohen, "Patterns of Individualism and Collectivism across the United States," *Journal of Personality and Social Psychology* 77, no. 2 (1999): 279–92; B. MacNab, R. Worthley, and S. Jenner, "Regional Cultural Differences and Ethical Perspectives within the United States: Avoiding Pseudo-Ethic Research," *Business and Society Review* 115, no. 1 (2010): 27–55; J. Lun, B. Mesquita, and B. Smith, "Self- and Other-Presentational Styles in the Southern and Northern United States: An Analysis of Personal Ads," *European Journal of Social Psychology* 41, no. 4 (2011): 435–45; P.J. Rentfrow et al., "Divided We Stand: Three Psychological Regions of the United States and Their Political, Economic, Social, and Health Correlates," *Journal of Personality and Social Psychology* 105, no. 6 (2013): 996–1012.
 74. V.C. Plaut, H. Rose Markus, and M.E. Lachman, "Place Matters: Consensual Features and Regional Variation in

- American Well-Being and Self," *Journal of Personality and Social Psychology* 83, no. 1 (2002): 160–84; P.J. Rentfrow, "Statewide Differences in Personality: Toward a Psychological Geography of the United States," *American Psychologist* 65, no. 6 (2010): 548–58; K.H. Rogers and D. Wood, "Accuracy of United States Regional Personality Stereotypes," *Journal of Research in Personality* 44, no. 6 (2010): 704–13; J. Lieske, "The Changing Regional Subcultures of the American States and the Utility of a New Cultural Measure," *Political Research Quarterly* 63, no. 3 (2010): 538–52.
75. P.J. Rentfrow, "Statewide Differences in Personality: Toward a Psychological Geography of the United States," *American Psychologist* 65, no. 6 (2010): 548–58; J. Lieske, "The Changing Regional Subcultures of the American States and the Utility of a New Cultural Measure," *Political Research Quarterly* 63, no. 3 (2010): 538–52.
76. J.R. Harrington and M.J. Gelfand, "Tightness–Looseness across the 50 United States," *Proceedings of the National Academy of Sciences* 111, no. 22 (2014): 7990–95.
77. M. Motyl et al., "How Ideological Migration Geographically Segregates Groups," *Journal of Experimental Social Psychology* 51 (2014): 1–14; S. Oishi, T. Talhelm, and M. Lee, "Personality and Geography: Introverts Prefer Mountains," *Journal of Research in Personality* 58 (2015): 55–68.
- a. M.J. Coren and Y. Zhou, "We've Tracked All of Musk's Tweets since 2015. It's Never Been like This," *Quartz*, June 1, 2018; D. Lovric and T. Chamorro-Premuzic, "Why Great Success Can Bring Out the Worst Parts of Our Personalities," *Harvard Business Review (Online)*, August 9, 2018; S. Singh, S.D. Farley, and J.J. Donahue, "Grandiosity on Display: Social Media Behaviors and Dimensions of Narcissism," *Personality and Individual Differences* 134 (2018): 308–13, <https://doi.org/10.1016/j.paid.2018.06.039>; J.L. McCain and W.K. Campbell, "Narcissism and Social Media Use: A Meta-Analytic Review," *Psychology of Popular Media Culture* 7, no. 3 (2018): 308–27, <https://doi.org/10.1037/ppm0000137>; C.A. O'Reilly, B. Doerr, and J.A. Chatman, "'See You in Court': How CEO Narcissism Increases Firms' Vulnerability to Lawsuits," *The Leadership Quarterly* 29, no. 3 (2018): 365–78, <https://doi.org/10.1016/j.lequa.2017.08.001>; P. Marx, "Opinion | Elon Musk's Twitter Meltdowns Are Just the Beginning," *NBC News*, October 24, 2018; S. Ben-Hur, "Will Elon Musk's Narcissism Be His Downfall?," *Research & Knowledge, IMD Business School (blog)*, October 2018, <https://www.imd.org/research-knowledge/articles/Will-Elon-Musks-narcissism-be-his-downfall/>; A. Ohnsman, "Elon Musk's Tesla Tweet Puts CEO Role At Risk Again," *Forbes*, February 25, 2019; M.J. Coren, "Elon Musk May Not Be the Narcissist Tesla Needs Right Now," *Quartz*, March 4, 2019.
- b. Based on information reported in J. Ubay, "Top Hawaii CEOs Rely on Executive Coaches to Stay Sharp," *Pacific Business News (Hawaii)*, February 13, 2015.
- c. K. Murphy and J.L. Dziewczynski, "Why Don't Measures of Broad Dimensions of Personality Perform Better as Predictors of Job Performance?," *Human Performance* 18, no. 4 (2005): 343–57; F.P. Morgeson et al., "Reconsidering the Use of Personality Tests in Personnel Selection Contexts," *Personnel Psychology* 60, no. 3 (2007): 683–729; N. Schmitt, "Personality and Cognitive Ability as Predictors of Effective Performance at Work," *Annual Review of Organizational Psychology and Organizational Behavior* 1, no. 1 (2014): 45–65.
- d. J. Stoeber, K. Otto, and C. Dalbert, "Perfectionism and the Big Five: Conscientiousness Predicts Longitudinal Increases in Self-Oriented Perfectionism," *Personality and Individual Differences* 47, no. 4 (2009): 363–68; C.J. Boyce, A.M. Wood, and G.D.A. Brown, "The Dark Side of Conscientiousness: Conscientious People Experience Greater Drops in Life Satisfaction Following Unemployment," *Journal of Research in Personality* 44, no. 4 (2010): 535–39.
- e. S.D. Risavy and P.A. Hausdorf, "Personality Testing in Personnel Selection: Adverse Impact and Differential Hiring Rates," *International Journal of Selection and Assessment* 19, no. 1 (2011): 18–30.
- f. N.S. Hartman and W.L. Grubb, "Deliberate Faking on Personality and Emotional Intelligence Measures," *Psychological Reports* 108, no. 1 (2011): 120–38; J.J. Donovan, S.A. Dwight, and D. Schneider, "The Impact of Applicant Faking on Selection Measures, Hiring Decisions, and Employee Performance," *Journal of Business and Psychology* 29, no. 3 (2014): 479–93.
- g. B.S. Connolly and D.S. Ones, "An Other Perspective on Personality: Meta-Analytic Integration of Observers' Accuracy and Predictive Validity," *Psychological Bulletin* 136, no. 6 (2010): 1092–122; J.J. Jackson et al., "Your Friends Know How Long You Will Live: A 75-Year Study of Peer-Rated Personality Traits," *Psychological Science* 26, no. 3 (2015): 335–40.
- h. L. Colan, "The Authentic Workplace: Aligning Work and Personal Values," *Inc.*, November 30, 2016.
- i. "We Believe That Your Values Are More Important than Your CV," *Human Resources Director Australia*, April 11, 2018; V. Sawhney, "What I Look for in Candidates: An Interview with Anna-Carin Månnsson," *HBR Ascend (blog)*, August 2018, <https://hbrascend.org/topics/look-candidate-interview-anna-carin-mansson/>; N. Yazxhi, "BM Expert: How to Future Proof Your Career," *Bellamumma (blog)*, October 17, 2018, <http://bellamumma.com/2018/10/17/bm-expert-how-to-future-proof-your-career/>; C. Lamba, "Understanding the HR Policies of IKEA," *India Retailing*, December 17, 2018.
- j. J.T. Kennedy, "Alcoa's William O'Rourke: Ethical Business Practices, from Russia to Sustainability," *Carnegie Council*, April 27, 2011; A. Graham, "The Thought Leader Interview: William J. O'Rourke," *strategy + business*, Winter 2012, 1–7; B. O'Rourke, *Seek True North: Stories on Leadership and Ethics*, YouTube (Park City, Utah: The Wheatley Institution, 2016), <https://www.youtube.com/watch?v=bmFDXecIqJM>.
- k. Ethics & Compliance Initiative, *Global Business Ethics Survey: Measuring Risk and Promoting Workplace Integrity* (Arlington, VA: Ethics & Compliance Initiative, June 2016), 9.
- l. T. Mickle and E. Pfanner, "Jim Beam's New Owner Mixes Global Cocktail," *The Wall Street Journal*, May 4, 2015, A1; K. Moritsugu, "Merging US, Japan Work Cultures a Challenge for Beam Suntory," Associated Press, January 15, 2016.



3

Perceiving Ourselves and Others in Organizations



Learning Objectives ➤

After studying this chapter, you should be able to:

- LO 3-1** Describe the self-concept characteristics and processes, and explain how each affects an individual's behavior and well-being.
- LO 3-2** Outline the perceptual process and discuss the effects of categorical thinking and mental models in that process.
- LO 3-3** Discuss how stereotyping, attribution, self-fulfilling prophecy, halo, false consensus, primacy, and recency effects influence the perceptual process.
- LO 3-4** Discuss three ways to improve perceptions, with specific application to organizational situations.
- LO 3-5** Outline the main features of a global mindset and justify its usefulness to employees and organizations.

When Gladys Kong and her coworkers at UberMedia attend an engineering or technology conference, people often approach her with marketing questions and her male coworkers with engineering questions. The visitors

assume that, as a female, Kong does marketing whereas the guys around her are the engineers. They don't realize that Kong is not only an engineer; she is the CEO and formerly the chief technology officer of the mobile location and data company. "I either have to wear a sign that I am an engineer or I have to show them I know what I am talking about," says Kong.

Gladys Kong might brush off these misperceptions and stereotyping, but they partly explain why women represent only about 15 percent of the engineering workforce in the United States (similar to several other countries) and little more than 20 percent of recent engineering graduates. "With friends referring to [one female engineer's work] as a man's job and another woman speaking about how someone asked her if she wore a hard hat and rigger boots to work, it's clear that there is still a male stereotype surrounding the field," says Ruth Hancock, a senior executive at a global engineering recruitment firm.



PART 2: INDIVIDUAL BEHAVIOR AND PROCESSES

"We need to urgently change the image of women in engineering," says Michelle Unger, a civil engineer specializing in subsea and pipeline technology at a Swiss-based engineering firm. "I now know that this image of an engineer is both incorrect and—frankly—what probably discourages teenage school girls," says Unger. "I do not wear a hard hat, or work in a muddy field. Very few of us will ever do that. Let's drop this image."

Female engineers also face various forms of discrimination and prejudice. For example, a Google engineer in California and the CEO of a South African engineering association recently espoused long-refuted ideas that women aren't suited biologically or personality-wise to engineering.

More subtle discrimination is evident in how some male engineers treat their female coworkers. "Two girls in a group had been working on the robot we were building in that class for hours, and the guys in their group came back in and within minutes had sentenced them to doing menial tasks while the guys went and had all the fun in the machine shop," complains one female engineering student. Another female student notes how some male engineers nonconsciously communicate their low expectations of female peers. "I felt like whenever [the male team members] would have technical conversations, they would kind of dumb it down for me."¹



Gorodenkoff/Shutterstock

Stereotypes, discrimination, and other misperceptions are a few of the reasons why women are under-represented in the engineering profession.

Companies that employ engineering professionals face two challenges in attracting and keeping women in this occupation: (1) the concept women have about themselves as engineers; and (2) the perceptions they and others have about engineers and about women in these roles. We discuss both these related topics in this chapter. First, we examine how people perceive themselves—their self-concept—and how that self-perception affects their decisions and behavior. Next, we focus on perceptions in organizational settings, beginning with how we select, organize, and interpret information. We also review several specific perceptual processes such as stereotyping, attribution, and self-fulfilling prophecy. This is followed by a discussion of potentially effective ways to improve perceptions. The final section of this chapter reviews the main elements of global mindset, a largely perceptual process valued in this increasingly globalized world.

Self-Concept: How We Perceive Ourselves

LO 3-1

self-concept
an individual's self-beliefs and self-evaluations

Why are there so few female engineers in the United States and many other countries? As the opening case study to this chapter suggests, women are often presented with a mostly inaccurate image of engineering that is incompatible with their self-view. They also receive low-expectation signals from male coworkers, which affects their self-evaluation. This amplifies any earlier self-doubts that may have arisen in high school regarding performance in engineering-related courses. For instance, one recent study found that 14-year-old girls significantly underestimated their performance on science and technology tests, whereas boys slightly over-rated themselves, even though average scores were about the same for both genders.²

These barriers to women entering and remaining in engineering are core elements of self-concept. **Self-concept** refers to an individual's self-beliefs and self-evaluations.³ It is the "Who am I?" and "How do I feel about myself?" that people ask themselves and that guide their decisions and actions. Whether contemplating a career in engineering or any other occupation, we compare our images of that job with our current perceived self and desired ideal self. We also evaluate our current and desired abilities to determine whether there is a good fit with that type of work. Our self-concept is defined at three levels: individual, relational, and collective. Specifically, we view ourselves in terms of our personal traits (individual self), connections to friends and coworkers (relational self), and roles in teams, organizations, social groups, and other entities (collective self).⁴

SELF-CONCEPT COMPLEXITY, CONSISTENCY, AND CLARITY

An individual's self-concept can be described by three characteristics: complexity, consistency, and clarity (see Exhibit 3.1). *Complexity* refers to the number of distinct and important roles or identities that people perceive about themselves.⁵ Everyone has some degree of complexity because they see themselves in different roles at various times (student, friend, daughter, sports fan etc.). People are generally motivated to increase their complexity (called *self-expansion*) as they seek out new opportunities and social connections. Your self-concept becomes more complex, for example, as you move from being an accountant to a manager because you have acquired additional roles.

Self-concept complexity is defined by more than just the number of identities that a person has; it is also defined by the separation of those identities. An individual with

EXHIBIT 3.1**Self-Concept Characteristics and Processes**

several identities might still have low self-concept complexity when those identities are highly interconnected, such as when they are all work related (manager, engineer, family income earner). Complexity is higher when the multiple identities have a low correlation with one another, such as when they apply to fairly distinct spheres of life.

Although everyone has multiple selves, only some of those identities dominate their attention at one time.⁶ A particular self-view (parent, manager, etc.) is usually domain specific; it is more likely to be activated in some settings than in others. People shift their self-concept more easily when the activated self-view is important and compatible with the situation. For instance, as people travel from home to work, they can usually shift their self-view from being a parent to being an executive because each role is important and fits into the home and work contexts, respectively. In contrast, some employees struggle to focus on their occupational self-concept when working from home (remote work).

Consistency, the second self-concept characteristic, is the degree to which the individual's identities require similar personal attributes. High consistency exists when the individual's identities are compatible with one another and with his or her actual personality traits, values, and other attributes. Low consistency occurs when some self-views require personal attributes that conflict with attributes required for other self-views, such as when a safety-conscious engineer also defines himself or herself as a risk-oriented surfer. Low consistency also occurs when an individual's dominant self-concept identities are incompatible with his or her actual personal attributes. This would occur when someone has a self-view as a highly creative individual yet has moderately low openness-to-experience personality and values.

The third self-concept characteristic is *clarity*, which refers to the degree to which a person's self-concept is clear, confidently defined, and stable.⁷ Clarity occurs when someone is confident about "who I am", can describe their important identities to others, and provide the same description of themselves across time. Self-concept clarity increases with age because personality and values become relatively stable by adulthood and people develop better self-awareness through life experiences. Clarity also increases through self-reflection; research has found that when people live in other cultures they engage in more self-reflection, which improves their self-concept clarity. Self-concept is also clearer when a person's multiple selves have higher consistency. This makes sense because low consistency produces ambiguity about a person's underlying characteristics. For example, someone whose self-view includes the contrasting identities of cautious engineer and risk-oriented surfer would have difficulty defining himself or herself clearly or with much confidence.⁸



global connections 3.1

Career Alignment Through Self-Concept Clarity^a

Richard Alderson was developing an enviable career as a business consultant in London after graduating from university. "On the surface, I had a good job in a big company," Anderson recalls. "I'd done what was expected of me post-university."

But Alderson eventually realized that this career path was incompatible with his self-concept. In social gatherings, he would "feel embarrassed about talking about my work because it wasn't something that felt aligned with me. There was nothing wrong with the job or the company; they simply weren't right for me," recalls Alderson, who has since formed a company offering coaching and workshops for people who face similar career incompatibility issues.

Alderson's experience isn't unusual. Many people complete an educational program and enter a career before their self-concept is clear and confidently defined. "Your twenties are a time of considerable personality development and growth—and only at 30 do you start to discover who you really are," suggests Kedge Martin, the founder of a career development and life-skills agency in London.

Self-concept clarity can be sped up to some extent, however, through a combination of meaningful feedback from supportive people and your own self-reflection. "A lot of getting comfortable in your own skin, beyond just basic maturing over the years, is who you surround yourself with" says Tracie Keesee, Deputy Commissioner of



Tom Merton/Getty Images

Equity and Inclusion, New York City Police Department. "It [also] takes self-reflection, a lot of preparation to be truly comfortable with who you are, and finding the best ways to do that."

Keesee also warns against pretending to be someone that differs from one's true self. "Where we often fail as leaders, managers, and as individual contributors is when we assume everyone has to shed who they are in order to conform to what the organization needs. That approach is extremely unhealthy. Staying true to oneself is the responsibility of each individual."

Effects of Self-Concept Characteristics on Well-Being and Behavior

Psychological well-being tends to be higher among people with fairly distinct multiple selves (complexity) that are well established (clarity) and require similar personal attributes that are compatible with the individual's character (consistency).⁹ Self-concept complexity protects our self-esteem when some roles are threatened or damaged. Think of a complex self as a ship with several compartments that can be sealed off from one another. If one compartment of the ship is damaged, the other compartments remain intact so the ship stays afloat. A complex self offers the same benefits: if one identity is damaged by events—job loss, for example—the person's mental health remains afloat because the other selves remain intact. In contrast, people with low complexity, including those whose multiple selves are interconnected, suffer severe loss when they experience failure because these events affect a large part of themselves.

Psychological well-being also tends to be healthier when the individual's multiple selves are compatible with one another and with their personality and values (consistency).¹⁰ Self-concept complexity helps people adapt, but too much variation causes internal tension and conflict. Well-being also tends to increase with self-concept clarity. People who are unsure of their self-views are more easily influenced by others, experience more stress when making decisions, and feel more threatened by social forces that undermine their self-confidence and self-esteem.¹¹

Self-concept complexity, consistency, and clarity have both positive and negative influences on individual behavior and performance.¹² Employees with complex identities tend



to have more adaptive decision making and performance. This likely occurs because multiple selves generate more diverse experiences and role patterns, so these employees can more easily alter their thinking and behavior to suit new tasks and work environments. A second benefit is that self-concept complexity often produces more diverse social networks, and this network diversity gives employees access to more resources and social support to perform their jobs.

Against these benefits is the problem that highly complex self-concepts require more effort to maintain and juggle, which can be stressful. In contrast, low complexity has the advantage of requiring less effort and resources to develop those few identities. For example, people who define themselves mainly by their work (low complexity) often have better performance due to more investment in skill development, longer hours, and more concentration on work. They also have lower absenteeism and turnover.

Self-concept clarity tends to improve performance and is considered vital for leadership roles.¹³ Clarity also provides a clearer path forward, which enables people to direct their effort more efficiently toward career objectives. Another benefit is that people with high self-concept clarity feel less threatened by interpersonal conflict, so they use more constructive problem-solving behaviors to resolve the conflict. However, those with very high clarity may have role inflexibility, with the result that they cannot adapt to changing job duties or environmental conditions.



SELF-ASSESSMENT 3.1: How Much Does Work Define Your Self-Concept?

Work is part of our lives. Some people view it as central to their identity as individuals, whereas others consider work to be secondary to other life interests. You can discover the extent to which work is central to your self-concept by locating this self-assessment in Connect if it is assigned by your instructor.

Along with the three self-concept characteristics, Exhibit 3.1 illustrates four processes that shape self-concept and motivate a person's decisions and behavior. Let's look at each of these four "selves": self-enhancement, self-verification, self-evaluation, and social self (social identity).

SELF-ENHANCEMENT

A century ago, educational philosopher John Dewey said that "the deepest urge in human nature is the desire to be important."¹⁴ Dewey recognized that people are inherently motivated to perceive themselves (and to be perceived by others) as competent, attractive, lucky, ethical, and important.¹⁵ This phenomenon, called **self-enhancement**, is observed in many ways. Individuals tend to rate themselves above average, believe that they have a better than average probability of success, and attribute their successes to personal motivation or ability while blaming the situation for their mistakes. For instance, one study reported that 70 percent of students believe their academic performance is above average; 62 percent say they have above-average leadership ability compared to other students. People don't believe they are above average in all circumstances, only for things that are important to them and are relatively common rather than rare.¹⁶

self-enhancement

a person's inherent motivation to have a positive self-concept (and to have others perceive him or her favorably), such as being competent, attractive, lucky, ethical, and important

Self-enhancement has both positive and negative consequences in organizational settings.¹⁷ On the positive side, individuals tend to experience better mental and physical health when they amplify their self-concept. Overconfidence also generates a "can-do" attitude (which we discuss later) that motivates persistence in difficult or risky tasks. On the negative side, self-enhancement causes people to overestimate future returns in investment decisions and engage in unsafe behavior (such as dangerous driving). It also is



responsible for executives repeating poor decisions (because they ignore negative feedback), launching misguided corporate diversification strategies, and acquiring excessive corporate debt. Generally, though, successful companies strive to help employees feel valued, which generates some degree of self-enhancement.

SELF-VERIFICATION

Individuals try to confirm and maintain their existing self-concept.¹⁸ This process, called **self-verification**, stabilizes an individual's self-view, which in turn provides an important anchor that guides his or her thoughts and actions. People actively communicate their self-concept so coworkers understand it and provide verifying feedback. For example, you might let coworkers know that you are a very organized person; later, they compliment you on occasions where you have indeed been very organized. One recent study reported that when a person's identity as a leader is questioned by others, the leader applies self-verification strategies, such as making their role performance more visible (e.g., working longer hours), adopting a less threatening style of that self-view, and directly confronting those who doubt or disagree with their identity as a leader.¹⁹

Unlike self-enhancement, self-verification includes seeking feedback that is not necessarily flattering (e.g., "I'm a numbers person, not a people person"). Experts continue to debate whether and under what conditions people prefer information that supports self-enhancement or self-verification.²⁰ In other words, do we prefer compliments rather than accurate critique about weaknesses that we readily acknowledge? The answer is likely an internal tug-of-war; we enjoy compliments, but less so if they are significantly contrary to our self-view.

Self-verification is associated with several OB topics.²¹ First, it affects the perceptual process because employees are more likely to remember information that is consistent with their self-concept and nonconsciously screen out information (particularly negative information) that seems inconsistent with it. Second, people with high self-concept clarity will consciously dismiss feedback that contradicts their self-concept. Third, employees are motivated to interact with others who affirm their self-views, and this affects how well they get along with their boss and team members. For instance, new employees are more satisfied and perform better when the socialization process allows them to affirm their authentic self—they can demonstrate and receive support for "who they are"—rather than when the socialization process mainly steers them into the company's image of an ideal employee.²²

SELF-EVALUATION

Almost everyone strives to have a positive self-concept, but some people have a more positive evaluation of themselves than do others. This *self-evaluation* is mostly defined by three elements: self-esteem, self-efficacy, and locus of control.²³

Self-Esteem Self-esteem—the extent to which people like, respect, and are satisfied with themselves—represents a global self-evaluation. People have degrees of self-esteem for each of their various roles, such as being a good student, a good driver, and a good parent. From these multiple self-appraisals, people form an overall evaluation of themselves,

known as their global self-esteem. People with high self-esteem are less influenced by others, tend to persist in spite of failure, and have a higher propensity to think logically.²⁴

Self-Efficacy **Self-efficacy** refers to a person's belief about successfully completing a task.²⁵ Those with high self-efficacy have a "can-do" attitude. They believe they possess the energy (motivation), ability, clear

self-verification

a person's inherent motivation to confirm and maintain his or her existing self-concept

self-efficacy

a person's belief that he or she has the ability, motivation, correct role perceptions, and favorable situation to complete a task successfully



expectations (role perceptions), and resources (situational factors) to perform the task. In other words, self-efficacy is an individual's perception regarding the MARS model in a specific situation. Self-efficacy is often task specific, but it can also be more generalized. People have a general self-efficacy when they believe they can be successful across a variety of situations.²⁶ People with higher general self-efficacy have a more positive overall self-evaluation.



SELF-ASSESSMENT 3.2: How Much General Self-Efficacy Do You Have?

Self-efficacy refers to a person's belief that he or she has the ability, motivation, and resources to complete a task successfully. Although self-efficacy is often situation-specific, people also develop a more general self-efficacy if they perform tasks in a variety of situations. You can discover your level of general self-efficacy by locating this self-assessment in Connect if it is assigned by your instructor.

locus of control

a person's general belief about the amount of control he or she has over personal life events

Locus of Control **Locus of control** is defined as a person's general beliefs about the amount of control he or she has over personal life events.²⁷ Individuals with an internal locus of control believe that life events are caused mainly by their personal characteristics (i.e., motivation and abilities). Those with an external locus of control believe events are due mainly to fate, luck, or conditions in the external environment. Locus of control is a generalized belief, but this belief varies to some extent with the situation. People with an external locus of control generally believe that life's outcomes are beyond their control, but they also believe they have control over the results of tasks they perform often. The individual's general locus of control would be most apparent in new situations, where their ability to control events is uncertain.

People with an internal locus of control have a more positive self-evaluation. They also tend to perform better in most employment situations, are more successful in their careers, earn more money, and are better suited for leadership positions. Internals are also more satisfied with their jobs, cope better in stressful situations, and are more motivated by performance-based reward systems.²⁸



SELF-ASSESSMENT 3.3: What Is Your Locus of Control?

Locus of control is one component of self-evaluation, which is part of an individual's self-concept. It is a person's general belief about the amount of control he or she has over personal life events. You can discover your general locus of control orientation by locating this self-assessment in Connect if it is assigned by your instructor.

THE SOCIAL SELF

We began this topic by stating that an individual's self-concept exists at three levels: individual, relational, and collective. These three levels recognize two opposing human motives that influence how people view themselves.²⁹

- *Motivation to be distinctive and different from other people.* The individual self, called *personal identity* or *internal self-concept*, fulfills the need for distinctiveness because it involves defining ourselves by our personality, values, abilities,

social identity theory
 a theory stating that people define themselves by the groups to which they belong or have an emotional attachment

qualifications, achievements and other personal attributes. Everyone has a unique combination of personal characteristics, and we embrace this uniqueness to some degree. For instance, an unusual skill or accomplishment that distinguishes you from coworkers is part of your personal identity.

- *Motivation for inclusion and assimilation with other people.* The relational and collective self-concepts fulfill the fundamental need for affiliation because they involve both interaction and interdependence with others.³⁰ Human beings are social animals; we have an inherent drive to be associated with others and to be recognized as part of social communities. This drive to belong motivates all individuals to define themselves to some degree by their interpersonal and collective relationships, a definition known as their *social identity* or *external self-concept*.

Social identity is the central theme of **social identity theory**, which says that people define themselves by the groups to which they belong or have an emotional attachment.³¹ For instance, someone might have a social identity as an American citizen, a University of Oregon alumnus, and an employee at Boston Consulting Group (see Exhibit 3.2).

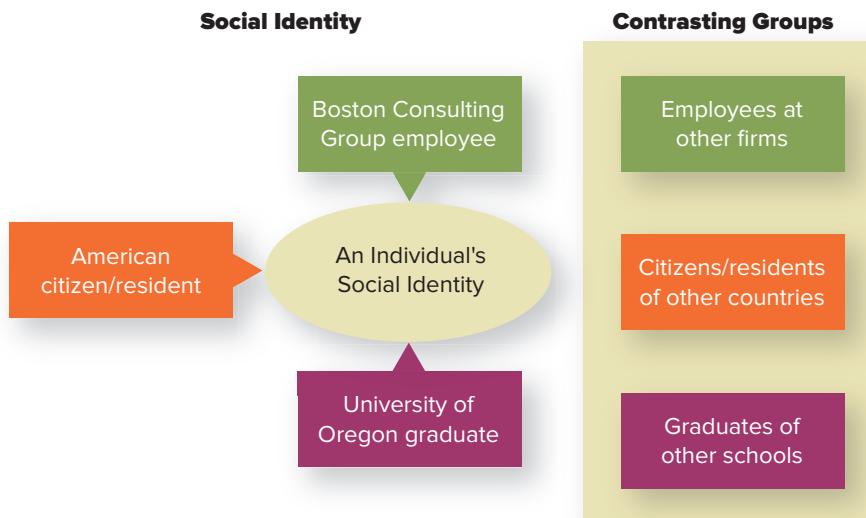
Social identity is a complex combination of many memberships arranged in a hierarchy of importance. One factor that determines importance is how easily you are identified as a member of the reference group, such as by your gender, age, and ethnicity. A second factor is your minority status in a group. It is difficult to ignore your gender in a class where most other students are the opposite gender, for example. In that context, gender tends to become a stronger defining feature of your social identity than it is in social settings where there are many people of the same gender.

The group's status is another important social identity factor because association with the group makes us feel better about ourselves (i.e., self-enhancement). Medical doctors usually define themselves by their profession because of its high status. Some people describe themselves by where they work ("I work at Google") because their employer has a good reputation. Others never mention where they work because their employer is noted for poor relations with employees or has a poor reputation in the community.³²

All of us try to balance our personal and social identities, but the priority for uniqueness (personal identities) versus belongingness (social identities) differs from one person to the next. People whose self-concepts are heavily defined by social rather than personal

EXHIBIT 3.2

Social Identity Theory Example





global connections 3.2

Starbucks Nurtures Employees' Social Identity in China^b

Starbucks Coffee Company has become a success story in China by making the American coffee-house chain an integral part of employees' social identity. It does this in several ways. First, employees (who are called "partners") easily connect with Starbucks' core values of performance, innovation, respect, and belonging.

Second, Starbucks has positioned itself as a premium brand, which further elevates employee pride. The company offers competitive pay, comprehensive health insurance, an employee ownership plan, a housing allowance for full-time staff, and ongoing training and career development.

Starbucks staff also proudly identify with their employer because of its well-known emphasis on families—an important value in Chinese culture. The company holds an annual "Partner Family Forum," where employees and their parents learn about Starbucks and its future in China. The chain also recently introduced special critical illness



humphrey/Shutterstock

insurance for employees' elderly parents. "We have always aspired to create a culture that our employees are proud to belong to," says an executive at Starbucks Asia Pacific.

identities are more motivated to abide by team norms and more easily influenced by peer pressure. Those who place more emphasis on personal identities, on the other hand, speak out more frequently against the majority and are less motivated to follow the team's wishes. Furthermore, expressing disagreement with others is a sign of distinctiveness and can help employees form a clearer self-concept, particularly when that disagreement is based on differences in personal values.³³

SELF-CONCEPT AND ORGANIZATIONAL BEHAVIOR

Self-concept has become a hot topic in the social sciences and is starting to bloom in organizational behavior research.³⁴ This section briefly noted that self-concept influences human perceptions, decision making, motivation, stress, team dynamics, leadership development, and several other OB topics. Therefore, you will read about self-concept throughout this book, including later parts of this chapter.

Perceiving the World around Us

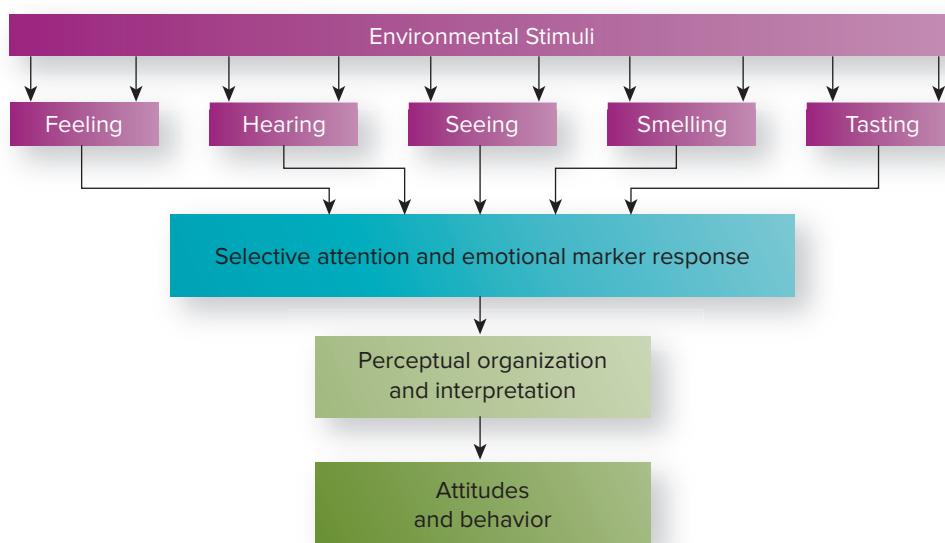
LO 3-2

perception

the process of receiving information about and making sense of the world around us

We spend considerable time perceiving ourselves, but most of our perceptual energy is directed toward the outer world. Whether as a chemical engineer, forensic accountant, or senior executive, we need to make sense of the world around us, including the conditions that challenge the accuracy of those perceptions. **Perception** is the process of receiving information about and making sense of the world around us. It includes determining which information to notice, how to categorize this information, and how to interpret it within the framework of our existing knowledge.

This perceptual process generally follows the steps shown in Exhibit 3.3. Perception begins when environmental stimuli are received through our senses. Most stimuli that

EXHIBIT 3.3 Model of the Perceptual Process

selective attention
the process of attending to some information received by our senses and ignoring other information

bombard our senses are screened out; the rest are organized and interpreted. The process of attending to some information received by our senses and ignoring other information is called **selective attention**. Selective attention is influenced by characteristics of the person or object being perceived, particularly size, intensity, motion, repetition, and novelty. For example, a small, flashing red light on a nurses' workstation console is immediately noticed because it is bright (intensity), flashing (motion), a rare event (novelty), and has symbolic meaning that a patient's vital signs are failing. Notice that selective attention is also influenced by the context in which the target is perceived. For instance, selective attention is triggered by things or people who might be out of context, such as someone with a foreign accent in a setting where most people have a local accent.

Characteristics of the perceiver also influence selective attention, usually without the perceiver's awareness.³⁵ When information is received through the senses, our brain quickly and nonconsciously assesses whether it is relevant or irrelevant to us and then attaches emotional markers (worry, happiness, boredom) to the retained information.³⁶ Emotional markers help us store information in memory; those emotions are later reproduced when recalling the perceived information. The selective attention process is far from perfect, however. The Greek philosopher Plato acknowledged this imperfection long ago when he wrote that we see reality only as shadows reflecting against the rough wall of a cave.³⁷

One selective attention bias is the effect of our assumptions and expectations about future events. You are more likely to notice a particular coworker's email among the daily avalanche of messages when you expect to receive that email (even more so if it is a valuable message). Unfortunately, expectations and assumptions also cause us to screen out potentially important information. In one study, students were asked to watch a 30-second video clip in which several people passed around two basketballs. Students in one group were instructed simply to watch the video clip. Most of them readily noticed a person dressed in a gorilla suit walking among the players for nine seconds and stopping to thump his or her chest. Students in a second group were asked to count the number of times one of the two basketballs was passed around. Only half of the people in this latter group noticed the intruding gorilla.³⁸



global connections 3.3

Confirmation Bias Leads to Wrongful Conviction^c

"It is a capital mistake to theorize before you have all the evidence," warned the mythical detective Sherlock Holmes in *A Study in Scarlet*. "It biases the judgment." Law-enforcement agencies try to follow this advice, but confirmation bias contributes to many flawed investigations.

One of the most notorious examples of confirmation bias occurred in the wrongful conviction of Michael Morton in his wife's murder. Morton spent 25 years in a Texas jail before his conviction was overturned. The actual murderer was subsequently identified and convicted.

By focusing on the theory that Morton murdered his wife, police and the District Attorney's Office ignored evidence from neighbors who saw an unknown driver park his van in a vacant wooded lot behind Morton's property and walk through underbrush toward Morton's home on the morning the murder was discovered. Investigators also dismissed the relevance of a bandana found 100 yards from the home. Two decades later, the bandana provided vital DNA evidence linking the real murderer to Morton's wife.

The deceased's purse was missing, which the district attorney argued in court was Morton's attempt to direct blame onto a fictional burglar. Yet police apparently failed to investigate a report that the credit card from the missing purse was fraudulently used two days after the murder. The police also ignored a conversation Morton's three-year-old son had with his grandmother two weeks after the murder in which the child correctly recalled details of the murder scene, described a man in the house, and said his father was not home at the time. (Morton was at work that day, whereas the prosecutor tried to prove Morton killed his wife before going to work.)



tillsonburg/Getty Images

The district attorney and his successor fought against attempts to re-examine evidence with newer DNA tests and tried to block release of the original investigation's notes and reports. The presiding judge had requested all documentary evidence of the case, but decades later officials discovered that the district attorney's office violated that request by excluding evidence that conflicted with their case (i.e., exonerating evidence).

The district attorney (who later became a district judge) was recently found guilty of contempt of court and agreed to surrender his law license as a result of his actions in the Morton case. His successor lost the district attorney election when new evidence supporting Morton's innocence came to light. The state of Texas has since passed the Michael Morton Act, which requires Texas prosecutors to disclose to the defendant and other parties the entire contents of the prosecutor's files, such as police reports, DNA evidence, and surveillance footage.

confirmation bias

the processing of screening out information that is contrary to our values and assumptions, and to more readily accept confirming information

Another selective attention problem, called **confirmation bias**, is the nonconscious tendency for people to screen out information that is contrary to their decisions, beliefs, values and assumptions, while more readily accepting information that confirms existing perceptions and attitudes.³⁹ When making an important decision, such as investing in a costly project, we tend to pay attention to information that supports that decision, ignore information that questions the wisdom of the decision, and more easily recall the supportive than the opposing information. Confirmation bias occurred, for example, in an exercise where student pilots became unsure of their location. The study found that the pilots tried to find their true location by relying on less reliable information that was consistent with their assumptions than on more accurate information that was contrary to those assumptions. Confirmation bias is also a well-known perceptual problem when police detectives and other forensic experts form theories too early in the investigation.⁴⁰

PERCEPTUAL ORGANIZATION AND INTERPRETATION

We pay attention to a tiny fraction of the stimuli received by the senses. Even so, the human brain further reduces the huge volume and complexity of the information received through various perceptual grouping strategies. Perceptual grouping occurs mostly



without our awareness, yet it is the foundation for making sense of things and fulfilling our need for cognitive closure.

The most common and far-reaching perceptual grouping process is **categorical thinking**—the mostly nonconscious process of organizing people and objects into preconceived categories that are stored in our long-term memory.⁴¹ People are usually grouped together based on their observable similarity, such as gender, age, race, or clothing style. This categorization process also groups people together by their proximity to one another. If you notice a group of employees working in the same area and know that some of them are marketing staff, you will likely assume that the others in that group are also marketing staff.

connect

SELF-ASSESSMENT 3.4: How Much Perceptual Structure Do You Need?

Some people have a greater need than do others to quickly or completely “make sense” of things around them. This personal need for perceptual structure relates to selective attention as well as perceptual organization and interpretation. You can discover your need for perceptual structure by locating this self-assessment in Connect if it is assigned by your instructor.

A second perceptual grouping process organizes incoming information by filling in the missing pieces of the puzzle. Everyone has a need for cognitive closure; we want to make sense of what goes on around us, which makes it easier to predict and manage future events. To reduce the ambiguity of sensory stimuli, we make assumptions about missing information by relying on past images and experiences in those situations (mental models, which we discuss next). For instance, we engage in cognitive closure by assuming what happened at a meeting that we didn’t attend (e.g., who was there, where it was held). A related process is perceiving trends in otherwise ambiguous information. Several studies have found that people have a natural tendency to see patterns that, in fact, are random events. For example, people incorrectly believe that a sports player or gambler with a string of wins is more likely to win next time as well.⁴²

The process of “making sense” of the world around us also involves interpreting incoming information, not just organizing it. This happens as quickly as selecting and organizing because the previously mentioned emotional markers are tagged to incoming stimuli, which are essentially quick judgments about whether that information is good or bad for us. How much time does it take to make these quick judgments? Recent studies estimate that we make reliable judgments about another individual’s trustworthiness after viewing a facial image for as little as 50 milliseconds (1/20th of a second). In fact, whether we see a face for a minute or for just 200 milliseconds, our opinion of whether we like or trust that person is about the same.⁴³ Collectively, these studies reveal that selective attention, perceptual organization, and interpretation operate very quickly and to a large extent without our awareness.

Mental Models To achieve our goals with some degree of predictability and sanity, we need road maps of the environments in which we live. These road maps, called **mental models**,

are knowledge structures that we develop to describe, explain, and predict the world around us.⁴⁴ They consist of visual or relational images in our mind, such as what the classroom looks like or what happens when we submit an assignment late. Mental models partly rely on the process of perceptual grouping to make sense of things; they fill in the missing pieces, including the causal connection among events. For example, you have a

categorical thinking
organizing people and objects into preconceived categories that are stored in our long-term memory

mental models
knowledge structures that we develop to describe, explain, and predict the world around us

mental model about attending a class lecture or seminar, including assumptions or expectations about where the instructor and students arrange themselves in the room, how they ask and answer questions, and so forth. In other words, we create a mental image of a class in progress.

Mental models are important for sense making, yet they also make it difficult to see the world in different ways. For example, accounting professionals tend to see corporate problems from an accounting perspective, whereas marketing professionals see the same problems from a marketing perspective. Mental models also block our recognition of new opportunities. How do we change mental models? That's a tough challenge. After all, we developed these knowledge structures from several years of experience and reinforcement. The most important way to minimize the perceptual problems with mental models is to be aware of and frequently question them. We need to ask ourselves about the assumptions we make. Working with people from diverse backgrounds is another way to break out of existing mental models. Colleagues from different cultures and areas of expertise tend to have different mental models, so working with them makes our own assumptions more obvious.

Specific Perceptual Processes and Problems

LO 3-3

Within the general perceptual process are specific subprocesses and associated perceptual errors. In this section of the chapter, we examine several of these perceptual processes and biases as well as their implications for organizational behavior, beginning with the most widely known one: stereotyping.

stereotyping
the process of assigning traits to people based on their membership in a social category

STEREOTYPING IN ORGANIZATIONS

Stereotyping is the perceptual process in which we assign characteristics to an identifiable group and then automatically transfer those features to anyone we believe is a member of that group.⁴⁵ The assigned characteristics tend to be difficult to observe, such as personality traits and abilities, but they can also include physical characteristics and a host of other qualities. If we learn that someone is a professor, for example, we implicitly assume the person is probably also intelligent and absent-minded.

Stereotypes are formed to some extent from personal experience, but they are mainly provided to us through media images (e.g., movie characters) and other cultural prototypes. Consequently, stereotypes are shared beliefs across an entire society and sometimes across several cultures, rather than beliefs that differ from one person to the next. Most stereotypes have a few kernels of truth; they are more likely to characterize people within the group than the rest of us.⁴⁶ Still, as the opening case study to this chapter pointed out, stereotypes embellish or distort the kernels of truth and include other features that are not representative of people in that group. In spite of their inaccuracy, stereotypes about engineers, for example, remain persistent enough to discourage many women from pursuing this profession.

Why People Stereotype People engage in stereotyping because, as a form of categorical thinking, it is usually a nonconscious “energy-saving” process that simplifies our understanding of the world. It is easier to remember features of a stereotype than the constellation of characteristics unique to everyone we meet. A second reason is that we have an innate need to understand and anticipate how others will behave. We don't have much information about people initially or when we seldom interact with them, so we rely on stereotypes to fill in the missing pieces. The higher the perceiver's need for cognitive closure, the higher the reliance on stereotypes.⁴⁷



global connections 3.4

You People!: Exposing Stereotyping in South Africa^d

South African restaurant chain Nando's recently launched a witty advertisement that pokes fun at our tendency to stereotype people who are different from us. The "You People" video has several brief scenes in which viewers easily misperceive the actors' role in the scene (upscale customer versus employee) or the meaning of their actions (running for exercise versus running away from police). It also shows that those who stereotype "you people" fail to recognize similar behavior in themselves.

"'You people' is a phrase often used by South Africans when describing people who are different to them," says Doug Place, Nando's chief marketing officer in Johannesburg. "It's a phrase that goes hand in hand with an unconscious bias."

Place explains that Nando's created the ad to encourage discussion about stereotyping and to promote greater harmony in society. "If you're watching our ad and say 'I've done that' (hopefully with a guilty smile), then we've been successful at starting a crucial conversation—hopefully one that starts with 'us people'."



Aaron Amat/Shutterstock

A third explanation for stereotyping is that it is motivated by the observer's need for social identity and self-enhancement. Earlier in this chapter we explained that people define themselves by the groups to which they belong or have an emotional attachment. They are also motivated to maintain a positive self-concept. This combination of social identity and self-enhancement leads to the process of categorization, homogenization, and differentiation, all of which are the foundations of stereotyping:⁴⁸

- *Categorization.* Social identity is a comparative process, and the comparison begins by categorizing people into distinct groups. By viewing someone (including yourself) as a Texan, for example, you remove that person's individuality and, instead, see him or her as a prototypical representative of the group called Texans. This categorization then allows you to distinguish Texans from people who live in, say, California or Maine.
- *Homogenization.* To simplify the comparison process, we tend to think that people within each group are very similar to one another. For instance, we think Texans collectively have similar attitudes and characteristics, whereas Californians collectively have their own set of characteristics. Of course, every individual is unique, but we often lose sight of this fact when thinking about our social identity and how we compare to people in other social groups.
- *Differentiation.* Along with categorizing and homogenizing people, we tend to assign more favorable characteristics to people in our groups than to people in other groups.⁴⁹ This differentiation is motivated by self-enhancement because being in a "better" group produces higher self-esteem. Differentiation is often subtle, but it

can escalate into a “good guy–bad guy” contrast when groups engage in overt conflict with each other. In other words, when out-group members threaten our self-concept, we are particularly motivated (often without our awareness) to assign negative stereotypes to them. Some research suggests that men have stronger differentiation biases than do women, but we all differentiate to some extent.

Problems with Stereotyping Everyone engages in stereotyping, but this process leads to perceptual biases as well as flawed decisions and behaviors in the workplace. One problem with stereotypes is that they are inaccurate. A stereotype does not describe everyone because members of the stereotyped group are not identical. Furthermore, although a stereotype typically has kernels of truth, most characteristics are distorted and embellished to such an extent that they describe very few people in the group. For instance, the stereotype of engineers as socially inept, nerdy know-it-alls perhaps describes a few people in that profession, but it is certainly not characteristic of all, or even most, engineers. Nevertheless, once we categorize someone as an engineer, the stereotypical nonobservable features of engineers are transferred to that individual, even though we have no evidence that he or she actually possesses those characteristics.

stereotype threat
an individual's concern about confirming a negative stereotype about his or her group

A second problem with stereotyping is **stereotype threat**. This is a condition whereby members of a stereotyped group are so concerned about a negative stereotype of a group to which they belong that they end up displaying that stereotype trait.⁵⁰ Stereotype threat occurs because people in a stereotyped group anxiously try to avoid confirming the undesirable traits and try to push the negative image from their mind. These two cognitive activities divert energy and attention, which makes it more difficult to perform the task well. The negative stereotype also can weaken self-efficacy; it is difficult to be confident in your ability when your group’s stereotype suggests otherwise.

For example, women perform worse on math and science tests when sensitized to the generally false but widely held belief that women perform worse than men in these subjects. They also tend to have lower scores when there are few women in the group being tested. Women achieve much higher scores when the gender stereotype is not salient, such as when taking the test with many women in the class. Almost anyone can be affected by stereotype threat, but studies have particularly observed it for women, African Americans and other minority groups, and older people.

A third problem with stereotyping is that it lays the foundation for discriminatory attitudes and behavior. Most of this perceptual bias occurs as *unintentional (systemic) discrimination*, whereby decision makers rely on stereotypes to establish notions of the “ideal” person in specific roles. A person who doesn’t fit the ideal has to work harder to get the same evaluation as someone who is compatible with the occupational stereotype.

Unintentional systemic discrimination also affects employment opportunities and salaries. Consider the following example: Science faculty from several research intensive universities were given the application materials of an undergraduate student who was purportedly applying for a science laboratory manager job. Half of the faculty reviewed materials from a male applicant; the other half looked at materials from a female applicant. The male and female applicant materials were identical except for the name, yet the male applicant received significantly higher ratings than a female applicant on competence and hire-ability. Furthermore, faculty members recommended an average salary of \$30,238 for the male applicant but only \$26,507 for the female applicant. Female faculty exhibited as much gender bias as the male faculty.⁵¹

Worse than systemic discrimination is *intentional discrimination* or *prejudice*, in which people hold unfounded negative attitudes toward people belonging to a particular stereotyped group.⁵² Intentional discrimination deliberately puts the target person at an unfair disadvantage, which is unfortunately still common in organizations. One recent meta-analysis estimated that minority applicants in OECD countries need to submit almost 50 percent more job applications to receive the same number of interviews as majority

Women represent almost 40 percent of the global workforce and about one-third of managers, yet they comprise less than 18 percent of corporate board members worldwide. Some say the problem is mainly systemic discrimination, such as nonconsciously relying on a male prototype of the ideal board member when selecting candidates for this role. Others suggest the lack of women in the boardroom is due to more explicit prejudice. South Korea, some Middle Eastern countries, and Indonesia have the lowest percentage of women on corporate boards (less than 5 percent). Women have the highest board representation in France, Scandinavian countries, and Italy (between 35 and 41 percent). Women occupy 24 percent of boardroom positions in the United States.^e

Westend61/Getty Images



applicants. For instance, some French firms have used the code BBR as a signal that they want recruiters to hire someone who is Caucasian. “Some people asked for what in French is called a BBR; it’s a code to say a ‘Bleu-Blanc-Rouge’—the colors of our national flag,” explains one French recruiter. “It was to tell the recruitment agency I am a racist company but I do not want it to appear as such so I use an external supplier to bypass the law.”⁵³

If stereotyping is such a problem, shouldn’t we try to avoid this process altogether? Unfortunately, it’s not that simple. Most experts agree that categorical thinking (including stereotyping) is an automatic and nonconscious process. Specialized training programs can minimize stereotype activation to some extent, but for the most part the process is hardwired in our brain cells.⁵⁴ Also remember that stereotyping helps us in several valuable (although fallible) ways described earlier: minimizing mental effort, filling in missing information, and supporting our social identity.

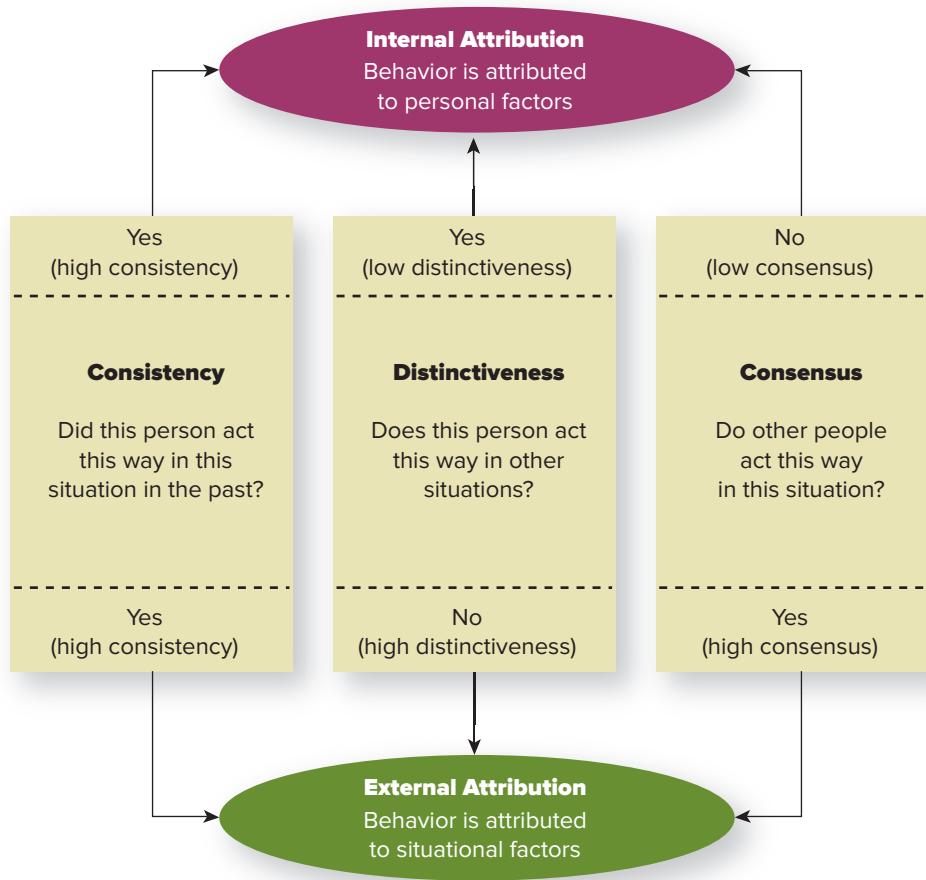
The good news is that while it is very difficult to prevent the *activation* of stereotypes, we can minimize the *application* of stereotypic information. In other words, although we automatically categorize people and assign stereotypic traits to them, we can consciously minimize the extent to which we rely on that stereotypic information.⁵⁵ Later in this chapter, we identify ways to minimize stereotyping and other perceptual biases.

ATTRIBUTION THEORY

attribution process
the perceptual process of deciding whether an observed behavior or event is caused largely by internal or external factors

Another widely discussed perceptual phenomenon in organizational settings is the **attribution process**.⁵⁶ Attribution involves forming beliefs about the causes of behavior or events. Generally, we perceive whether an observed behavior or event is caused mainly by characteristics of the person (internal factors) or by the environment (external factors). Internal factors include the person’s ability or motivation, whereas external factors include resources, coworker support, or luck. If someone doesn’t show up for an important meeting, for instance, we infer either internal attributions (the coworker is forgetful, lacks motivation, etc.) or external attributions (traffic, a family emergency, etc.) to make sense of the person’s absence.

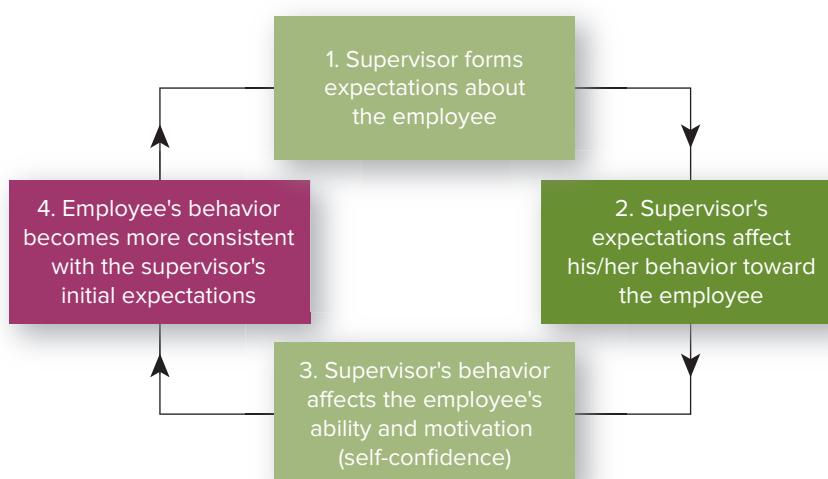
Three attribution rules—consistency, distinctiveness, consensus—are used by observers to determine whether someone’s behavior and performance are mainly caused by their personal characteristics or situational influences (see Exhibit 3.4).⁵⁷ To illustrate how these three attribution rules operate, imagine a situation where an employee is making poor-quality products on a particular machine. We would probably conclude that the employee lacks skill or motivation (an internal attribution) if the employee consistently

EXHIBIT 3.4**Attribution Theory Rules**

makes poor-quality products on this machine (high consistency), the employee makes poor-quality products on other machines (low distinctiveness), and other employees make good-quality products on this machine (low consensus). In contrast, we would decide that there is something wrong with the machine (an external attribution) if the employee consistently makes poor-quality products on this machine (high consistency), the employee makes good-quality products on other machines (high distinctiveness), and other employees make poor-quality products on this machine (high consensus).

Notice that *consistency is high for both internal and external attributions*. This occurs because low consistency (the person's output quality on this machine is sometimes good and sometimes poor) weakens our confidence about whether the source of the problem is the person or the machine. In other words, distinctiveness and consensus determine whether the attribution should be internal or external, whereas consistency determines how confident we should be in that attribution.

The attribution process is important because understanding cause-effect relationships enables us to work more effectively with others and to assign praise or blame to them.⁵⁸ Suppose a coworker didn't complete his or her task on a team project. You would approach this situation differently if you believed the coworker was lazy or lacked sufficient skill (an internal attribution) than if you believed the poor performance was due to lack of time or resources available to the coworker (an external attribution). Similarly, our respect for a leader depends on whether we believe his or her actions are due to personal characteristics or the situation. We also react differently to attributions of our own behavior and performance. Students who make internal attributions about their poor grades, for instance, are more likely to drop out of their programs than if they make external attributions about those grades.⁵⁹

EXHIBIT 3.5**The Self-Fulfilling Prophecy Cycle**

Attribution Errors The attribution process is susceptible to errors. One such error is **self-serving bias**—the tendency to attribute our failures to external causes more than internal causes, while successes are due more to internal than external factors.⁶⁰ Simply put, we take credit for our successes and blame others or the situation for our mistakes. In annual reports, for example, executives mainly refer to their personal qualities as reasons for the company’s successes and to competitors, unexpected legislation, and other external factors as reasons for the company’s failures.⁶¹ Self-serving bias occurs mainly because of the self-enhancement process described earlier in this chapter. By pointing to external causes of their own failures and internal causes of their successes, people generate a more positive self-concept.

Another widely studied attribution error, **fundamental attribution error** (also called *correspondence bias*), is the tendency to overemphasize internal causes of another person’s behavior and to discount or ignore external causes of their behavior.⁶² We are more likely to attribute a coworker’s late arrival for work to lack of motivation rather than to situational constraints (such as traffic congestion). This phenomenon occurs because observers can’t easily see the external factors that constrain another person’s behavior. Also, people like to think that human beings (not the situation) are the prime sources of their behavior, so internal attributions receive preference in ambiguous situations. Fundamental attribution error is less apparent in Asia and other cultures that encourage people to be mindful of the context of behavior.⁶³ However, the fundamental attribution error effect is fairly modest in all societies. It can often be minimized by giving those making attributions more information about the situation and warning them of the risk of this attribution error.⁶⁴

SELF-FULFILLING PROPHECY

Self-fulfilling prophecy occurs when our expectations about another person cause that person to act in a way that is consistent with those expectations. In other words, our perceptions can influence reality. Exhibit 3.5 illustrates the four steps in the self-fulfilling prophecy process using the example of a supervisor and a subordinate.⁶⁵ The process begins when the supervisor forms

self-serving bias

the tendency to attribute our favorable outcomes to internal factors and our failures to external factors

fundamental attribution error

the tendency to see the person rather than the situation as the main cause of that person’s behavior

self-fulfilling prophecy

the perceptual process in which our expectations about another person cause that person to act more consistently with those expectations

Exhibit 3.5 illustrates the four steps in the self-fulfilling prophecy process using the example of a supervisor and a subordinate.⁶⁵ The process begins when the supervisor forms



expectations about the employee's future behavior and performance. These expectations are sometimes inaccurate, because first impressions are usually formed from limited information. The supervisor's expectations influence his or her behavior toward employees. In particular, high-expectancy employees (those expected to do well) receive more emotional support through nonverbal cues (e.g., more smiling and eye contact), more frequent and valuable feedback and reinforcement, more challenging goals, better training, and more opportunities to demonstrate good performance.⁶⁶

The third step in self-fulfilling prophecy includes two effects of the supervisor's behavior on the employee. One effect is that a high-expectancy employee learns more skills and knowledge than a low-expectancy employee because the supervisor provides different levels of training and opportunities for practice. The second effect is that the employee has higher self-efficacy, which results in higher motivation and willingness to set more challenging goals.⁶⁷ In the final step, high-expectancy employees have higher motivation and better skills, resulting in better performance, while the opposite is true of low-expectancy employees.

Self-fulfilling prophecy has been observed in many contexts. In one study, four Israeli Defense Force combat command course instructors were told that one-third of the incoming trainees had high command potential, one-third had normal potential, and the rest had unknown potential. The trainees had been randomly placed into these categories by the researchers, but the instructors were led to believe that the information they received was accurate. Consistent with self-fulfilling prophecy, high-expectancy soldiers performed significantly better by the end of the course than did trainees in the other groups. They also had more favorable attitudes toward the course and the instructor's leadership effectiveness. An analysis of dozens of leader intervention studies over the years found that self-fulfilling prophecy is one of the most powerful leadership effects on follower behavior and performance.⁶⁸

Contingencies of Self-Fulfilling Prophecy The self-fulfilling prophecy effect is stronger in some situations than in others. It has a stronger effect at the beginning of a relationship, such as when employees are first hired. It is also stronger when several people (rather than just one person) hold the same expectations of the individual. In other words, we might be able to ignore one person's doubts about our potential but not the collective doubts of several people. The self-fulfilling prophecy effect is also stronger among people with a history of low achievement. These people tend to have lower self-esteem, so they are more easily influenced by others' opinions of them.⁶⁹

The main lesson from the self-fulfilling prophecy literature is that leaders need to develop and maintain a positive, yet realistic, expectation toward all employees. This recommendation is consistent with the emerging philosophy of **positive organizational behavior**, which suggests that focusing on the positive rather than negative aspects of life will improve organizational success and individual well-being. Communicating realistic hope and optimism is so important that it is identified as one of the critical success factors for physicians and surgeons. Training programs that make leaders aware of the power of positive expectations seem to have minimal effect, however. Instead, generating positive expectations and hope depends on a corporate culture of support and learning. Hiring supervisors who are inherently optimistic toward their staff is another way of increasing the incidence of positive self-fulfilling prophecies.⁷⁰

positive organizational behavior
a perspective of
organizational behavior that
focuses on building positive
qualities and traits within
individuals or institutions as
opposed to focusing on what
is wrong with them

OTHER PERCEPTUAL EFFECTS

Self-fulfilling prophecy, attribution, and stereotyping are among the most common perceptual processes and biases in organizational settings, but there are many others. Four additional biases that have received attention in organizational settings are briefly described below.

Halo Effect The **halo effect** occurs when our general impression of a person, usually based on one prominent characteristic, distorts our perception of other characteristics of that person.⁷¹ If a supervisor who values punctuality notices that an employee is sometimes late for work, the supervisor might form a negative general opinion of the employee and evaluate that person's other traits unfavorably as well. The halo effect is most likely to occur when important information about the perceived target is missing or we are not sufficiently motivated to search for it. Instead, we use our general impression of the person to fill in the missing information.

False-Consensus Effect The **false-consensus effect** (also called *similar-to-me effect*) occurs when people overestimate the extent to which others have similar beliefs or behaviors to our own.⁷² Employees who are thinking of quitting their jobs overestimate the percentage of coworkers who are also thinking about quitting, for example. There are four reasons why false-consensus effect occurs:

1. We are comforted by the belief that others are similar to ourselves, particularly with regard to less acceptable or divisive behavior. Put differently, we perceive “everyone does it” to reinforce our self-concept regarding behaviors that do not have a positive image (quitting our job, parking illegally etc.).
2. We interact more with people who have similar views and behaviors. This frequent interaction causes us to overestimate how common those views or behaviors are in the entire organization or society.
3. We are more likely to notice and remember information that is consistent with our own views and selectively screen out information that is contrary to our beliefs (i.e., confirmation bias).
4. We engage in the social identity process of homogenizing people within groups. Consequently, we think that most people in specific groups with which we identify have similar opinions and behaviors.

Recency Effect The **recency effect** occurs when the most recent information dominates our perceptions.⁷³ This perceptual bias is most common when people (especially those with limited experience) make a decision involving complex information. For instance, auditors must digest large volumes of information in their judgments about financial documents, and the most recent information received prior to the decision tends to get weighted more heavily than information received at the beginning of the audit. Similarly, when supervisors evaluate the performance of employees over the previous year, the most recent performance information dominates the evaluation because it is the most easily recalled.

Primacy Effect The **primacy effect** is our tendency to rely on the first information we receive about people to quickly form an opinion of them.⁷⁴ It is the notion that first impressions are lasting impressions. This rapid perceptual organization and interpretation occurs because we need to make sense of the situation and, in particular, to trust others.

halo effect

a perceptual error whereby our general impression of a person, usually based on one prominent characteristic, colors our perception of other characteristics of that person

false-consensus effect

a perceptual error in which we overestimate the extent to which others have beliefs and characteristics similar to our own

recency effect

a perceptual error in which the most recent information dominates our perception of others

primacy effect

a perceptual error in which we quickly form an opinion of people based on the first information we receive about them

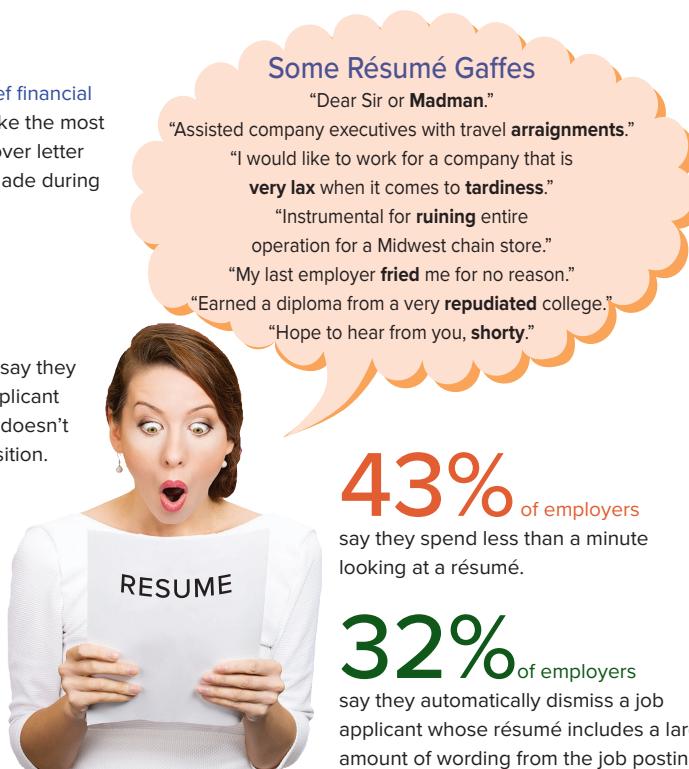
FIRST IMPRESSIONS COUNT IN JOB APPLICATIONS^f

29% of chief financial officers say job applicants make the most mistakes in their résumé or cover letter (43% say most mistakes are made during the interview).

36% of employers say they automatically dismiss a job applicant whose résumé is generic and doesn't seem personalized for the position.

58% of employers identified typos as the most common problems with résumés that led them to automatically dismiss a job applicant.

(photo) pathdoc/Shutterstock

**Some Résumé Gaffes**

- "Dear Sir or **Madman**."
- "Assisted company executives with travel **arraignments**."
- "I would like to work for a company that is **very lax** when it comes to **tardiness**."
- "Instrumental for **ruining** entire operation for a Midwest chain store."
- "My last employer **fried** me for no reason."
- "Earned a diploma from a very **repudiated** college."
- "Hope to hear from you, **shorty**."

43% of employers say they spend less than a minute looking at a résumé.

32% of employers say they automatically dismiss a job applicant whose résumé includes a large amount of wording from the job posting.

The problem is that first impressions—particularly negative first impressions—are difficult to change. After categorizing someone, we tend to select subsequent information that supports our first impression and screen out information that opposes that impression. First impressions can be corrected, but only if those impressions are changed within a very short time after they are formed.

Improving Perceptions

LO 3-4

We can't bypass the perceptual process, but we should try to minimize perceptual biases and distortions. Three potentially effective ways to improve perceptions include awareness of perceptual biases, self-awareness, and meaningful interaction.

AWARENESS OF PERCEPTUAL BIASES

One of the most obvious and widely practiced ways to reduce perceptual biases is by knowing that they exist. For example, diversity awareness training tries to minimize discrimination by making people aware of systemic discrimination as well as prejudices that occur through stereotyping. This training also attempts to dispel myths about people from various cultural and demographic groups. Awareness of perceptual biases can reduce these biases to some extent by making people more mindful of their thoughts and actions. However, awareness training has only a limited effect.⁷⁵ One problem is that teaching people to reject incorrect stereotypes has the unintended effect of reinforcing rather than reducing reliance on those stereotypes. Another problem is that diversity training is ineffective for people with deeply held prejudices against those groups.



debating point

DO DIVERSITY PROGRAMS ACTUALLY REDUCE PERCEPTUAL BIASES?^g

Diversity training programs are well-entrenched bastions in the battle against workplace discrimination. In most programs, participants are reminded to respect cultural and gender differences. They also learn about common assumptions and biases that people make about other demographic groups. When companies lose discrimination cases, one of the first requirements is that they introduce diversity training to remedy the problem.

Despite its good intentions, diversity training might not be as useful as one would hope. One concern is that most sessions are mandatory, so employees aren't really committed to their content. Biases and prejudices are deeply anchored, so a half-day lecture and group chat on diversity won't change employee perceptions and behavior. Even if these programs motivate employees to be more tolerant of others and to avoid stereotypes, these good intentions evaporate quickly in companies that lack a diversity culture.

Perversely, the mere presence of diversity training may have the opposite effect to its good intentions. There is some evidence that discussing demographic and cultural differences increases rather than decreases stereotyping. Students in one study showed more bias against elderly people after watching a video encouraging them to be less biased against older people! Diversity training programs might also produce defensive or stressful emotions among participants. One program for incoming students at the University of Delaware was canceled after white students complained it made them feel racist, and gay students felt pressured to reveal their sexual orientation.

Studies also report that diversity awareness programs create an illusion of fairness. Disadvantaged employees in companies with these programs are more likely to believe their employer doesn't engage in unfair discrimination. However, this perception of fairness makes employees less aware of incidents where the company does engage in unfair discrimination.

IMPROVING SELF-AWARENESS

A more successful way to minimize perceptual biases is by increasing self-awareness.⁷⁶ We need to become more conscious of our beliefs, values, and attitudes and, from that insight, gain a better understanding of biases in our own decisions and behavior. This self-awareness tends to reduce perceptual biases by making people more open-minded and nonjudgmental toward others. Self-awareness is equally important in other ways. The emerging concept of authentic leadership emphasizes self-awareness as the first step in a person's ability to effectively lead others (see Chapter 12). Essentially, we need to understand our own values, strengths, and biases as a foundation for building a vision and leading others toward that vision.⁷⁷

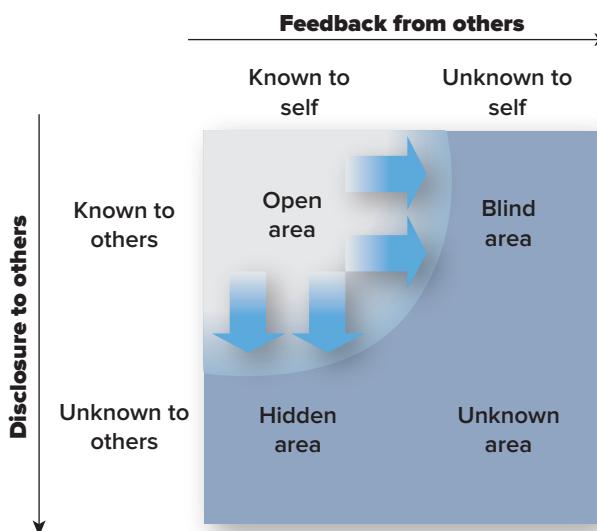
But how do we become more self-aware? One approach is to complete formal tests that indicate any implicit biases we might have toward others. The Implicit Association Test (IAT) is one such instrument. Although the accuracy of the IAT is being hotly debated by scholars, it attempts to detect subtle racial, age, gender, disability, and other forms of bias by associating positive and negative words with specific groups of people.⁷⁸ For example, one recent study reported that most of the 176,935 people completing the IAT test had a strong science-is-male stereotype, even in subdisciplines where women represent a large percentage of the profession. Most people completing that test associate science with men. Many people are much more cautious about their stereotypes and prejudices after discovering that their test results show a personal bias against older people or individuals from different ethnic backgrounds.⁷⁹

Another way to reduce perceptual biases through increased self-awareness is by applying the **Johari Window**.⁸⁰ Developed by Joseph Luft and Harry Ingram (hence the name "Johari"), this model of self-awareness and mutual understanding divides information about you into four "windows"—open, blind, hidden, and unknown—based on whether your own values, beliefs, and experiences are known to you and to others (see Exhibit 3.6). The *open area* includes information about you that is known both to you and to others. The *blind area* refers to information that is known to others but not to you. For example, your colleagues might notice that you are self-conscious and awkward when meeting the

Johari Window
a model of mutual understanding that encourages disclosure and feedback to increase our own open area and reduce the blind, hidden, and unknown areas

EXHIBIT 3.6**Johari Window Model of Self-Awareness and Mutual Understanding**

Source: Based on J. Luft. 1969. *Of Human Interaction*. Palo Alto, CA: National Press Books.



company's chief executive officer, but you are unaware of this fact. Information known to you but unknown to others is found in the *hidden area*. Finally, the *unknown area* includes your values, beliefs, and experiences that are buried so deeply that neither you nor others are aware of them.

The main objective of the Johari Window is to increase the size of the open area so that both you and your colleagues are aware of your perceptual limitations. This objective is partly accomplished by reducing the hidden area through *disclosure*—informing others of your beliefs, feelings, and experiences that may influence the work relationship. The open area also increases through *feedback* from others about your behavior. Feedback reduces your blind area because, according to recent studies, people near you are good sources of information about many (but not all) of your traits and behaviors.⁸¹ Finally, the combination of disclosure and feedback occasionally produces revelations about you in the unknown area.

MEANINGFUL INTERACTION

The Johari Window relies on direct conversations about ourselves and others, whereas *meaningful interaction* is a more indirect, yet potentially powerful, approach to improving self-awareness and mutual understanding.⁸² Meaningful interaction is any activity in which people engage in valued (meaningful, not trivial) activities. The activities might be work related, such as when senior executives work alongside frontline staff. Or the activities might occur outside the workplace, such as when sales staff from several countries participate in outdoor challenges.

Meaningful interaction is founded on the **contact hypothesis**, which states that, under certain conditions, people who interact with one another will be less perceptually biased because they have a more personal understanding of the other person and their group.⁸³ Simply spending time with members of other groups can improve this understanding to some extent. However, meaningful interaction is strongest when people work closely and frequently with one another on a shared goal that requires mutual cooperation and reliance. Furthermore, everyone should have equal status in that context, should be engaged in a meaningful task, and should have positive experiences with one another in those interactions.

Meaningful interaction reduces dependence on stereotypes because it diminishes psychological distance, improves our knowledge about individuals, and helps us to observe their unique attributes in action.⁸⁴ Meaningful interaction also potentially improves

contact hypothesis

a theory stating that the more we interact with someone, the less prejudiced or perceptually biased we will be against that person



Empathizing with employees is a critical leadership skill at Scripps Health. “Psychological distance is extremely dangerous for leaders,” warns Scripps CEO Chris Van Gorder (center in this photo). Van Gorder devotes almost half of his time to interacting with Scripps’ 14,000 employees in Southern California through training future leaders, doing weekly rounds, and occasionally working alongside staff in frontline roles. “Roll up your sleeves and get your hands dirty,” Van Gorder advises. He also encourages leaders “to show your empathy, don’t merely feel it.” Van Gorder explains that leaders sometimes “mistakenly project a stoic persona, but by not demonstrating empathy leaders come across as cold and uncaring.”^h

ZUMA Press, Inc/Alamy Stock Photo

McGrawHill connect

SELF-ASSESSMENT 3.5:

How Strong Is Your Perspective Taking (Cognitive Empathy)?

Empathy refers to a person’s understanding of and sensitivity to the feelings, thoughts, and situation of others. The “understanding” part of empathy is called *perspective taking* or *cognitive empathy*. It refers to a rational understanding of another person’s circumstances. You can discover your level of cognitive empathy by locating this self-assessment in Connect if it is assigned by your instructor.

McGrawHill connect

SELF-ASSESSMENT 3.6:

How Strong Is Your Emotional Empathy?

Empathy refers to a person’s understanding of and sensitivity to the feelings, thoughts, and situation of others. The “sensitivity” part of empathy is called *emotional empathy*. It refers to experiencing the feelings of the other person. You can discover your level of emotional empathy by locating this self-assessment in Connect if it is assigned by your instructor.

Global Mindset: Developing Perceptions across Borders

LO 3-5

global mindset
an individual's ability to perceive, appreciate, and empathize with people from other cultures, and to process complex cross-cultural information

Rakuten Inc. is Japan’s most popular e-commerce website and one of the 10 largest Internet companies in the world. The Tokyo-based firm is rapidly expanding beyond Japanese borders, which demands a more global focus. “In the online business, which easily crosses national boundaries, domestic companies are not our sole rivals,” explains Rakuten CEO Hiroshi Mikitani. Therefore, Mikitani recently made English the company’s official in-house language. Even more important, Rakuten is seeking out job applicants with international experience and a mindset to match. “Since we declared our intention to make English our official language, we’ve had more applicants that clearly have a global mindset,” says Mikitani.⁸⁷

Global mindset has become an important attribute of job applicants at Rakuten and other companies with international operations. A **global mindset** refers to an individual’s



ability to perceive, know about, and process information across cultures. It includes the following four specific elements.⁸⁸

- *Adopting a global perspective.* A global mindset increases as the individual acquires more of a global than a local/parochial frame of reference about their business and its environment. This frame of reference includes accumulating knowledge and appreciation of many cultures without judging the competence of others by their national or ethnic origins.
- *Empathizing and acting effectively across cultures.* A global mindset includes understanding the perceptions and emotions of coworkers from other cultures in various situations. Furthermore, this empathy translates into effective use of words and behaviors that are compatible with the local culture.
- *Processing complex information about novel environments.* People who work across cultures are frequently placed in new situations that require quick understanding and decision making. This calls for a capacity to cognitively receive and analyze large volumes of information in these new and diverse situations.
- *Developing new multilevel mental models.* A global mindset involves the capacity to quickly develop useful mental models of situations, particularly at both a local and global level of analysis. Ultimately, those with a strong global mindset apply multiple levels of understanding to intercultural cross-cultural issues and work environments.

A global mindset offers tremendous value to organizations as well as to the employee's career opportunities.⁸⁹ People who develop a global mindset form better relationships across cultures by understanding and showing respect to distant colleagues and partners. They can sift through huge volumes of ambiguous and novel information transmitted in multinational relationships. They have a capacity to form networks and exchange resources more rapidly across borders. They also develop greater sensitivity and respond more quickly to emerging global opportunities.

DEVELOPING A GLOBAL MINDSET

Developing a global mindset involves improving one's perceptions, so the practices described earlier on awareness, self-awareness, and meaningful interaction are relevant. As with most perceptual capabilities, a global mindset begins with self-awareness—understanding one's own beliefs, values, and attitudes. Through self-awareness, people are more open-minded and non-judgmental when receiving and processing complex information for decision making. In addition, companies develop a global mindset by giving employees opportunities to compare their own mental models with those of coworkers or partners from other regions of the world. For example, employees might participate in online forums about how well the product's design or marketing strategy is received in their own country versus a more distant and culturally different country. When companies engage in regular discussions about global competitors, suppliers, and other stakeholders, they eventually move the employee's sphere of awareness more toward that global level.

A global mindset develops through better knowledge of people and cultures. Some of that knowledge is acquired through formal programs, such as expatriate and diversity training, but deeper absorption results from immersion in those cultures. Just as executives need to experience frontline jobs to better understand their customers and employees, employees also need to have meaningful interaction with colleagues from other cultures in those settings. The deeper the individual's immersion in the local environment (such as following local practices, eating local food, and using the local language), the more he or she tends to understand the perspectives and attitudes of their colleagues in those cultures.



global connections 3.5

EY Cultivates a Global Mindset Through International Secondmentsⁱ

Cathy Ng usually works in EY's (formerly Ernst & Young's) offices in Hong Kong, but she jumped at the offer of a temporary transfer to London. "My secondment to EY London has allowed me to develop a global mindset by working with individuals from different backgrounds and cultures. It is interesting to know that there are different ways of looking at the same thing and therefore bringing different insights and ways of improving our work."

Jessica Lönnqvist, an EY transactions diligence manager from Helsinki, also benefited from her temporary transfer to EY's offices in Milan, Italy. "My three-month secondment in Milan with EY was an invaluable experience. It exposed me to new, bigger clients and stretched my technical knowledge," says Lönnqvist. She particularly noted how working with people from around the world improves a person's perceptions and abilities. "The global mindset of EY people is really inspiring. The open, international, and collaborative environment is so valuable."



Gonzales Photo/Alamy Stock Photo

Along with developing a global mindset in its employees, EY actively looks for this competency in job applicants. "We need candidates who can work effectively in teams, analyze, innovate and think with a global mindset, regardless of their domain expertise or background," says Larry Nash, EY's recruiting leader in the United States.

chapter summary

LO 3-1 Describe the self-concept characteristics and processes, and explain how each affects an individual's behavior and well-being.

Self-concept includes an individual's self-beliefs and self-evaluations. It has three structural characteristics—complexity, consistency, and clarity—all of which influence employee well-being, behavior, and performance. People are inherently motivated to promote and protect their self-concept (self-enhancement) and to verify and maintain their existing self-concept (self-verification). Self-evaluation consists of self-esteem, self-efficacy, and locus of control. Self-concept also consists of both personal identity and social identity. Social identity theory explains how people define themselves by the groups to which they belong or have an emotional attachment.

LO 3-2 Outline the perceptual process and discuss the effects of categorical thinking and mental models in that process.

Perception involves selecting, organizing, and interpreting information to make sense of the world around us. Perceptual organization applies categorical thinking—the mostly nonconscious process of organizing people and objects into preconceived categories that are stored in our long-term memory. Mental models—knowledge structures that we develop to describe, explain, and predict the world around us—also help us make sense of incoming stimuli.

LO 3-3 Discuss how stereotyping, attribution, self-fulfilling prophecy, halo, false consensus, primacy, and recency effects influence the perceptual process.

Stereotyping occurs when people assign traits to others based on their membership in a social category. This assignment economizes mental effort, fills in missing information, and enhances our self-concept, but it also lays the foundation for stereotype threat as well as systemic and intentional discrimination. The attribution process involves deciding whether an observed behavior or event is caused mainly by the person (internal factors) or the environment (external factors). Attributions are decided by the perceived consistency, distinctiveness, and consensus of the behavior. This process is subject to self-serving bias and fundamental attribution error. A self-fulfilling prophecy occurs when our expectations about another person cause that person to act in a way that is consistent with those expectations. This effect is stronger when employees first join the work unit, when several people hold these expectations, and when the employee has a history of low achievement. Four other perceptual errors commonly noted in organizations are the halo effect, false-consensus effect, primacy effect, and recency effect.

LO 3-4 Discuss three ways to improve perceptions, with specific application to organizational situations.

One way to minimize perceptual biases is to become more aware of their existence. Awareness of these biases makes



people more mindful of their thoughts and actions, but this training sometimes reinforces rather than reduces reliance on stereotypes and tends to be ineffective for people with deeply held prejudices. A second strategy is to become more aware of biases in our own decisions and behavior. Self-awareness increases through formal tests such as the Implicit Association Test (IAT) and by applying the Johari Window, which is a process in which others provide feedback to you about your behavior, and you offer disclosure to them about yourself. The third strategy is meaningful interaction, which applies the contact hypothesis that people who interact will be less prejudiced or perceptually biased toward one another. Meaningful interaction is strongest when people work closely and frequently with relatively equal status on a shared meaningful task that requires cooperation and reliance on one another. Meaningful interaction helps improve empathy, which is a person's understanding and sensitivity to the feelings, thoughts, and situations of others.

LO 3-5 Outline the main features of a global mindset and justify its usefulness to employees and organizations.

A global mindset refers to an individual's ability to perceive, know about, and process information across cultures. This includes (1) an awareness of, openness to, and respect for other views and practices in the world; (2) the capacity to empathize and act effectively across cultures; (3) an ability to process complex information about novel environments; and (4) the ability to comprehend and reconcile intercultural matters with multiple levels of thinking. A global mindset enables people to develop better cross-cultural relationships, to digest huge volumes of cross-cultural information, and to identify and respond more quickly to emerging global opportunities. Employees develop a global mindset through self-awareness, opportunities to compare their own mental models with people from other cultures, formal cross-cultural training, and immersion in other cultures.

key terms

attribution process, p. 96
categorical thinking, p. 92
confirmation bias, p. 91
contact hypothesis, p. 103
empathy, p. 104
false-consensus effect, p. 100
fundamental attribution error, p. 98
global mindset, p. 104
halo effect, p. 100

Johari Window, p. 102
locus of control, p. 87
mental models, p. 92
perception, p. 89
positive organizational behavior, p. 99
primacy effect, p. 100
recency effect, p. 100
selective attention, p. 90
self-concept, p. 82

self-efficacy, p. 86
self-enhancement, p. 85
self-fulfilling prophecy, p. 98
self-serving bias, p. 98
self-verification, p. 86
social identity theory, p. 88
stereotype threat, p. 95
stereotyping, p. 93

critical thinking questions

1. You are the manager of a district that has just hired several recent university and college graduates. Most of these people are starting their first full-time job, though most of them have held part-time and summer positions in the past. They have general knowledge of their particular skill area (accounting, engineering, marketing, etc.) but know relatively little about specific business practices and developments. Explain how you would nurture the self-concepts in these new hires to strengthen their performance and maintain their psychological well-being. Also explain how you might reconcile the tendency for self-enhancement while preventing the new employees from forming a negative self-evaluation.
2. Do you define yourself in terms of the university you attend? Why or why not? What are the implications of your answer for your university or college?
3. A high-performance company has launched a “total focus” initiative that requires all employees to give complete attention and dedication to the company’s growth and success. In an email to all staff members, the CEO wrote: “We live in a competitive world, and only those businesses whose employees give their total focus to the business will survive. As such, we are offering a generous severance to employees leaving because they can’t devote 110 percent to this firm.” The company announced that it would invest heavily in employee training and career development, but employees who held second jobs or

were engaged in time-consuming hobbies would be asked to leave. Discuss the company’s “total focus” initiative and its consequences from the perspective of employee self-concept complexity, consistency and clarity.

4. Several years ago, senior executives at energy company CanOil wanted to acquire an exploration company (HBOG) that was owned by another energy company, AmOil. Rather than face a hostile takeover and unfavorable tax implications, CanOil’s two top executives met with the CEO of AmOil to discuss a friendly exchange of stock to carry out the transaction. AmOil’s chief executive was previously unaware of CanOil’s plans, and as the meeting began, the AmOil executive warned that he was there merely to listen. The CanOil executives were confident that AmOil wanted to sell HBOG because energy legislation at the time made HBOG a poor investment for AmOil. AmOil’s CEO remained silent for most of the meeting, which CanOil executives interpreted as an implied agreement to proceed to buy AmOil stock on the market. But when CanOil launched the stock purchase a month later, AmOil’s CEO was both surprised and outraged. He thought he had given the CanOil executives the cold shoulder, remaining silent to show his disinterest in the deal. The misunderstanding nearly bankrupted CanOil because AmOil reacted by protecting its stock. What perceptual problem(s) likely occurred that led to this misunderstanding?

5. Before joining an organization or beginning education at a new school, we form mental models of what the work setting and activities will be like. How did your pre-employment or pre-enrollment mental models differ from the actual situation? Why did your mental models differ from reality, and what effect did those differences have on your adjustment to the new work or school?
6. During a diversity management session, a manager suggests that stereotypes are a necessary part of working with others. "I have to make assumptions about what's in the other person's head, and stereotypes help me do that," she explains. "It's better to rely on stereotypes than to enter a working relationship with someone from another culture without any idea of what they believe in!" Discuss the merits of and problems with the manager's statement.
7. Describe how a manager or coach could use the process of self-fulfilling prophecy to enhance an individual's performance.
8. Self-awareness is increasingly recognized as an important ingredient for effective leadership. Suppose that you are responsible for creating a leadership development program in a government organization. What activities or processes would you introduce to help participants in this program constructively develop a better self-awareness of their personality, values, and personal biases?
9. Almost everyone in a college or university business program has developed some degree of a global mindset. What events or activities in your life have helped nurture the global mindset you have developed so far? What actions can you take now, while still attending school, to further develop your global mindset?



CASE STUDY: BRIDGING THE TWO WORLDS

By William Todorovic, Purdue University, Fort Wayne

I had been hired by Aluminum Elements Corp. (AEC), and it was my first day of work. I was 26 years old, and I was now the manager of AEC's customer service group, which looked after customers, logistics, and some of the raw material purchasing. My superior, George, was the vice president of the company. AEC manufactured most of its products from aluminum, a majority of which were destined for the construction industry.

As I walked around the shop floor, the employees appeared to be concentrating on their jobs, barely noticing me. Management held daily meetings, in which various production issues were discussed. No one from the shop floor was invited to the meeting, unless there was a specific problem. Later I also learned that management had separate washrooms, separate lunchrooms, as well as other perks that floor employees did not have. Most of the floor employees felt that management, although polite on the surface, did not really feel they had anything to learn from the floor employees.

John, who worked on the aluminum slitter, a crucial operation required before any other operations could commence, had a number of unpleasant encounters with George. As a result, George usually sent written memos to the floor in order to avoid a direct confrontation with John. Because the directions in the memos were complex, these memos were often more than two pages in length.

One morning, as I was walking around, I noticed that John was very upset. Feeling that perhaps there was something I could do, I approached John and asked him if I could help. He indicated that everything was just fine. From the looks of the situation, and John's body language, I felt that he was willing to talk, but John knew that this was not the way things were done at AEC. Tony, who worked at the machine next to John's, then cursed and said that the office guys only cared about schedules, not about the people down on the floor. I just looked at him, and then said that I only began working here last week, and thought that I could address some of their issues. Tony gave me a strange look, shook his head, and went back to his machine. I could

hear him still swearing as I left. Later I realized that most of the office staff were also offended by Tony's language.

On the way back to my office, Lesley, a recently hired engineer from Russia, approached me and pointed out that the employees were not accustomed to management talking to them. Management only issued orders and made demands. As we discussed the different perceptions between office and floor staff, we were interrupted by a very loud lunch bell, which startled me. I was happy to join Lesley for lunch, but she asked me why I was not eating in the office lunch room. I replied that if I was going to understand how AEC worked, I had to get to know all the people better. In addition, I realized that this was not how things were done, and wondered about the nature of this apparent division between the management and the floor. In the lunchroom, the other workers were amazed to see me there, commenting that I was just new and had not learned the ropes yet.

After lunch, when I asked George, my supervisor, about his recent confrontation with John, George was surprised that John got upset, and exclaimed, "I just wanted John to know that he did a great job, and as a result, we will be able to ship on time one large order to the West Coast. In fact, I thought I was complimenting him."

Earlier, Lesley had indicated that certain behaviour was expected from management, and therefore from me. I reasoned that I do not think that this behaviour works, and besides it is not what I believe or how I care to behave. For the next couple of months, I simply walked around the floor and took every opportunity to talk to the shop floor employees. Often, when the employees related specific information about their workplaces, I felt that it went over my head. Frequently, I had to write down the information and revisit it later. I made a point of listening to them, identifying where they were coming from, and trying to understand them. I needed to keep my mind open to new ideas. Because the shop employees expected me to make requests and demands, I made a point of not doing any of that. Soon enough, the employees became friendly, and started

to accept me as one of their own, or at least as a different type of management person.

During my third month of work, the employees showed me how to improve the scheduling of jobs, especially those on the aluminum slitter. In fact, the greatest contribution was made by John who demonstrated better ways to combine the most common slitting sizes, and reduce waste by retaining some of the “common-sized” material for new orders. Seeing the opportunity, I programmed a spreadsheet to calculate and track inventory. This, in addition to better planning and forecasting, allowed us to reduce our new order turnarounds from four to five weeks to in by 10 a.m. out by 5 p.m. on the same day.

By the time I was employed for four months, I realized that members from other departments came to me and asked me to relay messages to the shop employees. When I asked why they were delegating this task to me, they stated that I spoke the same language as the shop employees. Increasingly, I became the messenger for the office to floor shop communication.

One morning, George called me into his office and complimented me on the levels of customer service and the improvements that have been achieved. As we talked, I mentioned that we could not have done it without John’s help. “He really knows his stuff, and he is good,” I said. I suggested that we consider him for some type of a promotion. Also, I hoped that

this would be a positive gesture that would improve the communication between the office and shop floor.

George turned and pulled a flyer out of his desk; “Here is a management skills seminar. Do you think we should send John to it?”

“That is a great idea,” I exclaimed, “Perhaps it would be good if he were to receive the news from you directly, George.” George agreed, and after discussing some other issues, we parted company.

That afternoon, John came into my office, upset and ready to quit. “After all my effort and work, you guys are sending me for training seminars. So, am I not good enough for you?”

Discussion Questions

1. What symptoms in this case suggest that something has gone wrong?
2. Explain the causes of these symptoms using your knowledge of self-concept and perceptions concepts and theories. Analyze the case facts separately for each theory and refer to the symptom(s) that the theory explains from the facts.
3. What would you recommend to the manager and company overall to improve the situation (reduce or remove the symptoms) in the future. Provide recommendations for both immediate and longer-term actions.



CASE STUDY: HY DAIRIES, INC.

By Steven L. McShane, University of Newcastle (Australia)

Syd Gilman read the latest sales figures with a great deal of satisfaction. The vice president of marketing at Hy Dairies, Inc., a large midwestern milk products manufacturer, was pleased to see that the marketing campaign to improve sagging sales of Hy’s gourmet ice cream brand was working. Sales volume and market share of the product had increased significantly over the past two quarters compared with the previous year.

The improved sales of Hy’s gourmet ice cream could be credited to Rochelle Beauport, who was assigned to the gourmet ice cream brand last year. Beauport had joined Hy Dairies less than two years ago as an assistant brand manager after leaving a similar job at a food products firm. She was one of the few women of color in marketing management at Hy Dairies and had a promising career with the company. Gilman was pleased with Beauport’s work and tried to let her know this in annual performance reviews. He now had an excellent opportunity to reward her by offering her the recently vacated position of market research coordinator. Although technically only a lateral transfer with a modest salary increase, the marketing research coordinator job would give Beauport broader experience in some high-profile work, which would enhance her career with Hy Dairies. Few people were aware that Gilman’s own career had been boosted by working as marketing research coordinator at Hy several years before.

Rochelle Beauport had also seen the latest sales figures on Hy’s gourmet ice cream and was expecting Gilman’s call

to meet with her that morning. Gilman began the conversation by briefly mentioning the favorable sales figures, and then explained that he wanted Beauport to take the marketing research coordinator job. Beauport was shocked by the news. She enjoyed brand management and particularly the challenge involved with controlling a product that directly affected the company’s profitability. Marketing research coordinator was a technical support position—a “back room” job—far removed from the company’s bottom-line activities. Marketing research was not the route to top management in most organizations, Beauport thought. She had been sidelined.

After a long silence, Beauport managed a weak, “Thank you, Mr. Gilman.” She was too bewildered to protest. She wanted to collect her thoughts and reflect on what she had done wrong. Also, she did not know her boss well enough to be openly critical.

Gilman recognized Beauport’s surprise, which he assumed was her positive response to hearing of this wonderful career opportunity. He, too, had been delighted several years earlier about his temporary transfer to marketing research to round out his marketing experience. “This move will be good for both you and Hy Dairies,” said Gilman as he escorted Beauport from his office.

Beauport was preoccupied with several tasks that afternoon but was able to consider the day’s events that evening. She was one of the top women and few minorities in brand

management at Hy Dairies and feared that she was being sidelined because the company didn't want women or people of color in top management. Her previous employer had made it quite clear that women "couldn't take the heat" in marketing management and tended to place women in technical support positions after a brief term in lower brand management jobs. Obviously Syd Gilman and Hy Dairies were following the same game plan. Gilman's comments that the coordinator job would be good for her was just a nice way of saying that Beauport couldn't go any further in brand management at Hy Dairies.

Beauport now faced the difficult decision of whether to confront Gilman and try to change Hy Dairies' sexist and possibly racist practices or to leave the company.

Discussion Questions

1. Apply your knowledge of stereotyping and social identity theory to explain what went wrong here.
2. What other perceptual errors are apparent in this case study?
3. What can organizations do to minimize misperceptions in these types of situations?



CLASS EXERCISE: WHO'S WHO?

By Steven L. McShane, University of Newcastle (Australia)

PURPOSE This exercise is designed to help you understand how well we rely on observable characteristics to perceive less observable talents in others, as well as how people perceive themselves.

MATERIALS

1. Preferably, all documentation will be completed digitally, such as in a text message or email that will be sent to one or more people on another team. Therefore at least one student on each team should have a mobile phone or computer/tablet with Internet access. One or more students will also exchange their email or phone information to receive information from another team.
2. Alternatively, if the information is prepared in writing, two small pieces of paper are required per student along with one envelope per team.
3. Each team should have its own private space, but this activity also requires enough space for pairs of teams to meet for part of the exercise.
4. Members of each team will send their names and faces to a paired team. For example, take a team photo on a mobile phone and send it to the paired team along with names of the team members (matching names with their location in the photo). Alternatively, the instructor will distribute a class list with student photos to each team and the members of each team identify its members on that class list, which is then provided to the other team.

INSTRUCTIONS (SMALL OR LARGE CLASS)

NOTE: This activity works easily in classes up to about 50 students. It can also be employed in fairly large classes of about 100 students (possibly larger) if there is sufficient and well-designed space available to coordinate more than a dozen teams.

Step 1: The instructor will organize students into an *equal number* of teams, preferably about seven (7) students per team. The instructor will also pair each team with another team. Ideally, each team has limited knowledge about members of the paired team. They can be familiar with members of their own team.

Step 2: Each student will provide two (2) statements about personal talents, experiences, events, and so on. This may occur before the team gathers or as soon as it gathers. Each statement should have the following characteristics:

- The statement *positively defines you (the student)*. In one sentence, it describes something you are proud of, such as an accomplishment, association with a group, or area of positive personal development.
- Each statement should be specific about yourself, not a general trait (e.g., something you do rather than a personality trait). Some examples might be: "I teach/lead pilates classes." "I participate in marathon running events." "I play in a rock band." "I am on the executive board of [name of student club, community organization]." "I have formed my own business." "I can speak two languages fluently." "I am a player on [name of school/community sports team]." "I usually read three non-coursework books each month." "I write a blog on [name of topic]." "I completed a bike tour through [name of country/state]."
- The statement will NOT identify you. Your name should not appear with the statement and the statement should not be written in a way that identifies you.
- The team will create a digital document or email/message that randomly lists all statements (two per team member). This list will be sent to the paired team. If the statements are hand written, each statement should be on a separate small piece of paper.

Step 3: The team documents the statements in a digital file or email/message that randomizes the statements and can be sent to one or more people on a paired team. If statements are hand written, all statements within the team are placed in an envelope and given to the paired team. As stated above, no student names or other identifying information should be linked to any statements. The statements are placed randomly in the envelope or presented randomly in the digital file.

Step 4: Each team will provide details of each member's name and face to the paired team. The team might take a group photo and send it by mobile phone along with names of team members (and their location in the photo) to one or more members of the other team. Or they might identify members of the team on a photo class list. Optionally, members of both teams might want to briefly meet to shake hands and state their name. This also offers an opportunity to link a name to each person on the other team. Still, it is essential that each team has photos and names of members on the paired team.

Step 5: Each team works alone (away from the paired team) to examine the statements provided by the paired team. The team's task is to match each statement with each member of the paired team. Ideally, the team reaches consensus on which student seems most likely to have written a particular statement. If consensus is not possible, the statement will be assigned to the person with the most votes. The team's task is completed when it has assigned two statements to each member of the other team. NOTE: Optionally, the instructor may ask students to remain silent when they know a person on the other team well enough to immediately recognize their statement. If this rule is not invoked, students can advise the team of their knowledge.

Step 6: The paired teams meet again after they have assigned statements to members of the other team. In this meeting, the two teams systematically identify the individuals who wrote each statement. For example, each student

will identify the two statements they wrote, so the other team discovers how accurately it assigned the statements. Alternatively, each team will send a message to the other team with the statements and the name of each person who wrote that statement. In the latter arrangement, a second joint meeting with the paired teams is not required.

Step 7: The class will debrief the exercise. The discussion questions below will assist this process, but the instructor may present other questions.

Discussion Questions

1. What information was used to match each statement to students on the other team? Did you rely on any stereotypes or other preconceptions? For example, did some statements have a gendered characteristic (an activity more common for men versus women, or vice versa)?
2. Were you surprised that the owners of any statements were quite different from your expectations? Do you think this difference was an anomaly, or do you have an inaccurate perception of people who have that talent or engage in that activity?
3. What can we do to improve the accuracy of our perceptions of others, particularly in work settings?
4. Did any topics or themes in the statements stand out (sports activity, talents, etc.)? If these statements are an important part of each person's self-concept, why do these particular themes stand out? For example, why would sports activity/accomplishments be important for many students?



TEAM EXERCISE: PERSONAL AND ORGANIZATIONAL STRATEGIES FOR DEVELOPING A GLOBAL MINDSET

PURPOSE This exercise is designed to help you understand and discover ways to improve your global mindset.

MATERIALS None.

INSTRUCTIONS

Step 1: Students are organized into teams, in which the following questions will be discussed. Teams will prepare a list of global mindset-enhancing activities organized around two categories: (1) organizationally generated activities and (2) personal development activities.

- Organizationally generated activities: What organizational practices—interventions or conditions created deliberately by the organization—have you experienced or know that others have experienced that develop a person's global mindset? Be specific in your description of

each activity and, where possible, identify the element (elements) of global mindset that improves through that activity.

- Personal development activities: Suppose someone asked you what personal steps they could take to develop a global mindset. What would you recommend? Think about ways that you have personally developed your (or have good knowledge of someone else who has developed their) global mindset. Your suggestions should say what specific elements of global mindset are improved through each activity.

Step 2: The class debriefs, where teams are asked to describe specific personal or organizational activity to others in the class. Look for common themes, as well as challenges people might face while trying to develop a global mindset.

endnotes

1. J. Stauffer, "Changing the Face of STEM Education," *University of Waterloo Magazine*, Fall 2015; S.S. Silbey, "Why Do So Many Women Who Study Engineering Leave the Field?," *Harvard Business Review (Online)*, August 23, 2016; R.C. Barnett and C. Rivers, "We've Studied Gender and STEM for 25 Years. The Science Doesn't Support the Google Memo," *Recode*, August 11, 2017; R. Hancock, "Women in Engineering: Overcoming the Stereotype," *Power Engineering International*, August 24, 2017; M. Unger, "10 Challenges Facing Women in STEM," *WISE Knowledge Centre* (blog), August 25, 2017, <http://www.subseaenergy.org.au/WISE/resource-library/women-in-stem-10-challenges/>; J. Guynn, "It's Called the 'Pao Effect'—Asian Women in Tech Are Fighting Deep-Rooted Discrimination," *USA TODAY*, September 19, 2017; "Women in the Labor Force: A Databook" (Washington D.C.: U.S. Bureau of Labor Statistics, November 2017); "Bachelor's Degrees Earned by Women, by Major," American Physical Society, August 8, 2018, <https://www.aps.org/programs/education/statistics/womenmajors.cfm>; A. Gouws, "Don't Blame Women for Leaving Fields like Engineering. Blame Bad Attitudes," *The Conversation*, August 24, 2018.
2. A.T. Kearney and Your Life, *Tough Choices: The Real Reasons A-Level Students Are Steering Clear of Science and Maths* (London: February 2016).
3. J. Schaubroeck, Y.J. Kim, and A.C. Peng, "The Self-Concept in Organizational Psychology: Clarifying and Differentiating the Constructs," in *International Review of Industrial and Organizational Psychology* (New York: Wiley, 2012): 1–38; J.J. Skowronski and C. Sedikides, "Evolution of Self," in *Encyclopedia of Evolutionary Psychological Science*, ed. T.K. Shackelford and V.A. Weekes-Shackelford (Cham: Springer International Publishing, 2018), 1–10, https://doi.org/10.1007/978-3-319-16999-6_2424-1.
4. V.L. Vignoles, S.J. Schwartz, and K. Luyckx, "Introduction: Toward an Integrative View of Identity," in *Handbook of Identity Theory and Research*, ed. J.S. Schwartz, K. Luyckx, and L.V. Vignoles (New York: Springer New York, 2011), 1–27; L. Gaertner et al., "A Motivational Hierarchy within: Primacy of the Individual Self, Relational Self, or Collective Self?," *Journal of Experimental Social Psychology* 48, no. 5 (2012).
5. E.J. Koch and J.A. Shepperd, "Is Self-Complexity Linked to Better Coping? A Review of the Literature," *Journal of Personality* 72, no. 4 (2004): 727–60; A.R. McConnell, "The Multiple Self-Aspects Framework: Self-Concept Representation and Its Implications," *Personality and Social Psychology Review* 15, no. 1 (2011): 3–27; L.F. Emery, C. Walsh, and E.B. Slotter, "Knowing Who You Are and Adding to It: Reduced Self-Concept Clarity Predicts Reduced Self-Expansion," *Social Psychological and Personality Science* 6, no. 3 (2015): 259–66.
6. C.M. Brown et al., "Between Two Selves: Comparing Global and Local Predictors of Speed of Switching between Self-Aspects," *Self and Identity* 15, no. 1 (2016): 72–89.
7. J.D. Campbell et al., "Self-Concept Clarity: Measurement, Personality Correlates, and Cultural Boundaries," *Journal of Personality and Social Psychology* 70, no. 1 (1996): 141–56.
8. J. Lodi-Smith and B.W. Roberts, "Getting to Know Me: Social Role Experiences and Age Differences in Self-Concept Clarity During Adulthood," *Journal of Personality* 78, no. 5 (2010): 1383–410; H. Adam et al., "The Shortest Path to Oneself Leads around the World: Living Abroad Increases Self-Concept Clarity," *Organizational Behavior and Human Decision Processes* 145 (March 2018): 16–29, <https://doi.org/10.1016/j.obhdp.2018.01.002>.
9. E.J. Koch and J.A. Shepperd, "Is Self-Complexity Linked to Better Coping? A Review of the Literature," *Journal of Personality* 72, no. 4 (2004): 727–60; A.T. Church et al., "Relating Self-Concept Consistency to Hedonic and Eudaimonic Well-Being in Eight Cultures," *Journal of Cross-Cultural Psychology* 45, no. 5 (2014): 695–712, <https://doi.org/10.1177/0022022114527347>; M. Parise et al., "Self-Concept Clarity and Psychological Adjustment in Adolescence: The Mediating Role of Emotion Regulation," *Personality and Individual Differences* 138 (2019): 363–65, <https://doi.org/10.1016/j.paid.2018.10.023>; A.W. Hanley and E.L. Garland, "Clarity of Mind: Structural Equation Modeling of Associations between Dispositional Mindfulness, Self-Concept Clarity and Psychological Well-Being," *Personality and Individual Differences* 106 (2017): 334–39, <https://doi.org/10.1016/j.paid.2016.10.028..>
10. A.T. Brook, J. Garcia, and M.A. Fleming, "The Effects of Multiple Identities on Psychological Well-Being," *Personality and Social Psychology Bulletin* 34, no. 12 (2008): 1588–600; A.T. Church et al., "Relating Self-Concept Consistency to Hedonic and Eudaimonic Well-Being in Eight Cultures," *Journal of Cross-Cultural Psychology* 45, no. 5 (2014): 695–712.
11. J.D. Campbell, "Self-Esteem and Clarity of the Self-Concept," *Journal of Personality and Social Psychology* 59, no. 3 (1990).
12. S. Hannah et al., "The Psychological and Neurological Bases of Leader Self-Complexity and Effects on Adaptive Decision-Making," *Journal of Applied Psychology* 98, no. 3 (2013): 393–411; S.J. Creary, B.B. Caza, and L.M. Roberts, "Out of the Box? How Managing a Subordinate's Multiple Identities Affects the Quality of a Manager-Subordinate Relationship," *Academy of Management Review* 40, no. 4 (2015): 538–62.
13. C. Peus et al., "Authentic Leadership: An Empirical Test of Its Antecedents, Consequences, and Mediating Mechanisms," *Journal of Business Ethics* 107, no. 3 (2012): 331–48; F.O. Walumbwa, M.A. Maidique, and C. Atamanik, "Decision-Making in a Crisis: What Every Leader Needs to Know," *Organizational Dynamics* 43, no. 4 (2014): 284–93; B. Mittal, "Self-Concept Clarity: Exploring Its Role in Consumer Behavior," *Journal of Economic Psychology* 46 (2015): 98–110.
14. This quotation has been cited since the 1930s, yet we were unable to find it in any of Dewey's writing. The earliest known reference to this quotation is Dale



- Carnegie's famous self-help book, where the statement is attributed to Dewey. See D. Carnegie, *How to Win Friends and Influence People*, 1st ed. (New York: Simon & Schuster, 1936), Chapter 2, 37–38.
15. C.L. Guenther and M.D. Aliche, "Deconstructing the Better-Than-Average Effect," *Journal of Personality and Social Psychology* 99, no. 5 (2010): 755–70; S. Loughnan et al., "Universal Biases in Self-Perception: Better and More Human Than Average," *British Journal of Social Psychology* 49 (2010): 627–36; D.L. Ferris and C. Sedikides, "Self-Enhancement in Organizations," in *The Self at Work: Fundamental Theory and Research*, ed. D.L. Ferris, R.E. Johnson, and C. Sedikides, 2018, 91–118.
 16. D. Dunning, C. Heath, and J.M. Suls, "Flawed Self-Assessment: Implications for Health, Education, and the Workplace," *Psychological Science in the Public Interest* 5, no. 3 (2004): 69–106; D.A. Moore, "Not So above Average after All: When People Believe They Are Worse Than Average and Its Implications for Theories of Bias in Social Comparison," *Organizational Behavior and Human Decision Processes* 102, no. 1 (2007): 42–58. The statistics on student self-perceptions are reported in: J.M. Twenge, W.K. Campbell, and B. Gentile, "Generational Increases in Agentic Self-Evaluations among American College Students, 1966–2009," *Self and Identity* 11, no. 4 (2011): 409–27.
 17. D. Gosselin et al., "Comparative Optimism among Drivers: An Intergenerational Portrait," *Accident Analysis & Prevention* 42, no. 2 (2010): 734–40; P.M. Picone, G. Battista Dagnino, and A. Minà, "The Origin of Failure: A Multidisciplinary Appraisal of the Hubris Hypothesis and Proposed Research Agenda," *Academy of Management Perspectives* 28, no. 4 (2014): 447–68; G. Chen, C. Crossland, and S. Luo, "Making the Same Mistake All over Again: CEO Overconfidence and Corporate Resistance to Corrective Feedback," *Strategic Management Journal* 36, no. 10 (2015): 1513–35; M. Dufner et al., "Self-Enhancement and Psychological Adjustment: A Meta-Analytic Review," *Personality and Social Psychology Review* 23, no. 1 (2019): 48–72, <https://doi.org/10.1177/1088868318756467>.
 18. W.B. Swann Jr., P.J. Rentfrow, and J.S. Guinn, "Self-Verification: The Search for Coherence," in *Handbook of Self and Identity*, ed. M.R. Leary and J. Tagney (New York: Guilford, 2002), 367–83; D.M. Cable and V.S. Kay, "Striving for Self-Verification during Organizational Entry," *Academy of Management Journal* 55, no. 2 (2012): 360–80.
 19. A. Meister, A. Sinclair, and K.A. Jehn, "Identities under Scrutiny: How Women Leaders Navigate Feeling Misidentified at Work," *The Leadership Quarterly* 28, no. 5 (2017): 672–90, <https://doi.org/10.1016/j.leaqua.2017.01.009>.
 20. T. Kwang and W.B. Swann, "Do People Embrace Praise Even When They Feel Unworthy? A Review of Critical Tests of Self-Enhancement versus Self-Verification," *Personality and Social Psychology Review* 14, no. 3 (2010): 263–80.; G. S. Preuss and M. D. Aliche, "My Worst Faults and Misdeeds: Self-Criticism and Self-Enhancement Can Co-Exist," *Self and Identity* 16, no. 6 (2017): 645–63.
 21. M.R. Leary, "Motivational and Emotional Aspects of the Self," *Annual Review of Psychology* 58, no. 1 (2007): 317–44; A. Meister, K.A. Jehn, and S.M.B. Thatcher, "Feeling Misidentified: The Consequences of Internal Identity Asymmetries for Individuals at Work," *Academy of Management Review* 39, no. 4 (2014): 488–512.
 22. D.M. Cable, F. Gino, and B. Staats, "Breaking Them In or Eliciting Their Best? Reframing Socialization around Newcomers' Authentic Self-Expression," *Administrative Science Quarterly* 58, no. 1 (2013): 1–36.
 23. We have described three components of core self-evaluation. The remaining component is the personality trait emotional stability, which was described in Chapter 2. However, personality is a behavior tendency, whereas core self-evaluation includes only "evaluation focused" variables. There is also recent concern about whether locus of control is part of self-evaluation. See R.E. Johnson, C.C. Rosen, and P.E. Levy, "Getting to the Core of Core Self-Evaluation: A Review and Recommendations," *Journal of Organizational Behavior* 29 (2008): 391–413; C.-H. Chang et al., "Core Self-Evaluations: A Review and Evaluation of the Literature," *Journal of Management* 38, no. 1 (2012): 81–128; R.E. Johnson et al., "Getting to the Core of Locus of Control: Is It an Evaluation of the Self or the Environment?," *Journal of Applied Psychology* 100, no. 5 (2015): 1568–78.
 24. W.B. Swann Jr., C. Chang-Schneider, and K.L. McClarty, "Do People's Self-Views Matter?: Self-Concept and Self-Esteem in Everyday Life," *American Psychologist* 62, no. 2 (2007): 84–94; J.L. Pierce, D.G. Gardner, and C. Crowley, "Organization-Based Self-Esteem and Well-Being: Empirical Examination of a Spillover Effect," *European Journal of Work and Organizational Psychology* 25, no. 2 (2016): 181–99.
 25. A. Bandura, *Self-Efficacy: The Exercise of Control* (New York: W. H. Freeman, 1997); J.B. Vancouver and J.D. Purl, "A Computational Model of Self-Efficacy's Various Effects on Performance: Moving the Debate Forward.," *Journal of Applied Psychology* 102, no. 4 (2017): 599–616, <https://doi.org/10.1037/apl0000177>
 26. G. Chen, S.M. Gully, and D. Eden, "Validation of a New General Self-Efficacy Scale," *Organizational Research Methods* 4, no. 1 (2001): 62–83.
 27. J.B. Rotter, "Generalized Expectancies for Internal versus External Control of Reinforcement," *Psychological Monographs* 80, no. 1 (1966): 1–28; D.A. Cobb-Clark, "Locus of Control and the Labor Market," *IZA Journal of Labor Economics* 4, no. 1 (February 19, 2015): 1–19, <https://doi.org/10.1186/s40172-014-0017-x>; B.M. Galvin et al., "Changing the Focus of Locus (of Control): A Targeted Review of the Locus of Control Literature and Agenda for Future Research," *Journal of Organizational Behavior* 39, no. 7 (2018): 820–33, <https://doi.org/10.1002/job.2275>.
 28. T.W.H. Ng, K.L. Sorensen, and L.T. Eby, "Locus of Control at Work: A Meta-Analysis," *Journal of Organizational Behavior* 27 (2006): 1057–87; Q. Wang, N.A. Bowling, and K.J. Eschleman, "A Meta-Analytic Examination of Work and General Locus of Control," *Journal of Applied Psychology* 95, no. 4 (2010): 761–68.
 29. G.J. Leonardelli, C.L. Pickett, and M.B. Brewer, "Optimal Distinctiveness Theory: A Framework for

- Social Identity, Social Cognition, and Intergroup Relations," in *Advances in Experimental Social Psychology*, ed. M.P. Zanna and J.M. Olson (San Diego, CA: Academic Press, 2010), 63–113; M. Ormiston, "Explaining the Link between Objective and Perceived Differences in Groups: The Role of the Belonging and Distinctiveness Motives," *Journal of Applied Psychology* 101, no. 2 (2016): 222–36.
30. We describe relational self-concept as a form of social identity because such connections are inherently social and the dyads are typically members of a collective entity. For example, an employee has a relationship identity with his/her boss, but this is connected to a social identity with the team or department. However, recent discussion suggests that relational self-concept may also be part of personal identity or a separate form of self-concept. See B.E. Ashforth, B.S. Schinoff, and K.M. Rogers, "I Identify with Her," "I Identify with Him": Unpacking the Dynamics of Personal Identification in Organizations," *Academy of Management Review* 41, no. 1 (2016): 28–60.
31. C. Sedikides and A.P. Gregg, "Portraits of the Self," in *The Sage Handbook of Social Psychology*, ed. M.A. Hogg and J. Cooper (London: Sage, 2003), 110–38; S.A. Haslam and N. Ellemers, "Identity Processes in Organizations," in *Handbook of Identity Theory and Research*, ed. J.S. Schwartz, K. Luyckx, and L.V. Vignoles (New York: Springer New York, 2011), 715–44; M.A. Hogg and M.J. Rinella, "Social Identities and Shared Realities," *Current Opinion in Psychology*, Shared Reality, 23 (October 2018): 6–10, <https://doi.org/10.1016/j.copsyc.2017.10.003>.
32. M.R. Edwards, "Organizational Identification: A Conceptual and Operational Review," *International Journal of Management Reviews* 7, no. 4 (2005): 207–30; E.S. Lee, T.Y. Park, and B. Koo, "Identifying Organizational Identification as a Basis for Attitudes and Behaviors: A Meta-Analytic Review," *Psychological Bulletin* 141, no. 5 (2015): 1049–80.
33. M.B. Brewer, "The Social Self: On Being the Same and Different at the Same Time," *Personality and Social Psychology Bulletin* 17, no. 5 (1991): 475–82; R. Imhoff and H.-P. Erb, "What Motivates Nonconformity? Uniqueness Seeking Blocks Majority Influence," *Personality and Social Psychology Bulletin* 35, no. 3 (2009): 309–20; K.R. Morrison and S.C. Wheeler, "Nonconformity Defines the Self: The Role of Minority Opinion Status in Self-Concept Clarity," *Personality and Social Psychology Bulletin* 36, no. 3 (2010): 297–308; M.G. Mayhew, J. Gardner, and N.M. Ashkanasy, "Measuring Individuals' Need for Identification: Scale Development and Validation," *Personality and Individual Differences* 49, no. 5 (2010): 356–61.
34. See, for example: L. Ramarajan, "Past, Present and Future Research on Multiple Identities: Toward an Intrapersonal Network Approach," *The Academy of Management Annals* 8, no. 1 (2014): 589–659; D.L. Ferris, R.E. Johnson, and C. Sedikides, eds., *The Self at Work: Fundamental Theory and Research* (New York, NY, US: Routledge/Taylor & Francis Group, 2018).
35. E.I. Knudsen, "Fundamental Components of Attention," *Annual Review of Neuroscience* 30, no. 1 (2007): 57–78.
- For an evolutionary psychology perspective of selective attention and organization, see L. Cosmides and J. Tooby, "Evolutionary Psychology: New Perspectives on Cognition and Motivation," *Annual Review of Psychology* 64, no. 1 (2013): 201–29.
36. A. Bechara and A.R. Damasio, "The Somatic Marker Hypothesis: A Neural Theory of Economic Decision," *Games and Economic Behavior* 52, no. 2 (2005): 336–72; T.S. Saunders and M.J. Buehner, "The Gut Chooses Faster Than the Mind: A Latency Advantage of Affective over Cognitive Decisions," *Quarterly Journal of Experimental Psychology* 66, no. 2 (2012): 381–88; R. Smith and R. D. Lane, "The Neural Basis of One's Own Conscious and Unconscious Emotional States," *Neuroscience & Biobehavioral Reviews* 57 (2015): 1–29.
37. Plato, *The Republic*, trans. D. Lee (Harmondsworth, UK: Penguin, 1955). On the various effects of emotions on memory, see: I. Xenakis, A. Arnellos, and J. Darzentas, "The Functional Role of Emotions in Aesthetic Judgment," *New Ideas in Psychology* 30, no. 2 (2012): 212–26, <https://doi.org/10.1016/j.newideapsych.2011.09.003>; S. Sheldon and J. Donahue, "More than a Feeling: Emotional Cues Impact the Access and Experience of Autobiographical Memories," *Memory & Cognition* 45, no. 5 (2017): 731–44, <https://doi.org/10.3758/s13421-017-0691-6>; H.J. Bowen, S.M. Kark, and E.A. Kensinger, "NEVER Forget: Negative Emotional Valence Enhances Recapitulation," *Psychonomic Bulletin & Review* 25, no. 3 (2018): 870–91, <https://doi.org/10.3758/s13423-017-1313-9>.
38. D.J. Simons and C.F. Chabris, "Gorillas in Our Midst: Sustained Inattentional Blindness for Dynamic Events," *Perception* 28 (1999): 1059–74.
39. R.S. Nickerson, "Confirmation Bias: A Ubiquitous Phenomenon in Many Guises," *Review of General Psychology* 2, no. 2 (1998): 175–220; A. Gilbey and S. Hill, "Confirmation Bias in General Aviation Lost Procedures," *Applied Cognitive Psychology* 26, no. 5 (2012): 785–95; A.M. Scherer, P.D. Windschitl, and A.R. Smith, "Hope to Be Right: Biased Information Seeking Following Arbitrary and Informed Predictions," *Journal of Experimental Social Psychology* 49, no. 1 (2013): 106–12.
40. C. Wastell et al., "Identifying Hypothesis Confirmation Behaviors in a Simulated Murder Investigation: Implications for Practice," *Journal of Investigative Psychology and Offender Profiling* 9, no. 2 (2012): 184–98; D.K. Rossmo, "Case Rethinking: A Protocol for Reviewing Criminal Investigations," *Police Practice and Research* 17, no. 3 (2016): 212–28.
41. C.N. Macrae and G.V. Bodenhausen, "Social Cognition: Thinking Categorically about Others," *Annual Review of Psychology* 51 (2000): 93–120; K.A. Quinn and H.E.S. Rosenthal, "Categorizing Others and the Self: How Social Memory Structures Guide Social Perception and Behavior," *Learning and Motivation* 43, no. 4 (2012): 247–58; L.T. Phillips, M. Weisbuch, and N. Ambady, "People Perception: Social Vision of Groups and Consequences for Organizing and Interacting," *Research in Organizational Behavior* 34 (2014): 101–27.

42. S. Avugos et al., "The 'Hot Hand' Reconsidered: A Meta-Analytic Approach," *Psychology of Sport and Exercise* 14, no. 1 (2013): 21–27. For a discussion of cognitive closure and perception, see A. Roets et al., "The Motivated Gatekeeper of Our Minds: New Directions in Need for Closure Theory and Research," in *Advances in Experimental Social Psychology*, ed. M.O. James and P.Z. Mark (San Diego, CA: Academic Press, 2015), 221–83.
43. J. Willis and A. Todorov, "First Impressions: Making Up Your Mind after a 100-Ms Exposure to a Face," *Psychological Science* 17, no. 7 (2006): 592–98; D. Kahneman, *Thinking Fast and Slow* (New York: Farrar, Strauss and Giroux, 2011); A. Todorov, *Face Value: The Irresistible Influence of First Impressions* (Princeton, NJ: Princeton University Press, 2017).
44. P.M. Senge, *The Fifth Discipline: The Art and Practice of the Learning Organization* (New York: Doubleday Currency, 1990), Chap. 10; T.J. Chermack, "Mental Models in Decision Making and Implications for Human Resource Development," *Advances in Developing Human Resources* 5, no. 4 (2003): 408–22; P.N. Johnson-Laird, "Mental Models and Deductive Reasoning," in *Reasoning: Studies of Human Inference and Its Foundations*, ed. J.E. Adler and L.J. Rips (Cambridge: Cambridge University Press, 2008); S. Ross and N. Allen, "Examining the Convergent Validity of Shared Mental Model Measures," *Behavior Research Methods* 44, no. 4 (2012): 1052–62.
45. G.W. Allport, *The Nature of Prejudice* (Reading, MA: Addison-Wesley, 1954); J.C. Brigham, "Ethnic Stereotypes," *Psychological Bulletin* 76, no. 1 (1971): 15–38; D.J. Schneider, *The Psychology of Stereotyping* (New York: Guilford, 2004); S. Kanahara, "A Review of the Definitions of Stereotype and a Proposal for a Progressional Model," *Individual Differences Research* 4, no. 5 (2006): 306–21.
46. L. Jussim, J.T. Crawford, and R.S. Rubinstein, "Stereotype (in)Accuracy in Perceptions of Groups and Individuals," *Current Directions in Psychological Science* 24, no. 6 (2015): 490–97.
47. C.N. Macrae, A.B. Milne, and G.V. Bodenhausen, "Stereotypes as Energy-Saving Devices: A Peek inside the Cognitive Toolbox," *Journal of Personality and Social Psychology* 66 (1994): 37–47; J.W. Sherman et al., "Stereotype Efficiency Reconsidered: Encoding Flexibility under Cognitive Load," *Journal of Personality and Social Psychology* 75 (1998): 589–606; A.-K. Newheiser and J.F. Dovidio, "Individual Differences and Intergroup Bias: Divergent Dynamics Associated with Prejudice and Stereotyping," *Personality and Individual Differences* 53, no. 1 (2012): 70–74; C.K. Soderberg et al., "The Effects of Psychological Distance on Abstraction: Two Meta-Analyses," *Psychological Bulletin* 141, no. 3 (2015): 525–48, <http://dx.doi.org/10.1037/bul0000005>.
48. J.C. Turner and S.A. Haslam, "Social Identity, Organizations, and Leadership," in *Groups at Work: Theory and Research*, ed. M.E. Turner (Mahwah, NJ: Erlbaum, 2001), 25–65; J. Jetten, R. Spears, and T. Postmes, "Intergroup Distinctiveness and Differentiation: A Meta-Analytic Integration," *Journal of Personality and Social Psychology* 86, no. 6 (2004): 862–79; M.A. Hogg et al., "The Social Identity Perspective: Intergroup Relations, Self-Conception, and Small Groups," *Small Group Research* 35, no. 3 (2004): 246–76; K. Hugenberg and D.F. Sacco, "Social Categorization and Stereotyping: How Social Categorization Biases Person Perception and Face Memory," *Social and Personality Psychology Compass* 2, no. 2 (2008): 1052–72.
49. N. Halevy, G. Bornstein, and L. Sagiv, "'In-Group Love' and 'Out-Group Hate' as Motives for Individual Participation in Intergroup Conflict: A New Game Paradigm," *Psychological Science* 19, no. 4 (2008): 405–11; T. Yamagishi and N. Mifune, "Social Exchange and Solidarity: In-Group Love or Out-Group Hate?," *Evolution and Human Behavior* 30, no. 4 (2009): 229–37; N. Halevy, O. Weisel, and G. Bornstein, "'In-Group Love' and 'Out-Group Hate' in Repeated Interaction between Groups," *Journal of Behavioral Decision Making* 25, no. 2 (2012): 188–95; M. Parker and R. Janoff-Bulman, "Lessons from Morality-Based Social Identity: The Power of Outgroup 'Hate,' Not Just Ingroup 'Love,'" *Social Justice Research* 26, no. 1 (2013): 81–96.
50. T. Schmader and W.M. Hall, "Stereotype Threat in School and at Work: Putting Science into Practice," *Policy Insights from the Behavioral and Brain Sciences* 1, no. 1 (2014): 30–37; C.R. Pennington et al., "Twenty Years of Stereotype Threat Research: A Review of Psychological Mediators," *PLoS ONE* 11, no. 1 (2016): e0146487.
51. C.A. Moss-Racusin et al., "Science Faculty's Subtle Gender Biases Favor Male Students," *Proceedings of the National Academy of Sciences* 109, no. 41 (2012): 16474–79.
52. S.T. Fiske, "Stereotyping, Prejudice, and Discrimination," in *Handbook of Social Psychology*, ed. D.T. Gilbert, S.T. Fiske, and G. Lindzey (New York: McGraw-Hill, 1998): 357–411; C. Stangor, "The Study of Stereotyping, Prejudice, and Discrimination within Social Psychology: A Quick History of Theory and Research," in *Handbook of Prejudice, Stereotyping, and Discrimination*, ed. Todd D. Nelson (New York: Psychology Press, 2016), 1–22.
53. E. Zschirnt and D. Ruedin, "Ethnic Discrimination in Hiring Decisions: A Meta-Analysis of Correspondence Tests 1990–2015," *Journal of Ethnic and Migration Studies* 42, no. 7 (2016): 1115–34, <https://doi.org/10.1080/1369183X.2015.1133279>; S. Hennekam et al., "Recruitment Discrimination: How Organizations Use Social Power to Circumvent Laws and Regulations," *The International Journal of Human Resource Management* (2019): 1–29, <https://doi.org/10.1080/09585192.2019.1579251>.
54. J.A. Bargh and T.L. Chartrand, "The Unbearable Automaticity of Being," *American Psychologist* 54, no. 7 (1999): 462–79; B. Gawronski et al., "When 'Just Say No' Is Not Enough: Affirmation versus Negation Training and the Reduction of Automatic Stereotype Activation," *Journal of Experimental Social Psychology* 44 (2008): 370–77; M.D. Burns, M.J. Monteith, and L.R. Parker, "Training Away Bias: The Differential Effects of Counterstereotype Training and Self-Regulation on Stereotype Activation and Application," *Journal of Experimental Social Psychology* 73 (2017): 97–110, <https://doi.org/10.1016/j.jesp.2017.06.003>; I.R. Johnson, B.M. Kopp, and R.E. Petty, "Just Say No! (And Mean

- It): Meaningful Negation as a Tool to Modify Automatic Racial Attitudes," *Group Processes & Intergroup Relations* 21, no. 1 (January 2018): 88–110, <https://doi.org/10.1177/1368430216647189>; G.B. Humiston and E.J. Wamsley, "Unlearning Implicit Social Biases during Sleep: A Failure to Replicate," *PLOS ONE* 14, no. 1 (January 25, 2019): e0211416, <https://doi.org/10.1371/journal.pone.0211416>.
55. A.M. Rivers et al., "On the Roles of Stereotype Activation and Application in Diminishing Implicit Bias," *Personality & Social Psychology Bulletin*, June 14, 2019, 146167219853842, <https://doi.org/10.1177/0146167219853842>.
56. H.H. Kelley, *Attribution in Social Interaction* (Morristown, NJ: General Learning Press, 1971); B.F. Malle, "Attribution Theories: How People Make Sense of Behavior," in *Theories of Social Psychology*, ed. D. Chadee (Chichester, UK: Blackwell, 2011), 72–95. This "internal-external" or "person-situation" perspective of the attribution process differs somewhat from the original "intentional-unintentional" perspective, which says that we try to understand the deliberate or accidental/involuntary reasons why people engage in behaviors, as well as the reasons for behavior. Some writers suggest the original perspective is more useful. See B.F. Malle, "Time to Give Up the Dogmas of Attribution: An Alternative Theory of Behavior Explanation," in *Advances in Experimental Social Psychology*, vol. 44, ed. K.M. Olson and M.P. Zanna (San Diego: Elsevier Academic, 2011), 297–352.
57. H.H. Kelley, "The Processes of Causal Attribution," *American Psychologist* 28 (1973): 107–28.
58. D. Lange and N.T. Washburn, "Understanding Attributions of Corporate Social Irresponsibility," *Academy of Management Review* 37, no. 2 (2012): 300–26. Recent reviews explain that attribution is an incomplete theory for understanding how people determine causation and assign blame. See S.A. Sloman and D. Lagnado, "Causality in Thought," *Annual Review of Psychology* 66, no. 1 (2015): 223–47; M.D. Alicke et al., "Causal Conceptions in Social Explanation and Moral Evaluation: A Historical Tour," *Perspectives on Psychological Science* 10, no. 6 (2015): 790–812.
59. J.M. Crant and T.S. Bateman, "Assignment of Credit and Blame for Performance Outcomes," *Academy of Management Journal* 36 (1993): 7–27; B. Weiner, "Intrapersonal and Interpersonal Theories of Motivation from an Attributional Perspective," *Educational Psychology Review* 12 (2000): 1–14; N. Bacon and P. Blyton, "Worker Responses to Teamworking: Exploring Employee Attributions of Managerial Motives," *International Journal of Human Resource Management* 16, no. 2 (2005): 238–55.
60. D.T. Miller and M. Ross, "Self-Serving Biases in the Attribution of Causality: Fact or Fiction?," *Psychological Bulletin* 82, no. 2 (1975): 213–25; J. Shepperd, W. Malone, and K. Sweeny, "Exploring Causes of the Self-Serving Bias," *Social and Personality Psychology Compass* 2, no. 2 (2008): 895–908.
61. E.W.K. Tsang, "Self-Serving Attributions in Corporate Annual Reports: A Replicated Study," *Journal of Management Studies* 39, no. 1 (2002): 51–65; N.J. Roese and J.M. Olson, "Better, Stronger, Faster: Self-Serving Judgment, Affect Regulation, and the Optimal Vigilance Hypothesis," *Perspectives on Psychological Science* 2, no. 2 (2007): 124–41; R. Hooghiemstra, "East-West Differences in Attributions for Company Performance: A Content Analysis of Japanese and U.S. Corporate Annual Reports," *Journal of Cross-Cultural Psychology* 39, no. 5 (2008): 618–29; M. Franco and H. Haase, "Failure Factors in Small and Medium-Sized Enterprises: Qualitative Study from an Attributional Perspective," *International Entrepreneurship and Management Journal* 6, no. 4 (2010): 503–21.
62. D.T. Gilbert and P.S. Malone, "The Correspondence Bias," *Psychological Bulletin* 117, no. 1 (1995): 21–38.
63. I. Choi, R.E. Nisbett, and A. Norenzayan, "Causal Attribution across Cultures: Variation and Universality," *Psychological Bulletin* 125, no. 1 (1999): 47–63; R.E. Nisbett, *The Geography of Thought: How Asians and Westerners Think Differently—and Why* (New York: Free Press, 2003), Chap. 5; S.G. Goto et al., "Cultural Differences in Sensitivity to Social Context: Detecting Affective Incongruity Using the N400," *Social Neuroscience* 8, no. 1 (2012): 63–74.
64. B.F. Malle, "The Actor-Observer Asymmetry in Attribution: A (Surprising) Meta-Analysis," *Psychological Bulletin* 132, no. 6 (2006): 895–919; C.W. Bauman and L.J. Skitka, "Making Attributions for Behaviors: The Prevalence of Correspondence Bias in the General Population," *Basic and Applied Social Psychology* 32, no. 3 (2010): 269–77; I. Scopelliti et al., "Individual Differences in Correspondence Bias: Measurement, Consequences, and Correction of Biased Interpersonal Attributions," *Management Science* 64, no. 4 (2017): 1879–1910, <https://doi.org/10.1287/mnsc.2016.2668>.
65. Similar models are presented in D. Eden, "Self-Fulfilling Prophecy as a Management Tool: Harnessing Pygmalion," *Academy of Management Review* 9 (1984): 64–73; R.H.G. Field and D.A. Van Seters, "Management by Expectations (MBE): The Power of Positive Prophecy," *Journal of General Management* 14 (1988): 19–33; D.O. Trouilloud et al., "The Influence of Teacher Expectations on Student Achievement in Physical Education Classes: Pygmalion Revisited," *European Journal of Social Psychology* 32 (2002): 591–607.
66. P. Whiteley, T. Sy, and S.K. Johnson, "Leaders' Conceptions of Followers: Implications for Naturally Occurring Pygmalion Effects," *Leadership Quarterly* 23, no. 5 (2012): 822–34; J. Weaver, J. F. Moses, and M. Snyder, "Self-Fulfilling Prophecies in Ability Settings," *Journal of Social Psychology* 156, no. 2 (2016): 179–89.
67. D. Eden, "Interpersonal Expectations in Organizations," in *Interpersonal Expectations: Theory, Research, and Applications* (Cambridge: Cambridge University Press, 1993), 154–78.
68. D. Eden, "Pygmalion Goes to Boot Camp: Expectancy, Leadership, and Trainee Performance," *Journal of Applied Psychology* 67 (1982): 194–99; C.M. Rubie-Davies, "Teacher Expectations and Student Self-Perceptions: Exploring Relationships," *Psychology in the Schools* 43, no. 5 (2006): 537–52; B.J. Avolio et al., "A Meta-Analytic Review of Leadership Impact Research: Experimental and Quasi-Experimental Studies," *The Leadership Quarterly* 20, no. 5 (2009): 764–84; P. Whiteley, T. Sy,

- and S.K. Johnson, "Leaders' Conceptions of Followers: Implications for Naturally Occurring Pygmalion Effects," *Leadership Quarterly* 23, no. 5 (2012): 822–34.
69. S. Madon, L. Jussim, and J. Eccles, "In Search of the Powerful Self-Fulfilling Prophecy," *Journal of Personality and Social Psychology* 72, no. 4 (1997): 791–809; A.E. Smith, L. Jussim, and J. Eccles, "Do Self-Fulfilling Prophecies Accumulate, Dissipate, or Remain Stable over Time?," *Journal of Personality and Social Psychology* 77, no. 3 (1999): 548–65; S. Madon et al., "Self-Fulfilling Prophecies: The Synergistic Accumulative Effect of Parents' Beliefs on Children's Drinking Behavior," *Psychological Science* 15, no. 12 (2005): 837–45.
 70. J. Hoffman, "Doctors' Delicate Balance in Keeping Hope Alive," *New York Times*, 24 December 2005, A1, A14; K. Blakely et al., "Optimistic Honesty: Understanding Surgeon and Patient Perspectives on Hopeful Communication in Pancreatic Cancer Care," *HPB* 19, no. 7 (2017): 611–19. For reviews of positive organizational behavior and associated concepts of positive psychology and psychological capital, see: A. Newman et al., "Psychological Capital: A Review and Synthesis," *Journal of Organizational Behavior* 35, no. S1 (2014): S120–S38; D. S. Dunn, ed. *Positive Psychology: Established and Emerging Issues*, (New York: Routledge, 2018).
 71. W.H. Cooper, "Ubiquitous Halo," *Psychological Bulletin* 90 (1981): 218–44; P. Rosenzweig, *The Halo Effect ... and the Eight Other Business Delusions That Deceive Managers* (New York: Free Press, 2007); J.W. Keeley et al., "Investigating Halo and Ceiling Effects in Student Evaluations of Instruction," *Educational and Psychological Measurement* 73, no. 3 (2013): 440–57.
 72. B. Mullen et al., "The False Consensus Effect: A Meta-Analysis of 115 Hypothesis Tests," *Journal of Experimental Social Psychology* 21, no. 3 (1985): 262–83; F.J. Flynn and S.S. Wiltermuth, "Who's with Me? False Consensus, Brokerage, and Ethical Decision Making in Organizations," *Academy of Management Journal* 53, no. 5 (2010): 1074–89; B. Roth and A. Voskort, "Stereotypes and False Consensus: How Financial Professionals Predict Risk Preferences," *Journal of Economic Behavior & Organization* 107, Part B (2014): 553–65.
 73. D.D. Steiner and J.S. Rain, "Immediate and Delayed Primacy and Recency Effects in Performance Evaluation," *Journal of Applied Psychology* 74 (1989): 136–42; W. Green, "Impact of the Timing of an Inherited Explanation on Auditors' Analytical Procedures Judgements," *Accounting and Finance* 44 (2004): 369–92; A. Guiral-Contreras, J.A. Gonzalo-Angulo, and W. Rodgers, "Information Content and Recency Effect of the Audit Report in Loan Rating Decisions," *Accounting & Finance* 47, no. 2 (2007): 285–304, <https://doi.org/10.1111/j.1467-629X.2006.00208.x>.
 74. E.A. Lind, L. Kray, and L. Thompson, "Primacy Effects in Justice Judgments: Testing Predictions from Fairness Heuristic Theory," *Organizational Behavior and Human Decision Processes* 85 (2001): 189–210; T. Mann and M. Ferguson, "Can We Undo Our First Impressions? The Role of Reinterpretation in Reversing Implicit Evaluations," *Journal of Personality & Social Psychology* 108, no. 6 (2015): 823–49; B.C. Holtz, "From First Impression to Fairness Perception: Investigating the Impact of Initial Trustworthiness Beliefs," *Personnel Psychology* 68, no. 3 (2015): 499–546; T.C. Mann and M.J. Ferguson, "Reversing Implicit First Impressions through Reinterpretation after a Two-Day Delay," *Journal of Experimental Social Psychology* 68 (2017): 122–27, <https://doi.org/10.1016/j.jesp.2016.06.004>.
 75. D. E. Hogan and M. Mallott, "Changing Racial Prejudice through Diversity Education," *Journal of College Student Development* 46, no. 2 (2005): 115–25; B. Gawronski et al., "When 'Just Say No' Is Not Enough: Affirmation versus Negation Training and the Reduction of Automatic Stereotype Activation," *Journal of Experimental Social Psychology* 44 (2008): 370–77; M. M. Duguid and M. C. Thomas-Hunt, "Condoning Stereotyping? How Awareness of Stereotyping Prevalence Impacts Expression of Stereotypes," *Journal of Applied Psychology* 100, no. 2 (2015): 343–59; F. Dobbin and A. Kalev, "Why Diversity Programs Fail," *Harvard Business Review* 94, no. 7/8 (2016): 52–60; L.M. Leslie, "Diversity Initiative Effectiveness: A Typological Theory of Unintended Consequences," *Academy of Management Review*, October 12, 2018, <https://doi.org/10.5465/amr.2017.0087>.
 76. T.W. Costello and S.S. Zalkind, *Psychology in Administration: A Research Orientation* (Englewood Cliffs, NJ: Prentice Hall, 1963), 45–46; J.M. Kouzes and B.Z. Posner, *The Leadership Challenge*, 4th ed. (San Francisco: Jossey-Bass, 2007), Chap. 3.
 77. W.L. Gardner et al., "Can You See the Real Me? A Self-Based Model of Authentic Leader and Follower Development," *Leadership Quarterly* 16 (2005): 343–72; C. Peus et al., "Authentic Leadership: An Empirical Test of Its Antecedents, Consequences, and Mediating Mechanisms," *Journal of Business Ethics* 107, no. 3 (2012): 331–48.
 78. A.G. Greenwald et al., "Understanding and Using the Implicit Association Test: III. Meta-Analysis of Predictive Validity," *Journal of Personality and Social Psychology* 97, no. 1 (2009): 17–41; M.C. Wilson and K. Scior, "Attitudes Towards Individuals with Disabilities as Measured by the Implicit Association Test: A Literature Review," *Research in Developmental Disabilities* 35, no. 2 (2014): 294–321; B.A. Nosek et al., "Understanding and Using the Brief Implicit Association Test: Recommended Scoring Procedures," *PLoS ONE* 9, no. 12 (2014): e110938; B. Schiller et al., "Clocking the Social Mind by Identifying Mental Processes in the IAT with Electrical Neuroimaging," *Proceedings of the National Academy of Sciences* 113, no. 10 (2016): 2786–91.
 79. J.T. Jost et al., "The Existence of Implicit Bias Is Beyond Reasonable Doubt: A Refutation of Ideological and Methodological Objections and Executive Summary of Ten Studies That No Manager Should Ignore," *Research in Organizational Behavior* 29 (2009): 39–69. The science-as-male implicit stereotype is discussed in F.L. Smyth and B.A. Nosek, "On the Gender-Science Stereotypes Held by Scientists: Explicit Accord with Gender-Ratios, Implicit Accord with Scientific Identity," *Frontiers in Psychology* 6 (April 27, 2015), <https://doi.org/10.3389/fpsyg.2015.00415>.

80. J. Luft, *Of Human Interaction* (Palo Alto, CA: National Press, 1969). For a variation of this model, see J. Hall, "Communication Revisited," *California Management Review* 15 (1973): 56–67. For recent discussion of the Johari blind spot, see A.-M.B. Gallrein et al., "You Spy with Your Little Eye: People Are 'Blind' to Some of the Ways in Which They Are Consensually Seen by Others," *Journal of Research in Personality* 47, no. 5 (2013): 464–71; A.-M.B. Gallrein et al., "I Still Cannot See It—a Replication of Blind Spots in Self-Perception," *Journal of Research in Personality* 60 (2016): 1–7.
81. S. Vazire and M.R. Mehl, "Knowing Me, Knowing You: The Accuracy and Unique Predictive Validity of Self-Ratings and Other-Ratings of Daily Behavior," *Journal of Personality and Social Psychology* 95, no. 5 (2008): 1202–16; D. Leising, A.-M.B. Gallrein, and M. Dufner, "Judging the Behavior of People We Know: Objective Assessment, Confirmation of Preexisting Views, or Both?," *Personality and Social Psychology Bulletin* 40, no. 2 (2014): 153–63. However, there is some evidence that too much self-disclosure has unintended negative consequences for individuals in team settings. see: K.R. Gibson, D. Harari, and J.C. Marr, "When Sharing Hurts: How and Why Self-Disclosing Weakness Undermines the Task-Oriented Relationships of Higher Status Disclosers," *Organizational Behavior and Human Decision Processes* 144 (2018): 25–43, <https://doi.org/10.1016/j.obhdp.2017.09.001>.
82. T.F. Pettigrew and L.R. Tropp, "A Meta-Analytic Test of Intergroup Contact Theory," *Journal of Personality and Social Psychology* 90, no. 5 (2006): 751–83; Y. Amichai-Hamburger, B.S. Hasler, and T. Shani-Sherman, "Structured and Unstructured Intergroup Contact in the Digital Age," *Computers in Human Behavior* 52 (2015): 515–22; S.C. Wright, A. Mazziotta, and L.R. Tropp, "Contact and Intergroup Conflict: New Ideas for the Road Ahead," *Journal of Peace Psychology* 23, no. 3 (2017): 317–27, <https://doi.org/10.1037/pac0000272>; J.F. Dovidio et al., "Reducing Intergroup Bias through Intergroup Contact: Twenty Years of Progress and Future Directions," *Group Processes & Intergroup Relations* 20, no. 5 (2017): 606–20, <https://doi.org/10.1177/1368430217712052>
83. The contact hypothesis was first introduced in G.W. Allport, *The Nature of Prejudice* (Reading, MA: Addison-Wesley, 1954), Chap. 16.
84. C.K. Soderberg et al., "The Effects of Psychological Distance on Abstraction: Two Meta-Analyses," *Psychological Bulletin* 141, no. 3 (2015): 525–48, <http://dx.doi.org/10.1037/bul0000005>.
85. R. Elliott et al., "Empathy," *Psychotherapy* 48, no. 1 (2011): 43–49; J. Zaki, "Empathy: A Motivated Account," *Psychological Bulletin* 140, no. 6 (2014): 1608–47; E. Teding van Berkhou and J. Malouff, "The Efficacy of Empathy Training: A Meta-Analysis of Randomized Controlled Trials," *Journal of Counseling Psychology* 63, no. 1 (2016): 32–41.
86. M. Tarrant, R. Calitri, and D. Weston, "Social Identification Structures the Effects of Perspective Taking," *Psychological Science* 23, no. 9 (2012): 973–78; J.L. Skorinko and S.A. Sinclair, "Perspective Taking Can Increase Stereotyping: The Role of Apparent Stereotype Confirmation," *Journal of Experimental Social Psychology* 49, no. 1 (2013): 10–18.
87. A. Sugimoto, "English Is Vital, Rakuten Boss Says—but It Isn't Everything," *Nikkei Weekly* (Tokyo), April 22, 2013; H. Mikitani, "Why Japan's Top E-Shopping Site Uses English as Company Language," *EJ Insight*, April 22, 2016.
88. There is no consensus on the meaning of global mindset. The elements identified in this book are common among most of the recent writing on this subject. See, for example, S.J. Black, W.H. Mobley, and E. Weldon, "The Mindset of Global Leaders: Inquisitiveness and Duality," in *Advances in Global Leadership* (Greenwich, CT: JAI, 2006), 181–200; O. Levy et al., "What We Talk about When We Talk about 'Global Mindset': Managerial Cognition in Multinational Corporations," *Journal of International Business Studies* 38, no. 2 (2007): 231–58; S. Beechler and D. Baltzley, "Creating a Global Mindset," *Chief Learning Officer* 7, no. 6 (2008): 40–45; M. Javidan and D. Bowen, "The 'Global Mindset' of Managers: What It Is, Why It Matters, and How to Develop It," *Organizational Dynamics* 42, no. 2 (2013): 145–55.
89. A.K. Gupta and V. Govindarajan, "Cultivating a Global Mindset," *Academy of Management Executive* 16, no. 1 (2002): 116–26.
- a. R. Alderson, "I Felt Numb, Uninspired by My Work and Stuck in Groundhog Day," *The Guardian*, October 7, 2015; S. Inge, "New Decade, New Job: How to Change Career in Your Thirties," *The Telegraph*, August 6, 2018; B. Jensen, "Learning to Be True to Yourself," *Thrive Global* (blog), March 1, 2019, <https://thriveglobal.com/stories/learning-to-be-true-to-yourself/>.
- b. Starbucks, "Starbucks Strengthens Commitment in China," news release (Chengdu, China, January 12, 2016); M. Zakkour, "Why Starbucks Succeeded in China: A Lesson for All Retailers," *Forbes*, August 24, 2017; Starbucks, "Starbucks Redefines Partner Benefits in China," news release (Beijing, China, April 11, 2017); O. Farry, "Harnessing the Power," *South China Morning Post* (Hong Kong), November 17, 2017, 1.
- c. The Sherlock Holmes quotation is from S. A. Conan Doyle, "A Study in Scarlet," in *The Complete Sherlock Holmes* (New York: Fine Creative Media, 2003), 3–96. Sherlock Holmes offers similar advice in "A Scandal in Bohemia," page 189. P. Colloff, "The Innocent Man, Part One," *Texas Monthly*, November 2012; P. Colloff, "The Innocent Man, Part Two," *Texas Monthly*, December 2012; C. Lindell, "Anderson Gets 10 Days, Surrenders Law License," *Austin American-Statesman*, 9 November 2013, A1; D. K. Rossmo, "Case Rethinking: A Protocol for Reviewing Criminal Investigations," *Police Practice and Research* 17, no. 3 (2016): 212–28; B. Wirsky, "Opinion: Texas Paves the Way for NY to Make Criminal Justice More Fair," *City Limits* (New York), February 18, 2019.
- d. J. Richardson, "Nando's Takes on Stereotypes with Their Hilarious New Ad: #YouPeople [Video]," *The South African*, November 26, 2018; J. Tennant, "#NewCampaign: All You People, This Ad's for You," *Advertising News*, November 26, 2018.
- e. International Labour Organization, *Women in Business and Management: Gaining Momentum*, 2015; The World

- Bank, "Labor Force, Female (% of Total Labor Force)," 2018, <https://data.worldbank.org/indicator/SL.TLF.TOTL.FE.ZS?view=chart>; M. Ellis and M.T. Eastman, "Women on Boards: Progress Report 2018" (New York: MSCI, December 2018).
- f. Careerbuilder, "Careerbuilder Releases Study of Common and Not-So-Common Resume Mistakes That Can Cost You the Job," news release (Chicago: Careerbuilder, September 11, 2013); Accountemps, "Survey: Job Interview Trips up More Candidates Than Any Other Step in Hiring Process," news release (Menlo Park, CA: Accountemps, April 2, 2014); Careerbuilder, "Careerbuilder's Annual Survey Reveals the Most Outrageous Resume Mistakes Employers Have Found," news release (Chicago: Careerbuilder, September 22, 2016); "Top 25 Worst Resume Objective Statements," *Robert Half Blog*, May 17, 2017, <https://www.roberthalf.com/blog/top-25-worst-resume-objective-statements>.
- g. J. Watson, "When Diversity Training Goes Awry," *Black Issues in Higher Education*, January 24, 2008, 11; E.L. Paluck and D.P. Green, "Prejudice Reduction: What Works? A Review and Assessment of Research and Practice," *Annual Review of Psychology* 60, no. 1 (2009): 339–67; M.M. Duguid and M.C. Thomas-Hunt, "Condoning Stereotyping? How Awareness of Stereotyping Prevalence Impacts Expression of Stereotypes," *Journal of Applied Psychology* 100, no. 2 (2015): 343–59; L.M. Brady et al., "It's Fair for Us: Diversity Structures Cause Women to Legitimize Discrimination," *Journal of Experimental Social Psychology* 57 (2015): 100–10; F. Dobbin and A. Kalev, "Why Diversity Programs Fail," *Harvard Business Review* 94, no. 7/8 (2016): 52–60.
- h. W. Danielson, "A Preview of the Front-Line Leader with Chris Van Gorder," Podcast in *The Entrepreneur's Library*, (3 November 2014), 23:44:00; I. MacDonald, "Leading the Way: Scripps Health CEO Takes Hands-on Approach to Frontline Staff Engagement," *FierceHealthcare*, 9 April 2015; C. Van Gorder, *The Front-Line Leader: Building a High-Performance Organization from the Ground Up* (San Francisco: Jossey-Bass, 2015); C. Van Gorder, "Seven Simple Strategies for Frontline Leaders," *USCPrice* (Los Angeles: University of Southern California, 3 February 2015), <http://exechealthadmin.usc.edu/blog/seven-simple-strategies-for-frontline-leaders> (accessed 8 March 2019).
- i. "The EY Global Mindset: Cathy Ng," EY-Financial Services, FSCareers:Top Stories, accessed March 9, 2019, https://www.fscareers.ey.com/top-stories/apac_cathy-ng/; J. Lönnqvist, "EY - Jessica Lönnqvist," EY Global-Careers- Inspiring Women, *My Journey* (blog), 2018, <https://www.ey.com/gl/en/careers/ey-jessica-lonnqvist>; S. McCabe, "EY Eyes over 15,000 New Hires in 2019," *Accounting Today*, October 10, 2018; C. Ng. "How has working in EY help to expand your understanding of the different cultures globally?" 2019.



4

Workplace Emotions, Attitudes, and Stress



Learning Objectives ➤

After studying this chapter, you should be able to:

- LO 4-1** Explain how emotions and cognition (conscious reasoning) influence attitudes and behavior.
- LO 4-2** Discuss the dynamics of emotional labor and the role of emotional intelligence in the workplace.
- LO 4-3** Summarize the consequences of job dissatisfaction, as well as strategies to increase organizational (affective) commitment.
- LO 4-4** Describe the stress experience and review four major stressors.
- LO 4-5** Identify five ways to manage workplace stress.

Denny Chavez ensures that there is plenty of silverware and napkins for lunch. The Director of Operations at the Doubletree Boston Downtown isn't checking inventory at the guest restaurants; he's in the staff cafeteria, making sure that the hotel's maintenance, housekeeping, front desk, and other team members have a pleasant and comfortable lunch experience. "If you care for your team members, they will take care of the customer," Chavez explains.

Doubletree and other hotels in the Hilton Hotels and Resorts conglomerate have transformed their approach to great customer service by paying more attention to the emotions, attitudes, and well-being of their 380,000 employees. The initiative, called "Heart of House," has created brighter and more contemporary staff areas (cafeterias, change rooms, break rooms, restrooms, etc.). The hotel chain partnered with Under Armour to develop more flexible and breathable work outfits.

In addition, Hilton offers improved parental leave and adoption assistance. Educational advisors have been hired to provide one-on-one coaching to employees who want to complete their high school education. Hilton now encourages rather than bans phone use during work, and has installed dedicated Wi-Fi for employees. "The feeling of disconnection can be a source of stress in itself, so we are working to establish a great communication channel with our Team Members," the company explains.



PART 2: INDIVIDUAL BEHAVIOR AND PROCESSES

Hilton is also rebuilding employee loyalty by selecting and training managers who show they care about employees. Team leaders focus on career coaching and developmental conversations. Senior managers are expected to spend time on the front lines so they have more empathy for those who actually serve the guests. “I’ve become more engaged with the team and want to learn about them,” says Christine Himpler, housekeeping director at the Hilton San Francisco Union Square. “I’m more of a coach. I’m here to develop people. That’s my job at Hilton.”

Hilton team members also have more positive emotions and attitudes because the company demonstrates its trust in them and offers them greater autonomy. In fact, 9 out of 10 Hilton employees agree that management trusts its team members to do a good job without watching over their shoulders. “Do whatever you have to do to make it right. That really makes me feel good as an employee that they trust me enough to take care of what I need to take care of for the guest,” said Yolanda, an employee at Hilton Cleveland Downtown.

Through more positive employee emotions and attitudes, Hilton has soared to become the number one place to work in America. The hotel chain also reports lower employee turnover, increased guest customer satisfaction, and higher revenue per available room. “Our mission is to be the most hospitable company in the world, and you can’t do that without great people, and you can’t get great people without being a great workplace,” says Matt Schuyler, Hilton’s chief human resources officer.¹



Andreas Hub/laif/Redux

Through “Heart of House” and other initiatives focused on improving employee emotions and attitudes, Hilton Hotels and Resorts has become the number one place to work in America.

Hilton Hotels and Resorts and other organizations are paying closer attention to employee emotions and attitudes. That's because emotions and attitudes affect individual performance and well-being. This chapter presents current knowledge and practices about workplace emotions and attitudes. We begin by describing emotions and explaining how they influence attitudes and behavior. Next, we consider the dynamics of emotional labor, followed by the popular topic of emotional intelligence. The specific work attitudes of job satisfaction and organizational commitment are then discussed, including their association with various employee behaviors and work performance. The final section looks at work-related stress, including the stress experience, four prominent stressors, individual differences in stress, and ways to combat excessive stress.

Emotions in the Workplace

LO 4-1

emotions
physiological, behavioral, and psychological episodes experienced toward an object, person, or event that create a state of readiness

Emotions influence almost everything we do in the workplace. This is a strong statement, and one that would have rarely been expressed by organizational behavior experts two decades ago. Most OB theories still assume that a person's thoughts and actions are governed primarily or exclusively by logical thinking (called *cognition*).² Yet groundbreaking neuroscience discoveries have revealed that our perceptions, attitudes, decisions, and behavior are influenced by emotions as well as cognitions.³ In fact, emotions may have a greater influence because they often occur before cognitive processes and, consequently, influence the latter. By ignoring emotionality, many theories have overlooked a large piece of the puzzle about human behavior in the workplace.

Emotions are physiological, behavioral, and psychological episodes experienced toward an object, person, or event that create a state of readiness.⁴ These "episodes" are very brief events, some lasting less than a second. However, we usually experience emotions over several minutes or longer because they occur in waves as we continue to think about the source of the emotion. Emotions are directed toward someone or something. For example, we experience joy, fear, anger, and other emotional episodes toward tasks, customers, or a mobile phone app we are using. This differs from *moods*, which are not directed toward anything in particular and tend to be longer-term background emotional states.

Emotions are experiences. They represent changes in our physiological state (e.g., blood pressure, heart rate), psychological state (e.g., thought process), and behavior (e.g., facial expression).⁵ Most emotional experiences are subtle; they occur without our awareness. This is an important point because the topic of emotions often conjures up images of people "getting emotional." In reality, most emotions are fleeting, nonconscious events that influence our conscious thinking and behavior.⁶ Finally, emotions put us in a state of readiness. When we get worried, for example, our heart rate and blood pressure increase to make our body better prepared to engage in fight or flight. Strong emotions trigger our conscious awareness of a threat or opportunity in the external environment. The "state of readiness" generated by emotions is the engine of our motivation, which we discuss more fully in Chapter 5.⁷

TYPES OF EMOTIONS

People experience many emotions and various combinations of emotions, but all of them have two common features, illustrated in Exhibit 4.1.⁸ One feature is that emotions vary in their level of activation. By definition, emotions put us in a state of readiness and, as we



If employees are experiencing the wrong emotions or moods, it may be time to change the lighting. A half-century ago, MIT and Harvard researchers dismissed the effects of lighting, whereas numerous recent studies report that lighting intensity and warmth can influence emotions and moods. Bright white lighting tends to increase employee alertness and vitality, resulting in faster reaction times on tasks. Moderate intensity warm lighting seems to improve interpersonal relations, whereas low intensity cool lighting reduces socially oriented emotions and motivation. The combination of light intensity and warmth also influences how much employees regulate their emotions in that setting.^a

Oleksandr Delyk/Shutterstock

attitudes

the cluster of beliefs, assessed feelings, and behavioral intentions toward a person, object, or event (called an attitude object)

EXHIBIT 4.1

Circumplex Model of Emotions

Sources: Adapted from J.A. Russell, "Core Affect and the Psychological Construction of Emotion," *Psychological Review* 110, no. 1 (2003): 145–72; M. Yik, J.A. Russell, and J.H. Steiger, "A 12-Point Circumplex Structure of Core Affect," *Emotion* 11, no. 4 (2011): 705–31.

discuss in the next chapter, are the primary source of a person's motivation. Some emotional experiences, such as when we are suddenly surprised, are strong enough to consciously motivate us to act without careful thought. Most emotional experiences are more subtle, but even they activate enough to make us more aware of our environment.

A second feature is that all emotions have an associated valence (called *core affect*) signaling that the perceived object or event should be approached or avoided. In other words, all emotions evaluate the situation as good or bad, helpful or harmful, positive or negative, and so forth. Furthermore, negative emotions tend to generate stronger levels of activation than do positive emotions.⁹ Fear and anger, for instance, are more intense experiences than are joy and delight, so they have a stronger influence on our actions. This valence asymmetry likely occurs because negative emotions protect us from harm and are therefore more critical for our survival.

EMOTIONS, ATTITUDES, AND BEHAVIOR

To understand how emotions influence our thoughts and behavior in the workplace, we first need to know about attitudes. **Attitudes** represent the cluster of beliefs, assessed feelings, and behavioral intentions toward a person, object, or event (called an *attitude object*).¹⁰ Attitudes are *judgments*, whereas emotions are *experiences*. In other words, attitudes involve evaluations of an attitude object, whereas emotions operate as events, usually without our awareness. Attitudes might also operate nonconsciously, but we are usually aware of and consciously think about those evaluations. Another distinction is that we experience most emotions very briefly, whereas our attitude toward someone or something is more stable over time.¹¹

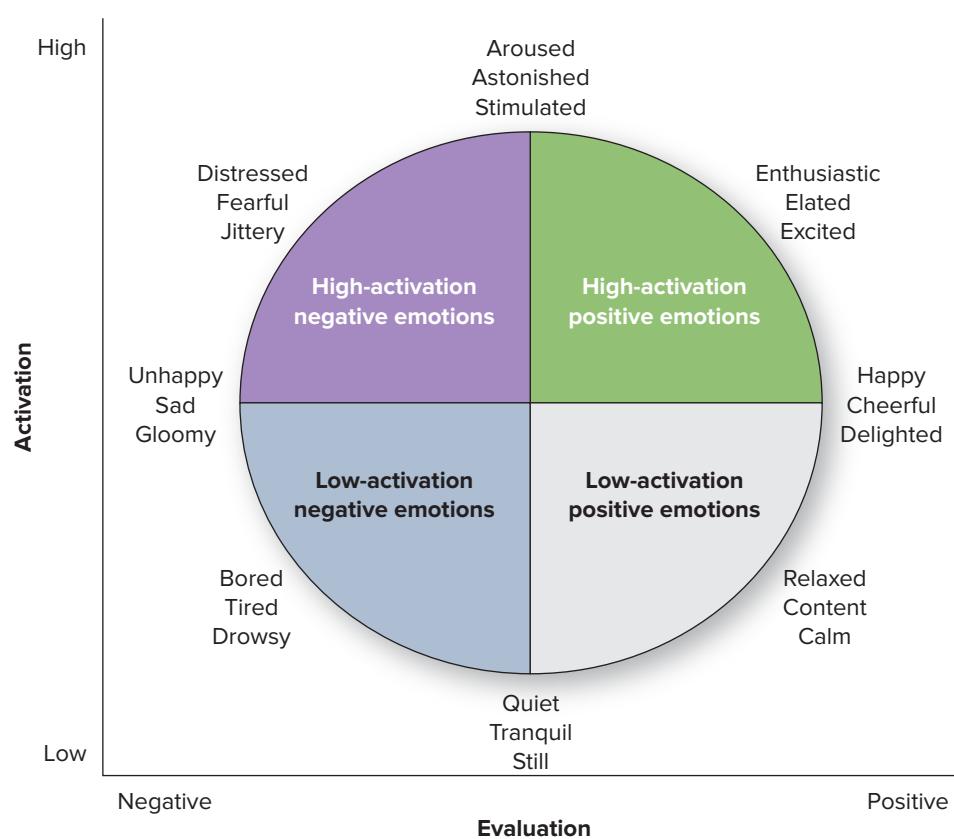
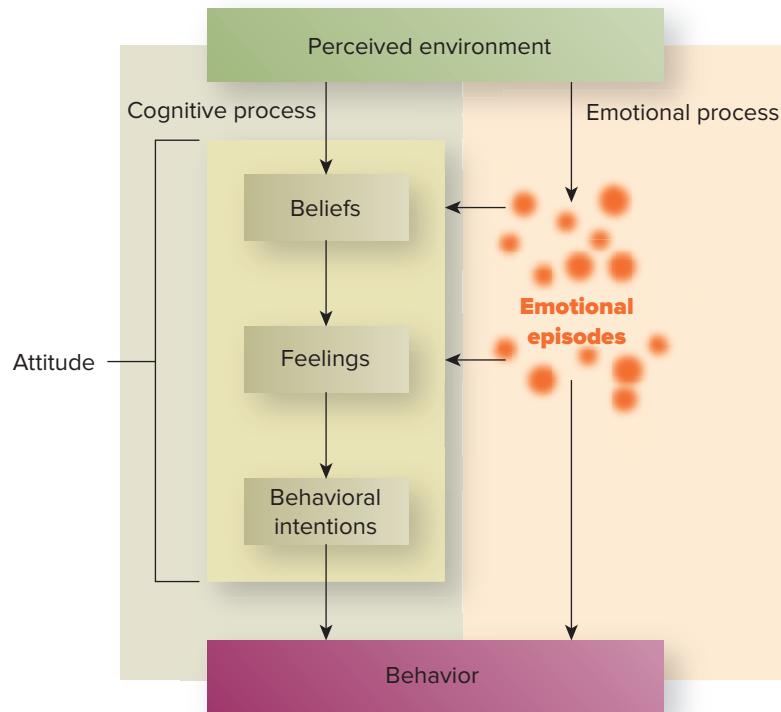


EXHIBIT 4.2**Model of Emotions, Attitudes, and Behavior**

Until recently, experts believed that attitudes could be understood just by the three cognitive components illustrated on the left side of Exhibit 4.2: beliefs, feelings, and behavioral intentions. Now evidence suggests that a parallel emotional process is also at work, shown on the right side of the exhibit.¹² Using attitude toward mergers as an example, let's look more closely at this model, beginning with the traditional cognitive perspective of attitudes.

- *Beliefs*. These are your established perceptions about the attitude object—what you believe to be true.¹³ For example, you might believe that mergers reduce job security for employees in the merged firms, or that mergers increase the company's competitiveness in this era of globalization. These beliefs are perceived facts that you acquire from experience and other forms of learning. Each of these beliefs also has a valence; that is, you have a positive or negative feeling about each belief (e.g., reduced job security is bad).
- *Feelings*. This element represents your conscious positive or negative evaluations of the attitude object. Some people think mergers are good; others think they are bad. Your positive or negative opinion of mergers represents your assessed feelings. According to the traditional cognitive perspective of attitudes (left side of the model), feelings are calculated from your beliefs about mergers and the associated feelings about those beliefs. Consider the example of your attitude toward mergers. If you believe that mergers typically have negative consequences such as layoffs and organizational politics, then you will form negative feelings toward mergers in general or about a specific planned merger in your organization.
- *Behavioral intentions*. This third element represents your planned effort to engage in a particular behavior regarding the attitude object. Upon hearing that the company will merge with another organization, you might plan to look for a job elsewhere or possibly to complain to management about the merger decision. Your

feelings toward mergers influence your behavioral intentions, and which actions you choose depends on your past experience, personality, and social norms of appropriate behavior.

Attitude–Behavior Contingencies The cognitive model of attitudes (beliefs–feelings–intentions) gives the impression that we can predict behavior from each element of the individual's attitude. This is potentially true, but contingencies at each stage in the model can weaken that predictability. Let's begin with the beliefs–feelings link. People with the same beliefs might form quite different feelings toward the attitude object because they have different valences for those beliefs. Two employees who work for the same boss share the belief that their boss makes them work hard. Yet one employee dislikes the boss because she or he has a negative valence toward hard work, whereas the other employee likes the boss because she or he has a positive valence toward hard work.

The effect of feelings on behavioral intentions also depends on contingencies. Two employees might equally dislike their boss, but it isn't easy to predict their behavioral intentions from those feelings. One employee intends to complain to the union or upper management while the other employee intends to find a job elsewhere. People with the same feelings toward the attitude object often develop different behavioral intentions because of their unique experiences, personal values, self-concept, and other individual differences. Later in this chapter we describe the four main responses to dissatisfaction and other negative attitudes.

Finally, the model indicates that behavioral intentions are the best predictors of a person's behavior. However, the strength of this link also depends on other factors, such as the person's ability, situational factors, and possibly role perceptions (see the MARS model in Chapter 1). For example, two people might intend to quit because they dislike their boss, but only one does so because the other employee can't find another job.

How Emotions Influence Attitudes and Behavior The cognitive model describes to some extent how employees form and change their attitudes, but emotions also have a central role in this process.¹⁴ The right side of Exhibit 4.2 illustrates this process, which (like the cognitive process) also begins with perceptions of the world around us. Our brain tags incoming sensory information with emotional markers based on a quick and imprecise evaluation of whether that information supports or threatens our innate drives. These markers are not calculated feelings; they are automatic and nonconscious emotional responses based on very thin slices of sensory information.¹⁵ The experienced emotions then influence our feelings about the attitude object. For example, employees at Hilton Hotels and Resorts experience positive emotions from the contemporary staff areas, supportive leadership, high school education mentoring, and more autonomous work, all of which generate positive attitudes toward the company.

To explain this process in more detail, consider once again your attitude toward mergers. You might experience worry, nervousness, or relief upon learning that your company intends to merge with a competitor. The fuzzy dots on the right side of Exhibit 4.2 illustrate the numerous emotional episodes you experience upon hearing the merger announcement, subsequently thinking about the merger, discussing the merger with coworkers, and so on. These emotions are transmitted to your brain's cognitive centers, where they are logically analyzed along with other information about the attitude object.¹⁶ So, while you are consciously evaluating whether the merger is good or bad, your emotions are already sending core affect (good–bad) signals, and those emotional signals sway your conscious evaluation. In fact, we often deliberately "listen in" on our emotions to help us consciously decide whether to support or oppose something.¹⁷

The influence of both cognitive reasoning and emotions on attitudes is most apparent when they disagree with each other. People occasionally experience this mental tug-of-war, sensing that something isn't right even though they can't think of any logical

Employees at Zoom Video Communications are among the happiest in America, according to one recent analysis of America's best workplaces. Employees say they feel empowered and are treated like family at the San Jose-based company, which develops remote videoconferencing technology. Zoom provides free meals, fully stocked kitchens, choice of workspace, games rooms, wellness rooms, volunteering events, and many other perks. Zoom even has an entire team—called the happiness crew—at each location dedicated to maintaining a positive and engaging workplace. "If you get an offer to work at Zoom, take it," advises a Zoom employee in Atlanta, Georgia. "Zoom takes employee happiness seriously and people genuinely love the company."¹⁸

RJ Sangosti/The Denver Post/
Getty Images



reason to be concerned. This conflicting experience indicates that the person's logical analysis of the situation (left side of Exhibit 4.2) generates feelings that differ from the emotional reaction (right side of Exhibit 4.2).¹⁸ Should we pay attention to our emotional response or our logical analysis? This question is not easy to answer, but some studies indicate that while executives tend to make quick decisions based on their gut feelings (emotional response), the best decisions tend to occur when executives spend time logically evaluating the situation.¹⁹ Thus, we should pay attention to both the cognitive and emotional sides of the attitude model, and hope they agree with each other most of the time!

Generating Positive Emotions at Work Hilton Hotels and Resorts and many other companies seem to be well aware of the dual cognitive-emotional attitude process because they try to inject more positive experiences in the workplace.²⁰ Google Inc. is famous for its superb perks, including in-house coffee bars, gourmet cafeterias, conversation areas that look like vintage subway cars, personal development courses, game rooms, free haircuts, and slides to descend to the floor below. Admiral Group, rated the best company to work for in the United Kingdom, has a "Ministry of Fun" committee that introduces plenty of positive emotions through Nintendo Wii competitions, interdepartmental Olympics, and other fun activities.²¹

Some critics might argue that the organization's main focus should be to create positive emotions through the job itself as well as natural everyday occurrences such as polite customers and supportive coworkers. Still, most people perform work that produces some negative emotions, and research has found that humor and fun at work—whether natural or contrived—can potentially counteract the negative experiences.²² Overall, corporate leaders need to keep in mind that emotions shape employee attitudes and, as we will discuss later, attitudes influence various forms of work-related behavior.

One last comment about Exhibit 4.2: Notice the arrow from the emotional episodes to behavior. It indicates that emotions directly influence a person's behavior without conscious thought. This occurs when we jump suddenly if someone sneaks up on us. It also occurs in everyday situations because even low-intensity emotions automatically change our facial expressions. These actions are not carefully thought out. They are automatic emotional responses that are learned or hardwired by heredity for particular situations.²³



debating point

IS HAVING FUN AT WORK REALLY A GOOD IDEA?

"Fun at work" has become such a hot business fad that companies without a "fun" committee are considered insensitive task masters. Having fun at work can improve employee attitudes in many situations, but are special fun events really necessary or beneficial?

Some critics vote "No"! They argue that contrived fun events at work can backfire.^c Some types of fun aren't fun at all to specific groups of people. In fact, employees might be offended by the silliness of some activities contrived by management or a few staff. Others resent having fun forced on them. One expert warns: "Once the idea of fun is

formally institutionalized from above, it can lead to employees becoming resentful. They feel patronized and condescended, and it breeds anger and frustration."

The meaning and value of fun at work might also vary across generations; what works for Millennials could backfire for Baby Boomers, and vice versa. Another concern is that fun-focused companies might take their eye off the bottom line. "At the end of the day, you have to make money to stay here," says Mike Pitcher, former CEO of LeasePlan USA (which does have a "fun" committee). "If work was [all] fun, they'd call it fun."^d

COGNITIVE DISSONANCE

cognitive dissonance
an emotional experience caused by a perception that our beliefs, feelings, and behavior are incongruent with one another

Imagine that you have just signed a contract for new digital whiteboards to be installed throughout the company's meeting rooms. The deal was expensive but, after consulting several staff, you felt that the technology would be valuable in this technological age. Yet, you felt a twinge of regret soon after signing the contract. This emotional experience is **cognitive dissonance**, which occurs when people perceive that their beliefs, feelings, and behavior are incongruent with one another.²⁴ The inconsistency among these three attitude components generates emotions (such as feeling hypocritical) that motivate the person to create more consistency by changing one or more of them.

Why did you experience cognitive dissonance after purchasing the digital whiteboards? Perhaps you remembered that some staff wanted flexibility, whereas the whiteboards require special markers and computer software. Or maybe you had a fleeting realization that buying digital whiteboards costing several times more than traditional whiteboards is inconsistent with your personal values and company culture of thriftiness. Whatever the reason, the dissonance occurs because your attitude (it's good to be cost conscious) is inconsistent with your behavior (buying expensive whiteboards). Most people like to think of themselves—and be viewed by others—as rational and logical. Cognitive dissonance occurs when our behavior and beliefs conflict, which is not so rational.

How do we reduce cognitive dissonance?²⁵ Reversing the behavior might work, but most behaviors can't be undone. It would be too expensive to remove the digital whiteboards after they have been installed. In any event, dissonance would still exist because you and your coworkers already know that you made this purchase and did so willingly.

More often, people reduce cognitive dissonance by changing their beliefs and feelings. One dissonance-reducing strategy is to develop more favorable attitudes toward specific features of the decision, such as forming a more positive opinion about the whiteboards' capacity to store whatever is written on them. People are also motivated to discover positive features of the decision they didn't notice earlier (e.g., the boards can change handwriting into typed text) and to discover subsequent problems with the alternatives they didn't choose (e.g., traditional boards can't be used as projection screens).

A third strategy is more indirect; rather than try to overlook the high price of the digital whiteboards, you reduce dissonance by emphasizing how your other decisions have been frugal. This framing compensates for your expensive whiteboard fling and thereby maintains your self-concept and public image as a thrifty decision maker. Each of these mental acrobatics maintains some degree of consistency between the person's behavior (buying expensive whiteboards) and attitudes (being thrifty).



EMOTIONS AND PERSONALITY

Throughout this section, we have implied that emotional experiences are triggered by workplace experiences. This is mostly true, but emotions are also partly determined by an individual's personality.²⁶ People with higher emotional stability and extraverted personalities (see Chapter 2) tend to experience more positive emotions. Those with higher neuroticism (lower emotional stability) and introverted personalities tend to experience more negative emotions. Although positive and negative personality traits have some effect, studies have found that the actual situation in which people work has a noticeably stronger influence on their attitudes and behavior.²⁷



SELF-ASSESSMENT 4.1: What Is Your Emotional Personality?

Emotions are influenced by the situation, but also by the individual's own personality. In particular, people tend to have a dispositional mood, that is, the level and valence of emotion that they naturally experience due to their personality. You can discover your perceived dispositional mood by locating this self-assessment in Connect if it is assigned by your instructor.

Managing Emotions at Work

LO 4-2

emotional labor
the effort, planning, and control needed to express organizationally desired emotions during interpersonal transactions

Employees are expected to manage their emotions in the workplace. They must conceal their frustration when serving an irritating customer, display compassion to an ill patient, and hide their boredom in a long meeting with other executives. These are all forms of **emotional labor**—the effort, planning, and control needed to express organizationally desired emotions during interpersonal transactions.²⁸

Almost everyone is required to abide by *display rules*. These norms or explicit rules require employees to engage in *emotions performance*, that is, to display behaviors representing specific emotions and to hide observable evidence of other emotions. Emotional labor demands are higher in jobs requiring a variety of emotions (e.g., anger as well as joy) and more intense emotions (e.g., showing delight rather than smiling weakly), as well as in jobs where interaction with clients is frequent and longer. Emotional labor also increases when employees must precisely rather than casually abide by the display rules.²⁹ This work requirement is most common in service industries, where employees have frequent face-to-face interaction with clients.

Employees sometimes need to show emotions that are quite different from the emotions they actually experience at that moment. For instance, they must show patience and positive feelings toward an irate customer who they actually dislike. This incongruence can result in stress and exhaustion because it produces an emotional tension and requires considerably more mental effort than when the emotional display rules are similar to the employee's actual emotions at that moment. Emotional labor may also require employees to act contrary to their self-concept, which can lead to psychological separation from self as well as job dissatisfaction. These problems are greater when people need to frequently display emotions that oppose their genuine emotions. Some strategies to display desired emotions can also result in lower job performance, including failing to display the desired emotions.³⁰

EMOTIONAL DISPLAY NORMS ACROSS CULTURES

The extent to which employees are expected to hide their true emotions varies considerably across cultures.³¹ One large global study reports that several countries in Asia and Africa strongly discourage emotional expression. Instead, people are expected to be



global connections 4.1

Smiling in Russia: More Emotional Labor than in America^e

When Russia prepared to host the 21st World Cup, it not only built several soccer stadiums. It also taught train conductors and other customer-facing employees how to smile at foreigners. “Russian people usually don’t smile,” explains a trainer involved in the smile program. “That’s why when other people come to Russia, they think Russians are not friendly.”

Even in customer service roles, Russians have a reputation of being more forthright and dour than Americans. However, the low prospect of a smile from Russian employees doesn’t mean that they are unhappy or dislike you. Russians just have a different interpretation of smiling than do people in the United States and most other Western societies. Consequently, Russians likely experience more emotional labor when forced to smile at customers.

One recent study found that people in Russia and several other cultures (Japan, Korea, Iran, France, etc.) tend to view strangers who smile often as less intelligent. This is reflected in the well-known Russian proverb: “Smiling for no reason is a sign of stupidity.” In contrast, frequent smiling is interpreted as a sign of higher intelligence in several other cultures, particularly Germany, Switzerland, Malaysia, China, and Austria.

This may explain why Sofiya (not her real name) would feel awkward whenever she smiled at customers in her job as a teller at Wells Fargo in San Francisco after migrating from Russia more than a decade ago. Wells Fargo expects its customer-facing employees to be pleasant toward clients throughout the day. Sofiya would smile and provide the routine “How are you?” introduction. But inwardly, she felt that the smiles and opening lines felt fake



Sorbis/Shutterstock

and perhaps a bit foolish. “The expectation was, you have to smile eight hours a day,” says Sofiya, who is now a senior financial analyst with another company in New York.

According to the recent cross-cultural study on smiling, societies with high levels of corruption view people (particularly men) who smile fairly often as less honest than non-smiling strangers. Russia has a high corruption score, so Russians have less trust in people who smile.

Russian film director Yulia Melamed recently experienced this when she was stopped by a police officer in Moscow and asked to show her identification. After doing so, she asked why the officer stopped her. “Because you were smiling,” he replied. Melamed explains that in Russia “it is strange for a person to walk on the street and smile. It looked alien and suspicious.”

subdued, have relatively monotonic voice intonation, and avoid physical movement and touching that display emotions. In contrast, several Latin and Middle Eastern cultures allow or encourage more vivid display of emotions and expect people to act more consistently with their true emotions. In these cultures, people are expected to more honestly reveal their thoughts and feelings, be dramatic in their conversational tones, and be animated in their use of nonverbal behaviors. For example, 81 percent of Ethiopians and 74 percent of Japanese agreed that it is considered unprofessional to express emotions overtly in their culture, whereas 43 percent of Americans, 33 percent of Italians, and only 19 percent of Spaniards, Cubans, and Egyptians agreed with this statement.³²

Many Asian countries have cultural norms that discourage public display of intense emotions (anger, delight, etc.), whereas these emotion display norms are weaker in North America, Europe, and many other cultures. Furthermore, when required to suppress their true emotions at work, employees from cultures that tolerate or encourage emotional expression experience more stress and lower life satisfaction compared to coworkers from cultures that discourage emotional expression. One Chinese company even tried to reduce employee stress by holding a “no-face” day, in which employees wore masks so they didn’t need to worry about the emotions their faces displayed!³³



STRATEGIES FOR DISPLAYING EXPECTED EMOTIONS

Emotional labor is ultimately about how we exhibit behavior depicting specific emotions we are expected to display in that situation. Two general approaches to emotional labor are to (a) consciously engage in verbal and nonverbal behaviors that represent the expected emotions and (b) actively change our emotional experiences so they are aligned with the expected emotions and emotional performance.

The first approach—consciously behaving in ways that are consistent with the expected emotions—is known as *surface acting*. This occurs when we pretend to be experiencing the expected emotions even though we are actually experiencing different emotions. For example, we show interest in a client's lengthy explanation even though we are actually weary and somewhat irritated from hearing this message many times before. We act out the verbal and nonverbal behaviors that indicate the expected emotions, even though our actual emotions are quite different.³⁴

Surface acting is usually (but not always) a poor strategy for emotional labor. It can be stressful because it requires considerable mental effort as well as psychological separation of self from the role.³⁵ Pretending to feel particular emotions is also challenging. A genuine emotion automatically activates a complex set of facial muscles and body positions, all of which are difficult to replicate when pretending to have these emotions. Meanwhile, our true emotions tend to reveal themselves as subtle gestures, usually without our awareness. More often than not, observers see when we are faking and sense that we feel a different emotion.³⁶

Regulating Emotions The second approach to displaying the expected emotions is to actually experience those emotions (rather than faking them). In other words, we consciously change our emotions so they are aligned with the expected emotions performance. When experiencing the expected emotions, we naturally display behavioral indicators of those emotions. There are five main strategies for regulating our emotions.³⁷

- *Changing the situation.* This involves moving out of or into work settings that affect our emotions. One example would be temporarily leaving a work area that makes us feel lethargic. At the same time, we might have a short walking break outside to regain our vigor. Another example is keeping away from a particular client who is deeply irritating.
- *Modifying the situation.* Even when remaining in the same physical location, people adapt that environment so it alters their emotional state. For instance, we might stop working on a task that is aggravating and move to a more enjoyable task so that we don't experience (and display) a sour demeanor. Or if a discussion with coworkers becomes awkward or sensitive (such as discussing national politics), we might shift the conversation to a less emotionally laden topic.
- *Suppressing or amplifying emotions.* This strategy involves consciously trying to block out dysfunctional emotions or to increase the intensity of expected emotions.³⁸ Suppressing emotions is the most common activity in this category. We try to stop thinking about events that bother us or, at least, psychologically distance ourselves from those events. For instance, some medical staff suppress their emotional responses to patient suffering by maintaining an impersonal relationship with patients.
- *Shifting attention.* This strategy involves changing the focus of our attention. Suppose that earlier today you led a client presentation that didn't go well. To minimize the negative emotions of that event, you might engage in work (such as another project with coworkers) that takes your mind off the flawed presentation.
- *Reframing the situation.* Reframing is a cognitive re-evaluation of a particular event that generates more appropriate emotions. Rather than viewing a client



presentation as a failure, you might reframe the event as a learning moment that had a low probability of success. Flight attendants apply reframing when they define an incident with an unruly passenger as a test of their customer service skill. These interactions are accomplishments rather than dreaded chores.³⁹

By actively trying to experience desired emotions, employees are engaging in *deep acting*. Deep acting involves actually producing the emotions that are expected in a particular situation, whereas surface acting does not attempt to experience the expected emotion.⁴⁰ All five emotion regulation strategies generate deep acting, but reframing the situation and shifting attention are likely the most common. Changing and modifying the situation can be applied when employees work alone, but seldom when attending a client meeting, interacting with an upset passenger, or in most other work-related social interactions. Suppressing or amplifying emotions produces deep acting, but these cognitive activities may actually involve reframing the situation and shifting attention. But no matter which strategy is applied to manage emotions, emotion regulation requires emotional intelligence, which we discuss next.

Emotional Intelligence

The University of South Florida Health Morsani College of Medicine discovered from surveys that its graduates required emotional intelligence training to perform their jobs better. Now, some of its students enroll in a special program that “focuses on values-based care, leadership, health care systems and emotional intelligence.” The program includes coaching and role-modeling by hospital staff at Lehigh Valley Health Network, which helps medical students to develop their ability to understand and manage emotions. “I use the emotional intelligence concepts nearly every minute of my day,” says a physician who graduated from USF’s medical program.⁴¹

The University of South Florida Health and many other organizations have embraced the idea that **emotional intelligence (EI)** improves performance in many types of jobs. Emotional intelligence includes a set of *abilities* that enable us to recognize and regulate our own emotions as well as the emotions of other people. This definition refers to the four main dimensions shown in Exhibit 4.3.⁴²

- *Awareness of our own emotions.* This is the ability to perceive and understand the meaning of our own emotions. People with higher emotional intelligence have better awareness of their emotions and are better able to make sense of them. They can eavesdrop on their emotional responses to specific situations and use this awareness as conscious information.⁴³

EXHIBIT 4.3

Dimensions of Emotional Intelligence

Sources: D. Goleman, “An EI-Based Theory of Performance,” in *The Emotionally Intelligent Workplace*, ed. C. Cherniss and D. Goleman (San Francisco: Jossey-Bass, 2001), 28; Peter J. Jordan and Sandra A. Lawrence, “Emotional Intelligence in Teams: Development and Initial Validation of the Short Version of the Workgroup Emotional Intelligence Profile (WEIP-S),” *Journal of Management & Organization* 15 (2009): 452–69.

		Yourself	Others
		Awareness of own emotions	Awareness of others' emotions
Abilities	Recognition of emotions		
	Regulation of emotions	Management of own emotions	Management of others' emotions



- *Management of our own emotions.* Emotional intelligence includes the ability to manage our own emotions, something that we all do to some extent. We keep disruptive impulses in check. We try not to feel angry or frustrated when events go against us. We try to feel and express joy and happiness toward others when the occasion calls for these emotional displays. We re-energize ourselves later in the workday. Notice that management of our own emotions goes beyond enacting desired emotions in a particular situation. It also includes generating or suppressing emotions. In other words, the deep acting described earlier requires high levels of the self-regulation component of emotional intelligence.
- *Awareness of others' emotions.* This is the ability to perceive and understand the emotions of other people.⁴⁴ It relates to *empathy*—having an understanding of and sensitivity to the feelings, thoughts, and situations of others (see Chapter 3). It includes understanding the other person's situation, experiencing his or her emotions, and knowing his or her needs, even when unstated. Awareness of others' emotions also includes being organizationally aware, such as sensing office politics and the existence of informal social networks.
- *Management of others' emotions.* This dimension of EI refers to managing other people's emotions. It includes consoling people who feel sad, emotionally inspiring team members to complete a class project on time, getting strangers to feel comfortable working with you, and dissipating coworker stress and other dysfunctional emotions that they experience.

The four dimensions of emotional intelligence form a hierarchy.⁴⁵ Awareness of your own emotions is lowest in that hierarchy because it is a prerequisite for engaging in the higher levels of emotional intelligence. You can't manage your own emotions if you don't know what they are (i.e., low self-awareness). Managing other people's emotions is the highest level of EI because this ability requires awareness of your own and others' emotions. To diffuse an angry conflict between two employees, for example, you need to understand the emotions they are experiencing and manage your emotions (and display of emotions). To manage your own emotions, you also need to be aware of your current emotions.

connect

SELF-ASSESSMENT 4.2:

How Well Do You Recognize and Regulate Emotions?

Emotional intelligence is an important concept that potentially enables us to be more effective with others in the workplace and other social settings. Emotional intelligence is best measured as an ability test. However, you can estimate your level of emotional intelligence to some extent by reflecting on events that required your awareness and management of emotions. You can discover your perceived level of emotional intelligence by locating this self-assessment in Connect if it is assigned by your instructor.

EMOTIONAL INTELLIGENCE OUTCOMES AND DEVELOPMENT

Most jobs involve social interaction with coworkers or external stakeholders, so employees need emotional intelligence to work effectively.⁴⁶ Studies suggest that people with high EI are more effective team members, perform better in jobs requiring emotional labor, make better decisions involving other people, and maintain a more positive mindset for creative work. EI is also associated with effective leadership because leaders engage in emotional labor (e.g., showing patience to employees even when they might feel frustrated) and actively regulate the emotions of others (e.g., helping staff members feel optimism for the future even though they just lost an important contract). However, emotional intelligence does not improve some forms of performance, such as tasks that require minimal social interaction.⁴⁷

Police officers are learning how to reduce the incidence of violent encounters by de-escalating the conflict. A critical skill in the de-escalation process is emotional intelligence. San Diego police recently introduced Effective Interactions, a course in which officers develop emotional intelligence and effective communication. Baltimore police attend a Cognitive Command course (shown in this photo), which also includes learning to manage emotions. “If you describe how a good officer anywhere does their job, you’re describing what we’ve come to recognize as emotional intelligence,” explains San Diego police psychologist Dan Blumberg. “It’s someone who understands himself or herself and can understand emotions evoked during the job and manage their emotions effectively. They understand the emotions of others and are able to use emotions to create positive encounters.”^f

Algerina Perna/Baltimore Sun/
Getty Images



Given the potential value of emotional intelligence, it's not surprising that some organizations try to measure this ability in job applicants. The United States Air Force (USAF) looks at the emotional intelligence of applicants into its elite pararescue jumper training program because high EI trainees are more than twice as likely to complete the program.⁴⁸ Several organizations have also introduced training programs to improve employees' emotional intelligence.⁴⁹ For instance, new hires (including co-op students) at Fidelity Canada take emotional intelligence training along with other soft skills and technical education. One study reported that training improved emotional intelligence among staff members at a Netherlands residence for people with intellectual disabilities. The EI program described the concept, gave participants feedback on their initial EI test scores, used case studies to teach EI dimensions, and provided professional feedback based on videos showing participants meeting with difficult clients. Along with formal training programs, emotional intelligence increases with age; it is part of the process called *maturity*.

So far, this chapter has introduced the model of emotions and attitudes, as well as emotional intelligence, as the means by which we manage emotions in the workplace. The next two sections look at two specific attitudes: job satisfaction and organizational commitment. These two attitudes are so important in our understanding of workplace behavior that some experts suggest the two combined should be called “overall job attitude.”⁵⁰

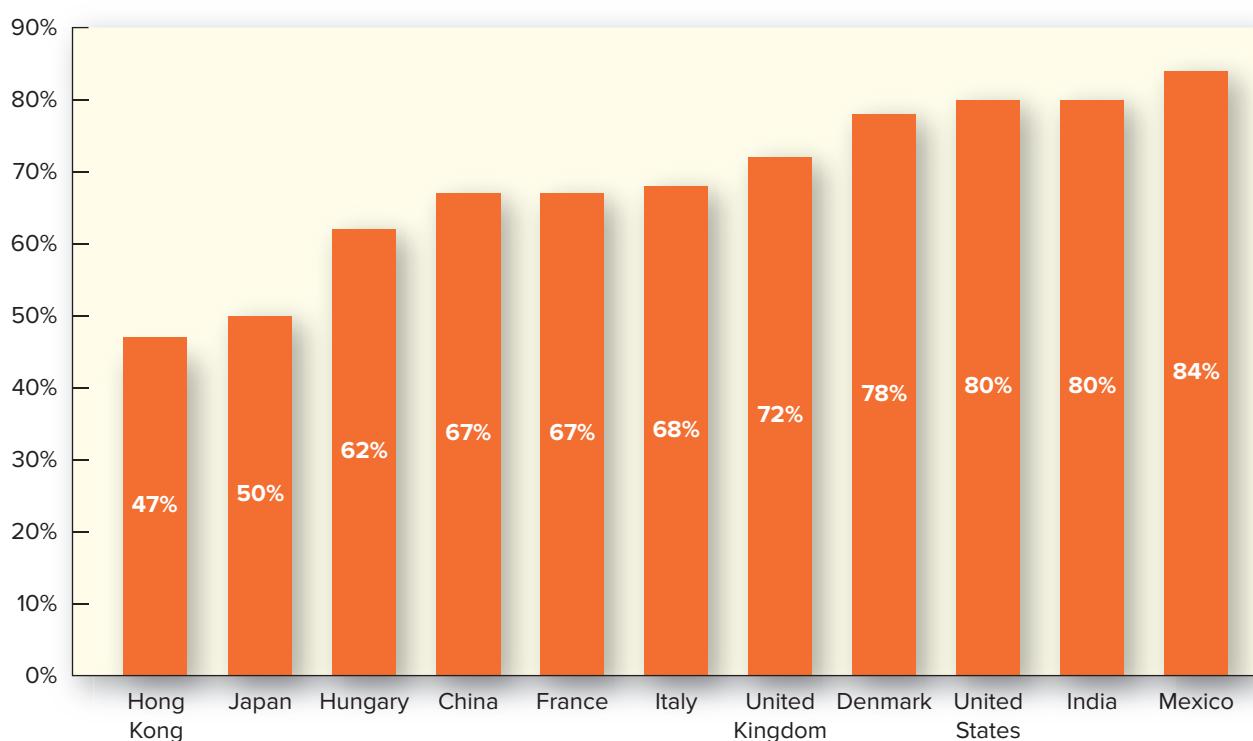
Job Satisfaction

LO 4-3

job satisfaction
a person's evaluation of his or her job and work context

Probably the most studied attitude in organizational behavior is **job satisfaction**, a person's evaluation of his or her job and work context.⁵¹ It is an *appraisal* of the perceived job characteristics, work environment, and emotional experiences at work. Satisfied employees have a favorable evaluation of their jobs, based on their observations and emotional experiences. Job satisfaction is best viewed as a collection of attitudes about different aspects of the job and work context. You might like your coworkers but be less satisfied with your workload, for instance.

How satisfied are employees at work? The answer depends on the person, the workplace, and the country. Global surveys, such as the one shown in Exhibit 4.4, indicate with some consistency that job satisfaction tends to be highest in Mexico, the United States, and India. The lowest levels of overall job satisfaction are usually recorded in Hong Kong, Japan, and Hungary.

EXHIBIT 4.4 Job Satisfaction in Selected Countries^g

Note: Percentage of employees in each country who said they are, in general, satisfied or very satisfied working for their current employer. Survey data were collected in 2018 for Randstad Holdings nv, with a minimum of 400 employees in each country.

Can we conclude from these surveys that most employees in Mexico and India are happy at work? Possibly, but their overall job satisfaction probably isn't as high as these statistics suggest. One problem is that surveys often use a single direct question, such as "How satisfied are you with your job?" Many dissatisfied employees are reluctant to reveal their feelings in a direct question because this is tantamount to admitting that they made a poor job choice and are not enjoying life. This inflated result is evidenced by the fact that employees tend to report much less satisfaction with specific aspects of their work. Furthermore, studies report that many employees plan to look for work within the next year or would leave their current employer if the right opportunity came along.⁵²

A second problem is that cultural values make it difficult to compare job satisfaction across countries. People in Japan tend to subdue their emotions in public, and there is evidence that they also avoid extreme survey ratings such as "very satisfied." A third problem is that job satisfaction changes with economic conditions. Employees with the highest job satisfaction in current surveys tend to be in countries where the economies are chugging along quite well.⁵³

JOB SATISFACTION AND WORK BEHAVIOR

exit–voice–loyalty–neglect (EVLN) model
the four ways, as indicated in the name, that employees respond to job dissatisfaction

Does job satisfaction influence workplace behavior? In general, yes! Job satisfaction affects many of the individual behaviors introduced in Chapter 1 (task performance, organizational citizenship, quitting, absenteeism, etc.).⁵⁴ However, a more precise answer is that the effect of job satisfaction and dissatisfaction on individual behavior depends on the person and the situation. A useful template for organizing and understanding the consequences of job dissatisfaction is the **exit–voice–loyalty–neglect (EVLN) model**. As



the name suggests, the EVLN model identifies four ways that employees respond to dissatisfaction:⁵⁵

- *Exit.* Exit includes leaving the organization, transferring to another work unit, or at least trying to get away from the dissatisfying situation. The traditional theory is that job dissatisfaction builds over time and is eventually strong enough to motivate employees to search for better work opportunities elsewhere. This is likely true to some extent, but the most recent opinion is that specific “shock events” quickly energize employees to think about and engage in exit behavior. For example, the emotional reaction you experience to an unfair management decision or a conflict episode with a coworker motivates you to look at job ads and speak to friends about job opportunities where they work. This begins the process of visualizing yourself working at another company and psychologically withdrawing from your current employer.⁵⁶
- *Voice.* Voice is any attempt to change, rather than escape from, the dissatisfying situation. Voice can be a constructive response, such as recommending ways for management to improve the situation, or it can be more confrontational, such as filing formal grievances or forming a coalition to oppose a decision.⁵⁷ In the extreme, some employees might engage in counterproductive behaviors to get attention and force changes in the organization.
- *Loyalty.* In the original version of this model, loyalty was only briefly mentioned as an outcome of dissatisfaction, but even then the theory indicated that they took action to change company policies (i.e., voice). Instead, the original model stated that loyalty predicted whether people chose exit or voice (i.e., high loyalty resulted in voice; low loyalty produced exit).⁵⁸ More recent writers describe loyalty only as an outcome of dissatisfaction, but in various and somewhat unclear ways. Generally, they suggest that “loyalists” are employees who respond to dissatisfaction by patiently waiting—some say they “suffer in silence”—for the problem to work itself out or be resolved by others.⁵⁹
- *Neglect.* Neglect includes reducing work effort, paying less attention to quality, and increasing absenteeism and lateness. It is a passive form of counterproductive work behavior because it has negative consequences for the organization.

Responses to job dissatisfaction depend partly on personal characteristics of the dissatisfied employee.⁶⁰ Voice is more common or frequent among employees with higher extraversion and conscientiousness, likely because these personality factors relate to a person’s assertiveness, dutifulness, and outgoing nature. Past experience also influences which EVLN action is applied. Employees who were unsuccessful with voice in the past are more likely to engage in exit or neglect when experiencing job dissatisfaction in the future. Loyalty, as it was intended in the original exit-voice-loyalty model, is another important factor. Specifically, employees are more likely to quit when they have low loyalty to the company, and they are more likely to engage in voice when they have high loyalty.

How employees react to dissatisfaction also depends on the situation. The exit option is less common when there are few alternative job prospects. Dissatisfied employees are more likely to use voice than the other options when they are aware that other employees are dependent on them or when they believe that someone else will speak up. Voice is also more frequent when leaders encourage employees to discuss their concerns in an inclusive work environment.⁶¹

JOB SATISFACTION AND PERFORMANCE

But what about job satisfaction and job performance? Is it true or false that “a happy worker is a productive worker?” This is one of the oldest debates in workplace attitudes, and one that has flip-flopped over the years.⁶² In recent years, studies have fairly consistently concluded that the “happy worker” hypothesis is true, but only to some extent. In



Earls Restaurants Ltd. has survived and thrived for more than 30 years in a highly competitive business. A key ingredient in the Canadian restaurant chain's success is stated in its motto: "Great guest experiences begin with great partner experiences." Throughout the years, Earls' founders and leaders have embraced the idea that customers are more satisfied with their dining experience when the cooks, servers, and other staff (all of whom are called partners at Earls) have positive emotions and attitudes regarding their jobs and employer.^h

Earls Restaurant

service profit chain model
a theory explaining how employees' job satisfaction influences company profitability indirectly through service quality, customer loyalty, and related factors

other words, there is a moderately positive relationship between job satisfaction and performance.⁶³

Why does job satisfaction affect employee performance only "to some extent"? One reason is that general attitudes (such as job satisfaction) don't predict specific behaviors very well. As the EVLN model explained, reduced performance (a form of neglect) is only one of four possible responses to dissatisfaction. A second reason is that some employees have little control over their performance because their work effort is paced by work technology or interdependence with coworkers in the production process. An assembly-line worker, for instance, installs a fixed number of windshields each hour with about the same quality of installation whether he or she has high or low job satisfaction.

A third consideration is that job performance might cause job satisfaction, rather than vice versa.⁶⁴ Higher performers tend to have higher satisfaction because they receive more rewards and recognition than do low-performing employees. The connection between job satisfaction and performance isn't stronger because many organizations do not reward good performance very well.

JOB SATISFACTION AND CUSTOMER SATISFACTION

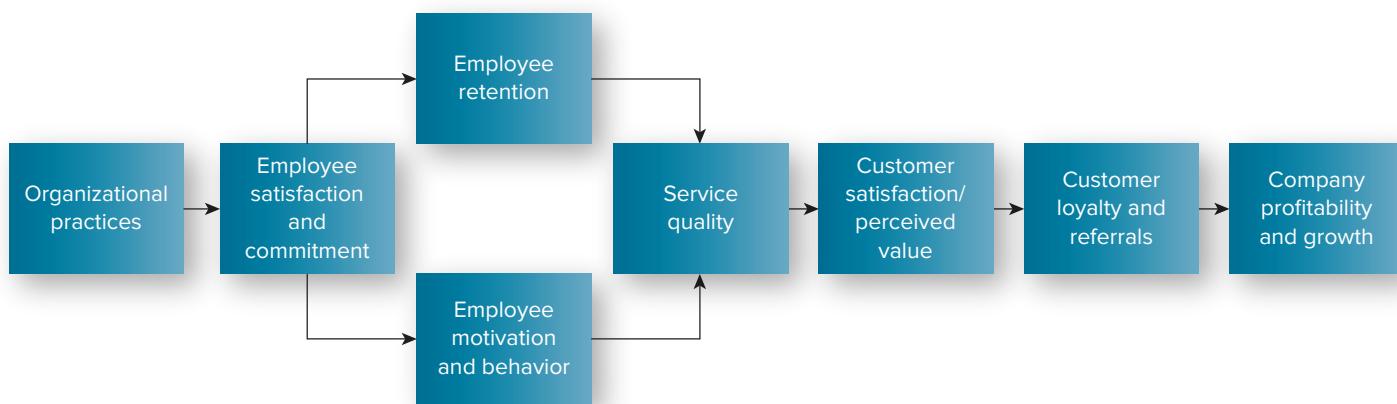
The opening case study of this chapter reported that Hilton Hotels and Resorts is putting more resources into serving its employees so they, in turn, are better motivated and able to serve Hilton's guests well. As one Hilton manager stated: "If you care for your team members, they will take care of the customer." Wegmans applies the same approach to customer service. The supermarket chain clearly values its customers, but it does so by caring as much for its employees. "What's most important to us is that our employees feel that Wegmans is a great place to work," explains Chairman and former CEO Danny Wegman. "When our people feel cared about and respected, they turn around and make our customers feel that way too."⁶⁵

Research supports the philosophy followed by Hilton and Wegman's. In fact, evidence suggests that job satisfaction has a stronger effect on customer service than on overall performance. The effect of job satisfaction on customer service and company profits is detailed in the **service profit chain model**, diagrammed in Exhibit 4.5. This model shows that job satisfaction has a positive effect on customer service, which eventually benefits shareholder financial returns.

The process begins with workplace practices that increase or decrease job satisfaction. Job satisfaction then influences whether employees stay (employee retention) as well as their motivation and behavior on the job. Retention, motivation, and behavior affect service quality, which influences the customer's satisfaction, perceived value of the service, and tendency to recommend the service to others (referrals). These customer activities influence the company's profitability and growth. The service profit chain model has considerable research support. However, the benefits of job satisfaction take time to flow through to the organization's bottom line.⁶⁶

Within the service profit chain model are two key explanations why satisfied employees tend to generate happier and more loyal customers.⁶⁷ One explanation is that job satisfaction tends to put employees in a more positive mood, and people in a good mood more naturally and frequently display friendliness and positive emotions. When employees have good feelings, their display of positive emotions "rubs off" on most (but not all) customers, so customers feel happier and consequently form a positive evaluation of the service experience (i.e., higher service quality). The effect is also mutual—happy customers make employees happier—which can lead to a virtuous cycle of positive emotions in the service experience.

The second explanation is that satisfied employees are less likely to quit their jobs, so they have more work experience (i.e., better knowledge and skills) to serve clients. Lower

EXHIBIT 4.5 Service Profit Chain Model

Sources: This model is based on J.I. Heskett, W.E. Sasser, and L.A. Schlesinger, *The Service Profit Chain* (New York: Free Press, 1997); A.J. Rucci, S.P. Kirn, and R.T. Quinn, "The Employee-Customer-Profit Chain at Sears," *Harvard Business Review* 76 (1998): 83–97; S.P. Brown and S.K. Lam, "A Meta-Analysis of Relationships Linking Employee Satisfaction to Customer Responses," *Journal of Retailing* 84, no. 3 (2008): 243–55.

turnover also enables customers to have the same employees serve them on different occasions, so there is more consistent service. Some evidence indicates that customers build their loyalty to specific employees, not to the organization, so keeping employee turnover low tends to build customer loyalty.

JOB SATISFACTION AND BUSINESS ETHICS

Along with its significant effect on employee behavior, job satisfaction is an ethical issue that influences the organization's reputation in the community. People spend a large portion of their time working in organizations, and many societies now expect companies to provide work environments that are safe and enjoyable. Indeed, employees in several countries closely monitor ratings of the best companies to work for, an indication that employee satisfaction is a virtue worth considerable goodwill to employers. This virtue is apparent when an organization has low job satisfaction. The company tries to hide this fact, and when morale problems become public, corporate leaders are usually quick to improve the situation.

Organizational Commitment

Organizational commitment—specifically, **affective organizational commitment**—represents the other half (with job satisfaction) of what some experts call “overall job attitude.” Affective commitment is the employee’s emotional attachment to, involvement in, and identification with an organization. It is a psychological bond whereby one chooses to be

dedicated to and responsible for the organization. Furthermore, affective commitment is an autonomous form of commitment; that is, the employee is motivated by internal strivings of self-concept and values alignment rather than by external forces.⁶⁸

Affective commitment differs from **continuance commitment**, which is a calculative attachment to the organization.⁶⁹ The most widely accepted meaning of continuance commitment is that the employee would

affective organizational commitment
an individual’s emotional attachment to, involvement in, and identification with an organization

continuance commitment
an individual’s calculative attachment to an organization

face significant social or economic sacrifice if he or she left the company (e.g., “I hate this place but can’t afford to quit!”). This perceived sacrifice condition occurs when the company offers high pay and other forms of economic exchange in the employment relationship, where quitting forfeits a large deferred financial bonus. It also occurs when strong social bonds would be cut if the person gave up her or his organizational membership.

A second type of continuance commitment involves limited alternative employment opportunities (e.g., “I dislike working here but there are no other jobs available”). This situation occurs when unemployment is high, employees lack sufficient skills to be attractive to other employers, or the employee’s skills are so specialized that there is limited demand for them nearby. Some experts question whether this second type is actually continuance commitment, but it does represent another type of cost-based decision to stay and perform work roles.⁷⁰ Both types of continuance commitment have an externally dependent motivation to remain with and participate in the organization, in contrast to affective commitment which is internally sourced motivation.

Affective and continuance commitment have a third sibling, called *normative commitment*, which refers to a felt obligation or moral duty to the organization.⁷¹ Felt obligation applies the **norm of reciprocity**—a natural human motivation to support, contribute, and otherwise “pay back” the organization because it has invested in and supported the employee (see Chapter 10). The sense of moral duty is the motivation to remain with and contribute to the organization because it is the right thing to do as a member of the organization. Normative commitment receives less attention because it overlaps somewhat with affective commitment and its meaning is somewhat ambiguous.

norm of reciprocity
a felt obligation and social expectation of helping or otherwise giving something of value to someone who has already helped or given something of value to you



SELF-ASSESSMENT 4.3: How Committed Are You to Your School?

Organizational (affective) commitment refers to an individual’s emotional attachment to, involvement in, and identification with an organization. It is mostly discussed in this book as an employee’s attitude toward the company where he or she works. But affective commitment is also relevant to a student’s attitude toward the college or university where he or she is taking courses. You can discover your affective commitment as a student to the school where you are attending this program by locating this self-assessment in Connect if it is assigned by your instructor.

CONSEQUENCES OF AFFECTIVE AND CONTINUANCE COMMITMENT

Affective commitment can be a significant competitive advantage.⁷² Employees with a strong psychological connection to the organization are less likely to quit their jobs and be absent from work. They also have higher work motivation and organizational citizenship, as well as somewhat higher job performance. Affective commitment also improves customer satisfaction because long-tenure employees have better knowledge of work practices and because clients like to do business with the same employees. One concern is that employees with very high affective commitment tend to have high conformity, which results in lower creativity. Another problem is that these employees are motivated to defend the organization, even if it involves illegal activity. However, most companies suffer from too little rather than too much affective commitment.

In contrast to the benefits of affective commitment, employees with high levels of continuance commitment tend to have *lower* performance and are *less* likely to engage in

organizational citizenship behaviors. Furthermore, unionized employees with high continuance commitment are more likely to use formal grievances, whereas employees with high affective commitment engage in more cooperative problem solving when employee-employer relations sour.⁷³ Although some level of financial connection may be necessary, employers should not rely on continuance commitment instead of affective commitment. Employers still need to win employees' hearts (affective commitment) beyond tying them financially to the organization (continuance commitment).

BUILDING ORGANIZATIONAL COMMITMENT

There are almost as many ways to build and maintain affective commitment as there are topics in this book, but the most frequently mentioned strategies are:

trust
positive expectations
one person has toward
another person in situations
involving risk

- *Justice and support.* Affective commitment is higher in organizations that support organizational justice, which we discuss in the next chapter. Similarly, organizations that support employee well-being tend to cultivate higher levels of loyalty in return.⁷⁴
- *Shared values.* The definition of affective commitment refers to a person's identification with the organization, and that identification is highest when employees believe their values are congruent with the organization's dominant values. Employees also experience more positive emotions when their personal values are aligned with corporate values and actions, which increases their motivation to stay with the organization.⁷⁵
- *Trust.* Trust refers to positive expectations one person has toward another person in situations involving risk.⁷⁶ Trust means putting faith in the other person or group. It is also a reciprocal activity: To receive trust, you must demonstrate trust. Employees identify with and feel obliged to work for an organization only when they trust its leaders. This explains why layoffs are one of the greatest blows to affective commitment; by reducing job security, companies reduce the trust employees have in their employer and the employment relationship.⁷⁷
- *Organizational comprehension.* Organizational comprehension refers to how well employees understand the organization, including its strategic direction, social dynamics, and physical layout.⁷⁸ This awareness is a necessary prerequisite to affective commitment because it is difficult to identify with or feel loyal to something that you don't know very well. Furthermore, lack of information produces uncertainty, and the resulting stress can distance employees from that source of uncertainty (i.e., the organization). The practical implication here is to ensure that employees develop a reasonably clear and complete mental model of the organization. This occurs by giving staff information and opportunities to keep up to date about organizational events, interact with coworkers, discover what goes on in different parts of the organization, and learn about the organization's history and future plans.⁷⁹
- *Employee involvement.* Employee involvement increases affective commitment by strengthening the employee's psychological ownership and social identity with the organization.⁸⁰ Employees feel part of the organization when they participate in decisions that guide the organization's future (see Chapter 7). Employee involvement also builds loyalty because it demonstrates the company's trust in its employees.

Organizational commitment and job satisfaction represent two of the most often studied and discussed attitudes in the workplace. Each is linked to emotional episodes and cognitive judgments about the workplace and relationship with the company. Emotions also play an important role in another concept that is on everyone's mind these days: stress. The final section of this chapter provides an overview of work-related stress and how it can be managed.

Work-Related Stress and Its Management

LO 4-4

stress

an adaptive response to a situation that is perceived as challenging or threatening to the person's well-being

When asked if they often feel stressed, most employees these days say "Yes!" Not only do most people understand the concept; they claim to have plenty of personal experience with it. **Stress** is most often described as an adaptive response to a situation that is perceived as challenging or threatening to the person's well-being.⁸¹ It is a physiological and psychological condition that prepares us to adapt to hostile or noxious environmental conditions. Our heart rate increases, muscles tighten, breathing speeds up, and perspiration increases. Our body also moves more blood to the brain, releases adrenaline and other hormones, fuels the system by releasing more glucose and fatty acids, activates systems that sharpen our senses, and conserves resources by shutting down our immune system. One school of thought suggests that stress is a negative evaluation of the external environment. However, critics of this "cognitive appraisal" perspective point out that stress is more accurately described as an emotional experience, which may occur before or after a conscious evaluation of the situation.⁸²

Whether stress is a complex emotion or a cognitive evaluation of the environment, it has become a pervasive experience in the daily lives of most people. Stress is typically described as a negative experience. This is known as *distress*—the degree of physiological, psychological, and behavioral deviation from healthy functioning. However, some level and form of stress—called *eustress*—is a necessary part of life because it activates and motivates people to achieve goals, change their environments, and succeed in life's challenges.⁸³ Our focus is on the causes and management of distress, because it has become a chronic problem in many societies.



SELF-ASSESSMENT 4.4: How Stressed Are You?

Stress is an adaptive response to a situation that is perceived as challenging or threatening to the person's well-being. It is an increasing concern in today's society. You can discover your perceived general level of stress over the past month by locating this self-assessment in Connect if it is assigned by your instructor.

STRESSED OUT, BURNT OUTⁱ

52% of more than 1,000 American workers surveyed say they are stressed at work on a day-to-day basis.

31% of 1,000 German workers surveyed report that they felt stressed at work the previous day.



58% of 400 Canadian workers surveyed say they are stressed at work on a day-to-day basis.

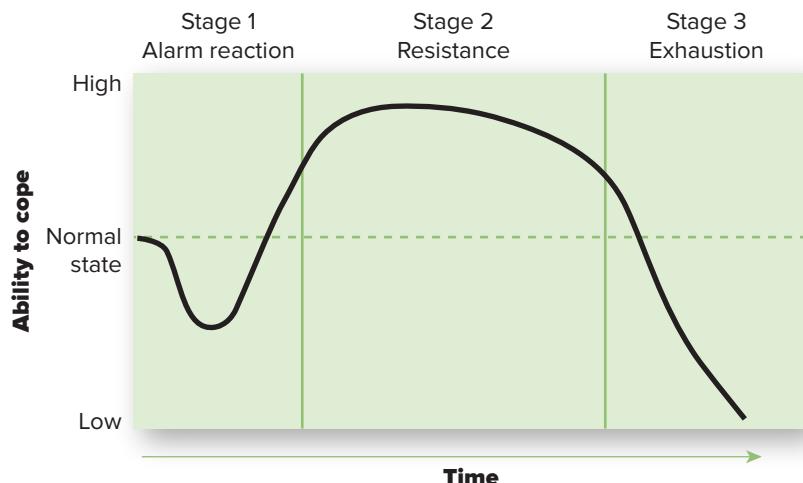
42% of 6,700 Americans surveyed say they have purposely changed jobs due to a stressful work environment.

66% of more than 900 Americans surveyed say their company/office does "nothing" to help alleviate stress in the workplace.

(photo) donskarpo/Getty Images

EXHIBIT 4.6**General Adaptation Syndrome**

Source: Adapted from H. Selye, *The Stress of Life* (New York: McGraw-Hill, 1956).

**GENERAL ADAPTATION SYNDROME**

The word *stress* was first used more than 500 years ago to describe the human response to harsh environmental conditions. However, it wasn't until the 1930s that researcher Hans Selye (often described as the "father" of stress research) first documented the stress experience, called the **general adaptation syndrome**. Selye determined (initially by studying rats) that people have a fairly consistent and automatic physiological response to stressful situations, which helps them cope with environmental demands.⁸⁴

The general adaptation syndrome consists of the three stages shown in Exhibit 4.6. The *alarm reaction* stage occurs when a threat or challenge activates the physiological stress responses that were noted earlier. The individual's energy level and coping effectiveness decrease in response to the initial shock. The second stage, *resistance*, activates various biochemical, psychological, and behavioral mechanisms that give the individual more energy and engage coping mechanisms to overcome or remove the source of stress. To focus energy on the source of the stress, the body reduces resources to the immune system during this stage. This explains why people are more likely to catch a cold or some other illness when they experience prolonged stress. People have a limited resistance capacity, and if the source of stress persists, the individual will eventually move into the third stage, *exhaustion*. Most of us are able to remove the source of stress or remove ourselves from that source before becoming too exhausted. However, people who frequently reach exhaustion have increased risk of long-term physiological and psychological damage.⁸⁵

general adaptation syndrome
a model of the stress experience, consisting of three stages: alarm reaction, resistance, and exhaustion

CONSEQUENCES OF DISTRESS

Stress takes its toll on the human body.⁸⁶ Many people experience tension headaches, muscle pain, and related problems mainly due to muscle contractions from the stress response. High stress levels also contribute to cardiovascular disease, including heart attacks and strokes, and may be associated with some forms of cancer. One major review estimated that more than 100,000 deaths annually and as much as 8 percent of health care costs in the United States are due to the consequences of work-related stress. Stress also produces various psychological consequences such as job dissatisfaction, moodiness, depression, and lower organizational commitment. Furthermore, various behavioral outcomes have been linked to high or persistent stress, including lower job performance, poor decision making, and increased workplace accidents and aggressive behavior. Most people react to stress through "fight or flight," so, as a form of flight, increased absenteeism is another outcome of stress.⁸⁷

A particular stress consequence, called *job burnout*, occurs when people experience emotional exhaustion, cynicism, and reduced feelings of personal accomplishment.⁸⁸ *Emotional exhaustion*, the first stage, is characterized by a lack of energy, tiredness, and a feeling that one's emotional resources are depleted. This is followed by *cynicism* (also



called *depersonalization*), which is an indifferent attitude toward work, emotional detachment from clients, a cynical view of the organization, and a tendency to strictly follow rules and regulations rather than adapt to the needs of others. The final stage of burnout, called *reduced personal accomplishment*, entails feelings of diminished confidence in one's ability to perform the job well. In such situations, employees develop a sense of learned helplessness as they no longer believe that their efforts make a difference.

STRESSORS: THE CAUSES OF STRESS

stressors

any environmental conditions that place a physical or emotional demand on the person

Before identifying ways to manage work-related stress, we must first understand its causes, known as stressors. **Stressors** include any environmental conditions that place a physical or emotional demand on a person.⁸⁹ There are numerous stressors in the workplace and in life in general. We will briefly describe four of the most common work-related stressors: organizational constraints, interpersonal conflict, work overload, and low task control.⁹⁰

Organizational Constraints Stress research has identified organizational constraints as one of the most pervasive causes of workplace stress.⁹¹ This stressor includes lack of equipment, supplies, budget funding, coworker support, information, and other resources necessary to complete the required work. Most employees experience stress because these constraints interfere with task performance, which indirectly threatens their rewards, status, and job security. Organizational constraints refer to situational factors, which is one of the four direct predictors of individual behavior and performance (see the MARS model in Chapter 1). It is the only direct influence on individual performance that is beyond the employee's immediate control. This lack of control is a powerful stressor because it threatens the individual's fundamental drive to influence his or her external environment.

Interpersonal Conflict Employees usually agree on the organization's overall objectives, but they frequently disagree with one another regarding how to achieve those goals as well as how the work and resources should be distributed along that journey. Therefore, conflict is a way of life in organizations. As we will learn in Chapter 11, dysfunctional conflict can easily flair up and, left unchecked, escalate to a level that produces considerable stress and counterproductive work behaviors. In organizational settings, most interpersonal conflict is caused by structural sources such as ambiguous rules, lack of resources, and conflicting goals between employees or departments. However, a variety of interpersonal conflict that has become an increasing concern is workplace harassment, including workplace bullying, sexual harassment, and other forms of mistreatment by co-workers, managers, or customers.⁹²

Work Overload "We just keep rushing along in a confused state of never having time to do the things that seem to be pressing upon us." Sound familiar? Most of us probably had this thought from time to time. But this comment wasn't written in the past year or even in the past decade. It came from an article called "Let's Slow Down!" in a financial institution's newsletter to clients in 1949!⁹³ The fact is, people have been struggling for more than a half century with the pace of life, including the challenges of performing too many tasks and working too many hours. Work overload is one of the most common workplace stressors. Employees are expected (or believe they are expected) to complete more work with more effort than they can provide within the allotted time.⁹⁴

Work overload is evident when employees consume more of their personal time to get the job done. Technology and globalization also contribute to work overload because they tether employees to work for more hours of the day. People increasingly work with coworkers in distant time zones, and their communication habits of being constantly "on" make it difficult to separate work from personal life. Some employees amplify their work overload by adopting an "ideal worker norm" in which they expect themselves and others to work longer hours. For many, toiling away far beyond the normal workweek is a badge of honor, a symbol of their superhuman capacity to perform above others. For



global connections 4.2

Deadly Consequences of Workplace Bullying^j

For 17 years, Eric Donovan worked at a not-for-profit organization that operates several group homes and programs for intellectually challenged adults in Prince Edward Island (PEI), Canada. He was “conscientious and compassionate” to residents and “highly respected” by coworkers.

Yet, over several years, Donovan suffered from ongoing harassment and bullying from his supervisor. Coworkers submitted sworn statements that the supervisor had a reputation as a workplace bully. A few former coworkers also testified that they left the organization after experiencing too much of the supervisor’s harassment.

The supervisor’s behavior became more intense when Donovan went on medical leave after injuring his back while controlling an aggressive resident. She called Donovan a wimp in front of coworkers. After returning to work, Donovan overheard the supervisor telling someone on the phone that she thought Donovan was faking his back injury.

Donovan discussed the stressful work environment with his wife and family doctor. “Mr. Donovan had significant stress from his relationship with his supervisor at work,” Donovan’s physician reported. “He often voiced how difficult the relationship was, the sense of being bullied and the resultant stress, anxiety and panic attacks.”

Donovan started documenting the bullying incidents. In one of his last entries, he wrote that the relationship



fizkes/Shutterstock

with his supervisor “was now so strained that I couldn’t work for her.” His wife and friends noticed how he looked increasingly unwell. One evening, his wife said: “You’re going on stress leave. You need to get away.” Those were her last words to her husband. An hour or two later, Donovan, who didn’t have a pre-existing heart condition, suffered cardiac arrest and died a few days later. He was 47 years old.

The PEI Worker’s Compensation Board eventually ruled that Donovan’s death was likely due to stress caused by several years of bullying from his supervisor. The PEI government recently passed legislation named after Eric Donovan that provides employees with legal protection against bullying in the workplace.

example, 39 percent of Millennial employees in one recent large-scale survey admitted that they work long hours and have a 24/7 schedule so they look like a “work martyr” to their boss.⁹⁵

Low Task Control Workplace stress is higher when employees lack control over how and when they perform their tasks as well as lack control over the pace of work activity. Work is potentially more stressful when it is paced by a machine, involves monitoring equipment, or the work schedule is controlled by someone else. Low task control is a stressor because employees face high workloads without the ability to adjust the pace of the load to their own energy, attention span, and other resources. Furthermore, the degree to which low task control is a stressor increases with the burden of responsibility the employee must carry.⁹⁶ Assembly-line workers have low task control, but their stress can be fairly low if their level of responsibility is also low. In contrast, sports coaches are under immense pressure to win games (high responsibility), yet they have little control over what happens on the playing field (low task control).

INDIVIDUAL DIFFERENCES IN STRESS

People exposed to the same stressor experience different levels of stress. One factor is the employee’s physical health. Regular exercise and a healthy lifestyle produce a larger store of energy to cope with stress. A second individual difference is the coping strategy

employees use to ward off a particular stressor.⁹⁷ People sometimes figure out ways to remove the stressor or to minimize its presence. Seeking support from others, reframing the stressor in a more positive light, blaming others for the stressor, and denying the stressor's existence are some coping mechanisms. Specific coping strategies work better for some stressors, and a few coping strategies work well for almost all stressors.⁹⁸ Thus, someone who uses a less effective coping mechanism in a particular situation would experience more stress in response to that situation. People have a tendency to rely on one or two coping strategies, and those who rely on generally poor coping strategies (such as denying the stressor exists) are going to experience more stress.

Personality is the third and possibly the most important reason why people experience different levels of stress when faced with the same stressor.⁹⁹ Individuals with low neuroticism (high emotional stability) usually experience lower stress levels because, by definition, they are less prone to anxiety, depression, and other negative emotions. Extraverts also tend to experience lower stress than do introverts, likely because extraversion includes a degree of positive thinking and extraverts interact with others, which helps buffer the effect of stressors. Those with a positive self-concept—high self-esteem, self-efficacy, and internal locus of control (see Chapter 3)—feel more confident and in control when faced with a stressor. In other words, they tend to have a stronger sense of optimism.¹⁰⁰ Stress also tends to be higher among those who suffer from *workaholism*. Workaholics have an uncontrollable work motivation, constantly think about work, and have low work enjoyment.¹⁰¹



SELF-ASSESSMENT 4.5: Are You a Workaholic?

Some people are highly involved in work, have an inner compulsion to work at full speed, and yet don't enjoy work. People with these personal characteristics are called workaholics, and they tend to experience high levels of (dis)stress, which can produce long-term health problems. You can discover the extent to which you are a workaholic by locating this self-assessment in Connect if it is assigned by your instructor.

LO 4-5

MANAGING WORK-RELATED STRESS

Many people deny the existence of their stress until it has more serious outcomes. This avoidance strategy creates a vicious cycle because the failure to cope with stress becomes another stressor on top of the one that created the stress in the first place. To prevent this vicious cycle, employers and employees need to apply one or more of the stress management strategies described next: remove the stressor, withdraw from the stressor, change stress perceptions, control stress consequences, and receive social support.¹⁰²

Remove the Stressor There are many ways to remove the stressor, but some of the more common actions involve assigning employees to jobs that match their skills and preferences, reducing excessive workplace noise, having a complaint system that takes corrective action against harassment, and giving employees more control over the work process. Another important way that companies can remove stressors is through **work-life integration** initiatives (see Chapter 1). For example, personal leave benefits, such as maternity and paternity leave, temporarily offer employees paid nonwork time to manage special circumstances. Remote work potentially improves work-life integration by reducing or eliminating commuting time and increasing flexibility to perform nonwork obligations (such as picking up the kids from school). Some companies and at least one government (France) have introduced policies that prohibit managers and employees from communicating work-related issues during nonwork hours.¹⁰³

work-life integration

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

Japanese employees are chronically overworked and sleep deprived. Using fitness trackers, one study found that Japanese men and women sleep only 6 hours and 35 minutes each day, on average, which is the lowest among 28 countries studied. Crazy Inc. hopes to reduce the Japanese penchant for overwork by motivating people to sleep longer. The Tokyo-based upscale wedding organizer awards points to employees who sleep at least six hours every night for at least five days each week. Employee sleep patterns are tracked by an app developed by a mattress manufacturer. The points, which are exchanged for food in the company cafeteria, can add up to more than \$500 per year.^k

DAJ/Getty Images



Withdraw from the Stressor Removing the stressor may be the ideal solution, but it is often not feasible. An alternative strategy is to permanently or temporarily remove employees from the stressor. Permanent withdrawal occurs when employees are transferred to jobs that are more compatible with their abilities and values. Temporarily withdrawing from stressors is the most frequent way that employees manage stress. Vacations and holidays are important opportunities for employees to recover from stress and reenergize for future challenges. A small number of companies offer paid or unpaid sabbaticals.¹⁰⁴ Many firms also provide innovative ways for employees to withdraw from stressful work throughout the day such as game rooms, ice cream cart breaks, nap rooms, and cafeterias that include live piano recitals.

Change Stress Perceptions How much stress employees experience depends on how they perceive the stressor.¹⁰⁵ Consequently, another way to manage stress is to help employees improve their self-concept so job challenges are not perceived as threatening. Personal goal setting and self-reinforcement also can reduce the stress that people experience when they enter new work settings. In addition, research suggests that some (but not all) forms of humor can improve optimism and create positive emotions by taking some psychological weight off a stressful situation.¹⁰⁶

Control Stress Consequences Keeping physically fit and maintaining a healthy lifestyle are effective stress management strategies because they control stress consequences. Good physical fitness reduces the adverse physiological consequences of stress by helping employees moderate their breathing and heart rate, muscle tension, and stomach acidity. The key variable here is physical fitness, not exercise. Exercise leads to physical fitness, but research suggests that exercise does not reduce stress symptoms among people who are not yet physically fit.¹⁰⁷ Various forms of meditation reduce anxiety and other symptoms of stress, but their effect on blood pressure and other physiological symptoms is minimal.¹⁰⁸ Wellness programs also can assist in controlling the consequences of stress. These programs

inform employees about better nutrition and fitness, regular sleep, and other good health habits. Many large companies offer *employee assistance programs (EAPs)*—counseling services that help employees resolve marital, financial, or work-related troubles.

Receive Social Support Social support occurs when coworkers, supervisors, family members, friends, and others provide emotional and/or informational support to buffer an individual's stress experience. For instance, employees whose managers are good at empathizing experienced fewer stress symptoms than do employees whose managers were less empathetic. Social support potentially (but not always) improves the person's optimism and self-confidence because support makes people feel valued and worthy. Social support also provides information to help the person interpret, comprehend, and possibly remove the stressor. For instance, to reduce a new employee's stress, coworkers could describe ways to handle difficult customers. Seeking social support is called a "tend and befriend" response to stress, and research suggests that women often follow this route rather than the "fight-or-flight" response mentioned earlier.¹⁰⁹

connect

SELF-ASSESSMENT 4.6:

How Do You Cope with Stressful Situations?

People cope with stress in several ways. The best coping strategy usually depends on the source of stress and other circumstances. However, people also have a natural preference for some types of coping strategies more than others. You can discover your preferences among four coping strategies by locating this self-assessment in Connect if it is assigned by your instructor.

chapter summary

LO 4-1 Explain how emotions and cognition (conscious reasoning) influence attitudes and behavior.

Emotions are physiological, behavioral, and psychological episodes experienced toward an object, person, or event that create a state of readiness. Emotions differ from attitudes, which represent a cluster of beliefs, feelings, and behavioral intentions toward a person, object, or event. Beliefs are a person's established perceptions about the attitude object. Feelings are positive or negative evaluations of the attitude object. Behavioral intentions represent planned effort to engage in a particular behavior toward the target.

Attitudes have traditionally been described as a purely rational process in which beliefs predict feelings, which predict behavioral intentions, which predict behavior. We now know that emotions have an influence on behavior that is equal to or greater than that of cognition. This dual process is apparent when we internally experience a conflict between what logically seems good or bad and what we emotionally feel is good or bad in a situation. Emotions also affect behavior directly. Behavior sometimes influences our subsequent attitudes through cognitive dissonance.

LO 4-2 Discuss the dynamics of emotional labor and the role of emotional intelligence in the workplace.

Emotional labor consists of the effort, planning, and control needed to express organizationally desired emotions during

interpersonal transactions. It is more common in jobs requiring a variety of emotions and more intense emotions, as well as in jobs in which interactions with clients are frequent and long in duration. Employees experience stress, job dissatisfaction, and low job performance when the emotions they are required to display differ markedly from the emotions they actually experience at that time. The extent to which employees are expected to hide their true emotions varies considerably across cultures.

Employees sometimes fulfill their emotional labor obligations through surface acting—they consciously display behaviors that represent the expected emotions even though their actual emotions are different. A second strategy is deep acting, whereby employees actively change their true emotions so they are similar to the required emotions. The five ways to regulate emotions are to: (a) change the situation, (b) modify the situation, (c) suppress or amplify emotions, (d) shift attention, and (e) reframe the situation.

Emotional intelligence is the ability to perceive and express emotion, assimilate emotion in thought, understand and reason with emotion, and regulate emotion in oneself and others. This concept includes four components arranged in a hierarchy: awareness of one's own emotions, management of one's own emotions, awareness of others' emotions, and management of others' emotions. Emotional intelligence can be learned to some extent, particularly through personal coaching.

LO 4-3 Summarize the consequences of job dissatisfaction, as well as strategies to increase organizational (affective) commitment.

Job satisfaction represents a person's evaluation of his or her job and work context. Four types of job dissatisfaction consequences are quitting or otherwise getting away from the dissatisfying situation (exit), attempting to change the dissatisfying situation (voice), patiently waiting for the problem to sort itself out (loyalty), and reducing work effort and performance (neglect). Job satisfaction has a moderate relationship with job performance and with customer satisfaction. Affective organizational commitment is the employee's emotional attachment to, identification with, and involvement in a particular organization. This form contrasts with continuance commitment, which is a calculative bond with the organization. Normative commitment—a felt obligation or moral duty to the organization—is a third form of organizational commitment. Companies build loyalty through justice and support, shared values, trust, organizational comprehension, and employee involvement.

LO 4-4 Describe the stress experience and review four major stressors.

Stress is an adaptive response to a situation that is perceived as challenging or threatening to a person's well-being. The stress experience, called the general adaptation syndrome, involves moving through three stages: alarm, resistance, and exhaustion. Stressors are the causes of stress and include any environmental conditions that place a physical or emotional demand on a person. Four of the most common workplace stressors are organizational constraints, interpersonal conflict, work overload, and low task control.

LO 4-5 Identify five ways to manage workplace stress.

Many interventions are available to manage work-related stress, including removing the stressor, withdrawing from the stressor, changing stress perceptions, controlling stress consequences, and receiving social support.

key terms

affective organizational commitment, p. 137
attitudes, p. 123
cognitive dissonance, p. 127
continuance commitment, p. 137
emotional intelligence (EI), p. 131

emotional labor, p. 128
emotions, p. 122
exit-voice-loyalty-neglect (EVLN) model, p. 134
general adaptation syndrome, p. 141
job satisfaction, p. 133

norm of reciprocity, p. 138
service profit chain model, p. 136
stress, p. 140
stressors, p. 142
trust, p. 139
work-life integration, p. 144

critical thinking questions

- It has almost become a mandatory practice for companies to ensure that employees have fun at work. Many workplaces now have fully stocked lounges, games rooms, funky painted walls, and regular social events. A few even have a slide to travel down to the next floor. However, some experts warn that imposing fun at work can have negative consequences. "Once the idea of fun is formally institutionalized from above, it can lead to employees becoming resentful," warns one critic. "They feel patronized and condescended, and it breeds anger and frustration." Apply the attitude model to explain how fun activities might improve customer satisfaction, as well as how they might result in poorer customer satisfaction.
- Studies report that college instructors are frequently required to engage in emotional labor. Identify the situations in which emotional labor is required for this job. In your opinion, is emotional labor more troublesome for college instructors or for people working at emergency service call centers?
- Recall situations where you had to regulate your emotions. For example, think of times when you wanted to feel more serious than you would otherwise, or experience more happiness for someone at a time when events caused your emotions to be less positive. Which of the five emotion regulation strategies did you apply? Why were those strategies chosen? How difficult was it to actually change your emotions?
- "Emotional intelligence is more important than cognitive intelligence in influencing an individual's success." Do you agree or disagree with this statement? Support your perspective.
- "Happy employees lead to happy customers." Explain why this statement tends to be true and identify conditions in which it might not be true.
- In this chapter, we highlighted work-related stressors, including organizational constraints (e.g., lack of resources), interpersonal conflict (including harassment), work overload, and low task control. Of course, there are many non-work-related stressors that increasingly come into the discussion. Please discuss important nonwork stressors and discuss their impact on the work environment.
- Two college graduates recently joined the same major newspaper as journalists. Both work long hours and have tight deadlines for completing their stories. They are under constant pressure to scout out new leads and be the first to report new controversies. One journalist is increasingly fatigued and despondent and has taken several days of sick leave. The other is getting the work done and seems to enjoy the challenges. Use your knowledge of stress to explain why these two journalists are reacting differently to their jobs.
- A senior official of a labor union stated: "All stress management does is help people cope with poor management. [Employers] should really be into stress reduction." Discuss the validity of this statement.

CASE STUDY: DIANA'S DISAPPOINTMENT: THE PROMOTION STUMBLING BLOCK

By Rosemary Maellaro, University of Dallas

Diana Gillen had an uneasy feeling of apprehension as she arrived at the Cobb Street Grille corporate offices. Today she was meeting with her supervisor, Julie Spencer, and regional director, Tom Miner, to learn the outcome of her promotion interview for the district manager position. Diana had been employed by this casual dining restaurant chain for 12 years and had worked her way up from server to general manager. Based on her track record, she was the obvious choice for the promotion; and her friends assured her that the interview process was merely a formality. Diana was still anxious, though, and feared that the news might not be positive. She knew she was more than qualified for the job, but that didn't guarantee anything these days.

Nine months ago, when Diana interviewed for the last district manager opening, she thought her selection for the job was inevitable. She was shocked when that didn't happen. Diana was so upset about not getting promoted then that she initially decided not to apply for the current opening. She eventually changed her mind—after all, the company had just named her Restaurant Manager of the Year and entrusted her with managing its flagship location. Diana thought her chances had to be really good this time.

A multi-unit management position was a desirable move up for any general manager and was a goal to which Diana had aspired since she began working in the industry. When she had not been promoted the last time, Julie, her supervisor, explained that her people skills needed to improve. But Diana knew that explanation had little to do with why she hadn't gotten the job—the real reason was corporate politics. She heard that the person they hired was some superstar from the outside—a district manager from another restaurant company who supposedly had strong multi-unit management experience and a proven track record of developing restaurant managers. Despite what she was told, she was convinced that Tom, her regional manager, had been unduly pressured to hire this person, who had been referred by the CEO.

The decision to hire the outsider may have impressed the CEO, but it enraged Diana. With her successful track record as a store manager for the Cobb Street Grille, she was much more capable, in her opinion, of overseeing multiple units than someone who was new to the operation. Besides, district managers had always been promoted internally among the store managers and she was unofficially designated as the next one to move up to a district position. Tom had hired the outside candidate as a political maneuver to put himself in a good light with management, even though it meant overlooking a loyal employee like her in the process. Diana had no patience with people who made business decisions for the wrong reasons. She worked very hard to avoid politics—and it especially irritated her when the political actions of others negatively impacted on her.

Diana was ready to be a district manager nine months ago, and thought she was even more qualified today—provided the decision was based on performance. She ran a tight ship, managing her restaurant completely by the book. She meticulously adhered to policies and procedures and rigorously controlled expenses. Her sales were growing, in spite of new competition in the market, and she received relatively few customer complaints. The only number that was a little out of line was the higher turnover among her staff.

Diana was not too concerned about the increasing number of terminations, however; there was a perfectly logical explanation for this. It was because she had high standards—for herself and her employees. Any employee who delivered less than 110 percent at all times would be better off finding a job somewhere else. Diana didn't think she should bend the rules for anyone, for whatever reason. A few months ago, for example, she had to fire three otherwise good employees who decided to try a new customer service tactic—a so-called innovation they dreamed up—rather than complying with the established process. As the general manager, it was her responsibility to make sure that the restaurant was managed strictly in accordance with the operations manual and she could not allow deviations. This by-the-book approach to managing had served her well for many years. It got her promoted in the past and she was not about to jinx that now. Losing a few employees now and then—particularly those who had difficulty following the rules—was simply the cost of doing business.

During a recent store visit, Julie suggested that Diana might try creating a friendlier work environment because she seemed aloof and interacted with employees somewhat mechanically. Julie even told her that she overheard employees refer to Diana as the "Ice Maiden" behind her back. Diana was surprised that Julie brought this up because her boss rarely criticized her. They had an unspoken agreement: since Diana was so technically competent and always met her financial targets, Julie didn't need to give her much input. Diana was happy to be left alone to run her restaurant without needless advice.

At any rate, Diana rarely paid attention to what employees said about her. She wasn't about to let something as childish as a silly name cause her to modify a successful management strategy. What's more, even though she had recently lost more than the average number of employees due to "personality differences" or "miscommunications" over her directives, her superiors did not seem to mind when she consistently delivered strong bottom line results every month.

As she waited in the conference room for the others, Diana worried that she was not going to get this promotion. Julie had sounded different in the voicemail message she

left to inform her about this meeting, but Diana couldn't put her finger on exactly what it was. She would be very angry if she was passed over again and wondered what excuse they would have this time. Then her mind wandered to how her employees would respond to her if she did not get the promotion. They all knew how much she wanted the job and she cringed at how embarrassed she would be if she didn't get it. Her eyes began to mist over at the sheer thought of having to face them if she was not promoted today.

Julie and Tom entered the room then and the meeting was under way. They told Diana, as kindly as they could, that she would not be promoted at this time; one of her colleagues would become the new district manager. She was incredulous. The individual who got promoted had been

with the company only three years—and Diana had trained her! She tried to comprehend how this happened, but it did not make sense. Before any further explanation could be offered, she burst into tears and left the room. As she tried in vain to regain her composure, Diana was overcome with crushing disappointment.

Discussion Questions

1. Apply your knowledge of the four emotional intelligence dimensions to discuss the likely reasons why Diana wasn't offered a promotion.
2. What skills does Diana need to develop to be promotable in the future? What can the company do to support her developmental efforts?



CLASS EXERCISE: STRENGTHS-BASED COACHING

PURPOSE To help students practice a form of interpersonal development built on the dynamics of positive emotions.

MATERIALS None.

BACKGROUND Several chapters in this book introduce and apply the emerging philosophy of *positive organizational behavior*, which suggests that focusing on the positive rather than negative aspects of life will improve organizational success and individual well-being. An application of positive OB is strengths-based or appreciative coaching, in which the coach focuses on the person's strengths rather than weaknesses and helps realize the person's potential. As part of any coaching process, the coach listens to the employee's story and uses questions and suggestions to help that person redefine her or his self-concept and perceptions of the environment. Two important skills in effective coaching are active listening and probing for information (rather than telling the person a solution or direction). The instructions below identify specific information and issues that the coach and coachee will discuss.

INSTRUCTIONS *Step 1:* Form teams of four people. One team can have six people if the class does not have multiples of four. For odd-numbered class sizes, one person may be an observer. Divide into pairs in which one person is coach and the other is the coachee. Ideally for this exercise, the coach and coachee should have little knowledge of each other.

Step 2: Coachees will describe something about themselves in which they excel and for which they like to be recognized. This competency might be work-related, but

not necessarily. It could be a personal achievement or ability that is close to their self-concept (how they define themselves). The coach mostly listens but also prompts more details from the coachee using "probe" questions (e.g., "Tell me more about that." "What did you do next?" "Could you explain that further, please?" "What else can you remember about that event?"). As the coachee's story develops, the coach will guide the coachee to identify ways to leverage this strength. For example, the pair would explore situational barriers to practicing the coachee's strength, as well as aspects of this strength that require further development. The strength may also be discussed as a foundation for the coachee to develop strengths in other, related ways. The session should end with some discussion of the coachee's goals and action plans. The first coaching session can be any length of time specified by the instructor, but 15 to 25 minutes is typical for each coaching session.

Step 3: After completing the first coaching session, regroup so that each pair consists of different partners than those in the first pair (i.e., if pairs were A-B and C-D in session 1, pairs are A-C and B-D in session 2). The coaches become coachees to their new partners in session 2.

Step 4: The class will debrief regarding the emotional experience of discussing personal strengths, the role of self-concept in emotions and attitudes, the role of managers and coworkers in building positive emotions in people, and the value and limitations of strengths-based coaching.

Note: For further information about strengths-based coaching, see Sara L. Orem, Jacqueline Binkert, and Ann L. Clancy, *Appreciative Coaching* (San Francisco: Jossey-Bass, 2007); Marcus Buckingham and C. Coffman, *First, Break All the Rules* (New York: Simon & Schuster, 1999).



TEAM EXERCISE: RANKING JOBS ON THEIR EMOTIONAL LABOR

PURPOSE This exercise is designed to help you understand the jobs in which people tend to experience higher or lower degrees of emotional labor.

INSTRUCTIONS *Step 1:* Individually rank order the extent that the jobs listed below require emotional labor. In other words, assign a “1” to the job you believe requires the most effort, planning, and control to express organizationally desired emotions during interpersonal transactions. Assign a “10” to the job you believe requires the least amount of emotional labor. Mark your rankings in column 1.

Step 2: The instructor will form teams of four or five members, and each team will rank order the items on the basis of consensus (not simply averaging the individual rankings). These results are placed in column 2.

Step 3: The instructor will provide expert ranking information. This information should be written in column 3. Then, students calculate the differences in columns 4 and 5.

Step 4: The class will compare the results and discuss the features of jobs with high emotional labor.

Occupational Emotional Labor Scoring Sheet

OCCUPATION	(1) INDIVIDUAL RANKING	(2) TEAM RANKING	(3) EXPERT RANKING	(4) ABSOLUTE DIFFERENCE OF 1 AND 3	(5) ABSOLUTE DIFFERENCE OF 2 AND 3
Bartender					
Cashier					
Dental hygienist					
Insurance adjuster					
Lawyer					
Librarian					
Postal clerk					
Registered nurse					
Social worker					
Television announcer					
TOTAL					
			Your score	Team score	

(The lower the score, the better.)

endnotes

1. S. Moses, “Cleveland Job Seekers Find Second Chances and New Careers,” WKYC, April 12, 2017, <https://www.wkyc.com/article/money/economy/possible-u/cleveland-job-seekers-find-second-chances-and-new-careers/95-429584313>; “Hospitality for All,” Great Place To Work® Profile Series (Oakland, CA: Great Place to Work® Institute, February 16, 2018); O. Staley, “Hilton Hotels’ Newest Upgrades Are Strictly for Staff,” *Quartz at Work*, April 2, 2018; J. Slovak, “Why Hilton Was Just Named the Best Workplace for Diversity,” *Fortune*, December 6, 2018; “Hilton Hotels—Heart of House,” Worldwide Hospitality Awards, Hospitality ON, 2019, <https://hospitality-on.com/en/worldwide-hospitality-awards/hilton/hilton-hotels-heart-house>.
2. Emotions are also cognitive processes. However, we use the narrow definition of *cognition* as a well-used label referring only to reasoning processes. Also, this and other chapters emphasize that emotional and cognitive processes are intertwined. For recent discussion of this in neuroscience, see: L. Pessoa, “Understanding Emotion with Brain Networks,” *Current Opinion in Behavioral Sciences*, 19 (2018): 19–25, <https://doi.org/10.1016/j.cobeha.2017.09.005>.

3. For discussion of emotions in marketing, economics, and sociology, see: W. Kalkhoff, S.R. Thye, and J. Pollock, "Developments in Neurosociology," *Sociology Compass* 10, no. 3 (2016): 242–58, <https://doi.org/10.1111/soc4.12355>; H. Lin and O. Vartanian, "A Neuroeconomic Framework for Creative Cognition," *Perspectives on Psychological Science* 13, no. 6 (2018): 655–77, <https://doi.org/10.1177/1745691618794945>; W.M. Lim, "Demystifying Neuromarketing," *Journal of Business Research* 91 (2018): 205–20, <https://doi.org/10.1016/j.jbusres.2018.05.036>; A. Konovalov and I. Krajbich, "Over a Decade of Neuroeconomics: What Have We Learned?," *Organizational Research Methods* 22, no. 1 (2019): 148–73, <https://doi.org/10.1177/1094428116644502>. One recent review suggests that organizational behavior will benefit from the neuroscience of emotion, but there are several methodological issues to address. See: A.I. Jack et al., "Pitfalls in Organizational Neuroscience: A Critical Review and Suggestions for Future Research," *Organizational Research Methods* 22, no. 1 (2019): 421–58, <https://doi.org/10.1177/1094428117708857>.
4. Although definitions of *emotion* vary, the definition stated here seems to be the most widely accepted. See, for example, N.H. Frijda, "Varieties of Affect: Emotions and Episodes, Moods, and Sentiments," in *The Nature of Emotion: Fundamental Questions*, ed. P. Ekman and R.J. Davidson (New York: Oxford University Press, 1994), 59–67; G. Van Kleef, H. van den Berg, and M. Heerdink, "The Persuasive Power of Emotions: Effects of Emotional Expressions on Attitude Formation and Change," *Journal of Applied Psychology* 100, no. 4 (2015): 1124–42; A. Scarantino, "The Philosophy of Emotions and Its Impact on Affective Science," in *Handbook of Emotions*, ed. L.F. Barrett, M. Lewis, and J.M. Haviland-Jones, 4th ed. (New York: Guilford Press, 2016), 3–47; R. Smith and R.D. Lane, "Unconscious Emotion: A Cognitive Neuroscientific Perspective," *Neuroscience & Biobehavioral Reviews* 69 (2016): 216–38, <https://doi.org/10.1016/j.neubiorev.2016.08.013>; M. Résibois et al., "The Relation between Rumination and Temporal Features of Emotion Intensity," *Cognition and Emotion* 32, no. 2 (2018): 259–74, <https://doi.org/10.1080/02699931.2017.1298993>; L.F. Barrett and A.B. Satpute, "Historical Pitfalls and New Directions in the Neuroscience of Emotion," *Neuroscience Letters*, Functional Neuroimaging of the Emotional Brain, 693 (2019): 9–18, <https://doi.org/10.1016/j.neulet.2017.07.045>.
5. R. Reisenzein, M. Stuttmann, and G. Horstmann, "Coherence between Emotion and Facial Expression: Evidence from Laboratory Experiments," *Emotion Review* 5, no. 1 (2013): 16–23; M.D. Lieberman, "Boo! The Consciousness Problem in Emotion," *Cognition and Emotion* 33, no. 1 (2019): 24–30, <https://doi.org/10.1080/02699931.2018.1515726>.
6. R.B. Zajonc, "Emotions," in *Handbook of Social Psychology*, ed. D.T. Gilbert, S.T. Fiske, and L. Gardner (New York: Oxford University Press, 1998), 591–634; P. Winkielman, "Bob Zajonc and the Unconscious Emotion," *Emotion Review* 2, no. 4 (2010): 353–62.
7. A.R. Damasio, *The Feeling of What Happens: Body and Emotion in the Making of Consciousness* (New York: Harcourt Brace, 1999), 286; B.Q. Ford and J.J. Gross, "Emotion Regulation: Why Beliefs Matter," *Canadian Psychology/Psychologie Canadienne* 59, no. 1 (2018): 1–14, <https://doi.org/10.1037/cap0000142>; K.C. Berridge, "Evolving Concepts of Emotion and Motivation," *Frontiers in Psychology* 9 (2018), <https://doi.org/10.3389/fpsyg.2018.01647>.
8. R.J. Larson, E. Diener, and R.E. Lucas, "Emotion: Models, Measures, and Differences," in *Emotions in the Workplace*, ed. R.G. Lord, R.J. Klimoski, and R. Kanfer (San Francisco: Jossey-Bass, 2002), 64–113; L.F. Barrett et al., "The Experience of Emotion," *Annual Review of Psychology* 58, no. 1 (2007): 373–403; M. Yik, J.A. Russell, and J.H. Steiger, "A 12-Point Circumplex Structure of Core Affect," *Emotion* 11, no. 4 (2011): 705–31.
9. R.F. Baumeister, E. Bratslavsky, and C. Finkenauer, "Bad Is Stronger Than Good," *Review of General Psychology* 5, no. 4 (2001): 323–70; A. Vaish, T. Grossmann, and A. Woodward, "Not All Emotions Are Created Equal: The Negativity Bias in Social-Emotional Development," *Psychological Bulletin* 134, no. 3 (2008): 383–403; R.H. Fazio et al., "Positive versus Negative Valence: Asymmetries in Attitude Formation and Generalization as Fundamental Individual Differences," in *Advances in Experimental Social Psychology*, vol. 51, ed. J.M. Olson and M.P. Zanna (Waltham, MA: Academic Press, 2015), 97–146; K. Bebbington et al., "The Sky Is Falling: Evidence of a Negativity Bias in the Social Transmission of Information," *Evolution and Human Behavior* 38, no. 1 (2017): 92–101.
10. A.P. Brief, *Attitudes in and around Organizations* (Thousand Oaks, CA: Sage, 1998); A.H. Eagly and S. Chaiken, "The Advantages of an Inclusive Definition of Attitude," *Social Cognition* 25, no. 5 (2007): 582–602; G. Bohner and N. Dickel, "Attitudes and Attitude Change," *Annual Review of Psychology* 62, no. 1 (2011): 391–417. The definition of *attitudes* is still being debated. This book adopts the three-component model (beliefs, feelings, behavioral intentions), whereas some writers describe attitude as only to the "feelings" component; however, they invariably include beliefs and intentions in their discussion of attitude. For definitions and various models of attitude, see I. Ajzen, "Nature and Operation of Attitudes," *Annual Review of Psychology* 52 (2001): 27–58; D. Albarracín et al., "Attitudes: Introduction and Scope," in *The Handbook of Attitudes*, ed. D. Albarracín, B.T. Johnson, and M.P. Zanna (Mahwah, NJ: Erlbaum, 2005), 3–20; W.A. Cunningham and P.D. Zelazo, "Attitudes and Evaluations: A Social Cognitive Neuroscience Perspective," *TRENDS in Cognitive Sciences* 11, no. 3 (2007): 97–104; R.S. Dalal, "Job Attitudes: Cognition and Affect," in *Handbook of Psychology*, 2nd ed. (New York: Wiley, 2012).
11. Neuroscience has a slightly more complicated distinction in that conscious awareness is "feeling a feeling" whereas "feeling" is a nonconscious sensing of the body state created by emotion, which itself is a nonconscious neural reaction to a stimulus. However, this distinction is not significant for scholars focused on human behavior rather than brain activity, and the labels collide with popular understanding of "feeling." See A.R. Damasio, *The Feeling of What Happens: Body and Emotion in the Making of Consciousness* (New York: Harcourt Brace,

- 1999); F. Hansen, "Distinguishing between Feelings and Emotions in Understanding Communication Effects," *Journal of Business Research* 58, no. 10 (2005): 1426–36; T. Bosse, C.M. Jonker, and J. Treur, "Formalisation of Damasio's Theory of Emotion, Feeling and Core Consciousness," *Consciousness and Cognition* 17, no. 1 (2008): 94–113.
12. W.A. Cunningham and P.D. Zelazo, "Attitudes and Evaluations: A Social Cognitive Neuroscience Perspective," *TRENDS in Cognitive Sciences* 11, no. 3 (2007): 97–104; M.D. Lieberman, "Social Cognitive Neuroscience: A Review of Core Processes," *Annual Review of Psychology* 58, no. 1 (2007): 259–89; M. Fenton-O'Creevy et al., "Thinking, Feeling and Deciding: The Influence of Emotions on the Decision Making and Performance of Traders," *Journal of Organizational Behavior* 32 (2011): 1044–61. The dual emotion-cognition processes are likely the same as the implicit-explicit attitude processes reported by several scholars, as well as tacit knowledge structures. See W.J. Becker and R. Cropanzano, "Organizational Neuroscience: The Promise and Prospects of an Emerging Discipline," *Journal of Organizational Behavior* 31, no. 7 (2010): 1055–59; D. Kahneman, *Thinking Fast and Slow* (New York: Farrar, Straus and Giroux, 2011).
13. D. Albarracín, M.S. Chan, and D. Jiang, "Attitudes and Attitude Change: Social and Personality Considerations About Specific and General Patterns of Behavior," in *The Oxford Handbook of Personality and Social Psychology*, ed. K. Deaux and M. Snyder, 2nd ed. (New York: Oxford University Press, 2018), 439–64.
14. H.M. Weiss and R. Cropanzano, "Affective Events Theory: A Theoretical Discussion of the Structure, Causes and Consequences of Affective Experiences at Work," *Research in Organizational Behavior* 18 (1996): 1–74; A. Bechara et al., "Deciding Advantageously before Knowing the Advantageous Strategy," *Science* 275, no. 5304 (1997): 1293–95; B. Russell and J. Eisenberg, "The Role of Cognition and Attitude in Driving Behavior: Elaborating on Affective Events Theory," in *Experiencing and Managing Emotions in the Workplace*, ed. N.M. Ashkanasy, C.E.J. Hartel, and W.J. Zerbe (Bingley, UK: Emerald Group, 2012), 203–24.
15. J.A. Bargh and M.J. Ferguson, "Beyond Behaviorism: On the Automaticity of Higher Mental Processes," *Psychological Bulletin* 126, no. 6 (2000): 925–45; P. Winkielman and K.C. Berridge, "Unconscious Emotion," *Current Directions in Psychological Science* 13, no. 3 (2004): 120–23; A. Moors, "Automaticity: Componential, Causal, and Mechanistic Explanations," *Annual Review of Psychology* 67, no. 1 (2016): 263–87.
16. A.R. Damasio, *Descartes' Error: Emotion, Reason, and the Human Brain* (New York: Putnam Sons, 1994); P. Ekman, "Basic Emotions," in *Handbook of Cognition and Emotion*, ed. T. Dalgleish and M. Power (San Francisco: Jossey-Bass, 1999), 45–60; A. R. Damasio, *The Feeling of What Happens: Body and Emotion in the Making of Consciousness* (New York: Harcourt Brace and Company, 1999); J.E. LeDoux, "Emotion Circuits in the Brain," *Annual Review of Neuroscience* 23 (2000): 155–84; R. Smith and R.D. Lane, "The Neural Basis of One's Own Conscious and Unconscious Emotional States," *Neuroscience & Biobehavioral Reviews* 57 (2015): 1–29.
17. M.T. Pham, "The Logic of Feeling," *Journal of Consumer Psychology* 14, no. 4 (2004): 360–69; N. Schwarz, "Feelings-as-Information Theory," in *Handbook of Theories of Social Psychology*, ed. P. Van Lange, A. Kruglanski, and E.T. Higgins (London: Sage, 2012), 289–308.
18. We have described likely the most common form of emotion-attitude conflict and ambivalence, but other forms exist. See: A.I. Snyder and Z.L. Tormala, "Valence Asymmetries in Attitude Ambivalence," *Journal of Personality and Social Psychology* 112, no. 4 (2017): 555–76, <https://doi.org/10.1037/pspa0000075>; I.K. Schneider and N. Schwarz, "Mixed Feelings: The Case of Ambivalence," *Current Opinion in Behavioral Sciences*, *Mixed Emotions*, 15 (2017): 39–45, <https://doi.org/10.1016/j.cobeha.2017.05.012>; N.B. Rothman and S. Melwani, "Feeling Mixed, Ambivalent, and in Flux: The Social Functions of Emotional Complexity for Leaders," *Academy of Management Review* 42, no. 2 (2017): 259–82, <https://doi.org/10.5465/amr.2014.0355>.
19. P.C. Nutt, *Why Decisions Fail* (San Francisco: Berrett-Koehler, 2002); S. Finkelstein, *Why Smart Executives Fail* (New York: Viking, 2003).
20. C.A. Petelczyc et al., "Play at Work: An Integrative Review and Agenda for Future Research," *Journal of Management* 44, no. 1 (2018): 161–90, <https://doi.org/10.1177/0149206317731519>; S.Y. Kim and D. Lee, "Work-Life Program Participation and Employee Work Attitudes: A Quasi-Experimental Analysis Using Matching Methods," *Review of Public Personnel Administration*, 2019, 0734371X18823250, <https://doi.org/10.1177/0734371X18823250>; J.W. Michel, M.J. Tews, and D.G. Allen, "Fun in the Workplace: A Review and Expanded Theoretical Perspective," *Human Resource Management Review* 29, no. 1 (2019): 98–110, <https://doi.org/10.1016/j.hrmr.2018.03.001>.
21. Á. Cain, "8 Incredible Perks Google Offers Its Employees," *Inc.Com*, November 16, 2017; Z. Thomas, "Best Big Company to Work For 2019: Fun and Profits at Admiral," *Sunday Times*, February 24, 2019.
22. J. Mesmer-Magnus, D.J. Glew, and C. Viswesvaran, "A Meta-Analysis of Positive Humor in the Workplace," *Journal of Managerial Psychology* 27, no. 2 (2012): 155–90; C. Robert and M.V.S.P. da, "Conversational Humor and Job Satisfaction at Work: Exploring the Role of Humor Production, Appreciation, and Positive Affect," *HUMOR* 30, no. 4 (2017): 417–438, <https://doi.org/10.1515/humor-2017-0034>; C. Robert, ed., *The Psychology of Humor at Work: A Psychological Perspective* (London: Routledge, 2017).
23. H.M. Weiss and R. Cropanzano, "Affective Events Theory: A Theoretical Discussion of the Structure, Causes and Consequences of Affective Experiences at Work," *Research in Organizational Behavior* 18 (1996): 1–74.
24. L. Festinger, *A Theory of Cognitive Dissonance* (Evanston, IL: Row, Peterson, 1957); J. Cooper, *Cognitive Dissonance: Fifty Years of a Classic Theory* (London: Sage, 2007); J. Hagège et al., "Suggestion of Self-(in)Coherence Modulates Cognitive Dissonance," *PLOS ONE* 13, no. 8 (August 30, 2018): e0202204, <https://doi.org/10.1371/journal.pone.0202204>.

25. G.R. Salancik, "Commitment and the Control of Organizational Behavior and Belief," in *New Directions in Organizational Behavior*, ed. B.M. Staw and G.R. Salancik (Chicago: St. Clair, 1977), 1–54; J.M. Jarcho, E.T. Berkman, and M.D. Lieberman, "The Neural Basis of Rationalization: Cognitive Dissonance Reduction during Decision-Making," *Social Cognitive and Affective Neuroscience* 6, no. 4 (2011): 460–67; A. McGrath, "Dealing with Dissonance: A Review of Cognitive Dissonance Reduction," *Social and Personality Psychology Compass* 11, no. 12 (2017): e12362, <https://doi.org/10.1111/spc.12362>.
26. T.A. Judge, E.A. Locke, and C.C. Durham, "The Dispositional Causes of Job Satisfaction: A Core Evaluations Approach," *Research in Organizational Behavior* 19 (1997): 151–88; T.W.H. Ng and K.L. Sorensen, "Dispositional Affectivity and Work-Related Outcomes: A Meta-Analysis," *Journal of Applied Social Psychology* 39, no. 6 (2009): 1255–87.
27. J. Schaubroeck, D.C. Ganster, and B. Kemmerer, "Does Trait Affect Promote Job Attitude Stability?," *Journal of Organizational Behavior* 17 (1996): 191–96; C. Dormann and D. Zapf, "Job Satisfaction: A Meta-Analysis of Stabilities," *Journal of Organizational Behavior* 22 (2001): 483–504; A.C. Keller and N.K. Semmer, "Changes in Situational and Dispositional Factors as Predictors of Job Satisfaction," *Journal of Vocational Behavior* 83, no. 1 (2013): 88–98.
28. A.S. Wharton, "The Sociology of Emotional Labor," *Annual Review of Sociology* 35, no. 1 (2009): 147–65; H. Wang, N.C. Hall, and J.L. Taxer, "Antecedents and Consequences of Teachers' Emotional Labor: A Systematic Review and Meta-Analytic Investigation," *Educational Psychology Review*, 2019, <https://doi.org/10.1007/s10648-019-09475-3>; A.A. Grandey and G.M. Sayre, "Emotional Labor: Regulating Emotions for a Wage," *Current Directions in Psychological Science*, January 29, 2019, 1–7, <https://doi.org/10.1177/0963721418812771>.
29. J. A. Morris and D. C. Feldman, "The Dimensions, Antecedents, and Consequences of Emotional Labor," *Academy of Management Review* 21 (1996): 986–1010; J. Li, B.F. Canziani, and C. Barbieri, "Emotional Labor in Hospitality: Positive Affective Displays in Service Encounters," *Tourism and Hospitality Research* 18, no. 2 (2018): 242–53, <https://doi.org/10.1177/1467358416637253>.
30. A.A. Grandey and R.C. Melloy, "The State of the Heart: Emotional Labor as Emotion Regulation Reviewed and Revised," *Journal of Occupational Health Psychology* 22, no. 3 (2017): 407–22, <https://doi.org/10.1037/ocp0000067>; H. Wang, N.C. Hall, and J.L. Taxer, "Antecedents and Consequences of Teachers' Emotional Labor: A Systematic Review and Meta-Analytic Investigation," *Educational Psychology Review*, 2019, <https://doi.org/10.1007/s10648-019-09475-3>.
31. D. Matsumoto, S.H. Yoo, and J. Fontaine, "Mapping Expressive Differences around the World," *Journal of Cross-Cultural Psychology* 39, no. 1 (2008): 55–74; B.Q. Ford and I.B. Mauss, "Culture and Emotion Regulation," *Current Opinion in Psychology* 3 (2015): 1–5; N. Gullekson and A. Dumaisnil, "Expanding Horizons on Expatriate Adjustment: A Look at the Role of Emotional Display and Status," *Human Resource Management Review* 26, no. 3 (2016): 260–69, <https://doi.org/10.1016/j.hrmr.2016.03.004>.
32. F. Trompenaars and C. Hampden-Turner, *Riding the Waves of Culture*, 2nd ed. (New York: McGraw-Hill, 1998), Chap. 6. This major survey is two decades old, but recent studies report similar emotional display rules in the cultures reported by Trompenaars and Hampden-Turner. For example, see: Ю. Менджерицкая, М. Ханзен, and X. Хорц, "Правила выражения эмоций преподавателями российских и немецких университетов (The Rules Of Emotional Display In Lecturers Of Russian And German Universities)," *Российский психологический журнал* 12, no. 4 (2015): 54–77, <https://doi.org/10.21702/rpj.2015.4.5>; H.C. Hwang et al., "Self-Reported Expression and Experience of Triumph across Four Countries," *Motivation and Emotion* 40, no. 5 (2016): 731–39, <https://doi.org/10.1007/s11031-016-9567-5>.
33. K. Gander, "Workers in China Wear Masks for a Day so They Don't Have to Deal with Social Stress," *The Independent*, July 16, 2015. Recent studies on cross-cultural emotion display rules and well-being are reported in: S. Huwaë and J. Schaafsma, "Cross-Cultural Differences in Emotion Suppression in Everyday Interactions," *International Journal of Psychology* 53, no. 3 (2018): 176–83, <https://doi.org/10.1002/ijop.12283>; Y. Nam, Y.-H. Kim, and K.K.-P. Tam, "Effects of Emotion Suppression on Life Satisfaction in Americans and Chinese," *Journal of Cross-Cultural Psychology* 49, no. 1 (2018): 149–60, <https://doi.org/10.1177/0022022117736525>.
34. D.P. Bhave and T.M. Glomb, "The Role of Occupational Emotional Labor Requirements on the Surface Acting-Job Satisfaction Relationship," *Journal of Management* 42, no. 3 (2016): 722–41, <https://doi.org/10.1177/0149206313498900>; T. Huyghebaert et al., "Investigating the Longitudinal Effects of Surface Acting on Managers' Functioning through Psychological Needs," *Journal of Occupational Health Psychology* 23, no. 2 (April 2018): 207–22, <https://doi.org/10.1037/ocp0000080>.
35. A.A. Grandey and R.C. Melloy, "The State of the Heart: Emotional Labor as Emotion Regulation Reviewed and Revised," *Journal of Occupational Health Psychology* 22, no. 3 (2017): 407–22, <https://doi.org/10.1037/ocp0000067>. However, recent evidence suggests that deep acting can also be stressful because it requires cognitive effort. Also, faking negative emotions may be less stressful than faking positive emotions. Another recent study concluded that both surface and deep acting are effortful activities, so both produce emotional exhaustion. See: F. Cheung, V.M.C. Lun, and M.W.-L. Cheung, "Emotional Labor and Occupational Well-Being: Latent Profile Transition Analysis Approach," *Frontiers in Psychology* 9 (2018), <https://doi.org/10.3389/fpsyg.2018.01084>; A.C. Lennard, B.A. Scott, and R.E. Johnson, "Turning Frowns (and Smiles) Upside Down: A Multilevel Examination of Surface Acting Positive and Negative Emotions on Well-Being," *Journal of Applied Psychology*, March 4, 2019, <https://doi.org/10.1037/apl0000400>.

36. S. Côté, I. Hideg, and G.A. van Kleef, "The Consequences of Faking Anger in Negotiations," *Journal of Experimental Social Psychology* 49, no. 3 (2013): 453–63; Y. Zhan, M. Wang, and J. Shi, "Interpersonal Process of Emotional Labor: The Role of Negative and Positive Customer Treatment," *Personnel Psychology* 69, no. 3 (2016): 525–57; K. Picard, M. Cossette, and D. Morin, "Service with a Smile: A Source of Emotional Exhaustion or Performance Incentive in Call-Centre Employees," *Canadian Journal of Administrative Sciences* 35, no. 2 (2018): 214–27, <https://doi.org/10.1002/cjas.1413>.
37. J.J. Gross, "Emotion Regulation: Current Status and Future Prospects," *Psychological Inquiry* 26, no. 1 (2015): 1–26, <https://doi.org/10.1080/1047840X.2014.940781>; J.M. Diefendorff et al., "Emotion Regulation in the Context of Customer Mistreatment and Felt Affect: An Event-Based Profile Approach," *Journal of Applied Psychology*, 2019, <https://doi.org/10.1037/apl0000389>; J. Yih et al., "Better Together: A Unified Perspective on Appraisal and Emotion Regulation," *Cognition and Emotion* 33, no. 1 (2019): 41–47, <https://doi.org/10.1080/0269931.2018.1504749>.
38. Y. Kivity and J.D. Huppert, "Emotion Regulation in Social Anxiety: A Systematic Investigation and Meta-Analysis Using Self-Report, Subjective, and Event-Related Potentials Measures," *Cognition and Emotion* 33, no. 2 (February 17, 2019): 213–30, <https://doi.org/10.1080/0269931.2018.1446414>.
39. R. Brockman et al., "Emotion Regulation Strategies in Daily Life: Mindfulness, Cognitive Reappraisal and Emotion Suppression," *Cognitive Behaviour Therapy* 46, no. 2 (2017): 91–113, <https://doi.org/10.1080/16506073.2016.1218926>.
40. J.D. Kammeyer-Mueller et al., "A Meta-Analytic Structural Model of Dispositional Affectivity and Emotional Labor," *Personnel Psychology* 66, no. 1 (2013): 47–90; R.H. Humphrey, B.E. Ashforth, and J.M. Diefendorff, "The Bright Side of Emotional Labor," *Journal of Organizational Behavior* 36, no. 6 (2015): 749–69. Deep acting is considered an adaptation of method acting used by professional actors.
41. A.D.H. Monroe and A. English, "Fostering Emotional Intelligence in Medical Training: The SELECT Program," *Virtual Mentor* 15, no. 6 (2013): 509–13; "SELECT Medical Students Will Learn Match Day Results in Downtown Allentown," *LVHN News*, March 19, 2018; F.J. Coleman, "MCOM SELECT Charter Class Member Makes History at LVHN," *USF Health News*, October 17, 2018.
42. This model is an ability-based adaptation of the original mixed model by Goleman et al. Most recent models and measures of emotional intelligence have also adopted a similar four-quadrant model. These studies have adopted a "trait" approach to EI measurement, which might be more accurately described as a self-perceived EI ability approach. See D. Goleman, R. Boyatzis, and A. McKee, *Primal Leadership* (Boston: Harvard Business School Press, 2002), Chap. 3; R.P. Tett and K.E. Fox, "Confirmatory Factor Structure of Trait Emotional Intelligence in Student and Worker Samples," *Personality and Individual Differences* 41 (2006): 1155–68; D.L. Joseph and D.A. Newman, "Emotional Intelligence: An Integrative Meta-Analysis and Cascading Model," *Journal of Applied Psychology* 95, no. 1 (2010): 54–78; X. Wei, Y. Liu, and N. Allen, "Measuring Team Emotional Intelligence: A Multimethod Comparison," *Group Dynamics: Theory, Research, & Practice* 20, no. 1 (2016): 34–50; K.A. Pekaar et al., "Self- and Other-Focused Emotional Intelligence: Development and Validation of the Rotterdam Emotional Intelligence Scale (REIS)," *Personality and Individual Differences* 120 (2018): 222–33, <https://doi.org/10.1016/j.paid.2017.08.045>.
43. H.A. Elfenbein and N. Ambady, "Predicting Workplace Outcomes from the Ability to Eavesdrop on Feelings," *Journal of Applied Psychology* 87, no. 5 (2002): 963–71; T. Quarto et al., "Association between Ability Emotional Intelligence and Left Insula during Social Judgment of Facial Emotions," *PLoS ONE* 11, no. 2 (2016): e0148621.
44. For neurological evidence that people with higher EI have higher sensitivity to others' emotions, see W.D.S. Killgore et al., "Emotional Intelligence Correlates with Functional Responses to Dynamic Changes in Facial Trustworthiness," *Social Neuroscience* 8, no. 4 (2013): 334–46.
45. The hierarchical nature of the four EI dimensions is discussed by Goleman, but it is more explicit in the Salovey and Mayer model. See D.R. Caruso and P. Salovey, *The Emotionally Intelligent Manager* (San Francisco: Jossey-Bass, 2004). Aspects of this hierarchy are also incorporated in recent studies. For example, see: K.A. Pekaar et al., "Managing Own and Others' Emotions: A Weekly Diary Study on the Enactment of Emotional Intelligence," *Journal of Vocational Behavior* 109 (2018): 137–51, <https://doi.org/10.1016/j.jvb.2018.10.004>.
46. S. Côté, "Emotional Intelligence in Organizations," *Annual Review of Organizational Psychology and Organizational Behavior* 1, no. 1 (2014): 459–88; M. Parke, M.-G. Seo, and E. Sherf, "Regulating and Facilitating: The Role of Emotional Intelligence in Maintaining and Using Positive Affect for Creativity," *Journal of Applied Psychology* 100, no. 3 (2015): 917–34; D. Delpechtre and L. Beeler, "Faking It: Salesperson Emotional Intelligence's Influence on Emotional Labor Strategies and Customer Outcomes," *Journal of Business & Industrial Marketing* 33, no. 1 (2017): 53–71, <https://doi.org/10.1108/JBIM-08-2016-0170>; C. Miao, R.H. Humphrey, and S. Qian, "Emotional Intelligence and Authentic Leadership: A Meta-Analysis," *Leadership & Organization Development Journal* 39, no. 5 (2018): 679–90, <https://doi.org/10.1108/LODJ-02-2018-0066>.
47. D. Joseph et al., "Why Does Self-Reported Emotional Intelligence Predict Job Performance? A Meta-Analytic Investigation of Mixed EI," *Journal of Applied Psychology* 100, no. 2 (2015): 298–342; P. Checa and P. Fernández-Berrocal, "Cognitive Control and Emotional Intelligence: Effect of the Emotional Content of the Task. Brief Reports," *Frontiers in Psychology* 10 (2019), <https://doi.org/10.3389/fpsyg.2019.00195>.
48. R. Bar-On, *Preliminary Report: A New US Air Force Study Explores the Cost-Effectiveness of Applying the Bar-On EQ-i*, eiconsortium, August 2010; W. Gordon, "Climbing High

- for EI," *T+D* 64, no. 8 (2010): 72–73; "Randolph's Occupational Analysts Influence Air Force Decision Makers," *US Fed News*, November 3, 2010.
49. D. Matsumoto and H.S. Hwang, "Evidence for Training the Ability to Read Microexpressions of Emotion," *Motivation and Emotion* 35, no. 2 (2011): 181–91; L.J.M. Zijlmans et al., "Training Emotional Intelligence Related to Treatment Skills of Staff Working with Clients with Intellectual Disabilities and Challenging Behaviour," *Journal of Intellectual Disability Research* 55, no. 2 (2011): 219–30; D. Blanch-Hartigan, S.A. Andrzejewski, and K.M. Hill, "The Effectiveness of Training to Improve Person Perception Accuracy: A Meta-Analysis," *Basic and Applied Social Psychology* 34, no. 6 (2012): 483–98; J. Shaw, S. Porter, and L. ten Brinke, "Catching Liars: Training Mental Health and Legal Professionals to Detect High-Stakes Lies," *Journal of Forensic Psychiatry & Psychology* 24, no. 2 (2013): 145–59; "Fidelity Makes a Big Investment in Its Employees," *Canada's Top Employers for Young People* 2017, 5 January 2017, 17; S. Hodzic et al., "How Efficient Are Emotional Intelligence Trainings: A Meta-Analysis," *Emotion Review* 10, no. 2 (2018): 138–48, <https://doi.org/10.1177/1754073917708613>.
 50. D.A. Harrison, D.A. Newman, and P.L. Roth, "How Important Are Job Attitudes? Meta-Analytic Comparisons of Integrative Behavioral Outcomes and Time Sequences," *Academy of Management Journal* 49, no. 2 (2006): 305–25. Another recent study concluded that job satisfaction and organizational commitment are so highly correlated that they represent the same construct. See H. Le et al., "The Problem of Empirical Redundancy of Constructs in Organizational Research: An Empirical Investigation," *Organizational Behavior and Human Decision Processes* 112, no. 2 (2010): 112–25. They are also considered the two central work-related variables in the broader concept of happiness at work. See C.D. Fisher, "Happiness at Work," *International Journal of Management Reviews* 12, no. 4 (2010): 384–412.
 51. E.A. Locke, "The Nature and Causes of Job Satisfaction," in *Handbook of Industrial and Organizational Psychology*, ed. M. Dunnette (Chicago: Rand McNally, 1976), 1297–350; H.M. Weiss, "Deconstructing Job Satisfaction: Separating Evaluations, Beliefs and Affective Experiences," *Human Resource Management Review*, no. 12 (2002): 173–94. Some definitions still include emotion as an element of job satisfaction, whereas the definition presented in this book views emotion as a cause of job satisfaction. Also, this definition views job satisfaction as a "collection of attitudes," not several "facets" of job satisfaction.
 52. L. Saad, *Job Security Slips in U.S. Worker Satisfaction Rankings*, Gallup, Inc. (Princeton, NJ: August 27, 2009); *Employee Engagement Report 2011*, BlessingWhite (Princeton, NJ: 2011). A recent Kelly Services Workforce Index survey reported that 66 percent of the 170,000 respondents in 30 countries plan to look for a job with another organization within the next year. See Kelly Services, *Acquisition and Retention in the War for Talent*, Kelly Global Workforce Index (Troy, MI: Kelly Services, April 2012).
 53. The problems with measuring attitudes and values across cultures are discussed in L. Saari and T.A. Judge, "Employee Attitudes and Job Satisfaction," *Human Resource Management* 43, no. 4 (2004): 395–407; A.K. Uskul et al., "How Successful You Have Been in Life Depends on the Response Scale Used: The Role of Cultural Mindsets in Pragmatic Inferences Drawn from Question Format," *Social Cognition* 31, no. 2 (2013): 222–36.
 54. For a review of the various job satisfaction outcome theories, see R.S. Dalal, "Job Attitudes: Cognition and Affect," in *Handbook of Psychology, Second Edition*, ed. I.B. Weiner (New York: John Wiley & Sons, 2013), 341–66.
 55. D. Farrell, "Exit, Voice, Loyalty, and Neglect as Responses to Job Dissatisfaction: A Multidimensional Scaling Study," *Academy of Management Journal* 26, no. 4 (1983): 596–607; M.J. Withey and W.H. Cooper, "Predicting Exit, Voice, Loyalty, and Neglect," *Administrative Science Quarterly*, no. 34 (1989): 521–39; A.B. Whitford and S.-Y. Lee, "Exit, Voice, and Loyalty with Multiple Exit Options: Evidence from the US Federal Workforce," *Journal of Public Administration Research and Theory* 25, no. 2 (2015): 373–98. For a critique and explanation of historical errors in the EVLN model, see S.L. McShane, "Reconstructing the Meaning and Dimensionality of Voice in the Exit-Voice-Loyalty-Neglect Model," paper presented at the Voice and Loyalty Symposium, Annual Conference of the Administrative Sciences Association of Canada, Organizational Behaviour Division, Halifax, 2008.
 56. K. Morrell, J. Loan-Clarke, and A. Wilkinson, "The Role of Shocks in Employee Turnover," *British Journal of Management* 15 (2004): 335–49; M. Zhang, D.D. Fried, and R.W. Griffeth, "A Review of Job Embeddedness: Conceptual, Measurement Issues, and Directions for Future Research," *Human Resource Management Review* 22, no. 3 (2012): 220–31; P.W. Hom et al., "One Hundred Years of Employee Turnover Theory and Research," *Journal of Applied Psychology* 102, no. 3 (2017): 530–45, <https://doi.org/10.1037/apl0000103>; A.L. Rubenstein et al., "Surveying the Forest: A Meta-Analysis, Moderator Investigation, and Future-Oriented Discussion of the Antecedents of Voluntary Employee Turnover," *Personnel Psychology* 71, no. 1 (2018): 23–65, <https://doi.org/10.1111/peps.12226>.
 57. E.W. Morrison, "Employee Voice and Silence," *Annual Review of Organizational Psychology and Organizational Behavior* 1, no. 1 (2014): 173–97; M.R. Bashshur and B. Oc, "When Voice Matters: A Multilevel Review of the Impact of Voice in Organizations," *Journal of Management* 41, no. 5 (2015): 1530–54; P.K. Mowbray, A. Wilkinson, and H.H.M. Tse, "An Integrative Review of Employee Voice: Identifying a Common Conceptualization and Research Agenda," *International Journal of Management Reviews* 17, no. 3 (2015): 382–400.
 58. A.O. Hirschman, *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States* (Cambridge, MA: Harvard University Press, 1970); P. John, "Finding Exits and Voices: Albert Hirschman's Contribution to the Study of Public Services," *International Public Management Journal* 20, no. 3 (2017): 512–29, <https://doi.org/10.1080/10967494.2016.1141814>.

59. J.D. Hibbard, N. Kumar, and L.W. Stern, "Examining the Impact of Destructive Acts in Marketing Channel Relationships," *Journal of Marketing Research* 38 (2001): 45–61; J. Zhou and J.M. George, "When Job Dissatisfaction Leads to Creativity: Encouraging the Expression of Voice," *Academy of Management Journal* 44 (2001): 682–96.
60. M.J. Withey and I.R. Gellatly, "Situational and Dispositional Determinants of Exit, Voice, Loyalty and Neglect," *Proceedings of the Administrative Sciences Association of Canada, Organizational Behaviour Division*, 1998; R.D. Zimmerman et al., "Who Withdraws? Psychological Individual Differences and Employee Withdrawal Behaviors," *Journal of Applied Psychology* 101, no. 4 (2016): 498–519, <https://doi.org/10.1037/apl0000068>; É. Lapointe and C. Vandenberghe, "Examination of the Relationships between Servant Leadership, Organizational Commitment, and Voice and Antisocial Behaviors," *Journal of Business Ethics* 148, no. 1 (2018): 99–115, <https://doi.org/10.1007/s10551-015-3002-9>; M. Zare and C. Flinchbaugh, "Voice, Creativity, and Big Five Personality Traits: A Meta-Analysis," *Human Performance* 32, no. 1 (2019): 30–51, <https://doi.org/10.1080/08959285.2018.1550782>.
61. V. Venkataramani and S. Tangirala, "When and Why Do Central Employees Speak Up? An Examination of Mediating and Moderating Variables," *Journal of Applied Psychology* 95, no. 3 (2010): 582–91; M. Weiss et al., "We Can Do It! Inclusive Leader Language Promotes Voice Behavior in Multi-Professional Teams," *The Leadership Quarterly* 29, no. 3 (2018): 389–402, <https://doi.org/10.1016/j.lequa.2017.09.002>; I. Hussain et al., "The Voice Bystander Effect: How Information Redundancy Inhibits Employee Voice," *Academy of Management Journal* 62, (2019): 828–49, <https://doi.org/10.5465/amj.2017.0245>.
62. D. P. Schwab and L. L. Cummings, "Theories of Performance and Satisfaction: A Review," *Industrial Relations* 9 (1970), pp. 408–30.
63. D.J. Schleicher, J.D. Watt, and G.J. Greguras, "Reexamining the Job Satisfaction-Performance Relationship: The Complexity of Attitudes," *Journal of Applied Psychology* 89, no. 1 (2004): 165–77; D. A. Harrison, D. A. Newman, and P. L. Roth, "How Important Are Job Attitudes? Meta-Analytic Comparisons of Integrative Behavioral Outcomes and Time Sequences," *Academy of Management Journal* 49, no. 2 (2006): 305–25; N.A. Bowling et al., "Situational Strength as a Moderator of the Relationship Between Job Satisfaction and Job Performance: A Meta-Analytic Examination," *Journal of Business and Psychology* 30, no. 1 (2015): 89–104, <https://doi.org/10.1007/s10869-013-9340-7>; T.A. Judge et al., "Job Attitudes, Job Satisfaction, and Job Affect: A Century of Continuity and of Change," *Journal of Applied Psychology* 102, no. 3 (2017): 356–74, <https://doi.org/10.1037/apl0000181>; P. Warr and K. Nielsen, "Wellbeing and Work Performance," In E. Diener, S. Oishi, and L. Tay (Eds.), *Handbook of Well-Being* (Salt Lake City, UT: DEF Publishers, 2018), DOI:nobascholar.com; J. Peiró et al., "The Happy-Productive Worker Model and Beyond: Patterns of Wellbeing and Performance at Work," *International Journal of Environmental Research and Public Health* 16, no. 3 (2019): 479, <https://doi.org/10.3390/ijerph16030479>.
64. However, panel studies suggest that satisfaction has a stronger effect on performance than the other way around. For a summary, see C. D. Fisher, "Happiness at Work," *International Journal of Management Reviews* 12, no. 4 (2010): 384–412.
65. K. Canning, "All about the Experience," *Store Brands*, February 1, 2015; A. Kline, "Wegmans Moves up on Fortune's '100 Best Companies' List," *Boston Business Journal*, March 3, 2016; "Wegmans Employee Reviews" (Austin, TX: Indeed, March 2, 2016) (accessed April 2, 2016); "Wegmans Food Markets, Inc.," *Great Place to Work Reviews* (San Francisco: Great Place to Work® Institute, 2016), <http://reviews.greatplacetowork.com/wegmans-food-markets> (accessed April 2, 2016).
66. J.I. Heskett, W.E. Sasser, and L.A. Schlesinger, *The Service Profit Chain* (New York: Free Press, 1997); S.P. Brown and S.K. Lam, "A Meta-Analysis of Relationships Linking Employee Satisfaction to Customer Responses," *Journal of Retailing* 84, no. 3 (2008): 243–55; T.J. Gerpott and M. Paukert, "The Relationship between Employee Satisfaction and Customer Satisfaction: A Meta-Analysis (*Der Zusammenhang Zwischen Mitarbeiter-Und Kundenzufriedenheit: Eine Metaanalyse*)," *Zeitschrift für Personalforschung* 25, no. 1 (2011): 28–54; H. Evanschitzky, F.V. Wangenheim, and N.V. Wunderlich, "Perils of Managing the Service Profit Chain: The Role of Time Lags and Feedback Loops," *Journal of Retailing* 88, no. 3 (2012): 356–66; Y. Hong et al., "Missing Link in the Service Profit Chain: A Meta-Analytic Review of the Antecedents, Consequences, and Moderators of Service Climate," *Journal of Applied Psychology* 98, no. 2 (2013): 237–67.
67. W.-C. Tsai and Y.-M. Huang, "Mechanisms Linking Employee Affective Delivery and Customer Behavioral Intentions," *Journal of Applied Psychology* 87, no. 5 (2002): 1001–08; P. Guenzi and O. Pelloni, "The Impact of Interpersonal Relationships on Customer Satisfaction and Loyalty to the Service Provider," *International Journal of Service Industry Management* 15, no. 3/4 (2004): 365–84; S.J. Bell, S. Auh, and K. Smalley, "Customer Relationship Dynamics: Service Quality and Customer Loyalty in the Context of Varying Levels of Customer Expertise and Switching Costs," *Journal of the Academy of Marketing Science* 33, no. 2 (2005): 169–83; P.B. Barger and A.A. Grandey, "Service with a Smile and Encounter Satisfaction: Emotional Contagion and Appraisal Mechanisms," *Academy of Management Journal* 49, no. 6 (2006): 1229–38. On the reciprocal effect, see E. Kim and D.J. Yoon, "Why Does Service with a Smile Make Employees Happy? A Social Interaction Model," *Journal of Applied Psychology* 97, no. 5 (2012): 1059–67.
68. R.T. Mowday, L.W. Porter, and R.M. Steers, *Employee Organization Linkages: The Psychology of Commitment, Absenteeism, and Turnover* (New York: Academic Press, 1982); J.P. Meyer, "Organizational Commitment," *International Review of Industrial and Organizational Psychology* 12 (1997): 175–228. The definition and dimensions of organizational commitment continue to be debated. Some writers even propose that *affective commitment* refers only to one's psychological

- attachment to and involvement in the organization, whereas *identification* with the organization is a distinct concept further along a continuum of bonds. See O.N. Solinger, W. van Olffen, and R.A. Roe, "Beyond the Three-Component Model of Organizational Commitment," *Journal of Applied Psychology* 93, no. 1 (2008): 70–83; H.J. Klein, J.C. Molloy, and C.T. Brinsfield, "Reconceptualizing Workplace Commitment to Redress a Stretched Construct: Revisiting Assumptions and Removing Confounds," *Academy of Management Review* 37, no. 1 (2012): 130–51.
69. M. Taing et al., "The Multidimensional Nature of Continuance Commitment: Commitment Owing to Economic Exchanges versus Lack of Employment Alternatives," *Journal of Business and Psychology* 26, no. 3 (2011): 269–84; C. Vandenberghe and A. Panaccio, "Perceived Sacrifice and Few Alternatives Commitments: The Motivational Underpinnings of Continuance Commitment's Subdimensions," *Journal of Vocational Behavior* 81, no. 1 (2012): 59–72.
70. S. Jaros and R.A. Culpepper, "An Analysis of Meyer and Allen's Continuance Commitment Construct," *Journal of Management & Organization* 20, no. 1 (2014): 79–99, <https://doi.org/10.1017/jmo.2014.21>.
71. J.P. Meyer and N.M. Parfyonova, "Normative Commitment in the Workplace: A Theoretical Analysis and Re-Conceptualization," *Human Resource Management Review* 20, no. 4 (2010): 283–94, <https://doi.org/10.1016/j.hrmr.2009.09.001>; S. Jaros, "A Critique of Normative Commitment in Management Research," *Management Research Review* 40, no. 5 (2017): 517–37, <https://doi.org/10.1108/MRR-08-2016-0200>.
72. J.P. Meyer et al., "Affective, Continuance, and Normative Commitment to the Organization: A Meta-Analysis of Antecedents, Correlates, and Consequences," *Journal of Vocational Behavior* 61 (2002): 20–52; M. Riketta, "Attitudinal Organizational Commitment and Job Performance: A Meta-Analysis," *Journal of Organizational Behavior* 23 (2002): 257–66; J.P. Meyer and E.R. Maltin, "Employee Commitment and Well-Being: A Critical Review, Theoretical Framework and Research Agenda," *Journal of Vocational Behavior* 77, no. 2 (2010): 323–37; A.S.D. Semedo, A.F.M. Coelho, and N.M.P. Ribeiro, "Effects of Authentic Leadership, Affective Commitment and Job Resourcefulness on Employees' Creativity and Individual Performance," *Leadership & Organization Development Journal* 37, no. 8 (2016): 1038–55, <https://doi.org/10.1108/LODJ-02-2015-0029>; C. Devece, D. Palacios-Marqués, and M. Pilar Alguacil, "Organizational Commitment and Its Effects on Organizational Citizenship Behavior in a High-Unemployment Environment," *Journal of Business Research, Designing Implementable Innovative Realities*, 69, no. 5 (2016): 1857–61, <https://doi.org/10.1016/j.jbusres.2015.10.069>; J.C. Wombacher and J. Felfe, "Dual Commitment in the Organization: Effects of the Interplay of Team and Organizational Commitment on Employee Citizenship Behavior, Efficacy Beliefs, and Turnover Intentions," *Journal of Vocational Behavior* 102 (2017): 1–14, <https://doi.org/10.1016/j.jvb.2017.05.004>; Q. Wang, Q. (Derek) Weng, and Y. Jiang, "When Does Affective Organizational Commitment Lead to Job Performance? Integration of Resource Perspective," *Journal of Career Development*, October 23, 2018, 0894845318807581, <https://doi.org/10.1177/0894845318807581>; D. Charbonneau and V.M. Wood, "Antecedents and Outcomes of Unit Cohesion and Affective Commitment to the Army," *Military Psychology* 30, no. 1 (2018): 43–53, <https://doi.org/10.1080/08995605.2017.1420974>.
73. J.P. Meyer et al., "Organizational Commitment and Job Performance: It's the Nature of the Commitment That Counts," *Journal of Applied Psychology* 74 (1989): 152–56; A.A. Luchak and I.R. Gellatly, "What Kind of Commitment Does a Final-Earnings Pension Plan Elicit?," *Relations Industrielles* 56 (2001): 394–417; Z.X. Chen and A.M. Francesco, "The Relationship between the Three Components of Commitment and Employee Performance in China," *Journal of Vocational Behavior* 62, no. 3 (2003): 490–510; H. Gill et al., "Affective and Continuance Commitment and Their Relations with Deviant Workplace Behaviors in Korea," *Asia Pacific Journal of Management* 28, no. 3 (2011): 595–607. The negative effect on performance might depend on the type of continuance commitment. See M. Taing et al., "The Multidimensional Nature of Continuance Commitment: Commitment Owing to Economic Exchanges versus Lack of Employment Alternatives," *Journal of Business and Psychology* 26, no. 3 (2011): 269–84.
74. J.E. Finegan, "The Impact of Person and Organizational Values on Organizational Commitment," *Journal of Occupational and Organizational Psychology* 73 (2000): 149–69; K.Y. Kim, R. Eisenberger, and K. Baik, "Perceived Organizational Support and Affective Organizational Commitment: Moderating Influence of Perceived Organizational Competence," *Journal of Organizational Behavior* 37, no. 4 (2016): 558–83, <https://doi.org/10.1002/job.2081>; J.N. Kurtessis et al., "Perceived Organizational Support: A Meta-Analytic Evaluation of Organizational Support Theory," *Journal of Management* 43, no. 6 (2017): 1854–84, <https://doi.org/10.1177/0149206315575554>; D. Charbonneau and V.M. Wood, "Antecedents and Outcomes of Unit Cohesion and Affective Commitment to the Army," *Military Psychology* 30, no. 1 (2018): 43–53, <https://doi.org/10.1080/08995605.2017.1420974>.
75. A.L. Kristof-Brown, R.D. Zimmerman, and E.C. Johnson, "Consequences of Individuals' Fit at Work: A Meta-Analysis of Person-Job, Person-Organization, Person-Group, and Person-Supervisor Fit," *Personnel Psychology* 58, no. 2 (2005): 281–342; M.E. Bergman et al., "An Event-Based Perspective on the Development of Commitment," *Human Resource Management Review* 23, no. 2 (2013): 148–60; C.D. Ditlev-Simonsen, "The Relationship Between Norwegian and Swedish Employees' Perception of Corporate Social Responsibility and Affective Commitment," *Business & Society* 54, no. 2 (2015): 229–53, <https://doi.org/10.1177/0007650312439534>; O.A.U. Byza et al., "When Leaders and Followers Match: The Impact of Objective Value Congruence, Value Extremity, and Empowerment on Employee Commitment and Job Satisfaction," *Journal of Business Ethics*, December 1, 2017, <https://doi.org/10.1007/s10551-017-3748-3>.

76. D.M. Rousseau et al., "Not So Different after All: A Cross-Discipline View of Trust," *Academy of Management Review* 23 (1998): 393–404.
77. D.K. Datta et al., "Causes and Effects of Employee Downsizing: A Review and Synthesis," *Journal of Management* 36, no. 1 (2010): 281–348; R. van Dick, F. Drzensky, and M. Heinz, "Goodbye or Identify: Detrimental Effects of Downsizing on Identification and Survivor Performance," *Frontiers in Psychology* 7 (2016), <https://doi.org/10.3389/fpsyg.2016.00771>.
78. Similar concepts on information acquisition are found in socialization and organizational change research. See, for example, P. Bordia et al., "Uncertainty during Organizational Change: Types, Consequences, and Management Strategies," *Journal of Business and Psychology* 18, no. 4 (2004): 507–32; H.D. Cooper-Thomas and N. Anderson, "Organizational Socialization: A Field Study into Socialization Success and Rate," *International Journal of Selection and Assessment* 13, no. 2 (2005): 116–28; T.N. Bauer, "Newcomer Adjustment during Organizational Socialization: A Meta-Analytic Review of Antecedents, Outcomes, and Methods," *Journal of Applied Psychology* 92, no. 3 (2007): 707–21.
79. T.S. Heffner and J.R. Rentsch, "Organizational Commitment and Social Interaction: A Multiple Constituencies Approach," *Journal of Vocational Behavior* 59 (2001): 471–90.
80. M. Mayhew et al., "A Study of the Antecedents and Consequences of Psychological Ownership in Organizational Settings," *The Journal of Social Psychology* 147, no. 5 (2007): 477–500; T.-S. Han, H.-H. Chiang, and A. Chang, "Employee Participation in Decision Making, Psychological Ownership and Knowledge Sharing: Mediating Role of Organizational Commitment in Taiwanese High-Tech Organizations," *The International Journal of Human Resource Management* 21, no. 12 (2010): 2218–33, <https://doi.org/10.1080/09585192.2010.509625>; G. Thompson, R. Buch, and B. Kuvaas, "Political Skill, Participation in Decision-Making and Organizational Commitment," *Personnel Review* 46, no. 4 (2017): 740–49, <https://doi.org/10.1108/PR-10-2015-0268>; D. Gallie et al., "The Implications of Direct Participation for Organisational Commitment, Job Satisfaction and Affective Psychological Well-Being: A Longitudinal Analysis," *Industrial Relations Journal* 48, no. 2 (2017): 174–91, <https://doi.org/10.1111/irj.12174>.
81. J.C. Quick et al., *Preventive Stress Management in Organizations* (Washington, DC: American Psychological Association, 1997), 3–4; R.S. DeFrank and J.M. Ivancevich, "Stress on the Job: An Executive Update," *Academy of Management Executive* 12 (1998): 55–66; A.L. Dougall and A. Baum, "Stress, Coping, and Immune Function," in *Handbook of Psychology*, ed. M. Gallagher and R.J. Nelson (Hoboken, NJ: Wiley, 2003), 441–55. There are at least three schools of thought regarding the meaning of stress, and some reviews of the stress literature describe these schools without pointing to any one as the preferred definition. One reviewer concluded that the stress concept is so broad that it should be considered an umbrella concept, capturing a broad array of phenomena and providing a simple term for the public to use. See T.A. Day, "Defining Stress as a Prelude to Mapping Its Neurocircuitry: No Help from Allostasis," *Progress in Neuro-Psychopharmacology and Biological Psychiatry* 29, no. 8 (2005): 1195–200; R. Cropanzano and A. Li, "Organizational Politics and Workplace Stress," in *Handbook of Organizational Politics*, ed. E. Vigoda-Gadot and A. Drory (Cheltenham, UK: Edward Elgar, 2006), 139–60; R.L. Woolfolk, P.M. Lehrer, and L.A. Allen, "Conceptual Issues Underlying Stress Management," in *Principles and Practice of Stress Management*, ed. P.M. Lehrer, R.L. Woolfolk, and W.E. Sime (New York: Guilford Press, 2007), 3–15.
82. J.E. Finegan, "The Impact of Person and Organizational Values on Organizational Commitment," *Journal of Occupational and Organizational Psychology* 73 (2000): 149–69; A.L. Dougall and A. Baum, "Stress, Coping, and Immune Function," in *Handbook of Psychology*, ed. M. Gallagher and R.J. Nelson (Hoboken, NJ: Wiley, 2003), 441–55; R.S. Lazarus, *Stress and Emotion: A New Synthesis* (New York: Springer, 2006); L.W. Hunter and S.M.B. Thatcher, "Feeling the Heat: Effects of Stress, Commitment, and Job Experience on Job Performance," *Academy of Management Journal* 50, no. 4 (2007): 953–68.
83. M.G. González-Morales and P. Neves, "When Stressors Make You Work: Mechanisms Linking Challenge Stressors to Performance," *Work & Stress* 29, no. 3 (2015): 213–29; M.B. Hargrove, W.S. Becker, and D.F. Hargrove, "The HRD Eustress Model: Generating Positive Stress with Challenging Work," *Human Resource Development Review* 14, no. 3 (2015): 279–98.
84. H. Selye, "A Syndrome Produced by Diverse Nocuous Agents," *Nature* 138, no. 1 (1936): 32; H. Selye, *Stress without Distress* (Philadelphia: J. B. Lippincott, 1974). For the history of the word *stress*, see R.M.K. Keil, "Coping and Stress: A Conceptual Analysis," *Journal of Advanced Nursing* 45, no. 6 (2004): 659–65.
85. S.E. Taylor, R.L. Repetti, and T. Seeman, "Health Psychology: What Is an Unhealthy Environment and How Does It Get under the Skin?," *Annual Review of Psychology* 48 (1997): 411–47.
86. A. Rosengren et al., "Association of Psychosocial Risk Factors with Risk of Acute Myocardial Infarction in 11119 Cases and 13648 Controls from 52 Countries (the Interheart Study): Case-Control Study," *The Lancet* 364, no. 9438 (2004): 953–62; D.C. Ganster and C.C. Rosen, "Work Stress and Employee Health: A Multidisciplinary Review," *Journal of Management* 39, no. 5 (2013): 1085–122; J. Goh, J. Pfeffer, and S.A. Zenios, "The Relationship between Workplace Stressors and Mortality and Health Costs in the United States," *Management Science* 62, no. 2 (2016): 608–28.
87. R.C. Kessler, "The Effects of Stressful Life Events on Depression," *Annual Review of Psychology* 48 (1997): 191–214; M.S. Hershcovis et al., "Predicting Workplace Aggression: A Meta-Analysis," *Journal of Applied Psychology* 92, no. 1 (2007): 228–38.
88. C. Maslach, W.B. Schaufeli, and M.P. Leiter, "Job Burnout," *Annual Review of Psychology* 52 (2001): 397–422; J.R.B. Halbesleben and M.R. Buckley, "Burnout in Organizational Life," *Journal of Management* 30, no. 6 (2004): 859–79; G.M. Alarcon, "A Meta-Analysis of Burnout with Job Demands, Resources, and

- Attitudes," *Journal of Vocational Behavior* 79, no. 2 (2011): 549–62.
89. C.L. Cooper and J. Marshall, "Occupational Sources of Stress: A Review of the Literature Relating to Coronary Heart Disease and Mental Ill Health," in *From Stress to Wellbeing Volume 1: The Theory and Research on Occupational Stress and Wellbeing*, ed. C.L. Cooper (London: Palgrave Macmillan UK, 2013), 3–23.
 90. C.C. Rosen et al., "Occupational Stressors and Job Performance: An Updated Review and Recommendations," in *New Developments in Theoretical and Conceptual Approaches to Job Stress, Research in Occupational Stress and Well-Being* (Emerald Group Publishing Limited, 2010), 1–60; A.E. Nixon et al., "Can Work Make You Sick? A Meta-Analysis of the Relationships between Job Stressors and Physical Symptoms," *Work & Stress* 25, no. 1 (2011): 1–22.
 91. A.E. Nixon et al., "Can Work Make You Sick? A Meta-Analysis of the Relationships between Job Stressors and Physical Symptoms," *Work & Stress* 25, no. 1 (2011): 1–22; S. Pindek and P.E. Spector, "Organizational Constraints: A Meta-Analysis of a Major Stressor," *Work & Stress* 30, no. 1 (2016): 7–25.
 92. P. McDonald, "Workplace Sexual Harassment 30 Years On: A Review of the Literature," *International Journal of Management Reviews* 14, no. 1 (2012): 1–17; B. Verkuil, S. Atasayi, and M.L. Molendijk, "Workplace Bullying and Mental Health: A Meta-Analysis on Cross-Sectional and Longitudinal Data," *PLOS ONE* 10, no. 8 (2015): e0135225, <https://doi.org/10.1371/journal.pone.0135225>; J.D. Mackey et al., "Abusive Supervision: A Meta-Analysis and Empirical Review," *Journal of Management* 43, no. 6 (2017): 1940–65, <https://doi.org/10.1177/0149206315573997>.
 93. "Let's Slow Down!," *The Royal Bank of Canada Monthly Letter*, September 1949.
 94. N.A. Bowling et al., "A Meta-Analytic Examination of the Potential Correlates and Consequences of Workload," *Work & Stress* 29, no. 2 (2015): 95–113.
 95. R. Drago, D. Black, and M. Wooden, *The Persistence of Long Work Hours*, Melbourne Institute Working Paper Series, Melbourne Institute of Applied Economic and Social Research, University of Melbourne, August 2005; L. Golden, "A Brief History of Long Work Time and the Contemporary Sources of Overwork," *Journal of Business Ethics* 84, no. S2 (2009): 217–27; M. Tarafdar, E. B. Pullins, and T. S. Ragu-Nathan, "Technostress: Negative Effect on Performance and Possible Mitigations," *Information Systems Journal* 25, no. 2 (2015): 103–32; E. Reid, "Embracing, Passing, Revealing, and the Ideal Worker Image: How People Navigate Expected and Experienced Professional Identities," *Organization Science* 26, no. 4 (2015): 997–1017; Project: Time Off, *The Work Martyr's Cautionary Tale: How the Millennial Experience Will Define America's Vacation Culture* (Washington, DC: Project: Time Off, August 17, 2016).
 96. R. Karasek and T. Theorell, *Healthy Work: Stress, Productivity, and the Reconstruction of Working Life* (New York: Basic Books, 1990); N. Turner, N. Chmiel, and M. Walls, "Railing for Safety: Job Demands, Job Control, and Safety Citizenship Role Definition," *Journal of Occupational Health Psychology* 10, no. 4 (2005): 504–12.
 97. M.K. Holton, A.E. Barry, and J.D. Chaney, "Employee Stress Management: An Examination of Adaptive and Maladaptive Coping Strategies on Employee Health," *Work* 53, no. 2 (2016): 299–305, <https://doi.org/10.3233/WOR-152145>.
 98. M. Zuckerman and M. Gagne, "The COPE Revised: Proposing a 5-Factor Model of Coping Strategies," *Journal of Research in Personality* 37 (2003): 169–204; S. Folkman and J.T. Moskowitz, "Coping: Pitfalls and Promise," *Annual Review of Psychology* 55 (2004): 745–74; C.A. Thompson et al., "On the Importance of Coping: A Model and New Directions for Research on Work and Family," *Research in Occupational Stress and Well-Being* 6 (2007): 73–113.
 99. S.E. Taylor et al., "Psychological Resources, Positive Illusions, and Health," *American Psychologist* 55, no. 1 (2000): 99–109; F. Luthans and C.M. Youssef, "Emerging Positive Organizational Behavior," *Journal of Management* 33, no. 3 (2007): 321–49; P. Steel, J. Schmidt, and J. Shultz, "Refining the Relationship between Personality and Subjective Well-Being," *Psychological Bulletin* 134, no. 1 (2008): 138–61; G. Alarcon, K.J. Eschleman, and N.A. Bowling, "Relationships between Personality Variables and Burnout: A Meta-Analysis," *Work & Stress* 23, no. 3 (2009): 244–63; R. Kotov et al., "Linking 'Big' Personality Traits to Anxiety, Depressive, and Substance Use Disorders: A Meta-Analysis," *Psychological Bulletin* 136, no. 5 (2010): 768–821.
 100. G.A. Bonanno, "Loss, Trauma, and Human Resilience: Have We Underestimated the Human Capacity to Thrive after Extremely Aversive Events?," *American Psychologist* 59, no. 1 (2004): 20–28; F. Luthans, C.M. Youssef, and B.J. Avolio, *Psychological Capital: Developing the Human Competitive Edge* (New York: Oxford University Press, 2007).
 101. M. A. Clark et al., "All Work and No Play? A Meta-Analytic Examination of the Correlates and Outcomes of Workaholism," *Journal of Management* 42, no. 7 (2016): 1836–73; C. S. Andreassen et al., "The Relationships between Workaholism and Symptoms of Psychiatric Disorders: A Large-Scale Cross-Sectional Study," *PLoS ONE* 11, no. 5 (2016): e0152978.
 102. M. Siegall and L.L. Cummings, "Stress and Organizational Role Conflict," *Genetic, Social, and General Psychology Monographs* 12 (1995): 65–95.
 103. S.D. Friedman, *Leading the Life You Want: Skills for Integrating Work and Life* (Boston: Harvard Business Press, 2014); T.D. Allen, E. Cho, and L.L. Meier, "Work-Family Boundary Dynamics," *Annual Review of Organizational Psychology and Organizational Behavior* 1, no. 1 (2014): 99–121, <https://doi.org/10.1146/annurev-orgpsych-031413-091330>; T.D. Allen, T.D. Golden, and K.M. Shockley, "How Effective Is Telecommuting? Assessing the Status of Our Scientific Findings," *Psychological Science in the Public Interest* 16, no. 2 (2015): 40–68; E.E. Kossek and R.J. Thompson, "Workplace Flexibility: Integrating Employer and Employee Perspectives to Close the Research-Practice Implementation Gap," in *The Oxford Handbook of Work*

- and Family*, ed. T.D. Allen and L.T. Eby (New York: Oxford University Press, 2016), 255–70, <https://doi.org/10.1093/oxfordhb/9780199337538.013.19>; M.J. Sirgy and D.-J. Lee, “Work-Life Balance: An Integrative Review,” *Applied Research in Quality of Life* 13, no. 1 (2018): 229–54, <https://doi.org/10.1007/s11482-017-9509-8>; M. Beatson, “Megatrends: Flexible Working” (London: Chartered Institute of Personnel and Development, January 15, 2019).
104. A.E. Carr and T.L.-P. Tang, “Sabbaticals and Employee Motivation: Benefits, Concerns, and Implications,” *Journal of Education for Business* 80, no. 3 (2005): 160–64; S. Overman, “Sabbaticals Benefit Companies as Well as Employees,” *Employee Benefit News*, April 15, 2006; O.B. Davidson et al., “Sabbatical Leave: Who Gains and How Much?,” *Journal of Applied Psychology* 95, no. 5 (2010): 953–64. For discussion of psychological detachment and stress management, see C. Fritz et al., “Happy, Healthy, and Productive: The Role of Detachment from Work during Nonwork Time,” *Journal of Applied Psychology* 95, no. 5 (2010): 977–83.
105. M. Tuckey et al., “Hindrances Are Not Threats: Advancing the Multidimensionality of Work Stress,” *Journal of Occupational Health Psychology* 20, no. 2 (2015): 131–47.
106. M.H. Abel, “Humor, Stress, and Coping Strategies,” *Humor: International Journal of Humor Research* 15, no. 4 (2002): 365–81; N.A. Kuiper et al., “Humor Is Not Always the Best Medicine: Specific Components of Sense of Humor and Psychological Well-Being,” *Humor: International Journal of Humor Research* 17, no. 1/2 (2004): 135–68; E.J. Romero and K.W. Cruthirds, “The Use of Humor in the Workplace,” *Academy of Management Perspectives* 20, no. 2 (2006): 58–69; M. McCrae and S. Wiggins, “The Purpose and Function of Humor in Health, Health Care and Nursing: A Narrative Review,” *Journal of Advanced Nursing* 61, no. 6 (2008): 584–95.
107. O. Kettunen et al., “Greater Levels of Cardiorespiratory and Muscular Fitness Are Associated with Low Stress and High Mental Resources in Normal but Not Overweight Men,” *BMC Public Health* 16, no. 1 (2016): 788; M. Gerber et al., “Fitness Moderates the Relationship between Stress and Cardiovascular Risk Factors,” *Medicine & Science in Sports & Exercise* 48, no. 11 (2016): 2075–81.
108. H.O. Dickinson et al., “Relaxation Therapies for the Management of Primary Hypertension in Adults,” *Cochrane Database of Systematic Reviews*, no. 1 (2008).
109. C. Viswesvaran, J.I. Sanchez, and J. Fisher, “The Role of Social Support in the Process of Work Stress: A Meta-Analysis,” *Journal of Vocational Behavior* 54, no. 2 (1999): 314–34; S.E. Taylor et al., “Biobehavioral Responses to Stress in Females: Tend-and-Befriend, Not Fight-or-Flight,” *Psychological Review* 107, no. 3 (2000): 411–29; B.A. Scott et al., “A Daily Investigation of the Role of Manager Empathy on Employee Well-Being,” *Organizational Behavior and Human Decision Processes* 113, no. 2 (2010): 127–40; S.Y. Shin and S.G. Lee, “Effects of Hospital Workers’ Friendship Networks on Job Stress,” *PLoS ONE* 11, no. 2 (2016): e0149428.
- a. K.C.H.J. Smolders and Y.A.W. de Kort, “Bright Light and Mental Fatigue: Effects on Alertness, Vitality, Performance and Physiological Arousal,” *Journal of Environmental Psychology, Light, Lighting, and Human Behaviour*, 39 (2014): 77–91, <https://doi.org/10.1016/j.jenvp.2013.12.010>; M.G. Figueiro et al., “The Impact of Daytime Light Exposures on Sleep and Mood in Office Workers,” *Sleep Health* 3, no. 3 (2017): 204–15, <https://doi.org/10.1016/j.slehd.2017.03.005>; X. (Irene) Huang, P. Dong, and A.A. Labroo, “Feeling Disconnected from Others: The Effects of Ambient Darkness on Hedonic Choice,” *International Journal of Research in Marketing* 35, no. 1 (2018): 144–53, <https://doi.org/10.1016/j.ijresmar.2017.12.005>; L. Veenstra and S.L. Koole, “Disarming Darkness: Effects of Ambient Lighting on Approach Motivation and State Anger among People with Varying Trait Anger,” *Journal of Environmental Psychology* 60 (2018): 34–40, <https://doi.org/10.1016/j.jenvp.2018.07.005>; S.Y. Kang, N. Youn, and H.C. Yoon, “The Self-Regulatory Power of Environmental Lighting: The Effect of Illuminance and Correlated Color Temperature,” *Journal of Environmental Psychology* 62 (2019): 30–41, <https://doi.org/10.1016/j.jenvp.2019.02.006>.
- b. B. Nordlo, “Why Zoom Video Communications Built a Team Dedicated to Happiness,” *Built In Colorado* (blog), July 27, 2018, <https://www.builtincolorado.com/2018/07/27/spotlight-working-at-zoom-video-communications-culture>; Globe Newswire, “Zoom Is a Glassdoor Employees’ Choice Award Winner, Honored as a Top Workplace Again,” News release (San Jose, Calif.: Zoom Video Communications, Inc., December 4, 2018). The quotation was retrieved from an employee comment submitted to Glassdoor on June 24, 2019.
- c. D.L. Collinson, “Managing Humour,” *Journal of Management Studies* 39, no. 3 (2002): 269–88; K. Owler, R. Morrison, and B. Plester, “Does Fun Work? The Complexity of Promoting Fun at Work,” *Journal of Management and Organization* 16, no. 3 (2010): 338–52; B. Plester, H. Cooper-Thomas, and J. Winquist, “The Fun Paradox,” *Employee Relations* 37, no. 3 (2015): 380–98.
- d. M. McLaughlin, “Bosses Blind to Horrors of ‘Fun Days,’ ” *Scotland on Sunday*, January 3, 2010, 10; E. Lamm and M.D. Meeks, “Workplace Fun: The Moderating Effects of Generational Differences,” *Employee Relations* 31, no. 6 (2009): 613–31; Schumpeter: Down with Fun,” *Economist Intelligence Unit, Executive Briefing* (London), September 22, 2010; E.J. Romero and L.A. Arendt, “Variable Effects of Humor Styles on Organizational Outcomes,” *Psychological Reports* 108, no. 2 (2011): 649–59.
- e. K. Krys et al., “Be Careful Where You Smile: Culture Shapes Judgments of Intelligence and Honesty of Smiling Individuals,” *Journal of Nonverbal Behavior* 40, no. 2 (2016): 101–16, <https://doi.org/10.1007/s10919-015-0226-4>; S. Rosenberg, “Why Russians Are Being Taught to Smile,” *BBC News* (London: BBC, June 9, 2018); C. Baker, “What a Russian Smile Means,” *Nutilus*, June 21, 2018.
- f. K. Rector, “Baltimore Police Recruits Receive Cognitive Training to Better Handle Stress,” *Baltimore Sun*, August

- 24, 2015; L. Winkley, "Teaching Cops Empathy to Deter Use of Force," *San Diego Union-Tribune*, February 12, 2016.
- g. Randstad, *Randstad Workmonitor 2nd Quarter 2018*, Randstad Holding nv (Amsterdam: June 2018). Survey data were collected from a minimum of 400 interviews per country of adults working 24 hours or more per week. Respondents were asked: "How satisfied are you in general about working with your current employer?" This chart shows percentage who replied satisfied or very satisfied.
- h. B. Rigney, "How Earls Linked Culture and Strategy to Drive Engagement," *Hootsuite Blog-Social* (blog), October 7, 2015; "Earls Kitchen + Bar Engages Employees Across Restaurants with Google," *Agosto* (blog), accessed March 13, 2019, <https://www.agosto.com/case-study/earls-keeps-internal-teams-and-restaurant-customers-happy-with-google-apps/>.
- i. Monster Worldwide, "Dangerously Stressful Work Environments Force Workers to Seek New Employment," news release (Weston, MA: Monster Worldwide, April 16, 2014); M. Nink, "The High Cost of Worker Burnout in Germany," *Gallup Business Journal*, March 17, 2016; Accountemps, "The Heat Is On: Six in 10 Employees Report Increased Work Stress," news release (Menlo Park, CA: PRNewswire, February 2, 2017); Accountemps, "The Heat Is On: Seven in 10 Canadian Employees Report Increased Work Stress," news release (Toronto: Robert Half, February 2, 2017).
- j. S. Pitt, "P.E.I. Widow Awarded Benefits after Husband's Death Linked to Workplace Bullying," *CBC News*, March 30, 2017; J.E. Sleeth, "Fatal Heart Attack May Have Resulted from Years of Workplace Bullying: WCB Ruling," *OHS Canada Magazine*, April 4, 2017; S. Pitt, "Widow Thrilled Her Lobbying Paid off with Anti-Bullying Legislation," *CBC News*, November 9, 2018.
- k. M. Katanuma, "The Company That Pays Its Employees to Get a Full Night's Sleep," *Bloomberg*, October 21, 2018; L. Lewis, "Japan Wakes up to Sleep Shortage Problems," *Financial Times*, November 20, 2018; J. McCurry, "Snoozing on the Job: Japanese Firms Tackle Epidemic of Sleeplessness," *The Guardian*, January 8, 2019.



5

Foundations of Employee Motivation



Learning Objectives ➤

After studying this chapter, you should be able to:

- LO 5-1** Define employee motivation and engagement.
- LO 5-2** Explain how drives and emotions influence employee motivation.
- LO 5-3** Discuss the employee motivation implications of four-drive theory, Maslow's needs hierarchy, intrinsic and extrinsic motivation, and learned needs theory.
- LO 5-4** Discuss the expectancy theory model, including its practical implications.
- LO 5-5** Outline organizational behavior modification (OB Mod) and social cognitive theory, and explain their relevance to employee motivation.
- LO 5-6** Describe the characteristics of effective goal setting and feedback.
- LO 5-7** Explain how equity theory, procedural justice, and interactional justice influence employee motivation.

Until recently, Coca-Cola India thought that its formal annual performance appraisal system did a good job of motivating employees through structured goal setting and feedback. However, the Gurgaon-based beverage maker discovered that this traditional process—which is widely used by large firms throughout the world—is incompatible with both the dynamic business environment and employee needs and expectations. Coca-Cola India is now engaging employees with frequent, less formal and more involved goal setting and feedback.

“The old performance management system, where goals were set annually, provided limited opportunity to offer real-time feedback,” says Manu Narang Wadhwa, VP-HR, Coca-Cola India and South-West Asia. “Organizations need to have a dynamic system so that goals can be improved upon.” Wadhwa adds: “Today’s millennial workforce does not believe in one-time planned feedback.”



PART 2: INDIVIDUAL BEHAVIOR AND PROCESSES

Adobe Systems also replaced traditional performance reviews with much more frequent, constructive, and future-focused “Check-Ins” about the employee’s personal development. “In a time when agility, teamwork and innovation matter most, you can’t afford to breed competition, wait a year to tell people how they are doing, and then have them leave because they were disillusioned with how they ranked against their peers,” explains Donna Morris, chief human resource officer at the San Jose, California, software company. Check-ins not only improve employee motivation; they also significantly free up management time. “With Check-In, we are saving more time now as there are no stringent steps, no prescribed timings, and no forms to fill out for submission to the HR team,” says Sarah Dunn, Adobe’s head of Employee Experience, Asia Pacific.

Tata Consultancy Services (TCS) is in the early stages of adapting these emerging goal-setting and feedback practices. As its first step, India’s largest IT services company no longer uses the bell curve approach in performance ratings. Popularized decades ago by General Electric, the bell curve system requires managers to assign the lowest and highest performance ratings to a small percentage of employees, with most staff receiving scores somewhere in between those endpoints. TCS employees felt that the bell curve rating system was unfair and demotivating. “The project managers used to say that they were forced to put good performers into the poor bracket, just to fit the curve,” says a TCS employee. “There was too much room for manipulation. Lots of people used to be unhappy.”¹



marvent/Shutterstock

Many companies are improving employee motivation by transforming their old performance appraisal systems into coaching and developmental conversations, with more responsive goal setting and feedback.

Goal setting and feedback can be powerful methods for motivating employees. Yet many corporate leaders are discovering that their traditional performance appraisal systems fall short of these objectives. Some traditional performance reviews even have the opposite effect; they disengage employees and motivate behavior that undermines the organization's success.

The theme of this chapter is employee motivation. We begin by introducing the definition of motivation and the often-stated associated phrase, employee engagement. Next, we explain how drives and emotions are the prime movers of employee motivation. The prominent drive-based theories of motivation are then described. Next, expectancy theory is described, including the practical implications of this popular cognitive decision model of employee motivation. Organizational behavior modification and social cognitive theory are then introduced and linked to expectancy theory. The latter sections of this chapter look at the key components of goal setting and feedback, and three types of organizational justice: distributive, procedural, and interactional.

Employee Motivation, Drives, and Needs

LO 5-1

Employee motivation should be on anyone's short list of the most important topics in organizational behavior. Why? Because motivation is one of the four elements of the MARS model, meaning that it is critical to understanding human behavior and performance (see Chapter 1). Even when people are able to perform the work (A), understand their role responsibilities (R), and work in a setting that supports their work objectives (S), they won't get the job done without sufficient motivation (M) to achieve those tasks.

Motivation is defined as the forces within a person that affect the direction, intensity, and persistence of effort for voluntary behavior.² *Direction* refers to what people are focused on achieving; in other words, the goal or outcome toward which they steer their effort. *Intensity* is the amount of physical, cognitive, and emotional energy expended at a given moment to achieve a task or other objective. *Persistence*, the third element of motivation, refers to how long people sustain their effort as they move toward their goal. In short, motivated employees exert varying levels of effort (intensity), for varying lengths of time (persistence), toward various goals (direction).

When executives discuss employee motivation these days, they are just as likely to use the phrase **employee engagement**. Employee engagement is an individual's emotional and cognitive (logical) motivation, particularly a focused, intense, persistent, and purposive effort toward work-related goals.³ It is associated with self-efficacy—the belief that you have the ability, role clarity, and resources to get the job done (see Chapter 3). Many

definitions of employee engagement also refer to a high level of absorption in the work—the experience of focusing intensely on the task, with limited awareness of events beyond that work.

Employee engagement predicts employee and work unit performance.⁴ Unfortunately, surveys consistently report that few employees are fully engaged at work. The numbers vary across studies, but recent results from a widely recognized survey estimate that only 34 percent of

motivation

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

employee engagement

individual emotional and cognitive motivation, particularly a focused, intense, persistent, and purposive effort toward work-related goals

Bain & Company has a highly engaged workforce because the Boston-based consulting firm nurtures supportive team-based collegiality with plenty of development opportunities. "Bain is an inspiring and rewarding place to work, as from day one you feel the tangible and significant impact your work has on the client and their business success," says a Bain principal in Dusseldorf, Germany. "We have worked hard to provide our employees with a stimulating environment in which they can grow and develop professionally, make friends, and have fun, while having tremendous impact on the success of our clients," explains Stephen Bertrand, Managing Director of Bain's Amsterdam office.^a

Pressmaster/Shutterstock



employees in the United States are engaged, 53 percent are not engaged, and 13 percent are actively disengaged. Actively disengaged employees tend to be disruptive at work, not just disconnected from work. The lowest levels of employee engagement are recorded in several Asian countries (Japan, China, South Korea, and Taiwan) and a few European countries (notably Italy, Netherlands, and France). The highest levels of employee engagement are reported in the United States, Brazil, and India.⁵

Supporting employee motivation and engagement has never been more challenging. Today's workforce is more multigenerational and multicultural than ever before, so there is a wider variation than ever before in what motivates employees, whether it is meaningful work, promotional opportunities, financial rewards, or job security. There is some evidence that companies have not yet adjusted to these changes. One recent survey reported that while 71 percent of American managers believe they know how to motivate their team, only 44 percent of employees agreed that their manager knows how to motivate them.⁶

Supporting employee motivation and engagement has also become more challenging because firms have dramatically changed the jobs that people perform, reduced layers of hierarchy, and jettisoned large numbers of employees throughout the process. And as companies flatten hierarchies to reduce costs, they can no longer rely on supervisors to practice the old "command-and-control" methods of motivating employees. This is probably just as well because the traditional approach to motivating employees through close supervision is becoming less acceptable to people entering the workforce. Still, many businesses have not discovered other ways to motivate employees.

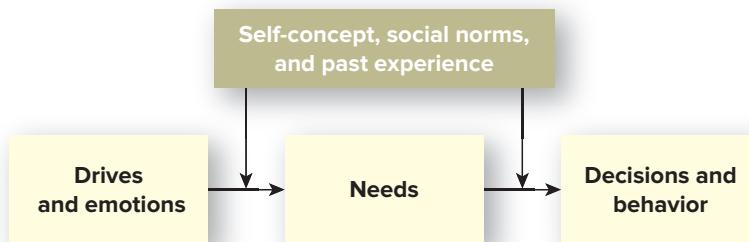
EMPLOYEE DRIVES AND NEEDS

LO 5-2

drives
hardwired characteristics of the brain that correct deficiencies or maintain an internal equilibrium by producing emotions to energize individuals

To build a more motivated and engaged workforce, we first need to understand where motivation begins, that is, the motivational "forces" or "prime movers" of employee behavior.⁷ Our starting point is **drives** (also called *primary needs*), which we define as hardwired characteristics of the brain that attempt to keep us in balance by correcting deficiencies. Neuroscience (brain) research has highlighted the central role of emotions in this process. Specifically, drives produce emotions that energize us to act on our environment.⁸ There is no agreed-upon list of human drives, but research has consistently identified several, such as the drive for social interaction, competence, comprehension of our surroundings, and to defend ourselves against physiological and psychological harm.⁹

Drives are innate and universal, which means that everyone has them and they exist from birth. Drives are the starting point of motivation because they generate emotions that, as we learned in Chapter 4, put people in a state of readiness to act on their environment. Cognition (logical thinking) also plays an important role in motivation, but emotions are the real sources of energy in human behavior.¹⁰ In fact, both words (*emotion* and *motivation*) originate from the same Latin word, *move*, which means "to move."

EXHIBIT 5.1**Drives, Needs, and Behavior**

needs
goal-directed forces that people experience

Exhibit 5.1 illustrates how drives and emotions translate into felt needs and behavior. Drives, and the emotions generated by these drives, form human needs. We define **needs** as goal-directed forces that people experience. They are the motivational energy from emotions that are channeled toward particular goals and associated behaviors to correct deficiencies or imbalances. For example, you sense a need to interact with people after being alone for a while, or to do something challenging after performing tedious activities. As one leading neuroscientist explains: “drives express themselves directly in background emotions and we eventually become aware of their existence by means of background feelings.”¹¹ In other words, needs are the emotions we eventually become consciously aware of.

Consider the following example: You arrive at work to discover a stranger sitting at your desk. Seeing this situation produces emotions (worry, curiosity) that motivate you to act. These emotions are generated from drives, such as the drive to defend and drive to comprehend. When strong enough, these emotions motivate you to do something about this situation, such as finding out who that person is and possibly seeking reassurance from coworkers that your job is still safe. In this case, you have a need to understand what is going on (comprehend), to feel secure, and possibly to correct a threat that your personal space has been challenged (defend). Notice that your emotional reactions to seeing the stranger sitting at your desk represent the forces that move you, and that your logical thinking plays an active role in channeling those emotions toward specific goals and associated actions.

INDIVIDUAL DIFFERENCES IN NEEDS

Everyone has the same drives; they are hardwired in us through evolution. However, people develop different intensities of needs in a particular situation. Exhibit 5.1 explains why this difference occurs. The left side of the model shows that the individual’s self-concept (as well as personality and values), social norms, and past experience amplify or suppress emotions, thereby resulting in stronger or weaker needs.¹² For example, people who define themselves as very sociable typically experience a stronger need for social interaction if they have been alone for a while, whereas people who view themselves as less sociable would experience a less intense need to be with others over that time. These individual differences also explain why needs can be “learned” to some extent. Socialization and reinforcement may increase or decrease a person’s need for social interaction, achievement, and so on. We will discuss learned needs in the next section of this chapter.

Individual differences—including self-concept, social norms, and past experience—regulate the motivation process in a second way. They influence what goals and behaviors are motivated by the felt emotions, as the right side of Exhibit 5.1 illustrates. Consider the earlier example of the stranger sitting at your desk. You probably wouldn’t walk up to the person and demand that he or she leave; such blunt behavior is contrary to social norms in most cultures. Employees who view themselves as forthright might approach the stranger directly, whereas those who have a different personality and self-view are more likely to first gather information from coworkers before approaching the intruder. In short,

your drives (drive to comprehend, to defend, to socialize, etc.) and resulting emotions energize you to act, and your self-concept, social norms, and past experience direct that energy toward goal-directed behavior.

Exhibit 5.1 provides a useful template for understanding how drives and emotions are the prime sources of employee motivation and how individual characteristics (self-concept, experience, values) influence goal-directed behavior. We will refer to elements of this drive theory of motivation when we discuss four-drive theory, expectancy theory, equity theory, and other concepts in this chapter. The next section describes specific drive-based theories of motivation.

Drive-Based Motivation Theories

LO 5-3

four-drive theory

a motivation theory based on the innate drives to acquire, bond, comprehend, and defend that incorporates both emotions and rationality

FOUR-DRIVE THEORY

The process through which drives, emotions, and needs influence motivation is most effectively explained by **four-drive theory**. This theory states that emotions are the source of human motivation and that these emotions are generated through four drives identified from earlier psychological, sociological, and anthropological research.¹³

- *Drive to acquire.* This is the drive to seek, take, control, and retain objects and personal experiences. It produces various needs, including achievement, competence, status, and self-esteem.¹⁴ The drive to acquire also motivates competition.
- *Drive to bond.* This drive produces the need for belonging and affiliation.¹⁵ It explains why our self-concept is partly defined by associations with social groups (see social identity theory in Chapter 3). The drive to bond motivates people to cooperate and, consequently, is a fundamental ingredient in the success of organizations and the development of societies.
- *Drive to comprehend.* We are inherently curious and need to make sense of our environment and ourselves.¹⁶ When observing something that is inconsistent with or beyond our current knowledge, we experience a tension that motivates us to close that information gap. The drive to comprehend motivates curiosity as well as the broader need to reach our knowledge potential.
- *Drive to defend.* This is the drive to protect ourselves physically, psychologically, and socially. Probably the first drive to develop in human beings, it creates a fight-or-flight response when we are confronted with threats to our physical safety, our possessions, our self-concept, our values, and the well-being of others.¹⁷

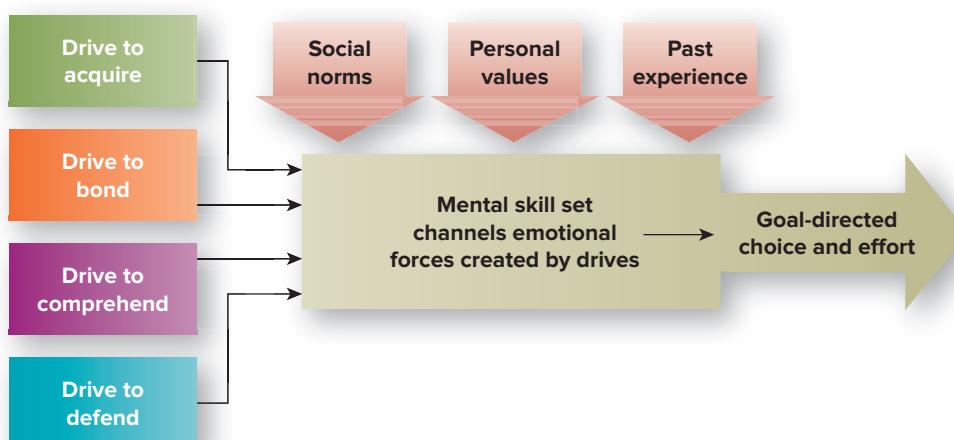
All drives are hardwired in our brains and exist in all human beings. They are also independent of one another; there is no hierarchy of drives. Four-drive theory also claims that no fundamental drives are excluded from the model. Another key feature is that three of the four drives are proactive—we regularly try to fulfill them. Therefore, need “fulfillment” is brief and ongoing. Only the drive to defend is reactive—it is triggered by threat.

How Drives Influence Motivation and Behavior Recall from Chapter 3 that the stimuli received through our senses are quickly and nonconsciously tagged with emotional markers.¹⁸ Four-drive theory proposes that the four drives determine which emotions are tagged to incoming stimuli. Most of the time, we aren’t aware of these tagged emotions because they are subtle and fleeting. However, emotions do become conscious experiences when they are sufficiently strong or when they significantly conflict with one another.

Four-drive theory also recognizes that our social norms, personal values, and past experience—which the theory calls our “mental skill set”—guide our motivational energy and reduce the felt need (see Exhibit 5.2). In other words, our mental skill set chooses courses of action that are acceptable to society, consistent with our own moral compass, and have

EXHIBIT 5.2**Four-Drive Theory of Motivation**

Source: Based on information in P.R. Lawrence and N. Nohria, *Driven: How Human Nature Shapes Our Choices* (San Francisco: Jossey-Bass, 2002).



a high probability of achieving the goal of fulfilling those felt needs.¹⁹ This is the process that we described in the previous section of this chapter: drives produce emotions, various personal characteristics (self-concept, social norms, experience) convert these emotions into goal-directed needs, and those characteristics also guide those needs toward decisions and behavior.

Practical Implications of Four-Drive Theory Four-drive theory recommends that jobs and workplaces should provide a balanced opportunity to fulfill the four drives.²⁰

There are really two recommendations here. The first is that the best workplaces help employees fulfill all four drives, such as by providing meaningful work, sufficient rewards, ongoing communication, social interaction, and so forth. Performance and well-being are better in employees who can regularly fulfill each of the four drives, not just some of them.

The second recommendation is that fulfillment of the four drives must be kept in balance; that is, organizations should neither overemphasize nor suppress fulfillment of each drive. This is important because the four drives counterbalance one another. The drive to bond, which motivates mutual support and cohesion, counterbalances the drive to acquire, which motivates competitiveness. An organization that fuels the drive to acquire without encouraging the drive to bond may eventually suffer from organizational politics, dysfunctional conflict, and insufficient collaboration.²¹ The drive to comprehend, which motivates investigation of the unknown, counterbalances the drive to defend, which motivates people to avoid the unknown. Change and novelty in the workplace will feed the drive to comprehend, but too much of it will trigger the drive to defend as employees become territorial and resistant to change. Thus, the workplace should offer enough opportunity to keep all four drives in balance.

Four-drive theory is based on a deep foundation of neuroscientific, psychological, sociological, and anthropological research. The theory explains why needs vary from one person to the next and recognizes that motivation is



Petrolim Nasional Bhd (Petronas) is rated as the best company to work for in Malaysia, partly because it actively tries to balance employees' fulfillment of their four drives. The energy giant challenges employees to step out of their comfort zone by acquiring new skills, but this is counteracted with work-life integration and supportive management. Some employees say promotions and performance standards are competitive, but this is balanced with Petronas' strong culture of teamwork. "Good place for work-life balance," says a Petronas application developer, pointing out that the company also "...greatly challenge[s] your skill to the limit." A Petronas manager in Kuala Lumpur advises that employees get "...lots of new projects, which require moving out of your comfort zone," but adds that the company also fosters "good camaraderie with colleagues." Another Petronas technical employee observes: "The staff here are team players. They are welcoming and helpful."

MARCO BERTORELLO/AFP/Getty Images

influenced by human thought and social influences (not just instinct).²² Even so, the theory is more recent than other motivation models and is far from complete. Most experts would argue that one or two other drives should be included. Furthermore, social norms, personal values, and past experience probably don't represent the full set of individual characteristics that translate emotions into goal-directed effort. For example, personality and self-concept probably also moderate the effect of drives and needs on decisions and behavior.

Maslow's needs hierarchy theory
a motivation theory of needs arranged in a hierarchy, whereby people are motivated to fulfill a higher need as a lower one becomes gratified

MASLOW'S NEEDS HIERARCHY THEORY

Mention needs and drives to most people and they will probably refer to **Maslow's needs hierarchy theory**, which was developed by psychologist Abraham Maslow in the 1940s.²³ Maslow condensed and organized the dozens of previously studied drives (which he called *primary needs*) into five basic categories, organized in a hierarchy from lowest to highest (see Exhibit 5.3):²⁴ *physiological* (need for food, air, water, shelter, etc.), *safety* (need for security and stability), *belongingness/love* (need for interaction with and affection from others), *esteem* (need for self-esteem and social esteem/status) and *self-actualization* (need for self-fulfillment, realization of one's potential). Maslow also identified two sets of needs outside the hierarchy. The *need to know* recognizes that human beings are inherently curious about the unknown and unexplained in their surroundings. Maslow also suggested that everyone ("as far back as the cavemen") has a *need for beauty* (aesthetic needs)—an inherent attraction "to beauty, symmetry, and possibly to simplicity, completion, and order."²⁵

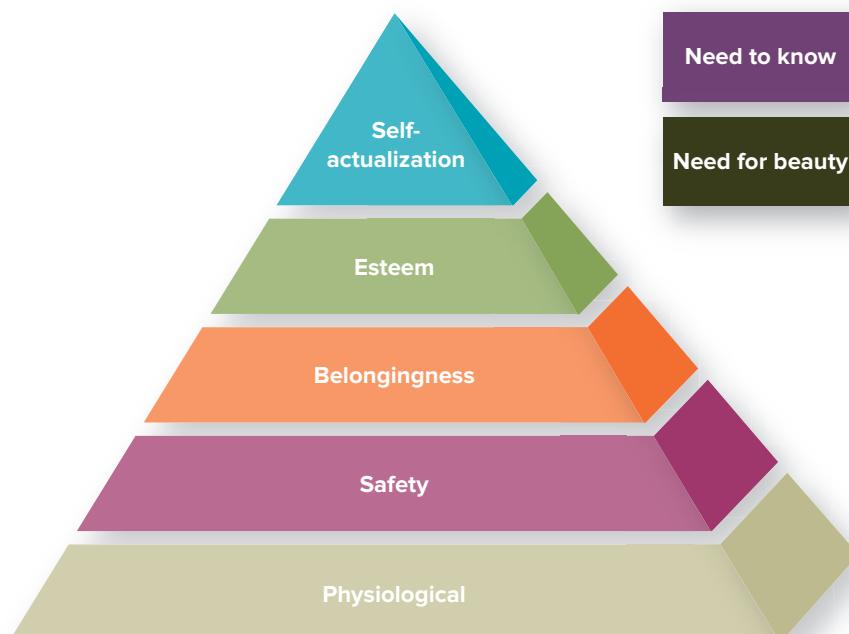
Maslow proposed that the strongest source of motivation is the lowest unsatisfied need. When satisfied, the next higher need in the hierarchy becomes the strongest motivator and remains so even if never satisfied. The exception to this need fulfillment process is self-actualization. Human beings have an ongoing need for self-actualization; it is never really fulfilled. Thus, while the bottom four groups are *deficiency needs* because they become activated when unfulfilled, self-actualization is known as a *growth need* because it continues to develop even when temporarily satiated.

Even though it is widely known, Maslow's needs hierarchy theory was rejected long ago by motivation experts.²⁶ The main flaw is that not everyone has the same needs hierarchy. Some people place social status at the top of their personal hierarchy whereas others view personal development and growth above social relations or status. This variation

EXHIBIT 5.3

Maslow's Needs Hierarchy

Source: Based on information in A.H. Maslow, "A Theory of Human Motivation," *Psychological Review* 50 (1943): 370–96.





occurs because employee needs are strongly influenced by self-concept, personal values, and personality.²⁷ People have different hierarchies of values (see Chapter 2), so they also have parallel differences in their needs hierarchies. If your most important values lean toward stimulation and self-direction, for example, you probably pay more attention to self-actualization needs. Our personal values hierarchy can change over time, so our needs hierarchy also changes over time.²⁸

Why have we introduced Maslow's needs hierarchy model? One reason is that it is so widely known and incorrectly assumed to be valid that organizational behavior students should be aware of its true status. The other reason is through this theory, Maslow transformed how we now think about human motivation.²⁹ First, he emphasized that needs should be studied together (holistically) because human behavior is typically initiated by more than one need at the same time (previously, needs were studied separately from one another).³⁰ Second, he recognized that motivation can be shaped by human thoughts (such as personal values), whereas earlier motivation experts focused mainly on how instincts motivated behavior.³¹ Third, Maslow adopted a positive view of motivation, whereas previous motivation theories focused on need deficiencies such as hunger. Maslow's positive perspective is revealed in his emphasis on growth needs and *self-actualization*, suggesting that people are naturally motivated to reach their potential.³²

McGraw-Hill connect

SELF-ASSESSMENT 5.1:

How Strong Are Your Growth Needs?

Many human needs are called "deficiency" needs because they become active only when unfilled. However, Abraham Maslow popularized the idea that people also have "growth needs," which continue to motivate even when temporarily satiated. Growth needs are associated with self-actualization and intrinsic motivation. People vary in their growth need strength, which is evident from the type of work they prefer. You can discover your growth need strength by locating this self-assessment in Connect if it is assigned by your instructor.

INTRINSIC AND EXTRINSIC MOTIVATION

By extolling the importance of self-actualization, Maslow launched an entirely new way of thinking about human motivation. People experience self-actualization by applying their skills and knowledge, observing how their talents achieve meaningful results, and experiencing personal growth through learning. These are the conditions for **intrinsic motivation**, which occurs when people fulfill their needs for competence and autonomy by engaging in the activity itself, rather than from an externally controlled outcome of that activity.³³ Employees enjoy the experience of applying their talents toward a meaningful task and experiencing progress or success in that task. Behavior is intrinsically motivated when it is anchored in the innate drives for competence and autonomy.³⁴ People feel competent when applying their skills and observing positive, meaningful outcomes from those talents. They feel autonomous when their motivation is self-initiated rather than controlled from an external source.

intrinsic motivation

occurs when people fulfill their needs for competence and autonomy by engaging in the activity itself, rather than from an externally controlled outcome of that activity

extrinsic motivation

occurs when people are motivated to engage in an activity for instrumental reasons, that is, to receive something that is beyond their personal control

Intrinsic motivation contrasts with **extrinsic motivation**, which occurs when people are motivated to engage in an activity for instrumental reasons, that is, to receive something that is beyond their personal control. This involves directing one's effort toward a reward controlled by others that indirectly fulfills a need. Extrinsic motivators exist throughout organizations, such as pay incentives, recognition awards, and frequent reminders from the boss about

At Airbnb, the San Francisco-based online vacation accommodation company, employees say they feel intrinsically motivated through autonomy and personal growth. “I feel realized, motivated, welcomed every single day,” exudes an Airbnb employee in São Paulo, Brazil. “Lot of autonomy and a great company to work for,” says an employee in the Netherlands. “Fundamentally we believe that [employees] having more control over what they work on is more motivating and leads to higher-quality results,” explains an Airbnb executive.^c

John van Hasselt - Corbis/Corbis/
Getty Images



work deadlines. Extrinsic motivation also occurs indirectly, such as when we are motivated to complete our part of a team project partly due to our concerns about how team members will react if we submit it late or with inferior quality.

Does Extrinsic Motivation Undermine Intrinsic Motivation? There are two contrasting hypotheses about how extrinsic and intrinsic motivation work together.³⁵ The additive view suggests that someone performing an intrinsically motivating job becomes even more motivated by also receiving an extrinsic source of motivation for that work. The extrinsic motivator energizes the employee more than the intrinsic motivator alone. The contrasting hypothesis is that introducing extrinsic sources of motivation will reduce intrinsic motivation. For example, employees who were energized from the work itself will experience less of that intrinsic motivation when they receive extrinsic rewards such as a performance bonus. The explanation is that introducing extrinsic motivators diminishes the employee’s feeling of autonomy, which is a key source of intrinsic motivation.

Which hypothesis is correct? So far, the research evidence is mixed. Extrinsic motivators may reduce existing intrinsic motivation to some extent and under some conditions, but the effect is often minimal. Extrinsic rewards do not undermine intrinsic motivation when they are unexpected (e.g., a surprise bonus), when they have low value relative to the intrinsic motivator, and when they are not contingent on specific behavior (such as receiving a fixed salary). Even so, when employees are engaged in intrinsically motivating work, employers should be careful about the potential unintended effect of undermining that motivation with performance bonuses and other sources of extrinsic motivation.³⁶

LEARNED NEEDS THEORY

In the previous section of this chapter, we explained that needs are shaped, amplified, or suppressed through self-concept, social norms, and past experience. Maslow noted this when he observed that individual differences influence the strength of higher-order needs, such as the need to belong. Psychologist David McClelland further investigated the idea that a person’s needs can be strengthened or weakened through reinforcement, learning, and social conditions. McClelland examined three “learned” needs: achievement, affiliation, and power.³⁷



- People with a high **need for achievement (nAch)** choose moderately challenging tasks, desire unambiguous feedback and recognition for their success, and prefer working alone rather than in teams. Except as a source of feedback, money is a weak motivator for people with high nAch, whereas it can be a strong motivator for those with low nAch.³⁸ Successful entrepreneurs tend to have high nAch, possibly because they establish challenging goals for themselves and thrive on competition.³⁹
- People with a high **need for affiliation (nAff)** seek approval from others, want to conform to others' wishes and expectations, and avoid conflict and confrontation. High-nAff employees generally work well in jobs responsible for cultivating long-term relations. Those with high nAff are less effective at making difficult decisions about distributing scarce resources (budget allocation, promotion decisions, etc.) because their choices and actions would be biased by a strong need for approval. This suggests that leaders should have low nAff, but a few studies have found that leaders should have at least moderate levels of nAff to be supportive of employee needs.⁴⁰
- People with a high **need for power (nPow)** want to exercise control over others, are highly involved in team decisions, rely on persuasion, and are concerned about maintaining their leadership position. There are two types of nPow.⁴¹ The need for *personalized power* occurs when individuals enjoy their power for its own sake, use it to advance personal interests, and wear their power as a status symbol. The need for *socialized power* exists when individuals desire power as a means to help others. Effective leaders should have a high need for socialized rather than personalized power. They must have a high degree of altruism and social responsibility and be concerned about the consequences of their own actions on others.

Changing (Learning) Need Strength McClelland developed training programs to test the idea that needs can be learned (amplified or suppressed) through reinforcement, learning, and social conditions. One program increased achievement motivation by having participants write achievement-oriented stories, practice achievement-oriented behaviors in business games, and meet frequently with other trainees to maintain their newfound achievement motivation.⁴² These training programs increased achievement motivation by changing how participants viewed themselves (their self-concept) and reinforcing their achievement experiences. When writing an achievement plan, for example, participants were encouraged (and supported by other participants) to experience the anticipated thrill of succeeding.

need for achievement (nAch)
a learned need in which people want to accomplish reasonably challenging goals and desire unambiguous feedback and recognition for their success

need for affiliation (nAff)
a learned need in which people seek approval from others, conform to their wishes and expectations, and avoid conflict and confrontation

need for power (nPow)
a learned need in which people want to control their environment, including people and material resources, to benefit either themselves (personalized power) or others (socialized power)

connect

SELF-ASSESSMENT 5.2:

How Strong Are Your Learned Needs?

Everyone has the same innate drives, but these drives produce different need strengths due to each person's socialization and personality. David McClelland particularly examined three learned needs, two of which are measured in this self-assessment. You can discover the strength of these learned needs in you by locating this self-assessment in Connect if it is assigned by your instructor.

Expectancy Theory of Motivation

LO 5-4

expectancy theory
a motivation theory based on the idea that work effort is directed toward behaviors that people believe will lead to desired outcomes

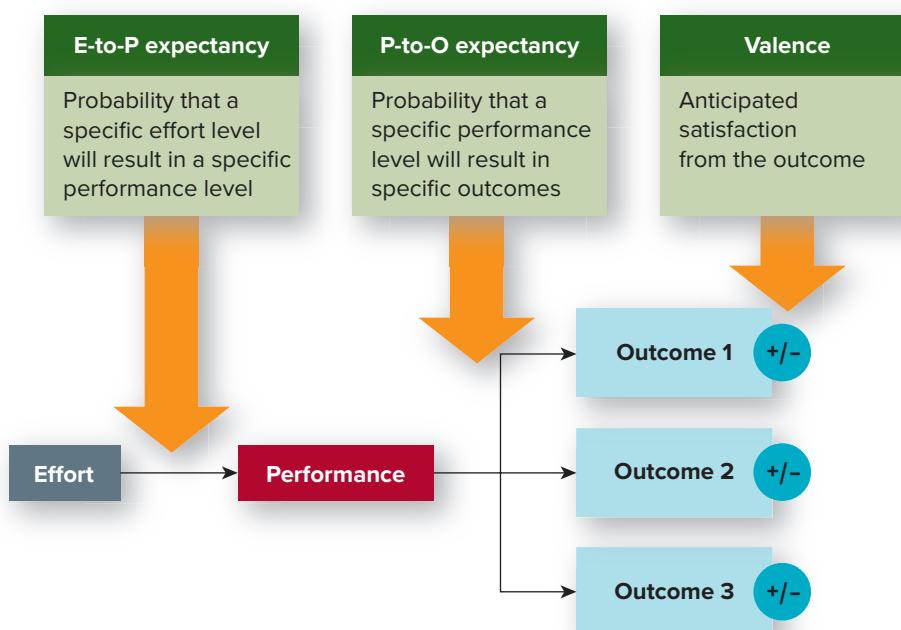
The theories described so far mainly explain *what motivates us*—the prime movers of employee motivation—but they don’t tell us *what we are motivated to do*. Four-drive theory recognizes that social norms, personal values, and past experience direct our effort, but it doesn’t offer any detail about what goals we choose or where our effort is directed under various circumstances.

Expectancy theory offers more detail by predicting the goal-directed behavior where employees are most likely to aim their effort. Essentially, the theory states that work effort is directed toward performance that people believe has the overall highest probability of achieving the desired outcomes. It assumes that people are rational decision makers who choose a target that will best fulfill their needs. This choice is based on the probability that specific events will occur and the positive or negative valences (expected satisfaction) resulting from those events.⁴³ As illustrated in Exhibit 5.4, the calculation of an individual’s effort level takes into account three factors: effort-to-performance (E-to-P) expectancy, performance-to-outcome (P-to-O) expectancy, and outcome valences. Employee motivation is influenced by all three components of the expectancy theory model.⁴⁴ If any component weakens, motivation weakens.

- *E-to-P expectancy*. This is the individual’s perception that his or her effort will result in a specific level of performance. In some situations, employees may believe that they can unquestionably accomplish the task (a probability of 1.0). In other situations, they expect that even their highest level of effort will not result in the desired performance level (a probability of 0.0). In most cases, the E-to-P expectancy falls somewhere between these two extremes.
- *P-to-O expectancy*. This is the perceived probability that a specific behavior or performance level will lead to a specific outcome. In extreme cases, employees may believe that accomplishing a particular task (performance) will definitely result in a particular outcome (a probability of 1.0), or they may believe that successful performance will have no effect on this outcome (a probability of 0.0). More often, the P-to-O expectancy falls somewhere between these two extremes.

EXHIBIT 5.4

Expectancy Theory of Motivation





- *Outcome valences.* A *valence* is the anticipated satisfaction or dissatisfaction that an individual feels toward an outcome.⁴⁵ It ranges from negative to positive. (The actual range doesn't matter; it may be from -1 to +1 or from -100 to +100.) Outcomes have a positive valence when they are consistent with our values and satisfy our needs; they have a negative valence when they oppose our values and inhibit need fulfillment.

EXPECTANCY THEORY IN PRACTICE

One of the appealing characteristics of expectancy theory is that it provides clear guidelines for increasing employee motivation, at least extrinsic motivation.⁴⁶ Several practical applications of expectancy theory are listed in Exhibit 5.5 and described below.

Increasing E-to-P Expectancies E-to-P expectancies are influenced by the individual's belief that he or she can successfully complete the task. In other words, people with higher E-to-P expectancies have higher self-efficacy (see Chapter 3). Some companies increase this can-do attitude by assuring employees that they have the required abilities and resources as well as clear role perceptions to reach the desired levels of performance. An important part of this process involves matching employee abilities to job requirements and clearly communicating the tasks required for the job. Similarly, E-to-P expectancies are learned, so behavior modeling and supportive feedback typically strengthen the individual's belief that he or she is able to perform the task.

Increasing P-to-O Expectancies The most obvious ways to improve P-to-O expectancies are to measure employee performance accurately and distribute more valued rewards to those with higher job performance. P-to-O expectancies are perceptions, so employees also need to believe that higher performance will result in higher rewards. Furthermore, they need to know how that connection occurs, so leaders should use examples, anecdotes, and public ceremonies to illustrate when behavior has been rewarded.

EXHIBIT 5.5 Practical Applications of Expectancy Theory

EXPECTANCY THEORY COMPONENT	OBJECTIVE	APPLICATIONS
E → P expectancies	To increase the employee's belief that she or he is capable of performing the job successfully	<ul style="list-style-type: none">• Select people with the required skills and knowledge.• Provide required training and clarify job requirements.• Provide sufficient time and resources.• Assign simpler or fewer tasks until employees can master them.• Provide examples of similar employees who have successfully performed the task.• Provide coaching to employees who lack self-confidence.
P → O expectancies	To increase the employee's belief that his or her good performance will result in specific valued outcomes	<ul style="list-style-type: none">• Measure job performance accurately.• Clearly explain the outcomes that will result from successful performance.• Describe how the employee's rewards were based on past performance.• Provide examples of other employees whose good performance has resulted in higher rewards.
Outcome valences	To increase the employee's expected satisfaction with outcomes resulting from desired performance	<ul style="list-style-type: none">• Distribute rewards that employees value.• Individualize rewards.• Minimize the presence of countervalent outcomes.

PERFORMANCE-TO-OUTCOME EXPECTANCY: THE MISSING LINK^d

56% of 8,254 employees surveyed in the United States, Canada, and five European countries say that they have a good understanding of how people are compensated at all levels of their company (36% say they don't have a good understanding).

44% of 31,000 employees surveyed in 29 countries say they see a clear link between performance and pay in their organization.



37% of American employees surveyed see NO link at all between their performance and their pay.

38% of U.S. federal government employees surveyed say that differences in performance are recognized in a meaningful way in their work unit.

44% of more than 4,000 employees in the United States and Canada say their manager differentiates between high and low performers.

(photo): alxpin/iStock/Getty Images

Increasing Outcome Valences One size does not fit all when motivating and rewarding people. The valence of a reward varies from one person to the next because they have different needs. One solution is to individualize rewards by allowing employees to choose the rewards of greatest value to them. When this isn't possible, companies should ensure that everyone values the reward (i.e., positive valence). Consider the following story: Top-performing employees in one organization were rewarded with a one-week Caribbean cruise with the company's executive team. Many were likely delighted, but at least one top performer was aghast at the thought of going on a cruise with senior management. "I don't like schmoozing, I don't like feeling trapped. Why couldn't they just give me the money?" she complained. The employee went on the cruise, but spent most of the time working in her stateroom.⁴⁷ Finally, we need to watch out for counter-valent outcomes. For example, if a company offers individual performance bonuses, it should beware of team norms that discourage employees from working above a minimum standard. These norms and associated peer pressure are counter-valent outcomes to the bonus.

Overall, expectancy theory is a useful model that explains how people rationally figure out the best direction, intensity, and persistence of effort. Early studies had difficulty studying expectancy theory, but both logically and empirically the theory seems to predict employee motivation in a variety of situations and cultures.⁴⁸ Expectancy theory does have limitations, however.⁴⁹ First, it assumes that people are perfectly rational decision makers; in reality, human decision making deviates from perfect rationality (see Chapter 7). A second concern is that the theory mainly explains extrinsic motivation, whereas applying the model's features to intrinsic motivation is more difficult (although not impossible). Third, expectancy theory ignores emotions as a source of motivation. The valence element of expectancy theory captures some of this emotional process, but only peripherally.⁵⁰ Finally, expectancy theory outlines how expectancies (probability of outcomes) affect motivation, but it doesn't explain how employees develop these expectancies. Two theories that do explain how expectancies are developed are organizational behavior modification and social cognitive theory, which we describe next.

Organizational Behavior Modification and Social Cognitive Theory

LO 5-5

Expectancy theory states that motivation is determined by employee beliefs about expected performance and outcomes. But how do employees learn these expectancy beliefs? For example, how do they form the impression that a particular work activity is more likely to produce a pay increase whereas other activities have little effect on pay increases? Two theories—organizational behavior modification (OB Mod) and social cognitive theory—complement expectancy theory by explaining how people *learn* what to expect from their actions, which is how people develop the expectancies that affect motivation.

ORGANIZATIONAL BEHAVIOR MODIFICATION

For most of the first half of the 1900s, the dominant paradigm about managing individual behavior was *behaviorism*, which argues that a good theory should rely exclusively on behavior and the environment and ignore nonobservable cognitions and emotions.⁵¹ Although behaviorists don't deny the existence of human thoughts and attitudes, they are nonobservable and, therefore, irrelevant to scientific study. A variation of this paradigm, called **organizational behavior modification (OB Mod)**, eventually entered organizational studies of motivation and learning.⁵²

organizational behavior modification (OB Mod)
a theory that explains employee behavior in terms of the antecedent conditions and consequences of that behavior

A-B-Cs of OB Mod The core elements of OB Mod are depicted in the A-B-C model shown in Exhibit 5.6. Essentially, OB Mod attempts to change behavior (B) by managing its antecedents (A) and consequences (C).⁵³ *Consequences* are events following a particular behavior that influence its future occurrence. Consequences include receiving words of thanks from coworkers after assisting them, preferred work schedules after being with the company longer than the average employee, and useful information on your smartphone after checking for new messages. Consequences also include no outcome at all, such as when your boss never says anything to you about how well you have been serving customers.

Antecedents are events preceding the behavior, informing employees that a particular action will produce specific consequences. An antecedent could be a sound from your smartphone signaling that a text message has arrived. Or it could be your supervisor's request to complete a specific task by tomorrow. Notice that antecedents do not cause

EXHIBIT 5.6 A-B-Cs of Organizational Behavior Modification



Sources: Adapted from T.K. Connellan, *How to Improve Human Performance* (New York: Harper & Row, 1978), 50; F. Luthans and R. Kreitner, *Organizational Behavior Modification and Beyond* (Glenview, IL: Scott, Foresman, 1985), 85–88.



behavior. The sound from your smartphone doesn't cause you to open the text message. Rather, the sound (antecedent) is a cue signaling that if you look at your phone messages (behavior), you will find a new message with potentially useful information (consequence).

Contingencies and Schedules of Reinforcement OB Mod identifies four types of consequences, called the *contingencies of reinforcement*.⁵⁴ *Positive reinforcement* occurs when the introduction of a consequence increases or maintains the frequency or future probability of a specific behavior. Receiving praise from coworkers is an example of positive reinforcement because the praise usually maintains or increases your likelihood of helping them in the future. *Punishment* occurs when a consequence decreases the frequency or future probability of a specific behavior occurring. Most of us would consider being demoted or criticized by our coworkers as forms of punishment. A third type of consequence, called *extinction*, occurs when the target behavior decreases because no consequence follows it. For instance, research suggests that performance tends to decline when managers stop congratulating employees for their good work.⁵⁵

The fourth consequence in OB Mod, called *negative reinforcement*, is often confused with punishment. It's actually the opposite; negative reinforcement occurs when the removal or avoidance of a consequence increases or maintains the frequency or future probability of a specific behavior. It is usually the removal of punishment. For example, managers apply negative reinforcement when they stop criticizing employees whose substandard performance has improved.

Which of these four consequences works best? In most situations, positive reinforcement should follow desired behaviors, and extinction (do nothing) should follow undesirable behaviors. Positive reinforcement is preferred because focusing on the positive rather than negative aspects of life tends to improve organizational success and individual well-being.⁵⁶ In contrast, punishment and negative reinforcement generate negative emotions and attitudes toward the punisher (e.g., supervisor) and organization. However, punishment (dismissal, demotion, boss's anger, etc.) may be necessary for extreme behaviors, such as deliberately hurting a coworker or stealing inventory. Indeed, research suggests that, under some conditions, punishment maintains a sense of fairness among those affected by or are aware of the employee's indiscretion.⁵⁷

Along with the four consequences, OB Mod considers the frequency and timing of these reinforcers (called the *schedules of reinforcement*).⁵⁸ The most effective reinforcement schedule for learning new tasks is *continuous reinforcement*—providing positive reinforcement after every occurrence of the desired behavior. Aside from learning, the best schedule for motivating people is a *variable ratio schedule* in which employee behavior is reinforced after a varying number of times. Salespeople experience variable ratio reinforcement because they make a successful sale (the reinforcer) after a varying number of client calls. The variable ratio schedule makes behavior highly resistant to extinction because the reinforcer is never expected at a particular time or after a fixed number of accomplishments.

Evaluating OB Mod Everyone uses organizational behavior modification principles in one form or another to motivate others. We thank people for a job well done, are silent when displeased, and sometimes try to punish those who go against our wishes. OB Mod also occurs in various formal programs to reduce absenteeism, improve task performance, encourage self-managed learning, increase safe work behaviors, and promote a healthier lifestyle. An innovative and increasingly popular behavior modification strategy relies on "gamification"—reinforcing behavior through digital games in which employees earn points and "badges" and compete for top positions on leaderboards. Research indicates that they potentially reinforce learning and desired behaviors through positive reinforcement and extinction. However, gamification can also produce negative outcomes



To improve employee knowledge about its global capabilities (audit, tax, advisory, etc), KPMG developed an app that applies OB Mod principles through gamification. “We needed to do something different and fun and used game elements like time pressure, rapid feedback, and scores to engage our people,” explains an executive at the professional services firm. Through the app, called Globerunner, players race around the world answering questions about the firm’s service capabilities in various global operations, such as, “A CFO needs help with X—which offering can help?” They acquire points for correct answers, earn badges for completed missions, and gain access to questions in other locations. They can also compare their success against coworkers on a global leaderboard and challenge others in tournaments. KPMG estimates that Globerunner improved employee knowledge by 24 percent. More than 80 percent of employees (including those who don’t play online games) enjoyed the learning experience.^e

wavebreakmedia/Shutterstock

social cognitive theory
a theory that explains how learning and motivation occur by observing and modeling others as well as by anticipating the consequences of our behavior

(lower performance, higher employee turnover, etc.) when these interventions electronically monitor employee behavior or are linked to financial rewards.⁵⁹

In spite of its widespread use, organizational behavior modification has a number of limitations. One drawback is “reward inflation,” in which the reinforcer is eventually considered an entitlement. For this reason, most OB Mod programs must run infrequently and for a short duration. Another concern is that the variable ratio schedule of reinforcement tends to create a lottery-style reward system, which might be viewed as too erratic for formal rewards and is unpopular to people who dislike gambling. Probably the most significant problem is OB Mod’s radical view that behavior is learned only through personal interaction with the environment.⁶⁰ This view is no longer accepted; instead, experts recognize that people also learn and are motivated by observing others and inferring possible consequences of their actions. This learning process is explained by social cognitive theory.

SOCIAL COGNITIVE THEORY

Social cognitive theory states that much learning occurs by observing and modeling others as well as by anticipating the consequences of our behavior.⁶¹ There are several pieces to social cognitive theory, but the three most relevant to employee motivation are learning behavior consequences, behavior modeling, and self-regulation.

Learning Behavior Consequences People learn the consequences of behavior by observing or hearing about what happened to other people, not just by directly experiencing the consequences.⁶² Hearing that a coworker was fired for being rude to a client increases your belief that rude behavior will result in being fired. In the language of expectancy theory, learning behavior consequences changes a person’s perceived P-to-O probability. Furthermore, people logically anticipate consequences in related situations. For instance, the story about the fired employee might also strengthen your P-to-O expectancy that being rude toward coworkers and suppliers (not just clients) will get you fired.

Behavior Modeling Along with observing others, people learn by imitating and practicing their behaviors.⁶³ Direct sensory experience helps us acquire tacit knowledge and skills, such as the subtle person-machine interaction while driving a vehicle. Behavior modeling also increases self-efficacy (see Chapter 3) because people gain more self-confidence after observing others and performing the task successfully themselves. Self-efficacy particularly improves when observers are similar to the model in age, experience, gender, and related features.

Self-Regulation An important feature of social cognitive theory is that human beings set goals and engage in other forms of intentional, purposive action.⁶⁴ They establish their own short- and long-term objectives, choose their own standards of achievement, work out a plan of action, consider backup alternatives, and have the forethought to

anticipate the consequences of their goal-directed behavior. Furthermore, people self-regulate by engaging in **self-reinforcement**; they reward and punish themselves for exceeding or falling short of their self-set standards of excellence. For example, you might have a goal of completing the rest of this chapter, after which you reward yourself by having a snack. Raiding the refrigerator is a form of self-induced positive reinforcement for completing this reading assignment.

self-reinforcement
reinforcement that occurs when an employee has control over a reinforcer but doesn’t “take” it until completing a self-set goal



OB Mod and social cognitive theory explain how people learn probabilities of successful performance (E-to-P expectancies) as well as probabilities of various outcomes from that performance (P-to-O expectancies). As such, these theories explain motivation through their relationship with expectancy theory of motivation, described earlier. Elements of these theories also help us understand other motivation processes. For instance, self-regulation is the cornerstone of motivation through goal setting and feedback, which we discuss next.

Goal Setting and Feedback

LO 5-6

The City of Toronto's call center—311 Toronto—is a busy place. The center, which is the largest of its kind in North America, operates 24 hours per day, 7 days per week, and answers 3.6 million non-emergency customer calls in 180 languages each year. One of the center's service goals is to answer 80 percent of those calls within 75 seconds with an average talk time of 270 seconds. The most recent year fell short of those targets with 75 percent of calls answered in 270 seconds and an average talk time of 299 seconds. 311 Toronto also has a target of resolving 70 percent of calls at the first point of contact (i.e., not forwarding the caller elsewhere or calling back later). It exceeded this goal in the most recent budget year with 81 percent of calls resolved. To keep these goals in mind, the 311 Toronto operations center has a massive screen on one wall that displays current statistics associated with these and other key performance indicators.⁶⁵

The 311 Toronto operations and most other contact centers rely on goals to motivate employees and clarify their role perceptions by establishing performance objectives. A **goal** is a cognitive representation of a desired end state that a person is committed to attain.⁶⁶ *Goal setting* is the process of establishing goals for the purpose of motivating employees and clarifying their role perceptions. Specifically, goal setting potentially amplifies the employee's intensity and persistence of effort and channels that effort toward specific behaviors and outcomes. Goal setting is more complex than simply telling someone to "do your best." Effective goals have several specific characteristics.⁶⁷ One popular acronym—SMARTER—captures these characteristics fairly well:⁶⁸

goal
a cognitive representation of a desired end state that a person is committed to attain

- *Specific.* Goals lead to better performance when they are specific. Specific goals state what needs to be accomplished, how it should be accomplished, as well as where, when, and with whom it should be accomplished. Specific goals clarify performance expectations, so employees can direct their effort more efficiently and reliably.
- *Measurable.* Goals need to be measurable because motivation occurs when people have some indication of their progress and achievement of those goals. This measurement ideally includes how much (quantity), how well (quality), and at what cost the goal was achieved. However, some types of employee performance are difficult to measure, and they risk being neglected in companies preoccupied with quantifiable goals.⁶⁹
- *Achievable.* One of the trickiest aspects of goal setting is developing goals that are sufficiently but not overly challenging.⁷⁰ Easy goals motivate employees far below their potential effort. Yet, goals that are too challenging may also lead to reduced effort if employees believe there is a low probability of accomplishing them (i.e., low E-to-P expectancy). Recent studies have also found that very difficult goals increase the probability that employees will engage in unethical behavior to achieve them.⁷¹
- *Relevant.* Goals need to be relevant to the individual's job and within his or her control. For example, a goal to reduce waste materials would have little value if employees don't have much control over waste in the production process.



- *Time-framed.* Goals need a due date. They should specify when the objective should be completed or when it will be assessed for comparison against a standard.
- *Exciting.* Goals tend to be more effective when employees are committed to them, not just compliant. Challenging goals tend to be more exciting for most (but not all) employees because they are more likely to fulfill a person's growth needs when the goal is achieved. Goal commitment also increases when employees are involved in goal setting.⁷²
- *Reviewed.* The motivational value of goal setting depends on employees receiving feedback about reaching those goals.⁷³ Effective feedback requires measurement, which we discussed earlier in this list, but it also includes reflecting on or discussing with others your goal progress and accomplishment. Reviewing goal progress and achievement helps employees redirect their effort. It is also a potential source of recognition that fulfills growth needs.

 **connect****SELF-ASSESSMENT 5.3: What Is Your Goal Orientation?**

Everyone sets goals for themselves, but people differ in the nature of those goals. Some view goals as challenges that assist learning. Others see goals as demonstrations of one's competence. Still others view goals as threatening one's image if they are not achieved. You can discover your dominant goal orientation by locating this self-assessment in Connect if it is assigned by your instructor.

CHARACTERISTICS OF EFFECTIVE FEEDBACK

The opening case study for this chapter described why many large organizations around the world have replaced their traditional performance appraisal systems with real-time, coaching-oriented feedback. This dramatic shift has occurred mainly because traditional performance reviews do not satisfy some of the critical features of effective feedback. Feedback—information that lets us know whether we have achieved the goal or are properly directing our effort toward it—is a critical partner in goal setting. Feedback contributes to motivation and performance by clarifying role perceptions, improving employee skills and knowledge, and strengthening self-efficacy.⁷⁴

Effective feedback has many of the same characteristics as effective goal setting (see Exhibit 5.7).⁷⁵ It should be *specific*; the information should refer to identifiable behaviors and, when possible, measurable outcomes (e.g. sales increased by 5 percent last month). Feedback should also be *relevant*, meaning that it should relate to behaviors and outcomes within the individual's or team's control. Feedback should also be *timely*; the information should be available soon after the behavior or results occur—not six months later in a performance review meeting. Timely feedback gives employees a clearer association between their actions and the consequences.

A fourth characteristic of effective feedback is that it is *credible*. A supervisor or other feedback source is credible when employees believe that person has complete and accurate information about the employee's performance, is reliable at recalling that information, is unbiased in communicating and applying the feedback to decisions (such as performance ratings), and describes the feedback in a supportive and empathetic manner. These conditions explain why performance feedback is typically less credible during traditional performance appraisals than during real-time coaching-style feedback.⁷⁶ Supervisors have difficulty completely and reliably recalling performance information over such a long time. In addition, supervisors have two roles—coach and judge—in traditional



EXHIBIT 5.7 Characteristics of Effective Feedback

FEEDBACK CHARACTERISTIC	DESCRIPTION	EXAMPLE
Specific	Information refers to identifiable behaviors and (when possible) measurable outcomes	"Inventory shrinkage (theft, damage) fell to 1% of inventory over the previous three months."
Relevant	Information should relate to behaviors and outcomes within the individual's or team's control	"You have submitted the monthly budget reports without error and on time every month over the past year, one of the few district managers to do so" (where district managers have few situational barriers to submitting the reports accurately or on schedule).
Timely	Information should be available soon after the behavior or results occur	"Two of our customers noted this week that you were unable to answer their questions about how the new widget model differs from the previous model."
Credible	Information source should: <ul style="list-style-type: none">• have complete and accurate information• recall information reliably• be unbiased in communicating and applying the feedback• describe the feedback in a supportive and empathetic manner	Supervisor has good knowledge of the employee's job duties, regularly observes him/her performing the work, and offers constructive feedback with optimism and sensitivity on how the employee can perform specific tasks better.
Sufficiently frequent	Information is provided: <ul style="list-style-type: none">• more often for those learning new tasks• according to the job cycle's frequency	Supervisor meets twice monthly with every experienced production employee and at least twice weekly with every new employee to discuss their individual safety behavior and output (where task cycle times are usually less than one hour).

performance reviews, the latter of which can undermine the supervisor's perceived neutrality as well as supportiveness during the feedback session.

The final characteristic of effective feedback is that it should be *sufficiently frequent*. How frequent is "sufficiently"? The answer depends on at least two things. One consideration is the employee's knowledge and experience with the task. Employees working on new tasks should receive more frequent feedback because they require more behavior guidance and reinforcement. Employees who are experienced should receive less frequent feedback so they are not distracted from performing the task.⁷⁷ The second factor is how long it takes to complete the task (i.e., its cycle time). Less frequent feedback usually occurs in jobs with a long cycle time (e.g., executives and scientists) because indicators of goal progress and accomplishment in these jobs are less frequent than in jobs with a short cycle time (e.g., grocery store cashiers).

Feedback through Strengths-Based Coaching Forty years ago, Peter Drucker observed that leaders are more effective when they focus on strengths rather than weaknesses. "The effective executive builds on strengths—their own strengths, the strengths of superiors, colleagues, subordinates; and on the strength of the situation," wrote the late management guru.⁷⁸ This positive approach is the essence of **strengths-based coaching** (also

strengths-based coaching
a positive organizational
behavior approach to
coaching and feedback that
focuses on building and
leveraging the employee's
strengths rather than trying to
correct his or her weaknesses



known as *appreciative coaching*)—maximizing employees' potential by focusing on their strengths rather than weaknesses.⁷⁹ In strengths-based coaching, employees describe areas of work where they excel or demonstrate potential. The coach guides this discussion by asking exploratory questions that help employees discover ways to build on these strengths. Situational barriers, as well as strategies to overcome those barriers, are identified to further support the employee's potential.

Strengths-based coaching has become a core feature of performance reviews in many organizations. "It's important to reward and encourage strengths. Instead of looking at weakness, look at areas for development," says Kyron Keogh, cofounder of Rox Ltd., the award-winning luxury retail jewelry chain headquartered in Glasgow, Scotland. Management consulting firm Accenture also incorporated a strengths focus in their new goal-setting and feedback process. "No more looking in the rear-view mirror at what you accomplished a year ago," explains Caroline Dey, who conducts strengths-based leadership training for Accenture managers. "Now, it's all about having forward-looking, meaningful conversations with your leader about your strengths, career, and being your best."⁸⁰

Strengths-based coaching might not be best in all situations, but it is associated with higher employee engagement, satisfaction, self-efficacy, and relations with management.⁸¹ One reason is that people are more receptive to information about their strengths than they are to information about their flaws. In fact, for more than three decades scholars have warned that traditional problem-focused feedback leads to employee defensiveness and potentially lower self-efficacy, which can result in reduced (rather than increased) employee performance.⁸² Strengths-based coaching also makes sense because personality becomes quite stable in the early stages of an individual's career, which limits the individual's flexibility regarding interests, preferences, and abilities.⁸³ Consequently, employees become less motivated and less able to improve themselves in areas where they previously lacked interest or skill.

SOURCES OF FEEDBACK

Feedback can originate from nonsocial or social sources. Nonsocial sources provide feedback without someone communicating that information. Corporate intranets allow many executives to receive feedback instantaneously on their computer, usually in the form of graphic output on an executive dashboard. Employees at contact centers view electronic displays showing how many callers are waiting and the average time they have been waiting.

Some companies set up *multisource (360-degree) feedback* that, as the name implies, is information about an employee's performance collected from a full circle of people, including subordinates, peers, supervisors, and customers. Multisource feedback tends to provide more complete and accurate information than feedback from a supervisor alone. It is particularly useful when the supervisor is unable to observe the employee's behavior or performance throughout the year. Lower-level employees also feel a greater sense of fairness and open communication when they are able to provide upward feedback about their boss's performance.⁸⁴ However, multisource feedback can be expensive and time-consuming. Furthermore, people have markedly different opinions about an employee, so multisource feedback can be more confusing than meaningful. A third concern is that peers may provide inflated rather than accurate feedback to minimize interpersonal conflict. A fourth issue is that employees experience a stronger emotional reaction when they receive critical feedback from many people rather than from just one person (such as the boss).

The preferred feedback source depends on the purpose of the information. Feedback from nonsocial sources, such as computer printouts or feedback directly from the job, is better when employees need to learn about goal progress and accomplishment. This is because information from nonsocial sources is considered more accurate than information from social sources. Negative feedback from nonsocial sources is also less damaging to



global connections 5.1

Strengths-Based Coaching at Stryker⁸⁴

Stryker is rated as one of the world's best workplaces, thanks in part to its deeply embedded practice of strengths-based coaching. Headquartered in Kalamazoo, Michigan, the medical devices company encourages employees to discover their strengths through a commercial assessment, then to let others know about their top five strengths. "Walking around the office, almost every employee has their own strengths pinned up on their desk," observes an intern who worked at the company's Orthopaedics business in Fort Lauderdale, Florida.

"We work with people to understand how to use their strengths in a positive way, and encourage them to own their career using those strengths," says Erin Cramlet, Stryker South Pacific HR director. Ryan McCarthy, Stryker Australia's managing director, explains further: "What strengths has allowed me to do as a leader is to truly treat people as individuals and find the best in each person." McCarthy says his role as a leader is "...to ensure the individual has the opportunity to use those strengths every day in an engaging environment."

Strengths-based coaching isn't always about acknowledging good behaviors and outcomes. "Strengths can sometimes be a double-edged sword—they can be used positively or negatively," acknowledges Erin Cramlet. The manager's goal is to provide constructive, optimistic guidance so an employee's strengths are applied effectively.



Thomas Busk/Cultura/Getty Images

For example, Ryan McCarthy recalls an employee who was very competitive, but that strength "...was also a deal-breaker because she was competitive with other people in her team." Through positively focused coaching, the employee's competitive style was redirected to help both her career and the organization's success. "We then worked with her to help her redefine what she was competitive with, so instead of competing with the team, it could be about competing for an outcome," says McCarthy.

self-esteem. In contrast, social sources tend to delay negative information, leave some of it out, and distort the bad news in a positive way.⁸⁵ Employees should receive some positive feedback from social sources. It feels better to have coworkers say that you are performing the job well than to discover this from data on an impersonal computer screen.

EVALUATING GOAL SETTING AND FEEDBACK

Goal setting (in partnership with feedback) is generally a highly effective practice for employee motivation and performance.⁸⁶ Putting goal setting into practice can be challenging, however.⁸⁷ As mentioned earlier, goal setting tends to focus employees on a narrow subset of measurable performance indicators while ignoring aspects of job performance that are difficult to measure. The saying "What gets measured, gets done" applies here. Another concern is that very difficult goals may motivate some people to engage in unethical behavior to achieve those goals. Difficult goals are also stressful, which can undermine overall job performance.

Yet another problem is that goal setting tends to interfere with the learning process in new, complex jobs. Therefore, setting performance goals may be effective for employees who are already experienced in a job but should be avoided where they are in the middle of an intense learning process. A final issue is that when goal achievement is tied to financial rewards, many employees are motivated to set easy goals (while making the boss think they are difficult) so that they have a higher probability of receiving the bonus or pay increase. As a former Ford Motor Company CEO once quipped: "At Ford, we hire very smart people. They quickly learn how to make relatively easy goals look difficult!"⁸⁸

Organizational Justice

LO 5-7



Treating employees fairly is both morally correct and good for employee motivation, loyalty, and well-being. Yet feelings of injustice are regular occurrences in the workplace. Consider the following examples: Only 55 percent of 31,000 employees surveyed across several countries believe they are paid fairly compared with coworkers in similar jobs within their own organization. In a survey of 14,000 New Zealand public servants, 53 percent disagree that their pay is fair compared to people in similar jobs in the wider labour market.⁸⁹ These examples are about fair pay, but there are many other types of perceived workplace injustices, such as who gets promoted, how employees are treated by management, and whether resource allocation decisions are transparent and unbiased.

How can we improve workplace justice? Our answer begins by explaining that there are several types of organizational justice, each of which has some degree of unique influence on whether people believe the situation is fair or unfair.⁹⁰ We will discuss the three most common varieties (there are others): distributive, procedural, and interactional justice. All three types of justice refer to the perception that appropriate formal or informal rules have been applied to the situation. People have a sense of fairness when they believe those rules are being followed.⁹¹

- **Distributive justice** refers to the perception that appropriate decision criteria (rules) have been applied to calculate how various benefits and burdens are distributed. These criteria—such as effort, need, or membership—determine how much each person should receive, such as higher pay, more tedious tasks, better workspace, and so on.
- **Procedural justice** is the perception that appropriate procedural rules have been applied throughout the decision process. Procedural justice tends to be higher, for example, when the decision maker demonstrates neutrality (no favoritism), allows everyone involved to have their say, and allows an appeal of the decision.
- **Interactional justice** is the perception that appropriate rules have been applied in the way employees are treated throughout the decision process. For example, we believe there is interactional justice when the decision maker is polite toward the potential beneficiaries and is honest and candid in providing information about the decision.

DISTRIBUTIVE JUSTICE AND EQUITY THEORY

At its most basic level, employment in any organization is an exchange relationship; we provide our time, skills, and behavior in exchange for pay, fulfilling work, skill development opportunities, and so forth. What is considered “fair” in this exchange relationship depends on what criteria we use to determine fairness in various situations.⁹² In some situations, we might believe that everyone should receive the same benefits. This *equality principle* is applied, for instance, when everyone gets subsidized meals in the company cafeteria. In other situations, we believe that those with the greatest need should receive more outcomes than those with less need (called the *need principle*). An example of this principle is the practice of giving employees who are ill paid time off to recover. The *equity principle* states that the

benefits people receive should be in proportion to what they contribute to the organization. The *equity principle* relates to the most common set of distributive justice rules in organizational settings, so let’s look at equity in more detail.

distributive justice
the perception that appropriate decision criteria rules were applied to calculate how various benefits and burdens are distributed

procedural justice
the perception that appropriate procedural rules were applied throughout the decision process

interactional justice
the perception that appropriate rules were applied in the way the people involved were treated throughout the decision process



debating point

DOES EQUITY MOTIVATE MORE THAN EQUALITY?^g

It seems obvious that employees with higher performance, skills, or other contributions to the organization should receive more generous pay and other rewards. Increasing the pay differential (wage dispersion) between high and low contributors should boost employee motivation to achieve a higher standard of performance. It should also increase company performance by motivating the top performers to stay and the bottom performers to leave. A large wage dispersion is also consistent with justice and fairness. Differentiating rewards based on employee performance, skills, and other forms of contribution is consistent with the principle of meritocracy. It is also consistent with the principle of justice, which states that those who contribute more should receive more in return (Chapter 2). Furthermore, performance-based pay is one of the pillars of human capital (see Chapter 1).

But workplaces that have large wage dispersions might not be receiving the performance dividends they expect. Several (but not all) studies have found that sports teams with relatively small pay differences among team members perform better than sport teams with relatively high pay differences. Teams that pay huge salaries or bonuses to stars do not score more points or win more games. Also, turnover among players and managers tends to increase with the size of

the wage dispersion. One recent study extended these observations to all industries. Companies that have a higher dispersion of wage increases (larger increases to higher-paid staff) perform worse than companies with an equal dispersion of wage increases. Another study reported that information technology companies with larger salary differences among top management teams had worse shareholder returns and market-to-book value compared to IT companies with less pay inequality.

Why would larger pay ranges undermine rather than enhance employee and organizational performance? One reason is that pay differences produce status differences, which can undermine cooperation among employees. A second reason is that large pay differences might increase (rather than decrease) feelings of injustice. Most people think they are above average, so large pay differences clearly place many employees below their self-evaluations. Also, employees tend to underestimate the contribution of higher-paid coworkers and assume those higher-paid coworkers also receive other rewards (such as preferential treatment). In short, lower-paid employees often believe higher-paid employees are overpaid, which reduces the lower-paid workers' motivation and performance.

equity theory

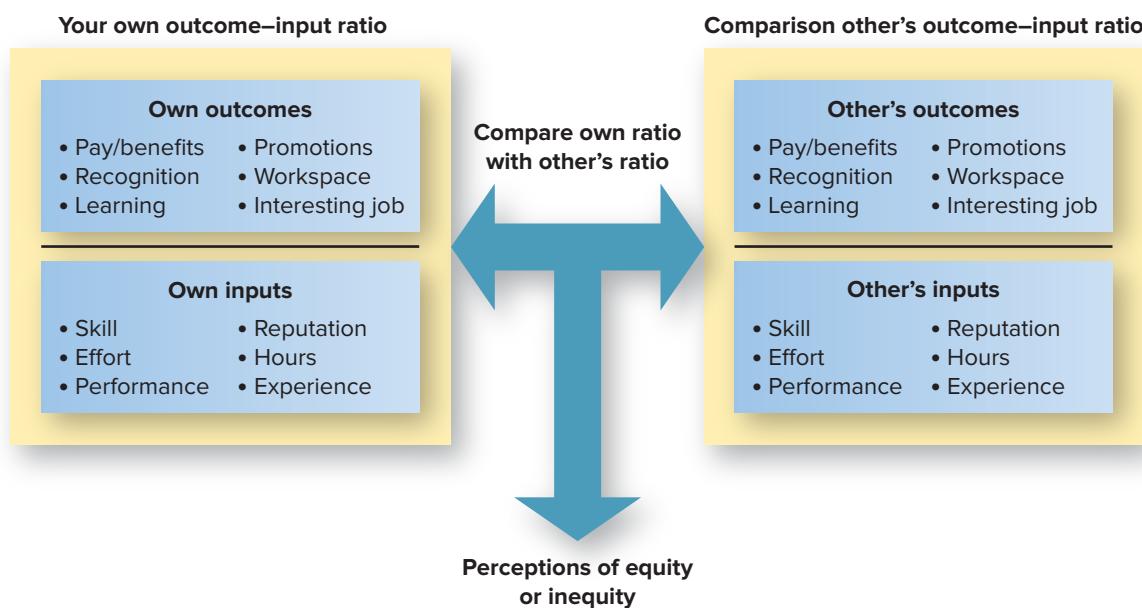
a theory explaining how people develop perceptions of fairness in the distribution and exchange of resources

Feelings of equity are explained by **equity theory**, which says that employees determine whether a decision is equitable by comparing their own outcome-input ratio to the outcome-input ratio of another person or group.⁹³ As Exhibit 5.8 illustrates, the *outcome-input ratio* is the value of the outcomes you receive divided by the value of the inputs you provide in the exchange relationship. Inputs include things such as skill, effort, reputation, performance, experience, and hours worked. Outcomes are what employees receive from the organization such as pay, promotions, recognition, interesting jobs, and opportunities to improve one's skills and knowledge.

Equity theory states that we compare our outcome-input ratio with that of a *comparison other*.⁹⁴ The comparison other might be another person or group of people in other jobs (e.g., comparing your pay with the CEO's pay) or another organization. Some research suggests that employees frequently collect information on several referents to form a "generalized" comparison other.⁹⁵ For the most part, however, the comparison other varies from one person to the next and is not easily identifiable.

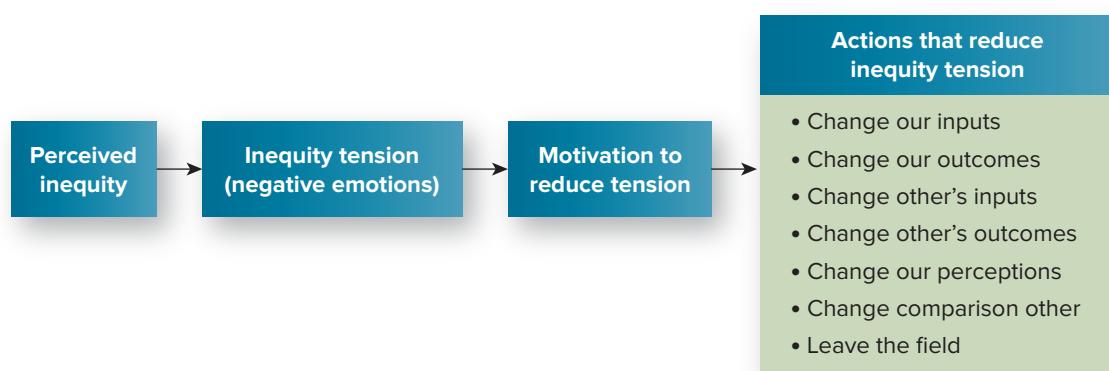
The comparison of our own outcome-input ratio with the ratio of someone else results in perceptions of equity, underreward inequity, or overreward inequity. In the equity condition, people believe that their outcome-input ratio is similar to the ratio of the comparison other. In the underreward inequity situation, people believe their outcome-input ratio is lower than the comparison other's ratio. In the overreward inequity condition, people believe their outcome-input ratio is higher than the comparison other's ratio.

Inequity and Employee Motivation How do perceptions of equity or inequity affect employee motivation? The answer is illustrated in Exhibit 5.9. When people believe they are under- or overrewarded, they experience negative emotions (called *inequity tension*).⁹⁶ As we have pointed out throughout this chapter, emotions are the

EXHIBIT 5.8 Equity Theory Model

engines of motivation. In the case of inequity, people are motivated to reduce the emotional tension. Most people have a strong emotional response when they believe a situation is unfair, and this emotion nags at them until they take steps to correct the perceived inequity.

There are several ways people try to reduce the inequity tension.⁹⁷ Let's consider each of these in the context of underreward inequity. One action is to reduce our inputs so the outcome–input ratio is similar to the higher-paid coworker. Some employees do this by working more slowly, offering fewer suggestions, and engaging in less organizational citizenship behavior. A second action is to increase our outcomes. Some people who think they are underpaid ask for a pay raise. Others make unauthorized use of company resources. A third behavioral response is to increase the comparison other's inputs. We might subtly ask the better-paid coworker to do a larger share of the work, for instance. A fourth action is to reduce the comparison other's outcomes. This might occur by ensuring that the coworker gets less desirable jobs or working conditions. Another action, although uncommon, is to ask the company to reduce the coworker's pay so it is the same as yours.

EXHIBIT 5.9 Motivational Effects of Inequity Perceptions



global connections 5.2

Feeling Underreward Inequity at Oracle^h

Marilyn Clark was shocked by what she saw on a coworker's pay stub that he left behind in a common area. Clark had earlier trained the colleague, yet he now earned 22 percent more than she did. "I just couldn't believe it. I was angry," recalls the database administrator about her reaction to perceived underreward inequity. "I felt like I had been punched in the gut."

At first, Clark didn't complain about the pay gap. "I just kept it to myself, because we didn't talk about salary." But after learning about allegations of widespread gender and racial pay discrimination at her employer, Oracle Corporation, Clark joined several other women in an unfair pay discrimination lawsuit. "I'm doing it for my daughter. I don't want to see her be discriminated against in the future," says Clark, who recently retired after more than a dozen years at the computer software and hardware company.

Clark's allegation is consistent with detailed evidence recently submitted in a court filing by the U.S. Department of Labor (DoL). The document claims that "Oracle discriminated against qualified female employees in its Information Technology, Product Development, and Support lines of business or job functions at Oracle Redwood Shores based upon sex by paying them less than comparable males employed in similar roles." The DoL recently filed its evidence with the law courts after nine months of mediation with Oracle failed to resolve the complaint.

The DoL also alleges that Oracle unfairly engaged in pay and/or employment discrimination against other employee groups. For example, the majority of student graduates hired into Oracle's entry-level product development jobs in California were on student visas from South Asia. The DoL claims this activity discriminated unfairly against other racial groups (including Caucasians), but also



Ken Wolter/Shutterstock

suppressed the pay rates of the South Asians hired because the company could easily cancel their employment visas if they complained. "This strong preference for a workforce that is dependent on Oracle for authorization to work in the United States contributes to Oracle's suppression of Asian employees' wages," the DoL filing argues.

A fifth action involves changing our beliefs about the situation rather than changing our behavior. For example, we might form the idea that the coworker really is doing more (e.g., working longer hours) for that higher pay. Alternatively, we might change our perceptions of the value of some outcomes. Rather than thinking a coworker benefits from getting more work-related travel than we do, we instead believe that travel is more inconvenient than desirable. A sixth action is to change the comparison other. Rather than compare ourselves with the higher-paid coworker, we might increasingly compare ourselves with a friend or neighbor who works in a similar job. Finally, if the inequity tension is strong and can't be reduced through other actions, we might leave the field. This occurs by moving to another department, joining another company, or keeping away from the work site where the overrewarded coworker is located.

People who feel overreward inequity would reverse these actions. Some overrewarded employees reduce their feelings of inequity by working harder; others encourage the underrewarded coworker to work at a more leisurely pace. A common reaction, however, is that the overrewarded employee changes his or her perceptions to justify the more



favorable outcomes, such as believing the assigned work is more difficult or his or her skills are more valuable than the lower-paid coworker's skills. As Pierre Burton, the late journalist and popular history author, once said: "I was underpaid for the first half of my life. I don't mind being overpaid for the second half."⁹⁸

Evaluating Equity Theory Equity theory is quite successful at understanding (in hindsight) why people feel unfairly rewarded.⁹⁹ However, it is more difficult to use as a practical tool for predicting and preventing inequity in the future. The main problem is that people vary in their choice of comparison other and which inputs or outcomes are most valuable. Therefore, leaders need to minimize the risk of inequity feelings by knowing their employees well enough to understand their priority of outcomes and inputs. Open communication is also important because it lets decision makers know from the employees affected whether they believe decisions are unfair. A second problem is that equity theory accounts for only some of our feelings of fairness or justice in the workplace. Procedural and interactional justice can be just as important as distributive justice.

connect

SELF-ASSESSMENT 5.4: How Sensitive Are You to Inequities?

Correcting feelings of inequity is one of the most powerful motivating forces in the workplace. But people react differently to equitable and inequitable situations based on their equity sensitivity. Equity sensitivity refers to a person's outcome–input preferences and reaction to various outcome–input ratios when compared to other people. You can discover your level of equity sensitivity by locating this self-assessment in Connect if it is assigned by your instructor.

PROCEDURAL AND INTERACTIONAL JUSTICE

Distributive justice is one way that people are affected by a sense of fairness. Two others are procedural and interactional justice. *Procedural justice* is the perception that appropriate rules are applied in the procedures used throughout the decision process. *Interactional justice* is the perception that appropriate rules are applied in the way the people involved are treated throughout the decision process.¹⁰⁰ Exhibit 5.10 lists the main rules that people consider when determining procedural and interactional justice.

There are several ways to maintain procedural justice.¹⁰¹ Decision makers must be perceived as unbiased, without self-interest in the results, and not blinded by narrow doctrines. Their allocation decisions need to be based on as much relevant and accurate information as possible. Those decisions also need to take into account the positions and circumstances of the diverse groups affected by the outcomes. Another factor to consider in procedural justice is whether the decision criteria and decision procedures are compatible with ethical principles. For example, gathering accurate information might not be fair if it involves closely monitoring employees or violating their individual privacy. The decision criteria used to allocate benefits as well as the procedural justice rules need to be applied consistently to everyone (equality) and over time (stability).

Another important condition for procedural justice is that employees are given "voice" in the process—they have the opportunity to present their evidence and opinions to decision makers. Voice improves the quality of information applied to the decision. It also provides a "value-expressive" function; employees tend to feel better after having an opportunity to speak their mind. Lastly, employees have a right to appeal the decision (so it is reviewed and possibly overturned) if they believe there were errors in how resources were distributed or flaws in the procedures leading to that decision.

**EXHIBIT 5.10 Procedural and Interactional Justice Rules**

PROCEDURAL JUSTICE RULES:	INTERACTIONAL JUSTICE RULES:
<ul style="list-style-type: none">Decision makers are not biased by self-interest or restrictive doctrines.Allocation decisions are based on a full complement of accurate information.Decision makers consider the interests of all groups affected by the outcomes.Decisions and procedures are compatible with ethical principles.Decision criteria and procedures are applied consistently across persons and over time.Employees have the opportunity to present their evidence and opinions to decision makers (voice).Questionable decisions and procedures can be appealed and overturned.	<ul style="list-style-type: none">Employees are treated in a polite manner.Employees are treated with respect.Employees receive thorough and well justified explanations about the decision.Employees receive honest, candid, and timely information about the decision.

Sources: Based on information in: G.S. Leventhal, "What Should Be Done with Equity Theory? New Approaches to the Study of Fairness in Social Relationships," in *Social Exchange*, ed. K.J. Gergen, M.S. Greenberg, and R.H. Willis (Boston, MA: Springer US, 1980), 27–55; J.A. Colquitt and J.B. Rodell, "Measuring Justice and Fairness," in *The Oxford Handbook of Justice in the Workplace*, ed. R.S. Cropanzano and M.L. Ambrose (New York: Oxford University Press, 2015), 187–202.

Interactional justice also depends on a set of rules that people believe are being applied to the situation.¹⁰² Two of these rules—treating people with politeness and with respect—support the feeling of fairness in the interpersonal relationship. Abusive supervision is a clear example of violation of these interactional justice rules because employees are treated rudely and their self-worth is attacked.¹⁰³ The two other rules in interactional justice generate a sense of fairness regarding the information provided. These include ensuring that employees receive thorough and well justified explanations about the decision, and ensuring that they receive honest, candid, and timely information about the decision. For instance, people are more likely to feel that a decision is unfair if decision makers refuse to explain how the decision was made, or if they seem evasive in their explanation.

Consequences of Procedural and Interactional Injustice Employees who believe procedural or interactional justice rules have been violated experience negative emotions, such as anger, frustration, insult, resentment, and shame.¹⁰⁴ As we explained at the beginning of this chapter, emotions are the source of motivation, but how employees direct that energy depends on their personal characteristics and experiences. Generally, research has found that procedural or interactional injustice often results in less work effort (and performance), fewer organizational citizenship behaviors, less cooperation with coworkers, increased involvement in union activities, and increased turnover.

Victims of procedural and interactional injustice sometimes retaliate to restore their self-esteem and reinstate their status and power in the relationship with the perpetrator of the injustice. Employees also engage in these counterproductive behaviors to educate the decision maker, thereby trying to minimize the likelihood of future injustices.¹⁰⁵ A related outcome is increased aggression toward the decision maker (e.g., supervisor) and sometimes toward coworkers who are seemingly treated more favorably. Procedural or interactional justice can also lead to more extreme dysfunctional behaviors, such as theft, sabotage, and violence.

chapter summary

LO 5-1 Define employee motivation and engagement.

Motivation is defined as the forces within a person that affect the direction, intensity, and persistence of effort for voluntary behavior. Employee engagement is defined as an individual's emotional and cognitive (rational) motivation, particularly a focused, intense, persistent, and purposive effort toward work-related goals. Supporting employee motivation and engagement is challenging because the workforce is more diverse than ever before, and because organizations have reduced supervision and other traditional control systems.

LO 5-2 Explain how drives and emotions influence employee motivation.

Drives (also called primary needs) are neural states that energize individuals to correct deficiencies or maintain an internal equilibrium. They generate emotions, which put us in a state of readiness to act. Needs—goal-directed forces that people experience—are shaped by the individual's self-concept (including personality and values), social norms, and past experience.

LO 5-3 Discuss the employee motivation implications of four-drive theory, Maslow's needs hierarchy, intrinsic and extrinsic motivation, and learned needs theory.

Four-drive theory states that emotions are the source of human motivation and that these emotions are generated through four drives: to acquire, bond, comprehend, and defend. These drives produce emotions, which become conscious needs. The employee's personal characteristics and experiences (mental skill set) direct emotional energy to goals perceived to have a high probability of achieving the goal of fulfilling those felt needs. Four-drive theory's two recommendations are that organizations should help employees fulfill all four drives and that fulfillment of the four drives must be kept in balance.

Maslow's needs hierarchy groups needs into a hierarchy of five levels and states that the lowest needs are initially most important but higher needs become more important as the lower ones are satisfied. Although very popular, the theory lacks research support, mainly because it wrongly assumes that everyone has the same hierarchy. The emerging evidence suggests that needs hierarchies vary from one person to the next, according to their personal values. However, Maslow transformed how we think about human motivation by emphasizing that theory needs to be holistic, humanistic, and positive-oriented.

Intrinsic motivation refers to motivation controlled by the individual and experienced from the activity itself, whereas extrinsic motivation occurs when people are motivated to receive something that is beyond their personal control for instrumental reasons. Intrinsic motivation is anchored in the innate drives for competence and autonomy. Some research suggests that extrinsic motivators may reduce existing intrinsic motivation to some extent and under some conditions, but the effect is often minimal. McClelland's learned needs theory argues that needs can be strengthened through learning. The three needs studied in this respect have been need for achievement, need for power, and need for affiliation.

LO 5-4 Discuss the expectancy theory model, including its practical implications.

Expectancy theory states that work effort is determined by the perception that effort will result in a particular level of performance (E-to-P expectancy), the perception that a specific behavior or performance level will lead to specific outcomes (P-to-O expectancy), and the valences that the person feels for those outcomes. The E-to-P expectancy increases by improving the employee's ability and confidence to perform the job. The P-to-O expectancy increases by measuring performance accurately, distributing higher rewards to better performers, and showing employees that rewards are performance-based. Outcome valences increase by finding out what employees want and using these resources as rewards.

LO 5-5 Outline organizational behavior modification (OB Mod) and social cognitive theory, and explain their relevance to employee motivation.

Organizational behavior modification takes the behaviorist view that the environment teaches people to alter their behavior so that they maximize positive consequences and minimize adverse consequences. Antecedents are environmental stimuli that provoke (not necessarily cause) behavior. Consequences are events following behavior that influence its future occurrence. Consequences include positive reinforcement, punishment, negative reinforcement, and extinction. The schedules of reinforcement also influence behavior.

Social cognitive theory states that much learning and motivation occurs by observing and modeling others, as well as by anticipating the consequences of our behavior. It suggests that people typically infer (rather than only directly experience) cause-and-effect relationships, anticipate the consequences of their actions, develop self-efficacy in performing behavior, exercise personal control over their behavior, and reflect on their direct experiences. The theory emphasizes self-regulation of individual behavior, including self-reinforcement, which is the tendency of people to reward and punish themselves as a consequence of their actions.

LO 5-6 Describe the characteristics of effective goal setting and feedback.

Goal setting is the process of motivating employees and clarifying their role perceptions by establishing performance objectives. Goals are more effective when they are SMARTER (specific, measurable, achievable, relevant, time-framed, exciting, and reviewed). Effective feedback is specific, relevant, timely, credible, and sufficiently frequent. Strengths-based coaching maximizes employees' potential by focusing on their strengths rather than weaknesses. Strengths-based coaching tends to be effective because people are more receptive to information about their strengths rather than flaws, and because a person's motivation and ability becomes more stable over time. Employees usually prefer nonsocial feedback sources to learn about their progress toward goal accomplishment.

LO 5-7 Explain how equity theory, procedural justice, and interactional justice influence employee motivation.

Organizational justice exists in several forms, the main three of which are distributive, procedural, and interactional. Distributive

justice refers to the perception that appropriate decision criteria (rules) have been applied to calculate how various benefits and burdens are distributed. These rules relate to equality, need, or equity. Equity theory has four elements: outcome-input ratio, comparison other, equity evaluation, and consequences of inequity. The theory also explains what people are motivated to do when they feel inequitably treated.

Procedural justice is the perception that appropriate procedural rules have been applied throughout the decision process. These rules include that the decision maker is unbiased, considers the full complement of accurate information, considers the interests of all groups affected, applies ethical

principles, applies decision criteria and procedural rules consistently, allows employees to present their views, and allows appeal of decisions. Interactional justice is the perception that appropriate rules have been applied in the way employees are treated throughout the decision process. These rules include that employees are treated with respect and politeness, that employees receive explanations that are thorough and logical, and receive honest and timely information about the decision. Lack of procedural and interactional justice results in negative emotions (ranging from anger to shame) as well as a variety of behaviors that harm the organization (such as lower performance and higher incidence of turnover, aggression, and theft).

key terms

distributive justice, p. 184	interactional justice, p. 184	needs, p. 166
drives, p. 165	intrinsic motivation, p. 170	organizational behavior modification (OB Mod), p. 176
employee engagement, p. 164	Maslow's needs hierarchy theory, p. 169	procedural justice, p. 184
equity theory, p. 185	motivation, p. 164	self-reinforcement, p. 178
expectancy theory, p. 173	need for achievement (nAch), p. 172	social cognitive theory, p. 178
extrinsic motivation, p. 170	need for affiliation (nAff), p. 172	strengths-based coaching, p. 181
four-drive theory, p. 167	need for power (nPow), p. 172	
goal, p. 179		

critical thinking questions

- Four-drive theory recommends that companies must keep fulfillment of the four drives in balance. What is this “balance” and why is it important? Give an example (real or hypothetical) of how a company maintains balanced drive fulfillment. Also describe a company that does not provide this balance, including the consequences of this imbalance on employees’ attitudes and behavior.
- Learned needs theory states that needs can be strengthened or weakened. How might a company strengthen the achievement needs of its management team?
- Everyone who works as an electronic game developer has extrinsic sources of motivation, and most also experience some degree of intrinsic motivation. Considering the dynamics of extrinsic and intrinsic motivation, what should companies in this industry do to ensure that their game developers are highly motivated at work?
- The opening case study for this chapter describes how many companies have shifted from traditional annual performance appraisals to frequent, constructive, and future-focused development reviews. Apply expectancy theory to explain why the more frequent feedback and more strengths-based future focus of the new performance review process might motivate employees more than the traditional judgment-oriented, problem-focused, annual performance appraisal process.
- Think about a recent situation at work or in school where you applied organizational behavior modification to increase or decrease someone’s motivation regarding a specific behavior. What specifically did you do? What was the result?
- Using your knowledge of the characteristics of effective goals, establish two meaningful goals related to your performance in this class.
- Most people think they are “worth more” than they are paid. Furthermore, most employees seem to feel that they exhibit better leadership skills and interpersonal skills than others. Please comment on this human tendency.
- You are an external consultant hired by a large organization to investigate possible causes of employee perceptions of procedural and interactional injustice regarding various management decisions (promotions, vacation rostering, assigned tasks, office location, and so forth). Many employees have complained that management is unfair in how it makes these decisions. Even those who say they get a fair deal in these decisions agree that the process is suspicious and therefore subject to doubt by those who receive less than they expected. In a few instances, employees have also complained about the information (or lack of information) they receive about how the decision was justified, as well as how they have been treated when trying to discuss the decision with management. As an external consultant, identify specific activities and issues you would investigate to pinpoint the ways in which management can improve employee perceptions of procedural and interactional justice.



CASE STUDY: CINCINNATI SUPER SUBS

By Steven L. McShane, University of Newcastle (Australia)

Cincinnati Super Subs is one of the larger Super Subs outlets, a chain of 300 take-away restaurants in Indiana, Ohio, and Michigan. This outlet has a restaurant manager, an assistant manager, and several part-time team leaders. The restaurant manager rarely has time to serve customers, and frontline work by managers is discouraged by the head office. The assistant manager serves customers for a couple of hours during the busy lunchtime but otherwise assists the restaurant manager with purchasing, accounts, hiring, and other operations. Most team leaders are college students and serve customers alongside other employees, particularly from late afternoon to night closing. Most employees are also students who work part-time; a few are in high school. All regular staff earn minimum pay rates.

Cincinnati Super Subs has experienced below-average profitability over the past 18 months, which has reduced the monthly bonus paid to the restaurant manager and assistant manager. This bonus is calculated by percentage of "wastage" (unsold, damaged, or unaccounted for food and drinks) relative to sales; the lower the percentage of wastage, the higher the bonus. Wastage occurs when employees drop or spill food, cut up more toppings than are sold, burn heated subs, prepare an order incorrectly, and eat or give away food without permission. When employees make mistakes, the expense is supposed to come out of their paycheck. Unauthorized eating and giving away food are grounds for immediate dismissal. However, team leaders are reluctant to report any accidental or deliberate wastage, even when confronted by the restaurant manager about the store's high wastage over the previous week and month. One team leader who reported several accidental wastage incidents eventually quit after being snubbed by coworkers who attended the same college classes.

Cincinnati Super Subs gives employees a food allowance if they work continuously for at least four and one-half hours. Staff complain that the allowance is meager and that they are often ineligible for the food allowance because many shifts are only three or four hours. Employees who work these shorter shifts sometimes help themselves to food and drinks when the managers aren't around, claiming that their hard work justifies the free meal. Some also claim the food is a low company expense and makes up for their small paycheck, relative to what many of their friends earn elsewhere. Several (but not most) employees give some of their friends generous helpings as well as occasional free soft drinks and chips. Employees say handing out free food to friends makes them more popular with their peers.

Five months ago, the Cincinnati restaurant's wastage (mainly deliberate wastage) had risen to the point where the two managers no longer received a bonus. The restaurant manager reacted by giving the food allowance only to those who work for six or more hours in a single shift. This action excluded even more staff from receiving the food allowance, but it did not discourage employees from eating or giving away food. However, almost 20 percent of the experienced college staff left for other jobs over the following two months. Many of those who stayed discouraged friends from considering jobs at Super Subs. Morale declined, which dampened the fun atmosphere that had been experienced to some extent in past times. Relations between employees and managers soured further.

With relatively low unemployment, the restaurant manager found it difficult to hire replacements, particularly people with previous work experience of any kind. Temporary staff shortages required the two managers to spend more time working in food preparation and training the new staff. Their increased presence in the restaurant significantly reduced deliberate wastage, but accidental wastage increased somewhat as the greater number of inexperienced staff made more mistakes.

After three months, Cincinnati Super Subs' manager and assistant manager were confident that the situation had improved, so they spent less time training staff and serving customers. Indeed, they received a moderate bonus after the third month in the store. However, wastage increased again soon after the managers withdrew from daily operations. The experienced employees started eating more food, and the new staff soon joined this practice. Exasperated, the restaurant manager took bolder steps. He completely removed the food allowance and threatened to fire any employee caught consuming or giving away food.

Wastage dropped somewhat over the next month but is now creeping upward again.

Discussion Questions

1. What symptoms in this case suggest that something has gone wrong?
2. Apply relevant motivation theories to explain the main causes of these symptoms?
3. What actions should Cincinnati Super Subs' managers take to correct these problems?

© 2011 Steven L. McShane. Inspired by an early case written by J.E. Dittrich and R.A. Zawacki.



CASE STUDY: STEELFAB CORP.

By Steven L. McShane, University of Newcastle (Australia)

Jackie Wong was an enthusiastic employee when she began working in the accounting department at Steelfab Corp. In particular, she prided herself in discovering better ways of handling invoice and requisition flows. The company had plenty of bottlenecks in the flow of electronic documents throughout the organization and Jackie had made several recommendations to her boss, Mr. Johnston, which would improve the process. Mr. Johnston acknowledged these suggestions and even implemented a few, but he didn't seem to have enough time to either thank her or explain why some suggestions could not be implemented. In fact, Mr. Johnston didn't say much to any of the other employees in the department about anything they did.

At the end of the first year, Jackie received a 4 percent merit increase based on Mr. Johnston's evaluation of her performance. This increase was equal to the average merit increase among the 11 people in the accounting department and was above the inflation rate. Still, Jackie was frustrated by the fact that she didn't know how to improve her chances of a higher merit increase next year. She was also upset by the fact that another new employee, Jim Sandu, received the highest pay increase (7 percent) even though he was not regarded by others in the finance department as a particularly outstanding performer. According to others who worked with him on some assignments, Jim lacked the skills to perform the job well enough to receive such a high reward. However, some employees thought Jim Sandu had become a favored employee to Mr. Johnston and they had even gone on a fishing trip together.

Jackie's enthusiasm toward Steelfab fell dramatically during her second year of employment. She still enjoyed the work and made friends with some of her coworkers, but the spirit that had once carried her through the morning rush hour traffic had somehow dwindled. Eventually, Jackie stopped mentioning her productivity improvement ideas. On two occasions during her second year of employment, she took a few days of sick leave to visit friends and family in another state. She had used only two sick days during her first year and these were for a legitimate illness. Even her doctor had to urge Jackie to stay at home on one occasion during the first year when she instead showed up at work. But by the end of the second year, using sick days seemed to "justify" Jackie's continued employment at Steelfab. Now, as her second annual merit increase approached, Jackie started to seriously scout around for another job.

Discussion Questions

1. What symptoms in this case suggest that something has gone wrong?
2. Using any two motivation theories in this chapter, explain why: (a) Jackie Wong is less motivated to provide good ideas to her boss, Mr. Johnson, and (b) Jackie is motivated to take sick days when she isn't sick.
3. What actions would you recommend to Steelfab so that Jackie Wong's experience and behavior is less likely to occur in future?



TEAM EXERCISE: PREDICTING HARRY'S WORK EFFORT

By Robert J. Oppenheimer, Concordia University

PURPOSE This exercise is designed to help you understand expectancy theory and how its elements affect a person's level of effort toward job performance.

INSTRUCTIONS This exercise may be completed either individually or in small teams of four or five people. When the individuals (or teams) have completed the exercise, the results will be discussed and compared with others in the class.

Read the following interview case. Then, calculate whether Harry will engage in high or "just acceptable" performance effort under the conditions described. Valence scores range from -1.0 to +1.0. All expectancies are probabilities ranging from 0 (no chance) to 1.0 (definitely will occur). The effort level scores are calculated by multiplying each valence by the appropriate P-to-O expectancy, summing these results, then multiplying the sum by the E-to-P expectancy.

INTERVIEW WITH HARRY

- Interviewer:** Hi, Harry. I have been asked to talk to you about your job. Do you mind if I ask you a few questions?
- Harry:** No, not at all.
- Interviewer:** Thanks, Harry. What are the things that you would anticipate getting satisfaction from as a result of your job?
- Harry:** What do you mean?
- Interviewer:** Well, what is important to you with regard to your job here?
- Harry:** I guess most important is job security. As a matter of fact, I can't think of anything that is more important to me. I think getting a raise would be nice, and a promotion would be even better.

- Interviewer:** Anything else that you think would be nice to get, or for that matter, that you would want to avoid?
- Harry:** I certainly would not want my buddies to make fun of me. We're pretty friendly, and this is really important to me.
- Interviewer:** Anything else?
- Harry:** No, not really. That seems to be it.
- Interviewer:** How satisfied do you think you would be with each of these?
- Harry:** What do you mean?
- Interviewer:** Well, assume that something that you would really like has a value of +1.0 and something you would really not like, that is, you would want to avoid, has a value of -1.0, and something you are indifferent about has a value of 0.
- Harry:** OK. Getting a raise would have a value of 0.5; a promotion is more important, so I'd say 0.7; and having my buddies make fun of me, 0.9.
- Interviewer:** But, I thought you didn't want your buddies to make fun of you.
- Harry:** I don't.
- Interviewer:** But you gave it a value of 0.9.
- Harry:** Oh, I guess it should be -0.9.
- Interviewer:** OK, I just want to be sure I understand what you're saying. Harry, what do you think the chances are of these things happening?
- Harry:** That depends.
- Interviewer:** On what?
- Harry:** On whether my performance is high or just acceptable.
- Interviewer:** What if it is high?
- Harry:** I figure I stand about a 50-50 chance of getting a raise and/or a promotion, but I also think that there is a 90 percent chance that my buddies will make fun of me.
- Interviewer:** What about job security?
- Harry:** I am certain my job is secure here, whether my performance is high or just acceptable. I can't remember the last guy who was doing his job and got fired. But if my performance is just acceptable, my chances of a raise or promotion are about 10 percent. However, then the guys will not make fun of me. That I am certain about.
- Interviewer:** What is the likelihood of your performance level being high?
- Harry:** That depends. If I work very hard and put out a high degree of effort, I'd say that my chance of my performance being high is about 90 percent. But if I put out a low level of effort—you know, if I just take it easy—then I figure that the chances of my doing an acceptable job is about 80 percent.
- Interviewer:** Well, which would you do: put out a low level or a high level of effort?
- Harry:** With all the questions you asked me, you should be able to tell me.
- Interviewer:** You may be right!
- Harry:** Yeah? That's nice. Hey, if you don't have any other questions, I'd like to join the guys for coffee.
- Interviewer:** OK, thanks for your time.
- Harry:** You're welcome.

Discussion Question

1. Use the expectancy theory model to predict Harry's motivation to achieve high or "just acceptable" performance in his job. Identify and discuss the factors that influence this motivation.

Used with permission of the author, Robert J. Oppenheimer, Concordia University.



CLASS EXERCISE: NEEDS PRIORITY EXERCISE

PURPOSE This class exercise is designed to help you understand employee needs in the workplace.

INSTRUCTIONS (SMALL CLASS)

Step 1: The table below lists in alphabetical order 16 characteristics of the job or work environment. Working alone, use the far-left column to rank-order the importance of these characteristics to you personally. Write in "1" beside the most important characteristic, "2" for the second most important, and so on, through to "16" for the least important characteristic on this list.

Step 2: Identify any three (3) of these work attributes that you believe have the largest score differences between Generation Y (Millennial) male and female college students in your country (i.e., those born in 1980 or after). Indicate which gender you think identifies that attribute as more important.

Step 3: Students are assigned to teams, where they compare one another's rank-order results as well as perceived gender differences in needs. Note reasons for the largest variations in rankings and be prepared to discuss these reasons with the entire class. Students should pay close attention to different needs, self-concepts, and various forms of diversity (ethnicity, profession, age, etc.) within your class to identify possible explanations for any variation of results across students.

Step 4: The instructor will provide results of a recent large-scale survey of Generation-Y/Millennial postsecondary students (i.e., born in 1980 or after). When these results are presented, identify the reasons for any noticeable differences in the class. Relate the differences to your understanding of the emerging view of employee needs and drives in work settings. For gender differences, discuss reasons why men and women might differ on these work-related attributes.

INSTRUCTIONS (LARGE CLASS)

Step 1 and Step 2: Same as the small class instructions.

Step 3: The instructor will ask students, by a show of hands (or use of classroom technology), to identify

their top-ranked attributes as well as the attributes believed to have the greatest gender differences among Gen-Yers.

Step 4: Same as the small class instructions.

Personal Ranking of Work-Related Attributes

ATTRIBUTES OF WORK (LISTED ALPHABETICALLY)	YOUR RANKING (1 = MOST IMPORTANT)
Challenging work	_____
Commitment to social responsibility	_____
Good health and benefits plan	_____
Good initial salary level	_____
Good people to report to	_____
Good people to work with	_____
Good training opportunities/developing new skills	_____
Good variety of work	_____
Job security	_____
Opportunities for advancement in position	_____
Opportunities to have a personal impact	_____
Opportunities to have a social impact	_____
Opportunity to travel	_____
Organization is a leader in its field	_____
Strong commitment to employee diversity	_____
Work-life integration	_____

**TEAM EXERCISE: BONUS DECISION EXERCISE**

By Steven L. McShane, University of Newcastle (Australia)

PURPOSE This exercise is designed to help you understand the elements of equity theory and how people differ in their equity perceptions.

INSTRUCTIONS Four managers in a large national insurance company are described below. The national sales director of the company has given your consulting team (first individually, then together) the task of allocating \$100,000 in bonus money to four managers. It is entirely up to your team to decide how to divide the money among these people. The only requirements are that all of the money must be distributed and that no two branch managers can receive the same amount. The names and information are presented in no particular order. You should assume that economic conditions, client demographics, and other external factors are very similar for these managers.

Step 1: Working alone, read information about the four managers. Then, fill in the amount you would allocate to each manager in the “Individual Decision” column.

Step 2: Still working alone, fill in the “Equity Inputs Form.” First, in the “Input Factor” column, list in order of importance the factors you considered when allocating these bonus amounts (e.g., seniority, performance, age). The most important factor should be listed first and the least important last. Next, in the “Input Weight” column estimate the percentage weight that you assigned to this factor. The total of this column must add up to 100 percent.

Step 3: Form teams (typically four to six people). Each team will compare their results and note any differences. Then, for each job, team members will reach a consensus on the bonus amount that each manager should receive. These amounts will be written in the “Team Decision” column.

Step 4: The instructor will call the class together to compare team results and note differences in inputs and input weights used by individual students. The class will then discuss these results using equity theory.

INSTRUCTIONS (LARGE CLASS)

Step 1 and Step 2: Same as in the preceding “Instructions” section.

Step 3: The instructor will ask students, by a show of hands (or use of classroom technology), to identify which manager would receive the highest bonus, then how much should be allocated to that manager. Repeat with the manager receiving the lowest bonus. (Some classroom technology allows students to directly indicate their bonus amount for that manager.) The class will then discuss these results using equity theory.

BONUS DECISION-MAKING MANAGER PROFILES

Bob B. Bob has been in the insurance business for over 27 years and has spent the past 21 years with this company. A few years ago, Bob’s branch typically made the largest contribution to regional profits. More recently, however, it has brought in few new accounts and is now well below average in terms of its contribution to the company. Turnover in the branch has been high and Bob doesn’t have the same enthusiasm for the job as he once did. Bob is 56 years old and is married with five children. Three children are still living at home. Bob has a high school diploma as well as a certificate from a special course in insurance management.

Edward E. In the two years that Edward has been a branch manager, his unit has brought in several major accounts and now stands as one of the top units in the country. Edward is well respected by his employees. At 29, he is the youngest manager in the region and one of the youngest in the country. The regional director initially doubted the wisdom of giving Edward the position of branch manager because of his relatively young age and lack of experience in the insurance industry. Edward received an undergraduate business degree from a regional college and worked for five years as a sales representative before joining this company. Edward is single and has no children.

Lee L. Lee has been with this organization for seven years. The first two years were spent as a sales representative in the office that she now manages. According to the regional director, Lee rates about average as a branch manager. She

earned an undergraduate degree in geography from a major university and worked as a sales representative for four years with another insurance company before joining this organization. Lee is 40 years old, divorced, and has no children. She is a very ambitious person but sometimes has problems working with her staff and other branch managers.

Sandy S. Sandy is 47 years old and has been a branch manager with this company for 17 years. Seven years ago, her branch made the lowest contribution to the region’s profits, but this has steadily improved and is now slightly above average. Sandy seems to have a mediocre attitude toward her job but is well liked by her staff and other branch managers. Her experience in the insurance industry has been entirely with this organization. She previously worked in nonsales positions, and it is not clear how she became a branch manager without previous sales experience. Sandy is married and has three school-aged children. Several years ago, Sandy earned a diploma in business from a nearby community college by taking evening courses.

Bonus Allocation Form

NAME	INDIVIDUAL DECISION	TEAM DECISION
Bob B.	\$ _____	\$ _____
Edward E.	\$ _____	\$ _____
Lee L.	\$ _____	\$ _____
Sandy S.	\$ _____	\$ _____
TOTALS:	\$100,000	\$100,000

Equity Inputs Form

INPUT FACTOR*	INPUT WEIGHT**
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
TOTAL:	100%

*List factors in order of importance, with most important factor listed first.

**The weight of each factor is a percentage ranging from 1 to 100. All factor weights together must add up to 100 percent.

endnotes

1. D. Morris, “2017: The Year Performance Reviews Get The Axe,” *Adobe Conversations-Perspectives* (blog), January 11, 2017, <https://theblog.adobe.com/2017-the-year-performance-reviews-get-the-axe>; J. Mendonca, “TCS Abandons Bell Curve Based Performance Appraisal; Shifting to System of Continuous Feedback,” *The Economic Times (India)*, 20 April 2017; N. Singh, “Coca-Cola India Moves to Monthly Appraisals,” *The Economic Times (India)*, 8 October 2017; V. Shiao, “Why We Fail at Grading Our Workers,” *Business Times (Singapore)*, November 3, 2018.
2. C.C. Pinder, *Work Motivation in Organizational Behavior* (Upper Saddle River, NJ: Prentice Hall, 1998); A.M.

- Schmidt, J.W. Beck, and J.Z. Gillespie, "Motivation: Industrial and Organizational Psychology," in *Handbook of Psychology, Second Edition*, ed. Schmidt, Neil and Hough, S., vol. 12 (John Wiley & Sons, Inc., 2012), 311–40.
3. W.H. Macey and B. Schneider, "The Meaning of Employee Engagement," *Industrial and Organizational Psychology* 1 (2008): 3–30; A.M. Saks and J.A. Gruman, "What Do We Really Know about Employee Engagement?," *Human Resource Development Quarterly* 25, no. 2 (2014): 155–82; J.L. Whittington *et al.*, *Enhancing Employee Engagement: An Evidence-Based Approach* (New York: Palgrave Macmillan, 2017), Chap. 1.
 4. D. Macleod and N. Clarke, *Engaging for Success: Enhancing Performance through Employee Engagement* (London: UK Government, Department for Business Innovation and Skills, July 2009); C. Bailey *et al.*, *Evaluating the Evidence on Employee Engagement and Its Potential Benefits to NHS Staff: A Narrative Synthesis of the Literature*, Health Services and Delivery Research Vol. 3, Issue 26 (London: NHS National Institute for Health Research, 2015). The outcomes of employee engagement are confounded by the various ways the concept has been studied, but most perspectives of engagement tend to predict meaningful outcomes. See: A.M. Saks, "Translating Employee Engagement Research into Practice," *Organizational Dynamics* 46, no. 2 (2017): 76–86.
 5. "2018 Trends in Global Employee Engagement" (Chicago: Aon Hewitt, March 2018); J. Hartell, "Employee Engagement on the Rise in the U.S." (Washington, DC: Gallup, Inc., August 26, 2018).
 6. Ultimate Software, "New National Study Conducted by Ultimate Software Reveals Need for Greater Focus on Manager-Employee Relationships," News release, December 4, 2017. For evidence of employee motivation diversity across age cohorts, see: J.B. James, S. McKechnie, and J. Swanberg, "Predicting Employee Engagement in an Age-Diverse Retail Workforce," *Journal of Organizational Behavior* 32, no. 2 (2011): 173–96, <https://doi.org/10.1002/job.681>; Y. Lee *et al.*, "Work Engagement and Career: Proposing Research Agendas Through a Review of Literature," *Human Resource Development Review* 15, no. 1 (2016): 29–54, <https://doi.org/10.1177/1534484316628356>; D. Guglielmi *et al.*, "Positive Aging in Demanding Workplaces: The Gain Cycle between Job Satisfaction and Work Engagement," *Frontiers in Psychology* 7 (2016), <https://doi.org/10.3389/fpsyg.2016.01224>.
 7. The confusing array of definitions about drives and needs has been the subject of criticism for a half century. See, for example, R.S. Peters, "Motives and Motivation," *Philosophy* 31 (1956): 117–30; H. Cantril, "Sentio, Ergo Sum: 'Motivation' Reconsidered," *Journal of Psychology* 65, no. 1 (1967): 91–107; G.R. Salancik and J. Pfeffer, "An Examination of Need-Satisfaction Models of Job Attitudes," *Administrative Science Quarterly* 22, no. 3 (1977): 427–456. For a recent effort to condense 162 human "motives" into a small set, see: J.R. Talevich *et al.*, "Toward a Comprehensive Taxonomy of Human Motives," *PLOS ONE* 12, no. 2 (2017): e0172279.
 8. D.W. Pfaff, *Drive: Neurobiological and Molecular Mechanisms of Sexual Motivation* (Cambridge, MA: MIT Press, 1999); A. Blasi, "Emotions and Moral Motivation," *Journal for the Theory of Social Behaviour* 29, no. 1 (1999): 1–19; K.C. Berridge, "Motivation Concepts in Behavioral Neuroscience," *Physiology & Behavior* 81, no. 2 (2004): 179–209; D. Scheffer and H. Heckhausen, "Trait Theories of Motivation," in *Motivation and Action*, ed. J. Heckhausen and H. Heckhausen (Cham: Springer International Publishing, 2018), 67–112, https://doi.org/10.1007/978-3-319-65094-4_3. We distinguish drives from emotions, but future research may find that the two concepts are not so different as is stated here. Woodworth is credited with either coining or popularizing the term *drives* in the context of human motivation. His classic book is certainly the first source to discuss the concept in detail. See R.S. Woodworth, *Dynamic Psychology* (New York: Columbia University Press, 1918).
 9. P.R. Lawrence and N. Nohria, *Driven: How Human Nature Shapes Our Choices* (San Francisco: Jossey-Bass, 2002); N. Nohria, B. Groysberg, and L.-E. Lee, "Employee Motivation: A Powerful New Model," *Harvard Business Review* (2008): 78–84; P. Lawrence and M. Pirson, "Economistic and Humanistic Narratives of Leadership in the Age of Globality: Toward a Renewed Darwinian Theory of Leadership," *Journal of Business Ethics* 128, no. 2 (2015): 383–394. <https://doi.org/10.1007/s10551-014-2090-2>.
 10. S.G. Barsade and D.E. Gibson, "Why Does Affect Matter in Organizations?," *Academy of Management Perspectives* 21, no. 2 (2007): 36–59; K.C. Berridge, "Evolving Concepts of Emotion and Motivation," *Frontiers in Psychology* 9 (2018), <https://doi.org/10.3389/fpsyg.2018.01647>; E. Harmon-Jones, "On Motivational Influences, Moving beyond Valence, and Integrating Dimensional and Discrete Views of Emotion," *Cognition and Emotion* 33, no. 1 (2019): 101–8, <https://doi.org/10.1080/02699931.2018.1514293>.
 11. A.R. Damasio, *The Feeling of What Happens: Body and Emotion in the Making of Consciousness* (New York: Harcourt Brace, 1999), 286.
 12. S. Hitlin, "Values as the Core of Personal Identity: Drawing Links between Two Theories of Self," *Social Psychology Quarterly* 66, no. 2 (2003): 118–137; B. Monin, D.A. Pizarro, and J.S. Beer, "Deciding Versus Reacting: Conceptions of Moral Judgment and the Reason-Affect Debate," *Review of General Psychology* 11, no. 2 (2007): 99–111; S.H. Schwartz *et al.*, "Refining the Theory of Basic Individual Values," *Journal of Personality and Social Psychology* 103, no. 4 (2012): 663–88, <https://doi.org/10.1037/a0029393>; M. Driver, "Motivation and Identity: A Psychoanalytic Perspective on the Turn to Identity in Motivation Research," *Human Relations* 70, no. 5 (2017): 617–37, <https://doi.org/10.1177/0018726716669577>.
 13. P.R. Lawrence and N. Nohria, *Driven: How Human Nature Shapes Our Choices* (San Francisco: Jossey-Bass, 2002); N. Nohria, B. Groysberg, and L.-E. Lee, "Employee Motivation: A Powerful New Model," *Harvard Business Review* (2008): 78–84; P. Lawrence and M. Pirson, "Economistic and Humanistic Narratives of Leadership in the Age of Globality: Toward a Renewed

- Darwinian Theory of Leadership," *Journal of Business Ethics* 128, no. 2 (2015): 383–394. <https://doi/10.1007/s10551-014-2090-2>.
14. The drive to acquire is likely associated with research on getting ahead, desire for competence, the selfish gene, and desire for social distinction. See R.H. Frank, *Choosing the Right Pond: Human Behavior and the Quest for Status* (New York: Oxford University Press, 1985); L. Gaertner et al., "The 'I,' the 'We,' and the 'When': A Meta-Analysis of Motivational Primacy in Self-Definition," *Journal of Personality and Social Psychology* 83, no. 3 (2002): 574–91; J. Hogan and B. Holland, "Using Theory to Evaluate Personality and Job-Performance Relations: A Socioanalytic Perspective," *Journal of Applied Psychology* 88, no. 1 (2003): 100–12; R. Dawkins, *The Selfish Gene*, 30th Anniversary Ed. (Oxford, UK: Oxford University Press, 2006); M.R. Leary, "Motivational and Emotional Aspects of the Self," *Annual Review of Psychology* 58, no. 1 (2007): 317–44; F. Martela and T.J.J. Riekki, "Autonomy, Competence, Relatedness, and Beneficence: A Multicultural Comparison of the Four Pathways to Meaningful Work," *Frontiers in Psychology* 9 (2018), <https://doi.org/10.3389/fpsyg.2018.01157>.
 15. R.E. Baumeister and M.R. Leary, "The Need to Belong: Desire for Interpersonal Attachments as a Fundamental Human Motivation," *Psychological Bulletin* 117 (1995): 497–529.
 16. G. Loewenstein, "The Psychology of Curiosity: A Review and Reinterpretation," *Psychological Bulletin* 116, no. 1 (1994): 75–98; J. Litman, "Curiosity and the Pleasures of Learning: Wanting and Liking New Information," *Cognition and Emotion* 19, no. 6 (2005): 793–814; C. Kidd and B.Y. Hayden, "The Psychology and Neuroscience of Curiosity," *Neuron* 88, no. 3 (November 2015): 449–60, <https://doi.org/10.1016/j.neuron.2015.09.010>.
 17. N. Nohria, B. Groysberg, and L.-E. Lee, "Employee Motivation: A Powerful New Model," *Harvard Business Review*, August 2008, 78–84; F. Beyer et al., "Hit or Run: Exploring Aggressive and Avoidant Reactions to Interpersonal Provocation Using a Novel Fight-or-Escape Paradigm (FOE)," *Frontiers in Behavioral Neuroscience* 11 (2017), <https://doi.org/10.3389/fnbeh.2017.00190>.
 18. A.R. Damasio, *Descartes' Error: Emotion, Reason, and the Human Brain* (New York: Putnam's Sons, 1994); J.E. LeDoux, "Emotion Circuits in the Brain," *Annual Review of Neuroscience* 23 (2000): 155–184; M. Reimann and A. Bechara, "The Somatic Marker Framework as a Neurological Theory of Decision-Making: Review, Conceptual Comparisons, and Future Neuroeconomics Research," *Journal of Economic Psychology* 31, no. 5 (2010): 767–776; P. Winkielman, K. Berridge, and S. Sher, "Emotion, Consciousness, and Social Behavior," in *The Oxford Handbook of Social Neuroscience*, ed. J. Decety and J.T. Cacioppo (Oxford University Press, 2011), 195–211; T. Poppa and A. Bechara, "The Somatic Marker Hypothesis: Revisiting the Role of the 'Body-Loop' in Decision-Making," *Current Opinion in Behavioral Sciences* 19 (2018): 61–66.
 19. P.R. Lawrence and N. Nohria, *Driven: How Human Nature Shapes Our Choices* (San Francisco: Jossey-Bass, 2002), 145–47; R.F. Baumeister, E.J. Masicampo, and K.D. Vohs, "Do Conscious Thoughts Cause Behavior?," *Annual Review of Psychology* 62, no. 1 (2011): 331–61.
 20. P.R. Lawrence and N. Nohria, *Driven: How Human Nature Shapes Our Choices* (San Francisco: Jossey-Bass, 2002), Chap. 11.
 21. For recent discussion on the benefits and risks of work practices that encourage employee competition, see: A. Sapergia and A. Weibel, "The Good, the Not So Bad, and the Ugly of Competitive Human Resource Practices: A Multidisciplinary Conceptual Framework," *Group & Organization Management* 42, no. 5 (2017): 707–47, <https://doi.org/10.1177/1059601117730238>.
 22. An increasing number of scholarly publications have incorporated four-drive theory in their writing in recent years. For recent examples, see: R.C. Wood et al., "Evolutionary Neuroscience and Motivation in Organizations," in *Organizational Neuroscience*, eds D.A. Waldman and P.A. Balthazard, *Monographs in Leadership and Management* (Emerald Group Publishing Limited, 2015), 143–67; C. Abraham et al., "Explaining the Unexpected and Continued Use of an Information System with the Help of Evolved Evolutionary Mechanisms," *Journal of the Association for Information Science and Technology* 67, no. 1 (2016): 212–31, <https://doi.org/10.1002/asi.23344>; M.T. Lee and R.L. Raschke, "Understanding Employee Motivation and Organizational Performance: Arguments for a Set-Theoretic Approach," *Journal of Innovation & Knowledge* 1, no. 3 (2016): 162–69, <https://doi.org/10.1016/j.jik.2016.01.004>; B. Torgler, "Can Tax Compliance Research Profit from Biology?," *Review of Behavioral Economics* 3, no. 1 (2016): 113–44, <https://doi.org/10.1561/105.00000045>; M.T. Lee, R.L. Raschke, and R.S. Louis, "Exploiting Organizational Culture: Configurations for Value through Knowledge Worker's Motivation," *Journal of Business Research* 69, no. 11 (2016): 5442–47, <https://doi.org/10.1016/j.jbusres.2016.04.152>; D. Scheffer and H. Heckhausen, "Trait Theories of Motivation," in *Motivation and Action*, ed. J. Heckhausen and H. Heckhausen (Cham: Springer International Publishing, 2018), 67–112, https://doi.org/10.1007/978-3-319-65094-4_3.
 23. A. H. Maslow, "A Theory of Human Motivation," *Psychological Review* 50 (1943): 370–96; A. H. Maslow, *Motivation and Personality* (New York Harper & Row, 1954).
 24. Maslow did not diagram his theory as a pyramid. He does not even mention pyramids in his writing on human motivation. Instead, Maslow mostly repeats the term *hierarchy* in describing how human needs (drives) are organized relative to each other. The earliest description of human needs as a pyramid is likely from Chapter 2 "The Pyramid of Man's Needs" of a 1960 book on conflict by F. Alexander Magoun, a professor of human relations at MIT. See: F.A. Magoun, *Cooperation and Conflict in Industry* (New York: Harper, 1960), 20–31. Magoun's chapter discusses Maslow's needs hierarchy theory.
 25. A.H. Maslow, *Motivation and Personality* (New York Harper & Row, 1954), 2, 97–98.
 26. D.T. Hall and K.E. Nougaim, "An Examination of Maslow's Need Hierarchy in an Organizational Setting,"

- Organizational Behavior and Human Performance* 3, no. 1 (1968): 12; M.A. Wahba and L.G. Bridwell, "Maslow Reconsidered: A Review of Research on the Need Hierarchy Theory," *Organizational Behavior and Human Performance* 15 (1976): 212–40; E.L. Betz, "Two Tests of Maslow's Theory of Need Fulfillment," *Journal of Vocational Behavior* 24, no. 2 (1984): 204–20; P.A. Corning, "Biological Adaptation in Human Societies: A 'Basic Needs' Approach," *Journal of Bioeconomics* 2, no. 1 (2000): 41–86. For a recent proposed revision of the model, see D.T. Kenrick et al., "Renovating the Pyramid of Needs: Contemporary Extensions Built upon Ancient Foundations," *Perspectives on Psychological Science* 5, no. 3 (2010): 292–314.
27. L. Parks and R.P. Guay, "Personality, Values, and Motivation," *Personality and Individual Differences* 47, no. 7 (2009): 675–84; R. Fischer and D. Boer, "Motivational Basis of Personality Traits: A Meta-Analysis of Value-Personality Correlations," *Journal of Personality* 83, no. 5 (2015): 491–510. <https://doi.org/10.1111/jopy.12125>; L. Parks-Leduc, G. Feldman, and A. Bardi, "Personality Traits and Personal Values: A Meta-Analysis," *Personality and Social Psychology Review* 19, no. 1 (2015): 3–29. <https://doi.org/10.1177/1088868314538548>. Maslow did acknowledge that the needs hierarchy has a different ordering for some people, but he described these as relatively rare exceptions. See: A.H. Maslow, "A Theory of Human Motivation," *Psychological Review* 50 (1943): 386–88.
28. B. Verplanken and R.W. Holland, "Motivated Decision Making: Effects of Activation and Self-Centrality of Values on Choices and Behavior," *Journal of Personality and Social Psychology* 82, no. 3 (2002): 434–47; J. Jin and J. Rounds, "Stability and Change in Work Values: A Meta-Analysis of Longitudinal Studies," *Journal of Vocational Behavior* 80, no. 2 (2012): 326–39. <https://doi.org/10.1016/j.jvb.2011.10.007>; C.M. Lechner et al., "The Development of Work Values During the Transition to Adulthood: A Two-Country Study," *Journal of Vocational Behavior* 99(2017): 52–65. <https://doi.org/10.1016/j.jvb.2016.12.004>.
29. K. Dye, A.J. Mills, and T.G. Weatherbee, "Maslow: Man Interrupted—Reading Management Theory in Context," *Management Decision* 43, no. 10 (2005): 1375–95.
30. A.H. Maslow, "A Preface to Motivation Theory," *Psychosomatic Medicine* 5 (1943): 85–92.
31. S. Kesebir, J. Graham, and S. Oishi, "A Theory of Human Needs Should Be Human-Centered, Not Animal-Centered," *Perspectives on Psychological Science* 5, no. 3 (2010): 315–19.
32. A.H. Maslow, *Maslow on Management* (New York: John Wiley & Sons, 1998); C. Peterson and N. Park, "What Happened to Self-Actualization?," *Perspectives on Psychological Science* 5, no. 3 (2010): 320–22.
33. M. Gagné and E.L. Deci, "Self-Determination Theory and Work Motivation," *Journal of Organizational Behavior* 26, no. 4 (2005): 331–62; C.P. Cerasoli, J.M. Nicklin, and M.T. Ford, "Intrinsic Motivation and Extrinsic Incentives Jointly Predict Performance: A 40-Year Meta-Analysis," *Psychological Bulletin* 140, no. 4 (2014): 980–1008.
34. M. Gagné and D. Bhave, "Autonomy in the Workplace: An Essential Ingredient to Employee Engagement and Well-Being in Every Culture," in *Human Autonomy in Cross-Cultural Context*, ed. V.I. Chirkov, R.M. Ryan and K.M. Sheldon, *Cross-Cultural Advancements in Positive Psychology* (Dordrecht, Netherlands: Springer Netherlands, 2011), 163–87; E.L. Deci and M.R. Ryan, "The Importance of Universal Psychological Needs for Understanding Motivation in the Workplace," in *The Oxford Handbook of Work Engagement, Motivation, and Self-Determination Theory*, ed. M. Gagné (New York: Oxford University Press, 2014), 13–32. For neuroscience research on intrinsic motivation (particularly need for competence), see: W. Lee and J. Reeve, "Identifying the Neural Substrates of Intrinsic Motivation During Task Performance," *Cognitive, Affective, & Behavioral Neuroscience* 17, no. 5 (2017): 939–53; S.I. Di Domenico and R.M. Ryan, "The Emerging Neuroscience of Intrinsic Motivation: A New Frontier in Self-Determination Research," *Frontiers in Human Neuroscience* 11 (2017), <https://doi.org/10.3389/fnhum.2017.00145>.
35. C.P. Cerasoli, J.M. Nicklin, and M.T. Ford, "Intrinsic Motivation and Extrinsic Incentives Jointly Predict Performance: A 40-Year Meta-analysis," *Psychological Bulletin* 140, no. 4 (2014): 980–1008; Y. Garbers and U. Konradt, "The Effect of Financial Incentives on Performance: A Quantitative Review of Individual and Team-Based Financial Incentives," *Journal of Occupational and Organizational Psychology* 87, no. 1 (2014): 102–37.
36. J. Schroeder and A. Fishbach, "How to Motivate Yourself and Others? Intended and Unintended Consequences," *Research in Organizational Behavior* 35 (2015): 123–41.
37. D.C. McClelland, *The Achieving Society* (New York: Van Nostrand Reinhold, 1961); D. McClelland and D. Burnham, "Power Is Great Motivator," *Harvard Business Review* 54, no. 2 (1976): 100–110; M.G. Köllner and O.C. Schultheiss, "Meta-Analytic Evidence of Low Convergence between Implicit and Explicit Measures of the Needs for Achievement, Affiliation, and Power," *Frontiers in Psychology* 5 (2014), <https://doi.org/10.3389/fpsyg.2014.00826>.
38. D.C. McClelland, *The Achieving Society* (New York: Van Nostrand Reinhold, 1961).
39. M. Frese and M.M. Gielniak, "The Psychology of Entrepreneurship," *Annual Review of Organizational Psychology and Organizational Behavior* 1, no. 1 (2014): 413–38.
40. S. Leroy et al., "Synchrony Preference: Why Some People Go with the Flow and Some Don't," *Personnel Psychology* 68, no. 4 (2015): 759–809; M.H. Do and A. Minbashian, "A Meta-Analytic Examination of the Effects of the Agentic and Affiliative Aspects of Extraversion on Leadership Outcomes," *The Leadership Quarterly* 25, no. 5 (2014): 1040–53. <https://doi.org/10.1016/j.leaqua.2014.04.004>; B. Steinmann et al., "Implicit Motives and Leadership Performance Revisited: What Constitutes the Leadership Motive Pattern?," *Motivation and Emotion* 39, no. 2 (2015): 167–74. <https://doi.org/10.1007/s11031-014-9458-6>; B. Steinmann, S.K. Ötting, and G.W. Maier, "Need for Affiliation as a Motivational Add-On for Leadership Behaviors and

- Managerial Success," *Frontiers in Psychology* 7 (2016), <https://doi.org/10.3389/fpsyg.2016.01972>.
41. J.C. Magee and C.A. Langner, "How Personalized and Socialized Power Motivation Facilitate Antisocial and Prosocial Decision-Making," *Journal of Research in Personality* 42, no. 6 (2008): 1547–59; D. Rus, D. van Knippenberg, and B. Wisse, "Leader Self-Definition and Leader Self-Serving Behavior," *Leadership Quarterly* 21, no. 3 (2010): 509–29; C. Case and J. Maner, "Divide and Conquer: When and Why Leaders Undermine the Cohesive Fabric of Their Group," *Journal of Personality and Social Psychology* 107, no. 6 (2014): 1033–50.
 42. D. Miron and D.C. McClelland, "The Impact of Achievement Motivation Training on Small Business," *California Management Review* 21 (1979): 13–28.
 43. Expectancies and valences have a long history in motivation and decision making, dating back to the earliest writing on the economics of utilitarianism. See, for example: W.S. Jevons, *The Theory of Political Economy* (London: MacMillan, 1871), Chaps. 2 and 3. For recent discussion in organizational behavior, see: S. Sun, J.B. Vancouver, and J.M. Weinhardt, "Goal Choices and Planning: Distinct Expectancy and Value Effects in Two Goal Processes," *Organizational Behavior and Human Decision Processes* 125, no. 2 (2014): 220–33, <https://doi.org/10.1016/j.obhdp.2014.09.002>.
 44. Expectancy theory of motivation in work settings originated in V.H. Vroom, *Work and Motivation* (New York: Wiley, 1964). The version of expectancy theory presented here was developed by Edward Lawler. Lawler's model provides a clearer presentation of the model's three components. P-to-O expectancy is similar to "instrumentality" in Vroom's original expectancy theory model. The difference is that instrumentality is a correlation whereas P-to-O expectancy is a probability. See J.P. Campbell et al., *Managerial Behavior, Performance, and Effectiveness* (New York: McGraw-Hill, 1970); E.E. Lawler III, *Motivation in Work Organizations* (Monterey, CA: Brooks-Cole, 1973); D.A. Nadler and E.E. Lawler, "Motivation: A Diagnostic Approach," in *Perspectives on Behavior in Organizations*, ed. J.R. Hackman, E.E. Lawler III, and L.W. Porter (New York: McGraw-Hill, 1983), 67–78.
 45. The earliest economic theorists argued that valence is the positive or negative emotion that the decision maker anticipates from an outcome. See: Steven L. McShane, "Organisational Decision-Making," in *Contemporary Issues in Management and Organisational Behaviour*, ed. P. Murray, D. Poole, and G. Jones (Sydney: Cengage Learning Australia, 2006), 136–65. The connection between valence and emotion is supported by recent neuroscience studies. See: A. Bechara and A.R. Damasio, "The Somatic Marker Hypothesis: A Neural Theory of Economic Decision," *Games and Economic Behavior* 52, no. 2 (2005): 336–72; J. Bartol and S. Linquist, "How Do Somatic Markers Feature in Decision Making?," *Emotion Review* 7 (2014): 81–89, <https://doi.org/10.1177/1754073914553000>; J.S. Lerner et al., "Emotion and Decision Making," *Annual Review of Psychology* 66, no. 1 (2015): 799–823, <https://doi.org/10.1146/annurev-psych-010213-115043>.
 46. D.A. Nadler and E.E. Lawler, "Motivation: A Diagnostic Approach," in *Perspectives on Behavior in Organizations*, ed. J.R. Hackman, E.E. Lawler III, and L.W. Porter (New York: McGraw-Hill, 1983), 70–73.
 47. B. Moses, "Time to Get Serious about Rewarding Employees," *Globe & Mail*, April 28, 2010, B16.
 48. For recent applications of expectancy in diverse settings, see R.L. Purvis, T.J. Zagenczyk, and G.E. McCray, "What's in It for Me? Using Expectancy Theory and Climate to Explain Stakeholder Participation, Its Direction and Intensity," *International Journal of Project Management* 33, no. 1 (2015): 3–14; E. Shweiki et al., "Applying Expectancy Theory to Residency Training: Proposing Opportunities to Understand Resident Motivation and Enhance Residency Training," *Advances in Medical Education and Practice* 6 (2015): 339–46; K.N. Bauer et al., "Re-Examination of Motivation in Learning Contexts: Meta-Analytically Investigating the Role Type of Motivation Plays in the Prediction of Key Training Outcomes," *Journal of Business and Psychology* 31, no. 1 (2016): 33–50; R. Meymandpour and P. Pawar, "Study of Expectancy Motivation in IT Developers," *Telecom Business Review* 11, no. 1 (2018): 6–11.
 49. R. Kanfer, M. Frese, and R.E. Johnson, "Motivation Related to Work: A Century of Progress," *Journal of Applied Psychology* 102, no. 3 (2017): 338–55, <https://doi.org/10.1037/apl0000133>.
 50. This limitation was acknowledged by Victor Vroom, who had introduced expectancy theory in his 1964 book. See G.P. Latham, *Work Motivation: History, Theory, Research, and Practice* (Thousand Oaks, CA: Sage, 2007), 47–48.
 51. J.B. Watson, *Behavior: An Introduction to Comparative Psychology* (New York: Henry Holt, 1914).
 52. B.F. Skinner, *About Behaviorism* (New York: Knopf, 1974); J. Komaki, T. Coombs, and S. Schepman, "Motivational Implications of Reinforcement Theory," in *Motivation and Leadership at Work*, ed. R.M. Steers, L.W. Porter, and G.A. Bigley (New York: McGraw-Hill, 1996), 34–52; R.G. Miltenberger, *Behavior Modification: Principles and Procedures* (Pacific Grove, CA: Brooks/Cole, 1997).
 53. T.K. Connellan, *How to Improve Human Performance* (New York: Harper & Row, 1978), 48–57; F. Luthans and R. Kreitner, *Organizational Behavior Modification and Beyond* (Glenview, IL: Scott, Foresman, 1985), 85–88.
 54. B.F. Skinner, *Science and Human Behavior* (New York: Free Press, 1965); R.G. Miltenberger, *Behavior Modification: Principles and Procedures* (Pacific Grove, CA: Brooks/Cole, 1997), Chap. 4–6.
 55. T.R. Hinkin and C.A. Schriesheim, "If You Don't Hear from Me You Know You Are Doing Fine," *Cornell Hotel & Restaurant Administration Quarterly* 45, no. 4 (2004): 362–72; T.R. Hinkin and C.A. Schriesheim, "An Examination of 'Nonleadership': From Laissez-Faire Leadership to Leader Reward Omission and Punishment Omission," *Journal of Applied Psychology* 93, no. 6 (2008): 1234–48, <https://doi.org/10.1037/a0012875>.
 56. K. Cameron et al., "Effects of Positive Practices on Organizational Effectiveness," *The Journal of Applied Behavioral Science* 47, no. 3 (September 2011): 266–308, <https://doi.org/10.1177/0021886310395514>; F. Luthans and C.M. Youssef-Morgan, "Psychological Capital: An Evidence-Based Positive Approach," *Annual Review of Organizational Psychology and Organizational Behavior* 4,

- no. 1 (2017): 339–66, <https://doi.org/10.1146/annurev-orgpsych-032516-113324>; A.B. Bakker and M. van Woerkom, "Strengths Use in Organizations: A Positive Approach of Occupational Health," *Canadian Psychology* 59, no. 1 (February 2018): 38–46, <https://doi.org/10.1037/cap0000120>.
57. L.K. Trevino, "The Social Effects of Punishment in Organizations: A Justice Perspective," *Academy of Management Review* 17 (1992): 647–76; L. Wang and J.K. Murnighan, "The Dynamics of Punishment and Trust," *Journal of Applied Psychology* 102, no. 10 (October 2017): 1385–1402, <https://doi.org/10.1037/apl0000178>; L. Wang et al., "Does Anger Expression Help or Harm Leader Effectiveness? The Role of Competence-Based versus Integrity-Based Violations and Abusive Supervision," *Academy of Management Journal* 61, no. 3 (June 2018): 1050–72, <https://doi.org/10.5465/amj.2015.0460>.
58. G.P. Latham and V.L. Huber, "Schedules of Reinforcement: Lessons from the Past and Issues for the Future," *Journal of Organizational Behavior Management* 13 (1992): 125–49; B.A. Williams, "Challenges to Timing-Based Theories of Operant Behavior," *Behavioural Processes* 62 (2003): 115–23.
59. J. Hamari, "Do Badges Increase User Activity? A Field Experiment on the Effects of Gamification," *Computers in Human Behavior* 71 (2017): 469–78, <http://dx.doi.org/10.1016/j.chb.2015.03.036>; M.T. Cardador, G.B. Northcraft, and J. Whicker, "A Theory of Work Gamification: Something Old, Something New, Something Borrowed, Something Cool?," *Human Resource Management Review* 27 (June 2017): 353–65, <https://doi.org/10.1016/j.hrmr.2016.09.014>; R.N. Landers et al., "Gamification Science, Its History and Future: Definitions and a Research Agenda," *Simulation & Gaming* 49, no. 3 (2018): 315–37, <https://doi.org/10.1177/1046878118774385>; M.B. Armstrong and R.N. Landers, "Gamification of Employee Training and Development," *International Journal of Training and Development* 22, no. 2 (2018): 162–69, <https://doi.org/10.1111/ijtd.12124>.
60. J.A. Bargh and M.J. Ferguson, "Beyond Behaviorism: On the Automaticity of Higher Mental Processes," *Psychological Bulletin* 126, no. 6 (2000): 925–45. Some writers argue that behaviorists long ago accepted the relevance of cognitive processes in behavior modification. See I. Kirsch et al., "The Role of Cognition in Classical and Operant Conditioning," *Journal of Clinical Psychology* 60, no. 4 (2004): 369–92.
61. A. Bandura, *Social Foundations of Thought and Action: A Social Cognitive Theory* (Englewood Cliffs, NJ: Prentice Hall, 1986); A. Bandura, "Social Cognitive Theory of Self-Regulation," *Organizational Behavior and Human Decision Processes* 50, no. 2 (1991): 248–87; A. Bandura, "Social Cognitive Theory: An Agentic Perspective," *Annual Review of Psychology* 52, no. 1 (2001): 1–26.
62. M.E. Schnake, "Vicarious Punishment in a Work Setting," *Journal of Applied Psychology* 71 (1986): 343–45; L. K. Trevino, "The Social Effects of Punishment in Organizations: A Justice Perspective," *Academy of Management Review* 17 (1992): 647–76; J. Malouff et al., "Effects of Vicarious Punishment: A Meta-Analysis," *Journal of General Psychology* 136, no. 3 (2009): 271–86.
63. A. Pescuric and W.C. Byham, "The New Look of Behavior Modeling," *Training & Development* 50 (1996): 24–30; P.J. Taylor, D.F. Russ-Eft, and D.W.L. Chan, "A Meta-Analytic Review of Behavior Modeling Training," *Journal of Applied Psychology* 90, no. 4 (2005): 692–709, <https://doi.org/10.1037/0021-9010.90.4.692>; C.G. Myers and D.S. DeRue, "Agency in Vicarious Learning at Work," in *Autonomous Learning in the Workplace*, ed. J.E. Ellingson and R.A. Noe, (New York: Routledge, 2017), 15–37.
64. A. Bandura, "Self-Reinforcement: Theoretical and Methodological Considerations," *Behaviorism* 4 (1976): 135–55; J.B. Vancouver and D.V. Day, "Industrial and Organisation Research on Self-Regulation: From Constructs to Applications," *Applied Psychology: An International Journal* 54, no. 2 (2005): 155–85; A. Neal, T. Ballard, and J.B. Vancouver, "Dynamic Self-Regulation and Multiple-Goal Pursuit," *Annual Review of Organizational Psychology and Organizational Behavior* 4, no. 1 (2017): 401–23, <https://doi.org/10.1146/annrev-orgpsych-032516-113156>.
65. M. Warren, "Toronto Is Known for Dead Raccoons and Potholes. The City's 311 Nerve Centre Knows This Reputation Is Well-Earned," *Toronto Star*, November 18, 2018; "311 Toronto Budget Notes," Budget TO 2019 (Toronto: City of Toronto, January 25, 2019).
66. M. Milyavskaya and K.M. Werner, "Goal Pursuit: Current State of Affairs and Directions for Future Research," *Canadian Psychology* 59, no. 2 (May 2018): 163–75, <https://doi.org/10.1037/cap0000147>.
67. E.A. Locke and G.P. Latham, *A Theory of Goal Setting and Task Performance* (Englewood Cliffs, NJ: Prentice Hall, 1990); G. Latham, G. Seijts, and J. Slocum, "The Goal Setting and Goal Orientation Labyrinth: Effective Ways for Increasing Employee Performance," *Organizational Dynamics* 45, no. 4 (2016): 271–77, <https://doi.org/10.1016/j.orgdyn.2016.10.001>.
68. The SMARTER goal-setting model is an extension of the earlier SMART model. SMARTER apparently originated from British sports psychology writing around the mid-1990s, such as: P. Butler, *Performance Profiling* (Leeds, UK: The National Coaching Foundation, 1996), 36. There are several variations of the SMARTER goal-setting model; "achievable" is sometimes "acceptable," "reviewed" is sometimes "recorded," and "exciting" is sometimes "ethical." For a summary of variations of meanings within the SMARTER acronym, see: G. Brown, C. Leonard, and M. Arthur-Kelly, "Writing SMARTER Goals for Professional Learning and Improving Classroom Practices," *Reflective Practice* 17, no. 5 (2016): 621–35, <https://doi.org/10.1080/14623943.2016.1187120>.
69. The value and limitations of measurement are discussed in J.M. Henshaw, *Does Measurement Measure Up? How Numbers Reveal and Conceal the Truth* (Baltimore, MD: Johns Hopkins Press, 2006).
70. A.C. Crossley, C. Cooper, and T. Wernsing, "Making Things Happen through Challenging Goals: Leader Proactivity, Trust, and Business-Unit Performance," *Journal of Applied Psychology* 98, no. 3 (2013): 540–49,

- A. Kruglanski et al., "The Rocky Road from Attitudes to Behaviors: Charting the Goal Systemic Course of Actions," *Psychological Review* 122, no. 4 (2015): 598–620; K.M. Roose and W.L. Williams, "An Evaluation of the Effects of Very Difficult Goals," *Journal of Organizational Behavior Management* 38, no. 1 (2018): 18–48. <https://doi.org/10.1080/01608061.2017.1325820>
71. Z. Zhang and M. Jia, "How Can Companies Decrease the Disruptive Effects of Stretch Goals? The Moderating Role of Interpersonal—and Informational—Justice Climates," *Human Relations* 66, no. 7 (2013): 993–1020; L.D. Ordóñez and D.T. Welsh, "Immoral Goals: How Goal Setting May Lead to Unethical Behavior," *Current Opinion in Psychology* 6 (2015): 93–96.
72. E.A. Locke and G.P. Latham, *A Theory of Goal Setting and Task Performance* (Englewood Cliffs, NJ: Prentice Hall, 1990), chaps. 6 and 7; H. Klein, J.T. Cooper and C.A. Monahan, "Goal Commitment," in *New Developments in Goal Setting and Task Performance*, ed. E.A. Locke and G.P. Latham (London: Taylor and Francis, 2012), 65–89.
73. G.P. Latham and C.C. Pinder, "Work Motivation Theory and Research at the Dawn of the Twenty-First Century," *Annual Review of Psychology* 56 (2005): 485–516; S.J. Ashford and K.E.M. Stobbelier, "Feedback, Goal Setting, and Task Performance Revisited," in *New Developments in Goal Setting and Task Performance*, ed. E.A. Locke and G.P. Latham (New York: Routledge, 2013), 51–64.
74. G.P. Latham, *Work Motivation: History, Theory, Research, and Practice* (Thousand Oaks, CA: Sage, 2007), 198–203; A. Baker et al., "Feedback and Organizations: Feedback Is Good, Feedback-Friendly Culture Is Better," *Canadian Psychology* 54, no. 4 (2013): 260–68.
75. F. Anseel et al., "How Are We Doing after 30 Years? A Meta-Analytic Review of the Antecedents and Outcomes of Feedback-Seeking Behavior," *Journal of Management* 41, no. 1 (2015): 318–48. <https://doi.org/10.1177/0149206313484521>; M. London, *The Power of Feedback: Giving, Seeking, and Using Feedback for Performance Improvement* (New York: Routledge, 2015); B. Kuvaas, R. Buch and A. Dysvik, "Constructive Supervisor Feedback Is Not Sufficient: Immediacy and Frequency Is Essential," *Human Resource Management* 56, no. 3 (2017): 519–31. <https://doi.org/10.1002/hrm.21785>.
76. H.H. Meyer, E. Kay and J.R.P. French Jr, "Split Roles in Performance Appraisal," *Harvard Business Review* 43, no. 1 (1965): 123–29; S. Adler et al., "Getting Rid of Performance Ratings: Genius or Folly? A Debate," *Industrial and Organizational Psychology* 9, no. 2 (2016): 219–52. <https://doi.org/10.1017/iop.2015.106>; A.S. DeNisi and K.R. Murphy, "Performance Appraisal and Performance Management: 100 Years of Progress?", *Journal of Applied Psychology* 102, no. 3 (2017): 421–33. <https://doi.org/10.1037/apl0000085>.
77. C.F. Lam et al., "The Impact of Feedback Frequency on Learning and Task Performance: Challenging the 'More Is Better' Assumption," *Organizational Behavior and Human Decision Processes* 116, no. 2 (2011): 217–28. <https://doi.org/10.1016/j.obhdp.2011.05.002> For a recent example of the benefits of more frequent feedback, see: D.P. Kelley and N. Gravina, "Every Minute Counts: Using Process Improvement and Performance Feedback to Improve Patient Flow in an Emergency Department," *Journal of Organizational Behavior Management* (2018): 1–10. <https://doi.org/10.1080/01608061.2017.1423150>.
78. P. Drucker, *The Effective Executive* (Oxford, UK: Butterworth-Heinemann, 2007), 22. Drucker's emphasis on strengths was also noted in D.K. Whitney and A. Trosten-Bloom, *The Power of Appreciative Inquiry: A Practical Guide to Positive Change*, 2nd ed. (San Francisco: Berrett-Koehler, 2010), xii.
79. M. Buckingham, *Go Put Your Strengths to Work* (New York: Free Press, 2007); A.L. Clancy and J. Binkert, "Appreciative Coaching: Pathway to Flourishing," in *Excellence in Coaching: The Industry Guide*, ed. J. Passmore (London: Kogan Page, 2010), 147–56; H. Aguinis, R.K. Gottfredson, and H. Joo, "Delivering Effective Performance Feedback: The Strengths-Based Approach," *Business Horizons* 55, no. 2 (2012): 105–11; A.B. Bakker and M. van Woerkom, "Strengths Use in Organizations: A Positive Approach of Occupational Health," *Canadian Psychology* 59, no. 1 (February 2018): 38–46, <https://doi.org/10.1037/cap0000120>. While still encouraging a positive approach to coaching and feedback, some writers believe that negative feedback is also necessary. See, for example: A. Castiello D'Antonio, "Coaching Psychology and Positive Psychology in Work and Organizational Psychology," *The Psychologist-Manager Journal* 21, no. 2 (May 2018): 130–50, <https://doi.org/10.1037/mgr0000070>.
80. "Management People: Getting to Know You," *Retail Jeweller*, March 27, 2012; C. Dey, "4 Ways to Fly Fearlessly: A Ticket to Career Growth," *Huffington Post: The Blog*, May 18, 2016.
81. A.N. Kluger and D. Nir, "The Feedforward Interview," *Human Resource Management Review* 20, no. 3 (2010): 235–46; H. Aguinis, R.K. Gottfredson, and H. Joo, "Delivering Effective Performance Feedback: The Strengths-Based Approach," *Business Horizons* 55, no. 2 (2012): 105–11; B. Kuvaas, R. Buch, and A. Dysvik, "Constructive Supervisor Feedback Is Not Sufficient: Immediacy and Frequency Is Essential," *Human Resource Management* 56, no. 3 (2017): 519–31, <https://doi.org/10.1002/hrm.21785>; J.V. Wingerden and J.V. der Stoep, "The Motivational Potential of Meaningful Work: Relationships with Strengths Use, Work Engagement, and Performance," *PLOS ONE* 13, no. 6 (June 13, 2018): e0197599, <https://doi.org/10.1371/journal.pone.0197599>.
82. H.H. Meyer, "A Solution to the Performance Appraisal Feedback Enigma," *Academy of Management Executive* 5, no. 1 (1991): 68–76.
83. A. Terracciano, P.T. Costa and R.R. McCrae, "Personality Plasticity after Age 30," *Personality and Social Psychology Bulletin* 32, no. 8 (2006): 999–1009; R. Mittus et al., "Within-Trait Heterogeneity in Age Group Differences in Personality Domains and Facets: Implications for the Development and Coherence of Personality Traits," *PLoS ONE* 10, no. 3 (2015): e0119667; L. H. Schultz et al., "Vocational Interests across 20 Years of Adulthood: Stability, Change, and the Role of Work Experiences," *Journal of Research in Personality* 71 (2017): 46–56. <https://doi.org/10.1016/j.jrp.2017.08.010>.

84. J.W. Smith, M. London, and R.R. Reilly, "Does Performance Improve Following Multisource Feedback? A Theoretical Model, Meta-Analysis, and Review of Empirical Findings," *Personnel Psychology* 58, no. 1 (2005): 33–66; L.E. Atwater, J.F. Brett, and A.C. Charles, "Multisource Feedback: Lessons Learned and Implications for Practice," *Human Resource Management* 46, no. 2 (2007): 285–307; M.C. Campion, E.D. Campion, and M.A. Campion, "Improvements in Performance Management through the Use of 360 Feedback," *Industrial and Organizational Psychology* 8, no. 1 (2015): 85–93.
85. S.J. Ashford and G.B. Northcraft, "Conveying More (or Less) Than We Realize: The Role of Impression Management in Feedback Seeking," *Organizational Behavior and Human Decision Processes* 53 (1992): 310–34; J.R. Williams et al., "Increasing Feedback Seeking in Public Contexts: It Takes Two (or More) to Tango," *Journal of Applied Psychology* 84 (1999): 969–76.
86. J.B. Miner, "The Rated Importance, Scientific Validity, and Practical Usefulness of Organizational Behavior Theories: A Quantitative Review," *Academy of Management Learning and Education* 2, no. 3 (2003): 250–68; S. Asmus et al., "The Impact of Goal-Setting on Worker Performance - Empirical Evidence from a Real-Effort Production Experiment," *Procedia CIRP*, 12th Global Conference on Sustainable Manufacturing – Emerging Potentials, 26 (January 2015): 127–32, <https://doi.org/10.1016/j.procir.2015.02.086>.
87. P.M. Wright, "Goal Setting and Monetary Incentives: Motivational Tools That Can Work Too Well," *Compensation and Benefits Review* 26 (1994): 41–49; S. Kerr and D. LePelle, "Stretch Goals: Risks, Possibilities, and Best Practices," in *New Developments in Goal Setting and Task Performance*, ed. E.A. Locke and G.P. Latham (London: Taylor and Francis, 2012), 21–32; L.D. Ordóñez and D.T. Welsh, "Immoral Goals: How Goal Setting May Lead to Unethical Behavior," *Current Opinion in Psychology* 6 (2015): 93–96.
88. G.P. Latham, *Work Motivation: History, Theory, Research, and Practice* (Thousand Oaks, CA: Sage, 2007), 188.
89. G. Plimmer and C. Cantal, *Workplace Dynamics in New Zealand Public Services*, Centre for Labour, Employment and Work (Wellington, NZ: Victoria University of Wellington, November 2016); Willis Towers Watson, "Only Half of U.S. Employees Think They Are Paid Fairly Compared to Counterparts," news release (Arlington, VA: Willis Towers Watson, 10 November 2016).
90. The most widely studied types in organizational behavior are distributive, procedural, and interactional justice, the latter of which includes two subsets (informational and interpersonal). However, other writers have identified completely different typologies, such as legalistic, retributive, and restorative justice. See, for example: G.D. Paul and L.L. Putnam, "Emergent Paradigms of Organizational Justice," in *Transforming Conflict through Communication in Personal, Family, and Working Relationships*, ed. P.M. Kellett and T. Matyók, Peace and Conflict Studies (Lanham: Lexington Books, 2016), 271–92. For a detailed discussion and critique of the development of the justice domain, see: D.E. Rupp et al., "A Critical Analysis of the Conceptualization and Measurement of Organizational Justice: Is It Time for Reassessment?," *Academy of Management Annals* 11, no. 2 (2017): 919–59, <https://doi.org/10.5465/annals.2014.0051>.
91. R. Cropanzano, J.F. Kirk, and M. Fortin, "How Do We Know When We Are Treated Fairly? Justice Rules and Fairness Judgments," in *Research in Personnel and Human Resources Management*, vol. 33, 0 vols., *Research in Personnel and Human Resources Management* 33 (Emerald Group Publishing Limited, 2015), 279–350, <https://doi.org/10.1108/S0742-730120150000033010>; J.A. Colquitt and J.B. Rodell, "Measuring Justice and Fairness," in *The Oxford Handbook of Justice in the Workplace*, ed. R.S. Cropanzano and M.L. Ambrose (New York: Oxford University Press, 2015), 187–202, <https://doi.org/10.1093/oxfordhb/9780199981410.013.8>.
92. M. Deutsch, "Equity, Equality, and Need: What Determines Which Value Will Be Used as the Basis of Distributive Justice?," *Journal of Social Issues* 31, no. 3 (1975): 137–49; D.A. Morand and K.K. Merriman, "Equality Theory as a Counterbalance to Equity Theory in Human Resource Management," *Journal of Business Ethics* 111, no. 1 (2012): 133–44; T. Reeskens and W. van Oorschot, "Equity, Equality, or Need? A Study of Popular Preferences for Welfare Redistribution Principles across 24 European Countries," *Journal of European Public Policy* 20, no. 8 (2013): 1174–95.
93. J.S. Adams, "Toward an Understanding of Inequity," *Journal of Abnormal and Social Psychology* 67 (1963): 422–36; P.H. Siegel, M. Schraeder, and R. Morrison, "A Taxonomy of Equity Factors," *Journal of Applied Social Psychology* 38, no. 1 (2008): 61–75; R. Cropanzano, D.E. Bowen, and S.W. Gilliland, "The Management of Organizational Justice," *Academy of Management Perspectives* 21, no. 4 (2007): 34–48; D.E. Rupp et al., "A Critical Analysis of the Conceptualization and Measurement of Organizational Justice: Is It Time for Reassessment?," *Academy of Management Annals* 11, no. 2 (2017): 919–59, <https://doi.org/10.5465/annals.2014.0051>.
94. C.T. Kulik and M.L. Ambrose, "Personal and Situational Determinants of Referent Choice," *Academy of Management Review* 17 (1992): 212–37; J. Shin and Y.W. Sohn, "Effects of Employees' Social Comparison Behaviors on Distributive Justice Perception and Job Satisfaction," *Social Behavior and Personality* 43, no. 7 (2015): 1071–83; C.M. Sterling and G. Labianca, "Costly Comparisons: Managing Envy in the Workplace," *Organizational Dynamics* 44, no. 4 (2015): 296–305.
95. T.P. Summers and A.S. DeNisi, "In Search of Adams' Other: Reexamination of Referents Used in the Evaluation of Pay," *Human Relations* 43 (1990): 497–511.
96. The emotive dynamics of feelings of inequity are studied in A.W. Cappelen et al., "Equity Theory and Fair Inequality: A Neuroeconomic Study," *Proceedings of the National Academy of Sciences* 111, no. 43 (2014): 15368–72.
97. Y. Cohen-Charash and P.E. Spector, "The Role of Justice in Organizations: A Meta-Analysis," *Organizational Behavior and Human Decision Processes* 86 (2001): 278–321; B. Walker and R.T. Hamilton, "Employee-

- Employer Grievances: A Review," *International Journal of Management Reviews* 13, no. 1 (2011): 40–58; R. Cropanzano and C. Moliner, "Hazards of Justice: Egocentric Bias, Moral Judgments, and Revenge-Seeking," in *Deviant and Criminal Behavior in the Workplace*, ed. S.M. Elias (New York: New York University Press, 2013), 155–77; B.C. Holtz and C.M. Harold, "Interpersonal Justice and Deviance: The Moderating Effects of Interpersonal Justice Values and Justice Orientation," *Journal of Management* 39, no. 2 (2013): 339–65; C.L. Wilkin and C.E. Connelly, "Green with Envy and Nerves of Steel: Moderated Mediation between Distributive Justice and Theft," *Personality and Individual Differences* 72 (2015): 160–64.
98. Canadian Press, "Pierre Berton, Canadian Cultural Icon, Enjoyed Long and Colourful Career," *Times Colonist* (Victoria, BC), November 30, 2004.
 99. J. Fizel, A.C. Krautman, and L. Hadley, "Equity and Arbitration in Major League Baseball," *Managerial and Decision Economics* 23, no. 7 (2002): 427–35; M. Ezzamel and R. Watson, "Pay Comparability across and within UK Boards: An Empirical Analysis of the Cash Pay Awards to CEOs and Other Board Members," *Journal of Management Studies* 39, no. 2 (2002): 207–32.
 100. D.R. Bobocel and L. Gosse, "Procedural Justice: A Historical Review and Critical Analysis," in *Oxford Handbook of Justice in the Workplace*, ed. R.S. Cropanzano and M.L. Ambrose (New York: Oxford University Press, 2015), 51–88; Robert J. Bies, "Interactional Justice: Looking Backward, Looking Forward," in *The Oxford Handbook of Justice in the Workplace*, ed. R. Cropanzano and M.L. Ambrose, Oxford Library of Psychology (New York: Oxford University Press, 2015), 89–107.
 101. J. Greenberg and E.A. Lind, "The Pursuit of Organizational Justice: From Conceptualization to Implication to Application," in *Industrial and Organizational Psychology: Linking Theory with Practice* ed. C.L. Cooper and E.A. Locke (London: Blackwell, 2000), 72–108 ; C.B. Goldberg, M.A. Clark, and A.B. Henley, "Speaking Up: A Conceptual Model of Voice Responses Following the Unfair Treatment of Others in Non-Union Settings," *Human Resource Management* 50, no. 1 (2011): 75–94; M.R. Bashshur, "When Voice Matters: A Multilevel Review of the Impact of Voice in Organizations," *Journal of Management* 41, no. 5 (2015): 1530–54.
 102. Robert J. Bies, "Interactional Justice: Looking Backward, Looking Forward," in *The Oxford Handbook of Justice in the Workplace*, ed. R. Cropanzano and M.L. Ambrose, Oxford Library of Psychology (New York: Oxford University Press, 2015), 89–107; R. Cropanzano, J.F. Kirk, and M. Fortin, "How Do We Know When We Are Treated Fairly? Justice Rules and Fairness Judgments," *Research in Personnel and Human Resources Management* 33 (2015): 279–350, <https://doi.org/10.1108/S0742-730120150000033010>.
 103. J.S. Michel, K. Newness, and K. Duniewicz, "How Abusive Supervision Affects Workplace Deviance: A Moderated-Mediation Examination of Aggressiveness and Work-Related Negative Affect," *Journal of Business and Psychology* 31, no. 1 (2016): 1–22, <https://doi.org/10.1007/s10869-015-9400-2>; J.K. Oh and C.I.C. Farh, "An Emotional Process Theory of How Subordinates Appraise, Experience, and Respond to Abusive Supervision Over Time," *Academy of Management Review* 42, no. 2 (2017): 207–32, <https://doi.org/10.5465/amr.2014.0347>.
 104. D.T. Miller, "Disrespect and the Experience of Injustice," *Annual Review of Psychology* 52 (2001): 527–53; R. Vermunt and H. Steensma, "Procedural Justice," in *Handbook of Social Justice Theory and Research*, ed. C. Sabbagh and M. Schmitt (New York, NY: Springer New York, 2016), 219–36, https://doi.org/10.1007/978-1-4939-3216-0_12; K.A. DeCelles and K. Aquino, "Dark Knights: When and Why an Employee Becomes a Workplace Vigilante," *Academy of Management Review*, February 15, 2019, <https://doi.org/10.5465/amr.2017.0300>.
 105. M.L. Ambrose, M.A. Seabright, and M. Schminke, "Sabotage in the Workplace: The Role of Organizational Injustice," *Organizational Behavior and Human Decision Processes* 89, no. 1 (2002): 947–65.
 - a. "Bain & Company Named a Top Company on Glassdoor's Best Places to Work Ranking for the Tenth Year in a Row," News release (Boston: Bain & Company, December 6, 2017); "Bain & Company Ranked atop Glassdoor's 2019 Best Places to Work List," News release (Boston: Bain & Company, December 5, 2018).
 - b. Randstad Malaysia, "Petronas Emerges As Malaysia's Most Attractive Employer In 2018," Press release, April 19, 2018, <https://www.randstad.com.my/about-us/news/petronas-emerges-as-malaysias-most-attractive-employer-in-2018-randstad-employer-brand-research/>. Employee quotations are comments on Malaysia's most popular job advertising site, jobstreet.com.my between December 2016 and January 2018.
 - c. O. Thomas, "How Airbnb Manages Not to Manage Engineers," *readwrite*, June 5, 2014; M. Curtis, "The Antidote to Bureaucracy Is Good Judgment," *Airbnb News*, Airbnb, May 15, 2015, <http://nerds.airbnb.com/the-antidote-to-bureaucracy-is-good-judgement/>. Employee quotations are from Glassdoor in 2015 and 2016.
 - d. A. Fisher, "Expecting a Fat Year-End Bonus? Don't Get Your Hopes Up," *Fortune*, December 5, 2012; Willis Towers Watson, *Under Pressure to Remain Relevant, Employers Look to Modernize the Employee Value Proposition* (London: Willis Towers Watson, September 9, 2016); Willis Towers Watson, "U.S. Employees Give Performance Management Programs Mediocre Grades," news release (Arlington, VA: Willis Towers Watson, December 6, 2016); Glassdoor, *Global Salary Transparency Survey: Employee Perceptions of Talking Pay* (Mill Valley, CA: Glassdoor, April 2016); U.S. Office of Personnel Management, *Federal Employee Viewpoint Survey* (Washington, DC: Office of Personnel Management, October 2018).
 - e. C. Mazy, "How Companies Can Raise Their Game," *Financial Times–IE Corporate Learning Alliance*, February 19, 2018; KPMG International, "Playing for Success" (Amstelveen, The Netherlands, June 28, 2018).
 - f. Gallup Strengths Center, "Gallup Called to Coach with Ryan McCarthy–Australia Singapore Edition," Podcast in *Called to Coach*, (YouTube, October 5 2016); C. Scobie, "Fighting

- the Good Fight, for the People,” *Acuity*, Feb/March 2017; M. Deshpande, “Driven to Make Healthcare Better; Making a Difference Together,” *Stryker Interns* (blog), August 16, 2017, <https://strykerinterns.wordpress.com/category/our-stories-summer-2017/>; C. Donaldson, “5 Keys to Strengths-Based Talent Success at Australia’s Best Place to Work,” *Inside HR*, January 29 2018; “Worlds Best 2018 - Stryker,” Great Place to Work United States, accessed February 1, 2019, <https://www.greatplacetowork.com/best-workplaces/worldsbest/2018/stryker>.
- g. C. Grund and N. Westergaard-Nielsen, “The Dispersion of Employees’ Wage Increases and Firm Performance,” *Industrial & Labor Relations Review* 61, no. 4 (2008): 485–501; H. Katayama and H. Nuch, “A Game-Level Analysis of Salary Dispersion and Team Performance in the National Basketball Association,” *Applied Economics* 43, no. 10 (2011): 1193–207; P.E. Downes and D. Choi, “Employee Reactions to Pay Dispersion: A Typology of Existing Research,” *Human Resource Management Review* 24, no. 1 (2014): 53–66; S.A. Conroy et al., “A Multilevel Approach to the Effects of Pay Variation,” *Research in Personnel and Human Resources Management* 32 (2014): 1–64.
- h. S. Levin, “Oracle Systematically Underpaid Thousands of Women, Lawsuit Says,” *The Guardian*, January 18, 2019; *OFCCP v. Oracle America, Inc.*, No. 2017-OFC-0006 (U.S. Department of Labor Office of Administrative Law Judges), January 22, 2019.



6

Applied Performance Practices



Learning Objectives ➤

After reading this chapter, you should be able to:

- LO 6-1** Discuss the meaning of money and identify several individual-, team-, and organizational-level performance-based rewards.
- LO 6-2** Describe five ways to improve reward effectiveness.
- LO 6-3** List the advantages and disadvantages of job specialization.
- LO 6-4** Diagram the job characteristics model and describe three ways to improve employee motivation through job design.
- LO 6-5** Define psychological empowerment and identify strategies that support empowerment.
- LO 6-6** Describe the five elements of self-leadership and identify specific personal and work environment influences on self-leadership.

Softcom Ltd. is a shining star in Nigeria's emerging technology industry.

This success is partly due to the software company's capacity to motivate its 165 employees through meaningful work, rewards that are aligned with its purpose and values, and an implicit emphasis on self-leadership. Softcom staff say they are highly engaged by the exciting projects, including a Patient Adherence Program for pharmaceutical company GSK, a digital wallet payment and financial services product (Eyowo), and a nationwide program with digital foundations (called N-Power) to reintroduce 500,000 Nigerians to the labor market.

"The sheer scale, size and audacity of what we're doing here is one of the motivating factors for me to come to work," enthuses Abiola Fajimi, who leads one of Softcom's engineering development teams. Another Softcom employee, Iyioma Eleumunor, has a similar view. "At Softcom, there is always a sense of purpose," she explains. "We are all committed to the goal of solving some of Africa's biggest challenges, and that in itself is what connects everything and everyone."

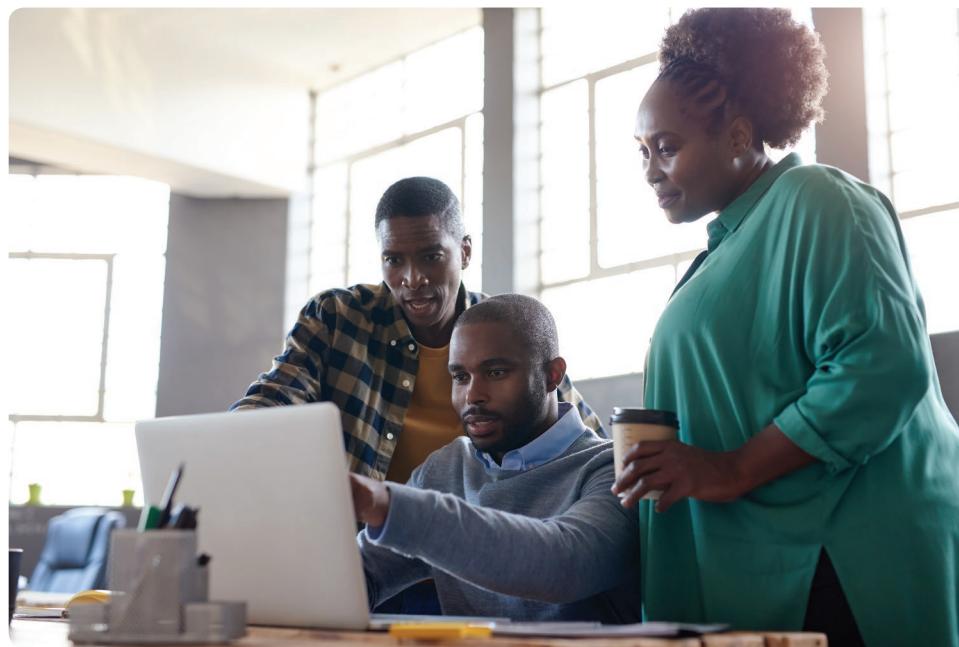


PART 2: INDIVIDUAL BEHAVIOR AND PROCESSES

Softcom employees also feel enriched through ongoing learning. “I took on the challenge of working in Admin & Procurement, a role I wasn’t so familiar with prior to that point,” says Toluyemi Nathaniel. “But it’s been amazing because I have learnt so much on the job and now I’m just working towards being the best I can be at it.” The company also holds special learning events involving specialists in the field.

Employees say they feel empowered by autonomy and the emphasis on self-leadership that Softcom expects from its staff. “I’ve realized that maybe just the freedom is what comforts people. Nobody is ringing the bell for opening time and closing time,” says Abiola Fajimi. “There’s just that expectation for you to take ownership of your time and ideas. That level of expectation will drive you to find the most productive ways to work.”

Softcom employees also experience the joy of various rewards and recognition. The company recently held a hackathon in South Africa where seven teams developed specific solutions for Africa. One of those teams got a chance to win a trip to a conference in Geneva. On St. Valentine’s Day, every Softcom staffer received an unexpected St. Valentine’s Day card with a personalized note reflecting their contribution and strengths in the organization. For instance, one employee’s note read that coworkers are forever appreciative of his “humor, culture and warmth. Thank you for being the life of our party.” Everyone’s message also appeared with a photo of them on a large screen in the office.¹



Mavo/Shutterstock

Softcom Ltd. in Lagos, Nigeria, has a highly motivated workforce, driven by meaningful jobs, rewards aligned with the company's purpose and values, and an emphasis on self-leadership.



Softcom's success is attributed to talented and highly motivated employees who have pushed the company to the forefront of the technological revolution in Africa. Employee motivation is supported by enriched jobs, rewards, an empowering work environment, and self-leadership. These four themes provide the framework for this chapter.

The chapter begins by examining the meaning of money. This is followed by an overview of financial reward practices, including the different types of rewards and how to implement rewards effectively. Next, we look at the conceptual foundations of job design, followed by specific job design strategies for motivating employees. We then consider the elements of empowerment, as well as conditions that support empowerment. The final part of the chapter explains how employees manage their own performance through self-leadership.

The Meaning of Money in the Workplace

LO 6-1

Rewarding people with money is one of the oldest applied performance practices, and is certainly the most widespread. At the most basic level, money and other financial rewards represent a form of exchange; employees provide their labor, skill, and knowledge in return for money and benefits from the organization. From this perspective, money and related rewards align employee goals with organizational goals. This concept of economic exchange can be found across cultures. The word for *pay* in Malaysian and Slovak means “to replace a loss”; in Hebrew and Swedish it means “making equal.”²

However, money is much more than an object of compensation for an employee’s contribution to organizational objectives. Money relates to our needs and our self-concept. It is a symbol of achievement and status, a motivator, a source of enhanced or reduced anxiety, and an influence on our propensity to make ethical or risky decisions. It also generates a variety of emotions, some of which are negative (anxiety, depression, anger, helplessness, etc.).³ Furthermore, money influences human thoughts and behavior non-consciously to some extent.⁴ According to one source, “Money is probably the most emotionally meaningful object in contemporary life.”⁵

The meaning of money varies considerably from one person to the next. Recent studies depict money as both a “tool” (i.e., money is valued because it is an instrument for acquiring other things of value) and a “drug” (i.e., money is an object of addictive value in itself). A widely studied model of money attitudes suggests that people have a strong “money ethic” or “monetary intelligence” when they believe that money is not evil; that it is a symbol of achievement, respect, and power; and that it should be budgeted carefully. These attitudes toward money influence an individual’s ethical conduct, organizational citizenship, and many other behaviors and attitudes.⁶



SELF-ASSESSMENT 6.1: What Is Your Attitude toward Money?

Money is a fundamental part of the employment relationship, but it is more than just an economic medium of exchange. Money affects our needs, our emotions, and our self-concept. People hold a variety of attitudes toward money. One widely studied set of attitudes is known as the “money ethic.” You can discover your attitude toward money by locating this self-assessment in Connect if it is assigned by your instructor.



The meaning of money seems to differ between men and women.⁷ Several studies have revealed that in almost all societies men attach more importance or value to money than do women. Men are more likely than women to view money as a symbol of power and status as well as the means to autonomy. Women are more likely to view money in terms of things for which it can be exchanged and particularly as a symbol of generosity and caring by using money to buy things for others.

The meaning of money also seems to vary across cultures.⁸ People in China, Japan, and other countries with high power distance (accept unequal distribution of power in a society—see Chapter 2) tend to have a high respect and priority for money, whereas people in countries with a strong egalitarian culture (such as Denmark, Austria, and Israel) are discouraged from openly talking about money or displaying their personal wealth. One study suggests that Swiss culture values saving money, whereas Italian culture places more value on spending it.

The motivational effect of money is much greater than was previously believed, and this effect is due more to its symbolic value than to what it can buy.⁹ Philosopher John Stuart Mill made this observation 150 years ago when he wrote: “The love of money is not only one of the strongest moving forces of human life, but money is, in many cases, desired in and for itself.”¹⁰ People who earn higher pay tend to have higher job performance because the higher paycheck enhances their self-evaluation. Others have noted that the symbolic value of money depends on how it is distributed in the organization and how many people receive that financial reward.

Overall, current organizational behavior knowledge indicates that money is much more than a means of exchange between employer and employee. It fulfills a variety of needs, influences emotions, and shapes or represents a person’s self-concept. These findings are important to remember when the employer is distributing financial rewards in the workplace. Over the next few pages, we look at various reward practices and how to improve the implementation of performance-based rewards.

Financial Reward Practices

Financial rewards come in many forms, which can be organized into the four specific objectives identified in Exhibit 6.1: membership and seniority, job status, competencies, and performance.

MEMBERSHIP- AND SENIORITY-BASED REWARDS

Membership-based and seniority-based rewards (sometimes called “pay for pulse”) represent the largest part of most paychecks, particularly in egalitarian cultures. Some employee benefits are provided equally to everyone, such as free or subsidized meals during work. Other rewards increase with seniority. For instance, the 200 employees at Michigan-based manufacturer Floracraft recently received a very large membership and seniority-based reward in the form of a cash gift and retirement contribution. The payment, which was an unexpected symbol of thanks from the company’s owner, increased with seniority. Employees with nine years of service (the average tenure at Floracraft) received \$20,000 in cash bonus and retirement contribution. A few Floracraft staff members have more than 40 years of service; each of them received a total of \$40,000.¹¹

These membership- and seniority-based rewards potentially reduce turnover and attract job applicants (particularly those who desire predictable income). However, they do not directly motivate job performance; on the contrary, they discourage poor performers from seeking work better suited to their abilities. Instead, good performers are more easily lured to better-paying jobs. Some of these rewards are also “golden handcuffs”—they discourage employees from quitting because of deferred bonuses or generous benefits that are not available elsewhere. The problem is that golden handcuffs potentially weaken job performance because they generate continuance rather than affective commitment (see Chapter 4).

EXHIBIT 6.1 Reward Objectives, Advantages, and Disadvantages

REWARD OBJECTIVE	SAMPLE REWARDS	ADVANTAGES	DISADVANTAGES
Membership/ seniority	<ul style="list-style-type: none"> Fixed pay Most employee benefits Paid time off 	<ul style="list-style-type: none"> May attract applicants Minimizes stress of insecurity Reduces turnover 	<ul style="list-style-type: none"> Doesn't directly motivate performance May discourage poor performers from leaving "Golden handcuffs" may undermine performance
Job status	<ul style="list-style-type: none"> Promotion-based pay increase Status-based benefits 	<ul style="list-style-type: none"> Tries to maintain internal equity Minimizes pay discrimination Motivates employees to compete for promotions 	<ul style="list-style-type: none"> Encourages hierarchy, which may increase costs and reduce responsiveness Reinforces status differences Motivates job competition and exaggerated job worth
Competencies	<ul style="list-style-type: none"> Pay increase based on competency Skill-based pay 	<ul style="list-style-type: none"> Improves workforce flexibility Tends to improve quality Is consistent with employability 	<ul style="list-style-type: none"> Relies on subjective measurement of competencies Skill-based pay plans are expensive
Task performance	<ul style="list-style-type: none"> Commissions Merit pay Gainsharing Profit sharing Stock options 	<ul style="list-style-type: none"> Motivates task performance Attracts performance-oriented applicants Organizational rewards create an ownership culture Pay variability may avoid layoffs during downturns 	<ul style="list-style-type: none"> May weaken job content motivation May distance reward giver from receiver May discourage creativity Tends to address symptoms, not underlying causes of behavior

JOB STATUS-BASED REWARDS

job evaluation
systematically rating the worth of jobs within an organization by measuring the required skill, effort, responsibility, and working conditions

Almost every organization rewards employees to some extent on the basis of the status or worth of the jobs they occupy. In many parts of the world, companies measure job worth through **job evaluation**. Most job evaluation methods give higher value to jobs that require more skill and effort, have more responsibility, and have more difficult working conditions.¹² The higher the worth of a job based on these "compensable factors," the higher the minimum and maximum pay for people in that job. Measuring each job's value or status tries to maintain pay equity (also called comparable worth) and thereby minimize pay discrimination, although critics suggest that this process may actually institutionalize inequities.¹³ Along with receiving higher pay, employees with more valued jobs sometimes receive larger offices, company-paid vehicles, and other perks.

Job status-based rewards try to improve feelings of fairness by distributing more pay to people in higher-valued jobs. These rewards also motivate employees to compete for promotions. However, at a time when companies are trying to be more cost-efficient and responsive to the external environment, job status-based rewards potentially do the opposite by encouraging a bureaucratic hierarchy. These rewards also reinforce a status mentality, whereas Millennial employees expect a more egalitarian workplace. Furthermore, status-based pay potentially motivates employees to compete with one another for higher-status jobs and to exaggerate their job duties and hoard resources as ways to increase the worth of their current job.¹⁴

COMPETENCY-BASED REWARDS

In recent years, many companies have shifted reward priorities from job status to skills, knowledge, and other competencies that lead to superior performance. The most common practices identify a list of competencies relevant across all job groups, as well as competencies specific to each broad job group. Employees progress through the pay range within that job group based on how well they demonstrate each of those competencies.¹⁵



global connections 6.1

Skill-Based Pay at Wonderful Company^a

Los Angeles-based conglomerate Wonderful Company owns the world's largest flower delivery service (Teleflora), is the world's largest grower of tree nuts, and is America's largest citrus grower. It also owns wineries, bottled water, and other diversified businesses. These operations require employees who are motivated and rewarded for developing valuable skills, so Wonderful Co. has introduced a skill-based reward system for production staff.

Employees are assigned to skill blocks based on their demonstrated knowledge and skills. A skill block is essentially a pay group such as Operator 5 and Mechanical 1, where each block has clearly defined skills as well as pathways to higher skill blocks. For example, employees in the Mechanical 1 skill block would have various proficiency levels at using the correction tensioning tool, calculating chain deflection for each system, demonstrating the correct use of an Accu-Glide conveyor service, and so forth.

Employees earn higher pay rates as they learn new skills. Suppose an employee earning a fixed rate (\$20/hour—these are not actual rates) in an operator job

is sufficiently qualified to enter the refrigeration technician skill group. The employee would first master the Mechanical 1 skill block and would receive a pay rate assigned to that skill level (\$21/hour). The pay rate would increase (to \$24/hour) when the employee also becomes sufficiently proficient in the Electrical 1 skill block. A fully qualified refrigeration technician would also master the skills for Mechanical 2, and again would receive a higher pay rate (say, \$27/hour).



David Hancock/Alamy Stock Photo

A mid-sized power utility company recently adopted this competency-based approach, which included a set of pan-organizational competencies (accountability, technical competency, etc.), as well as competencies for the four broad organizational levels: technical/professional (team-oriented, technical acumen, etc.), supervisory (informing, emotional intelligence, etc.), managerial (financial acumen, fostering innovation, etc.), and executive (strategic thinking, managing stakeholders, etc.). Each organizational level has a pay range and people within an organizational level likely receive pay increases through that pay range as they demonstrate higher levels of the identified competencies.¹⁶

Skill-based pay plans are a more specific variation of competency-based rewards in which people receive higher pay determined by their mastery of measurable skills.¹⁷ High Liner Foods, one of North America's largest frozen seafood companies, assigns pay rates to employees at its Portsmouth, New Hampshire, plant based on the number and difficulty of skills they have mastered. "We're setting our sites up for a skill-based pay system, so as employees learn and demonstrate certain skills, they move into a different pay bracket," explains a High Liner executive.

Competency-based rewards motivate employees to learn new skills.¹⁸ This tends to support a more flexible workforce, increase employee creativity, and allow employees to be more adaptive to embracing new practices in a dynamic environment. Product or service quality also tends to improve because employees with multiple skills are more likely to understand the work process and know how to improve it. However, competency-based pay plans have not always worked out as well as promised by their advocates. They are often over-designed, making it difficult to communicate these plans to employees. Competency definitions tend to be abstract, which raises questions about fairness when employers are relying on these definitions to award pay increases. Skill-based pay systems measure specific skills, so they are usually more objective. However, they are expensive because employees spend more time learning new tasks.¹⁹

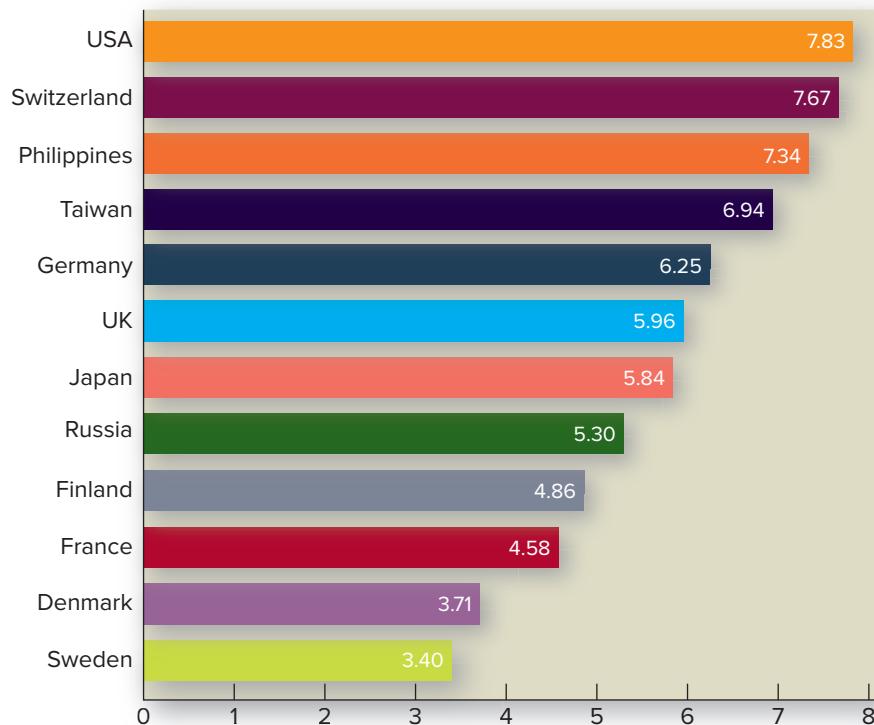
PERFORMANCE-BASED REWARDS

Performance-based rewards have existed for more than 4,000 years. Shepherds and other workers during the Third Dynasty of Ur (located in modern-day Iraq) had strict performance standards and received harsh penalties if their output (number of sheep delivered) fell short of those standards. Hundreds of years later, the most productive weavers in ancient Babylon received higher payment (in food) than coworkers with lower productivity.²⁰ Today, performance-based rewards exist in many forms across most cultures. Here is an overview of some of the most popular individual, team, and organizational performance-based rewards.

Individual Rewards Many employees receive individual bonuses or other rewards for accomplishing a specific task or exceeding annual performance goals. Housekeeping staff in many hotels, for instance, are paid a piece rate—a specific amount earned for each room cleaned.²¹ Other hotels pay an hourly rate plus a per-room bonus. Real estate agents and other salespeople typically earn *commissions*, in which their pay depends on the sales volume they generate.

Team Rewards Organizations have shifted their focus from individuals to teams, and accompanying this transition has been the introduction of more team-based rewards. Nucor Inc. relies heavily on team-based rewards. The steelmaker's employees earn bonuses that can exceed half their total pay, determined by how much steel is produced by the team. This team-based bonus system also includes penalties. If

GLOBAL VARIATIONS IN INDIVIDUAL PERFORMANCE-BASED PAY^b



Scores represent the average number of individual pay-for-performance (I-PFP) practices used by each company surveyed within the specified country. The I-PFP practices include using performance-based rewards, using performance appraisals to make pay decisions, and so on. The study surveyed 4,207 companies (minimum 100 employees) in 27 countries. This exhibit displays a sample across the range of the countries studied.



employees catch a bad batch of steel before it leaves the mini-mill, they lose their bonus for that shipment. But if a bad batch makes its way to the customer, the team loses three times its usual bonus.²²

Another form of team-based performance reward, called a **gainsharing plan**, calculates bonuses from the work unit's cost savings and productivity improvement. Many hospitals have cautiously introduced a form of gainsharing, whereby physicians and medical staff in a medical unit (cardiology, orthopedics, etc.) are collectively rewarded for cost reductions in surgery and patient care. These cost reductions mainly occur through negotiating better prices of materials.²³ Gainsharing plans tend to improve team dynamics, knowledge sharing, and pay satisfaction. They also create a reasonably strong link between effort and performance, because much of the cost reduction and labor efficiency is within the team's control.²⁴

Organizational Rewards Along with individual and team-based rewards, many firms motivate employees with organizational-level rewards. Many businesses distribute bonuses to all employees for achieving preset organizational goals or as a companywide (rather than team-based) variation of a gainsharing plan. For example, Hilcorp Energy Company pays annual bonuses determined by the company's production rate, midstream income, reserves, and operating costs. "The annual bonus payout is up to 60 percent of salary and is the same number for every employee—no team component, no individual component—one number for the entire organization," explains Greg Lalicker, CEO of the Texas-based oil and gas firm.²⁵

Another organizational-level reward system, the **employee stock ownership plan (ESOP)**, encourages employees to buy company stock, usually at a discounted price. The financial incentive occurs in the form of dividends and market appreciation of the stock. Today, approximately 20 percent of Americans working in the private sector hold stock in their companies.²⁶ Publix Super Markets has the largest ESOP in America. The Florida-based grocery chain distributes a portion of company profits to employees in the form of company stock. Employees can also purchase additional stock from the privately held company. "Working for an employee-owned company gives me a strong sense of ownership so that when I walk into work every day, I want to do my very best," says Matthew Honeycutt, manager of a Publix Super Market in Virginia.²⁷

While ESOPs involve purchasing company shares, **stock options** give employees the right to purchase company stock at a predetermined price up to a fixed expiration date. Here's how stock options work: An employer might offer employees the right to purchase 100 shares at \$50 each at any time between two and six years from now. If the stock price is, say, \$60 two years later, employees could earn \$10 per share from these options, or they could wait up to six years for the stock price to rise further. If the stock price never rises above \$50 during that time, employees are "out of the money," and they would let the options expire. The intention of stock options is to motivate employees to make the company more profitable, thereby raising the company's stock price and enabling them to reap the value above the predetermined price of the stock options.

Another type of organizational-level reward is the **profit-sharing plan**, in which employees receive a percentage of the previous year's company profits. An interesting

gainsharing plan

a team-based reward that calculates bonuses from the work unit's cost savings and productivity improvement

employee stock ownership plan (ESOP)

a reward system that encourages employees to buy company stock

stock options

a reward system that gives employees the right to purchase company stock at a future date at a predetermined price

profit-sharing plan

a reward system that pays bonuses to employees on the basis of the previous year's level of corporate profits

application of this reward occurs at Svenska Handelsbanken AB. In years when the Swedish bank is more profitable than the average of competing banks, it transfers one-third of the difference in profits to an employee fund. Every employee receives one share in the fund for each year of service, which can be cashed out at 60 years of age (even if they continue working for the bank beyond that age).²⁸

Evaluating Organizational-Level Rewards How effective are organizational-level rewards? Research indicates that ESOPs and stock options tend to create an ownership culture in which employees feel aligned with the organization's success.²⁹ They may also increase firm performance under some circumstances, but the effects are modest.³⁰ Profit sharing and organization-wide productivity bonuses are also associated with improved productivity, but their effectiveness depends on industry, bonus complexity, and other factors.³¹ Profit sharing has the advantage of automatically adjusting employee compensation with the firm's prosperity, thereby reducing the need for layoffs or negotiated pay reductions during recessions.

One reason why organizational rewards don't improve motivation or performance very much is that employees perceive a weak connection between their individual effort and the determinants of those rewards (e.g., corporate profits or stock price). Even in small firms, the company's stock price or profitability are influenced by economic conditions, competition, and other factors beyond the employee's immediate control. This low individual performance-to-outcome expectancy suppresses the incentive's motivational effect. However, a few studies have found that ESOPs and other organizational rewards have a more robust influence on motivation and firm performance when employees are also involved in organizational decisions.³² We discuss employee involvement in the next chapter (Chapter 7).

Improving Reward Effectiveness

LO 6-2



Performance-based rewards have come under attack over the years for discouraging creativity, distancing management from employees, distracting employees from the meaningfulness of the work itself, and being quick fixes that ignore the true causes of poor performance. One study even found that very large rewards (relative to the usual income) can result in lower, rather than higher, performance.³³ While these issues have kernels of truth under specific circumstances, they do not necessarily mean that we should abandon performance-based pay. On the contrary, top-performing companies are more likely to have performance-based (or competency-based) rewards, which is consistent with evidence that these rewards are an important factor in human capital development (see Chapter 1).³⁴ Reward systems do motivate most employees, but only under the right conditions. Here are some of the more important strategies for improving reward effectiveness.

LINK REWARDS TO PERFORMANCE

Organizational behavior modification theory and expectancy theory (Chapter 5) both recommend that employees with better performance should be rewarded more than those with poorer performance. Unfortunately, this simple principle seems to be unusually difficult to apply. Few employees see a relationship between job performance and the amount of pay they and coworkers receive. One survey reported that only 42 percent of employees globally say they think there is a clear link between their job performance and pay. Only 25 percent of Swedish employees and 36 percent of American employees see a pay-performance link. Even employers are doubtful that their pay systems work: only



32 percent of mid-sized American and Canadian employers believe their formal performance pay system actually differentiates pay based on employee performance.³⁵

How can companies improve the pay–performance linkage? Inconsistencies and bias can be minimized through gainsharing, ESOPs, and other plans that use objective performance measures. Where subjective measures of performance are necessary, companies should rely on multiple sources of information. Companies also need to apply rewards soon after the performance occurs, and in a large-enough dose (such as a bonus rather than a pay increase), so employees experience positive emotions when they receive the reward.³⁶

ENSURE THAT REWARDS ARE RELEVANT

Companies need to align rewards with performance within the employee’s control. The more employees see a “line of sight” between their daily actions and the reward, the more they are motivated to improve performance. “We call it return on controllable assets,” explains Michael Kneeland, chairman and former CEO of United Rentals. Bonuses at the world’s largest equipment rental company are determined by how profitably United managers take care of assets within their control. Higher-level managers earn bonuses based more on overall fleet performance, whereas branch managers are rewarded more for parts and inventory efficiencies at their local operations. “These are things within their control that they are assessed on,” says Kneeland.³⁷ Reward systems also need to correct for situational factors. Salespeople in one region may have higher sales because the economy is stronger there than elsewhere, so sales bonuses need to be adjusted for such economic factors.

USE TEAM REWARDS FOR INTERDEPENDENT JOBS

Team rewards are better than individual rewards when employees work in highly interdependent jobs because it is difficult to measure individual performance in these situations. Nucor Corp. relies on team-based bonuses for this reason; producing steel is a team effort, so employees earn bonuses based on team performance. Team rewards also encourage cooperation, which is more important when work is highly interdependent. A third benefit of team rewards is that they tend to support employee preferences for team-based work. One concern, however, is that employees (particularly the most productive employees) in the United States and many other low-collectivism cultures prefer rewards based on their individual performance rather than team performance.³⁸

ENSURE THAT REWARDS ARE VALUED

It seems obvious that rewards work best when they are valued. Yet companies sometimes make false assumptions about what employees want, with unfortunate consequences. For instance, one manager honored an employee’s 25th year of service by buying her a box of doughnuts to be shared with other staff. The employee was insulted. She privately complained later to coworkers that she would rather receive nothing than “a piddling box of doughnuts.”³⁹ The solution, of course, is to ask employees what they value. Campbell Soup did this several years ago at one of its distribution centers. Executives thought the employees would ask for more money in a special team reward program. Instead, distribution staff said the most valued reward was a leather jacket with the Campbell Soup logo on the back. The leather jackets cost much less, yet were worth much more than the financial bonus the company had intended to distribute.⁴⁰

WATCH OUT FOR UNINTENDED CONSEQUENCES

Performance-based reward systems sometimes have unexpected—and undesirable—effects on employee motivation and behavior.⁴¹ Many companies have discovered that rewarding employees for how much they produce results in lower quality and more product defects.



global connections 6.2

When Rewards Go Wrong

For many years, the paychecks of almost all public transit bus drivers in Santiago, Chile, were determined by the number of fare-paying passengers. This incentive motivated the drivers to begin their route on time, take shorter breaks, drive efficiently, and ensure that passengers paid their fare.

But the drivers' reward system also had horrendous unintended consequences. To take on more passengers, bus drivers aggressively raced with competing buses to the next passenger waiting area, sometimes cutting off each other and risking the safety of people in nearby vehicles. Drivers reduced time at each stop by speeding off before passengers were safely on board. They also left the bus doors open, resulting in many passenger injuries and fatalities during the journey. Some drivers drove past waiting areas if there was only one person waiting. They completely skipped stops with schoolchildren because those passengers paid only one-third of the regular fare. Studies reported that Santiago's transit buses caused one fatal accident every three days, and that drivers paid per passenger caused twice as many traffic accidents as drivers paid per hour.

Santiago later integrated its public transit system and drivers earned only hourly pay. Unfortunately, under this

reward system drivers were no longer motivated to ensure that passengers pay the fare (about one-third were freeloaders), and some skipped passenger stops altogether when they were behind schedule or at the end of their workday. Santiago recently changed driver pay once again to a combination of fixed pay and bonuses determined by several performance indicators and reduced fare evasion.^c



David R. Frazier Photolibrary, Inc./Alamy Stock Photo

Employees who work mainly on piece-rate pay experience worse physical and emotional health than employees in similar jobs who earn hourly pay.

Unusual reward systems can sometimes have equally unusual unintended consequences. Consider the following example: A food processing plant discovered that insect parts were somehow getting into the frozen peas during processing. To solve this serious problem, management decided to reward production staff for any insect parts they found in the peas. The incentive worked! Employees found hundreds of insect parts that they dutifully turned in for the bonus. The problem was that many of these insect pieces came from the employees' backyards, not from the production line.⁴² Avoiding unintended consequences of rewards isn't easy, but they can often be averted by carefully thinking through what the rewards actually motivate people to do and, where possible, test the incentives in a pilot project before applying them across the organization.

Financial rewards come in many forms and influence employees in complex ways. But money isn't the only thing that motivates people. "Remuneration doesn't necessarily retain or attract people," explains Jim Brodie, an executive at Mars Incorporated Australia. "What works here is that we are a highly decentralized organization, trusting our associates and delegating decision making to the lowest possible level so that people feel empowered."⁴³ Employees are usually much more engaged in their work through intrinsic rather than extrinsic sources of motivation. As we discussed in Chapter 5, *intrinsic motivation* occurs when the source of motivation is controlled by the individual and experienced from the activity itself. In other words, companies motivate employees mainly by designing jobs that are interesting, challenging, and provide autonomy, which is the topic we discuss next.



Job Design Practices

LO 6-3

How do you build a better job? This question has challenged organizational behavior experts, psychologists, engineers, and economists for a few centuries. Some jobs have very few tasks and usually require very little skill. Other jobs are immensely complex and require years of experience and learning to master them. From one extreme to the other, jobs have different effects on work efficiency and employee motivation. The ideal, at least from the organization's perspective, is to find the right combination so that work is performed efficiently but employees are engaged and satisfied.⁴⁴ Job design—the process of assigning tasks to a job, including the interdependency of those tasks with other jobs—tries to balance these potentially competing effects of efficiency and motivation. To understand this issue more fully, let's begin by describing early job design efforts aimed at increasing work efficiency through job specialization.

JOB DESIGN AND WORK EFFICIENCY

By any measure, supermarket cashiers have highly repetitive work. One consulting firm estimated that cashiers should be able to scan each item in an average of 4.6 seconds. A British newspaper reported that cashiers at five supermarket chains in that country actually took between 1.75 and 3.25 seconds to scan each item from a standardized list of 20 products. Along with scanning, cashiers process the payment, move the divider stick, and (in some stores) bag the checked groceries.⁴⁵

Supermarket cashiers perform jobs with a high degree of **job specialization**. Job specialization occurs when the work required to serve a customer—or provide any other product or service—is subdivided into separate jobs assigned to different people. For instance, supermarkets have separate jobs for checking out customers, stocking shelves, preparing fresh foods, and so forth. Except in the smallest family grocery stores, one person would not perform all of these tasks as part of one job. Each resulting job includes a narrow subset of tasks, usually completed in a short cycle time. *Cycle time* is the time required to complete the task before starting over with another item or client. Supermarket cashiers have a cycle time of about 4 seconds to scan each item before they repeat the activity with the next item. They also have a cycle time for serving each customer, which works out to somewhere between 20 and 40 times per hour in busy stores.

Why would companies divide work into such tiny bits? The simple answer is that job specialization potentially improves work efficiency. One reason for this higher efficiency is that employees have less variety of tasks to juggle (such as checking out customers versus stocking shelves), so there is less time lost changing over to a different type of activity. Even when people can change tasks quickly, their mental attention lingers on the previous type of work, which slows down performance on the new task.⁴⁶ A second reason for increased work efficiency is that employees can become proficient more quickly in specialized jobs. There are fewer physical and mental skills to learn and therefore less time to train and develop people for high performance. Third, shorter work cycles give employees more frequent practice with the task, so jobs are mastered more quickly. Fourth, specialization tends to increase work efficiency by allowing employees with specific aptitudes or skills to be matched more precisely to the jobs for which they are best suited.⁴⁷

The benefits of job specialization were noted more than 2,300 years ago by the Chinese philosopher Mencius and the Greek philosopher Plato. Scottish economist Adam Smith wrote 250 years ago about the advantages of job specialization. Smith described a small factory where 10 pin makers collectively produced as many as 48,000 pins per day because they performed specialized tasks. One person straightened the metal, another cut it, another sharpened one end of the cut piece, yet another added a white tip to the

job specialization

the result of a division of labor, in which work is subdivided into separate jobs assigned to different people



The Arsenal of Venice introduced job specialization in the sixteenth century—200 years before economist Adam Smith famously praised this form of job design. Founded in AD 1104, the state-owned shipbuilder in Italy eventually employed up to 4,000 people in specialized jobs (carpenters, iron workers, warehouse supervisors, etc.) to build ships and accessories (e.g., ropes). In 1570, the Arsenal had become so

efficient through specialization that it built 100 ships in two months. The organization even had an assembly line along the waterway where workers apportioned food, ammunition, and other supplies from specially designed warehouses to the newly built vessels as they travelled past.^d

Leemage/Universal Images Group/Getty Images

other end, and so forth. In contrast, Smith explained that if these 10 people worked alone producing complete pins, they would collectively manufacture no more than 200 pins per day.⁴⁸

SCIENTIFIC MANAGEMENT

scientific management
the practice of systematically partitioning work into its smallest elements and standardizing tasks to achieve maximum efficiency

One of the strongest advocates of job specialization was Frederick Winslow Taylor, an American industrial engineer who introduced the principles of **scientific management** in the early 1900s.⁴⁹ Scientific management consists of a toolkit of activities. Some of these interventions—employee selection, training, goal setting, and work incentives—are common today but were rare until Taylor popularized them. However, scientific management is mainly associated with high levels of job specialization and standardization of tasks to achieve maximum efficiency.

According to Taylor, the most effective companies have detailed procedures and work practices developed by engineers, enforced by supervisors, and executed by employees. Even the supervisor's tasks should be divided: One person manages operational efficiency, another manages inspection, and another is the disciplinarian. Taylor and other industrial engineers demonstrated that scientific management significantly improves work efficiency. No doubt, some of the increased productivity can be credited to training, goal setting, and work incentives, but job specialization quickly became popular in its own right.

PROBLEMS WITH JOB SPECIALIZATION

Frederick Winslow Taylor and his contemporaries focused on how job specialization reduces labor “waste” by improving the mechanical efficiency of work (e.g., skills matching, faster learning, less switchover time). Yet they didn’t seem to notice how this extreme job specialization adversely affects employee attitudes and motivation. Some jobs—such as scanning grocery items—can be so specialized that they soon become tedious, trivial, and socially isolating. Specialized jobs with very short cycle times often produce higher levels of employee turnover and absenteeism. Companies sometimes have to pay higher wages to attract job applicants to this dissatisfying, narrowly defined work.⁵⁰

Job specialization affects output quality, but in two opposing ways. Job incumbents of specialized jobs potentially produce higher-quality results because, as we mentioned earlier, they master their work faster than do employees in jobs with many and varied tasks. This higher proficiency explains why specialist lawyers tend to provide better quality service than do generalist lawyers.⁵¹ The opposing effect is that many jobs (such as supermarket cashiers) are specialized to the point that they are highly repetitive and tedious. In these repetitive jobs, the positive effect of higher proficiency is easily offset by the negative effect of lower attentiveness and motivation caused by the tedious work patterns.

Job specialization also undermines work quality by making it difficult for employees to visualize or otherwise understand the overall product or service. By performing a small part of the overall work, employees have difficulty striving for better quality or even noticing flaws with that overall output. As one observer of an automobile assembly line reports: “Often [employees] did not know how their jobs related to the total picture. Not knowing, there was no incentive to strive for quality—what did quality even mean as it related to a bracket whose function you did not understand?”⁵²

Job Design and Work Motivation

LO 6-4

Frederick Winslow Taylor may have overlooked the motivational effect of job characteristics, but it is now the central focus of many job design initiatives. The motivational potential of the job itself is depicted in the **job characteristics model**, shown in Exhibit 6.2. The model identifies five core job dimensions that produce three psychological states. Employees who experience these psychological states tend to have higher levels of *intrinsic motivation* (motivation from the work itself), job satisfaction (particularly satisfaction with the work itself), and work effectiveness.⁵³

CORE JOB CHARACTERISTICS

The job characteristics model identifies five core job characteristics. Under the right conditions, employees are more motivated and satisfied when jobs have higher levels of these characteristics:

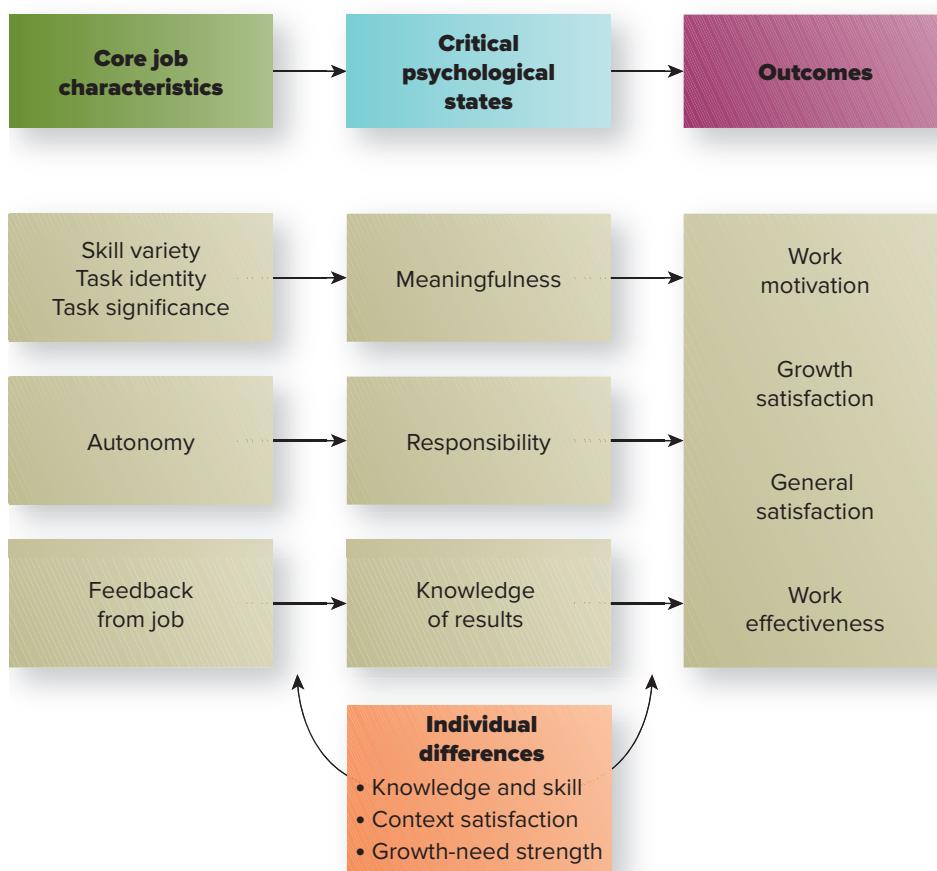
- *Skill variety.* **Skill variety** refers to the use of different skills and talents to complete a variety of work activities. For example, sales clerks who normally only serve customers might be assigned the additional duties of stocking inventory and changing storefront displays.
- *Task identity.* **Task identity** is the degree to which a job requires completion of a whole or identifiable piece of work, such as assembling an entire broadband modem rather than just soldering in the circuitry.

skill variety

the extent to which employees must use different skills and talents to perform tasks within their jobs

task identity

the degree to which a job requires completion of a whole or an identifiable piece of work

EXHIBIT 6.2 The Job Characteristics Model

Source: J.R. Hackman and G. Oldham, *Work Redesign* (Reading, MA: Addison-Wesley, 1980), p. 90.

task significance
the degree to which a job has a substantial impact on the organization and/or larger society

- *Task significance.* **Task significance** is the degree to which the job affects the organization and/or larger society. It is an observable characteristic of the job (you can see how it benefits others) as well as a perceptual awareness. Several companies have special events to help employees become more aware of how their work affects customers or other end users. During these events, customers speak to employees about the importance and benefits of the products they make or services they provide. Task significance increases even when employees have more direct contact with clients. For instance, one study recently found that when chefs were able to directly observe the customers who ordered the food, they felt more appreciated and, consequently, exerted more effort and felt more satisfied with their job.⁵⁴
- *Autonomy.* As we learned in Chapter 5, autonomy is a key ingredient for intrinsic motivation.⁵⁵ Jobs with high levels of autonomy provide freedom, independence, and discretion in scheduling the work and determining the procedures to be used to complete the work. In autonomous jobs, employees make their own decisions rather than rely on detailed instructions from supervisors or procedure manuals.
- *Job feedback.* Job feedback is the degree to which employees can tell how well they are doing from direct sensory information from the job itself. Airline pilots can tell how well they land their aircraft, and road crews can see how well they have prepared the roadbed and laid the asphalt.

Accounting professionals serve a vital role in society, yet this task significance isn't always apparent to them because the benefits are long term and involve many coworkers. KPMG bolstered task significance by showing its staff a video documenting the professional services firm's historic contributions to society. Employees also were invited to share stories about how their jobs as auditors have had a positive impact on others. KPMG was overwhelmed with 42,000 submissions, some of which were later depicted in posters around the organization. This "higher purpose" awareness initiative substantially reduced employee turnover intentions. The company's ranking as a best employer also jumped the year after this campaign was launched.^e

Source: KPMG



CRITICAL PSYCHOLOGICAL STATES

The five core job characteristics affect employee motivation and satisfaction through three critical psychological states, shown in Exhibit 6.2. Skill variety, task identity, and task significance directly contribute to the job's *experienced meaningfulness*—the belief that one's work is worthwhile or important. Autonomy directly contributes to feelings of *experienced responsibility*—a sense of being personally accountable for the work outcomes. The third critical psychological state is *knowledge of results*—an awareness of the work outcomes based on information from the job itself.

INDIVIDUAL DIFFERENCES

Job design doesn't increase work motivation for everyone in every situation. Employees must have the required skills and knowledge to master the more challenging work. Otherwise, job design tends to increase stress and reduce job performance. The original model also states that employees will be motivated by the five core job characteristics only when they are satisfied with their work context (e.g., working conditions, job security) and have a high *growth need strength*. Growth need strength refers to an individual's need for personal growth and development, such as work that offers challenges, cognitive stimulation, learning, and independent thought and action.⁵⁶ However, research findings have been mixed, suggesting that employees might be motivated by job design no matter how they feel about their job context or how high or low they score on growth needs.⁵⁷

SOCIAL AND INFORMATION PROCESSING JOB CHARACTERISTICS

The job characteristics model overlooks two clusters of job features: social characteristics and information processing demands.⁵⁸ One social characteristic is the extent to which the job requires employees to interact with other people (coworkers, clients, government representatives, etc.). This required social interaction is associated

**task interdependence**

the extent to which team members must share materials, information, or expertise in order to perform their jobs

with emotional labor, discussed in Chapter 4, as well as with **task interdependence**, which is the extent to which employees need to share materials, information, or expertise with one another (see Chapter 8). A second social characteristic of the job is feedback from others. In Chapter 5 we learned that feedback is a source of motivation. This extends from the manager to coworkers, clients, and others. Jobs that enable this social feedback may be just as motivating as jobs that provide feedback from the task itself.

The other cluster of job characteristics missing from the job characteristics model relates to the information processing demands of the job.⁵⁹ One information processing demand is how predictable the job duties are from one day to the next (called *task variability*). Employees in jobs with high task variability have nonroutine work patterns; they perform different types of tasks from one day to the next, and don't know which tasks are required until that time. The second information processing demand, called *task analyzability*, refers to how much the job can be performed using known procedures and rules. Jobs with high task analyzability have a ready-made "cookbook" to guide people in those jobs through most decisions and actions, whereas jobs with low task analyzability require employee creativity and judgment to determine the best course of action. Task variability and task analyzability are important job characteristics to consider when designing organizational structures, so we discuss them further in Chapter 13.

Job Design Practices That Motivate

Three main strategies can increase the motivational potential of jobs: frequent job rotation, job enlargement, and job enrichment.

FREQUENT JOB ROTATION

Job rotation is the practice of moving employees from one job to another for the purpose of improving the motivational and physiological conditions of the work. Frequent job rotation specifically refers to changing jobs one or more times each day (as compared to frequent job transfers in which employees change jobs each year or two). There are four potential benefits of frequent job rotation.

- *Higher motivation potential.* Job rotation requires employees to use a wider variety of skills throughout the workday, which potentially improves their motivation and satisfaction by incorporating at least one motivational component of job design (skill variety).
- *Better knowledge of quality issues.* By performing two or more jobs within a production or service process, employees develop a clearer picture of that process and ways to improve product quality.
- *Lower health risks.* Employees who perform a job with a short cycle time are at increased risk of repetitive strain and heavy lifting injuries. Job rotation reduces these risks to some extent because each job in the rotation cycle typically requires different muscles and physical positions.
- *Greater workforce flexibility.* Through frequent job rotation, employees learn how to perform multiple jobs. This multiskilling makes it easier for companies to fill positions that are vacant due to vacations and other absences.

EYE Lighting International practices frequent job rotation because of these benefits. "Every employee on the factory floor changes positions at least once a day," says an



debating point

JOB ROTATION HAS COSTS, NOT JUST BENEFITS

Frequent job rotation—in which employees switch jobs with coworkers one or more times each day—is considered a valuable practice in many production and service job groups. It minimizes health risks from repetitive strain and heavy lifting by relieving employees of that strain for part of the day or, at least, allows them to use different muscle groups in the rotated jobs. Employees in the rotation cycle see a larger part of the production process, so they can more easily identify quality problems and their solutions. Job rotation also increases workforce flexibility by training employees in multiple jobs. This multiskilling makes it easier for the company to fill jobs during vacations and other absences. Finally, job rotation increases skill variety throughout the workday, which supports at least one motivational component of job design.

These job design benefits are widely recognized and applauded, but less attention seems to be given to the potential problems and limitations of this practice. One concern is that employee task performance may be lower when performing two or more jobs each day, even when each job has a narrow range of tasks.¹ This performance deficit occurs because employees who perform several jobs have less time to practice and perfect their performance within each job. A related concern is that job rotation produces higher training costs because employees need to learn the procedures for each job in the rotation cluster. Task performance also suffers because the various jobs likely require somewhat different aptitudes, such as finger dexterity or emotional intelligence. Consequently, job rotation does not assign employees as precisely to tasks that fit their natural aptitudes.

Task proficiency is probably also lower in job rotation due to the problem of attention residue.⁹ Attention residue occurs when we

continue to think about a previous task after switching over to another task. An employee who worked on inventory at the beginning of a shift might continue to think about inventory decisions and problems after rotating into a cashier position. Consequently, the employee is less mindful of their checkout duties and is more susceptible to errors in that role. The more frequent the job rotation, the more risk that attention residue will undermine performance in the current position.

Job rotation also overlooks the idea that people are more motivated to perform some types of work more than others.¹⁰ Some enjoy physical work whereas others prefer work that involves social interaction, for example. In fact, people often define themselves by specific jobs, such as being a customer-focused person rather than a number-cruncher. Job rotation might undermine employee motivation because employees are required to perform tasks they don't like and are misaligned with their self-concept.

A fourth concern is that job rotation might make it more difficult to identify individual performance or accountability for job site maintenance. If several employees switch jobs every two hours, then each job will have three or more job incumbents within one work shift. Nine or more employees would have been in that position over 24 hours in a continuous production system. Unless work output is tagged or time stamped, it becomes difficult to know which of these employees made mistakes, didn't sufficiently prepare the work area for others, and so forth. Aware of their performance anonymity, some employees in job rotation clusters will engage in social loafing—they exert less effort and produce lower quality or quantity output because their work output is less identifiable.¹¹

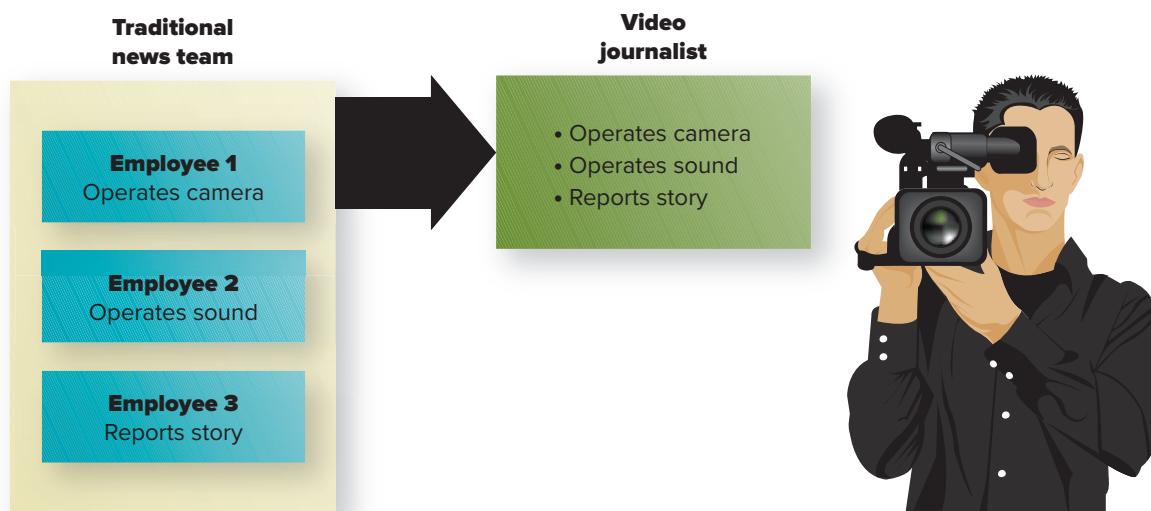
executive at the American subsidiary of Iwasaki Electric of Japan. “The employees love it because they don’t get bored in their daily job. Ergonomically, it’s good for them because they’re not doing the same repetitive task day-in and day-out when they come here.” The EYE Lighting executive also notes that job rotation gives the company “a tremendous amount of flexibility” when assigning work.⁶⁰

JOB ENLARGEMENT

job enlargement

the practice of increasing the number and variety of related tasks assigned to a job

Job enlargement involves increasing the number and variety of related tasks assigned to a job held by an employee. This might involve combining two or more complete jobs into one or just adding more tasks requiring different skills to an existing job.⁶¹ Either way, skill variety increases because the additional tasks require distinct skills from the original job with fewer tasks. A video journalist is an example of an enlarged job. As Exhibit 6.3 illustrates, a traditional news team consists of a camera operator, a sound and lighting

EXHIBIT 6.3 Job Enlargement of Video Journalists

specialist, and the journalist who writes and presents or narrates the story. One video journalist performs all of these tasks.

Job enlargement offers the same benefits as job rotation because adding more and varied tasks gives employees more skill variety and reduces the risk of repetitive strain injuries. Early research concluded that job enlargement often produced higher employee motivation, job satisfaction, and work efficiency.⁶² However, simply giving employees more tasks falls significantly short of the motivational potential of jobs as defined by the job characteristics model. Instead, a job's full motivational potential occurs when skill variety is combined with more autonomy and job knowledge.⁶³ In other words, employees are motivated when they perform a variety of tasks *and* have the freedom and knowledge to structure their work to achieve the highest satisfaction and performance. These job characteristics are at the heart of job enrichment.

JOB ENRICHMENT

job enrichment
the practice of giving employees more responsibility for scheduling, coordinating, and planning their own work

Job enrichment occurs when employees are given more responsibility for scheduling, coordinating, and planning their own work.⁶⁴ For example, rather than reading a prepared script for each client interaction, customer service employees at Dollar Shave Club, American Express, and Zappos are given both training and discretion regarding how long they should engage in conversation with a client and what to say to them. Some call center agents even have budgets to send small gifts to customers following special conversations. “You never know what they’re going to type,” says an employee who provides online chat-based customer service at Dollar Shave Club. “I have to listen and respond. That’s all improv is.”⁶⁵

People who perform enriched jobs potentially have higher job satisfaction and work motivation, along with lower absenteeism and turnover. Productivity is also higher when task identity and job feedback are improved. Product and service quality tend to improve because job enrichment increases the jobholder’s felt responsibility and sense of ownership over the product or service.⁶⁶



Telus Communications increased job enrichment among its service technicians by establishing direct client relationships. Previously, clients communicated only with customer service staff at the Canadian telecommunications company; service technicians performed the technical tasks with minimal customer interaction or responsibilities. Now, service technicians are responsible for both technical and customer service activities for their respective assignments. Telus job ads for technicians clearly emphasize these multiple roles: "You will be responsible for installing, maintaining and supporting [Telus products] while driving future growth for TELUS by [providing] exemplary customer service and education to our customers face to face on both new and existing products in the customer's home." As one Telus technician commented: "It's great for me personally, because I have a lot more ownership of the customer relationship."^j

Rosalie Anareta/Alamy Stock Photo

One way to increase job enrichment is by combining highly interdependent tasks into one job. This *natural grouping* approach is reflected in the video journalist job. Along with being an enlarged job, video journalism is an example of job enrichment because it naturally groups tasks together to complete an entire product (i.e., a news story). By forming natural work units, job-holders have stronger feelings of responsibility for an identifiable body of work. They feel a sense of ownership and, therefore, tend to increase job quality. Forming natural work units increases task identity and task significance because employees perform a complete product or service and can more readily see how their work affects others.

A second job enrichment strategy, called *establishing client relationships*, involves putting employees in direct contact with their clients rather than using another job group or the supervisor as the liaison between the employee and the customer. Establishing client relationships increases task significance because employees see a line-of-sight connection between their work and consequences for customers. By being directly responsible for specific clients, employees also have more information and can make better decisions affecting those clients.⁶⁷

Forming natural task groups and establishing client relationships are common ways to enrich jobs, but the heart of the job enrichment philosophy is to give employees more autonomy over their work. This basic idea is at the core of one of the most widely mentioned—and often misunderstood—practices known as empowerment.

Psychological Empowerment Practices

LO 6-5

psychological empowerment
a perceptual and emotional state in which people experience more self-determination, meaning, competence, and impact regarding their role in the organization

Employees who perform enriched jobs typically say they feel "empowered." In fact, psychological empowerment is a well-known outcome of job enrichment, but it is also due to other work conditions as well as employee characteristics. **Psychological empowerment** refers to a perceptual and emotional state in which people experience more self-determination, meaning, competence, and impact regarding their role in the organization.⁶⁸

- *Self-determination.* Employees feel that they have freedom, independence, and discretion over their work activities.
- *Meaning.* Employees care about their work and believe that what they do is important.
- *Competence.* Employees are confident about their ability to perform the work well and have a capacity to grow with new challenges.
- *Impact.* Employees view themselves as active participants in the organization; that is, they believe their decisions and actions have an influence on the company's success.



global connections 6.3

Svenska Handelsbanken's Branch-Level Empowerment^k

One of Europe's most successful banks doesn't believe in centralized financial targets, corporate incentives, or budgets. Instead, Stockholm-based Svenska Handelsbanken AB gives managers and staff at its 800 branches in 24 countries considerable autonomy to run the local branches as their own businesses. "We put customer satisfaction first, and believe local branches are best-placed to make all customer decisions," says Dermot Jordan, manager of Handelsbanken's branch in Chiswick, United Kingdom. "We are empowered to make these decisions in the branch, free from targets or bonus incentives."

"Who in our organization is best suited to identifying and satisfying customers' needs, product owners sitting in ivory towers in head office or is it people who work, live where the customers live?" asks Handelsbanken's President and Group CEO Anders Bouvin. "It's the latter, and so therefore we have taken the consequence of this and devolved all decision-making to our branches with head office supporting them—and I don't see that happening in other banks."

Handelsbanken's branches decide on which customers to attract, how much to lend, what products to advertise, and how many staff to hire. This autonomy provides more personalized banking to clients and, by knowing them better, reduces the bank's risk of loan defaults. Handelsbanken doesn't even have centralized operations

for customer calls. "There are no call centers, so customers deal direct with their account manager face-to-face, via direct line, e-mail, or mobile," explains Sarah Smith, manager of Handelsbanken's branch in Doncaster, United Kingdom.

Branch-level empowerment seems to work well. Handelsbanken is the fastest-growing bank in the United Kingdom, has the highest customer satisfaction ratings among banks in Sweden and the United Kingdom, has one of the highest credit ratings among banks worldwide, and was one of the few European banks to weather the great financial crisis unscathed.



Marek Slusarczyk/Alamy Stock Photo



SELF-ASSESSMENT 6.2: Are You Empowered as a Student?

Empowerment is a psychological concept represented by feelings of self-determination, meaning, competence, and impact. The empowerment concept applies to people in a variety of situations, not just the workplace. This self-assessment specifically refers to your position as a student at your college or university. You can discover your level of empowerment as a student by locating this self-assessment in Connect if it is assigned by your instructor.

SUPPORTING PSYCHOLOGICAL EMPOWERMENT

When leaders say they are "empowering" the workforce, they actually mean that they are changing the work environment to support psychological empowerment.⁶⁹ A wide variety of workplace conditions—often called *structural empowerment* practices—potentially enhance or support psychological empowerment.⁷⁰

Job characteristics clearly influence the degree to which people feel empowered.⁷¹ Employees are much more likely to experience self-determination when working in jobs with a high degree of autonomy and minimal bureaucratic control. They experience more meaningfulness when working in jobs with high levels of task identity and task significance. They experience more self-confidence when working in jobs that allow them to receive feedback about their performance and accomplishments.

Several organizational and work-context factors also influence empowerment.⁷² Employees experience more empowerment in organizations in which information and other resources are easily accessible. Empowerment is also higher in organizations that demonstrate a commitment to employee learning by providing formal training programs and nurturing a culture that encourages informal learning and discovery. Furthermore, empowerment requires corporate leaders to trust employees and be willing to take the risks that empowerment creates.

Along with job and workplace conditions, psychological empowerment depends on the individual's personal characteristics. In particular, employees must possess the necessary competencies to be able to perform the work, as well as be able to handle the additional decision-making requirements.

Psychological empowerment can substantially improve motivation and performance. For instance, restaurant servers with higher empowerment provide better customer service and engage in more organizational citizenship behaviors (specifically, helping other busy servers with their workload).⁷³ However, organizational and cultural conditions can limit the extent to which the conditions for empowerment produce feelings of empowerment. A few studies have observed, for example, that increased autonomy and discretion does not result in higher feelings of empowerment in high power distance cultures because this self-determination conflicts with the norms of high power distance (deferring to the boss's power). Trust in leadership is another important contingency regarding whether employees feel empowered when structural conditions for empowerment are present.⁷⁴

Self-Leadership Practices

LO 6-6

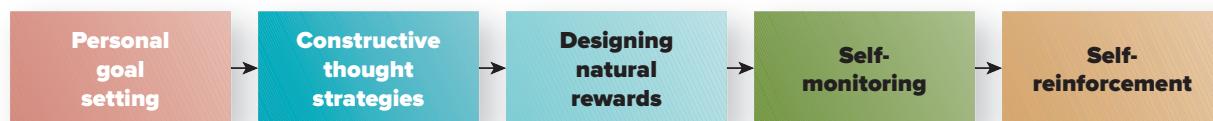
self-leadership
specific cognitive and behavioral strategies to achieve personal goals and standards through self-direction and self-motivation

What is the most important characteristic that companies look for in their employees? Leadership potential, ability to work in a team, and good communication skills are important, but they don't top the list in a survey of 800 British employers. Instead, the most important employee characteristic is self-motivation. Dave Burke, Google's vice president of engineering for the Android operating system, agrees with these results. "Being laid back is one part of [Google's] culture," says Burke. "The flip side is that we are a very driven company that gets things done. The key to this is employing highly self-motivated people."⁷⁵

Google, Nurse Next Door, and many other firms seek out job applicants who are self-starters, self-motivated, and proactive. These are people who engage in **self-leadership**. They establish the self-direction and self-motivation needed to perform a task without their managers generating that motivation or initiative.⁷⁶ Self-leadership includes a toolkit of behavioral activities borrowed from social cognitive theory and goal setting (see Chapter 5). It also includes constructive thought processes that have been extensively studied in sports psychology.

Self-leadership consists of several processes, and the five main activities are identified in Exhibit 6.4. These elements generally follow one another in a sequence: personal goal setting, constructive thought strategies, designing natural rewards, self-monitoring, and self-reinforcement.

EXHIBIT 6.4 Elements of Self-Leadership





global connections 6.4

Overcoming Negative Self-Talk¹

Sarah Coll is a successful orthopedic surgeon in a country (Australia) where only 4 percent of people in this field are women. She is adept at brushing off the occasional sexist comment that women lack the personal attributes for this profession. But more difficult to ignore is her own negative self-talk. “When it’s your internal monologue, that’s much more challenging,” she says. “It’s so quiet, and so subversive.”

Everyone—including world-class athletes, high-performance executives, and successful surgeons—has a natural tendency to engage in negative self-talk more than constructive self-talk. It is one of the great challenges people need to tackle along their journey toward self-leadership.

Coll applies two strategies to minimize negative self-talk. The first is to face the inner voice of self-doubt head-on. “I’ve made myself accept that that negative self-talk is there, and I’ve gone to lengths to notice it, which is extremely unpleasant,” she admits. “I think that’s always the first step to stopping it is to stare it in the eye.”

Coll’s second strategy is to engage in constructive mental imagery. She thinks about her objective for each surgical procedure, and visualizes performing a technically perfect operation that her entire theatre team enjoys. Coll also consciously praises herself about her success. “Ten years [into my career] I can tell myself I’m offering the patient a world class procedure,” she says. “I’m offering the patient the best they could get in the world.”



Alloy/Dreet Production/Getty Images

PERSONAL GOAL SETTING

Self-leadership refers to leading oneself toward objectives, so the process necessarily begins by setting goals. These goals are self-determined, rather than assigned by or jointly decided with a supervisor. Research suggests that employees are more motivated and perform better when they set their own goals, particularly in combination with other self-leadership practices.⁷⁷ Personal goal setting also requires a high degree of self-awareness, because people need to understand their current behavior and performance before establishing meaningful goals for personal development.

CONSTRUCTIVE THOUGHT STRATEGIES

Before beginning a task and while performing it, employees engage in two constructive (positive) thought strategies about that work and its accomplishment: positive self-talk and mental imagery.⁷⁸

self-talk

the process of talking to ourselves about our own thoughts or actions

Positive Self-Talk Do you ever talk to yourself? Most of us do, according to a major study of college students.⁷⁹ **Self-talk** refers to any situation in which we talk to ourselves about our own thoughts or actions. The problem is that most self-talk is negative; we criticize much more than encourage or congratulate ourselves. Negative self-talk undermines



our confidence and potential to perform a particular task. In contrast, positive self-talk creates a “can-do” belief and thereby increases motivation by raising our self-efficacy and reducing anxiety about challenging tasks.⁸⁰ We often hear that professional athletes “psyche” themselves up before an important event. They tell themselves that they can achieve their goal and that they have practiced enough to reach that goal. They are motivating themselves through positive self-talk.

Mental Imagery You’ve probably heard the phrase “I’ll cross that bridge when I come to it!” Self-leadership takes the opposite view. It suggests that we need to mentally visualize specific future behaviors as well as the successful outcomes of those behaviors. In our mind’s eye, we practice a task, successfully perform that task, and receive the rewards of that successful performance. This process is known as **mental imagery**.⁸¹

From our description, you can see that mental imagery has two components. One component involves mentally practicing the task, anticipating obstacles to goal accomplishment, and working out solutions to those obstacles before they occur. By mentally walking through the activities required to accomplish the task, we begin to see problems that may occur. We can then imagine what responses would be best for each contingency.⁸²

The other component of mental imagery involves visualizing successful completion of the task. You might imagine the experience of completing the task and the positive results that follow, such as being promoted, receiving a prestigious award, or taking time off work. Visualizing successful performance and its rewards activates energizing emotions, which increases the individual’s goal commitment and motivation to complete the task effectively.⁸³ This is the strategy that Tony Wang applies to motivate himself. “Since I am in sales, I think about the reward I get for closing new business—the commission check—and the things it will allow me to do that I really enjoy,” explains the sales employee in Washington, DC. “Or I think about the feeling I get when I am successful at something and how it makes me feel good, and use that to get me going.”⁸⁴

mental imagery

the process of mentally practicing a task and visualizing its successful completion

DESIGNING NATURAL REWARDS

Self-leadership recognizes that employees actively “craft” their jobs. To varying degrees, people often have enough discretion in their jobs to make changes that match their needs and preferences, which makes them more satisfying and motivating.⁸⁵ Employees develop natural rewards within their job by expanding tasks that they inherently enjoy, offloading to others tasks they do not enjoy or that exceed their reasonable workload, and changing how tasks are accomplished in ways that make them more developmental and interesting. Employees also produce natural rewards by cognitively reframing the activity, such as by being more vigilant of the importance of the work for clients or by more positively viewing difficult tasks as interesting challenges (see Chapter 4 on regulating emotions).

SELF-MONITORING

Self-monitoring is the process of keeping track at regular intervals of one’s progress toward a goal by using naturally occurring feedback. Self-monitoring significantly improves employee performance.⁸⁶ However, some self-monitoring arrangements may be better than others. Some people can receive feedback from the job itself, such as members of a lawn maintenance crew who can see how they are improving the appearance of their client’s property. But many of us are unable to observe our work output so quickly or easily. Instead, feedback mechanisms need to be designed. Salespeople might arrange to receive monthly reports on sales levels in their territory. Production staff might have gauges or computer feedback systems installed so they can see how many errors are made on the production line. Research suggests that people who have control over the timing of performance feedback perform their tasks better than do those with feedback assigned by others.⁸⁷

SELF-REINFORCEMENT

Self-leadership includes engaging in *self-reinforcement*, which is part of social cognitive theory described in Chapter 5. Self-reinforcement occurs whenever an employee has control over a reinforcer but doesn't "take" the reinforcer until completing a self-set goal. A common example is taking a break after reaching a predetermined stage of your work. The work break is a self-induced form of positive reinforcement. Self-reinforcement also occurs when you decide to do a more enjoyable task after completing work that you dislike. For example, after slogging through a difficult report, you might decide to spend time doing a more pleasant task, such as catching up on industry news by scanning websites. One of the challenges with self-reinforcement is the temptation to take the reward before you should. Recent writing has explored situational and emotional strategies to manage these temptations so self-reinforcement remains true to one's original intentions.⁸⁸



SELF-ASSESSMENT 6.3: How Well Do You Practice Self-Leadership?

Self-leadership refers to specific cognitive and behavioral strategies that people apply to themselves to support the self-direction and self-motivation needed to perform a task. It recognizes that successful employees mostly regulate their own actions rather than rely on others to motivate them. You can discover how well you practice various self-leadership activities by locating this self-assessment in Connect if it is assigned by your instructor.

EFFECTIVENESS OF SELF-LEADERSHIP

Self-leadership is shaping up to be a valuable applied performance practice in organizational settings. A respectable body of research shows consistent support for most elements of self-leadership.⁸⁹ Furthermore, self-leadership strategies seem to work just as well across cultures.⁹⁰ Austrian army soldiers who completed a self-leadership training course performed better on physical tests (such as time completing an obstacle course) and educational tests on subjects they were studying at the time, compared to soldiers who didn't take the course. Employees in a mining operation wore safety equipment more frequently after engaging in self-set goals and self-monitoring activities.

Through mental imagery, supervisors and process engineers in a pulp-and-paper mill more effectively transferred what they learned in an interpersonal communication skills class back to the job. Studies also indicate that constructive thought processes improve individual performance in various sports activities. Indeed, almost all Olympic athletes rely on mental rehearsal and positive self-talk to achieve their performance goals.⁹¹

PERSONAL AND SITUATIONAL PREDICTORS OF SELF-LEADERSHIP

Some research suggests that self-leadership behaviors are more frequently found in people with higher levels of conscientiousness and extroversion. People with a positive self-concept evaluation (i.e., self-esteem, self-efficacy, and internal locus of control) are also more likely to apply self-leadership strategies.⁹²

The work environment influences the extent to which employees engage in self-leadership. Specifically, employees require some degree of autonomy to engage in most aspects of self-leadership. They also feel more confident with self-leadership when their boss is empowering rather than controlling, uses motivating language, and demonstrates trust in employees. Employees are also more likely to engage in self-monitoring in companies that emphasize continuous measurement of performance.⁹³ Overall, self-leadership promises to be an important concept and practice for improving employee motivation and performance.

**SELF-ASSESSMENT 6.4:****Do You Have a Proactive Personality?**

People differ in how much they try to influence the environments in which they live. Those with a proactive personality take action to change things while less proactive people adapt to the existing situation. Proactive personality is a stable personality characteristic, and is associated with self-leadership. You can discover the extent to which you have a proactive personality by locating this self-assessment in Connect if it is assigned by your instructor.

chapter summary

LO 6-1 Discuss the meaning of money and identify several individual-, team-, and organizational-level performance-based rewards.

Money (and other financial rewards) is a fundamental part of the employment relationship, but it also relates to our needs, our emotions, and our self-concept. It is viewed as a symbol of status and prestige, as a source of security, as a source of evil, or as a source of anxiety or feelings of inadequacy.

Organizations reward employees for their membership and seniority, job status, competencies, and performance. Membership-based rewards may attract job applicants and seniority-based rewards reduce turnover, but these reward objectives tend to discourage turnover among those with the lowest performance. Rewards based on job status try to maintain internal equity and motivate employees to compete for promotions. However, they tend to encourage a bureaucratic hierarchy, support status differences, and motivate employees to compete and hoard resources. Competency-based rewards are becoming increasingly popular because they encourage skill development. However, they tend to be subjectively measured and can result in higher costs as employees spend more time learning new skills.

Awards and bonuses, commissions, and other individual performance-based rewards have existed for centuries and are widely used. Many companies are shifting to team-based rewards such as gainsharing plans and to organizational rewards such as employee stock ownership plans (ESOPs), stock options, and profit sharing. Although ESOPs and stock options create an ownership culture, employees often perceive a weak connection between individual performance and the organizational reward.

LO 6-2 Describe five ways to improve reward effectiveness.

Financial rewards have a number of limitations, but reward effectiveness can be improved in several ways. Organizational leaders should ensure that rewards are linked to work performance, rewards are aligned with performance within the employee's control, team rewards are used where jobs are interdependent, rewards are valued by employees, and rewards have no unintended consequences.

LO 6-3 List the advantages and disadvantages of job specialization.

Job design is the process of assigning tasks to a job, including the interdependency of those tasks with other jobs. Job specialization subdivides work into separate jobs for different people.

This increases work efficiency because employees master the tasks quickly, spend less time changing tasks, require less training, and can be matched more closely with the jobs best suited to their skills. However, job specialization may reduce work motivation, create mental health problems, lower product or service quality, and increase costs through discontentment, absenteeism, and turnover.

LO 6-4 Diagram the job characteristics model and describe three ways to improve employee motivation through job design.

The job characteristics model is a template for job redesign that specifies core job dimensions, psychological states, and individual differences. The five core job dimensions are skill variety, task identity, task significance, autonomy, and job feedback. Jobs also vary in their required social interaction (task interdependence), predictability of work activities (task variability), and procedural clarity (task analyzability). Contemporary job design strategies try to motivate employees through job rotation, job enlargement, and job enrichment. Organizations introduce job rotation to reduce job boredom, develop a more flexible workforce, and reduce the incidence of repetitive strain injuries. Job enlargement involves increasing the number of tasks within the job. Two ways to enrich jobs are clustering tasks into natural groups and establishing client relationships.

LO 6-5 Define psychological empowerment and identify strategies that support empowerment.

Psychological empowerment is a perceptual and emotional state in which people experience more self-determination, meaning, competence, and impact regarding their role in the organization. Individual characteristics seem to have a minor influence on empowerment. Job design is a major influence, particularly autonomy, task identity, task significance, and job feedback. Empowerment is also supported at the organizational level through a culture that encourages informal learning and discovery, sufficient information and resources, and corporate leaders who trust employees.

LO 6-6 Describe the five elements of self-leadership and identify specific personal and work environment influences on self-leadership.

Self-leadership refers to specific cognitive and behavioral strategies to achieve personal goals and standards through self-direction and self-motivation. These strategies include

personal goal setting, constructive thought patterns, designing natural rewards, self-monitoring, and self-reinforcement. Constructive thought patterns include self-talk and mental imagery. Self-talk occurs in any situation in which a person talks to himself or herself about his or her own thoughts or actions. Mental imagery involves mentally practicing a task

and imagining successfully performing it beforehand. People with higher levels of conscientiousness, extroversion, and a positive self-concept engage in more self-leadership. Self-leadership also occurs more readily in workplaces that support empowerment and have high trust between employees and management.

key terms

employee stock ownership plan (ESOP), p. 213	job specialization, p. 217	skill variety, p. 219
gainsharing plan, p. 213	mental imagery, p. 229	stock options, p. 213
job characteristics model, p. 219	profit-sharing plan, p. 213	task identity, p. 219
job enlargement, p. 223	psychological empowerment, p. 225	task interdependence, p. 222
job enrichment, p. 224	scientific management, p. 218	task significance, p. 220
job evaluation, p. 210	self-leadership, p. 227	
	self-talk, p. 228	

critical thinking questions

- As a consultant, you have been asked to recommend either a gainsharing plan or a profit-sharing plan for employees who work in the four regional distribution and warehousing facilities of a large retail organization. Which reward system would you recommend? Explain your answer.
- Which of the performance reward practices—individual, team, or organizational—would work better in improving organizational goals? Please comment with reference to an organization of your choice.
- Waco Tire Corporation redesigned its production facilities around a team-based system. However, the company president believes that employees will not be motivated unless they receive incentives based on their individual performance. Give three reasons why Waco Tire should introduce team-based rather than individual rewards in this setting.
- What can organizations do to increase the effectiveness of financial rewards?
- Most of us have watched pizzas being made while waiting in a pizzeria. What level of job specialization do you usually notice in these operations? Why does this high or low level of specialization exist? If some pizzerias have different levels of specialization than others, identify the contingencies that might explain these differences.
- Can a manager or supervisor “empower” an employee? Discuss fully.
- Describe a time when you practiced self-leadership to perform a task successfully. With reference to each step in the self-leadership process, describe what you did to achieve this success.
- The city manager of a large city government wants to reduce supervisory costs by encouraging employees to motivate and manage themselves much of the time. The manager has heard of self-leadership, and believes that it may be a key strategy to reduce the number of supervisors in the organization. Discuss the extent to which self-leadership practices among employees would support the city manager’s objectives. Also, summarize the content of a training module that would improve any one of the self-leadership practices.



CASE STUDY: YAKKATECH, INC.

By Steven L. McShane, University of Newcastle (Australia)

YakkaTech, Inc. is an information technology services firm employing 1,500 people throughout Washington and Oregon. YakkaTech has a consulting division, which mainly installs and upgrades enterprise software systems and related hardware on the client's site. YakkaTech also has a customer service division that consists of four customer contact centers serving clients within each region.

Each customer service center consists of a half-dozen departments representing functional specializations (computer systems, intranet infrastructure, storage systems, enterprise software systems, customer billing, etc.). These centers typically have more than two dozen employees in each department. When a client submits a problem to the center using the online form, the message or call is directed

to the department where the issue best applies. The query is given a “ticket” number and assigned to the next available employee in that department. Individual employees are solely responsible for the tickets assigned to them. The employee investigates and corrects the issue, and the ticket is “closed” when the client agrees that the problem has been resolved.

If the client experiences the same problem again, even a few days later, a new ticket is issued and sent to whichever employee is available to receive the ticket. A client’s problems are almost always handled by different employees each time, even when the issue is sent to the same department. Furthermore, when a customer center department is heavily backlogged, clients are redirected to the same department

at another regional center, where the problem can be addressed more quickly.

At one time, YakkaTech operated more than a dozen small customer contact centers throughout the region, because client problems had to be diagnosed and resolved on-site. Today, employees can investigate most software and hardware system faults from the center through remote monitoring systems, rather than personally visit the client. Consequently, eight years ago, YakkaTech amalgamated its customer service operations into four large regional centers. Customer service staff work entirely within the center. When a client visit is required, the ticket is transferred to an individual or team in the consulting business, who then visits the client.

YakkaTech's customer service business has nearly doubled over the past five years, but with this growth has come increasing customer complaints regarding poor quality service. Many say that employees seem indifferent to the client's problems. Others have commented on the slow response to their problems where the issue requires the involvement of more than one department. Several clients have also complained that they are continually educating YakkaTech's customer service employees about the details of their unique IT systems infrastructure.

Another concern is that about 18 months ago, YakkaTech's voluntary employee quit rates in the contact centers had risen above the industry average. This shift increased labor costs due to the cost of recruiting new technical staff and the lower productivity of new employees. According to results of an employee survey two years ago (as well as informal comments since then), many employees felt that their work is monotonous. Some also said that they felt disconnected from the consequences of their work. A few also complained about ongoing conflicts with people in other departments and the stress of serving dissatisfied clients.

In response, YakkaTech's executive team decided to raise pay rates for its customer service staff to become among the highest in the industry around the Pacific Northwest. The assumption was that the high pay rates would improve morale and reduce turnover, thereby reducing hiring costs and improving productivity. In addition, YakkaTech introduced a vested profit-sharing plan, in which employees received the profit-sharing bonus only if they remained with the company for two years after the bonus was awarded. Employees who quit or were fired for just cause before the vesting period forfeited the bonus.

Employee turnover rates dropped dramatically, leading the executive team to conclude that customer service quality and productivity would improve. Instead, customer complaints and productivity remain below expectations and, in some cases, have worsened. Experienced employees continue to complain about the work. There have been a few disturbing incidents in which employees have been careless in solving client problems or did not bother to forward tickets that should have been assigned to another department. Employee referrals (where staff recommend friends to join the company) have become rare events, whereas at one time they represented a significant source of qualified job applicants. Furthermore, a few executives have recently overheard employees say that they would like to work elsewhere but can't afford to leave YakkaTech.

Discussion Questions

1. What symptom(s) in this case suggest(s) that something has gone wrong?
2. What are the main causes of the symptom(s)?
3. What actions should YakkaTech executives take to correct the problem(s)?



TEAM EXERCISE: IS STUDENT WORK ENRICHED?

PURPOSE This exercise is designed to help you learn how to measure the motivational potential of jobs and evaluate the extent that jobs should be further enriched.

INSTRUCTIONS (SMALL CLASS) Being a student is like a job in several ways. You have tasks to perform, and someone (such as your instructor) oversees your work. Although few people want to be students most of their lives (the pay rate is too low!), it may be interesting to determine how enriched your job is as a student.

1. Students are placed into teams (preferably four or five people).
2. Working alone, each student completes both sets of measures in this exercise. Then, using the following guidelines, they individually calculate the score for the five core job characteristics as well as the overall motivating-potential score for the job.

3. Members of each team compare their individual results. The group should identify differences of opinion for each core job characteristic. They should also note which core job characteristics have the lowest scores and recommend how these scores could be increased.
4. The entire class will then meet to discuss the results of the exercise. The instructor may ask some teams to present their comparisons and recommendations for a particular core job characteristic.

INSTRUCTIONS (LARGE CLASS)

1. Working alone, each student completes both sets of measures in this exercise. Then, using the guidelines below, each student individually calculates the score for the five core job characteristics, as well as the overall motivating-potential score for the job.

2. Using a show of hands or classroom technology, students indicate their results for each core job characteristic. For example, the instructor will ask those whose result is within a range of scores, so several students raise their hands within each band of scores. Alternatively, students can complete this activity prior to class and submit their results through online classroom

technology. Later, the instructor will provide feedback to the class showing the collective results (i.e., distribution of results across the range of scores).

3. Where possible, the instructor might ask students with very high or very low results to discuss their views with the class.

Job Diagnostic Survey

CIRCLE THE NUMBER ON THE RIGHT THAT BEST DESCRIBES STUDENT WORK	VERY LITTLE	MODERATELY			VERY MUCH		
1. To what extent does student work permit you to decide on your own how to go about doing the work?	1	2	3	4	5	6	7
2. To what extent does student work involve doing a whole or identifiable piece of work, rather than a small portion of the overall work process?	1	2	3	4	5	6	7
3. To what extent does student work require you to do many different things, using a variety of your skills and talents?	1	2	3	4	5	6	7
4. To what extent are the results of your work as a student likely to significantly affect the lives and well-being of other people (e.g., within your school, your family, society)?	1	2	3	4	5	6	7
5. To what extent does working on student activities provide information about your performance?	1	2	3	4	5	6	7
CIRCLE THE NUMBER ON THE RIGHT THAT BEST DESCRIBES STUDENT WORK	VERY INACCURATE			UNCERTAIN		VERY ACCURATE	
6. Being a student requires me to use a number of complex and high-level skills.	1	2	3	4	5	6	7
7. Student work is arranged so that I do <i>not</i> have the chance to do an entire piece of work from beginning to end.	7	6	5	4	3	2	1
8. Doing the work required of students provides many chances for me to figure out how well I am doing.	1	2	3	4	5	6	7
9. The work students must do is quite simple and repetitive.	7	6	5	4	3	2	1
10. The work of a student is the type where a lot of other people can be affected by how well the work gets done.	1	2	3	4	5	6	7
11. Student work denies me any chance to use my personal initiative or judgment in carrying out the work.	7	6	5	4	3	2	1
12. Student work provides me the chance to completely finish the pieces of work I begin.	1	2	3	4	5	6	7
13. Doing student work by itself provides very few clues about whether I am performing well.	7	6	5	4	3	2	1
14. As a student, I have considerable opportunity for independence and freedom in how I do the work.	1	2	3	4	5	6	7
15. The work I perform as a student is <i>not</i> very significant or important in the broader scheme of things.	7	6	5	4	3	2	1

Source: Adapted from the Job Diagnostic Survey, developed by J.R. Hackman and G.R. Oldham. The authors have released any copyright ownership of this scale [see J.R. Hackman and G. Oldham, *Work Redesign* (Reading, MA: Addison-Wesley, 1980), 275].

Calculating the Motivating-Potential Score

Scoring Core Job Characteristics: Use the following set of calculations to estimate the motivating-potential score for the job of being a student. Use your answers from the Job Diagnostic Survey that you completed earlier.

$$\text{Skill variety (SV)} \quad \frac{\text{Question 3} + 6 + 9}{3} = \underline{\hspace{2cm}}$$

$$\text{Task identity (TI)} \quad \frac{\text{Question 2} + 7 + 12}{3} = \underline{\hspace{2cm}}$$

$$\text{Task significance (TS)} \quad \frac{\text{Question 4} + 10 + 15}{3} = \underline{\hspace{2cm}}$$

$$\text{Autonomy} \quad \frac{\text{Question 1} + 11 + 14}{3} = \underline{\hspace{2cm}}$$

$$\text{Job feedback} \quad \frac{\text{Question 5} + 8 + 13}{3} = \underline{\hspace{2cm}}$$

Calculating Motivating-Potential Score (MPS): Use the following formula and the earlier results to calculate the motivating-potential score. Notice that skill variety, task identity, and task significance are averaged before being multiplied by the score for autonomy and job feedback.

$$\left(\frac{\text{SV} + \text{TI} + \text{TS}}{3} \right) \times \text{Autonomy} \times \text{Job Feedback}$$

$$\left(\frac{\underline{\hspace{2cm}} + \underline{\hspace{2cm}} + \underline{\hspace{2cm}}}{3} \right) \times \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

endnotes

1. “Toluyemi Nathaniel Talks about Being a Woman in the Tech Space with Softcom,” *BellaNaija* (blog), July 2, 2018; Y. Ogunlami, “Nigerian Engineers in Hijabs,” *Pulse Nigeria*, August 3, 2018; “75 Softcomers Were Broken into 7 Hackathon Teams,” Twitter (Lagos, Nigeria: Softcom, January 24, 2019), <https://twitter.com/SoftcomNG/status/1088474546041208832>; D.I. Adeleke, “I Visited a Young Nigerian Tech Company Generating Millions in Revenue and This Is What I Learned,” *Pulse Nigeria*, January 29, 2019. Some information and quotations are also from Softcom’s website: <https://softcom.ng/>.
2. M.C. Bloom and G.T. Milkovich, “Issues in Managerial Compensation Research,” in *Trends in Organizational Behavior*, ed. C.L. Cooper and D.M. Rousseau (Chichester, UK: Wiley, 1996), 23–47. For an excellent review of the history of money, see N. Ferguson, *The Ascent of Money: A Financial History of the World* (New York: Penguin, 2008).
3. A. Furnham, *The New Psychology of Money* (East Sussex, UK: Routledge, 2014), Chap. 5.
4. S. Jia et al., “Attitude toward Money Modulates Outcome Processing: An ERP Study,” *Social Neuroscience* 8, no. 1 (2012): 43–51; R.L. Capa and R. Custers, “Conscious and Unconscious Influences of Money: Two Sides of the Same Coin?,” in *The Psychological Science of Money*, ed. E. Bijleveld and H. Aarts (New York: Springer, 2014), 73–91; C.R. Leana and J. Meuris, “Living to Work and Working to Live: Income as a Driver of Organizational Behavior,” *Academy of Management Annals* 9, no. 1 (2015): 55–95.
5. D.W. Krueger, “Money, Success, and Success Phobia,” in *The Last Taboo: Money as Symbol and Reality in Psychotherapy and Psychoanalysis*, ed. D.W. Krueger (New York: Brunner/Mazel, 1986), 3–16.
6. P.F. Wernimont and S. Fitzpatrick, “The Meaning of Money,” *Journal of Applied Psychology* 56, no. 3 (1972): 218–26; T.R. Mitchell and A.E. Mickel, “The Meaning of Money: An Individual-Difference Perspective,” *Academy of Management Review* (1999): 568–78; S.E.G. Lea and P. Webley, “Money as Tool, Money as Drug: The Biological Psychology of a Strong Incentive,” *Behavioral and Brain Sciences* 29 (2006): 161–209; S.E.G. Lea and P. Webley, “Money: Metaphors and Motives,” in *The Psychological Science of Money*, ed. E. Bijleveld and H. Aarts (New York: Springer, 2014), 21–35; T. Tang and Y.-J. Chen, “Intelligence vs. Wisdom: The Love of Money, Machiavellianism, and Unethical Behavior across College Major and Gender,” *Journal of Business Ethics* 82, no. 1 (2008): 1–26; M. Kouchaki et al., “Seeing Green: Mere Exposure to Money Triggers a Business Decision Frame and Unethical Outcomes,” *Organizational Behavior and Human Decision Processes* 121, no. 1 (2013): 53–61; J. Chen, T.L.-P. Tang, and N. Tang, “Temptation, Monetary Intelligence (Love of Money), and Environmental Context on Unethical Intentions and Cheating,” *Journal of Business Ethics* 123, no. 2 (2014): 197–219.
7. R. Lynn, *The Secret of the Miracle Economy* (London: SAE, 1991); G. Ridinger and M. McBride, “Money Affects Theory of Mind Differently by Gender,” *PLoS ONE* 10, no. 12 (2015): e0143973; A. Furnham, S. Stumm, and M. Fenton-O’Creevy, “Sex Differences in Money Pathology in the General Population,” *Social Indicators Research* 123, no. 3 (2015): 701–11.
8. A. Furnham, B.D. Kirkcaldy, and R. Lynn, “National Attitudes to Competitiveness, Money, and Work among Young People: First, Second, and Third World Differences,” *Human Relations* 47 (1994): 119–32; K.O. Doyle, “Introduction: Ethnicity and Money,” *American Behavioral Scientist* 45, no. 2 (2001): 181–90; G. Dell’Orto and K.O. Doyle, “Poveri Ma Belli: Meanings of Money in Italy and in Switzerland,” *American Behavioral Scientist* 45, no. 2 (2001): 257–71; V.K.G. Lim, “Money Matters: An Empirical Investigation of Money, Face and Confucian Work Ethic,” *Personality and Individual Differences* 35 (2003): 953–70; T.L.-P. Tang, A. Furnham, and G.M.-T. Davis, “A Cross-Cultural Comparison of the Money Ethic, the Protestant Work Ethic, and Job Satisfaction: Taiwan, the USA, and the UK,” *International Journal of Organization Theory and Behavior* 6, no. 2 (2003): 175–94; R. Tung and C. Baumann, “Comparing the Attitudes toward Money, Material Possessions and Savings of Overseas Chinese vis-à-vis Chinese in China: Convergence, Divergence

- or Cross-Vergence, vis-à-vis ‘One Size Fits All’ Human Resource Management Policies and Practices,” *International Journal of Human Resource Management* 20, no. 11 (2009): 2382–401.
9. A.E. Mickel and L.A. Barron, “Getting ‘More Bang for the Buck’: Symbolic Value of Monetary Rewards in Organizations,” *Journal of Management Inquiry* 17, no. 4 (2008): 329–38; C.P. Cerasoli, J.M. Nicklin, and M.T. Ford, “Intrinsic Motivation and Extrinsic Incentives Jointly Predict Performance: A 40-Year Meta-Analysis,” *Psychological Bulletin* 140, no. 4 (2014): 980–1008; J.D. Shaw and N. Gupta, “Let the Evidence Speak Again! Financial Incentives Are More Effective Than We Thought,” *Human Resource Management Journal* 25, no. 3 (2015): 281–93.
 10. J.S. Mill, *Utilitarianism*, 7th ed. (London: Longmans, Green, and Co., 1879; repr., Project Gutenberg EBook), Chap. 4.
 11. J. LaReau, “Michigan Business Hands out \$4 Million in Christmas Bonuses to Workers,” *Detroit Free Press*, December 17, 2018.
 12. K. Gilbert, “Promises and Practices: Job Evaluation and Equal Pay Forty Years On!,” *Industrial Relations Journal* 43, no. 2 (2012): 137–51; M. Armstrong and D. Brown, “Job Evaluation Versus Market Pricing: Competing or Combining Methods of Pay Determination?,” *Compensation & Benefits Review* 49, no. 3 (2017): 153–60, <https://doi.org/10.1177/0886368718765827>; M. Armstrong, *Armstrong's Job Evaluation Handbook: A Guide to Achieving Fairness and Transparency in Pay and Reward* (London: Kogan Page Publishers, 2018).
 13. J. Rubery, “Joan Acker and Doing Comparable Worth,” *Gender, Work & Organization*, pre-publication (January 18, 2018), <https://doi.org/10.1111/gwao.12242>; S. Pochic and V.-A. Chappe, “Battles through and about Statistics in French Pay Equity Bargaining: The Politics of Quantification at Workplace Level,” *Gender, Work & Organization* pre-publication, no. 0 (July 16, 2018), <https://doi.org/10.1111/gwao.12298>.
 14. R. McNabb and K. Whitfield, “Job Evaluation and High Performance Work Practices: Compatible or Conflictual?,” *Journal of Management Studies* 38 (2001): 293–312; P.K. Sandberg, “Intertwining Gender Inequalities and Gender-Neutral Legitimacy in Job Evaluation and Performance-Related Pay,” *Gender, Work & Organization* 24, no. 2 (2017): 156–70, <https://doi.org/10.1111/gwao.12156>.
 15. P.K. Zingheim and J.R. Schuster, “Competencies and Rewards: Substance or Just Style?,” *Compensation Benefits Review* 35, no. 5 (2003): 40–44; K. Kim et al., “Rewarding Self-Initiated Expatriates: A Skills-Based Approach,” *Thunderbird International Business Review* 60, no. 1 (2018): 89–104, <https://doi.org/10.1002/tie.21832>.
 16. L. Brown, B. George, and C. Mehaffey-Kultgen, “The Development of a Competency Model and Its Implementation in a Power Utility Cooperative: An Action Research Study,” *Industrial and Commercial Training* 50, no. 3 (2018): 123–35, <https://doi.org/10.1108/ICT-11-2017-0087>.
 17. A. Mitra, N. Gupta, and J.D. Shaw, “A Comparative Examination of Traditional and Skill-Based Pay Plans,” *Journal of Managerial Psychology* 26, no. 4 (2011): 278–96. High Liner Foods’ skill-based pay information is described in M. Mayer, “Maintaining a Seafood Savviness Like No Other,” *Refrigerated & Frozen Foods* 23, no. 12 (2013): 30, 34, 36, 38.
 18. E.C. Dierdorff and E.A. Surface, “If You Pay for Skills, Will They Learn? Skill Change and Maintenance under a Skill-Based Pay System,” *Journal of Management* 34, no. 4 (2008): 721–43; M. Diaz-Fernández, A. López-Cabral, and R. Valle-Cabrera, “In Search of Demanded Competencies: Designing Superior Compensation Systems,” *The International Journal of Human Resource Management* 24, no. 3 (2013): 643–66.
 19. P.K. Zingheim and J.R. Schuster, “Competencies and Rewards: Substance or Just Style?,” *Compensation Benefits Review* 35, no. 5 (2003): 1–15.
 20. E.B. Peach and D.A. Wren, “Pay for Performance from Antiquity to the 1950s,” *Journal of Organizational Behavior Management* 12 (1992): 5–26; R.M. Adams, “Shepherds at Umma in the Third Dynasty of Ur: Interlocutors with a World Beyond the Scribal Field of Ordered Vision,” *Journal of the Economic and Social History of the Orient* 49, no. 2 (2006): 133–69; P. Kriwaczek, *Babylon: Mesopotamia, and the Birth of Civilization* (London: Atlantic Books, 2010), pg.142.
 21. S. Oxenbridge and M.L. Moensted, “The Relationship between Payment Systems, Work Intensification and Health and Safety Outcomes: A Study of Hotel Room Attendants,” *Policy and Practice in Health and Safety* 9, no. 2 (2011): 7–26; P. Reeburgh, “How Much Money Should a Housekeeper Be Paid per Room at a Motel?,” *Quora*, October 29, 2018.
 22. N. Byrnes and M. Arndt, “The Art of Motivation,” *BusinessWeek*, May 1, 2006, 56; M. Bolch, “Rewarding the Team,” *HR Magazine*, February 2007, 91–93; J. McGregor, “Nucor’s CEO Is Stepping Aside, but Its Culture Likely Won’t,” *The Washington Post*, November 20, 2012.
 23. J.D. Ketcham and M.F. Furukawa, “Hospital-Physician Gainsharing in Cardiology,” *Health Affairs* 27, no. 3 (2008): 803–12; I.M. Leitman et al., “Quality and Financial Outcomes from Gainsharing for Inpatient Admissions: A Three-Year Experience,” *Journal of Hospital Medicine* 5, no. 9 (2010): 501–07; S. Hopkins, J. Surpin, and A. Stanowski, “Lessons Learned from Implementation of Gainsharing,” *Healthcare Financial Management* 69, no. 3 (2015): 78–83.
 24. L.R. Gomez-Mejia, T.M. Welbourne, and R.M. Wiseman, “The Role of Risk Sharing and Risk Taking under Gainsharing,” *Academy of Management Review* 25 (2000): 492–507; K.M. Bartol and A. Srivastava, “Encouraging Knowledge Sharing: The Role of Organizational Reward System,” *Journal of Leadership & Organizational Studies* 9 (2002): 64–76.
 25. P. Lambert, “Digging Deep for Organizational Innovation,” *McKinsey Quarterly*, April 2018.
 26. C. Rosen, J. Case, and M. Staibus, “Every Employee an Owner [Really],” *Harvard Business Review* 83, no. 6 (2005): 122–30; R.A. Wirtz, “Employee Ownership: Economic Miracle or ESOPs Fable?,” *The Region* (Magazine of the Federal Reserve Bank of Minneapolis), June 2007, 22–41; J.R. Blasi, R.B. Freeman, and D.L. Kruse, *The Citizen’s Share: Reducing Inequality in the 21st Century* (New Haven, CT: Yale University Press, 2013).

27. D. Weinstein, "In Business for Ourselves," *Richmond Magazine*, February 12, 2019.
28. O. Hammarström, *Handelsbanken, Sweden: Make Work Pay-Make Work Attractive*, Attractive workplace for all: company cases, Eurofound (Dublin, Ireland: October 2007); L. Holmes, "Handelsbanken's CEO Anders Bouvin on the Power of the Devolved Model," *Financial Director (UK)*, February 20, 2018.
29. J. Chelius and R.S. Smith, "Profit Sharing and Employment Stability," *Industrial and Labor Relations Review* 43 (1990): 256s-73s; S.H. Wagner, C.P. Parkers, and N.D. Christiansen, "Employees That Think and Act Like Owners: Effects of Ownership Beliefs and Behaviors on Organizational Effectiveness," *Personnel Psychology* 56, no. 4 (2003): 847-71; G. Ledford, M. Lucy, and P. Leblanc, "The Effects of Stock Ownership on Employee Attitudes and Behavior: Evidence from the Rewards at Work Studies," *Perspectives (Sibson)*, January 2004; P. Walsh, M. Peck, and I. Zugasti, "Why the U.S. Needs More Worker-Owned Companies," *Harvard Business Review*, August 8, 2018.
30. R. Meng et al., "Do ESOPs Enhance Firm Performance? Evidence from China's Reform Experiment," *Journal of Banking & Finance* 35, no. 6 (2011): 1541-51; H. Fang, J.R. Nofsinger, and J. Quan, "The Effects of Employee Stock Option Plans on Operating Performance in Chinese Firms," *Journal of Banking & Finance* 54 (2015): 141-59; N.-C. Liu, M.-Y. Chen, and M.-L. Wang, "The Effects of Non-Expensed Employee Stock Bonus on Firm Performance: Evidence from Taiwanese High-Tech Firms," *British Journal of Industrial Relations* 54, no. 1 (2016): 30-54; D. Kruse, "Does Employee Ownership Improve Performance?," *IZA World of Labor*, December 2016, <https://doi.org/10.15185/izawol.311>.
31. T. Kato, J. Ho Lee, and J.-S. Ryu, "The Productivity Effects of Profit Sharing, Employee Ownership, Stock Option and Team Incentive Plans: Evidence from Korean Panel Data," in *Advances in the Economic Analysis of Participatory & Labor-Managed Firms*, vol. 11, (Emerald, 2010), 111-35; C. Lucifora and F. Origo, "Performance-Related Pay and Firm Productivity: Evidence from a Reform in the Structure of Collective Bargaining," *ILR Review* 68, no. 3 (2015): 606-32, <https://doi.org/10.1177/0019793915570876>.
32. A. Pendleton and A. Robinson, "Employee Share Ownership and Human Capital Development: Complementarity in Theory and Practice," *Economic and Industrial Democracy* 32, no. 3 (2011): 439-57; G. Loris, "Why Do Firms Adopt Employee Share Ownership? Bundling ESO and Direct Involvement for Developing Human Capital Investments," *Employee Relations* 37, no. 3 (2015): 296-313. Contrary to most other research, one recent study in Finland reported that group-level incentives have a stronger effect than individual incentives on organizational productivity. See: T. Kato and A. Kauhanen, "Performance Pay and Enterprise Productivity: The Details Matter," *Journal of Participation and Employee Ownership* 1, no. 1 (2018): 61-73, <https://doi.org/10.1108/JPEO-03-2018-0013>.
33. W.C. Hammer, "How to Ruin Motivation with Pay," *Compensation Review* 7, no. 3 (1975): 17-27; A. Kohn, *Punished by Rewards* (Boston: Houghton Mifflin, 1993); M. Beer and M.D. Cannon, "Promise and Peril of Implementing Pay-for-Performance," *Human Resource Management* 43, no. 1 (2004): 3-48; D. Ariely et al., "Large Stakes and Big Mistakes," *Review of Economic Studies* 76, no. 2 (2009): 451-69.
34. R.A. Posthumus et al., "A High Performance Work Practices Taxonomy: Integrating the Literature and Directing Future Research," *Journal of Management* 39, no. 5 (2013): 1184-220. On the effectiveness of performance-based rewards, see S.Y. Sung, J.N. Choi, and S.-C. Kang, "Incentive Pay and Firm Performance: Moderating Roles of Procedural Justice Climate and Environmental Turbulence," *Human Resource Management*, November 20, 2015; J.D. Shaw and N. Gupta, "Let the Evidence Speak Again! Financial Incentives Are More Effective Than We Thought," *Human Resource Management Journal* 25, no. 3 (2015): 281-93; A.J. Nyberg et al., "Collective Pay for Performance: A Cross-Disciplinary Review and Meta-Analysis," *Journal of Management* 44, no. 6 (2018): 2433-72, <https://doi.org/10.1177/0149206318770732>.
35. J.M. Jones, *Talent Town Hall: A Presentation to OESA*, Towers Watson (New York: October 25, 2012); Towers Watson, *Highlights from the EMEA Region, Global Workforce Study*, Towers Watson (London: April 26, 2013); J. Paterson, "20% of Employers Link Pay to Performance," *Benefits Canada*, February 5, 2016.
36. B. Gerhart and M. Fang, "Pay for (Individual) Performance: Issues, Claims, Evidence and the Role of Sorting Effects," *Human Resource Management Review* 24, no. 1 (2014): 41-52; J. Han, K. Bartol, and S. Kim, "Tightening up the Performance-Pay Linkage: Roles of Contingent Reward Leadership and Profit-Sharing in the Cross-Level Influence of Individual Pay-for-Performance," *Journal of Applied Psychology* 100, no. 2 (2015): 417-30; S.Y. Sung, J.N. Choi, and S.-C. Kang, "Incentive Pay and Firm Performance: Moderating Roles of Procedural Justice Climate and Environmental Turbulence," *Human Resource Management* 56, no. 2 (2017): 287-305, <https://doi.org/10.1002/hrm.21765>.
37. "United Rentals Inc at Evercore ISI Industrial Conference—Final," *Fair Disclosure Wire* (Linthicum, MD), March 3, 2015.
38. J.S. DeMatteo, L.T. Eby, and E. Sundstrom, "Team-Based Rewards: Current Empirical Evidence and Directions for Future Research," *Research in Organizational Behavior* 20 (1998): 141-83; A.J. Nyberg et al., "Collective Pay for Performance: A Cross-Disciplinary Review and Meta-Analysis," *Journal of Management* 44, no. 6 (2018): 2433-72, <https://doi.org/10.1177/0149206318770732>.
39. B. Moses, "Time to Get Serious about Rewarding Employees," *Globe & Mail*, April 28, 2010, B16.
40. "Dream Teams," *Human Resources Professional* (1994): 17-19.
41. S. Kerr, "On the Folly of Rewarding A, While Hoping for B," *Academy of Management Journal* 18 (1975): 769-83; M.E. Davis, "Pay Matters: The Piece Rate and Health in the Developing World," *Annals of Global Health* 82, no. 5 (2016): 858-865.e6, <https://doi.org/10.1016/j.aogh.2016.05.005>; A.P. Bartel, "Multitasking at Work: Do Firms Get What They Pay For?," *IZA World of Labor*, May 2017, <https://doi.org/10.15185/izawol.362>; A. Sapergina and

- A. Weibel, "The Good, the Not So Bad, and the Ugly of Competitive Human Resource Practices: A Multidisciplinary Conceptual Framework," *Group & Organization Management* 42, no. 5 (2017): 707–47, <https://doi.org/10.1177/1059601117730238>.
42. G.T. Milkovich, J.M. Newman, and C. Milkovich, *Compensation*, 5th ed. (Homewood, IL: Irwin, 1996), 315.
43. A. Woodard, "Australia's Best Places to Work in 2017," *HRM Australia*, August 31, 2017.
44. M.A. Campion et al., "Work Redesign: Eight Obstacles and Opportunities," *Human Resource Management* 44, no. 4 (2005): 367–90; S.-J. Cullinane et al., "Job Design under Lean Manufacturing and Its Impact on Employee Outcomes," *Organizational Psychology Review* 3, no. 1 (2013): 41–61.
45. A. Shinnar et al., "Survey of Ergonomic Features of Supermarket Cash Registers," *International Journal of Industrial Ergonomics* 34, no. 6 (2004): 535–41; V. O'Connell, "Stores Count Seconds to Trim Labor Costs," *The Wall Street Journal*, November 13, 2008; A. Kihlstedt and G.M. Hägg, "Checkout Cashier Work and Counter Design—Video Movement Analysis, Musculoskeletal Disorders and Customer Interaction," *International Journal of Industrial Ergonomics* 41, no. 3 (2011): 201–07; "One Checkout Item Every Three Seconds," *Mail Online* (London), July 8, 2012. Average scanning times vary considerably with the scanning technology, product standardization, and ergonomic design of the cashier station.
46. S. Leroy, "Why Is It So Hard to Do My Work? The Challenge of Attention Residue When Switching between Work Tasks," *Organizational Behavior and Human Decision Processes* 109, no. 2 (2009): 168–81; S. Leroy and T.M. Glomb, "Tasks Interrupted: How Anticipating Time Pressure on Resumption of an Interrupted Task Causes Attention Residue and Low Performance on Interrupting Tasks and How a 'Ready-to-Resume' Plan Mitigates the Effects," *Organization Science* 29, no. 3 (2018): 380–97, <https://doi.org/10.1287/orsc.2017.1184>.
47. H. Fayol, *General and Industrial Management*, trans. C. Storrs (London: Pitman, 1949); E.E. Lawler III, *Motivation in Work Organizations* (Monterey, CA: Brooks/Cole, 1973), Chap. 7; M.A. Campion, "Ability Requirement Implications of Job Design: An Interdisciplinary Perspective," *Personnel Psychology* 42 (1989): 1–24.
48. A. Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* ed. E. Cannan, 5th ed. (London: Methuen and Co., 1904), 8–9.
49. F.W. Taylor, *The Principles of Scientific Management* (New York: Harper & Row, 1911); R. Kanigel, *The One Best Way: Frederick Winslow Taylor and the Enigma of Efficiency* (New York: Viking, 1997); M. Derksen, "Turning Men into Machines? Scientific Management, Industrial Psychology, and the 'Human Factor,'" *Journal of the History of the Behavioral Sciences* 50, no. 2 (2014): 148–65.
50. C.R. Walker and R.H. Guest, *The Man on the Assembly Line* (Cambridge, MA: Harvard University Press, 1952); W.F. Dowling, "Job Redesign on the Assembly Line: Farewell to Blue-Collar Blues?," *Organizational Dynamics* (1973): 51–67; E.E. Lawler III, *High-Involvement Management* (San Francisco: Jossey-Bass, 1986).
51. R. Moorhead, "Lawyer Specialization—Managing the Professional Paradox," *Law & Policy* 32, no. 2 (2010): 226–59.
52. M. Keller, *Rude Awakening: The Rise, Fall, and Struggle for Recovery of General Motors* (New York: Harper Perennial, 1990), 128.
53. J.R. Hackman and G. Oldham, *Work Redesign* (Reading, MA: Addison-Wesley, 1980).
54. R.W. Buell, T. Kim, and C.-J. Tsay, "Creating Reciprocal Value Through Operational Transparency," *Management Science* 63, no. 6 (2017): 1673–95, <https://doi.org/10.1287/mnsc.2015.2411>. For several other real-world examples of enhancing task significance through customer interaction, see: D. Cable and F. Vermeulen, "Making Work Meaningful: A Leader's Guide," *McKinsey Quarterly*, October (2018): 9.
55. M. Gagné and D. Bhave, "Autonomy in the Workplace: An Essential Ingredient to Employee Engagement and Well-Being in Every Culture," in *Human Autonomy in Cross-Cultural Context*, ed. V.I. Chirkov, R.M. Ryan, and K.M. Sheldon, *Cross-Cultural Advancements in Positive Psychology* (Springer: Netherlands, 2011), 163–87.
56. C.E. Shalley, L.L. Gilson, and T.C. Blum, "Interactive Effects of Growth Need Strength, Work Context, and Job Complexity on Self-Reported Creative Performance," *Academy of Management Journal* 52, no. 3 (2009): 489–505.
57. R.B. Tiegs, L.E. Tetrick, and Y. Fried, "Growth Need Strength and Context Satisfactions as Moderators of the Relations of the Job Characteristics Model," *Journal of Management* 18, no. 3 (1992): 575–93; J.E. Champoux, "A Multivariate Test of the Job Characteristics Theory of Work Motivation," *Journal of Organizational Behavior* 12, no. 5 (1991): 431–46.
58. G.R. Oldham and J.R. Hackman, "Not What It Was and Not What It Will Be: The Future of Job Design Research," *Journal of Organizational Behavior* 31, no. 2–3 (2010): 463–79; A.M. Grant, Y. Fried, and T. Juillerat, "Work Matters: Job Design in Classic and Contemporary Perspectives," in *APA Handbook of Industrial and Organizational Psychology*, ed. S. Zedeck (Washington DC: American Psychological Association, 2011), 417–53.
59. C. Perrow, "A Framework for the Comparative Analysis of Organizations," *American Sociological Review* 32, no. 2 (1967): 194–208; R.L. Daft and N.B. Macintosh, "A Tentative Exploration into the Amount and Equivocality of Information Processing in Organizational Work Units," *Administrative Science Quarterly* 26, no. 2 (1981): 207–24. This job characteristics category is part of "job complexity," the latter of which has too many dimensions and interpretations. See P. Liu and Z. Li, "Task Complexity: A Review and Conceptualization Framework," *International Journal of Industrial Ergonomics* 42, no. 6 (2012): 553–68.
60. G. Jones, "Anything but Burnt Out," *Smart Business Cleveland*, March 2013, 24.
61. Job enlargement, as defined here, refers to "horizontal job enlargement/loading" which involves increasing the number and variety of related tasks assigned to an employee. This differs from "vertical job enlargement/loading" which assigns not only more tasks but also more autonomy and responsibility to the employee performing those tasks. The latter is now considered a form of job

- enrichment. For early research on job enlargement, see: C. Argyris, *Personality and Organization: The Conflict between System and the Individual* (New York: Harper, 1957), 177–81; K.H. Chung and M.F. Ross, “Differences in Motivational Properties between Job Enlargement and Job Enrichment,” *Academy of Management Review* 2, no. 1 (1977): 113–22.
62. M.D. Kilbridge, “Reduced Costs Through Job Enlargement: A Case,” *The Journal of Business* 33, no. 4 (1960): 357–62; L.E. Davis, “The Design of Jobs,” *Industrial Relations* 6, no. 1 (1966): 21–45; W.E. Reif and P.P. Schoderbek, “Job Enlargement: Antidote to Apathy,” *Human Resource Management* 5, no. 1 (1966): 16–23. Recent job enlargement studies are mainly between-person correlational analyses, whereas early research more richly studied temporal attitude and behavioral changes from job enlargement interventions. Some recent studies that investigate job enlargement include: J.A. Häusser et al., “Experimental Evidence for the Effects of Task Repetitiveness on Mental Strain and Objective Work Performance,” *Journal of Organizational Behavior* 35, no. 5 (2014): 705–21, <https://doi.org/10.1002/job.1920>; F. Fraccaroli et al., “Who Benefits from More Tasks? Older versus Younger Workers,” *Journal of Managerial Psychology* 29, no. 5 (2014): 508–23, <https://doi.org/10.1108/JMP-12-2012-0381>; D. Berdicchia, G. Masino, and F. Nicolli, “Job Enlargement, Job Crafting and the Moderating Role of Self-Competence,” *Journal of Managerial Psychology* 31, no. 2 (2016): 318–30, <https://doi.org/10.1108/JMP-01-2014-0019>.
 63. M.A. Campion and C.L. McClelland, “Follow-Up and Extension of the Interdisciplinary Costs and Benefits of Enlarged Jobs,” *Journal of Applied Psychology* 78 (1993): 339–51; N.G. Dodd and D.C. Ganster, “The Interactive Effects of Variety, Autonomy, and Feedback on Attitudes and Performance,” *Journal of Organizational Behavior* 17 (1996): 329–47.
 64. J.R. Hackman et al., “A New Strategy for Job Enrichment,” *California Management Review* 17, no. 4 (1975): 57–71; R.W. Griffin, *Task Design: An Integrative Approach* (Glenview, IL: Scott Foresman, 1982).
 65. E. Frauenheim, “Making the Call for Themselves,” *Workforce Management*, August 2010, 16; D. Pierson, “Why Dollar Shave Club Invests in Unscripted Customer Service,” *Los Angeles Times*, September 26, 2015.
 66. P.E. Spector and S.M. Jex, “Relations of Job Characteristics from Multiple Data Sources with Employee Affect, Absence, Turnover Intentions, and Health,” *Journal of Applied Psychology* 76 (1991): 46–53; P. Osterman, “How Common Is Workplace Transformation and Who Adopts It?,” *Industrial and Labor Relations Review* 47 (1994): 173–88; R. Saavedra and S. K. Kwun, “Affective States in Job Characteristics Theory,” *Journal of Organizational Behavior* 21 (2000): 131–46.
 67. J.R. Hackman and G. Oldham, *Work Redesign* (Reading, MA: Addison-Wesley, 1980), 137–38. The Telus example is report in “Putting Customers First Is Critical to Success: Telus,” *National Post*, February 4, 2013.
 68. This definition is based mostly on G.M. Spreitzer and R.E. Quinn, *A Company of Leaders: Five Disciplines for Unleashing the Power in Your Workforce* (San Francisco: Jossey-Bass, 2001). However, most elements of this definition appear in other discussions of empowerment. See, for example, R. Forrester, “Empowerment: Rejuvenating a Potent Idea,” *Academy of Management Executive* 14 (2000): 67–80; W.A. Randolph, “Re-Thinking Empowerment: Why Is It so Hard to Achieve?,” *Organizational Dynamics* 29 (2000): 94–107; S.T. Menon, “Employee Empowerment: An Integrative Psychological Approach,” *Applied Psychology: An International Review* 50 (2001): 153–80.
 69. Psychological and structural empowerment have separate origins but studies have shown that the structural conditions predict psychological empowerment. Our approach is to define empowerment as a psychological state and to view “structural empowerment” as various antecedents of empowerment. see: M.T. Maynard, L.L. Gilson, and J.E. Mathieu, “Empowerment—Fad or Fab? A Multilevel Review of the Past Two Decades of Research,” *Journal of Management* 38, no. 4 (2012): 1231–81, <https://doi.org/10.1177/0149206312438773>; S.E. Abel and M.W. Hand, “Exploring, Defining, and Illustrating a Concept: Structural and Psychological Empowerment in the Workplace,” *Nursing Forum* 53, no. 4 (2018): 579–84, <https://doi.org/10.1111/nuf.12289>.
 70. Y. Melhem, “The Antecedents of Customer-Contact Employees’ Empowerment,” *Employee Relations* 26, no. 1/2 (2004): 72–93; M.T. Maynard, L.L. Gilson, and J.E. Mathieu, “Empowerment—Fad or Fab? A Multilevel Review of the Past Two Decades of Research,” *Journal of Management* 38, no. 4 (2012): 1231–81.
 71. X. Zhang and K.M. Bartol, “Linking Empowering Leadership and Employee Creativity: The Influence of Psychological Empowerment, Intrinsic Motivation, and Creative Process Engagement,” *Academy of Management Journal* 53, no. 1 (2010): 107–28; S. Pentareddy and L. Suganthi, “Building Affective Commitment through Job Characteristics, Leadership and Empowerment,” *Journal of Management & Organization* 21, no. 03 (2015): 307–20.
 72. P.N. Sharma and B.L. Kirkman, “Leveraging Leaders: A Literature Review and Future Lines of Inquiry for Empowering Leadership Research,” *Group & Organization Management* 40, no. 2 (2015): 193–237; V. Christian, A.B. Stephan, and B. Heike, “How to Empower Employees: Using Training to Enhance Work Units’ Collective Empowerment,” *International Journal of Manpower* 36, no. 3 (2015): 354–73; D.M. Sumpter, C.B. Gibson, and C. Porath, “Act Expediently, with Autonomy: Vicarious Learning, Empowered Behaviors, and Performance,” *Journal of Business and Psychology* 32, no. 2 (2017): 131–45, <https://doi.org/10.1007/s10869-016-9440-2>; M. Leyer, A. Richter, and M. Steinhüser, “Power to the Workers’ Empowering Shop Floor Workers with Worker-Centric Digital Designs,” *International Journal of Operations & Production Management* 39, no. 1 (2018): 24–42, <https://doi.org/10.1108/IJOPM-05-2017-0294>.
 73. G. Gazzoli, M. Hancer, and Y. Park, “The Role and Effect of Job Satisfaction and Empowerment on Customers’ Perception of Service Quality: A Study in the Restaurant Industry,” *Journal of Hospitality & Tourism Research* 34, no. 1 (2010): 56–77; K. BeomCheol, L. Erwin, and M. Simon, “Consequences of Empowerment among Restaurant Servers: Helping Behaviors and Average

- Check Size," *Management Decision* 51, no. 4 (2013): 781–94.
74. W. Ke and P. Zhang, "Effects of Empowerment on Performance in Open-Source Software Projects," *IEEE Transactions on Engineering Management* 58, no. 2 (2011): 334–46; H. Fock et al., "Moderation Effects of Power Distance on the Relationship between Types of Empowerment and Employee Satisfaction," *Journal of Cross-Cultural Psychology* 44, no. 2 (2013): 281–98; M.M. Tuuli et al., "Individual-Level Antecedents of Psychological Empowerment," *Journal of Management in Engineering* 31, no. 2 (2015): 04014036.
 75. "Bosses Love Team Workers," *Lancashire Evening Post* (U.K.), 25 May 2006; O. Keogh, "Our Biggest Asset Is Not Code. It's People," *Irish Times*, 3 June 2016, 7.
 76. C.C. Manz, "Self-Leadership: Toward an Expanded Theory of Self-Influence Processes in Organizations," *Academy of Management Review* 11 (1986): 585–600; G.L. Stewart, S.H. Courtright, and C.C. Manz, "Self-Leadership: A Multilevel Review," *Journal of Management* 37, no. 1 (2011): 185–222; C.C. Manz, "Taking the Self-Leadership High Road: Smooth Surface or Potholes Ahead?," *Academy of Management Perspectives* 29, no. 1 (2015): 132–51; C.P. Neck, C.C. Manz, and J.D. Houghton, *Self-Leadership: The Definitive Guide to Personal Excellence* (Thousand Oaks, Calif.: SAGE Publications, 2019).
 77. O.J. Strickland and M. Galimba, "Managing Time: The Effects of Personal Goal Setting on Resource Allocation Strategy and Task Performance," *Journal of Psychology* 135 (2001): 357–67.
 78. C.P. Neck and C.C. Manz, "Thought Self-Leadership: The Impact of Mental Strategies Training on Employee Cognition, Behavior, and Affect," *Journal of Organizational Behavior* 17 (1996): 445–67.
 79. R.M. Duncan and J.A. Cheyne, "Incidence and Functions of Self-Reported Private Speech in Young Adults: A Self-Verbalization Questionnaire," *Canadian Journal of Behavioral Science* 31 (1999): 133–36.
 80. A. Hatzigeorgiadis et al., "Mechanisms Underlying the Self-Talk–Performance Relationship: The Effects of Motivational Self-Talk on Self-Confidence and Anxiety," *Psychology of Sport and Exercise* 10 (2009): 186–92; S.G. Rogelberg et al., "The Executive Mind: Leader Self-Talk, Effectiveness and Strain," *Journal of Managerial Psychology* 28, no. 1–2 (2013): 183–201.
 81. Mental imagery has recently become an important instrument in therapies to correct maladaptive behavior. See: J. Pearson et al., "Mental Imagery: Functional Mechanisms and Clinical Applications," *Trends in Cognitive Sciences* 19, no. 10 (2015): 590–602, <https://doi.org/10.1016/j.tics.2015.08.003>; S.E. Blackwell, "Mental Imagery: From Basic Research to Clinical Practice," *Journal of Psychotherapy Integration*, January 22, 2018, <https://doi.org/10.1037/int0000108>.
 82. J.E. Driscoll, C. Copper, and A. Moran, "Does Mental Practice Enhance Performance?," *Journal of Applied Psychology* 79 (1994): 481–92; C.P. Neck, G.L. Stewart, and C.C. Manz, "Thought Self-Leadership as a Framework for Enhancing the Performance of Performance Appraisers," *Journal of Applied Behavioral Science* 31 (1995): 278–302. Some research separates mental imagery from mental practice, whereas most studies combine both into one concept.
 83. C. O'Donnell et al., "The Role of Mental Imagery in Mood Amplification: An Investigation across Subclinical Features of Bipolar Disorders," *Cortex* 105 (2018): 104–17, <https://doi.org/10.1016/j.cortex.2017.08.010>; F. Renner et al., "Mental Imagery as a 'Motivational Amplifier' to Promote Activities," *Behaviour Research and Therapy* 114 (2019): 51–59, <https://doi.org/10.1016/j.brat.2019.02.002>.
 84. A. Joyce, "Office Perks: Re-Energize to Get through the Blahs," *The Washington Post*, August 28, 2005, F05.
 85. A. Wrzesniewski and J.E. Dutton, "Crafting a Job: Revisioning Employees as Active Crafters of Their Work," *Academy of Management Review* 26(2001): 179–201; A. Lazazzara, M. Tims, and D. de Gennaro, "The Process of Reinventing a Job: A Meta-Synthesis of Qualitative Job Crafting Research," *Journal of Vocational Behavior*, January 6, 2019, <https://doi.org/10.1016/j.jvb.2019.01.001>; H.J. Gordon et al., "Individual Job Redesign: Job Crafting Interventions in Healthcare," *Journal of Vocational Behavior* 104 (February 1, 2018): 98–114, <https://doi.org/10.1016/j.jvb.2017.07.002>.
 86. B. Harkin et al., "Does Monitoring Goal Progress Promote Goal Attainment? A Meta-Analysis of the Experimental Evidence," *Psychological Bulletin* 142, no. 2 (2016): 198–229.
 87. M.I. Bopp, S.J. Glynn, and R.A. Henning, "Self-Management of Performance Feedback during Computer-Based Work by Individuals and Two-Person Work Teams," paper presented at the APA-NIOSH conference, March 1999.
 88. M. Inzlicht, B.D. Bartholow, and J.B. Hirsh, "Emotional Foundations of Cognitive Control," *Trends in Cognitive Sciences* 19, no. 3 (2015): 126–32; A.L. Duckworth, T.S. Gendler, and J.J. Gross, "Situational Strategies for Self-Control," *Perspectives on Psychological Science* 11, no. 1 (2016): 35–55.
 89. L. Morin and G. Latham, "The Effect of Mental Practice and Goal Setting as a Transfer of Training Intervention on Supervisors' Self-Efficacy and Communication Skills: An Exploratory Study," *Applied Psychology: An International Review* 49 (2000): 566–78; J.S. Hickman and E.S. Geller, "A Safety Self-Management Intervention for Mining Operations," *Journal of Safety Research* 34 (2003): 299–308; N.G. Panagopoulos and J. Ogilvie, "Can Salespeople Lead Themselves? Thought Self-Leadership Strategies and Their Influence on Sales Performance," *Industrial Marketing Management* 47 (2015): 190–203; G. Lucke and M. Furtner, "Soldiers Lead Themselves to More Success: A Self-Leadership Intervention Study," *Military Psychology* 27, no. 5 (2015): 311–24.
 90. J. Ho and P.L. Nesbit, "Self-Leadership in a Chinese Context: Work Outcomes and the Moderating Role of Job Autonomy," *Group & Organization Management* 39, no. 4 (2014): 389–415; J.D. Houghton, A. Carnes, and C.N. Ellison, "A Cross-Cultural Examination of Self-Leadership: Testing for Measurement Invariance across Four Cultures," *Journal of Leadership & Organizational Studies* 21, no. 4 (2014): 414–30.
 91. S. Ming and G.L. Martin, "Single-Subject Evaluation of a Self-Talk Package for Improving Figure Skating

- Performance," *Sport Psychologist* 10 (1996): 227–38; J. Bauman, "The Gold Medal Mind," *Psychology Today* 33 (2000): 62–69; L.J. Rogerson and D.W. Hrycaiko, "Enhancing Competitive Performance of Ice Hockey Goaltenders Using Centering and Self-Talk," *Journal of Applied Sport Psychology* 14, no. 1 (2002): 14–26; A. Papaioannou et al., "Combined Effect of Goal Setting and Self-Talk in Performance of a Soccer-Shooting Task," *Perceptual and Motor Skills* 98, no. 1 (2004): 89–99; R.A. Hamilton, D. Scott, and M.P. MacDougall, "Assessing the Effectiveness of Self-Talk Interventions on Endurance Performance," *Journal of Applied Sport Psychology* 19, no. 2 (2007): 226–39. For a review of self-talk research, including limitations of this self-leadership strategy, see J. Hardy, "Speaking Clearly: A Critical Review of the Self-Talk Literature," *Psychology of Sport and Exercise* 7 (2006): 81–97.
92. J. Houghton et al., "The Relationship between Self-Leadership and Personality: A Comparison of Hierarchical Factor Structures," *Journal of Managerial Psychology* 19, no. 4 (2004): 427–41; R.W. Renn, D.G. Allen, and T.M. Huning, "Empirical Examination of the Individual-Level Personality-Based Theory of Self-Management Failure," *Journal of Organizational Behavior* 32, no. 1 (2011): 25–43.
93. J. Ho and P.L. Nesbit, "Self-Leadership in a Chinese Context: Work Outcomes and the Moderating Role of Job Autonomy," *Group & Organization Management* 39 (2014): 389–415, <https://doi.org/10.1177/105960114539389>; J. Mayfield, M. Mayfield, and C.P. Neck, "Speaking to the Self: How Motivating Language Links With Self-Leadership," *International Journal of Business Communication*, 2017, <https://doi.org/10.1177/2329488417731861>; G.L. Stewart, S.H. Courtright, and C.C. Manz, "Self-Leadership: A Paradoxical Core of Organizational Behavior," *Annual Review of Organizational Psychology and Organizational Behavior* 6, no. 1 (2019): 47–67, <https://doi.org/10.1146/annurev-orgpsych-012218-015130>.
- a. Based on information in: G. Simonoff and B. Kazar, "Build and Benefit from a Skill-Based Pay System," *Plant Services*, August 16, 2018.
- b. Based on data reported in: P. Gooderham et al., "A Multilevel Analysis of the Use of Individual Pay-for-Performance Systems," *Journal of Management* 44, no. 4 (2018): 1479–1504, <https://doi.org/10.1177/0149206315610634>. Data were collected in 2009–2010. These results are remarkably similar to a 2013 global survey sponsored by Kelly Services.
- c. I. Tiznado et al., "Incentive Schemes for Bus Drivers: The Case of the Public Transit System in Santiago, Chile," *Research in Transportation Economics* 48 (2014): 77–83; R.M. Johnson, D.H. Reiley, and J.C. Muñoz, "'The War for the Fare': How Driver Compensation Affects Bus System Performance," *Economic Inquiry* 53, no. 3 (2015): 1401–19.
- d. R.C. Davis, "Arsenal and *Arsenalotti*: Workplace and Community in Seventeenth-Century Venice," in *The Workplace before the Factory*, ed. T.M. Safley and L.N. Rosenband (Ithaca, NY: Cornell University Press, 1993), 180–203; R. Crowley, "Arsenal of Venice: World's First Weapons Factory," *Military History*, March 2011, 62–70.
- e. R. Feintzeig, "I Don't Have a Job—I Have a Higher Calling," *The Wall Street Journal*, February 25, 2015, B1; B.N. Pfau, "How an Accounting Firm Convinced Its Employees They Could Change the World," *Harvard Business Review Blog*, October 6, 2015.
- f. S.G.H. Meyerding, "Job Characteristics and Job Satisfaction: A Test of Warr's Vitamin Model in German Horticulture," *The Psychologist-Manager Journal* 18, no. 2 (2015): 86–107, <https://doi.org/10.1037/mgr0000029>; R. Su, C. Murdock, and J. Rounds, "Person-Environment Fit," in *APA Handbook of Career Intervention, Volume 1: Foundations*, ed. P.J. Hartung, M.L. Savickas, and W.B. Walsh (Washington: American Psychological Association, 2015), 81–98, <https://doi.org/10.1037/14438-005>.
- g. S. Leroy and T.M. Glomb, "Tasks Interrupted: How Anticipating Time Pressure on Resumption of an Interrupted Task Causes Attention Residue and Low Performance on Interrupting Tasks and How a 'Ready-to-Resume' Plan Mitigates the Effects," *Organization Science* 29, no. 3 (2018): 380–97, <https://doi.org/10.1287/orsc.2017.1184>.
- h. E.H. Schein and J. Van Maanen, "Career Anchors and Job/Role Planning: Tools for Career and Talent Management," *Organizational Dynamics* 45, no. 3 (2016): 165–73, <https://doi.org/10.1016/j.orgdyn.2016.07.002>; M. Abessolo, J. Rossier, and A. Hirschi, "Basic Values, Career Orientations, and Career Anchors: Empirical Investigation of Relationships," *Frontiers in Psychology* 8 (2017), <https://doi.org/10.3389/fpsyg.2017.01556>.
- i. B. Latane, K. Williams, and S. Harkins, "Many Hands Make Light the Work: The Causes and Consequences of Social Loafing," *Journal of Personality* 37, no. 6 (1979): 822–32; R.B. Lount and S.L. Wilk, "Working Harder or Hardly Working? Posting Performance Eliminates Social Loafing and Promotes Social Laboring in Workgroups," *Management Science* 60, no. 5 (2014): 1098–1106, <https://doi.org/10.1287/mnsc.2013.1820>; F. Chen, L. Zhang, and J. Latimer, "How Much Has My Co-Worker Contributed? The Impact of Anonymity and Feedback on Social Loafing in Asynchronous Virtual Collaboration," *International Journal of Information Management* 34, no. 5 (2014): 652–59, <https://doi.org/10.1016/j.ijinfomgt.2014.05.001>.
- j. "Putting Customers First Is Critical to Success: Telus," *National Post*, February 4, 2013. The job description is for Digital Home Technician-Greater Vancouver on Telus' job vacancies website (Taleo) on April 7, 2019.
- k. C. Wuestner, "Who Says the Bank Branch Is Dead?," *SNL European Financials Daily*, September 1, 2015; R. Milne, "Handelsbanken Is Intent on Getting Banking Back to the Future," *Financial Times* (London), March 20, 2015; "Handelsbanken Chiswick," Handelsbanken (UK: Handelsbanken, 2016), www.handelsbanken.co.uk/chiswick (accessed April 19, 2016); "Swedish Banking Giant Handelsbanken Opens New Branch in Scunthorpe," *Scunthorpe Evening Telegraph* (UK), January 22, 2016, 23; L. Holmes, "Handelsbanken's CEO Anders Bouvin on the Power of the Devolved Model," *Financial Director* (UK), February 20, 2018.
- l. Based on information in: M. Dulaney, "Impostor Syndrome can be Your Loudest Critic – Here's How to Silence It," *ABC News (Australia)*, February 27, 2019.



7

Decision Making and Creativity



Learning Objectives

After studying this chapter, you should be able to:

- LO 7-1** Describe the elements of rational choice decision making.
- LO 7-2** Explain why people differ from rational choice decision making when identifying problems/opportunities, evaluating/choosing alternatives, and evaluating decision outcomes.
- LO 7-3** Discuss the roles of emotions and intuition in decision making.
- LO 7-4** Describe employee characteristics, workplace conditions, and specific activities that support creativity.
- LO 7-5** Describe the benefits of employee involvement and identify four contingencies that affect the optimal level of employee involvement.

Aurecon Group receives dozens of awards each year for its innovative engineering designs and practices. For example, the Australian–South African engineering and infrastructure advisory firm is recognized as one of the world's top five “Best Partners” in service and structural engineering. It has received awards as one of the best three consulting firms in the Middle East and as one of Australia's most innovative companies. Aurecon Global Chief Executive Giam Swiegers says these awards reflect the company's efforts to get its 7,500 employees across 28 countries “future ready” by becoming better and more creative at decision making.

“With the pace of disruption increasingly challenging businesses, it is essential that companies ready themselves to thrive in a future that is as yet unwritten,” Swiegers advises. “Innovation is grounded on deep technical expertise, but it's not enough to invest in being ‘smart’—we need to foster creativity, challenge the status quo, explore and experiment to envision what's possible.”

To support employee creativity, Aurecon nurtures a learning orientation culture. “Ideas don't happen in a vacuum. They need some inception,” says Owen Fair, Aurecon's technical director in South Africa.



PART 2: INDIVIDUAL BEHAVIOR AND PROCESSES

"They need organizations that foster spaces where questions are imperative, risks are welcomed, and mistakes are empowering."

Aurecon has also introduced design thinking as its guiding approach to solving client needs. "I think what will really differentiate all professionals . . . is their ability to problem-solve and innovate," says Liam Hayes, Aurecon's chief people officer. "One thing we're doing as a business and in our people team at Aurecon is building this capability by applying and developing concepts around design thinking."

Design thinking is a holistic process that involves multiple stakeholders, embraces ambiguity rather than quick solutions, and relies on low-cost prototypes to test ideas. This process recognizes that one of the critical elements of effective decision making is problem finding—searching for the real problem rather than treating the client's initial problem statement as a given truth.

"If engineering is going to solve the problems of tomorrow, there's a desperate need to practice problem finding today," says Hayes. "Engineers are trained to be good problem-solvers, but too often they wait for people to tell them about the problem that needs to be solved."¹

Aurecon Group and every other organization depend on effective decision making—from problem finding to developing creative solutions. Indeed, the ability of any organization to effectively allocate resources, improve products and services, and more generally maintain a good fit with the external environment is to have people who make decisions well. Decision making is not only a critical



Dmitry Kalinovsky/123RF

Australian/South African engineering firm Aurecon Group has won numerous awards by helping its 7,500 employees across 28 countries to become more "future ready" decision makers.



management skill; it is also a core activity for all staff members directly in their jobs and through employee involvement.

This chapter examines each of these themes. It begins by describing the rational choice view of decision making. Next, the human limitations of rational choice—we call it imperfect rationality—are discussed in the context of how human beings actually make decisions. We also examine the emerging view that decisions consist of a complex interaction of logic and emotion. The latter part of this chapter focuses on two topics that intertwine with decision making: creativity and employee involvement.

Rational Choice Decision Making

LO 7-1

decision making
the conscious process of making choices among alternatives with the intention of moving toward some desired state of affairs

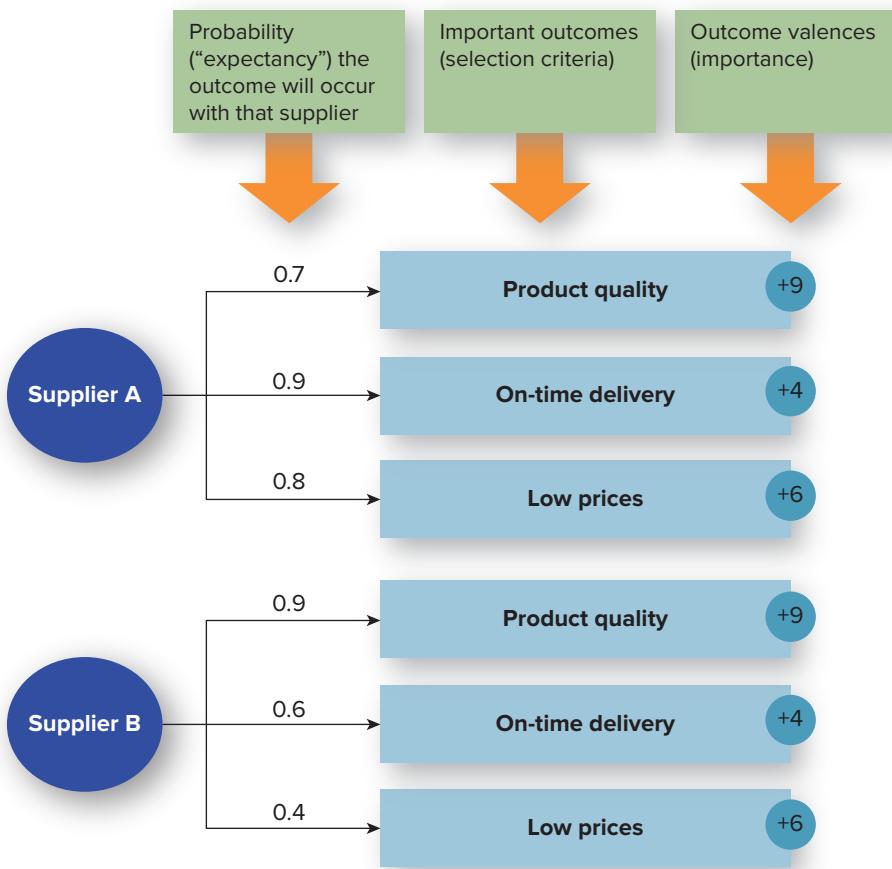
Decision making is the process of making choices among alternatives with the intention of moving toward some desired state of affairs.² This is vital to an organization's health, rather like breathing is to a human being. Indeed, Aurecon Global Chief Executive Giam Swiegers and other leaders increasingly view themselves as physicians who resuscitate organizations by encouraging and teaching employees at all levels to make decisions more effectively and creatively. All businesses, governments, and not-for-profit agencies depend on employees to foresee and correctly identify problems, to survey alternatives, to pick the best alternative based on several relevant factors, and to execute and evaluate those decisions effectively and objectively.

How should people make decisions in organizations? Most business leaders would likely answer this question by saying that effective decision making involves identifying, selecting, and applying the best possible alternative. In other words, the best decisions use pure logic and all available information to choose the alternative with the highest value—such as highest expected profitability, customer satisfaction, employee well-being, or some combination of these outcomes. These decisions sometimes involve complex calculations of data to produce a formula that points to the best choice.

For most of written history, Western societies have elevated pure rationality as an ideal state of decision making.³ The rational choice view was established 2,500 years ago when Plato and his contemporaries in ancient Greece raised logical debate and reasoning to a fine art. About 400 years ago, Descartes and other European philosophers emphasized that the ability to make logical decisions is one of the most important accomplishments of human beings. In the 1700s, Scottish philosophers refined the notion that the best choice is the one that offers the greatest expected satisfaction.

Rational choice decision making selects the best alternative by calculating the probability that various outcomes will occur from the choices and the expected satisfaction (valences) from each of those outcomes.⁴ We have already described similar calculations of probability and valences in two earlier organizational behavior theories, namely the attitude model in Chapter 4 and expectancy theory of motivation in Chapter 5.

To help you understand the rational choice calculation, consider the example in Exhibit 7.1.⁵ Your company wants to choose a new supplier of a specific raw material used in the company's products. From experience, you estimate that the preferred supplier should provide a high-quality product (+9) with low prices (+6) and on-time delivery (+4).⁶ The numbers, which are on a plus or minus 10-point scale in this example, indicate each outcome's valence, that is, its expected satisfaction or importance. You discover that supplier A has excellent on-time delivery (about 90 percent probability of exceeding the company's expectations) whereas it has a 70 percent probability of reliably providing a

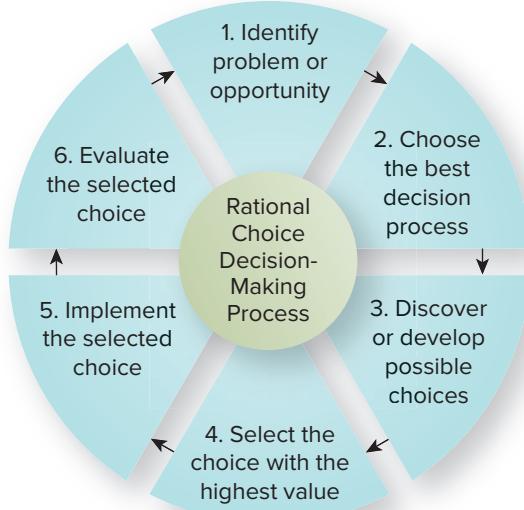
EXHIBIT 7.1**Rational Choice Decision-Making Example**

product with exceptional quality. Supplier B has a 90 percent chance of providing very high product quality but a lower likelihood (40 percent) of offering the best prices.

Which of these two suppliers should be selected? A rational choice decision maker would choose Supplier A because that company has the highest composite valence. This expected satisfaction is calculated by multiplying the valence of each outcome by the probability of that outcome occurring, then add those results across all three outcomes. The supplier with the higher score is the better choice, given available information. The key point from this example is that all rational decisions rely primarily on two pieces of information: (a) the probability that each outcome will occur and (b) the valence or expected satisfaction of each outcome.

RATIONAL CHOICE DECISION PROCESS

Calculating the best alternative is at the heart of rational choice decision making, but it goes hand-in-hand with the systematic decision process illustrated in Exhibit 7.2.⁷ The first step is to identify the problem or recognize an opportunity. A *problem* is a deviation between the current and the desired situation—the gap between “what is” and “what ought to be.” This deviation is a symptom of more fundamental causes that need to be corrected. The “ought to be” refers to goals or performance expectations, and these goals later help evaluate the selected choice.⁸ For instance, if a customer contact center’s goal is to answer incoming client calls within 30 seconds, the problem is the gap between that goal and the actual time the contact center takes to answer most client calls. An *opportunity* is a deviation between current expectations and a potentially better situation that was not previously expected. In other words, an opportunity exists when

EXHIBIT 7.2**Rational Choice Decision Process**

decision makers discover that some choices may produce better results than current goals or expectations.

The second step involves choosing the best decision process. This step is really a meta-decision—deciding how to decide—because it refers to choosing among the different approaches and processes to make the decision.⁹ One meta-decision is whether to solve the problem alone or involve others in the process. Later in this chapter, we'll examine the contingencies of employee involvement in decision making. Another meta-decision is whether to assume the decision is programmed or nonprogrammed. *Programmed decisions* follow standard operating procedures; they have been resolved in the past, so the optimal solution has already been identified and documented. In contrast, *nonprogrammed decisions* require all steps in the decision model because the problems are new, complex, or ill-defined.

The third step in the rational choice decision process is to identify and/or develop a list of possible choices. This usually begins by searching for ready-made solutions, such as practices that have worked well on similar problems. If none of the existing solutions is acceptable, then decision makers need to design a custom-made solution or modify an existing one.

The fourth step is to select the best choice by applying the rational choice calculation we described in Exhibit 7.1. Choosing the alternative that offers the greatest expected satisfaction or value requires the decision maker to have information about all possible alternatives and their outcomes. That condition is usually impossible, but the rational choice view of decision making assumes this can be accomplished with ease.

The fifth step is to implement the selected alternative. The rational choice view has little to say about this stage of decision making; it assumes that implementation occurs without any problems. The final step is to evaluate whether the gap has narrowed between “what is” and “what ought to be.” Ideally, this information should come from systematic benchmarks so that relevant feedback is objective and easily observed.

PROBLEMS WITH RATIONAL CHOICE DECISION MAKING

The rational choice view of decision making seems so logical, yet there are several reasons why it is impossible to apply in reality.¹⁰ Therefore, we need to understand why people have imperfect rationality. Over the next several pages we reexamine each step in the rational choice decision-making process, but with more detail about what really happens through the lens of “imperfect rationality.”

Identifying Problems and Opportunities

LO 7-2

Some sources suggest that when Albert Einstein was asked how he would save the world in one hour, he replied that most of that time should be spent defining the problem and the rest of that hour solving the problem.¹¹ Whether Einstein or someone else uttered this advice, it makes the important point that problem identification is not just the first step in decision making; it is arguably the most important step. But problems and opportunities are not clearly labeled objects that appear on our desks. Instead, they are conclusions that we form from ambiguous and conflicting information.¹² For instance, the opening case study for this chapter described how Aurecon Group encourages its engineers to search for the real problem rather than treating the client's initial problem statement as a given truth.

PROBLEMS WITH PROBLEM IDENTIFICATION

Only by forming an accurate understanding of the problem can we move toward a meaningful solution. Unfortunately, the problem identification stage is, itself, filled with problems. Here are five of the most widely recognized concerns.

Solution-Focused Problems Some decision makers describe the problem as a veiled solution.¹³ For instance, someone might say: "The problem is that we need more control over our suppliers." This isn't a description of the problem; it is a rephrased statement of a solution to a problem that has little or no diagnosis. Consider the executive who famously launched Apple's retail stores and was subsequently hired as JCPenney's new chief executive officer.¹⁴ The executive quickly identified the ailing retailer's main problem in a way that was actually a veiled solution: It needed to be more like Apple. JCPenney's popular coupons and store sales were abandoned because Apple rarely discounted its products. JCPenney stores were redesigned to look more like Apple stores. When a colleague suggested testing the no-discount strategy at a few stores, the former Apple executive sharply replied: "We didn't test at Apple." Less than two years later, the JCPenney's sales had plummeted by one-third and the former Apple executive was out the door.

Why do decision makers fall into the solution-focused problem trap? One reason is that they have been reinforced by past successes with that solution. When new problems arise, the solution that worked in the past quickly comes to mind before proper problem diagnosis can occur. Abraham Maslow (who created Maslow's needs hierarchy model) once warned, "I suppose it is tempting, if the only tool you have is a hammer, to treat everything as if it were a nail."¹⁵ A second reason for the solution-focused problem identification error is that decision makers are comforted by closure to problems, so they nonconsciously embed a solution in their problem definition. Unfortunately, this solution-focused situation fails to fully diagnose the underlying causes that need to be addressed.

Decisive Leadership Various studies have found that executives are valued for their decisiveness, including how quickly they determine that the situation is a problem, opportunity, or nothing worth their attention.¹⁶ Consequently, many leaders announce problems or opportunities before having a chance to logically assess the situation. The result is often a misguided effort to solve an ill-defined problem or resources wasted on a poorly identified opportunity.

Stakeholder Framing Employees, suppliers, customers, and other stakeholders provide (or hide) information in ways that makes the decision maker see the situation as a problem, opportunity, or steady sailing.¹⁷ Employees point to external factors rather than their own faults as the cause of production delays. Suppliers try to convince



global connections 7.1

Mental Model Myopia Almost Rejected *Seinfeld*^a

One of the most successful sitcoms (situational comedies) in history almost didn't make it to prime time. *Seinfeld* was soundly rejected by executives at Fox network and almost had the same fate at NBC, which aired the pilot episode.

The show's near-miss with success occurred because it was a new form of television comedy, one that was profoundly different from the deeply reinforced mental models that network executives relied on to identify future program gems. Popular sitcoms wove humor into a story line that often addressed current ethical or social issues, whereas *Seinfeld* was a show about nothing—just humorous dialogue in “moments” of everyday life (such as going to a laundromat or waiting too long for dinner at a restaurant). In the minds of network executives, lead characters in successful sitcoms had emotional attachments or conflicts and displayed occasional heroism. *Seinfeld*'s characters lived separate lives, had minimal emotional relationships, and were hardly heroic.

NBC executive Rick Ludwin is widely credited with saving *Seinfeld* from the dustbin. In his early days, Ludwin had done stand-up comedy and read *Saturday Night Live* scripts, so he recognized the potential of *Seinfeld*'s unique humor. Also, Ludwin was responsible for late-night



STLE ROCK/WEST-SHAPIRO/Album/Alamy Stock Photo

programming, not sitcoms, so he didn't rely on the outdated mental models that blinkered sitcom executives regarding what a successful program should look like. *Seinfeld* scriptwriters Larry David and Jerry Seinfeld also lacked experience in the sitcom industry, which enabled them to produce scripts that forged new territory.

“Larry and Jerry had never written a sitcom, and my department had never developed one,” says Rick Ludwin. “We were a good match, because we didn't know what rules weren't supposed to be broken.”

corporate clients that they are at risk (product failures, declining market share etc.) unless they buy the supplier's new production system or raw materials. Many other stakeholders also frame the situation in ways that decision makers will view as a problem or otherwise. Decision makers fall prey to these constructed realities because they have a need to simplify the daily bombardment of complex and often ambiguous information.

Perceptual Defense People sometimes fail to become aware of problems because they block out bad news as a coping mechanism. Their brain refuses to see information that threatens their self-concept. The tendency to engage in perceptual defense varies from one decision maker to the next. Studies also report that perceptual defense is more common when decision makers have limited options to solve the problem.¹⁸

Mental Models Decision makers are victims of their own problem framing due to existing mental models. **Mental models** are knowledge structures that we develop to describe, explain, and predict the world around us. They exist as visual or relational images in our mind of the external world. They fill in information that we don't immediately see, which fulfills our need to understand and navigate the surrounding environment (see Chapter 3).¹⁹ Many mental images are also prototypes of ideal conditions—they represent models of how things should be. Unfortunately, these mental models can blind us from seeing unique problems or opportunities because they produce a negative evaluation of things that deviate from the mental model. If an idea doesn't fit the existing mental model of how things should work, then it is quickly dismissed as unworkable or undesirable.

mental models

knowledge structures that we develop to describe, explain, and predict the world around us



IDENTIFYING PROBLEMS AND OPPORTUNITIES MORE EFFECTIVELY

Recognizing problems and opportunities will always be a challenge, but one way to improve the process is by becoming aware of the five problem identification biases just described. For example, by recognizing that mental models restrict a person's perspective of the world, decision makers are more motivated to consider other perspectives of reality. Along with increasing their awareness of problem identification flaws, leaders require considerable willpower to resist the temptation of looking decisive when a more thoughtful examination of the situation should occur.

A third way to improve problem identification is to create a norm of "divine discontent." Decision makers with this mindset are never satisfied with current conditions no matter how successful that situation may be, so they more actively search for problems and opportunities.²⁰ Fourth, employees can minimize problem identification errors by discussing the situation with colleagues and clients. It is much easier to discover blind spots in problem identification when listening to how others perceive the situation. Opportunities also become apparent when outsiders explore this information from their different mental models.

Searching for, Evaluating, and Choosing Alternatives

The rational choice view of decision making assumes that people rely on logic to evaluate and choose alternatives. It implies that decision makers have well-articulated and agreed-upon organizational goals, that they efficiently and simultaneously process facts about all alternatives and the consequences of those alternatives, and that they choose the alternative with the most favorable outcomes.

Nobel Prize-winning organizational scholar Herbert Simon questioned these assumptions a half century ago. He argued that people engage in **bounded rationality** because they process information that is both fragmented and imperfect, and they rarely try to select the best choice.²¹ Bounded rationality is the most widely known theory questioning the rational choice view, but it is not alone. Other theories identify imperfections in how people form preferences, how they short-circuit the decision-making process, and how their choices are distorted by faulty heuristics and other perceptual biases.²² Overall, as Exhibit 7.3 illustrates, these *imperfect rationality* theories identify several ways that human decision making differs from rational choice assumptions. Let's look at these differences in terms of goals, information processing, and maximization.

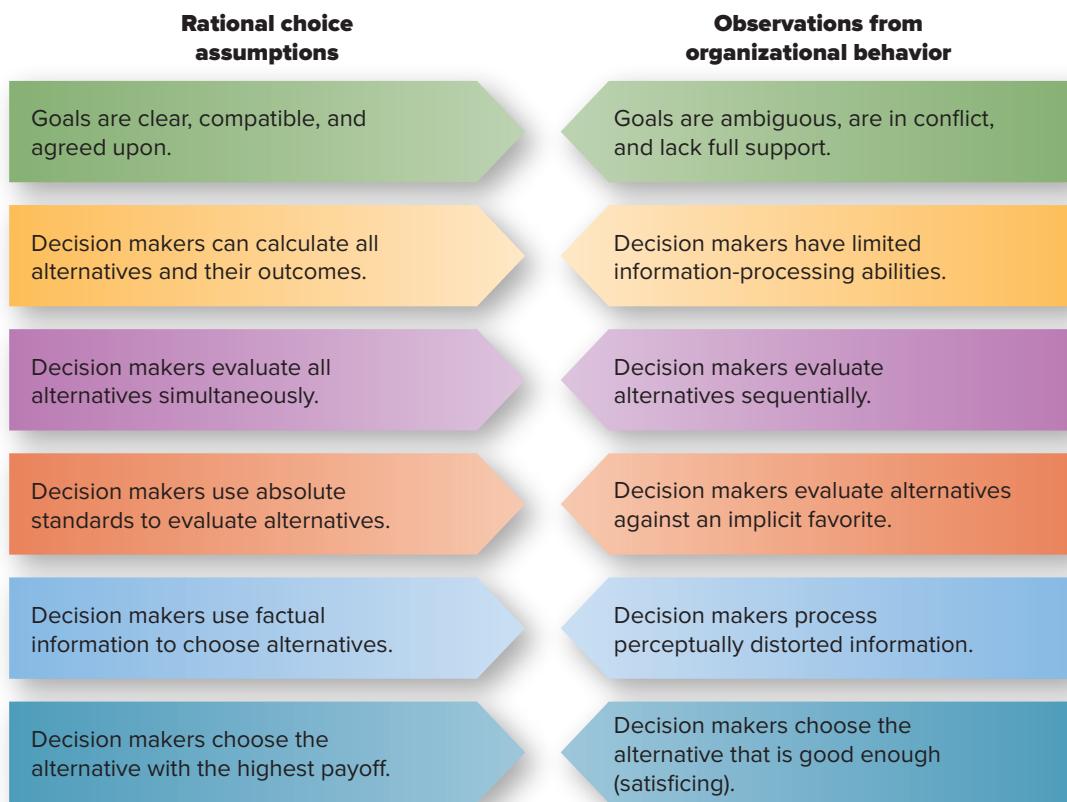
bounded rationality
the view that people are bounded in their decision-making capabilities, including access to limited information, limited information processing, and tendency toward satisficing rather than maximizing when making choices

PROBLEMS WITH GOALS

Decision makers need to know about goals so they can identify "what ought to be" and, therefore, provide a standard against which each alternative is evaluated. The rational choice view assumes that organizational goals are clear and agreed on, yet in reality they are often ambiguous or in conflict with each other.²³ Ambiguous goals make it difficult to know if a particular choice has greater value to the organization. For example, "satisfy customer needs" may refer to providing efficient service, a variety of services, more personalized service, and other possibilities. When goals conflict, decision makers rarely have a guide map to determine which ones should take priority.

PROBLEMS WITH INFORMATION PROCESSING

The rational choice view makes several questionable assumptions about the human capacity to process information. It states that decision makers can process information about all alternatives and their consequences. In reality, people evaluate only a few alternatives and only some of the main outcomes of those alternatives.²⁴ For example, there are dozens of mobile/cell phone models to choose from and dozens of features to consider, yet people typically evaluate only a few phones and a handful of expected outcomes of purchasing one of those products.

EXHIBIT 7.3 Rational Choice Assumptions versus Organizational Behavior Findings about Choosing Alternatives

The rational choice approach also assumes that people will evaluate all alternatives against one another at the same time using unbiased estimates of valences and outcome probabilities (illustrated earlier in Exhibit 7.1). What decision makers actually tend to do is evaluate each alternative sequentially against an **implicit favorite**. An implicit favorite is an alternative that the decision maker prefers and is the repeated comparison against the other choices. When choosing a new mobile/cell phone, for example, people typically have an implicit favorite model against which they compare other phone models. The preferred alternative is called “implicit” because decision makers don’t explicitly decide this initial preference and often aren’t even aware of their favoritism!²⁵

Why do decision makers follow a sequential evaluation process using an implicit favorite? One reason is that all of the alternatives are not usually available at the same time.²⁶ When deciding which employee to hire for a particular job, for example, some job candidates would have found other employment before the later applicants have applied or been interviewed. Thus, decision makers need to evaluate early applicants against the best choice so far.

A second reason for an implicit favorite is that human beings have a natural preference for comparing two choices rather than systematically evaluating many alternatives at the same time.²⁷ An implicit favorite assists this process by serving as an anchor comparator against which the other choices are ipsatively evaluated. A third reason for an implicit favorite is that people are cognitive misers. They minimize mental effort by quickly forming a preferred alternative (their implicit favorite), and then looking mainly for evidence that supports the preferred choice. In other words, they engage in **confirmation bias**, which we discussed in Chapter 3.²⁸

implicit favorite
a preferred alternative that the decision maker uses repeatedly as a comparison with other choices

confirmation bias
the processing of screening out information that is contrary to our values and assumptions, and to more readily accept confirming information

The fourth reason why decision makers compare alternatives sequentially against an implicit favorite is to minimize the risk of **cognitive dissonance** (see Chapter 4).²⁹ Just as people want their behavior to be consistent with their attitudes, decision makers want their choices to be consistent with their beliefs and feelings about which alternative offers the highest expected satisfaction. Therefore, they distort information (usually non-consciously) to ensure it supports an implicit favorite. This information distortion during the decision-making process includes ignoring or underweighting problems with the implicit favorite, overweighting attributes in which the implicit favorite is better, underweighting features in which the alternative is superior, and overweighting problems with the alternative.

Biased Decision Heuristics The cornerstone of rational choice decision making is to calculate the alternative with the highest expected satisfaction. However, psychologists Amos Tversky and Daniel Kahneman discovered that human beings have built-in *decision heuristics* that automatically distort those calculations. Three of the most widely studied heuristic biases are anchoring and adjustment, availability, and representativeness.³⁰

- **Anchoring and adjustment heuristic.** This heuristic states that we are influenced by an initial anchor point and do not sufficiently move away from that point as new information is provided.³¹ The anchor point might be an initial offer price, initial opinion of someone, or initial estimated probability that something will occur. One explanation for this effect is that human beings tend to compare alternatives rather than evaluate them purely against objective criteria. Therefore, if someone requests a high initial price for a car we want to buy, we naturally compare—and thereby anchor—our alternative offer against that high initial price.
- **Availability heuristic.** The availability heuristic is the tendency to estimate the probability of something occurring by how easily we can recall those events. Unfortunately, how easily we recall something is due to more than just its frequency (probability).³² For instance, we easily remember emotional events (such as earthquakes and shark attacks), so we overestimate how often these traumatic events occur. We also have an easier time recalling recent events. If the media report several incidents of air pollution, we likely give more pessimistic general estimates of air quality than if there have been no recent reports.
- **Representativeness heuristic.** This heuristic states that we pay more attention to whether something resembles (is representative of) something else than to more precise statistics about its probability.³³ Suppose that one-fifth of the students in your class are in engineering and the others are business majors. There is only a 20 percent chance that any classmate is from engineering, yet we don't hesitate to assume a student is from engineering if he or she looks and acts like (is representative of) our stereotype of an engineering student.

cognitive dissonance
an emotional experience caused by a perception that our beliefs, feelings, and behavior are incongruent with one another

anchoring and adjustment heuristic
a natural tendency for people to be influenced by an initial anchor point such that they do not sufficiently move away from that point as new information is provided

availability heuristic
a natural tendency to assign higher probabilities to objects or events that are easier to recall from memory, even though ease of recall is also affected by nonprobability factors (e.g., emotional response, recent events)

representativeness heuristic
a natural tendency to evaluate probabilities of events or objects by the degree to which they resemble (are representative of) other events or objects rather than on objective probability information



People avoid making choices in decisions that have too many alternatives. This is evident when new employees are asked to register for their pension plan and choose one type of investment. More employees delay or avoid pension plan registration when they face dozens of investment options, even though signing up would give them tax benefits, company contributions to that plan, and long-term financial security. Studies have found that employees are significantly more likely to register for the company pension plan when they are given only two or three initial investment options, such as a growth fund, balanced fund, and capital stable investment. After they have signed up, employees are presented with further investment choices for their pension plan.^b

Gemphotography/iStock/Getty Images

satisficing
selecting an alternative that is satisfactory or “good enough,” rather than the alternative with the highest value (maximization)

PROBLEMS WITH MAXIMIZATION

One of the main assumptions of rational choice decision making is that people are both motivated and able to identify and select the best alternative (maximization). Yet rather than aiming for the choice with the highest expected satisfaction, decision makers typically engage in **satisficing**—they choose the first alternative that exceeds a standard of acceptance for their needs and preferences.³⁴ In other words, they choose an alternative that is “good enough.”

Satisficing is usually necessary because choosing the absolutely best choice (maximization) requires complete and perfect information. This is impossible in reality because information is imperfect, costly, or can't be found at all when the decision is made. Hypothetically, even if decision makers could receive complete and perfect information, they wouldn't have the time or cognitive capacity to input and analyze the mammoth amount of complex data. For example, it is difficult to choose the best possible mobile/cell phone because of the large number of choices, the many features to consider for each choice, the numerous consequences of each choice (longevity, quality, etc.), and the ambiguous information about many of those features and outcomes. Under those conditions, maximization leads to a spiral of endless trade-offs among the various choices, which can actually result in worse decisions and less satisfied decision makers.³⁵

Studies report that people like to have choices, but deciding from among dozens of alternatives and many outcomes for each alternative is cognitively and emotionally draining. Consequently, decision makers satisfice as a way to minimize cognitive effort.³⁶ They also reduce cognitive effort by discarding a large selection of alternatives using easily identifiable factors (color, size, etc.) and by evaluating them using only a handful of possible outcomes (selection criteria).

People who face a large number of alternatives often opt for a decision strategy that is even less cognitively challenging than satisficing: they don't make any decision at all! In one study, grocery store customers saw one of two jam-tasting booths. Thirty percent of consumers who visited the booth displaying six types of jam purchased one of those products. In contrast, only 3 percent of customers who saw the booth displaying 24 types of jam made a purchase. The larger number of choices discouraged them from making any decision. Other studies revealed similar results in decisions about chocolates, term essays, and pension plan investment options.³⁷

EVALUATING OPPORTUNITIES

Opportunities are just as important as problems, but the process of acting on an opportunity differs from the process of solving a problem. Decision makers seldom evaluate several alternatives when they find an opportunity; after all, the opportunity *is* the solution, so why look for others!³⁸ An opportunity is usually experienced as an exciting and rare revelation, so decision makers tend to have an emotional attachment to the opportunity. Unfortunately, this emotional preference motivates decision makers to apply the opportunity and short-circuit any detailed assessment of its likely benefits.

Entrepreneurs rely heavily on opportunity-based decision making, so it isn't surprising that entrepreneurship studies have identified several concerns about opportunity evaluation.³⁹ One issue is whether decision makers can “discover” and objectively evaluate opportunities. In contrast, some experts suggest that opportunities are mostly socially constructed by the decision maker and stakeholders, so an opportunity is a “propensity” for a desirable future that depends on the decision maker's belief in the opportunity's potential. A related issue is the tendency for decision makers to personalize an opportunity (i.e., it belongs to them) rather than remain impartial evaluators of the opportunity. Personalizing an opportunity tends to shift the decision maker's focus from objective to more subjective opportunity evaluation. It places greater emphasis on the entrepreneur's “opportunity belief” than on impersonal analysis of data to determine whether to invest in the opportunity.

Emotions and Intuition in Decision Making

LO 7-3

EMOTIONS AND MAKING CHOICES

Over the previous pages, we explained why people are far from perfect at rational decision making. However, Herbert Simon and other imperfect rationality scholars neglected to mention another problem: the rational choice model completely ignores the effect of emotions in human decision making. Just as both the rational and emotional brain centers alert us to problems, they also influence our choice of alternatives.⁴⁰

Emotions Form Early Preferences The emotional marker process described in previous chapters (Chapters 3, 4, and 5) shapes our preference for each alternative before we consciously evaluate those alternatives. Our brain very quickly attaches specific emotions to information about each alternative, and our preferred alternative is strongly influenced by those initial emotional markers.⁴¹ Of course, logical analysis also influences which alternative we choose, but it requires strong logical evidence to change our initial preferences (initial emotional markers). Yet even logical analysis depends on emotions to sway our decision. Specifically, neuroscientific evidence says that information produced from logical analysis is tagged with emotional markers, and it is those emotional markers, not logical analysis, that motivate us to choose or avoid a particular alternative. In other words, emotions, not rational logic, energize us to make the preferred choice. In fact, people with damaged emotional brain centers have difficulty making choices.

Emotions Change the Decision Evaluation Process Moods and specific emotions influence the *process* of evaluating alternatives.⁴² For instance, we pay more attention to details when in a negative mood, possibly because a negative mood signals that there is something wrong that requires attention. When in a positive mood, on the other hand, we pay less attention to details and rely on a more programmed decision routine. This phenomenon explains why executive teams in successful companies are often less vigilant about competitors and other environmental threats.⁴³ Research also suggests that decision makers rely on stereotypes and other shortcuts to speed up the choice process when they experience anger. Anger also makes them more optimistic about the success of risky alternatives, whereas the emotion of fear tends to make them less optimistic. Overall, emotions shape *how* we evaluate information, not just which choice we select.

Emotions Serve as Information When We Evaluate Alternatives The third way that emotions influence the evaluation of alternatives is through a process called “emotions as information.” This refers to the idea that we listen in on our emotions to gain guidance when making choices.⁴⁴ The emotions-as-information effect is similar to having a temporary improvement in emotional intelligence. Most emotional experiences remain below the level of conscious awareness, but people actively try to be more sensitive to these subtle emotions when making a decision.

When buying a new car, for example, you not only logically evaluate each vehicle’s features; you also try to gauge your emotions when visualizing what it would be like to own each of the cars on your list of choices. Even when you have information about each vehicle (purchase price, fuel efficiency, maintenance costs, resale value, etc.), you are swayed by your emotions and actively try to sense those emotional responses when thinking about the decision. Everyone pays attention to their emotions to some degree when choosing alternatives. This phenomenon ties directly into our next topic, intuition.

intuition
the ability to know when a problem or opportunity exists and to select the best course of action without conscious reasoning

INTUITION AND MAKING CHOICES

Do you get a gut feeling when something isn’t quite right? Or perhaps a different emotional experience occurs when you sense an opportunity? These emotional experiences potentially (but not necessarily) indicate your **intuition**—the ability to know when a



problem or opportunity exists and to select the best course of action without conscious reasoning.⁴⁵ Some people pay more attention to their gut feelings whereas others are more comfortable with decisions based on logic and data analysis. However, intuition and logical analysis are not opposites and never completely replace each other. Emotions are always present in human decision making.⁴⁶



SELF-ASSESSMENT 7.1: What Is Your Preferred Decision-Making Style?

Effective decision making is a critical part of most jobs, particularly in professional and executive positions. But people have different decision-making styles, including how much they rely on facts and logical analysis or emotional responses and gut instinct. You can discover your preferred decision-making style by locating this self-assessment in Connect if it is assigned by your instructor.

Intuition is both an emotional experience and a rapid nonconscious analytic process. The gut feelings we experience are emotional signals that have enough intensity to make us consciously aware of them. These signals warn us of impending danger or motivate us to take advantage of an opportunity. Some intuition also directs us to preferred choices relative to other alternatives in the situation.

All gut feelings are emotional signals, but not all emotional signals are intuition. Emotional signals are valid intuition when they rely on mental models that reasonably and accurately depict the situation where we sense the problem or opportunity. Intuition involves rapidly comparing our observations with these “templates of the mind.” Positive or negative emotions are produced, depending on how well that situation fits our mental model.⁴⁷ For example, when chess masters quickly scan a chessboard, they experience emotional signals that the chess configuration poses an opportunity or threat. These emotional signals motivate closer observation to logically confirm the situation and to act on it. Thus, intuition signals that a problem or opportunity exists long before conscious rational analysis has occurred.

However, not all emotional signals are intuition because they are not always based on well-grounded mental models. Instead, we sometimes compare the current situation to more remote templates, which may or may not be relevant. A new employee might feel confident about relations with a supplier, whereas an experienced employee senses potential problems. The difference is that the new employee relies on poorly developed or more remote templates from other experiences that might not fit this situation. Thus, the extent to which our gut feelings in a situation represent intuition depends on our level of experience in that situation. The key message here is that some emotional signals are not intuition, so gut feelings alone shouldn’t guide our decisions.

So far, we have described intuition as an emotional experience (gut feeling) and a process in which we compare the current situation with well-established templates of the mind. Intuition also relies on *action scripts*—programmed decision routines that speed up our response to pattern matches or mismatches.⁴⁸ Action scripts effectively shorten the decision-making process by jumping from problem identification to selection of a solution. In other words, action scripting is a form of programmed decision making. Action scripts are generic, so we need to consciously adapt them to the specific situation.

MAKING CHOICES MORE EFFECTIVELY

It is very difficult to get around the human limitations of making choices, but a few strategies help minimize these concerns. One important discovery is that decisions tend to have a higher failure rate when leaders are decisive rather than contemplative about the available options. Of course, decisions can also be ineffective when leaders take too long to make a choice, but research indicates that a lack of logical evaluation of alternatives is a greater

INTUITION VERSUS DATA ANALYSIS: CRUNCH YOUR HUNCH^c**61%**

of 2,037 professionals surveyed globally somewhat or strongly agree that there is pressure from senior management for the organization to become more data-driven and analytical.

34%

of 2,100 executives surveyed globally say they will rely mainly on experience and intuition when making their next big decision.

33%

of 2,100 executives surveyed globally say they will rely mainly on data and analytics when making their next big decision.



(photo): Jonathan Evans/Photographer's Choice RF/Getty Images

scenario planning
a systematic process of thinking about alternative futures and what the organization should do to anticipate and react to those environments

Another strategy is **scenario planning**, which is a disciplined method for imagining possible futures.⁵⁰ It typically involves thinking about what would happen if a significant environmental condition changed and what the organization should do to anticipate and react to such an outcome. Scenario planning is a useful vehicle for choosing the best solutions under possible scenarios long before they occur, because alternative courses of action are evaluated without the pressure and emotions that occur during real emergencies.

concern. By systematically assessing alternatives against relevant factors, decision makers minimize the implicit favorite and satisficing problems that occur when they rely on general subjective judgments. This recommendation does not suggest that we ignore intuition; rather, it suggests that we use it in combination with careful analysis of relevant information.⁴⁹

A second piece of advice is to remember that decisions are influenced by both rational and emotional processes. Therefore, some decision makers deliberately revisit important issues later when their initial emotions have subsided and they can look at the information in a different mood. For example, if you sense that your team is feeling somewhat too self-confident when making an important competitive decision, you might decide to have the team members revisit the decision a few days later when they are thinking more critically.

Implementing and Evaluating Decisions

IMPLEMENTING DECISIONS

Implementing decisions is often skipped over in most writing about decision making. Yet leading business writers emphasize that execution—translating decisions into action—is one of the most important and challenging tasks in the decision-making process.⁵¹ Implementing decisions is mainly about organizational change, which we discuss in Chapter 15, but also relates to motivation (Chapter 5), influence processes (Chapter 10), leadership (Chapter 12), and several other topics throughout this book.

EVALUATING DECISIONS

Contrary to the rational choice view, decision makers aren't completely honest with themselves when evaluating the effectiveness of their decisions. Earlier in this chapter, we explained that decision makers engage in *confirmation bias* to support their implicit favorite during the decision-making process. This bias continues long after the decision has been made; during the evaluation stage some experts call it *postdecisional justification*.⁵² Decision makers ignore or underemphasize negative outcomes of the choice they made



and overemphasize new information about its positive features. Confirmation bias gives people an excessively optimistic evaluation of their decisions, but only until they receive very clear and undeniable information to the contrary.

Escalation of Commitment Another reason why decision makers don't evaluate their decisions very well is due to **escalation of commitment**—the tendency to repeat an apparently bad decision or allocate more resources to a failing course of action.⁵³ Why are decision makers led deeper and deeper into failing projects? Several explanations have been identified and discussed over the years, but the four main influences are self-justification effect, self-enhancement effect, prospect theory effect, and sunk costs effect.

- *Self-justification effect.* People try to convey a positive public image of themselves. In decision making, this self-justification typically involves appearing to be rational and competent. Decision makers are therefore motivated to demonstrate that their choices will be successful, which includes continuing to support a decision even when it is not having the desired outcomes. In contrast, pulling the plug symbolizes the project's failure and the decision maker's incompetence. This self-justification effect is particularly evident when decision makers are personally identified with the project, have staked their reputations to some extent on the project's success, and have low self-esteem.⁵⁴
- *Self-enhancement effect.* People have a natural tendency to feel good about themselves—to feel luckier, more competent, and more successful than average—regarding things that are important to them (see Chapter 3).⁵⁵ This **self-enhancement** supports a positive self-concept, but it also increases the risk of escalation of commitment. When presented with evidence that a project is in trouble, the self-enhancement process biases our interpretation of the information as a temporary aberration from an otherwise positive trend line. And when we eventually realize that the project isn't going as well as planned, we continue to invest in the project because self-enhancement tends to overestimate our probability of rescuing the project. Self-justification and self-enhancement often occur together in escalation of commitment, but they are different mechanisms. Self-justification is a deliberate attempt to maintain a favorable public image, whereas self-enhancement operates mostly nonconsciously, distorting information so we do not recognize the problem sooner and biasing our probabilities of success so we continue to invest in the losing project.⁵⁶
- *Prospect theory effect.* **Prospect theory** states that people have an inherent tendency to experience stronger negative emotions when losing something of value than the positive emotions when gaining something of equal value. This effect creates a stronger motivation to avoid losses than to risk receiving equally valid gains. The stronger negative valence of a potential loss motivates escalation commitment because stopping a project is a certain loss, which evokes more negative emotions to most people than the uncertainty of success associated with continuing to fund the project. Given the choice, decision makers choose to invest more in the losing project, which is the less painful option at the time.⁵⁷
- *Sunk costs effect.* People inherently feel motivated to invest more resources in projects that have high sunk costs—the value of resources already invested in the decision.⁵⁸ This contrasts with the rational choice view, which states that investing resources should be determined by expected future gains and risk, not the size of earlier resources invested in the project. A variation of sunk costs is

escalation of commitment
the tendency to repeat an apparently bad decision or allocate more resources to a failing course of action

self-enhancement
a person's inherent motivation to have a positive self-concept (and to have others perceive him or her favorably), such as being competent, attractive, lucky, ethical, and important

prospect theory
an innate tendency to feel stronger negative emotion from losing a particular amount than positive emotion from gaining an equal amount

with the rational choice view, which states that investing resources should be determined by expected future gains and risk, not the size of earlier resources invested in the project. A variation of sunk costs is

Two South Carolina power companies announced development of nuclear electric-generating units that would cost \$9.8 billion and be operational by 2016. Instead, they pulled the plug in 2017 after the prime contractor (Westinghouse) filed for bankruptcy. The two utilities had spent almost all of the estimated total cost, even though the project was far from completion. If completed, the project would have cost \$25 billion and the nuclear power units wouldn't be operational until 2024. An independent audit published two years earlier identified serious flaws, cost overruns, and completion delays. Sensing escalation of commitment, a state politician investigating the fiasco warned of "political atonement" if the two utilities "had data that said this project was in trouble and they chose to ignore it and dumped billions of dollars more ratepayer money into it."^d

John Bazemore/AP Images



time investment. Time is a resource, so the more time decision makers have devoted to a project, the more motivated they are to continue investing in that project. Finally, sunk costs can take the form of closing costs, that is, the financial or nonfinancial penalties associated with shutting down a project. As with other forms of sunk costs, the higher the closing costs, the more motivated decision makers are to engage in escalation of commitment.

Escalation of commitment is usually framed as poor decision making, but persistence may be the better choice under some circumstances.⁵⁹ Indeed, many breakthroughs have occurred because of the decision maker's persistence and optimism. Continuing with a losing project may be prudent when the cost overruns are small relative to the project cost, the benefits of success are high, and the rewards of a successful project are received quickly. Some experts also suggest that throwing more money into a failing project is sometimes a logical attempt to further understand an ambiguous situation. By adding more resources, the decision maker gains new information about the project's development, which provides more feedback about the project's future success. This strategy is particularly common where the project has high closing costs.

Evaluating Decision Outcomes More Effectively Several strategies have been identified to minimize escalation of commitment and confirmation bias (postdecisional justification).⁶⁰

- *Change the decision maker.* Decision evaluation biases are often minimized when those who made the original decision are replaced by those who later evaluate and act on that evaluation. This strategy works best when the decision evaluators have limited alliance with those who made the decision. It minimizes the self-justification effect because the person responsible for evaluating the decision is not connected to the original decision.
- *Create a stop-loss.* Publicly establishing a preset level at which the decision is abandoned or reevaluated forces the decision maker to abandon the investment if its value falls or cost overruns increase too much. The problem with this solution is that conditions are often so complex that it is difficult to identify an appropriate point to abandon a project.

- *Seek factual and social feedback.* At some point, even the strongest escalation and confirmation bias effects deflate when the decision maker is faced with systematic and clear feedback about the project's failings. In addition, the decision maker can benefit from ongoing feedback from several (preferably impartial) people. Feedback from others might result in earlier awareness of problems and would offer less psychological attachment to a cancellation recommendation.
- *Focus on the present.* Being mindful of the present rather than dwelling on the past or future might reduce the sunk cost effect. In one recent study, a 15-minute meditation recording reduced escalation of commitment by refocusing the attention of decision makers away from the negative emotions of the project's past financial losses.

Creativity

LO 7-4

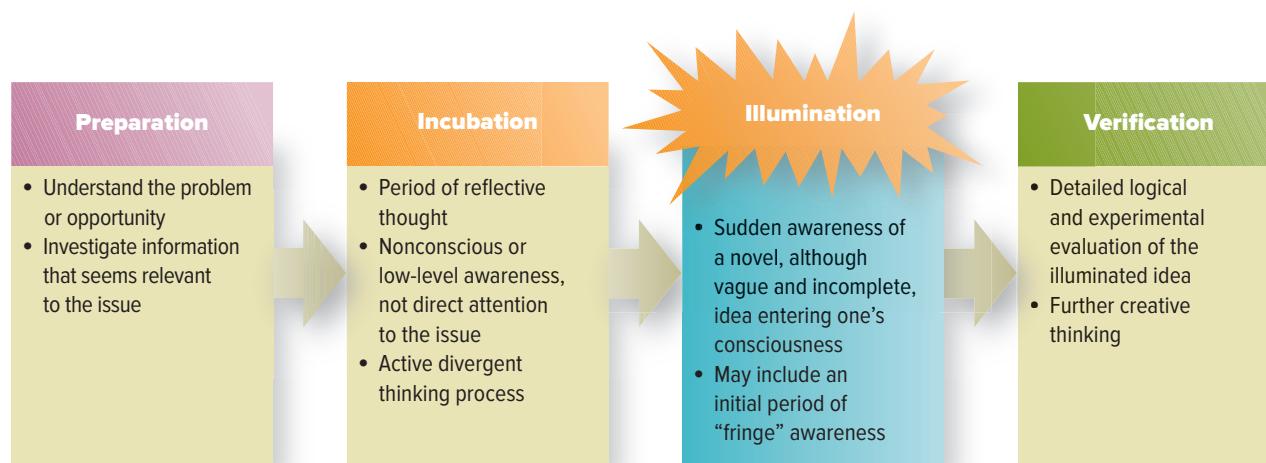
creativity
the development of original ideas that make a socially recognized contribution

The opening case study to this chapter described how creativity is a critical feature of decision making at Aurecon. The Australian-South African engineering firm believes that through more creative thinking, Aurecon employees are “future-ready” in a highly dynamic and competitive business environment. **Creativity** refers to the development of original ideas that make a socially recognized contribution.⁶¹ It exists when imagining opportunities, such as discovering new products or services, or recognizing problems that are not easily apparent from traditional perspectives. Creativity helps us to develop and choose alternatives by visualizing the future in different ways and figuring out how each choice might be useful or a liability in those scenarios. In short, creativity is valuable throughout the decision-making process.

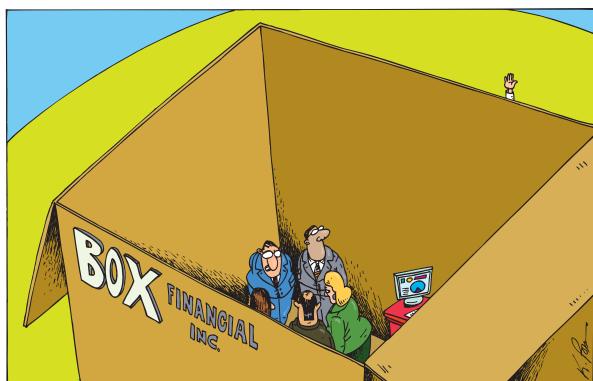
THE CREATIVE PROCESS

How does creativity occur? That question has puzzled experts for hundreds of years and has been the fascination of many scientists who saw how creative thinking led to their own important discoveries. Notably, more than a century ago, German physicist Hermann von Helmholtz gave a public talk in which he described the process that led to his innovations (energy physics, instruments for examining eyes, and many others). A few decades later, London School of Economics professor Graham Wallas built on Helmholtz’s ideas to construct the four-stage model shown in Exhibit 7.4.⁶² Nearly a century later, this model is still considered the most elegant representation of the creative process.

EXHIBIT 7.4 The Creative Process Model



Source: Based on G. Wallas, *The Art of Thought* (London: Jonathan Cape, 1926), Chap. 4.



"It's a new financial world and this bank needs to think outside the box, so, anybody got any ideas . . . any ideas at all?"
US Banker, 2010. Reprinted with permission of Kevin Pope.

divergent thinking

reframing a problem in a unique way and generating different approaches to the issue

The first stage is *preparation*—the process of investigating the problem or opportunity in many ways. Preparation involves developing a clear understanding of what you are trying to achieve through a novel solution and then actively studying information seemingly related to the topic. It is a process of developing knowledge and possibly skills about the topic. The second stage, called *incubation*, is the period of reflective thought. We put the problem aside, but our mind is still working on it in the background.⁶³ The important condition here is to maintain a low-level awareness by frequently revisiting the problem. Incubation does not mean that you forget about the problem or issue.

Incubation assists **divergent thinking**—reframing the problem in a unique way and generating different approaches to the issue. Divergent thinking breaks us away from existing mental models so that we can apply concepts or processes from completely different areas of life. This contrasts with *convergent*

thinking, which involves calculating the conventionally accepted “right answer” to a logical problem.

The invention of Velcro illustrates how divergent thinking occurs.⁶⁴ In the 1940s, Swiss engineer Georges de Mestral had just returned home from a walk with his dog through the countryside when he noticed that his clothing and the dog’s fur were covered in burrs. While struggling to remove the barbed seeds, de Mestral engaged in divergent thinking by recognizing that the adhesion used by burrs could be used to attach other things together. It took another dozen years of hard work, but de Mestral eventually perfected the hook-and-loop fastener, which he trademarked as Velcro.

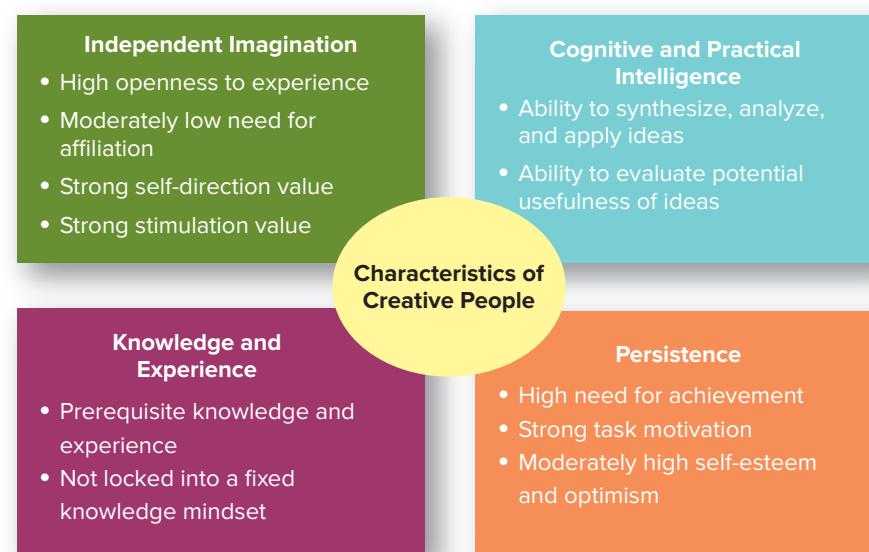
McGraw-Hill connect

SELF-ASSESSMENT 7.2: How Well Do You Engage in Divergent Thinking?

A key feature of creativity is divergent thinking—reframing the problem in a unique way and generating different approaches to the issue. One way to test divergent thinking is by presenting questions or problems in which the answer requires a different approach or perspective from the usual frame of mind. This self-assessment presents a dozen of these questions. You can discover the extent to which you have divergent thinking by locating this self-assessment in Connect if it is assigned by your instructor.

Illumination (also called *insight*), the third stage of creativity, refers to the experience of suddenly becoming aware of a unique idea.⁶⁵ Wallas and others suggest that this stage begins with a “fringe” awareness before the idea fully enters our consciousness. Illumination is often visually depicted as a lightbulb, but a better image would be a flash of light or perhaps a briefly flickering candle—these bits of inspiration are fleeting and can be quickly lost if not documented. For this reason, many creative people keep a journal or notebook nearby so they can jot down their ideas before they disappear. Also, flickering ideas don’t keep a particular schedule; they might come to you at any time of day or night.

Illumination presents ideas that are usually vague, roughly drawn, and untested. *Verification* therefore provides the essential final stage of creativity, whereby we flesh out the illuminated ideas and subject them to detailed logical evaluation and experimentation. This stage often calls for further creativity as the ideas evolve into finished products or services. Thus, although verification is labeled the final stage of creativity, it is really the beginning of a long process of creative decision making toward development of an innovative product or service.

EXHIBIT 7.5**Characteristics of Creative People****CHARACTERISTICS OF CREATIVE PEOPLE**

Everyone is creative, but some people have a higher potential for creativity. Four of the main characteristics that give individuals more creative potential are intelligence, persistence, knowledge and experience, and a cluster of personality traits and values representing independent imagination (see Exhibit 7.5).

- *Cognitive and practical intelligence.* Creative people have above-average intelligence to synthesize information, analyze ideas, and apply their ideas.⁶⁶ They recognize the significance of small bits of information and are able to connect them in ways that few others can imagine. They also have *practical intelligence*—the capacity to evaluate the potential usefulness of their ideas.
- *Persistence.* Creative people have persistence, which is based on a high need for achievement, a strong motivation from the task itself, and a moderate or high degree of self-esteem. Persistence is vital because people need this motivation to continue working on and investing in a project in spite of failures and advice from others to quit. In fact, people have a general tendency to dismiss or criticize creative ideas, so creative people need persistence to withstand these negative social forces.⁶⁷
- *Knowledge and experience.* Creative people require a foundation of knowledge and experience to discover or acquire new knowledge.⁶⁸ However, this expertise is a double-edged sword. As people acquire knowledge and experience about a specific topic, their mental models tend to become more rigid. They are less adaptable to new information or rules about that knowledge domain. Some writers suggest that expertise also increases “mindless behavior” because expertise reduces the tendency to question why things happen.⁶⁹ To overcome the limitations of expertise, some corporate leaders like to hire people from other industries and areas of expertise.
- *Independent imagination.* Creative people possess a cluster of personality traits and values that support an independent imagination: high openness to experience, moderately low need for affiliation, and strong values around self-direction and stimulation.⁷⁰ Openness to experience is a Big Five personality dimension representing the extent to which a person is imaginative, curious, sensitive, open-minded, and original (see Chapter 2). Creative people have a moderately low need for affiliation so they are less embarrassed when making mistakes. Self-direction includes the values of creativity and independent thought; stimulation includes the values of excitement and challenge. Together, these values form openness to change—representing the motivation to pursue innovative ways (see Chapter 2).



global connections 7.2

Everyone Has a Creative Role at Estée Lauder^e

Creativity is key to Estée Lauder's success as the global leader in the prestige beauty industry. "To be clear, creativity is at the center of our innovation models," emphasizes Fabrizio Freda, CEO of the New York-based cosmetics and skin care firm. "So while we listen to the consumer and study trends, the majority of our effort is directed at inventing things that don't exist."

The foundation of Estée Lauder's creative success is the belief that everyone in the organization can and should be creative. "Creativity is about solving problems, and who doesn't solve problems on a daily basis? Therefore, everybody by virtue of their innate problem solving skills, is creative," says Mark Polson, Estée Lauder's vice president of Creativity and Business Innovation. "Whatever domain that you're in—be it supply chain, be it sales, be it finance, even procurement—you have the ability to be creative in that role."

This view is echoed by John Demsey, Estée Lauder's executive group president and head of the company's Center of Excellence for Creative Talent. "I believe in creative minds in every discipline," he says. "Creativity isn't just about creative directors or copywriters or store designers. It's the ability, initiative and the self-actualization to reimagine possibilities and to think differently."

Along with encouraging every employee to be creative, Estée Lauder supports creativity by nurturing a



TEA/123RF

learning orientation culture. Mark Polson explains that he and other Estée Lauder leaders "do that by creating an environment that doesn't punish failure, but looks to learn from the lessons of failure."

Estée Lauder also supports creativity through training programs and creative activities. For instance, the company's innovation lab in Queens, N.Y., hosts design thinking sessions with product developers, engineers, customer-facing employees, and other groups. "We bring them together, put the problem on the table, break them into teams and just let them come up with ideas and put prototypes together. Then we evaluate them, and iterate and do more prototypes," Polson explains.



SELF-ASSESSMENT 7.3:

Do You Have a Creative Personality?

Everyone is creative to some extent, but some people have personality traits and personal values that give them higher creative potential. You can discover the extent to which you have a creative personality by locating this self-assessment in Connect if it is assigned by your instructor.

ORGANIZATIONAL CONDITIONS SUPPORTING CREATIVITY

Intelligence, persistence, expertise, and independent imagination represent a person's creative potential, but the extent to which these characteristics produce more creative output depends on how well the work environment supports the creative process.⁷¹ Several job and workplace characteristics have been identified in the literature, and different combinations of situations can equally support creativity; there isn't one best work environment.

One of the most important conditions for creativity is a **learning orientation**.⁷² A learning orientation is a set of beliefs and norms that encourage employees to question past practices, to learn new ideas, to experiment putting ideas into practice, and to view mistakes as part of the learning process. A second contributor to creativity exists when

learning orientation
a set of beliefs and norms in which people are encouraged to question past practices, learn new ideas, experiment putting ideas into practice, and view mistakes as part of the learning process

employees believe their work benefits the organization and/or larger society (i.e., task significance) and when they have the freedom to pursue novel ideas without bureaucratic delays (i.e., autonomy).⁷³ Creativity is about changing things, and change is possible only when employees have autonomy and the authority to experiment.

Along with a learning orientation and enriched jobs, creativity blossoms through open communication and sufficient resources. Creative organizations also provide a comfortable degree of job security, which explains why creativity suffers during times of downsizing and corporate restructuring.⁷⁴ Some companies also support creativity by designing nontraditional workspaces, such as unique building design or unconventional office areas.⁷⁵ Google is one example. The Internet innovator has funky offices in several countries that include hammocks, slides, brightly painted walls, and privacy spaces that look like gondolas and bee hives.

To some degree, creativity also improves with support from leaders and coworkers.⁷⁶ Generally, creativity thrives when leaders have an appealing vision of the future and encourage employees to experiment with new ways to achieve that vision (see transformational leadership in Chapter 12). Coworker support can improve creativity in some situations; however, a few studies suggest that competition among coworkers improves creativity in other situations. Similarly, it isn't clear how much pressure should be exerted on employees to produce creative ideas. Extreme time pressures are well-known creativity inhibitors, but lack of pressure doesn't seem to produce the highest creativity, either.

ACTIVITIES THAT ENCOURAGE CREATIVITY

We have described two cornerstones of creativity in organizations: employing people with strong creative potential and providing a work environment that supports creativity. The third cornerstone is activities that help employees think more creatively. Four types of creativity-building activities are: redefine the problem, associative play, cross-pollination, and design thinking.

Redefine the Problem Redefining the problem is a potentially powerful way to unleash creative thinking. One approach is to revisit projects that have been set aside. After a period of neglect, these projects might be seen in new ways.⁷⁷ You can also see the problem from different perspectives by asking coworkers unfamiliar with the issue to explore the problem. You state the objectives and give some facts and then let the other person ask questions to further understand the situation. By verbalizing the problem, listening to questions, and hearing what others think, you are more likely to view the problem in a new light.⁷⁸

Associative Play Associative play literally involves playing games or being challenged in unusual ways.⁷⁹ One form of associative play is to engage in playful activities, such as playing croquet using grapefruits as the balls, or completing a treasure hunt in which the clues are ambiguous rhymes. Creative thinking emerges naturally from these playful activities and then carries over to work-related problem solving. A second variation is challenging participants to create something new with a specific purpose (e.g., cleaning cutlery) using existing unrelated products (e.g., blow dryer and electric toothbrush). These activities exercise the mind to break out of traditional mental models about existing products and services.

A third variation of associative play, called *morphological analysis*, involves systematically investigating all combinations of characteristics of a product, service, or event, and then looking at the feasibility of each combination.⁸⁰ This exercise encourages people to carefully examine combinations that initially seem nonsensical. For instance, employees at a dairy company might look at all combinations of yogurt-based products by considering the contents (fruit, a low amount of fat, etc.), occasion (breakfast, dessert, etc.), target group (children, older adults, etc.), size, and packaging. A novel, yet commercially successful, innovation may emerge from the resulting list.



global connections 7.3

Telenor Cross-Pollinates Creativity through Coffee^f

Telenor discovered that centralizing the coffee stations dramatically increases cross-pollination of knowledge and ideas. Previously, Norway's largest telecommunications company had hundreds of coffee machines—about one for every five employees—distributed throughout the headquarters building. With coffee nearby, staff members mingled only with coworkers within their own team or department.

At great expense, Telenor replaced the hundreds of distributed coffee stations with a few large coffee centers (one for every 120 people). It also built a centralized cafeteria instead of smaller ones within each work unit. Now, by walking beyond their own area to get coffee and lunch, employees regularly interact with coworkers from other departments.

Telenor's sales jumped 20 percent three months after these changes occurred. Although it is difficult to test



Hero Images/Getty Images

causality, the company believes the greater cross-pollination of ideas and social interaction from the centralized coffee and cafeteria renovations explains much of the increased sales.

Cross-Pollination Cross-pollination occurs when people from different areas of the organization exchange ideas or when new people are brought into an existing team.⁸¹ This may occur by arranging formal social gatherings, encouraging happenstance interactions with people from other work areas or, as a few firms do, asking employees to move their desks every few months to another location with employees who are only acquaintances.

A classic example of encouraging creativity through cross-pollination occurs at the London (and possibly other) offices of creative agency Mother. “Everyone sits together around the same table, and every six weeks, on ‘Move Monday’, we all change places,” explain Mother’s creative director and head of strategy. The creative agency produces a new seating plan where employees are redistributed, most of them around a mammoth concrete slab that accommodates more than 100 people. “There’s no rules in terms of seniority or discipline, and it means that everybody gets to know each other and ideas can be cross-pollinated.”⁸² Cross-pollination highlights the fact that creativity rarely occurs alone. Some creative people may be individualistic, but most creative ideas are generated through teams and informal social interaction.

Design Thinking The opening case study for this chapter described how Aurecon, the Australian-South African engineering firm, is transforming the way it solves client problems through design thinking principles and practices. **Design thinking** is a human-centered, solution-focused creative process that applies both intuition and analytical thinking to clarify problems and generate innovative solutions. Contrary to its label, design thinking isn’t just for people in design jobs. Rather, it is a tangible scaffolding that guides all employees through the decision-making process using creative thinking, logical analysis, empathy, and intuition.

There are several models and guidelines for design thinking, but one of the most respected frameworks identifies the four rules outlined in Exhibit 7.6 and summarized below:

- The Human Rule—Design thinking is a team activity. It depends on collaboration and co-creation among several people with diverse knowledge and experiences so the issue and its possible solutions are viewed from several angles. Design thinking

design thinking
a human-centered, solution-focused creative process that applies both intuition and analytical thinking to clarify problems and generate innovative solutions

**EXHIBIT 7.6 Four Rules of Design Thinking**

DESIGN THINKING RULE	DESCRIPTION
Human rule	<ul style="list-style-type: none">• Involve several people so the issue and possible solutions are viewed from several angles.• Include clients and end users to enable an iterative process of problem identification and solution development.
Ambiguity rule	<ul style="list-style-type: none">• Preserve ambiguity rather than seek clarity too quickly.• Question and refine the stated problem.• Develop more than one solution to the problem.
Re-Design rule	<ul style="list-style-type: none">• Review past solutions to understand how those inventions tried to satisfy human needs.• Use foresight tools to imagine better solutions for the future.
Tangible rule	<ul style="list-style-type: none">• Build several low-cost prototypes to test ideas.• Don't analyze alternatives at a purely conceptual level.• Tolerate failure; embrace a learning orientation.

Source: Based on information in C. Meinel and L. Leifer, "Introduction—Design Thinking Is Mainly about Building Innovators," in *Design Thinking Research: Building Innovators*, ed. H. Plattner, C. Meinel, and L. Leifer (Cham, Switzerland: Springer International, 2015), 1–11.

is also human-centered because designers need to empathize with clients and end users and involve them in the design process.⁸³ Client involvement facilitates redefinition of the original problem statement (such as the client's briefing) and more dynamic discovery and refinement of potential solutions. As ideas and prototypes develop, clients and end users can provide real-time feedback on the product experience.

- The Ambiguity Rule—Creativity and experimentation are possible only when there is ambiguity in the problem and its potential solutions.⁸⁴ Therefore, design thinkers preserve ambiguity rather than seek clarity too quickly. Designers do not assume the client's original problem statement is accurate. Instead, the stated problem is questioned and refined with the client. Design thinkers also avoid the natural temptation to solve the problem too quickly with one solution. Instead, they continually question possible solutions even after one seems likely. They also develop more than one solution to the problem.
- The Re-Design Rule—No creative solution is completely original, because the needs being served have existed since the beginning of humanity. Therefore, designers review past solutions to understand how those inventions tried to satisfy human needs. They find out how those solutions tried to work as well as understand their flaws and limitations. Designers then use foresight tools to imagine better solutions for the future. Environmental scanning, context mapping, and other foresight tools help designers visualize possible futures, such as emerging trends and changes to conditions and rules of the future context.
- The Tangible Rule—Design thinking spends less time planning and more time doing. Designers build several low-cost prototypes of their ideas rather than analyze those ideas at a purely conceptual level.⁸⁵ Prototypes represent a rich form of communication that does not exist in conceptual planning. One design thinking mantra is "fail fast, fail often," meaning that prototypes are made quickly and frequently along the journey to the final result. This statement also recognizes that design thinking tolerates failure and embraces a learning orientation.

Employee Involvement in Decision Making

LO 7-5

Brasilata has become one of the most innovative and productive manufacturing businesses in Brazil. Each year, the steel can manufacturer receives more than 100,000 ideas—an average of more than 100 ideas per employee—that range from how to improve production efficiency to new product designs. Ideas are so important that Brasilata employees are called “inventors,” and everyone signs an “innovation contract” that reinforces their commitment to continuous improvement.⁸⁶ Brasilata’s success is partly due to its reliance on employee involvement—the degree to which employees influence how their work is organized and carried out.⁸⁷ This involvement often extends beyond decisions about the individual’s job to decisions affecting other aspects of the organization.

Employee involvement has become a natural process in every organization, but the level of involvement varies with the situation.⁸⁸ A low level of involvement occurs where employees are individually asked for specific information but the problem is not described to them. Somewhat higher involvement occurs where the problem is described and employees are asked individually or collectively for information relating to that problem.

Moving further up the involvement scale, the problem is described to employees, who are collectively given responsibility for developing recommendations. However, the decision maker is not bound to accept those recommendations. At the highest level of involvement, the entire decision-making process is handed over to employees. They identify the problem, discover alternative solutions, choose the best alternative, and implement that choice. The original decision maker serves only as a facilitator to guide the team’s decision process and keep everyone on track.

BENEFITS OF EMPLOYEE INVOLVEMENT

For the past half century, organizational behavior experts have advised that employee involvement potentially improves decision-making quality and commitment.⁸⁹ To begin with, it improves the identification of problems and opportunities. Employees are, in many respects, the sensors of the organization’s environment. When the organization’s activities misalign with customer expectations, employees are usually the first to know. Employee involvement provides a conduit for organizational leaders to be alerted to such problems.⁹⁰ Employee involvement can also potentially improve the number and quality of solutions generated. In a well-managed meeting, team members create synergy by pooling their knowledge to form new alternatives. In other words, several people working together can potentially generate better solutions than the same people working alone.

A third benefit of employee involvement is that, under specific conditions, it improves the evaluation of alternatives. Numerous studies on participative decision making, task conflict, and team dynamics have found that involvement brings out more diverse perspectives, tests ideas, and provides more valuable knowledge, all of which help the decision maker select the best alternative.⁹¹ A mathematical theorem introduced in 1785 by the Marquis de Condorcet states that the alternative selected by the team’s majority is more likely to be correct than is the alternative selected by any team member individually.⁹²

Along with improving decision quality, involvement tends to strengthen employee commitment to the decision. Rather than viewing themselves as agents of someone else’s decision, those who participate in a decision feel personally responsible for its success. Involvement also has positive effects on employee motivation, satisfaction, and turnover. It also increases skill variety, feelings of autonomy, and task identity, all of which increase job enrichment and potentially employee motivation. Participation is also a critical practice in organizational change because employees are more motivated to implement the decision and less likely to resist changes resulting from the decision.⁹³



debating point

SHOULD ORGANIZATIONS PRACTICE DEMOCRACY?

Most organizational experts recommend some degree of employee involvement, but a few go further by proposing that organizations should operate like democracies rather than hierarchical fiefdoms. Organizational democracy consists of the highest form of involvement, whereby employees have real institutionalized control—either directly or through representation—over organizational decisions. In addition, no one in a democratic enterprise holds higher authority except where such power is explicitly granted by the others (such as through employee election of the company's leaders). Democracy also gives all organizational members protection against arbitrary or unjust decisions (such as protection against being fired without cause).^g

Some readers might think workplace democracy is an extreme way to run an organization, but advocates point out that it is the principle on which many societies have operated for centuries and most others aspire. Democratic governance has been established in several high-profile and successful companies, such as Semco SA and W. L. Gore & Associates, as well as many employee-owned firms and worker cooperatives. Legislation in several countries (particularly in continental Europe) requires companies to give employees control over some organizational decisions through works councils or board membership.^h

Advocates point out that as a form of participation, workplace democracy can improve the quality of organizational decisions and employee commitment to those decisions. Indeed, democracy inherently advocates shared leadership (where everyone should be a leader in various ways), which is increasingly recommended for improved decision making and organizational effectiveness. Democratic enterprises might also be more flexible and innovative. Rather than obediently follow management's standard operating procedures, employees in democratic organizations have the opportunity—and usually the expectation—to adapt and experiment with new work practices as circumstances change. This form of organization also encourages more organizational learning.ⁱ

A final argument is that the democratic enterprise is ethically superior to the traditional hierarchical organization.^j It respects individual rights and dignity, more fully satisfies the standards of ethical conduct, and is more likely than traditional management to adopt the multiple stakeholder approach expected by society. Indeed, some European governments have debated the notion that organizational democracy is a potentially effective way to minimize corporate wrongdoing because it actively monitors top decision makers and continually holds them accountable for their actions.

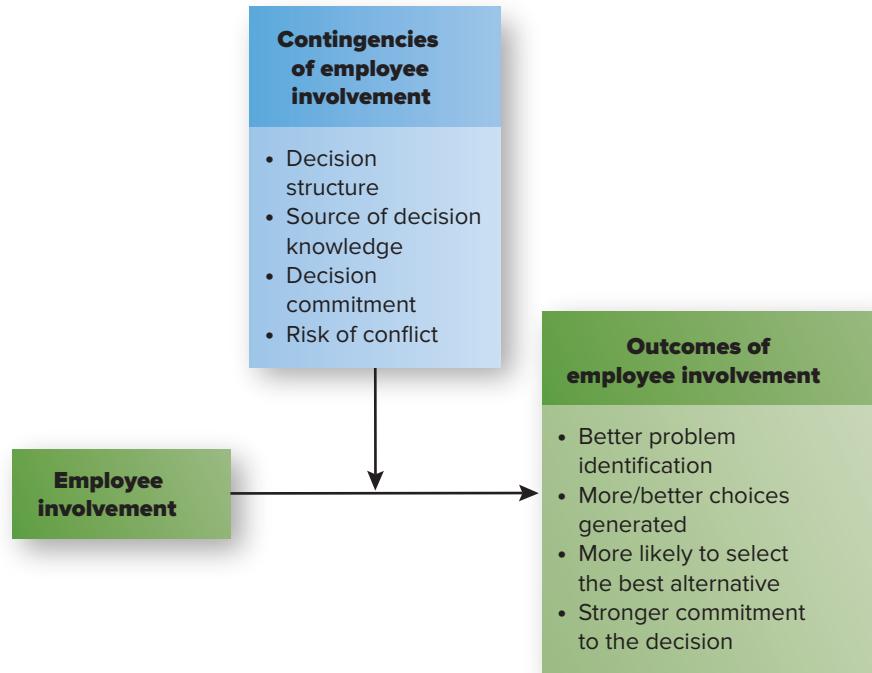
The democratic enterprise model has a number of vocal advocates but few practitioners. There is somewhat more employee involvement today than a few decades ago, but still far from the democratic ideal. Most firms operate with the traditional model that management retains control and employees have few rights. There may be reasons for this intransigence. One argument against organizational democracy is that employees have a contractual rather than ownership relationship with the organization. They have no legal right to receive citizenship-level control over the business. A second consideration is that employees might emphasize their own interests to the detriment of other stakeholders. In contrast, traditional organizations give management an explicit obligation to serve multiple stakeholders to ensure the organization's survival and success.

Another concern is that workplace democracy might dilute accountability. Although moderate levels of employee involvement can improve decision-making quality and commitment, there is a real risk that no one will take responsibility for decisions when everyone has a say in them. In addition, democracy often results in slower decision making, which could lead to a lethargic corporate response to changes in the external environment. Finally, the democratic enterprise model presumes that employees want to control their organizations, but some research suggests that employees prefer a more moderate level of workplace involvement. For this reason (and others noted above), employee-owned companies often maintain a more traditional hierarchical worker-management relationship.^k

CONTINGENCIES OF EMPLOYEE INVOLVEMENT

If employee involvement is so wonderful, why don't leaders leave all decisions to employees? The answer is that there is an optimal level of employee involvement, and that ideal level depends on the situation. The employee involvement model shown in Exhibit 7.7 lists four contingencies: decision structure, source of decision knowledge, decision commitment, and risk of conflict in the decision process.⁹⁴

- *Decision structure.* At the beginning of this chapter, we learned that some decisions are programmed whereas others are nonprogrammed. Programmed decisions are less likely to need employee involvement because the solutions are already worked out from past incidents. In other words, the benefits of employee involvement increase with the novelty and complexity of the problem or opportunity.

EXHIBIT 7.7**Model of Employee Involvement in Decision Making**

global connections 7.4

High Involvement in IBM's Cognitive Build Event¹

IBM recently launched Cognitive Build, a three-month event that relied on various forms of employee involvement to further develop Watson, the company's cognitive technology platform (artificial intelligence). All 377,000 IBMers were invited to submit ideas that would apply Watson's cognitive power to new or improved client services or to more effective processes within IBM.

Initially, 8,361 teams formed and had a short time to determine the feasibility of their ideas. More than 2,700 of those teams had sufficiently viable projects to progress to the next stage in the Cognitive Build challenge. These projects covered a wide range of themes, such as data security, air quality monitoring, anti-bullying, and social banking. Teams developed their ideas using design-thinking principles.

IBM selected the 50 best projects through another unique form of employee involvement—the company's own internal crowdfunding platform called ifundIT. Every employee received \$2,000 in virtual money, which they "invested" through ifundIT in one or more projects that they felt had the best potential. In effect, ifundIT was a form of employee voting for preferred projects. More than 225,000 IBMers from 115 countries invested \$291 million virtual dollars in the projects.



Vgajic/E+/Getty Images

The 50 teams that received the most virtual investment dollars from IBMers were given three weeks to build their prototypes further. Representatives from each team then pitched their ideas to a jury of company experts in the corresponding industry, process, or market areas. Eight teams advanced to the next stage, in which they presented their projects to IBM's CEO and a panel of external business leaders.

- *Source of decision knowledge.* Subordinates should be involved in some level of decision making when the leader lacks sufficient knowledge and subordinates have additional information to improve decision quality. In many cases, employees are closer to customers and production activities, so they often know where the company can save money, improve product or service quality, and realize opportunities. This is particularly true for complex decisions where employees are more likely to possess relevant information.
- *Decision commitment.* Participation tends to improve employee commitment to the decision. If employees are unlikely to accept a decision made without their involvement, some level of participation is usually necessary.
- *Risk of conflict.* Two types of conflict undermine the benefits of employee involvement. First, if employee goals and norms conflict with the organization's goals, only a low level of employee involvement is advisable. Second, the degree of involvement depends on whether employees will agree with one another on the preferred solution. If conflict is likely to occur, high involvement (i.e., employees make the decision) would be difficult to achieve.

Employee involvement is an important component of the decision-making process. To make the best decisions, we need to involve people who have valuable information and who will be more motivated to implement the decision. Employee involvement is a formative stage of team dynamics, so it carries many of the benefits and challenges of working in teams. The next chapter provides a closer look at team dynamics, including processes for making decisions in teams.

chapter summary

LO 7-1 Describe the elements of rational choice decision making.

Decision making is a conscious process of making choices among one or more alternatives with the intention of moving toward some desired state of affairs. Rational choice decision making identifies the best choice by calculating the expected valence of numerous outcomes and the probability of those outcomes. It also follows the logical process of identifying problems and opportunities, choosing the best decision style, developing alternative solutions, choosing the best solution, implementing the selected alternative, and evaluating decision outcomes.

LO 7-2 Explain why people differ from rational choice decision making when identifying problems/opportunities, evaluating/choosing alternatives, and evaluating decision outcomes.

Solution-focused problem identification, decisive leadership, stakeholder framing, perceptual defense, and mental models affect our ability to objectively identify problems and opportunities. We can minimize these challenges by being aware of the human limitations and discussing the situation with colleagues.

Evaluating and choosing alternatives is often challenging because organizational goals are ambiguous or in conflict, human information processing is incomplete and subjective, and people tend to satisfice rather than maximize. Decision makers also short-circuit the evaluation process when faced with an opportunity rather than a problem. People generally make better choices by systematically evaluating alternatives. Scenario

planning can help make future decisions without the pressure and emotions that occur during real emergencies.

Confirmation bias and escalation of commitment make it difficult to evaluate decision outcomes accurately. Escalation is mainly caused by the self-justification effect, self-enhancement effect, the prospect theory effect, and sunk costs effect. These problems are minimized by separating decision choosers from decision evaluators, establishing a stop-loss point to abandon the project, seeking out factual information as well as feedback from others, and by being mindful of the present situation rather than past or future.

LO 7-3 Discuss the roles of emotions and intuition in decision making.

Emotions shape our preferences for alternatives and the process we follow to evaluate alternatives. We also listen in on our emotions for guidance when making decisions. This latter activity relates to intuition—the ability to know when a problem or opportunity exists and to select the best course of action without conscious reasoning. Intuition is both an emotional experience and a rapid, nonconscious, analytic process that involves pattern matching and action scripts.

LO 7-4 Describe employee characteristics, workplace conditions, and specific activities that support creativity.

Creativity is the development of original ideas that make a socially recognized contribution. The four creativity stages are preparation, incubation, illumination, and verification. Incubation assists divergent thinking, which involves reframing the problem in a unique way and generating different approaches to the issue.

Four of the main features of creative people are intelligence, persistence, expertise, and independent imagination. Creativity is also strengthened for everyone when the work environment supports a learning orientation, the job has task significance and autonomy, the organization provides a reasonable level of job security, and project leaders provide appropriate goals, time pressure, and resources. Four types of activities that encourage creativity are redefining the problem, associative play, cross-pollination, and design thinking. Design thinking is a human-centered, solution-focused creative process that applies both intuition and analytical thinking to clarify problems and generate innovative solutions. Four rules guide this process: human rule, ambiguity rule, re-design rule, and tangible rule.

LO 7-5 **Describe the benefits of employee involvement and identify four contingencies that affect the optimal level of employee involvement.**

Employee involvement refers to the degree that employees influence how their work is organized and carried out. The level of participation may range from an employee providing specific information to management without knowing the problem or issue, to complete involvement in all phases of the decision process. Employee involvement may lead to higher decision quality and commitment, but several contingencies need to be considered, including the decision structure, source of decision knowledge, decision commitment, and risk of conflict.

key terms

anchoring and adjustment heuristic, p. 251	decision making, p. 244	mental models, p. 248
availability heuristic, p. 251	design thinking, p. 263	prospect theory, p. 256
bounded rationality, p. 249	divergent thinking, p. 259	representativeness heuristic, p. 251
cognitive dissonance, p. 251	escalation of commitment, p. 256	satisficing, p. 252
confirmation bias, p. 250	implicit favorite, p. 250	scenario planning, p. 255
creativity, p. 258	intuition, p. 253	self-enhancement, p. 256
	learning orientation, p. 261	

critical thinking questions

1. A management consultant is hired by a manufacturing firm to determine the best site for its next production facility. The consultant has had several meetings with the company's senior executives regarding the factors to consider when making the recommendation. Discuss the decision-making problems that might prevent the consultant from choosing the best site location.
2. You have been asked to personally recommend a new travel agency to handle all airfare, accommodation, and related travel needs for your organization of 500 staff. One of your colleagues, who is responsible for the company's economic planning, suggests that the best travel agent could be selected mathematically by inputting the relevant factors for each agency and the weight (importance) of each factor. What decision-making approach is your colleague recommending? Is this recommendation a good idea in this situation? Why or why not?
3. Intuition is both an emotional experience and a nonconscious analytic process. One problem, however, is that not all emotions signaling that there is a problem or opportunity represent intuition. Explain how we would know if our "gut feelings" are intuition or not, and if not intuition, suggest what might be causing them.
4. A developer received financial backing for a new business financial center along a derelict section of the waterfront, a few miles from the current downtown area of a large European city. The idea was to build several high-rise structures, attract large businesses to those sites, and have the city extend transportation systems out to the new center. Over the next decade, the developer believed that others would build in the area, thereby attracting the regional or national offices of many financial institutions. Interest from potential business tenants was much lower than initially predicted and the city did not build transportation systems as quickly as expected. Still, the builder proceeded with the original plans. Only after financial support was curtailed did the developer reconsider the project. Using your knowledge of escalation of commitment, discuss three possible reasons why the developer was motivated to continue with the project.
5. Ancient Book Company has a problem with new book projects. Even when others are aware that a book is far behind schedule and may engender little public interest, sponsoring editors are reluctant to terminate contracts with authors whom they have signed. The result is that editors invest more time with these projects than on more fruitful projects. As a form of escalation of commitment, describe two methods that Ancient Book Company can use to minimize this problem.
6. A recent graduate is offered a job by an employer she admires even before she can start her job search. The student thinks it is an opportunity and jumps to it. Do you think there is an effect of emotions in her decision making?
7. Think of a time when you experienced the creative process. Maybe you woke up with a brilliant (but usually sketchy and incomplete) idea, or you solved a baffling problem while doing something else. Describe this incident to your class and explain how the experience followed the creative process.
8. Two characteristics of creative people are that they have relevant experience and are persistent in their quest. Does this mean that people with the most experience and the highest need for achievement are the most creative? Explain your answer.
9. Employee involvement applies just as well to the classroom as to the office or factory floor. Explain how student involvement in classroom decisions typically made by the instructor alone might improve decision quality. What potential problems may occur in this process?



CASE STUDY: HOW KGAME BOOSTS EMPLOYEE CREATIVITY

By Jie Cao, Shanghai University of Finance and Economics

KGame is an online game development company that was set up in Shanghai in 2008. The company mainly recruits young employees because of their familiarity with gaming. One of its key management practices resembles an older type of game—a card game. At the beginning of each month, every employee receives seven theme cards, each of which is marked with an attribute, for example “super competent”, “super humorous”, “super hard-working”, or “super supportive”. The employees then give the cards to the colleagues they feel are most deserving of acknowledgement. All the cards have to be given out.

At the end of the month, as a kind of performance appraisal, KGame counts how many cards each employee has and rewards are handed out publicly, based on these scores. Sometimes surprise gifts are also distributed, which employees seem to find particularly exciting. As one member of staff puts it, “We’re not only developing games, but also working in a game, which makes us believe in the concept of games all the more.”

Boosting employee creativity is at the top of its executives’ agenda, and to facilitate creative culture building, KGame locates all of its 400 employees (known as “members”) in one open-plan room, with no separation between managers and other staff. Junior employees are free to walk around and chat with colleagues of all levels. Surrounding this huge main office is a massage room, gym, ping-pong room, and a play area, alongside discussion rooms and many other facilities. The design of the work—and play—environment ensures that people have ample resources to stimulate them mentally, and many opportunities for communicating with—and getting to know—each other in various situations and contexts.

The senior management team encourages openness and attaches a high degree of importance to equality. For example, in response to the call that went out on Twitter, KGames’ CEO took the “Ice Bucket Challenge” in the office, together with five other members. This sent out the message across the organization that the CEO supported raising funds for ALS (Amyotrophic Lateral Sclerosis) and that he was willing to do the Challenge in front of his entire team. This philanthropic gesture significantly enhanced his image. “He’s not old-fashioned, but full of passion, the same as me,” commented one young member. “When he took the challenge, I really got the impression that he meant it, and I found that personally inspirational. He’s a doer, not a talker. I believe in him, and in the organization.”

“I hope our members see themselves as the owners of KGame rather than an agent or an employee who’s only working here for the money,” says the CEO. “They’re not just working for KGame: they’re also working for their own aspirations.”

KGame sets clear core values of beauty, art, innovation, and player satisfaction in its online games. These

values influence the company’s recruitment criteria as well as its general organizational practices. The CEO again: “We’re confident that every KGame member believes in our games and shares our values. For example, we want them to regard a beautiful game figure as a unique contribution to beauty and art. There’s no standard operation process for creating beauty; you can only achieve it by exploring and testing. So, we give our members a lot of room to try out their ideas, with all the resources they need but without having to worry about concepts like ‘failure’ or ‘punishment.’ So far, our member turnover rate has been very low, and we’ve always found it easy to attract talented young people.”

Initially, KGame’s management style attracted criticism: traditionalists doubted its validity, believing that employees’ industry experience should be as important as their creative values. But the organization’s stunning success has silenced those critics. In the first six months of 2015, one particular KGame made around \$60 million in revenue, achieving a top-three ranking in the Chinese online-gaming market. Confident and ambitious, KGame has expanded beyond Shanghai and opened offices in Nanjing, Taipei, and Singapore to explore international markets. Anchored to its core values and organizational culture, the company plans to develop more online games completely internally by integrating new technologies such as big data, IP management engineering, and VR techs.

The company’s success is reflected in the capital market, with over 50 million registered users and over 2 million active daily users. It successfully launched in the Shenzhen Stock Exchange in China as a publicly listed company and was the top game stock in the Chinese stock market. Over the past three years, its stock price has increased steadily, from an average of 84.6 RMB/share to 98.4 RMB/share and finally to 114 RMB/share. Recent investment reports rank KGame among their highest recommendations.

This case is based on an actual organization, but names and some characteristics have been changed to maintain anonymity.

Discussion Questions

1. How does KGame boost its learning orientation?
2. How does KGame promote creativity by being a market-driven company?
3. What do you see as the benefits of KGame’s open-plan-office style of working?
4. Why do you think the appraisal game (the one that involves the values card distribution) works so well at KGame?
5. Why do investment institutes recommend KGame?



CASE STUDY: DOGGED BY THE WRONG PROBLEM

By Steven L. McShane, University of Newcastle (Australia)

More than 3 million dogs enter animal shelters each year in the United States, and almost one-third of these have been surrendered by their owners. Until recently, animal shelter employees assumed that the owners didn't want their pets anymore, so they focused their resources on ways to get the surrendered dogs re-adopted with new owners.

Now, animal shelters recognize that they were focused on the wrong problem to some extent. Most owners of surrendered dogs love their pets but believe they are unable to keep them due to financial or family difficulties. "Owner surrenders are not a people problem," explains Lori Weise, founder of Downtown Dog Rescue in Los Angeles. "By and large, they are a poverty problem. These families love their dogs as much as we do, but they are also exceptionally poor." Even when owners surrender their dog due to the pet's behavior, animal shelter staff have learned that the problem is often the owners' lack of basic training to improve their pet's behavior.

These discoveries have been a wake-up call for animal shelters. Along with finding new homes for surrendered dogs, shelters now also focus on strategies that enable owners to keep their pets. Downtown Dog Rescue in Los Angeles is a pioneer in applying diverse solutions to minimize the number of dogs surrendered each year to animal shelters. Through donations, the organization provides free dog vaccinations, spay/neutering, medical assistance, pet licenses, and other forms of support to help low income people keep their pets rather than surrender them to shelters.

Until recently, Animal Care Centers (ACC) of New York City also focused solely on getting surrendered dogs to new owners. The municipal agency receives more than 30,000 pets annually at its shelters in five New York City boroughs. Front desk staff members were aware of common themes why owners were surrendering their pets: they couldn't afford veterinary care; they had fallen on hard times and weren't allowed to keep dogs at their new temporary accommodation; the dog had behavior problems that the owner didn't know how to correct.

Unfortunately, ACC staff receiving the surrendered dogs have many other duties (returning pets to owners, tracing license tags, etc.). All they could do in most instances was ask the owners the required questions to complete the paperwork. "They were overwhelmed and didn't have time to sit down with clients and have those really in-depth conversations to see if there was anything we could do to help them keep their pet," recalls ACC admissions supervisor Aleah Simpson. It was also an awkward situation because the owners answered the questions and surrendered their pet in ACC's crowded front lobby where many dog-loving clients were listening.

Inspired by the work of Downtown Dog Rescue in Los Angeles, ACC now takes a dramatically different approach to dog surrenders. Instead of answering a few questions asked by busy front desk staff, owners who intend to surrender their

dogs are now greeted by trained ACC admission counselors with impeccable people skills. In a private office, these counselors listen to the owner's story about why they want or need to surrender their dog. These counselors are trained by licensed social workers to maintain a nonjudgmental attitude toward the owners and to handle difficult situations. "Once that person (the pet owner) doesn't feel like they're going to be judged in that moment, they might open up and tell you the real situation," says Simpson.

Based on the information from these conversations, ACC counselors direct some owners to support groups that can provide assistance, such as financial support or temporary lodging for the dog. In other situations, the owners are invited to attend brief training programs where they receive instruction on how to improve the pet's behavior. The conversations also help counselors determine which pets are better off with new owners. As new situations arise, ACC staff have found increasingly innovative and customized solutions to enable owners to keep their pet. "Even two years ago, I would think there wouldn't be options for so many of these pet owners and their animals," says Jenny Coffey of the Mayor's Alliance for NYC's Animals.

ACC predicted that over the first 18 months of the program, 150 owners would keep their pets as a result of the counseling program. Instead, this initiative has reduced the intake by more than 90 pets per month. Through New York Community Trust funding, ACC introduced free veterinary and humane care to pets of owners in low income areas of New York City. Pet surrenders have dropped by 50 percent, on average, in the areas that received this funding.

"It's almost as if a few years back a massive light bulb went off in the animal welfare community," says Matthew Bershadker, CEO of the American Society for the Prevention of Cruelty to Animals (ASPCA), about the industry's reframed mandate. "We stopped thinking about how to get animals out of shelters and we started thinking about how to keep animals from coming into shelters."

Discussion Questions

- What stage of decision making is mainly discussed in this case about dog surrenders? To what extent and in what ways did the change in that stage of decision making affect later stages of decision making about dog surrenders?
- How has creativity played a role in the events described in this case study?

Sources: J. Falconer, "Unnecessary Surrenders? Fuhgettaboutit!," *Animal Sheltering Magazine*, The Humane Society of the United States, March/April, 2016; T. Wedell-Wedellsborg, "Are You Solving the Right Problems?," *Harvard Business Review*, January/February 2017; A. Torgan, "Keeping People and Their Pets Together," *CNN*, December 18, 2018; L. Lombardi, "Poverty Forces People to Surrender Their Pets. It Doesn't Have to Be This Way," *Talk Poverty*, February 4, 2019; "The New York Community Trust Grants \$4.8 Million to Invest in a Fairer, More Equitable New York," News release (New York City: The New York Community Trust, April 8, 2019).



CLASS EXERCISE: EMPLOYEE INVOLVEMENT INCIDENTS

PURPOSE This exercise is designed to help you understand the contingencies of employee involvement.

INSTRUCTIONS (SMALL OR LARGE CLASS)

Four scenarios are presented in this exercise. Assume you are the manager or person in charge. For each scenario, identify the preferred level of employee involvement from one of the five levels described below. For each scenario, identify and justify what factors led you to choose this level of employee involvement rather than the others. Also, be prepared to discuss what problems might occur with less or more involvement in this case (where possible).

1. *Decide alone.* Use your personal knowledge and insight to complete the entire decision process without conferring with anyone else.
2. *Receive information from individuals.* Ask specific individuals for information. They do not make recommendations and might not even know what the problem is about.
3. *Consult with individuals.* Describe the problem to selected individuals and seek both their information and recommendations. The final decision is made by you, and you may or may not take the advice from others into account.
4. *Consult with the team.* You bring together a team of people (all department staff or a representation of them if the department is large), who are told about the problem and provide their ideas and recommendations. You make the final decision, which may or may not reflect the team's information.
5. *Facilitate the team's decision.* The entire decision-making process is handed over to a team or committee of subordinates. You serve only as a facilitator to guide the decision process and keep everyone on track. The team identifies the problem, discovers alternative solutions, chooses the best alternative, and implements their choice.

SCENARIO 1: THE PRODUCTIVITY DIVIDEND DECISION

As head of the transmission/distribution group (TD group) in the city's water agency (a government corporation), you have been asked to reduce costs over the next year by a minimum of 3 percent without undermining service. Your department employs about 300 people, who are responsible for constructing and maintaining water lines throughout the city. Although you have an engineering background, the work is complex and involves several professions and trades. Even the TD group's first-line supervisors (one or two levels below you in the hierarchy) are not fully knowledgeable of all aspects of the business.

You believe that most employees support or at least accept the city's recent mandate to reduce costs (called

the "productivity dividend initiative"). The city leaders have stated that this initiative will not result in any layoffs this year. However, the labor union representing most nonmanagement staff in the water agency (including most of your employees) is concerned that the productivity dividend initiative will reduce employment numbers over time and increase employee workloads. Although the TD group is a separate department within the city's water agency, it affects most other work units in the agency. It is possible, for example, that ideas that reduce costs in the TD group might increase costs elsewhere. The TD group employees may be unaware of or care little about these repercussions, because there is limited interaction with or social bonding by employees across the departments.

SCENARIO 2: THE SUGAR-SUBSTITUTE RESEARCH DECISION

You are the head of research and development (R&D) for a major beer company. While working on a new beer product, one of the scientists in your unit seems to have tentatively identified a new chemical compound that has few calories but tastes closer to sugar than current sugar substitutes. The company has no foreseeable need for this product, but it could be patented and licensed to manufacturers in the food industry.

The sugar-substitute discovery is in its preliminary stages and would require considerable time and resources before it would be commercially viable. This means that it would necessarily take some resources away from other projects in the lab. The sugar-substitute project is beyond your technical expertise, but some of the R&D lab researchers are familiar with that field of chemistry. As with most forms of research, it is difficult to determine the amount of research required to further identify and perfect the sugar substitute. You do not know how much demand is expected for this product. Your department has a decision process for funding projects that are behind schedule. However, there are no rules or precedents about funding projects that would be licensed but not used by the organization.

The company's R&D budget is limited, and other scientists in your work group have recently complained that they require more resources and financial support to get their projects completed. Some of these R&D projects hold promise for future beer sales. You believe that most researchers in the R&D unit are committed to ensuring that the company's interests are achieved.

SCENARIO 3: COAST GUARD CUTTER DECISION

You are the captain of a 200-foot Coast Guard cutter, with a crew of 16, including officers. Your mission is general at-sea search and rescue. At 2:00 a.m. today, while en route to your home port after a routine 28-day patrol, you received word from the nearest Coast Guard station that a small plane had crashed 60 miles offshore. You obtained

all the available information concerning the location of the crash, informed your crew of the mission, and set a new course at maximum speed for the scene to commence a search for survivors and wreckage.

You have now been searching for 20 hours. Your search operation has been increasingly impaired by rough seas, and there is evidence of a severe storm building. The atmospherics associated with the deteriorating weather have made communications with the Coast Guard station impossible. A decision must be made shortly about whether to abandon the search and place your vessel on a course that would ride out the storm (thereby protecting the vessel and your crew, but relegating any possible survivors to almost certain death from exposure) or to continue a potentially futile search and the risks it would entail.

Before losing communications, you received an update weather advisory concerning the severity and duration of the storm. Although your crew members are extremely conscientious about their responsibility, you believe that they would be divided on the decision of leaving or staying.

SCENARIO 4: THE SOCIAL MEDIA POLICY DECISION

The industry initiatives agency is a group of 120 professionals responsible for marketing your state as a good place for companies to operate their business or open new operations. Although you report to the head of the state's employment and commerce department, your agency is semi-autonomous in its policies and practices from the parent department. One of your highest priorities is to recruit and retain young, well-educated, high-potential employees for this growing agency. During a recent recruiting drive at universities and polytechnics, some potential applicants candidly stated that the state government seems out of touch with the younger generation, particularly their use of technology. A few observed that your

agency's website doesn't provide much recruitment information, and they couldn't find the department's Facebook or Twitter sites.

These comments led you to think about having a social media policy in the industry initiatives agency, particularly whether or to what degree the agency should allow or possibly even encourage its staff to have work-related Facebook sites, personal blogs, and Twitter sites, and to participate in those sites during work hours. You personally know very little about emerging social media, though many of your direct reports (functional managers and team leaders) have varying degrees of knowledge about them. A few even have their own personal Facebook sites, and one manager has her own travel blog. Some direct reports are strongly opposed to social media in the workplace, whereas others are likely very supportive. However, you believe that all of their views are in the agency's best interests.

This social media policy decision would be within your mandate; unlike most governments, neither this state government nor the employment and commerce department has such a policy or restrictions on any policy that is designed by your agency. However, a few specific government departments prohibit Facebook and texting activity during work and, due to concerns about breaches of confidentiality and employer reputation, do not allow employees to mention work-related matters in any social media. Your decision is to develop a policy specifying whether and, if so, to what degree agency staff should be allowed or encouraged to engage in social network site activity during work hours.

Sources: The Productivity Dividend Decision and The Social Media Policy Decision: © 2013 Steven L. McShane. The Sugar-Substitute Research Decision: © 2002 Steven L. McShane. The Coast Guard Cutter Decision case is adapted from V.H. Vroom and A.G. Jago, *The New Leadership: Managing Participation in Organizations* (Englewood Cliffs, NJ: Prentice Hall, 1988), © 1987 V.H. Vroom and A.G. Jago. Used with permission of the authors.



TEAM EXERCISE: WHERE IN THE WORLD ARE WE?

PURPOSE This exercise is designed to help you understand the potential advantages of involving others in decisions rather than making decisions alone.

MATERIALS Students require an unmarked copy of the map of the United States with grid marks (Exhibit 2). Students are not allowed to look at any other maps or use any other materials. The instructor will provide a list of communities located somewhere on Exhibit 2. The instructor will also provide copies of the answer sheet after students have individually and in teams estimated the locations of communities.

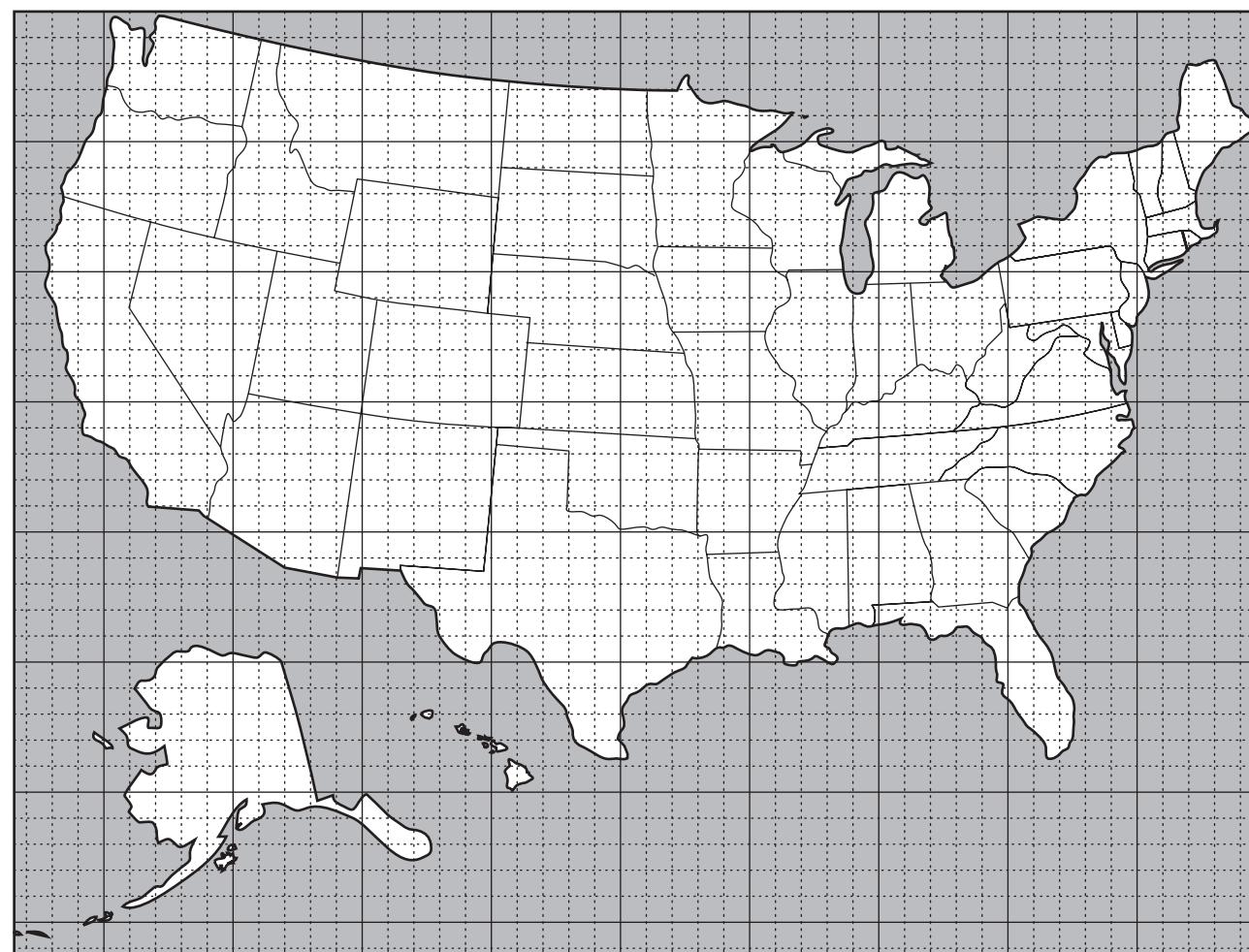
INSTRUCTIONS

Step 1: Write down in Exhibit 1 the list of communities identified by your instructor. Then, working alone, estimate the location in Exhibit 2 of these communities, all of which are in the United States. For example, mark a small "1" in Exhibit 2 on the spot where you believe the first community is located. Mark a small "2" where you think the second community is located, and so on. Please be sure to number each location clearly and with numbers small enough to fit within one grid space.

EXHIBIT 1 List of Selected Communities in the United States of America

NUMBER	COMMUNITY	INDIVIDUAL DISTANCE IN GRID UNITS FROM THE TRUE LOCATION	TEAM DISTANCE IN GRID UNITS FROM THE TRUE LOCATION
1			
2			
3			
4			
5			
6			
7			
8			
		Total:	Total:

© 2002 Steven L. McShane

EXHIBIT 2 Map of the United States of America

Step 2: The instructor will organize students into approximately equal-sized teams (typically five or six people per team). Working with your team members, reach a consensus on the location of each community listed in Exhibit 1. The instructor might provide teams with a separate copy of this map, or each member can identify the team's numbers using a different colored pen on their individual maps. The team's decision for each location should occur by consensus, not voting or averaging.

Step 3: The instructor will provide or display an answer sheet showing the correct locations of the communities. Using this

answer sheet, students will count the minimum number of grid squares between the location they individually marked and the true location of each community. Write the number of grid squares in the second column of Exhibit 1, then add up the total. Next, count the minimum number of grid squares between the location the team marked and the true location of each community. Write the number of grid squares in the third column of Exhibit 1, then add up the total.

Step 4: The instructor will ask for information about the totals, and the class will discuss the implications of these results for employee involvement and decision making.



CLASS EXERCISE: CREATIVITY BRAINBUSTERS

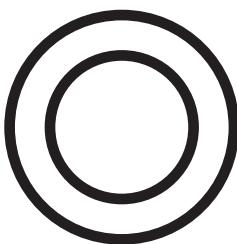
PURPOSE

This exercise is designed to help students understand the dynamics of creativity and team problem solving.

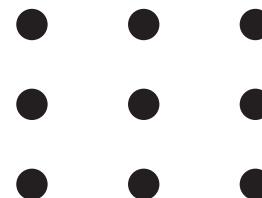
INSTRUCTIONS (LARGE OR SMALL CLASS)

The instructor describes the problem, and students are asked to figure out the solution working alone. When enough time has passed, the instructor may then ask specific students who think they have the solution to describe (or show using projection technology) their answer. The instructor will review the solutions and discuss the implications of this exercise. In particular, be prepared to discuss what you needed to solve these puzzles and what may have prevented you from solving them more quickly.

1. *Double-circle problem.* Draw two circles, one inside the other, with a single line and with neither circle touching the other (as shown below). In other words, you must draw both of these circles without lifting your pen (or other writing instrument).



2. *Nine-dot problem.* Below are nine dots. Without lifting your pencil, draw no more than four straight lines that pass through all nine dots.



3. *Nine-dot problem revisited.* Referring to the nine-dot exhibit above, describe how, without lifting your pencil, you could pass a pencil line through all dots with three or fewer straight lines.
4. *Word search.* In the following line of letters, cross out five letters so that the remaining letters, without altering their sequence, spell a familiar English word.

CFRIVEELATETITEVRSE

5. *Burning ropes.* You have two pieces of rope of unequal lengths and a box of matches. In spite of their different lengths, each piece of rope takes one hour to burn; however, parts of each rope burn at unequal speeds. For example, the first half of one piece might burn in 10 minutes. Use these materials to accurately determine when 45 minutes has elapsed.

endnotes

1. L. Hayes, "You're Too Creative to Be an Engineer—and Other Myths . . .," *Huffington Post (UK)*, 5 October 2016; "Aurecon Appoints Maureen Thurston," News release (Sydney: Aurecon, 16 February 2016); O. Fair, "How to Train Your Dragon," *justimagine*, Aurecon, 5 September 2017, <https://justimagine.aurecongroup.com>; "Liam Hayes: A Human-Centric HR Leader," *Human Resources Director Australia*, 9 January 2018.
2. F.A. Shull Jr., A.L. Delbecq, and L.L. Cummings, *Organizational Decision Making* (New York: McGraw-Hill, 1970), 31.
3. Harvard Business School, *Decision Making: 5 Steps to Better Results* (Cambridge, MA: Harvard Business School Press 2006), Chap. 1; D. Baltzly, "Stoicism" (*Stanford Encyclopedia of Philosophy*, 2008), <http://plato.stanford.edu/entries/stoicism/> (accessed March 30, 2008); I. Pownall, *Effective Management Decision Making* (Holstebro, DK: Ventus Publishing, 2012), Chap. 1; C.P. Weibel, *The Politics of Rationality: Reason through Occidental History* (New York: Routledge, 2014), Chaps. 1 and 3.
4. J.G. March and H.A. Simon, *Organizations* (New York: Wiley, 1958); K. Manktelow, *Thinking and Reasoning*:

- An Introduction to the Psychology of Reason, Judgment and Decision Making* (Hoboken, NJ: Taylor & Francis, 2012), Chap. 8. Recent neuroscience theory and research suggest that the calculation of probabilities and valences for each alternative is an iterative process of repeatedly sampling memory and available information (because, in reality, information isn't perfect) until the decision maker is sufficiently confident in the estimated composite valence of each choice. See: J.W. Kable and P.W. Glimcher, "The Neurobiology of Decision: Consensus and Controversy," *Neuron* 63, no. 6 (September 24, 2009): 733–45, <https://doi.org/10.1016/j.neuron.2009.09.003>; S.B.M. Yoo and B.Y. Hayden, "Economic Choice as an Untangling of Options into Actions," *Neuron* 99, no. 3 (August 8, 2018): 434–47, <https://doi.org/10.1016/j.neuron.2018.06.038>; R.G. O'Connell et al., "Bridging Neural and Computational Viewpoints on Perceptual Decision-Making," *Trends in Neurosciences* 41, no. 11 (November 1, 2018): 838–52, <https://doi.org/10.1016/j.tins.2018.06.005>.
5. This example differs from the game theory model in classic economic theory. In classic economic theory, the "outcomes" are alternatives, so the probabilities must add up to 1.0. For example, if there is a 30 percent probability that your company will choose supplier A, then there is necessarily a 70 percent chance that the company will choose supplier B (if those are the only choices). The current example, which is much more relevant to business decisions, differs because it calculates each alternative's composite valence from a set of criteria (outcomes) associated with all alternatives. These probabilities do not add up to 1.0 because they refer to entities that are not perfectly correlated (e.g., both suppliers might have a high probability of offering low prices).
 6. These criteria are commonly used in supplier selection modeling. See, for example, H. Karimi and A. Rezaeinia, "Supplier Selection Using Revised Multi-Segment Goal Programming Model," *International Journal of Advanced Manufacturing Technology* 70, no. 5/8 (2014): 1227–34.
 7. This model is adapted from several sources, including H.A. Simon, *The New Science of Management Decision* (New York: Harper & Row, 1960); H. Mintzberg, D. Raisinghani, and A. Théorét, "The Structure of 'Unstructured' Decision Processes," *Administrative Science Quarterly* 21 (1976): 246–75; W.C. Wedley and R.H.G. Field, "A Predecision Support System," *Academy of Management Review* 9 (1984): 696–703.
 8. P.F. Drucker, *The Practice of Management* (New York: Harper & Brothers, 1954), 353–57; B.M. Bass, *Organizational Decision Making* (Homewood, IL: Irwin, 1983), Chap. 3; H.E. Posen et al., "Renewing Research on Problemistic Search—A Review and Research Agenda," *Academy of Management Annals* 12, no. 1 (2017): 208–51, <https://doi.org/10.5465/annals.2016.0018>.
 9. L.R. Beach and T.R. Mitchell, "A Contingency Model for the Selection of Decision Strategies," *Academy of Management Review* 3 (1978): 439–49; I.L. Janis, *Crucial Decisions* (New York: Free Press, 1989), 35–37; W. Zhongtuo, "Meta-Decision Making: Concepts and Paradigm," *Systematic Practice and Action Research* 13, no. 1 (2000): 111–15; Y.-L. Boureau, P. Sokol-Hessner,

- and N.D. Daw, "Deciding How To Decide: Self-Control and Meta-Decision Making," *Trends in Cognitive Sciences* 19, no. 11 (2015): 700–710, <https://doi.org/10.1016/j.tics.2015.08.013>.
10. J. de Jonge, *Rethinking Rational Choice Theory: A Companion on Rational and Moral Action* (Basingstoke, UK: Palgrave Macmillan, 2011).
 11. There are a few variations of this quotation, and no direct evidence that Einstein actually offered this advice. Among the earliest citations is a similar quotation allegedly uttered by the head of industrial engineering at Yale University in the 1940s or 1950s. See: R.E. Finley and H.R. Ziobro, eds., *The Manufacturing Man and His Job* (New York: American Management Association, 1966), 18; "I Would Spend 55 Minutes Defining the Problem and Then Five Minutes Solving It—Quote Investigator," accessed April 17, 2019, <https://quoteinvestigator.com/2014/05/22/solve/>.
 12. M.A. Roberto, *Know What You Don't Know: How Great Leaders Prevent Problems before They Happen* (Saddle River, NJ: Wharton School Publishing, 2009); M. Meckler and K. Boal, "Decision Errors, Organizational Iatrogenesis and Errors of the 7th Kind," *Academy of Management Perspectives*, October 15, 2018, <https://doi.org/10.5465/amp.2017.0144>.
 13. E. Witte, "Field Research on Complex Decision-Making Processes—The Phase Theorum," *International Studies of Management and Organization*, no. 56 (1972): 156–82; J.A. Bargh and T.L. Chartrand, "The Unbearable Automaticity of Being," *American Psychologist* 54, no. 7 (1999): 462–79.
 14. E. Glazer, J.S. Lublin, and D. Mattioli, "Penney Backfires on Ackman," *The Wall Street Journal*, April 10, 2013; S. Snyder, "What J.C. Penney's Ron Johnson Must Do Now," *CNN Money*, 2013; D. Mattioli, "For Penney's Heralded Boss, the Sine Is Off the Apple," *The Wall Street Journal*, February 25, 2013, A1; N. Tichy, *Succession: Mastering the Make-or-Break Process of Leadership Transition* (New York: Portfolio/Penguin, 2014); M. Schlossberg, "JCPenney's CEO Used a High School Dating Analogy to Describe the Worst Time in the Company's History," *Business Insider*, October 28, 2015.
 15. A.H. Maslow, *The Psychology of Science: A Reconnaissance* (Chapel Hill, NC: Maurice Bassett Publishing, 2002).
 16. P.C. Nutt, *Why Decisions Fail* (San Francisco: Berrett-Koehler, 2002); S. Finkelstein, *Why Smart Executives Fail* (New York: Viking, 2003); G. Bhardwaj et al., "Alleviating the Plunging-In Bias, Elevating Strategic Problem-Solving," *Academy of Management Learning & Education* 17, no. 3 (September 2018): 279–301, <https://doi.org/10.5465/amle.2017.0168>.
 17. P.C. Nutt, "Framing Strategic Decisions," *Organization Science* 9, no. 2 (1998): 195–216, <https://doi.org/10.1287/orsc.9.2.195>; S. Kaplan, "Framing Contests: Strategy Making Under Uncertainty," *Organization Science* 19, no. 5 (2008): 729–52, <https://doi.org/10.1287/orsc.1070.0340>.
 18. M. Hock and H.W. Krohne, "Coping with Threat and Memory for Ambiguous Information: Testing the Repressive Discontinuity Hypothesis," *Emotion* 4, no. 1 (2004): 65–86; J. Brandtstadter, A. Voss, and K. Rothermund, "Perception of Danger Signals: The Role of

- Control," *Experimental Psychology* 51, no. 1 (2004): 24–32.
19. M.S. Gary and R.E. Wood, "Mental Models, Decision Rules, and Performance Heterogeneity," *Strategic Management Journal* 32, no. 6 (2011): 569–94, <https://doi.org/10.1002/smj.899>.
 20. Various sources suggest that the phrase "divine discontent" may have originated with unspecified writing by either of the poets John Milton (1608–1674) or Alexander Pope (1688–1744). Alternatively, it may have been inspired later based on John Stuart Mill's famous quotation in *Utilitarianism* (1863): "It is better to be a human being dissatisfied than a pig satisfied; better to be Socrates dissatisfied than a fool satisfied." Divine discontent became a particularly popular phrase during a couple of decades from the 1890s. It appeared in various books (e.g., Robert Bury, *The Symposium of Plato*, 1909, xlvi) as well as in articles in a wide array of magazines and newspapers, including *The Athenaeum Journal* (1896), *Punch Magazine* (1894), *Edinburgh Review* (1900), and frequently in *The Independent* (New York). The phrase is commonly used in reference to the valuable effect of education on the mind (for example, see: J.L. Spalding, *Education and the Higher Life*, 1900, 167; M. Mead, *Male and Female*, 1949, 160).
 21. H.A. Simon, *Administrative Behavior*, 2nd ed. (New York: Free Press, 1957); H.A. Simon, "Rational Decision Making in Business Organizations," *American Economic Review* 69, no. 4 (1979): 493–513; M. Cristofaro, "Herbert Simon's Bounded Rationality: Its Historical Evolution in Management and Cross-Fertilizing Contribution," *Journal of Management History* 23, no. 2 (2017): 170–90, <https://doi.org/10.1108/JMH-11-2016-0060>.
 22. Here are a few of the prominent studies among the dozens that demonstrate imperfect rationality in decision making: E. Witte, N. Joost, and A.L. Thimm, "Field Research On Complex Decision-Making Processes—The Phase Theorem," *International Studies of Management & Organization* 2, no. 2 (1972): 156–82; H. Mintzberg, D. Raisinghani, and A. Théorêt, "The Structure of 'Unstructured' Decision Processes," *Administrative Science Quarterly* 21, no. 2 (1976): 246–75, <https://doi.org/10.2307/2392045>; T. Gilovich, D. Griffin, and D. Kahneman, *Heuristics and Biases: The Psychology of Intuitive Judgment* (Cambridge: Cambridge University Press, 2002); S. Finkelstein, *Why Smart Executives Fail: And What You Can Learn from Their Mistakes* (New York: Penguin, 2004).
 23. M.D. Cohen, J.G. March, and J.P. Olsen, "A Garbage Can Model of Organizational Choice," *Administrative Science Quarterly* 17, no. 1 (1972): 1–25; R.A. Ferrer, E. Orehek, and L.S. Padgett, "Goal Conflict When Making Decisions for Others," *Journal of Experimental Social Psychology* 78 (2018): 93–103, <https://doi.org/10.1016/j.jesp.2018.05.008>.
 24. H.A. Simon, *Administrative Behavior*, 2nd ed. (New York: Free Press, 1957), xxv, 80–84.
 25. Current researchers refer to implicit favorite as "predecision information distortion" and the "coherence effect," but these theories are essentially implicit favorite bias. P.O. Soelberg, "Unprogrammed Decision Making," *Industrial Management Review* 8 (1967): 19–29; K.H. Ehrhart and J.C. Ziegert, "Why Are Individuals Attracted to Organizations?," *Journal of Management* 31, no. 6 (2005): 901–19; J.E. Russo, "The Predecisional Distortion of Information," in *Neuroeconomics, Judgment, and Decision Making*, ed. E.A. Wilhelms and V.F. Reyna, *Frontiers of Cognitive Psychology* (New York: Psychology Press, 2015), 91–110.
 26. S. Sacchi and M. Burigo, "Strategies in the Information Search Process: Interaction among Task Structure, Knowledge, and Source," *Journal of General Psychology* 135, no. 3 (2008): 252–70.
 27. Milton Rokeach famously stated, "Life is ipsative, because decisions in everyday life are inherently and phenomenologically ipsative decisions." *Ipsative* is a process of comparing (usually two) things side-by-side. M. Rokeach, "Inducing Changes and Stability in Belief Systems and Personality Structures," *Journal of Social Issues* 41, no. 1 (1985): 153–71.
 28. R.S. Nickerson, "Confirmation Bias: A Ubiquitous Phenomenon in Many Guises," *Review of General Psychology* 2, no. 2 (1998): 175–220; O. Svenson, I. Salo, and T. Lindholm, "Post-Decision Consolidation and Distortion of Facts," *Judgment and Decision Making* 4, no. 5 (2009): 397–407; A.M. Scherer, P.D. Windschitl, and A.R. Smith, "Hope to Be Right: Biased Information Seeking Following Arbitrary and Informed Predictions," *Journal of Experimental Social Psychology* 49, no. 1 (2013): 106–12.
 29. A.L. Brownstein, "Biased Predecision Processing," *Psychological Bulletin* 129, no. 4 (2003): 545–68; M. Nurek, O. Kostopoulou, and Y. Hagmayer, "Predecisional Information Distortion in Physicians' Diagnostic Judgments: Strengthening a Leading Hypothesis or Weakening Its Competitor?," *Judgment and Decision Making* 9, no. 6 (2014): 572–85; D. Simon, D. Stenstrom, and S. Read, "The Coherence Effect: Blending Cold and Hot Cognitions," *Journal of Personality & Social Psychology* 109, no. 3 (2015): 369–94; M.L. DeKay, "Predecisional Information Distortion and the Self-Fulfilling Prophecy of Early Preferences in Choice," *Current Directions in Psychological Science* 24, no. 5 (2015): 405–11.
 30. T. Gilovich, D. Griffin, and D. Kahneman, *Heuristics and Biases: The Psychology of Intuitive Judgment* (Cambridge: Cambridge University Press, 2002); D. Kahneman, "Maps of Bounded Rationality: Psychology for Behavioral Economics," *American Economic Review* 93, no. 5 (2003): 1449–75; J.S. Blumenthal-Barby and H. Krieger, "Cognitive Biases and Heuristics in Medical Decision Making: A Critical Review Using a Systematic Search Strategy," *Medical Decision Making* 35, no. 4 (2015): 539–57, <https://doi.org/10.1177/0272989X14547740>; M. Richie and S.A. Josephson, "Quantifying Heuristic Bias: Anchoring, Availability, and Representativeness," *Teaching and Learning in Medicine* 30, no. 1 (2018): 67–75, <https://doi.org/10.1080/10401334.2017.1332631>.
 31. A. Tversky and D. Kahneman, "Judgment under Uncertainty: Heuristics and Biases," *Science* 185, no. 4157 (1974): 1124–31; I. Ritov, "Anchoring in Simulated Competitive Market Negotiation," *Organizational Behavior and Human Decision Processes* 67, no. 1 (1996): 16; J.D.

- Jasper and S.D. Christman, "A Neuropsychological Dimension for Anchoring Effects," *Journal of Behavioral Decision Making* 18 (2005): 343–69; M.H. Jung, H. Perfecto, and L.D. Nelson, "Anchoring in Payment: Evaluating a Judgmental Heuristic in Field Experimental Settings," *Journal of Marketing Research* 53, no. 3 (2016): 354–68, <https://doi.org/10.1509/jmr.14.0238>.
32. A. Tversky and D. Kahneman, "Availability: A Heuristic for Judging Frequency and Probability," *Cognitive Psychology* 5 (1973): 207–32; A. Kudryavtsev, "The Availability Heuristic and Reversals Following Large Stock Price Changes," *Journal of Behavioral Finance* 19, no. 2 (2018): 159–76, <https://doi.org/10.1080/15427560.2017.1374276>.
 33. D. Kahneman and A. Tversky, "Subjective Probability: A Judgment of Representativeness," *Cognitive Psychology* 3, no. 3 (1972): 430; S.S. Kulkarni et al., "Defining the Representativeness Heuristic in Trauma Triage: A Retrospective Observational Cohort Study," *PLOS ONE* 14, no. 2 (February 8, 2019): e0212201, <https://doi.org/10.1371/journal.pone.0212201>.
 34. H.A. Simon, "Rational Choice and the Structure of Environments," *Psychological Review* 63 (1956): 129–38; B. Schwartz, "On The Meaning And Measurement Of Maximization," *Judgment and Decision Making* 11, no. 2 (2016): 126–46.
 35. K. Jain, J.N. Bearden, and A. Filipowicz, "Do Maximizers Predict Better Than Satisficers?," *Journal of Behavioral Decision Making* 26, no. 1 (2013): 41–50; W. Mao, "When One Desires Too Much of a Good Thing: The Compromise Effect under Maximizing Tendencies," *Journal of Consumer Psychology* 26, no. 1 (2016): 66–80.
 36. S. Botti and S.S. Iyengar, "The Dark Side of Choice: When Choice Impairs Social Welfare," *Journal of Public Policy and Marketing* 25, no. 1 (2006): 24–38; K.D. Vohs et al., "Making Choices Impairs Subsequent Self-Control: A Limited-Resource Account of Decision Making, Self-Regulation, and Active Initiative," *Journal of Personality and Social Psychology* 94, no. 5 (2008): 883–98.
 37. S. Iyengar, *The Art of Choosing* (New York: Hachette, 2010), 177–95; A. Chernev, U. Böckenholt, and J. Goodman, "Choice Overload: A Conceptual Review and Meta-Analysis," *Journal of Consumer Psychology* 25, no. 2 (2015): 333–58, <https://doi.org/10.1016/j.jcps.2014.08.002>.
 38. P.C. Nutt, "Search during Decision Making," *European Journal of Operational Research* 160 (2005): 851–76.
 39. M.S. Wood, A. McKelvie, and J.M. Haynie, "Making It Personal: Opportunity Individuation and the Shaping of Opportunity Beliefs," *Journal of Business Venturing* 29, no. 2 (2014): 252–72, <https://doi.org/10.1016/j.jbusvent.2013.02.001>; M.S. Wood and A. McKelvie, "Opportunity Evaluation as Future Focused Cognition: Identifying Conceptual Themes and Empirical Trends," *International Journal of Management Reviews* 17, no. 2 (2015): 256–77, <https://doi.org/10.1111/ijmr.12053>; S. Ramoglou and E.W.K. Tsang, "A Realist Perspective of Entrepreneurship: Opportunities As Propensities," *Academy of Management Review* 41, no. 3 (2015): 410–34, <https://doi.org/10.5465/amr.2014.0281>; Y. Chandra, "A Time-Based Process Model of International Entrepreneurial Opportunity Evaluation," *Journal of International Business Studies* 48, no. 4 (2017): 423–51, <https://doi.org/10.1057/s41267-017-0068-x>.
 40. P. Winkielman et al., "Affective Influence on Judgments and Decisions: Moving Towards Core Mechanisms," *Review of General Psychology* 11, no. 2 (2007): 179–92; J.S. Lerner et al., "Emotion and Decision Making," *Annual Review of Psychology* 66, no. 1 (2015): 799–823, <https://doi.org/10.1146/annurev-psych-010213-115043>; G. Loewenstein, T. O'Donoghue, and S. Bhatia, "Modeling the Interplay between Affect and Deliberation," *Decision* 2, no. 2 (2015): 55–81, <https://doi.org/10.1037/dec0000029>; T. Poppa and A. Bechara, "The Somatic Marker Hypothesis: Revisiting the Role of the 'Body-Loop' in Decision-Making," *Current Opinion in Behavioral Sciences*, 19 (2018): 61–66, <https://doi.org/10.1016/j.cobeha.2017.10.007>; C.A. Trujillo, "The Complementary Role of Affect-Based and Cognitive Heuristics to Make Decisions under Conditions of Ambivalence and Complexity," *PLOS ONE* 13, no. 11 (November 9, 2018): e0206724, <https://doi.org/10.1371/journal.pone.0206724>.
 41. A. Bechara and A.R. Damasio, "The Somatic Marker Hypothesis: A Neural Theory of Economic Decision," *Games and Economic Behavior* 52, no. 2 (2005): 336–72; T.S. Saunders and M.J. Buehner, "The Gut Chooses Faster Than the Mind: A Latency Advantage of Affective over Cognitive Decisions," *Quarterly Journal of Experimental Psychology* 66, no. 2 (2013): 381–88; A. Moors, "Automaticity: Componential, Causal, and Mechanistic Explanations," *Annual Review of Psychology* 67, no. 1 (2016): 263–87; T. Poppa and A. Bechara, "The Somatic Marker Hypothesis: Revisiting the Role of the 'Body-Loop' in Decision-Making," *Current Opinion in Behavioral Sciences* 19 (2018): 61–66.
 42. J.P. Forgas and J.M. George, "Affective Influences on Judgments and Behavior in Organizations: An Information Processing Perspective," *Organizational Behavior and Human Decision Processes* 86 (2001): 3–34; M.T. Pham, "Emotion and Rationality: A Critical Review and Interpretation of Empirical Evidence," *Review of General Psychology* 11, no. 2 (2007): 155–78; J.P. Forgas and A.S. Koch, "Mood Effects on Cognition," in *Handbook of Cognition and Emotion*, ed. M.D. Robinson, E.R. Watkins, and E. Harmon-Jones (New York: Guilford, 2013), 231–51; J.M. George and E. Dane, "Affect, Emotion, and Decision Making," *Organizational Behavior and Human Decision Processes*, Celebrating Fifty Years of Organizational Behavior and Decision Making Research (1966–2016), 136 (2016): 47–55, <https://doi.org/10.1016/j.obhdp.2016.06.004>; A. Prinz, V. Bergmann, and J. Wittwer, "Happy but Overconfident: Positive Affect Leads to Inaccurate Metacognition," *Cognition and Emotion* 33, no. 3 (2019): 606–15, <https://doi.org/10.1080/02699931.2018.1472553>.
 43. D. Miller, *The Icarus Paradox* (New York: HarperBusiness, 1990); D. Miller, "What Happens after Success: The Perils of Excellence," *Journal of Management Studies* 31, no. 3 (1994): 325–68; A.C. Amazon and A.C. Mooney, "The Icarus Paradox Revisited: How Strong Performance Sows the Seeds of Dysfunction in Future Strategic Decision-Making," *Strategic Organization* 6, no. 4 (2008): 407–34.

44. M.T. Pham, "The Logic of Feeling," *Journal of Consumer Psychology* 14 (2004): 360–69; N. Schwarz, "Feelings-as-Information Theory," in *Handbook of Theories of Social Psychology*, ed. P. Van Lange, A. Kruglanski, and E.T. Higgins (London: Sage, 2012), 289–308; A.I. Tiba, "Feelings-As-Embodied Information: Studying the Role of Feelings As Images in Emotional Disorders," *Frontiers in Psychology* 9 (2018), <https://doi.org/10.3389/fpsyg.2018.00186>.
45. O. Behling and N.L. Eckel, "Making Sense out of Intuition," *Academy of Management Executive* 5 (1991): 46–54; R.M. Hogarth, "Intuition: A Challenge for Psychological Research on Decision Making," *Psychological Inquiry* 21, no. 4 (2010): 338–53; S. Epstein, "Demystifying Intuition: What It Is, What It Does, and How It Does It," *Psychological Inquiry* 21, no. 4 (2010): 295–312; G.P. Hodgkinson and E. Sadler-Smith, "The Dynamics of Intuition and Analysis in Managerial and Organizational Decision Making," *Academy of Management Perspectives* 32, no. 4 (2018): 473–92, <https://doi.org/10.5465/amp.2016.0140>.
46. L. Sjöberg, "Intuitive vs. Analytical Decision Making: Which Is Preferred?," *Scandinavian Journal of Management* 19 (2003): 17–29; K. Hamilton, S.-I. Shih, and S. Mohammed, "The Development and Validation of the Rational and Intuitive Decision Styles Scale," *Journal of Personality Assessment* 98, no. 5 (2016): 523–35, <https://doi.org/10.1080/00223891.2015.1132426>; Y. Wang et al., "Meta-Analytic Investigations of the Relation Between Intuition and Analysis," *Journal of Behavioral Decision Making* 30, no. 1 (2017): 15–25, <https://doi.org/10.1002/bdm.1903>.
47. W.G. Chase and H.A. Simon, "Perception in Chess," *Cognitive Psychology* 4, no. 1 (1973): 55–81; G. Klein, *Intuition at Work* (New York: Currency/Doubleday, 2003); E. Dane, K.W. Rockmann, and M.G. Pratt, "When Should I Trust My Gut? Linking Domain Expertise to Intuitive Decision-Making Effectiveness," *Organizational Behavior and Human Decision Processes* 119, no. 2 (2012): 187–94; A. Linhares and D.M. Chada, "What Is the Nature of the Mind's Pattern-Recognition Process?," *New Ideas in Psychology* 31, no. 2 (2013): 108–21.
48. G. Klein, *Intuition at Work* (New York: Currency/Doubleday, 2003), 12–13, 16–17; G. Kefalidou, D. Golightly, and S. Sharples, "Identifying Rail Asset Maintenance Processes: A Human-Centric and Sensemaking Approach," *Cognition, Technology & Work* 20, no. 1 (2018): 73–92, <https://doi.org/10.1007/s10111-017-0452-0>.
49. Y. Ganzach, A.H. Kluger, and N. Klayman, "Making Decisions from an Interview: Expert Measurement and Mechanical Combination," *Personnel Psychology* 53 (2000): 1–20; A.M. Hayashi, "When to Trust Your Gut," *Harvard Business Review* 79 (2001): 59–65. Evidence of high failure rates from quick decisions is reported in P.C. Nutt, *Why Decisions Fail* (San Francisco, CA: Berrett-Koehler, 2002); P.C. Nutt, "Search during Decision Making," *European Journal of Operational Research* 160 (2005): 851–76; P.C. Nutt, "Investigating the Success of Decision Making Processes," *Journal of Management Studies* 45, no. 2 (2008): 425–55.
50. R. Bradfield et al., "The Origins and Evolution of Scenario Techniques in Long Range Business Planning," *Futures* 37, no. 8 (2005): 795–812; T.J. Chermack, *Scenario Planning in Organizations* (San Francisco: Berrett-Koehler, 2011); S. Phadnis et al., "Effect of Scenario Planning on Field Experts' Judgment of Long-Range Investment Decisions," *Strategic Management Journal* 36, no. 9 (2015): 1401–11, <https://doi.org/10.1002/smj.2293>; G. Bowman, "The Practice of Scenario Planning: An Analysis of Inter- and Intra-Organizational Strategizing," *British Journal of Management* 27, no. 1 (2016): 77–96, <https://doi.org/10.1111/1467-8551.12098>; J.J. Oliver and E. Parrett, "Managing Uncertainty: Harnessing the Power of Scenario Planning," *Strategic Direction* 33, no. 1 (2016): 5–6, <https://doi.org/10.1108/SD-09-2016-0131>.
51. J. Pfeffer and R.I. Sutton, "Knowing 'What' to Do Is Not Enough: Turning Knowledge into Action," *California Management Review* 42, no. 1 (1999): 83–108; R. Charan, C. Burke, and L. Bossidy, *Execution: The Discipline of Getting Things Done* (New York: Crown Business, 2002); S.A. Kreindler, "What If Implementation Is Not the Problem? Exploring the Missing Links between Knowledge and Action," *The International Journal of Health Planning and Management* 31, no. 2 (2016): 208–26, <https://doi.org/10.1002/hpm.2277>.
52. C.A. O'Reilly and D.F. Caldwell, "The Commitment and Job Tenure of New Employees: Some Evidence of Postdecisional Justification," *Administrative Science Quarterly* 26, no. 4 (1981): 597–616, <https://doi.org/10.2307/2392342>. Postdecisional justification is the flip side of postdecisional dissonance. For example, see: S.W.S. Lee and N. Schwarz, "Washing Away Postdecisional Dissonance," *Science* 328, no. 5979 (May 7, 2010): 709–709, <https://doi.org/10.1126/science.1186799>.
53. B.M. Staw and J. Ross, "Behavior in Escalation Situations: Antecedents, Prototypes, and Solutions," in *Research in Organizational Behavior*, ed. L.L. Cummings and B.M. Staw (Greenwich, CT: JAI, 1987), 39–78; J. Brockner, "The Escalation of Commitment to a Failing Course of Action: Toward Theoretical Progress," *Academy of Management Review* 17, no. 1 (1992): 39–61; D.J. Sleesman et al., "Cleaning up the Big Muddy: A Meta-Analytic Review of the Determinants of Escalation of Commitment," *Academy of Management Journal* 55, no. 3 (2012): 541–62.
54. B.M. Staw, "Knee-Deep in the Big Muddy: A Study of Escalating Commitment to a Chosen Course of Action," *Organizational Behavior and Human Performance* 16, no. 1 (1976): 27–44; D. Steinkühler, M.D. Mahlendorf, and M. Brettel, "How Self-Justification Indirectly Drives Escalation of Commitment—a Motivational Perspective," *Schmalenbach Business Review: ZFBF* 66, no. 2 (2014): 191–222; E.A. Lofquist and R. Lines, "Keeping Promises: A Process Study of Escalating Commitment Leading to Organizational Change Collapse," *The Journal of Applied Behavioral Science* 53, no. 4 (December 1, 2017): 417–45, <https://doi.org/10.1177/0021886317711892>.
55. C.L. Guenther and M.D. Alicke, "Deconstructing the Better-Than-Average Effect," *Journal of Personality and Social Psychology* 99, no. 5 (2010): 755–70; S. Loughnan

- et al., "Universal Biases in Self-Perception: Better and More Human Than Average," *British Journal of Social Psychology* 49 (2010): 627–36.
56. M. Keil, G. Depledge, and A. Rai, "Escalation: The Role of Problem Recognition and Cognitive Bias," *Decision Sciences* 38, no. 3 (2007): 391–421; R. Ronay et al., "Pride before the Fall: (Over)Confidence Predicts Escalation of Public Commitment," *Journal of Experimental Social Psychology* 69 (2017): 13–22, <https://doi.org/10.1016/j.jesp.2016.10.005>.
 57. G. Whyte, "Escalating Commitment in Individual and Group Decision Making: A Prospect Theory Approach," *Organizational Behavior and Human Decision Processes* 54 (1993): 430–55; D. Kahneman and J. Renshon, "Hawkish Biases," in *American Foreign Policy and the Politics of Fear: Threat Inflation since 9/11*, ed. T. Thrall and J. Cramer (New York: Routledge, 2009), 79–96.
 58. D. J. Sleesman et al., "Cleaning up the Big Muddy: A Meta-Analytic Review of the Determinants of Escalation of Commitment," *Academy of Management Journal* 55, no. 3 (2012): 541–62; B.M. Sweis et al., "Sensitivity to 'Sunk Costs' in Mice, Rats, and Humans," *Science* 361, no. 6398 (July 13, 2018): 178–81, <https://doi.org/10.1126/science.aar8644>.
 59. J.D. Bragger et al., "When Success Breeds Failure: History, Hysteresis, and Delayed Exit Decisions," *Journal of Applied Psychology* 88, no. 1 (2003): 6–14; H. Drummond, "Escalation of Commitment: When to Stay the Course?," *The Academy of Management Perspectives* 28, no. 4 (2014): 430–46.
 60. I. Simonson and B.M. Staw, "De-Escalation Strategies: A Comparison of Techniques for Reducing Commitment to Losing Courses of Action," *Journal of Applied Psychology* 77 (1992): 419–26; W. Boulding, R. Morgan, and R. Staelin, "Pulling the Plug to Stop the New Product Drain," *Journal of Marketing Research*, no. 34 (1997): 164–76; B.M. Staw, K.W. Koput, and S.G. Barsade, "Escalation at the Credit Window: A Longitudinal Study of Bank Executives' Recognition and Write-Off of Problem Loans," *Journal of Applied Psychology* 82, no. 1 (1997): 130–42; D. Ghosh, "De-Escalation Strategies: Some Experimental Evidence," *Behavioral Research in Accounting* 9 (1997): 88–112; M. Keil and D. Robey, "Turning around Troubled Software Projects: An Exploratory Study of the Deescalation of Commitment to Failing Courses of Action," *Journal of Management Information Systems* 15 (1999): 63–87; B.C. Gunia, N. Sivanathan, and A.D. Galinsky, "Vicarious Entrapment: Your Sunk Costs, My Escalation of Commitment," *Journal of Experimental Social Psychology* 45, no. 6 (2009): 1238–44; A.C. Hafenbrack, Z. Kinias, and S.G. Barsade, "Debiasing the Mind Through Meditation: Mindfulness and the Sunk-Cost Bias," *Psychological Science* 25, no. 2 (2014): 369–76, <https://doi.org/10.1177/0956797613503853>.
 61. M.I. Stein, "Creativity and Culture," *Journal of Psychology* 36 (1953): 311–22; M.A. Runco and G.J. Jaeger, "The Standard Definition of Creativity," *Creativity Research Journal* 24, no. 1 (2012): 92–96.
 62. G. Wallas, *The Art of Thought* (London: Jonathan Cape, 1926). For recent applications of Wallas's classic model, see T. Kristensen, "The Physical Context of Creativity," *Creativity and Innovation Management* 13, no. 2 (2004): 89–96; U.E. Haner, "Spaces for Creativity and Innovation in Two Established Organizations," *Creativity and Innovation Management* 14, no. 3 (2005): 288–98.
 63. R.S. Nickerson, "Enhancing Creativity," in *Handbook of Creativity*, ed. R.J. Sternberg (New York: Cambridge University Press, 1999), 392–430.
 64. E. Oakes, *Notable Scientists: A to Z of STS Scientists* (New York: Facts on File, 2002), 207–09.
 65. R.J. Sternberg and J.E. Davidson, *The Nature of Insight* (Cambridge, MA: MIT Press, 1995); W. Shen et al., "Feeling the Insight: Uncovering Somatic Markers of the 'Aha' Experience," *Applied Psychophysiology and Biofeedback*, September 19, 2017, <https://doi.org/10.1007/s10484-017-9381-1>.
 66. R.J. Sternberg and L.A. O'Hara, "Creativity and Intelligence," in *Handbook of Creativity*, ed. R.J. Sternberg (New York: Cambridge University Press, 1999), 251–72; S. Taggar, "Individual Creativity and Group Ability to Utilize Individual Creative Resources: A Multilevel Model," *Academy of Management Journal* 45 (2002): 315–30; R.J. Sternberg, "Successful Intelligence: A Model for Testing Intelligence beyond IQ Tests," *European Journal of Education and Psychology* 8, no. 2 (2015): 76–84, <https://doi.org/10.1016/j.ejeps.2015.09.004>.
 67. G.J. Feist, "The Influence of Personality on Artistic and Scientific Creativity," in *Handbook of Creativity*, ed. R.J. Sternberg (New York: Cambridge University Press, 1999), 273–96; T. Åsterbro, S.A. Jeffrey, and G.K. Adomdza, "Inventor Perseverance after Being Told to Quit: The Role of Cognitive Biases," *Journal of Behavioral Decision Making* 20 (2007): 253–72; J.S. Mueller, S. Melwani, and J.A. Goncalo, "The Bias against Creativity: Why People Desire but Reject Creative Ideas," *Psychological Science* 23, no. 1 (2012): 13–17.
 68. R.W. Weisberg, "Creativity and Knowledge: A Challenge to Theories," in *Handbook of Creativity*, ed. R.J. Sternberg (New York: Cambridge University Press, 1999), 226–50.
 69. R.I. Sutton, *Weird Ideas That Work* (New York: Free Press, 2002), 53–54, 121; E. Dane, "Reconsidering the Trade-Off between Expertise and Flexibility: A Cognitive Entrenchment Perspective," *Academy of Management Review* 35, no. 4 (2010): 579–603.
 70. G.J. Feist, "The Influence of Personality on Artistic and Scientific Creativity," in *Handbook of Creativity*, ed. R.J. Sternberg (New York: Cambridge University Press, 1999), 273–96; C.E. Shalley, J. Zhou, and G.R. Oldham, "The Effects of Personal and Contextual Characteristics on Creativity: Where Should We Go from Here?," *Journal of Management* 30, no. 6 (2004): 933–58; S.J. Dollinger, K.K. Urban, and T.A. James, "Creativity and Openness to Experience: Validation of Two Creative Product Measures," *Creativity Research Journal* 16, no. 1 (2004): 35–47; T.S. Schweizer, "The Psychology of Novelty-Seeking, Creativity and Innovation: Neurocognitive Aspects within a Work-Psychological Perspective," *Creativity and Innovation Management* 15, no. 2 (2006): 164–72; S. Acar and M.A. Runco, "Creative Abilities: Divergent Thinking," in *Handbook*

- of Organizational Creativity*, ed. M. Mumford (Waltham, MA: Academic Press, 2012), 115–39.
71. C.E. Shalley, J. Zhou, and G.R. Oldham, “The Effects of Personal and Contextual Characteristics on Creativity: Where Should We Go from Here?,” *Journal of Management* 30, no. 6 (2004): 933–58; S.T. Hunter, K.E. Bedell, and M.D. Mumford, “Climate for Creativity: A Quantitative Review,” *Creativity Research Journal* 19, no. 1 (2007): 69–90; N. Anderson, K. Potočnik, and J. Zhou, “Innovation and Creativity in Organizations: A State-of-the-Science Review, Prospective Commentary, and Guiding Framework,” *Journal of Management* 40, no. 5 (2014): 1297–1333, <https://doi.org/10.1177/0149206314527128>.
 72. Learning orientation has multiple meanings. Rather than the “learning goal orientation” definition, we are referring to the marketing-based definition which is associated with organizational learning. See, for example: W.E. Baker and J.M. Sinkula, “The Synergistic Effect of Market Orientation and Learning Orientation on Organizational Performance,” *Journal of the Academy of Marketing Science* 27, no. 4 (1999): 411–27, <https://doi.org/10.1177/0092070399274002>; O. Pesämaa et al., “How a Learning Orientation Affects Drivers of Innovativeness and Performance in Service Delivery,” *Journal of Engineering and Technology Management* 30, no. 2 (2013): 169–87, <https://doi.org/10.1016/j.jengtecman.2013.01.004>; J.C. Real, J.L. Roldán, and A. Leal, “From Entrepreneurial Orientation and Learning Orientation to Business Performance: Analysing the Mediating Role of Organizational Learning and the Moderating Effects of Organizational Size,” *British Journal of Management* 25, no. 2 (2014): 186–208, <https://doi.org/10.1111/j.1467-8551.2012.00848.x>.
 73. A. Cummings and G.R. Oldham, “Enhancing Creativity: Managing Work Contexts for the High Potential Employee,” *California Management Review*, no. 40 (1997): 22–38; F. Coelho and M. Augusto, “Job Characteristics and the Creativity of Frontline Service Employees,” *Journal of Service Research* 13, no. 4 (2010): 426–38; G. Hirst et al., “How Does Bureaucracy Impact Individual Creativity? A Cross-Level Investigation of Team Contextual Influences on Goal Orientation–Creativity Relationships,” *Academy of Management Journal* 54, no. 3 (June 2011): 624–41, <https://doi.org/10.5465/amj.2011.61968124>; W. Zhang et al., “Exploring the Effects of Job Autonomy on Engagement and Creativity: The Moderating Role of Performance Pressure and Learning Goal Orientation,” *Journal of Business and Psychology* 32, no. 3 (2017): 235–51, <https://doi.org/10.1007/s10869-016-9453-x>.
 74. T.M. Amabile, “Changes in the Work Environment for Creativity During Downsizing,” *Academy of Management Journal* 42 (1999): 630–40.
 75. J. Moultrie et al., “Innovation Spaces: Towards a Framework for Understanding the Role of the Physical Environment in Innovation,” *Creativity & Innovation Management* 16, no. 1 (2007): 53–65.
 76. C.E. Shalley, J. Zhou, and G.R. Oldham, “The Effects of Personal and Contextual Characteristics on Creativity: Where Should We Go from Here?,” *Journal of Management* 30, no. 6 (2004): 933–58; S. Powell, “The Management and Consumption of Organisational Creativity,” *Journal of Consumer Marketing* 25, no. 3 (2008): 158–66; D.J. Hughes et al., “Leadership, Creativity, and Innovation: A Critical Review and Practical Recommendations,” *The Leadership Quarterly* 29, no. 5 (2018): 549–69, <https://doi.org/10.1016/j.lequa.2018.03.001>.
 77. A. Hiam, “Obstacles to Creativity—and How You Can Remove Them,” *Futurist* 32 (1998): 30–34.
 78. M.A. West, *Developing Creativity in Organizations* (Leicester, UK: BPS Books, 1997), 33–35.
 79. S. Brown, *Play: How It Shapes the Brain, Opens the Imagination, and Invigorates the Soul* (New York: Avery, 2009); C. Mainemelis and D.D. Dionysiou, “Play, Flow, and Timelessness,” in *The Oxford Handbook of Creativity, Innovation, and Entrepreneurship*, ed. C. Shalley, M. Hitt, and J. Zhou (New York: Oxford University Press, 2015), 121–40; C.A. Petelczyc et al., “Play at Work: An Integrative Review and Agenda for Future Research,” *Journal of Management* 44, no. 1 (2018): 161–90, <https://doi.org/10.1177/0149206317731519>.
 80. T. Ritchey, *Wicked Problems—Social Messes: Decision Support Modelling with Morphological Analysis, Risk, Governance and Society* (Berlin: Springer-Verlag, 2011); S. Seidenstricker and C. Linder, “A Morphological Analysis-Based Creativity Approach to Identify and Develop Ideas for BMI: A Case Study of a High-Tech Manufacturing Company,” *International Journal of Entrepreneurship and Innovation Management* 18, no. 5–6 (2014): 409–24.
 81. A. Hargadon and R.I. Sutton, “Building an Innovation Factory,” *Harvard Business Review* 78 (2000): 157–66; T. Kelley, *The Art of Innovation* (New York: Currency Doubleday, 2001), 158–62; P.F. Skilton and K.J. Dooley, “The Effects of Repeat Collaboration on Creative Abrasion,” *Academy of Management Review* 35, no. 1 (2010): 118–34.
 82. M. Burton, “Open Plan, Open Mind,” *Director* (2005): 68–72; S. Pathak, “On the Inside at Mother New York, Where Rotating Desks Are the Norm,” *Digiday*, November 6, 2015; I. Davies, “Iconic Ads, Communal Working and Fierce Independence: We Meet the Team at Mother London,” *Lecture In Progress*, March 13, 2018, <https://lectureinprogress.com/journal/mother-london>.
 83. E. Köppen and C. Meinel, “Empathy Via Design Thinking: Creation of Sense and Knowledge,” in *Design Thinking Research: Building Innovators*, ed. H. Plattner, C. Meinel, and L. Leifer (Cham, Switzerland: Springer International, 2015), 15–28; K.D. Elsbach and I. Stigliani, “Design Thinking and Organizational Culture: A Review and Framework for Future Research,” *Journal of Management* 44, no. 6 (2018): 2274–2306, <https://doi.org/10.1177/0149206317744252>.
 84. R. Glen et al., “Teaching Design Thinking in Business Schools,” *The International Journal of Management Education* 13, no. 2 (2015): 182–92, <https://doi.org/10.1016/j.ijme.2015.05.001>; L. Carlgren, I. Rauth, and M. Elmquist, “Framing Design Thinking: The Concept in Idea and Enactment,” *Creativity and Innovation Management* 25, no. 1 (2016): 38–57, <https://doi.org/10.1111/caim.12153>; K.D. Elsbach and I. Stigliani, “Design Thinking and Organizational Culture:

- A Review and Framework for Future Research," *Journal of Management* 44, no. 6 (2018): 2274–2306, <https://doi.org/10.1177/0149206317744252>.
85. J. Kolk, "Design Thinking Comes of Age," *Harvard Business Review* 93, no. 9 (2015): 66–71; C. Vetterli et al., "How Deutsche Bank's IT Division Used Design Thinking to Achieve Customer Proximity," *MIS Quarterly Executive* 15, no. 1 (2016): 37–53; D. Henriksen, C. Richardson, and R. Mehta, "Design Thinking: A Creative Approach to Educational Problems of Practice," *Thinking Skills and Creativity* 26 (2017): 140–53, <https://doi.org/10.1016/j.tsc.2017.10.001>.
 86. J.C. Barbieri and A.C.T. Álvares, "Innovation in Mature Industries: The Case of Brasilata S. A Metallic Packaging," in *International Conference on Technology Policy and Innovation* (Curitiba, Brazil 2000); "Participação É Desafio Nas Empresas (Participation Is a Challenge in Business)," *Gazeta do Povo*, 16 November 2008; "Brasilata É Eleita Entre as Melhores Empresas Para Se Trabalhar No Brasil Em Dois Importantes Prêmios (Brasilata Is Chosen among the Best Companies to Work in Brazil in Two Important Awards)," news release (Sao Paulo, Brazil: Brasilata, October 2016); "Simplification Project," (São Paulo, Brazil: Brasilata, 2018), <http://www.brasilata.com.br/inovacao/projeto-simplificacao> (accessed April 25, 2019).
 87. M. Fenton-O'Creevy, "Employee Involvement and the Middle Manager: Saboteur or Scapegoat?," *Human Resource Management Journal*, no. 11 (2001): 24–40. Also see V.H. Vroom and A.G. Jago, *The New Leadership: Managing Participation in Organizations* (Englewood Cliffs, NJ: Prentice Hall, 1988).
 88. V.H. Vroom and A.G. Jago, *The New Leadership: Managing Participation in Organizations* (Englewood Cliffs, NJ: Prentice Hill, 1988).
 89. Some of the early OB writing on employee involvement includes C. Argyris, *Personality and Organization* (New York: Harper & Row, 1957); D. McGregor, *The Human Side of Enterprise* (New York: McGraw-Hill, 1960); R. Likert, *New Patterns of Management* (New York: McGraw-Hill, 1961).
 90. A.G. Robinson and D.M. Schroeder, *Ideas Are Free* (San Francisco: Berrett-Koehler, 2004).
 91. R.J. Ely and D.A. Thomas, "Cultural Diversity at Work: The Effects of Diversity Perspectives on Work Group Processes and Outcomes," *Administrative Science Quarterly* 46 (2001): 229–73; E. Mannix and M.A. Neale, "What Differences Make a Difference?: The Promise and Reality of Diverse Teams in Organizations," *Psychological Science in the Public Interest* 6, no. 2 (2005): 31–55.
 92. D. Berend and J. Paroush, "When Is Condorcet's Jury Theorem Valid?," *Social Choice and Welfare* 15, no. 4 (1998): 481–88.
 93. K.T. Dirks, L.L. Cummings, and J.L. Pierce, "Psychological Ownership in Organizations: Conditions under Which Individuals Promote and Resist Change," *Research in Organizational Change and Development*, no. 9 (1996): 1–23; J.P. Walsh and S.F. Tseng, "The Effects of Job Characteristics on Active Effort at Work," *Work & Occupations* 25, no. 1 (1998): 74–96; B. Scott-Ladd and V. Marshall, "Participation in Decision Making: A Matter of Context?," *Leadership & Organization Development Journal* 25, no. 8 (2004): 646–62.
 94. V.H. Vroom and A.G. Jago, *The New Leadership: Managing Participation in Organizations* (Englewood Cliffs, NJ: Prentice Hall, 1988).
 - a. P. Rosenthal, "NBC Executive Stands Apart by Taking Stands," *Chicago Tribune*, August 21, 2005; L. Mellor, "Seinfeld's Journey from Flop to Acclaimed Hit," *Den of Geek* (London, 7 November 2014), <http://www.denofgeek.com> (accessed 6 March 2018); S. Austerlitz, "How 'Seinfeld' Revolutionized the Sitcom," *IndieWire* (28 February 2014), <http://www.indiewire.com> (accessed 7 March 2018); N. J. Nigro, *Seinfeld FAQ: Everything Left to Know About the Show About Nothing* (Milwaukee: Applause Theatre and Cinema Books, 2015); A. Grant, *Originals: How Non-Conformists Change the World* (New York: Viking, 2016), 44–46.
 - b. S. Iyengar, *The Art of Choosing* (New York: Hachette, 2010), 194–200; J. Beshears et al., "Simplification and Saving," *Journal of Economic Behavior & Organization* 95 (2013): 130–45.
 - c. D. Kiron, K. Prentice, and R. B. Ferguson, *The Analytics Mandate* (Cambridge, MA: MIT Sloan Management Review and SAS Institute, May 12, 2014); "PwC's Data and Analytics Survey 2016 Big Decisions" (London: PricewaterhouseCoopers, 2016); "PitchBook Survey Finds Only 38% of Venture Capital Investors Currently Use Data to Source and Evaluate All Investments Opportunities," News release (Seattle: Pitchbook, February 14, 2019); "Study Shows Many Senior Managers Distrust Big Data," News release (New Zealand: Massey University, April 12, 2019).
 - d. "SCE&G & Santee Cooper Announce Contract to Build Two New Nuclear Units," News Release, May 27, 2008; T. Moore, "Santee Cooper, SCE&G Pull Plug on Roughly \$25 Billion Nuclear Plants in South Carolina," *Post and Courier*, July 31, 2017; R. Gold, "Scana Abandons Nuclear-Site Plans," *The Wall Street Journal*, August 1, 2017; A.G. Wilks and S. Fretwell, "Long-Secret Report Could Save SCE&G's Customers Billions," *The State*, September 5, 2017; A. Lacy, "Endless Trials: South Carolina Spent \$9 Billion to Dig a Hole in the Ground and Then Fill It Back In," *The Intercept*, February 6, 2019.
 - e. J. Anxter, "Mark Polson, Creativity and Estee Lauder—The IX Interview," *Innovation Excellence* (blog), February 16, 2015, <https://www.innovationexcellence.com/blog/2015/02/16/mark-polson-creativity-and-estee-lauder-the-ix-interview/>; "Estée Lauder Companies: A Home for Creative Talent," *The Business of Fashion*, February 2, 2017; L.R. Rublin, "Shaking Up the Prestige Beauty Business," *Barron's*, June 1, 2018; S. Castellanos, "Estée Lauder Revamps IT, Merging Beauty Business With Innovation," *The Wall Street Journal*, March 20, 2019.
 - f. B. Waber, J. Magnolfi, and G. Lindsay, "Workspaces That Move People," *Harvard Business Review* 92, no. 10 (2014).
 - g. J.R. Foley and M. Polanyi, "Workplace Democracy: Why Bother?," *Economic and Industrial Democracy* 27, no. 1 (2006): 173–91; P.A. Woods and P. Gronn, "Nurturing Democracy," *Educational Management Administration & Leadership* 37, no. 4 (2009): 430–51.

- h. G. de Jong and A. van Witteloostuijn, "Successful Corporate Democracy: Sustainable Cooperation of Capital and Labor in the Dutch Breman Group," *Academy of Management Executive* 18, no. 3 (2004): 54–66; R. Semler, *The Seven-Day Weekend* (London: Century, 2003).
- i. K. Cloke and J. Goldsmith, *The End of Management and the Rise of Organizational Democracy* (San Francisco: Jossey-Bass, 2003); L. Gratton, *The Democratic Enterprise: Liberating Your Enterprise with Freedom, Flexibility, and Commitment* (London: FT Prentice Hall, 2004).
- j. P.E. Slater and W.G. Bennis, "Democracy Is Inevitable," *Harvard Business Review* (1964): 51–59; D. Collins, "The Ethical Superiority and Inevitability of Participatory Management as an Organizational System," *Organization Science* 8, no. 5 (1997): 489–507; W.G. Weber, C. Unterrainer, and B.E. Schmid, "The Influence of Organizational Democracy on Employees' Socio-Moral Climate and Prosocial Behavioral Orientations," *Journal of Organizational Behavior* 30, no. 8 (2009): 1127–49.
- k. D. Collins, "The Ethical Superiority and Inevitability of Management as an Organizational System," *Organization Science* 8, no. 5 (1997): 489–507; R. Bussel, "'Business without a Boss': The Columbia Conserve Company and Workers' Control, 1917–1943," *The Business History Review* 71, no. 3 (1997): 417–43; J.D. Russell, M. Dirsmith, and S. Samuel, "Stained Steel: ESOPs, Meta-Power, and the Ironies of Corporate Democracy," *Symbolic Interaction* 27, no. 3 (2004): 383–403.
- l. V. van de Vliet, "How to Become a True Cognitive Enterprise," *Inspire Beyond Today's Technology* (Amsterdam: IBM, 2016), <https://www.ibm.com/systems/be/inspire/ibm-cognitive-build> (accessed 9 March 2018); "Internal Communications Interview with IBM," podcast in *csuite podcast* (Audere Communications, 12 December 2016); "Cognitive Build Hits World of Watson," *Medium*, October 28, 2016; "Best in Internal Communications 2017," *PR Week*, March 17, 2017.



8

Team Dynamics



Learning Objectives ➤

After studying this chapter, you should be able to:

- LO 8-1** Discuss the benefits and limitations of teams, and explain why employees join informal groups.
- LO 8-2** Outline the team effectiveness model and discuss how task characteristics, team size, and team composition influence team effectiveness.
- LO 8-3** Discuss how the four team processes—team development, norms, cohesion, and trust— influence team effectiveness.
- LO 8-4** Discuss the characteristics and factors required for the success of self-directed teams and remote teams.
- LO 8-5** Identify four constraints on team decision making and discuss the advantages and disadvantages of four structures aimed at improving team decision making.

Teams are at the heart of successful missions in the U.S. Army. General Stanley McChrystal, who led America's Joint Special Operations Command and NATO forces in the war in Afghanistan, describes how terrorist insurgencies abroad transformed the U.S. Army from a rigid hierarchical organization to one that is built around a massive network of teams. "We became what we called 'a team of teams': a large command that captured at scale the traits of agility normally limited to small teams."

Instilled into every U.S. Army soldier and staff member is the deeply held belief that success occurs through teamwork, not by trying to achieve objectives alone. "On the battlefield . . . no one wins on their own," advised former Secretary of State James Mattis recently to U.S. Military Academy (West Point) graduates. "Teams win battles, and if you can win the trust and affection of your soldiers, they will win all the battles for you."

McChrystal explains that teamwork is more than getting along with others. High-performing military squads and other teams form shared mental models so they know what to expect from one another.



PART 3: TEAM PROCESSES

"Team members cannot simply depend on orders," he says. "Teamwork is a process of reevaluation, negotiation, and adjustment; players are constantly sending messages to, and taking cues from, their teammates, and those players must be able to read one another's every move and intent."

The U.S. Army instills teamwork in many ways, but perhaps most notably through structured activities. During the AIT Warrior Challenge, for example, several teams of soldiers complete grueling tasks that depend on teamwork. In one six-mile event, members of each team carry their own 25-pound rucksack, collectively transport a 35-pound sand bag, and complete several team-based land-navigation tasks. "We were able to (get through that) because we were able to come together as a team," says one AIT Warrior Challenge participant. "We started as six individuals, but came together to form one team, and that really helped us succeed in the competition."¹

The U.S. Army's transformation to a team-based organization is consistent with the trend in most industries. One recent study reports that collaborating with others—whether face-to-face or remotely through technology—now takes up to 80 percent of an employee's time. Another study found that



PRESSLAB/Shutterstock

Instilled into every U.S. Army soldier and staff member is the deeply held belief that success occurs through teamwork.

employees are involved in almost twice as many teams compared to five years ago. By comparison, three decades ago only 20 percent of executives said they worked in teams at all!² The importance of teamwork extends to scientific research. A study of almost 20 million research publications reported that the percentage of journal articles written by teams rather than individuals has increased substantially over the past five decades. Team-based articles also had a much higher number of subsequent citations, suggesting that journal articles written by teams are superior to articles written by individuals.³

Why are teams becoming so important, and how can organizations strengthen their potential for organizational effectiveness? We find the answers to these and other questions in this chapter on team dynamics. This chapter begins by defining *teams*, examining the reasons why organizations rely on teams, and explaining why people join informal groups in organizational settings. A large segment of this chapter examines a model of team effectiveness, which includes team and organizational environment, team design, and the team processes of development, norms, cohesion, and trust. We then turn our attention to two specific types of teams: self-directed teams and remote teams. The final section of this chapter looks at the challenges and strategies for making better decisions in teams.

Teams and Informal Groups

LO 8-1

teams

groups of two or more people who interact with and influence each other, are mutually accountable for achieving common goals associated with organizational objectives, and perceive themselves as a social entity within an organization

Teams are groups of two or more people who interact with and influence each other, are mutually accountable for achieving common goals associated with organizational objectives, and perceive themselves as a social entity within an organization.⁴ This definition has a few important components worth repeating. First, all teams exist to fulfill some purpose, such as rescuing people from a flood, assembling a product, designing a new social welfare program, or making an important decision. Second, team members are held together by their interdependence and need for collaboration to achieve common goals. All teams require some form of communication so that members can coordinate, share information, and develop a common mindset regarding purpose and objectives. Third, team members influence one another, although some members may be more influential than others regarding the team's goals and activities. Finally, a team exists when its members perceive themselves to be a team. They feel connected to one another through a common interest or purpose.

There are many types of teams in organizations, and each type can be distinguished by three characteristics: team permanence, skill diversity, and authority dispersion (see Exhibit 8.1).⁵ Team permanence refers to how long that type of team usually exists. Accounting, marketing, and other departments are usually long-lasting structures, so teams within these units have high permanence. In contrast, task forces usually have low permanence because most are formed temporarily to solve a problem, realize an opportunity, or design a product or service. An emerging trend is the formation of teams that exist even more briefly, sometimes only for one eight-hour shift.⁶

**EXHIBIT 8.1 Team Permanence, Skill Diversity, and Authority Dispersion for Selected Team Types**

TEAM TYPE	DESCRIPTION	TYPICAL CHARACTERISTICS
Departmental teams	Teams that consist of employees who have similar or complementary skills and are located in the same unit of a functional structure; usually minimal task interdependence because each person works with clients or with employees in other departments.	<i>Team permanence:</i> High—departments continue indefinitely. <i>Skill diversity:</i> Low to medium—departments are often organized around common skills (e.g., accounting staff located in the accounting department). <i>Authority dispersion:</i> Low—departmental power is usually concentrated in the departmental manager.
Self-directed teams	Teams whose members are organized around work processes that complete an entire piece of work requiring several interdependent tasks and have substantial autonomy over the execution of those tasks (i.e., they usually control inputs, flow, and outputs with little or no supervision).	<i>Team permanence:</i> High—teams are usually assigned indefinitely to a specific cluster of production or service activities. <i>Skill diversity:</i> Medium to high—members typically perform different tasks requiring diverse skill sets, but cross-training can somewhat reduce skill diversity. <i>Authority dispersion:</i> High—team members share power, usually with limited hierarchical authority.
Task force (project) teams	Cross-functional teams whose members are usually drawn from several disciplines to solve a specific problem, realize an opportunity, or design a product or service.	<i>Team permanence:</i> Low—teams typically disband on completion of a specific project. <i>Skill diversity:</i> Medium to high—members are typically drawn from several functional specializations associated with the complexity of the problem or opportunity. <i>Authority dispersion:</i> Medium—teams often have someone with formal authority (project leader), but members also have moderate power due to their expertise and functional representation.

A second distinguishing characteristic is the team's skill diversity. A team has high skill diversity when its members possess different skills and knowledge, whereas low diversity exists when team members have similar abilities and, therefore, are interchangeable. Most functional departments have low skill diversity because they organize employees around their common skill sets (e.g., people with accounting expertise are located in the accounting department). In contrast, self-directed teams, which we discuss later in this chapter, are responsible for producing an entire product or service, which usually requires members with dissimilar skills and knowledge to perform the diverse tasks in that work. Cross-training increases interchangeability of team members to some extent, but moderately high skill diversity is still likely where the team's work is complex.

Authority dispersion, the third distinguishing characteristic of teams, refers to the degree that decision-making responsibility is distributed throughout the team (high dispersion) or is vested in one or a few members of the team (low dispersion). Departmental teams tend to have low authority dispersion because power is somewhat concentrated in a formal manager. Self-directed teams usually have high authority dispersion because the entire team makes key decisions and hierarchical authority is limited.

INFORMAL GROUPS

This chapter mainly focuses on formal teams, but employees also belong to informal groups. All teams are groups; however, many groups do not satisfy our definition of teams. Groups include people assembled together, whether or not they have any interdependence or organizationally focused objective. The friends you meet for lunch are an *informal group*, but they wouldn't be called a team because they have little or no interdependence (each person could just as easily eat lunch alone) and no organizationally mandated purpose. Instead, they exist primarily for the benefit of their members. Although the terms are used interchangeably, *teams* has largely replaced *groups* in the language of business when referring to employees who work together to complete organizational tasks.⁷



Why do informal groups exist? One reason is that human beings are social animals. Our drive to bond is hardwired through evolutionary development, creating a need to belong to informal groups.⁸ This is evident by the fact that people invest considerable time and effort forming and maintaining social relationships without any special circumstances or ulterior motives. A second reason why people join informal groups is provided by social identity theory, which states that individuals define themselves by their group affiliations (see Chapter 3). Thus, we join groups—particularly groups with a positive public image and that are compatible with our values—because they shape and reinforce our self-concept.⁹

A third reason why informal groups exist is that they accomplish personal objectives that cannot be achieved by individuals working alone. For example, employees will sometimes congregate to oppose organizational changes because this collective effort has more power than individuals who try to bring about change alone. These informal groups, called *coalitions*, are discussed in Chapter 10. A fourth explanation for informal groups is that we are comforted by the mere presence of other people and are therefore motivated to be near them in stressful situations. When in danger, people congregate near one another even though doing so serves no protective purpose. Similarly, employees tend to mingle more often after hearing rumors that the company might be acquired by a competitor. As Chapter 4 explained, this social support minimizes stress by providing emotional and/or informational resources to buffer the stress experience.¹⁰

Informal Groups and Organizational Outcomes Informal groups are not created to serve corporate objectives, yet they have a profound influence on the organization and its employees. Informal groups potentially minimize employee stress because, as mentioned, group members provide emotional and informational social support. This stress-reducing capability of informal groups improves employee well-being, which potentially increases organizational effectiveness. Informal groups are also the backbone of **social networks**, which are important sources of trust building, information sharing, power, influence, and employee well-being in the workplace.¹¹ Chapter 10 explains how social networks are a source of influence in organizational settings. Employees with strong informal networks tend to have more power and influence because they receive better information and preferential treatment from others and their talent is more visible to key decision makers.

social networks
social structures of individuals or social units that are connected to one another through one or more forms of interdependence

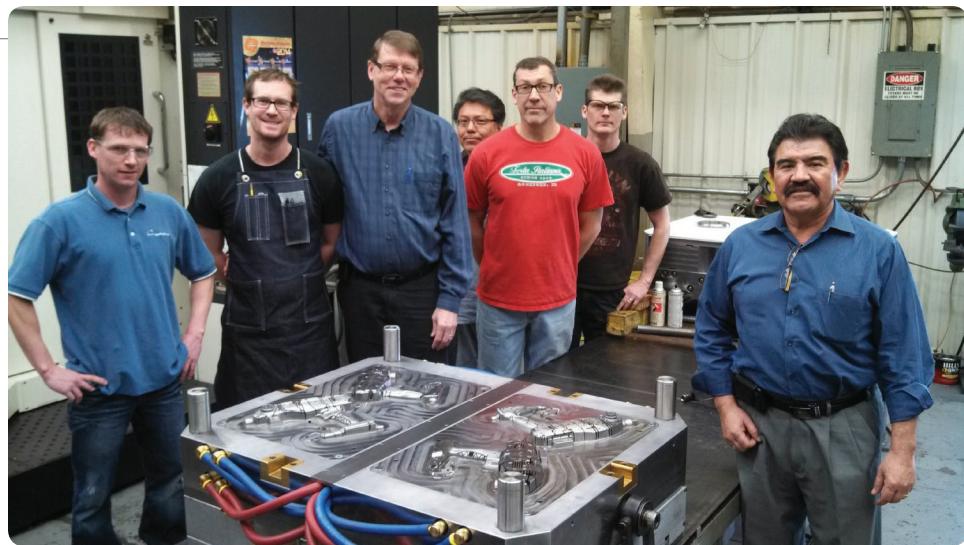
Advantages and Disadvantages of Teams

Menlo Innovations is an extreme team-based organization. Most of the 50 employees at the Ann Arbor, Michigan, software company work in pairs throughout the week. In “pair programming,” two employees share one computer. One person (called the driver) writes code while the other (called the navigator) offers guidance and proofs the work. The two switch roles throughout the week and have ongoing discussions about where to take the work next. Menlo employees are frequently reassigned to different partners and often to a different project altogether. “Teamwork is not optional. Collaboration is not optional. Pairing is not optional,” says Menlo Innovations cofounder Richard Sheridan. “We like to say that we are giving our teams ‘permission to collaborate.’”¹²

Why are teams so important at Menlo Innovations, the U.S. Army, and so many other companies around the world? The answer to this question has a long history.¹³ Early research on British coal mining in the 1940s, the Japanese economic miracle of the 1970s, and a huge number of investigations since then have revealed that *under the right conditions*, teams make better decisions, develop better products and services, and create a more motivated workforce than do employees working alone.¹⁴ Similarly, team members can quickly share information and coordinate tasks, whereas these processes are slower and prone to more errors in traditional departments led by supervisors. Teams typically provide superior customer service because they offer clients more knowledge and expertise than individuals working alone can offer.

Industrial Molds Group has flourished by relying on teams to manufacture industrial molds. "We started the transition to a team-oriented approach in design engineering and mold development to shorten lead times, improve quality, and meet customer requirements for faster time-to-market," explains Tim Peterson, co-owner and vice president of the Rockford, Illinois, company. This team focus is a sharp contrast to what Peterson refers to as the "superstar mentality" of the past. "It was competitive; there was a lot of contention," he admits. Today, everyone at Industrial Molds has a team orientation. "If someone isn't a team player, they won't like our culture," says Peterson. "The employees really do help each other and foster teamwork, getting things done."^a

©Industrial Molds



Teams are potentially more productive because, in many situations, their members are more motivated than when working alone.¹⁵ There are three motivating forces at work. First, employees have a drive to bond and are motivated to fulfill the goals of groups to which they belong. This felt obligation is particularly strong when the employee's social identity is connected to the team. Second, members have high accountability to fellow team members, who monitor performance more closely than a traditional supervisor. This accountability is particularly strong when the team's performance is limited by the worst performer, such as on an assembly line. Third, each team member creates a moving performance standard for the others. When a few employees complete tasks faster, other team members recognize that they could work faster. This benchmark effect also motivates because employees are often apprehensive that their performance will be compared to others' performance.

THE CHALLENGES OF TEAMS

process losses

resources (including time and energy) expended toward team development and maintenance rather than the task

Teams are potentially very productive, but they are not always as effective as individuals working alone.¹⁶ The main problem is that teams have additional costs called **process losses**—resources (including time and energy) expended on team development and maintenance rather than on performing the task.¹⁷ Team members need time and effort to resolve their disagreements, develop mutual understanding of their goals, determine the best strategy for accomplishing those goals, negotiate their specific roles, and agree on informal rules of conduct. An employee working alone on a project does not have these disagreements, misunderstandings, divergent viewpoints, or coordination problems within himself or herself (at least, not nearly as much as with other people). Teams may be necessary when the work is so complex that it requires knowledge and skills from several people. But when the work can be performed by one person, process losses can make a team less effective than an individual working alone.

Process losses are amplified when more people are added or replace others on the team.¹⁸ The new team members consume time and effort figuring out how to work well with other team members. Performance also suffers among current team members while their attention is diverted from task performance to accommodating and integrating the newcomer. Process losses tend to increase as the team adds more members, because a larger team requires more coordination, more time for conflict resolution, and so forth. The software industry even has a name for the problems of adding people to a team: **Brooks's law** says that adding more people to a late software project only makes it later! Although process losses are well known, research has found that managers consistently underestimate these costs when adding more people to an existing team.¹⁹

Brooks's law

the principle that adding more people to a late software project only makes it later



social loafing
the problem that occurs when people exert less effort (and usually perform at a lower level) when working in teams than when working alone

Social Loafing The process losses just described mainly refer to coordination challenges, but teams also suffer from motivational process losses. The best-known motivational process loss is **social loafing**, which occurs when people exert less effort (and usually perform at a lower level) in teams than working alone.²⁰

Social loafing is more pervasive under several conditions.²¹ It is more likely to occur when individual performance is hidden or difficult to distinguish from the performance of other team members. In team settings, individual performance is less visible in larger rather than smaller teams. It is also hidden when the team produces a single output (e.g., solving a client's problem) rather than separate outputs for each team member (e.g., each member reviews several accounting reports per day). Second, social loafing is more common when the work is boring or the team's overall task has low task significance (see Chapter 6). Third, individual characteristics explain why some people are more likely to engage in social loafing. For instance, social loafing is more prevalent among team members with low conscientiousness and low agreeableness personality traits as well as low collectivist values.

Fourth, social loafing is more prevalent when employees lack motivation to help the team achieve its goals. This lack of motivation occurs when individual members have low social identity with the team and the team has low cohesion. Lack of motivation also occurs when employees believe other team members aren't pulling their weight. In other words, social loafers provide only as much effort as they believe others will provide, which is their way of maintaining fairness in work allocation. Employees also exert less effort when they believe they have little control over the team's success, such as when the team is large (their contribution has minimal effect on the team's performance) and when the team is dependent on other members with known performance problems.

By understanding the causes of social loafing, we can identify ways to minimize this problem.²² Some of the strategies listed below reduce social loafing by making each member's performance more visible. Others increase each member's motivation to perform his or her tasks and mindfully minimize social loafing within the group.

- *Form smaller teams*—Splitting the team into several smaller groups reduces social loafing because each person's performance becomes more noticeable and important for team performance. "When the group is smaller, there's nowhere to hide," explains Strategic Investments principal David Zebro. "You have to pull your weight."²³ A smaller group also potentially increases individual commitment to and identity with the team.
- *Specialize tasks*—Individual effort is easier to observe when each team member performs a different work activity. For example, rather than pooling their effort for all incoming customer inquiries, each customer service representative might be assigned a particular type of client.
- *Measure individual performance*—Social loafing is minimized when each member's contribution is measured. This is possible when each member can perform parallel tasks, such as serving different customers. But the recommendation is difficult to implement when the team produces a single output, such as solving one client's problem.
- *Increase job enrichment*—Social loafing is minimized when each team member's task has high motivation potential, such as requiring more skill variety or having direct contact with clients. More generally, social loafing is less common when the team's overall objective has high task significance.
- *Increase mindfulness of social loafing and team obligations*—One recent study found that teams experience significantly less social loafing when team members are made aware of this phenomenon and sign (with follow-up reminders) a written declaration of their commitment to the team's objectives and practices. This intervention addresses the issue of mindfulness in employee values and ethics (see Chapter 2).

- *Select motivated, team-oriented employees*—Social loafing can be minimized by carefully selecting team members who will form a bond or identify with the team, have at least moderately high conscientiousness and agreeableness personality traits, and have a somewhat collectivist value orientation. Social loafing is also minimized by selecting team members who are self-motivated, because these people perform their tasks well even when their personal work output is difficult to measure.

Overall, teams can be very powerful forces for competitive advantage, or they can be much more trouble than they are worth. To understand when teams are better than individuals working alone, we need to more closely examine the conditions that make teams effective or ineffective. The next few sections of this chapter discuss the model of team effectiveness.

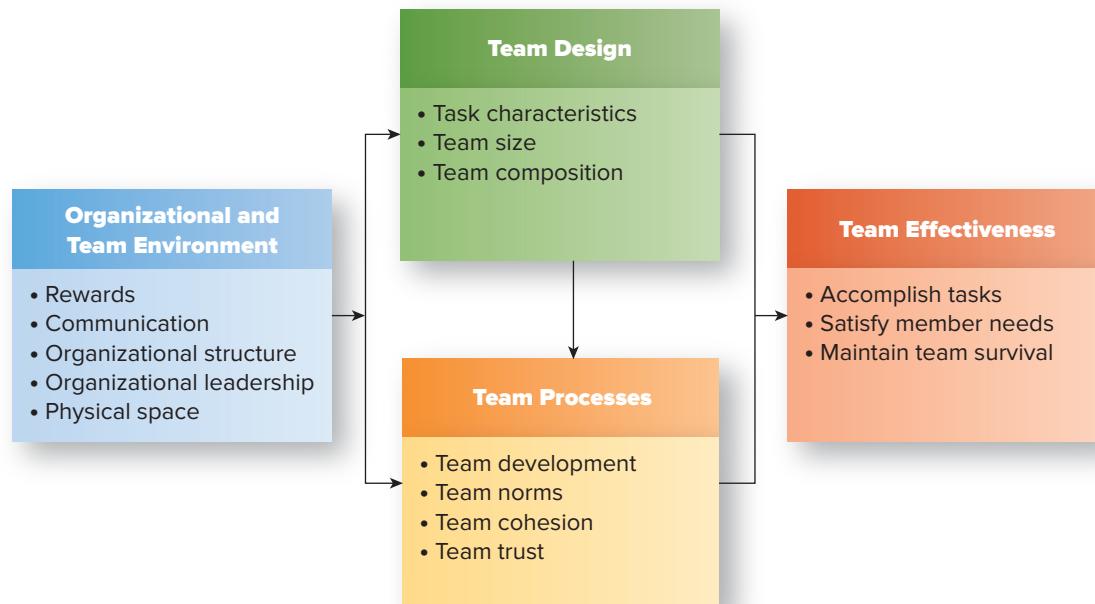
A Model of Team Effectiveness

LO 8-2

Why are some teams effective while others fail? To answer this question, we first need to clarify the meaning of team effectiveness. A team is effective when it benefits the organization and its members, and survives long enough to accomplish its mandate.²⁴ First, teams exist to serve some organizational purpose, so effectiveness is partly measured by the achievement of that objective. Second, a team's effectiveness relies on the satisfaction and well-being of its members. People join groups to fulfill their personal needs, so effectiveness is partly measured by this need fulfillment. Finally, team effectiveness includes the team's ability to survive long enough to fulfill its purpose. Even teams that exist for a week or less—called flash teams—could fall apart literally (people refuse to join or stay with the team) or cognitively (members become emotionally disengaged from the team).

Researchers have developed several models over the years to identify the features or conditions that make some teams more effective than others.²⁵ Exhibit 8.2 integrates the main components of these team effectiveness models. We will closely examine each component over the next several pages. This exhibit is a meta-model because each component (team development, team cohesion, etc.) includes its own set of theories to explain how that component operates.

EXHIBIT 8.2 Team Effectiveness Model





global connections 8.1

European Firms Enhance Team Performance with Obeya Rooms^b

Many years ago, Toyota Motor Company discovered that it can speed up new car design and manufacturing engineering by forming a cross-functional team and having the team members meet regularly in an *obeya*—Japanese for “large room.”

Companies throughout Europe have recently introduced *obeya* rooms to improve team performance on complex problems through face-to-face interaction. The *obeya* room at French automaker PSA Peugeot Citroën is a command central. The walls are plastered with graphs and notes so team members can visualize progress and document key issues. The *obeya* room at Nike’s European Distribution Center in Belgium has been so successful that the sports footwear and apparel company’s European information technology group recently built its own *obeya* space.

ING Bank created *obeya* rooms in several European countries so operations teams can speed up communication and decision making as the company moves toward a more agile work culture. “This is the heart of ING’s transformation,” ING chief operating officer Roel Louwhoff says proudly during a tour of ING’s *obeya* room in Amsterdam. “The purpose is simple: having the full overview of the status of all projects and solving issues quickly.... You immediately see how everything fits together.”

Siemens DF Motion Control group throughout Europe has introduced *obeya* rooms to support product development and production process decision making.



Sam Edwards/OJO Images/Getty Images

In Congleton, United Kingdom, for example, Siemens employees congregate in the *obeya* room, where they are given the challenge of finding more efficient ways to manufacture specific products. One *obeya* session came up with 260 improvements for a single product. Other *obeya* sessions have found ways to cut production costs by 40 percent. Siemens quality systems manager Annemarie Kreyenberg noticed that the *obeya* room at her worksite in Germany has changed the company’s culture. “The behavior of people in this [obeya] room was an excellent reflection of the progress of the cultural change,” she observes. “Teams and managers experimented with new behaviors, creating role models and examples for the entire organization.”

ORGANIZATIONAL AND TEAM ENVIRONMENT

The organizational and team environment represents all conditions beyond the team’s boundaries that influence its effectiveness. The environment is typically viewed as a resource pool that either supports or inhibits the team’s ability to function and achieve its objectives.²⁶ Team members tend to work together more effectively when they receive some team-based rewards, when the organization’s structure assigns discrete clusters of work activity to teams, when information systems support team coordination, and when the physical layout of the team’s workspace encourages frequent communication. The team’s leadership also plays an important role, such as by supporting teamwork more than “star” individuals and by valuing the team’s diversity.²⁷

Along with being a resource, the environment generates drivers for change within teams. External competition is an environmental condition that affects team dynamics, such as increasing motivation of team members to work together. Another environmental driver would be changing societal expectations, such as higher safety standards, which require teams to alter their norms of behavior. These external forces for change not only motivate teams to redesign themselves, they also refocus the team’s attention. For instance, teams develop better ways of working together so they provide better customer service.

Team Design Elements

Even when it operates in a team-friendly environment, the team's effectiveness will fall short of its potential if the task characteristics, team size, and team composition are poorly designed.

TASK CHARACTERISTICS

As the case study at the beginning of this chapter described, the U.S. Army has changed from a rigid hierarchical organization to a “team of teams.” The main reason for this shift to teamwork is the increasing complexity and ambiguity of warfare, emergency response, and military technological developments. Complex work requires skills and knowledge beyond one person’s abilities. Teams are particularly well suited for complex work that can be divided into more specialized roles, and where the people in those specialized roles are able to coordinate frequently with one another.²⁸

Task complexity demands teamwork, but teams work better when the work is well structured rather than ambiguous or novel. Team members on an automobile assembly line have well-structured tasks. They perform the same set of tasks each day—they have low *task variability* (see Chapter 6)—and the work is predictable enough for well-established procedures (high *task analyzability*). The main benefit of well-structured tasks is that it is easier to coordinate the work among several people.

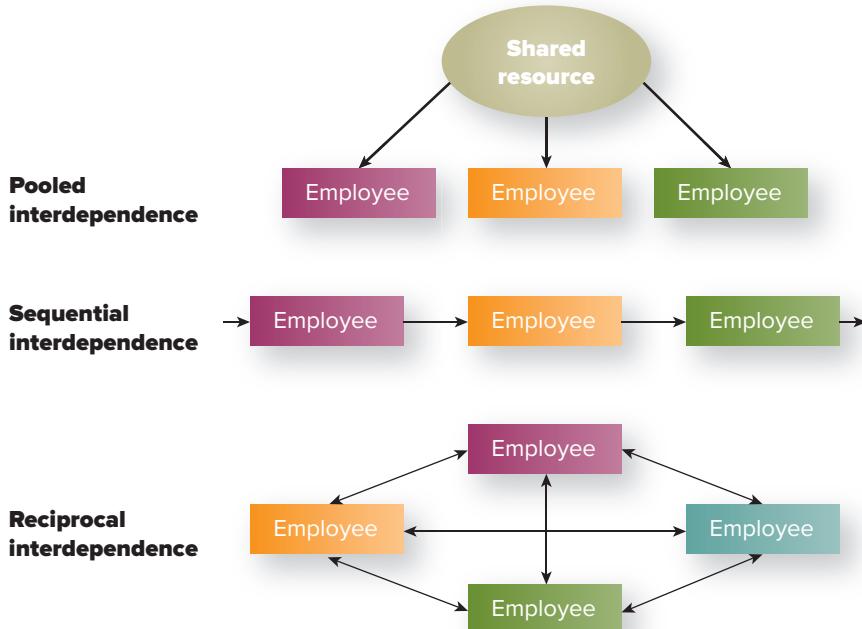
In contrast, ambiguous and unpredictable tasks are more difficult to coordinate among team members, which leads to higher process losses and errors. Fortunately, teams can still perform these less-structured tasks reasonably well when their broader roles are well defined. During surgery, for example, medical team members know generally what to expect of one another even when unique problems arise.²⁹

Another task-related influence on team effectiveness is **task interdependence**—the extent to which team members must share materials, information, or expertise to perform their jobs.³⁰ Apart from complete independence, there are three levels of task interdependence, as illustrated in Exhibit 8.3.³¹ The lowest level of interdependence, called *pooled interdependence*, occurs when an employee or work unit shares a common resource, such as machinery, administrative support, or a budget, with other employees or work units.

task interdependence
the extent to which team members must share materials, information, or expertise in order to perform their jobs

EXHIBIT 8.3

Levels of Task Interdependence





This interdependence exists when each member works alone but shares raw materials or machinery to perform her or his otherwise independent tasks. Interdependence is higher under *sequential interdependence*, in which the output of one person becomes the direct input for another person or unit. Employees on an assembly line typically have sequential interdependence because each team member's output is forwarded to the next person on the line for further assembly of the product or service.

Reciprocal interdependence, in which work output is exchanged back and forth among individuals, produces the highest degree of interdependence. People who design a new product or service would typically have reciprocal interdependence because their design decisions affect others involved in the design process. Any decision made by the design engineers would influence the work of the manufacturing engineer and purchasing specialist, and vice versa. Employees with reciprocal interdependence should be organized into teams to facilitate coordination in their interwoven relationship.

As a rule, the higher the level of task interdependence, the greater the need to organize people into teams rather than have them work alone.³² A team structure improves interpersonal communication and thus results in better coordination. High task interdependence also motivates most people to be part of the team.

However, this rule has one important condition: employees with high interdependence should be formed into teams only when they have the same task goals, such as serving the same clients or collectively assembling the same product. When team members have different goals (such as serving different clients) but must depend on other team members to achieve those unique goals, teamwork might create excessive conflict. Under these circumstances, the company should try to reduce the level of interdependence or rely on supervision as a buffer or mediator among employees.

TEAM SIZE

What is the ideal size for a team? Online retailer Amazon relies on the “two-pizza team” rule, namely that a team should be small enough to be fed comfortably with two large pizzas. This works out to between five and seven employees. At the other extreme, a few experts suggest that tasks are becoming so complex that many teams need to have more than 100 members.³³ Unfortunately, the former piece of advice (two-pizza teams) is too simplistic, and the latter seems to have lost sight of the meaning and dynamics of real teams.

Teams should be large enough to provide the necessary abilities and viewpoints to perform the work, yet small enough to maintain efficient coordination and meaningful involvement of each member.³⁴ “You need to have a balance between having enough people to do all the things that need to be done, while keeping the team small enough so that it is cohesive and can make decisions effectively and speedily,” advises Jim Hassell, Group CEO of BAI Communications, which designs, builds, and operates global telecommunications networks (including cellular and Wi-Fi networks for the New York, Toronto, and Hong Kong public transit systems).³⁵

Small teams (say, six members) operate effectively because they have less process loss. Members of smaller teams also tend to feel more engaged because they have more influence on the group’s norms and goals and feel more responsible for the team’s successes and failures. Also, members of smaller teams get to know one another better, which improves mutual trust as well as perceived support, help, and assistance from those team members.³⁶

Should companies have 100-person teams if the task is highly complex? The answer is that a group this large probably isn’t a team, even if management calls it one. A team exists when its members interact and influence one another, are mutually accountable for achieving common goals associated with organizational objectives, and perceive themselves as a social entity within an organization. It is very difficult for everyone in a 100-person work unit to influence one another and perceive themselves as members of the same team. However, such complex tasks can usually be divided into several smaller teams.

TEAM COMPOSITION

Team effectiveness depends on the qualities of the people who are members of those teams.³⁷ To begin with, teams perform well only when their members perform their individual tasks effectively. This “taskwork” function calls for team members who are highly motivated, possess the required abilities, and have clear role perceptions to perform the assigned task activities (see MARS model in Chapter 1).

But effective teams demand more than just high-performing individuals who happen to be working together. Teams also need people who are motivated, able, and have clear role perceptions about performing “teamwork” activities. In other words, team members need to engage in behaviors that support the team. For this reason, job applicants in many firms are assessed for their team member behaviors, not just how well they perform their work alone. For example, most Southwest Airlines employees work in teams, so the company asks job applicants to describe a time when they went above and beyond job requirements to help a coworker succeed. This question helps the airline identify which applicants have the strongest team member behaviors.³⁸

The most frequently mentioned team member behaviors are depicted in the “Five Cs” model illustrated in Exhibit 8.4: cooperating, coordinating, communicating, comforting, and conflict handling. The first three sets of behaviors are mainly (but not entirely) about supporting team members on their task, whereas the last two behaviors primarily maintain healthy psychological and interpersonal dynamics in the team:³⁹

- *Cooperating.* Effective team members are willing and able to work together rather than alone. This includes sharing resources and being sufficiently adaptive or flexible to accommodate the needs and preferences of other team members, such as rescheduling use of machinery so that another team member with a tighter deadline can use it.
- *Coordinating.* Effective team members actively manage the team’s work so that it is performed efficiently and harmoniously. For example, effective team members keep the team on track and help integrate the work performed by different members. This typically requires that effective team members know the work of other team members, not just their own.

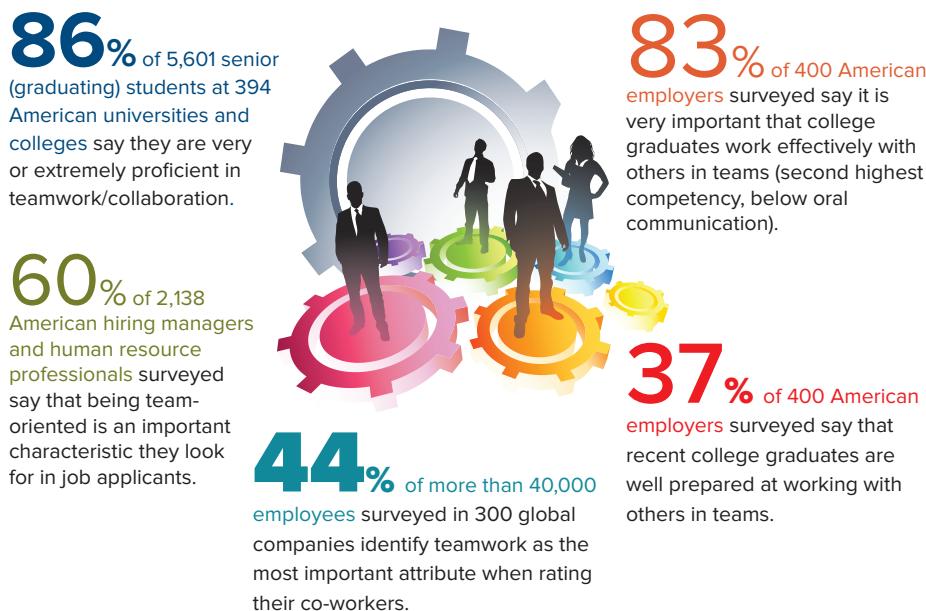
EXHIBIT 8.4

Five Cs of Effective Team Member Behavior

Sources: Based on information in V. Rousseau, C. Aubé, and A. Savoie, “Teamwork Behaviors: A Review and an Integration of Frameworks,” *Small Group Research* 37, no. 5 (2006), 540–70; M.L. Loughry, M.W. Ohland, and D.D. Moore, “Development of a Theory-Based Assessment of Team Member Effectiveness,” *Educational and Psychological Measurement* 67, no. 3 (2007), 505–24; E. Salas et al., “Understanding and Improving Teamwork in Organizations: A Scientifically Based Practical Guide,” *Human Resource Management* 54, no. 4 (2015): 599–622.



IMPORTANCE OF EFFECTIVE TEAM BEHAVIORS IN JOB APPLICANTS, COWORKERS, AND MANAGERS^c



(photo): Ingram Publishing

- *Communicating.* Effective team members transmit information freely (rather than hoarding), efficiently (using the best channel and language), and respectfully (minimizing arousal of negative emotions).⁴⁰ They also listen actively to coworkers.
- *Comforting.* Effective team members help coworkers maintain a positive and healthy psychological state. They show empathy, provide emotional comfort, and build coworker feelings of confidence and self-worth.
- *Conflict handling.* Conflict is inevitable in social settings, so effective team members have the skills and motivation to resolve disagreements among team members. This requires effective use of various conflict-handling styles as well as diagnostic skills to identify and resolve the structural sources of conflict.

Team Diversity Diversity, another important dimension of team composition, has both positive and negative effects on teams.⁴¹ One advantage of diverse teams is that people from different backgrounds tend to see a problem or opportunity from different angles. Team members have different mental models, so they are more likely to identify viable solutions to difficult problems.

A second advantage is that diverse team members have a broader pool of technical abilities to serve clients or design new products. This explains why 77 percent of Merrill Lynch financial advisors now work in teams, up from only 48 percent a half-dozen years ago. Financial advisor teams offer expertise across a broader range of asset classes (stocks, bonds, derivatives, cash management, etc.) as well as expertise across regions of the world. “When you look at what clients need—comprehensive advice across their financial lives—it very quickly becomes obvious that the only way to deliver that is through a team,” explains Andy Sieg, president of Merrill Lynch Wealth Management. “It’s exceedingly rare that a single individual could deliver everything a client needs today.”⁴²

A third advantage of diverse teams is that they often provide better representation of the team’s constituents, such as other departments or clients from similarly diverse backgrounds. This representation brings different viewpoints to the decision; it also gives stakeholders a belief that they have a voice in that decision process. As we learned in



global connections 8.2

Diverse Teams Reorganize Rijksmuseum^d

The Rijksmuseum in Amsterdam is the world's leading gallery of Dutch art and history. It is also a showcase for the power of cross-functional teams. Most museums organize their public display areas around paintings, glass, decorative arts, and other specialized collections. In contrast, Rijksmuseum recently reorganized its exhibit areas around century time periods.

"When you organize your own memory, you usually do it by important dates," explains Rijksmuseum general director Taco Dibbits. "We said, well if [Rijksmuseum represents] the country's memory and you organize it by dates you will have a chronological display."

To display diverse objects aesthetically and historically together within each time period, the museum formed diverse working groups that included representation of staff from the numerous specialized collections. Over 18 months, each working group developed proposals about how the display area for that century should be organized and which objects should be publicly shown.

The process wasn't easy because the curators of each specialization previously had their own distinct section of the museum and worked autonomously from the others. There was also ambiguity about which types of objects should receive priority for each time period. But through their diversity, the teams generated unique ideas and their members gained a fuller understanding and appreciation of coworkers from other specializations.

The proposals submitted by the initial working groups were promising, but they included far too many items for the space available. "Our solution was to basically dissolve the task forces and assemble new ones," says Dibbits. "Their new mission was to create a selection one-third the size of what the first groups had proposed." In addition, the new diverse teams had to provide written



Arie Storm/Alamy Stock Photo

justification for inclusion of the objects retained from the first team's list. Dibbits observed that creating the second set of teams with documented justification for their decisions "gave all the specialists a feeling of ownership in the creation of the museum's offerings, even beyond their own area of expertise."

Rijksmuseum continues to form new temporary teams for various initiatives and strategic issues. The teams are typically limited to between five to seven members. "If you have more than seven people, it's difficult to have a fruitful discussion, because by the time everyone gets to have their say, you've lost speed," Dibbits points out. It is also more difficult for employees to remain silent when they are in small teams. One limitation is that small teams don't enable representation from all of the museum's specialist groups. "Ultimately, it's important to communicate from the start that everyone's time on these task forces will come," says Dibbits. "We continue to regularly mix up the people in these groups so that everyone has a chance to participate."

Chapter 5, voice is an important ingredient in procedural justice, so stakeholders are more likely to believe the team's decision is fair when the team mirrors the surface or deep-level diversity of its constituents.

Against these advantages are a number of challenges created by team diversity. Employees with diverse backgrounds take longer to become a high-performing team. This occurs partly because bonding is slower among people who are different from one another, especially when teams have deep-level diversity (i.e., different beliefs and values). Diverse teams are susceptible to "faultlines"—hypothetical dividing lines that may split a team into subgroups along gender, ethnic, professional, or other dimensions.⁴³ These faultlines undermine team effectiveness by reducing the motivation to communicate and coordinate with teammates on the other side of the hypothetical divisions. In contrast, members of teams with minimal diversity experience higher satisfaction, less conflict, and better interpersonal relations. As a result, homogeneous teams tend to be more effective on tasks requiring a high degree of cooperation and coordination, such as emergency response teams.

**SELF-ASSESSMENT 8.1: Are You a Team Player?**

Some people would like to work in teams for almost every aspect of their work, whereas other people would like to keep as far away from teams as possible. Most of us fall somewhere in between. You can discover where you place along the team player continuum by locating this self-assessment in Connect if it is assigned by your instructor.

Team Processes

LO 8-3

The third set of elements in the team effectiveness model, collectively known as *team processes*, includes team development, norms, cohesion, and trust. These elements are called processes because they represent characteristics of the team that continuously evolve.⁴⁴

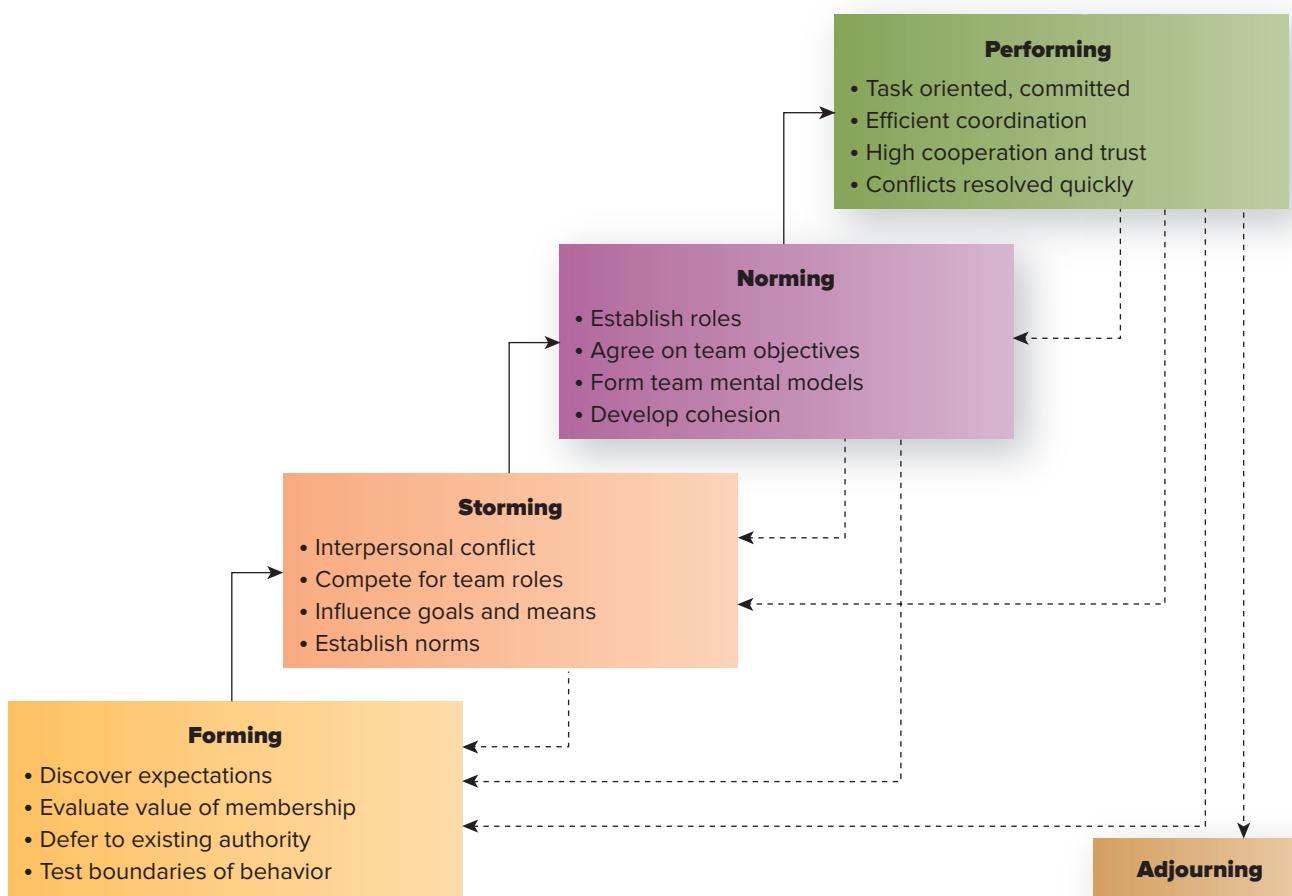
TEAM DEVELOPMENT

The opening case study to this chapter noted that the U.S. Army places considerable emphasis on team development. This makes sense; team development is likely the most important team process because other team processes we describe in this section are inextricably connected to and dependent on team development. Team members resolve several issues and pass through several stages of development before emerging as an optimally effective work unit. They need to get to know and trust one another, understand and agree on their respective roles, discover appropriate and inappropriate behaviors, and learn how to coordinate with one another. The longer team members work together, the better they develop common or complementary mental models, mutual understanding, and effective performance routines to complete the work.

Several team development models have been proposed over the years, most of which have overlapping features and similar underlying theories.⁴⁵ The most popular and moderately validated model that captures much of the team development process is shown in Exhibit 8.5.⁴⁶ The diagram shows teams moving systematically from one stage to the next, while the dashed lines illustrate that teams might fall back to an earlier stage of development as new members join or other conditions disrupt the team's maturity. *Forming*, the first stage of team development, is a period of testing and orientation in which members learn about one another and evaluate the benefits and costs of continued membership. People tend to be polite, will defer to authority, and try to find out what is expected of them and how they will fit into the team.

The *storming* stage is marked by interpersonal conflict as members become more proactive and compete for various team roles. Members try to establish norms of appropriate behavior and performance standards. During the *norming* stage, the team develops its first real sense of cohesion as roles are established and a consensus forms around group objectives and a common or complementary team-based mental model. By the *performing* stage, team members have learned to efficiently coordinate and resolve conflicts. In high-performance teams, members are highly cooperative, have a high level of trust in one another, are committed to group objectives, and identify with the team. Finally, the *adjourning* stage occurs when the team is about to disband. Team members shift their attention away from task orientation to a relationship focus.

Developing Team Identities and Mental Models Although this model depicts team development fairly well, it is not a perfect representation of the process. For instance, it does not show that some teams remain in a particular stage longer than others and does not explain why teams sometimes regress back to earlier stages of development.

EXHIBIT 8.5 Stages of Team Development

The model also masks two sets of processes that are the essence of team development: developing team identification and developing team mental models and coordinating routines.⁴⁷

- *Developing team identification.* Team development is apparent when its members shift from viewing the team as something “out there” to something that is part of themselves. In other words, team development occurs when employees make the team part of their social identity and take ownership of the team’s success.⁴⁸
- *Developing team mental models and coordinating routines.* Team development includes forming shared mental models of the work and team relationship.⁴⁹ Team mental models are knowledge structures mutually held by team members about expectations and ideals of the collective task and team dynamics. These mental models are shared or complementary. They include expectations and ideals about how the work should be accomplished as well as how team members should support one another. As team members form shared mental models, they also develop coordinating routines.⁵⁰ Each member develops habitual work practices that coordinate almost automatically with other members. They also develop action scripts to quickly adjust work behaviors in response to changes in activity by other team members.

Team Roles An important part of the team development process is forming and reinforcing team roles. A **role** is a set of behaviors that people are expected to repeatedly perform because they hold formal or informal positions in a team and organization.⁵¹ This

role

a set of behaviors that people are expected to repeatedly perform because they hold formal or informal positions in a team and organization



definition states that roles are expected and purposive behavior patterns; they have perceived value to the team and/or organization. Roles are not behavior patterns that the team perceives as dysfunctional (attention seeker, backstabber, etc.). Furthermore, a role tends to become attached to one or more team members; it is not typically a position that people would rotate in and out of each day (although this can occur in a few roles).

Third, this definition recognizes that roles are formally or informally acquired. Team members are often assigned specific roles within their formal job responsibilities. For example, team leaders are usually expected to initiate discussion, ensure that everyone has an opportunity to present his or her views, and help the team reach agreement on the issues discussed. However, many team roles are informally assigned or claimed as part of the team development process. Team members are attracted to informal roles that suit their personality and values as well as the wishes of other team members. These informal roles are shared, but many are eventually associated with specific team members through subtle positioning and negotiation.

Several experts have tried to categorize the dozens of team roles that have been proposed over the years.⁵² For instance, one recent model identifies six role categories: organizer, doer, challenger, innovator, team builder, and connector. More broadly, however, most roles either focus directly on task performance or on the team's relationships. Roles that help the team achieve its goals might include coordinating the team, providing constructive critique of the team's plans, or motivating team members when effort is lagging. Roles that help maintain relationships within the team might include providing emotional support when the team is frustrated, maintaining harmony among team members, and creating opportunities for social interaction among team members.

McGraw Hill connect

SELF-ASSESSMENT 8.2: What Team Roles Do You Prefer?

All teams depend on their members to fill various roles. Some roles are assigned through formal jobs, but many team roles are distributed informally. Informal roles are often claimed by team members whose personality and values are compatible with those roles. You can discover which roles you prefer in meetings and similar team activities by locating this self-assessment in Connect if it is assigned by your instructor.

team building
formal activities designed to improve the development and functioning of a work team

Accelerating Team Development through Team Building Team development takes time, but organizations often try to accelerate this process through **team building**, which consists of formal activities to improve the development and functioning of a work team.⁵³ Team building may be applied to new teams, but it is more commonly introduced for existing teams that have regressed to earlier stages of team development due to membership turnover or loss of focus. Team development is a complex process so, not surprisingly, there are several types of team building to serve different objectives. Team-building interventions are often organized into the following four objectives, although some team-building activities try to satisfy multiple objectives:⁵⁴

- *Goal setting:* Some interventions help team members clarify the team's performance goals, increase the team's motivation to accomplish these goals, and establish a mechanism for systematic feedback on the team's goal performance. For example, a team-building program for a junior league ice hockey team in Finland included at the beginning of the season identifying distant goals (e.g., to be among the league's top three teams) and then specific goals to reach those distant goals. Each week throughout the season, subteams of three to six players reflected on these team goals and identified related individual goals and training.⁵⁵



- *Problem solving:* This type of team building focuses on decision making, including how the team identifies problems and searches for alternatives. It also potentially develops critical thinking skills. Some team-building interventions are simulation games in which teams practice problem solving in hypothetical situations.
- *Role clarification:* This type of team building clarifies and reconstructs each member's perceptions of her or his role as well as the role expectations of other team members. Role-definition team building also helps the team develop the shared mental models that we discussed earlier, such as how to interact with clients, maintain machinery, and participate productively in meetings.
- *Interpersonal relations:* This is the oldest and still the most common type of team building. It tries to help team members learn more about one another, build trust in one another, manage conflict within the team, and strengthen team members' social identity with the team.⁵⁶ Some of the most popular team-building interventions today, such as those described in Exhibit 8.6, attempt to improve interpersonal relations within the team.

Do team-building interventions improve team development and effectiveness? The answer is that all four types of team building are potentially effective, but some interventions work better than others and in some situations more than others. Two major reviews identified goal setting as the most successful type of team building, although role clarification and adventure programs (to improve interpersonal relations) were also effective. Interventions are also more successful when they focus on one rather than multiple team-building objectives.⁵⁷

Unfortunately, there is plenty of evidence that some team-building activities have little or no effect on team development.⁵⁸ One problem is that team-building interventions are used as general solutions to ambiguous team problems. A better approach is to begin with a sound diagnosis of the team's health and then select team-building interventions that address specific weaknesses.⁵⁹ Another problem is that team building is applied as a one-shot medical inoculation that every team should receive when it is formed. In truth, team building is an ongoing process, not a three-day jump start.⁶⁰ Finally, we must remember that team building occurs on the job, not just on an obstacle course or in a national park. Organizations should encourage team members to reflect on their work experiences and to experiment with just-in-time learning for team development.

EXHIBIT 8.6 Popular Team-Building Activities^a

TEAM-BUILDING ACTIVITY	DESCRIPTION	EXAMPLE
Team volunteering events	Employee teams spend a day providing a public service to the community.	Nicor Gas employees in Illinois volunteer their time in teams to help the community, such as building a house for Habitat for Humanity.
Team scavenger or treasure hunt events	Teams follow instructions to find clues or objects collected throughout the building or community.	Employees at Treatwell, Europe's largest hair salon booking website, engaged in a scavenger hunt around Barcelona, Spain, with teams comprising staff from the firm's 10 countries.
Team sports or exercise events	Team members engage in a wide variety of sports or health activities, such as sports tournaments across departments.	Employee teams at SmartBiz Loans in San Francisco compete in ring-toss, egg relay, touch football, and other activities during the company's annual SmartBiz Olympics.
Team cooking events	Team members either learn how to cook a quality meal or several teams compete to make the best dish with given ingredients.	Employee teams at software company Cobalt participated in an Iron Chef competition, where they had one hour to make the best dish that incorporated a themed ingredient.

**norms**

the informal rules and shared expectations that groups establish to regulate the behavior of their members

TEAM NORMS

Norms are the informal rules and shared expectations that groups establish to regulate the behavior of their members.⁶¹ They apply only to behavior, not to private thoughts or feelings. Furthermore, norms exist only for behaviors that are important to the team. Norms are enforced in various ways. Coworkers display their displeasure if we are late for a meeting or if we don't have our part of a project completed on time. Norms are also directly reinforced through praise from high-status members, more access to valued resources, or other rewards available to the team. These forms of peer pressure and reinforcement can occur even when team members work remotely from one another. But team members often conform to prevailing norms without direct reinforcement or punishment because they identify with the group and want to align their behavior with the team's expectations. The more closely the person's social identity is connected to the group, the more the individual is motivated to avoid negative sanctions from that group.⁶²

How Team Norms Develop Norms develop during team formation because people need to anticipate or predict how others will act. Even subtle events during the team's initial interactions, such as where team members sit in the first few meetings, can plant norms that are later difficult to change. Norms also form as team members discover behaviors that help them function more effectively, such as the need to respond quickly to text messages.⁶³ A critical event in the team's history, such as an injury or lost contract, is often a powerful foundation for a new norm. Third, norms are influenced by the experiences and values that members bring to the team. If members of a new team value work-life integration, they will likely develop norms that discourage long hours and work overload.⁶⁴

Preventing and Changing Dysfunctional Team Norms The best way to establish desirable norms is to clearly state them when the team is created. Another approach is to select people with appropriate values. As an example, if organizational leaders want their teams to have strong safety norms, they should hire people who already value safety and who clearly identify the importance of safety when the team is formed.

The suggestions so far refer to new teams, but how can organizational leaders maintain desirable norms in older teams? Various studies suggest that team norms can be organizationally induced.⁶⁵ By speaking up or actively coaching the team, leaders may be able to subdue dysfunctional norms while developing useful norms. A second suggestion is to introduce team-based rewards that symbolize the desired norms and potentially counter dysfunctional norms. Finally, if dysfunctional norms are deeply ingrained and the previous solutions don't work, it may be necessary to disband the group and form a new team whose members have more favorable norms.

team cohesion

the degree of attraction people feel toward the team and their motivation to remain members

TEAM COHESION

Team cohesion refers to the degree of attraction people feel toward the team and their motivation to remain members. It is a characteristic of the team, including the extent to which its members are attracted to the team, are committed to the team's goals or tasks, and feel a collective sense of team pride.⁶⁶ Thus, team cohesion is an emotional experience, not just a calculation of whether to stay or leave the team. It exists when team members make the team part of their social identity. Team development tends to improve cohesion because members strengthen their identity to the team during the development process.

Influences on Team Cohesion Six of the most important influences on team cohesion are described below. Some of these conditions strengthen the individual's social identity with the team; others strengthen the individual's belief that team membership will fulfill personal needs.

- *Member similarity.* A well-established research finding is that we bond more quickly and easily with coworkers who are similar to us.⁶⁷ This similarity-attraction effect



occurs because we assume that people are more trustworthy and more likely to accept us if they look and act like us. We also believe that these similar others will create fewer conflicts and violations of our expectations. Thus, teams have higher cohesion or become cohesive more quickly when members are similar to one another. In contrast, high cohesion is more difficult and takes longer for teams with diverse members. This difficulty depends on the form of diversity, however. Teams consisting of people from different job groups seem to get together just as well as teams of people from the same job.⁶⁸

- *Team size.* Smaller teams tend to have more cohesion than larger teams. One reason is that it is easier for a few people to agree on goals and coordinate work activities. Another reason is that members have more influence in smaller teams, so they feel a greater sense of involvement and ownership in the team. However, small teams have less cohesion when they lack enough qualified members to perform the required tasks.
- *Member interaction.* Teams tend to have more cohesion when their members interact with one another fairly regularly. More frequent interaction occurs when team members perform highly interdependent tasks and work in the same physical area.
- *Somewhat difficult entry.* Teams tend to have more cohesion when entry to the team is restricted. The more elite the team, the more prestige it confers on its members, and the more they tend to value their membership in the unit. At the same time, research suggests that severe initiations can weaken team cohesion because of the adverse effects of humiliation, even for those who successfully endure the initiation.⁶⁹
- *Team success.* Team cohesion increases with the team's level of success because people are attracted to groups that fulfill their needs and goals.⁷⁰ Furthermore, individuals are more likely to attach their social identity to successful teams than to those with a string of failures.
- *External competition and challenges.* Teams tend to have more cohesion when they face external competition or a challenging objective that is important. Employees value their membership on the team because of its ability to overcome the threat or competition and as a form of social support. However, cohesion can dissipate when external threats are severe because these threats are stressful and cause teams to make less effective decisions.⁷¹

Consequences of Team Cohesion Teams with higher cohesion tend to perform better than those with lower cohesion.⁷² In fact, the team's existence depends on a minimal level of cohesion because it motivates team members to remain members and to help the team achieve its objectives. Members of high-cohesion teams spend more time together, share information more frequently, and are more satisfied with one another. They provide one another with better social support in stressful situations and work to minimize dysfunctional conflict.⁷³ When conflict does arise, high-cohesion team members tend to resolve their differences swiftly and effectively.

The relationship between team cohesion and team performance depends on two conditions, however. First, team cohesion has less effect on team performance when the team has low task interdependence.⁷⁴ High cohesion motivates employees to coordinate and cooperate with other team members. But people don't need to cooperate or coordinate as much when their work doesn't depend on other team members (low task interdependence), so the motivational effect of high cohesion is less relevant in teams with low interdependence.

Second, the effect of cohesion on team performance depends on whether the team's norms are compatible with or opposed to the organizational objectives.⁷⁵ As Exhibit 8.7 illustrates, teams with high cohesion perform better when their norms are aligned with the organization's objectives, whereas higher cohesion can potentially reduce team performance when norms are counterproductive. This effect occurs because cohesion motivates



global connections 8.3

Communal Meals Build Team Cohesion^f

When Patrick Mathieu became a firefighter at the Fire Rescue Department in Waterloo, Ontario, Canada, he soon learned that communal meals support the team's cohesion and trust. "In the fire service, we pride ourselves on teamwork and unity," says Mathieu (second from right in this photo). "Eating and cooking is part of our firefighter culture and I have seen the immense team-building benefits that result from a platoon cooking together."

A recent study supports Mathieu's observations. It found that fire stations in the United States where the team usually ate together performed better than stations where firefighters ate alone. The higher performance was attributed to better cooperation, trust, and other outcomes of high cohesion.

Mathieu has become a popular chef at his fire station in Waterloo and recently competed in a Canada-wide cooking contest. But the favorite dish among firefighters in his platoon is jalapeño kettle chip fish tacos, partly because everyone is involved in its creation. "With everyone in the kitchen, we talk, laugh, joke and create something special together," he says. "It brings us in for bonding, just like a family dinner." Mathieu notes that there is one risk of



©Waterloo firefighter and The FireHouse Chef Cookbook author Patrick Mathieu, @stationhousecco, stationhouse_

cooking great meals in a fire station. "You make the call for everyone to come to dinner. Boom—the alarm goes off. Yep, the meal sits and waits until we come back."

employees to perform at a level more consistent with team norms. If a team's norm tolerates or encourages absenteeism, employees will be more motivated to take unjustified sick leave. If the team's norm discourages absenteeism, employees are more motivated to avoid taking sick leave.

One last comment about team cohesion and performance: Earlier in this section we said that team success (performance) increases cohesion, whereas we are now saying that team cohesion causes team performance. Both statements are correct. Teams with higher

EXHIBIT 8.7

Effect of Team Cohesion on Task Performance

Team norms support company goals	Moderately high task performance	High task performance
	Moderately low task performance	Low task performance
Team norms conflict with company goals	Low	High
		Team cohesion

cohesion perform better, and teams with better performance become more cohesive. A major review of past studies indicated that both effects are about the same. However, most teams in those studies had fairly low cohesion, likely because they involved short-lived student teams, whereas cohesion takes considerable time to fully develop. When studying teams with a much longer life span, team cohesion has a much stronger effect on team performance than the effect of team performance on team cohesion.⁷⁶

TEAM TRUST

trust

positive expectations one person has toward another person in situations involving risk

Any relationship—including the relationship among team members—depends on a certain degree of trust.⁷⁷ Trust refers to positive expectations one person has toward another person in situations involving risk (see Chapter 4). Trust is ultimately perceptual; we trust others on the basis of our beliefs about their ability, integrity, and benevolence. Trust is also an emotional event; we experience positive feelings toward those we trust.⁷⁸ Trust is built on three foundations: calculus, knowledge, and identification (see Exhibit 8.8).⁷⁹

Calculus-based trust represents a logical calculation that other team members will act appropriately because they face sanctions if their actions violate reasonable expectations.⁸⁰ It offers the lowest potential trust and is easily broken by a violation of expectations. Some scholars suggest that calculus-based trust is not trust at all. Instead, it might be trust in the system rather than in the other person. In any event, calculus-based trust alone cannot sustain a team's relationship because it relies on deterrence.

Knowledge-based trust is based on the predictability of another team member's behavior. This predictability refers only to "positive expectations" as the definition of trust states because you would not trust someone who tends to engage in harmful or dysfunctional behavior. Knowledge-based trust includes our confidence in the other person's abilities, such as the confidence that exists when we trust a physician. It also includes perceptions of the other person's reliability and consistency in performing good deeds or enacting their values.⁸¹ Knowledge-based trust offers a higher potential level of trust and is more stable because it develops over time.

Identification-based trust is based on mutual understanding and an emotional bond among team members. It occurs when team members think, feel, and act like one another. High-performance teams exhibit this level of trust because they share the same values and mental models. Identification-based trust is potentially the strongest and most robust of all three types of trust.⁸² The individual's self-concept is based partly on membership in the team, and he or she believes the members' values highly overlap, so any transgressions by other team members are quickly forgiven. People are more reluctant to acknowledge a violation of this high-level trust because it strikes at the heart of their self-concept.

EXHIBIT 8.8

Three Foundations of Trust in Teams

	Type of Trust	Description
High	Identification-based trust	<ul style="list-style-type: none"> Based on common mental models and values Increases with person's social identity with team
Potential level of trust	Knowledge-based trust	<ul style="list-style-type: none"> Based on predictability and competence Fairly robust
Low	Calculus-based trust	<ul style="list-style-type: none"> Based on deterrence Fragile and limited potential because dependent on punishment

**SELF-ASSESSMENT 8.3: How Trusting Are You?**

Some people have a tendency to trust others, even if they have never met them before, whereas others take a long time to develop a comfortable level of trust. This propensity to trust is due to each individual's personality, values, and socialization experiences. You can discover your level of propensity to trust by locating this self-assessment in Connect if it is assigned by your instructor.

Dynamics of Team Trust Employees typically join a team with a moderate or high level—not a low level—of trust in their new coworkers.⁸³ The main explanation for the initially high trust (called *swift trust*) in organizational settings is that people usually believe fellow team members are reasonably competent (knowledge-based trust) and they tend to develop some degree of social identity with the team (identification-based trust). Even when working with strangers, most of us display some level of trust, if only because it supports our self-concept of being a good person. However, trust is fragile in new relationships because it is based on assumptions rather than well-established experience.⁸⁴ Studies report that trust tends to decrease rather than increase over time. This is unfortunate because employees become less forgiving and less cooperative toward others as their level of trust decreases, and this undermines team and organizational effectiveness.

The team effectiveness model is a useful template for understanding how teams work—and don't work—in organizations. With this knowledge in hand, let's briefly investigate two types of teams that have emerged over the past couple of decades to become important forms of teamwork in organizations: self-directed teams and remote teams.⁸⁵

Self-Directed Teams

LO 8-4

self-directed teams (SDTs) cross-functional work groups that are organized around work processes, complete an entire piece of work requiring several interdependent tasks, and have substantial autonomy over the execution of those tasks

GE's (General Electric's) aviation plant in Bromont, Quebec, manufactures parts for the world's most sophisticated aircraft engines for Boeing, Airbus, and other aerospace firms. It is also a world leader in automation and robotics. But you won't find any managers on the plant floor. For the past three decades, the Bromont plant has relied on self-directed teams to get the work done. Production planning, manufacturing process improvements, vacation schedules, and other managerial decisions are determined by the teams themselves. "We say we need x output, and then [production teams] are left to decide, how do they get all that done?" explains a GE human resources leader. "That's how a full teaming system works."⁸⁶

Self-directed teams (SDTs) are cross-functional groups organized around work processes that complete an entire piece of work requiring several interdependent tasks and have substantial autonomy over the execution of those tasks.⁸⁷ This definition captures two distinct features of SDTs. First, these teams complete an entire piece of work requiring several interdependent tasks. Employees within a team are clustered together while interdependence and interaction with employees outside the team is minimal. The result is a close-knit group of employees who depend on one another to accomplish their individual tasks. The second distinctive feature of SDTs is that they have substantial autonomy over the execution of their tasks. In particular, these teams plan, organize, and control work activities with little or no direct involvement of a higher-status supervisor.

Self-directed teams are found in several industries, ranging from aircraft engine manufacturing to home-care nursing services. Most of the top-rated manufacturing firms in North America apparently rely on SDTs.⁸⁸ Indeed, self-directed teams have become such a popular way to organize employees that many companies don't realize they have them. The popularity of SDTs is consistent with research indicating that they potentially increase both productivity and job satisfaction.⁸⁹ For instance, one study found that car dealership service shops with SDTs were significantly more profitable than shops where employees worked without



global connections 8.4

Buurtzorg Nederland's Self-Directed Nursing Teams⁹

Buurtzorg Nederland employs almost 15,000 professionals (mostly registered nurses) in more than 1,000 self-directed teams across the Netherlands and other countries. "Self-managing teams have professional freedom with responsibility," says Buurtzorg's website. "The team decide how they organise the work, share responsibilities and make decisions, through word of mouth and referrals the team build-up a caseload." The company's head office has only a few dozen people in administration and another two dozen coaches to help teams improve their work relationships.

Each self-directed team consists of up to 12 nurses responsible for between 50 and 60 home care patients, most of whom are elderly, disabled, or terminally ill. Patients are usually served by a subteam of employees rather than by one team member alone. Team members have considerable autonomy to care for patients. Issues are discussed and creatively resolved by team members at weekly meetings. During one meeting, for example, a team developed a strategy to ensure one of its patients with dementia took her daily medication. Team members also use the company's secure social network system to share information and solutions with other Buurtzorg teams.

Buurtzorg measures performance at the team level, including patient satisfaction, work efficiency, and cost



©Buurtzorg Nederland

savings. Every employee can view a dashboard that provides feedback on the team's performance compared with other teams across the organization. Independent studies have reported that the company's self-directed teams are significantly more cost-efficient than traditional (mostly non-team) services, even though Buurtzorg employees have higher education and more training. Buurtzorg's employees also enjoy the team structure. The company has been the top employer in the Netherlands for several consecutive years.

a team structure. In another study, both short- and long-term measures of customer satisfaction increased after street cleaners in a German city were organized into SDTs.

SUCCESS FACTORS FOR SELF-DIRECTED TEAMS

The successful implementation of self-directed teams depends on several factors.⁹⁰ SDTs should be responsible for an entire work process, such as making an entire product or providing a service. This structure keeps each team sufficiently independent from other teams, yet it demands a relatively high degree of interdependence among employees within the team.⁹¹ SDTs should also have sufficient autonomy to organize and coordinate their work. Autonomy allows them to respond more quickly and effectively to client and stakeholder demands. It also motivates team members through feelings of empowerment. Finally, SDTs are more successful when the work site and technology support coordination and communication among team members and increase job enrichment. Too often, management calls a group of employees a "team," yet the work layout, assembly-line structure, and other technologies isolate the employees from one another.

Remote (Virtual) Teams

Chapter 1 described how remote work is a rapidly expanding practice in organizations. Almost half of U.S. workers perform their work at home or other off-site location at least some of the time. We are even witnessing the emergence of remote organizations, which have no physical offices and every employee (and contractor) works remotely.



debating point

ARE REMOTE TEAMS MORE TROUBLE THAN THEY'RE WORTH?

Remote teams were rare before the Internet was born. Today, they are almost as commonplace as face-to-face teams. These teams are increasingly possible because more of us perform knowledge-based work, and because information technologies make it easier to communicate instantaneously with coworkers around the globe. Organizations increasingly depend on remote teams because human capital is an organization's competitive advantage, and this human capital is scattered around the world.

In spite of the importance of remote teams, there are a few arguments against them.^h Critics don't deny the potential value of creating these teams. Rather, they have added up the negative features and concluded that they outweigh the benefits. When chief information officers were asked to identify the top challenges of globalization, 70 percent listed managing remote teams as the top concern.ⁱ A few organizations have even curtailed the extent that employees are allowed to work remotely because of possible problems with their physical absence from the workplace.

One persistent problem with remote teams is that they lack the richness of face-to-face communication. We'll provide more detail about this important matter in Chapter 9, but no information technology to date equals the volume and variety of information transmitted among people located in the same room. Multiperson video chat is getting closer to face-to-face, but it requires considerable bandwidth and still falls short on communication richness.

Another problem is that remote team members either have lower trust compared with colocated team members, or their trust is much more fragile. In fact, experts offer one main recommendation to increase trust among remote team members—have them spend time together as colocated teams.

A third drawback with remote teams is that the farther away people are located, the more they differ in experiences, beliefs, culture, and expectations. These differences can be advantageous for some decisions, of course, but they can also be a curse for team development and performance. "Everyone must have the same picture of what success looks like," advises Rick Maurer, a leadership consultant in Arlington, Virginia. "Without that laser-like focus, it is too easy for people in Bangalore to develop a different picture of success than the picture held by their colleagues in Brussels. Now multiply that by a couple more locations and you've got a mess."^j

Here's one more reason why companies should think twice before relying on remote teams: People seem to have less influence or control over distant coworkers than over colocated coworkers. A team member who stops by your cubicle to ask how your part of the report is coming along has much more effect than an impersonal—or even a flaming—text message from afar.

Perhaps that is why surveys reveal less satisfaction with remote team members than colocated team members.^k Surveys report that remote employees believe other team members are less willing to support them and more likely to say bad things behind their back compared to colocated coworkers. Remote workers also receive two to three times as many complaints as colocated colleagues about working halfheartedly (or not at all) on shared projects, falling behind on projects, not making deadlines, failing to warn about missing deadlines, making changes without warning, and providing misleading information. When asked how long it takes to resolve these problems, more than half of the respondents indicated a few days for colocated team members, whereas most estimated a few weeks or longer for distant team members.

remote teams
teams whose members operate across space, time, and organizational boundaries and are linked through information technologies to achieve organizational tasks

Most employees work in teams for some or all of their tasks, so the increasing popularity of remote work has resulted in a corresponding rise in remote teams. **Remote teams** (also known as *virtual* or *distributed teams*) are teams whose members operate across space, time, and organizational boundaries and are linked through information technologies to achieve organizational tasks.⁹² Remote teams differ from traditional teams in two ways: (1) one or more members work remotely some of the time rather than always colocated (working in the same physical area) and (2) due to their lack of colocation, members of remote teams depend primarily on information technologies rather than face-to-face interaction to communicate and coordinate their work effort.

Teams vary in their degree of remoteness or virtuality. Team remoteness depends on the geographic dispersion of team members, percentage of members who work apart, and percentage of time that members work apart.⁹³ For example, a team has minimal remoteness when all of its members live in the same city and only one or two members work from home each day. High remoteness exists when team members are spread around the world and none of them have ever met in person.

Remote teams have become commonplace in most organizations. One reason is that most people perform knowledge work rather than physical production work, so they can practice their trade almost anywhere. The second reason is that information technologies have made it easier than ever before to communicate and coordinate with other knowledge workers at a distance.⁹⁴

Knowledge-based work and information technologies have made remote teams possible, whereas globalization and the increasing value of human capital are two reasons why they are increasingly *necessary*. Globalization makes remote teams increasingly necessary because as companies expand globally, their employees are spread around the planet rather than around one building or city. Furthermore, an organization's competitive advantage is its **human capital**—the knowledge, skills, abilities, creativity, and other valued resources that employees bring to the organization. Leveraging the potential of this human capital typically occurs through teams, many of which have degrees of remoteness because staff members are distributed across several cities and countries. Remote teams are created even in businesses that operate within one city or country because their employees form temporary teams with suppliers, clients, and contractors located in other parts of the world.

human capital

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

SUCCESS FACTORS FOR REMOTE TEAMS

Remote teams face all the challenges of traditional teams, compounded by problems arising from time and distance. These challenges increase with the team's remoteness, particularly when the team exists for only a short time.⁹⁵ Fortunately, OB research has

identified the following strategies to minimize most remote team problems.⁹⁶ First, remote team members need to apply the effective team behaviors described earlier in this chapter. They also require good communication technology skills, strong self-leadership skills to motivate and guide their behavior without peers or bosses nearby, and higher emotional intelligence so that they can decipher the feelings of other team members from text messages and other limited communication channels.

Second, remote teams should have a toolkit of communication channels (messaging, online whiteboards, videoconferencing, etc.) as well as the freedom to choose the channels that work best for them.⁹⁷ This may sound obvious, but unfortunately senior management tends to impose technology on teams, often based on advice from external consultants, and expects team members to use the same communication technology throughout their work. In contrast, research suggests that communication channels gain and lose importance over time, depending on the task and level of trust.

Third, remote teams need plenty of structure. In one review, many of the principles for successful remote teams related mostly to creating these structures, such as clear operational objectives, documented work processes, and agreed-on roles and responsibilities.⁹⁸ The final recommendation is that remote team members should meet face-to-face fairly early in the team development process. This idea may seem contradictory to the entire notion of remote teams, but so far, no technology has replaced face-to-face interaction for high-level bonding and mutual understanding.⁹⁹



Automatic is a completely remote (distributed) organization. The open-source software developer has no physical head office (its mailing address is a UPS postal box in San Francisco) and all of its 850 employees work in remote teams from their home locations in 69 countries. These extreme remoteness teams work effectively partly through face-to-face meetings that Automatic arranges at least twice each year. Every remote team meets for several days somewhere “from Boulder to Buenos Aires ... to brainstorm team-level strategy and bond.” The entire company also meets for an annual week-long gathering called Grand Meetup. Automatic encourages networking throughout the Grand Meetup by assigning employees to eat with different coworkers at each meal. A statistical analysis revealed that after attending a recent Grand Meetup new hires formed strong network ties and current employees expanded their connections with coworkers in other networks around the company.¹

Ramiro Agustin Vargas Tabares/ZUMA Press, Inc./Alamy Stock Photo

Team Decision Making

LO 8-5

Self-directed teams, remote teams, and practically all other groups are expected to make decisions. Under specific conditions, teams are more effective than individuals at identifying problems, choosing alternatives, and evaluating their decisions. To leverage these benefits, however, we first need to understand the constraints on effective team decision making. Then, we look at specific team structures that try to overcome these constraints.

CONSTRAINTS ON TEAM DECISION MAKING

Anyone who has spent enough time in the workplace can recite several ways in which teams stumble in decision making. The four most common problems are time constraints, evaluation apprehension, pressure to conform, and overconfidence.

Time Constraints There's a saying that committees keep minutes and waste hours. This reflects the fact that teams take longer than individuals to make decisions.¹⁰⁰ Teams consume time organizing, coordinating, and maintaining relationships (i.e., process losses). Team members require time to build rapport, agree on rules and norms of behavior in the decision process, and understand one another's ideas.

Another time-related constraint in most team structures is that only one person can speak at a time.¹⁰¹ This problem, known as **production blocking**, undermines idea generation in a few ways. First, team members need to listen in on the conversation to find an opportune time to speak up, but this monitoring makes it difficult for them to concentrate on their own ideas. Second, ideas are fleeting, so the longer they wait to speak up, the more likely their flickering ideas will die out. Third, team members might remember their fleeting thoughts by concentrating on them, but this causes them to pay less attention to the conversation. By ignoring what others are saying, team members miss other potentially good ideas.

production blocking
a time constraint in team decision making due to the procedural requirement that only one person may speak at a time

evaluation apprehension
occurs when individuals are reluctant to mention ideas that seem silly because they believe (often correctly) that others in the decision-making group are silently evaluating them

team efficacy
the collective belief among team members in the team's capability to successfully complete a task

Evaluation Apprehension People are often reluctant to mention ideas that seem silly because they believe (often correctly) that others in the decision-making group are silently evaluating them.¹⁰² This **evaluation apprehension** is based on the individual's desire to create a favorable self-presentation and need to protect self-esteem. It is most common when meetings are attended by people with different levels of status or expertise or when members formally evaluate one another's performance throughout the year (as in 360-degree feedback). Creative ideas often sound bizarre or illogical when first presented, so evaluation apprehension tends to discourage employees from mentioning them in front of coworkers.

Pressure to Conform Team cohesion motivates employees to conform to the team's norms. This control keeps the group organized around common goals, but it may also cause team members to suppress their dissenting opinions, particularly when a strong team norm is related to the issue. When someone does state a point of view that violates the majority opinion, other members might punish the violator or try to persuade him or her that the opinion is incorrect. Conformity can also be subtle. To some extent, we depend on the opinions that others hold to validate our own views. If coworkers don't agree with us, we begin to question our own opinions even without overt peer pressure.

Overconfidence (Inflated Team Efficacy) To some degree, teams are more successful when their members have collective confidence in how well they work together and the likely success of their team effort.¹⁰³ This **team efficacy** is similar to the power of individual self-efficacy, which we discussed in Chapter 3. High-efficacy teams set more challenging goals and are more motivated to achieve them, both of which increase team performance. Unfortunately, there is a curvilinear relationship between team efficacy and the team's performance, including decision quality. In other words, teams make worse decisions when they are overconfident as well as underconfident.¹⁰⁴ Overconfident teams

are less vigilant when making decisions, partly because they have more positive than negative emotions and moods during these events. They also engage in less constructive debate and are less likely to seek out or accept information located outside the team, both of which undermine the quality of team decisions.

Why do teams become overconfident? The main reason is a team-level variation of self-enhancement (see Chapter 3), whereby team members have a natural motivation to believe the team's capabilities and situation are above average. Overconfidence is more common in highly cohesive teams because people engage in self-enhancement for things that are important to them (such as a cohesive team). It is also stronger when the team has external threats or competition because these adversaries generate "us versus them" differentiation. Team efficacy is further inflated by the mutually reinforcing beliefs of the team. We develop a clearer and higher opinion of the team when other team members echo that opinion.

IMPROVING CREATIVE DECISION MAKING IN TEAMS

Team decision making is fraught with problems, but several solutions also emerge from these bad-news studies. Checks and balances need to be in place to prevent the leader or other individuals from dominating the discussion. The team should also be large enough to possess the collective knowledge to resolve the problem yet small enough that the team doesn't consume too much time or restrict individual input. Team members should be confident in their decision making but also be wary about being overconfident. This calls for team norms that encourage critical thinking as well as team membership with sufficient diversity.

Another important ingredient for effective team decision making is an environment in which team members have psychological safety.¹⁰⁵ **Psychological safety** is a shared belief that engaging in interpersonal risk-taking will not have adverse consequences. This belief exists when employees are confident that they can constructively disagree with the majority, present weird ideas, or experiment with novel behaviors without fear that coworkers will belittle them or that the company will limit their career progress. Psychological safety requires team norms that encourage employees to respect and value one another, demonstrate interest in one another, be open-minded about and tolerant with coworkers' opinions, and show positive intentions toward one another. Showing positive intentions involves displaying positive emotions and nonthreatening behavior when discussing different points of view.

psychological safety

a shared belief that it is safe to engage in interpersonal risk-taking; specifically, that presenting unusual ideas, constructively disagreeing with the majority, and experimenting with new work behaviors will not result in coworkers posing a threat to their self-concept, status, or career



Google applied its legendary deep analytics to find out why some teams worked better than others and made better decisions. Google researchers eventually discovered that team composition is less important than the team norm of psychological safety. In other words, teams make better decisions when all team members feel comfortable speaking up and are sensitive to the feelings of their fellow employees. From these results, Google created a checklist urging team leaders to actively listen during meetings, avoid interrupting teammates, rephrase what team members have said, and discourage anyone from being judgmental toward others. "I'm so much more conscious of how I model listening now, or whether I interrupt, or how I encourage everyone to speak," says Sagnik Nandy, who leads one of Google's largest teams.^m

Justin Sullivan/Staff/Getty Images

Along with these general recommendations, OB studies have identified four team structures that encourage creativity in a team setting: brainstorming, brainwriting, electronic brainstorming, and nominal group technique. These four structures emphasize idea creation (the central focus of creativity), but some also include team selection of alternatives.

brainstorming

a freewheeling, face-to-face meeting where team members aren't allowed to criticize but are encouraged to speak freely, generate as many ideas as possible, and build on the ideas of others

Brainstorming **Brainstorming** is a team event in which participants try to think up as many ideas as possible.¹⁰⁶ The process was introduced by advertising executive Alex Osborn in 1939 and has four simple rules to maximize the creativity of ideas presented: (1) Speak freely—describe even the craziest ideas; (2) don't criticize others or their ideas; (3) provide as many ideas as possible—the quality of ideas increases with the quantity of ideas; and (4) build on the ideas that others have presented. Brainstorming rules are supposed to encourage divergent thinking while minimizing evaluation apprehension and other team dynamics problems. Brainstorming fell out of favor after numerous lab studies reported that it doesn't produce as many ideas as individuals working alone. Production blocking, evaluation apprehension, and social loafing were identified as the main culprits.¹⁰⁷

The lab study findings are perplexing because some of the most successful creative agencies and design firms say that brainstorming is a helpful tool.¹⁰⁸ One reason for this discrepancy is that effective brainstorming requires a skilled facilitator who ensures the rules are followed, encourages everyone to speak up, manages dominant participants, keeps the group focused on the topic, and maintains an efficient flow of ideas. In contrast, the research studies rely on students who had never done brainstorming and whose facilitator was randomly picked from the group. Practitioners also point out that brainstorming asks participants to provide crazy ideas, which requires confident employees in a collaborative learning orientation culture that prioritizes psychological safety. In contrast, most research was conducted with students who barely knew one another, were likely highly sensitive to how they came across to their peers, and probably had limited confidence in their skills for this task. Finally, brainstorming sessions are intended to produce more creative ideas, whereas most lab studies merely counted the number of ideas.¹⁰⁹

Brainstorming likely improves team creativity, but it does have limitations. First, even with people who are trained and experienced, brainstorming suffers from production blocking. Great thoughts are forgotten while team members listen to one another's ideas, and sparks of insight are forfeited if team members do not listen to one another's ideas. A second problem, called *fixation* or *conformity effect*, is that hearing another person's ideas tends to restrict the variety of ideas that we subsequently think about. In brainstorming, participants are asked to openly describe their ideas, but the first few verbal descriptions might cause participants to limit their thinking to ideas similar to those first suggestions rather than other categories of ideas. However, neuroscience studies report that people think more creatively when exposed to moderately creative (but not wildly nonsensical) ideas generated by other people.¹¹⁰

brainwriting

a variation of brainstorming whereby participants write (rather than speak about) and share their ideas

Brainwriting **Brainwriting** is a variation of brainstorming that minimizes the problem of production blocking by removing conversation during idea generation.¹¹¹ There are many forms of brainwriting, but they all have the common feature that individuals write down their ideas rather than verbally describe them. In one version, participants write their ideas on cards and place them in the center of the table. At any time, participants can pick up one or more cards in the center to spark their thinking or further build (piggyback) on those ideas. In another variation, each person writes one idea on a card, then passes the card to the person on their right. The receiving person writes a new idea on a second card, both cards are sent to the next person, and the process is repeated. The limited research on brainwriting suggests that it produces more and better-quality ideas than brainstorming due to the lack of production blocking.



electronic brainstorming
a form of brainstorming that relies on networked digital devices for submitting and sharing creative ideas

nominal group technique
a variation of brainwriting consisting of three stages in which participants (1) silently and independently document their ideas, (2) collectively describe these ideas to the other team members without critique, and then (3) silently and independently evaluate the ideas presented

Electronic Brainstorming **Electronic brainstorming** is similar to brainwriting but uses digital networks rather than handwritten cards to document and share ideas. After receiving the question or issue, participants enter their ideas using special digital software. The ideas are distributed anonymously to other participants, who are encouraged to piggyback on those ideas. Team members eventually vote electronically on the ideas presented. Face-to-face discussion usually follows. Electronic brainstorming can be quite effective at generating creative ideas with minimal production blocking, evaluation apprehension, or conformity problems.¹¹² It can be superior to brainwriting because ideas are generated anonymously and they are viewed by other participants more easily. Despite these numerous advantages, electronic brainstorming is rarely used because it is often considered too structured and technology-bound.

Nominal Group Technique Another variation of brainwriting, **nominal group technique**, adds a verbal element to the process.¹¹³ The problem is described, team members silently and independently write down as many solutions as they can, then they describe their solutions to the other team members, usually in a round-robin format. As with brainstorming, there is no criticism or debate, just clarification. Finally, participants silently and independently rank-order or vote on each proposed solution. Nominal group technique has been used in real-world decisions, such as identifying ways to improve tourism in various countries. This method tends to generate more and better-quality ideas than occur in traditional interacting and possibly brainstorming groups. However, production blocking and evaluation apprehension still occur to some extent. Training improves this structured approach to team decision making.¹¹⁴

chapter summary

LO 8-1 Discuss the benefits and limitations of teams, and explain why employees join informal groups.

Teams are groups of two or more people who interact and influence one another, are mutually accountable for achieving common goals associated with organizational objectives, and perceive themselves as a social entity within an organization. All teams are groups, because they consist of people with a unifying relationship; not all groups are teams, because some groups do not exist to serve organizational objectives.

Teams have become popular because they tend to make better decisions, support the knowledge management process, and provide superior customer service. Teams are not always as effective as individuals working alone. Process losses and social loafing drag down team performance. People join informal groups (and are motivated to be on formal teams) for four reasons: (1) They have an innate drive to bond, (2) group membership is an inherent ingredient in a person's self-concept, (3) some personal goals are accomplished better in groups, and (4) individuals are comforted in stressful situations by the mere presence of other people.

LO 8-2 Outline the team effectiveness model and discuss how task characteristics, team size, and team composition influence team effectiveness.

Team effectiveness includes the team's ability to achieve its objectives, fulfill the needs of its members, and maintain its survival. The model of team effectiveness considers the team and organizational environment, team design, and team processes. Three team design elements are task characteristics, team size, and team composition. Teams tend to be better suited for

situations in which the work is complex yet tasks are well-structured and have high task interdependence. Teams should be large enough to perform the work yet small enough for efficient coordination and meaningful involvement. Effective teams are composed of people with the competencies and motivation to perform tasks in a team environment. Team member diversity has advantages and disadvantages for team performance.

LO 8-3 Discuss how the four team processes—team development, norms, cohesion, and trust—influence team effectiveness.

Teams develop through the stages of forming, storming, norming, performing, and eventually adjourning. Within these stages are two distinct team development processes: developing team identification and developing team mental models and coordinating routines. Team development can be accelerated through team building—any formal activity intended to improve the development and functioning of a work team. Teams develop norms to regulate and guide member behavior. These norms may be influenced by initial experiences, critical events, and the values and experiences that team members bring to the group.

Team cohesion—the degree of attraction people feel toward the team and their motivation to remain members—increases with member similarity, smaller team size, higher degree of interaction, somewhat difficult entry, team success, and external challenges. Cohesion increases team performance when the team has high interdependence and its norms are congruent with organizational goals. Trust refers to positive expectations one person has toward another person in situations

involving risk. People trust others on the basis of three foundations: calculus, knowledge, and identification.

LO 8-4 Discuss the characteristics and factors required for the success of self-directed teams and remote teams.

Self-directed teams (SDTs) complete an entire piece of work requiring several interdependent tasks, and they have substantial autonomy over the execution of their tasks. Members of remote teams operate across space, time, and organizational boundaries and are linked through information technologies to achieve organizational tasks. Remote teams are more effective when the team members have certain competencies, the team has the freedom to choose the preferred communication channels, and the members meet face-to-face fairly early in the team development process.

LO 8-5 Identify four constraints on team decision making and discuss the advantages and disadvantages of four structures aimed at improving team decision making.

Team decisions are impeded by time constraints, evaluation apprehension, conformity to peer pressure, and overconfidence. These concerns can be minimized through a shared belief that engaging in interpersonal risk-taking will not have adverse consequences (psychological safety), checks and balances that prevent anyone from dominating discussion, a team size that is as small as practicable, and wariness about the team's overconfidence. Four structures potentially improve creative decision making in team settings: brainstorming, brainwriting, electronic brainstorming, and nominal group technique.

key terms

brainstorming, p. 312

brainwriting, p. 312

Brooks's law, p. 289

electronic brainstorming, p. 313

evaluation apprehension, p. 310

human capital, p. 309

nominal group technique, p. 313

norms, p. 302

process losses, p. 289

production blocking, p. 310

psychological safety, p. 311

remote teams, p. 308

role, p. 299

self-directed teams (SDTs), p. 306

social loafing, p. 290

social networks, p. 288

task interdependence, p. 293

team building, p. 300

team cohesion, p. 302

team efficacy, p. 310

teams, p. 286

trust, p. 305

critical thinking questions

1. Informal groups exist in almost every form of social organization. What types of informal groups exist in your classroom? Why are students motivated to belong to these informal groups?
2. The late management guru Peter Drucker once said: "The now-fashionable team in which everybody works with everybody on everything from the beginning rapidly is becoming a disappointment." Discuss three problems associated with teams.
3. You have been put in charge of a cross-functional task force that will develop enhanced Internet banking services for retail customers. The team includes representatives from marketing, information services, customer service, and accounting, all of whom will move to the same location at headquarters for three months. Describe the behaviors you might observe during each stage of the team's development.
4. You have just been transferred from the Kansas office to the Denver office of your company, a national sales organization of electrical products for developers and contractors. In Kansas, team members regularly called customers after a sale to ask whether the products arrived on time and whether they are satisfied. But when you moved to the Denver office, no one seemed to make these follow-up calls. A recently hired coworker explained that other coworkers discouraged her from making those calls. Later, another coworker suggested that your follow-up calls were making everyone else look lazy. Give three possible reasons why the norms in Denver might be different from those in the Kansas office, even though the customers, products, sales commissions, and other characteristics of the workplace are almost identical.
5. A software engineer in the United States needs to coordinate with four team members in geographically dispersed areas of the world. What team challenges might the team experience, and how will they affect the team design elements?
6. You have been assigned to a class project with five other students, none of whom you have met before, and some of whom come from different countries. To what extent would team cohesion improve your team's performance on this project? What actions would you recommend to build team cohesion among student team members in this situation?
7. Suppose you are put in charge of a remote team whose members are located in different cities around the world. What tactics could you use to build and maintain team trust and performance, as well as minimize the decline in trust and performance that often occurs in teams?
8. You are responsible for convening a major event in which senior officials from several state governments will try to come to an agreement on environmental issues. It is well known that some officials take positions to make themselves appear superior, whereas others are highly motivated to solve the environmental problems that cross adjacent states. What team decision-making problems are likely to be apparent in this government forum, and what actions can you take to minimize these problems?
9. The chief marketing officer of Sawgrass Widgets wants marketing and sales staff to identify new uses for its products. Which of the four team structures for creative decision making would you recommend? Describe and justify this process to Sawgrass' chief marketing officer.



CASE STUDY: CONIFER CORP.

By Steven L. McShane, University of Newcastle (Australia); and David Lebeter

Conifer Corp. is a sawmill operation in Oregon that is owned by a major forest products company but operates independently of the parent company. It was built 30 years ago and completely updated with new machinery five years ago. Conifer receives raw logs from the area for cutting and planning into building-grade lumber, mostly 2-by-4 and 2-by-6 pieces of standard lengths. Higher-grade logs leave Conifer's sawmill department in finished form and are sent directly to the packaging department. The remaining 40 percent of sawmill output are cuts from lower-grade logs, requiring further work by the planning department.

Conifer has 1 general manager, 16 supervisors and support staff, and 180 unionized employees. The unionized employees are paid an hourly rate specified in the collective agreement, whereas management and support staff are paid a monthly salary. The mill is divided into six operating departments: boom, sawmill, planer, packaging, shipping, and maintenance. The sawmill, boom, and packaging departments operate a morning shift starting at 6:00 a.m. and an afternoon shift starting at 2:00 p.m. Employees in these departments rotate shifts every two weeks. The planer and shipping departments operate only morning shifts. Maintenance employees work the night shift (starting at 10:00 p.m.).

Each department, except for packaging, has a supervisor on every work shift. The planer supervisor is responsible for the packaging department on the morning shift, and the sawmill supervisor is responsible for the packaging department on the afternoon shift. However, the packaging operation is housed in a separate building from the other departments, so supervisors seldom visit the packaging department. This is particularly true for the afternoon shift, because the sawmill supervisor is the furthest distance from the packaging building.

PACKAGING QUALITY

Ninety percent of Conifer's product is sold nationally and internationally through Westboard, Inc., a large marketing agency. Westboard represents all forest products mills owned by Conifer's parent company as well as several other clients in the region. The market for building-grade lumber is very price competitive, because there are numerous mills selling a relatively undifferentiated product. However, some differentiation does occur in product packaging and presentation. Buyers will look closely at the packaging when deciding whether to buy from Conifer or another mill.

To encourage its clients to package their products better, Westboard sponsors a monthly package quality award. The marketing agency samples and rates its clients' packages daily, and the sawmill with the highest score at the end of the month is awarded a framed certificate of excellence. Package quality is a combination of how the lumber is piled (e.g., defects turned in), where the bands and dunnage are placed, how neatly the stencil and seal are applied, the stencil's accuracy, and how neatly and tightly the plastic wrap is attached.

Conifer won Westboard's packaging quality award several times over the past five years, and received high ratings in the months that it didn't win. However, the mill's ratings have started to decline over the past year or two, and several clients have complained about the appearance of the finished product. A few large customers switched to competitors' lumber, saying that the decision was based on the substandard appearance of Conifer's packaging when it arrived in their lumber yard.

BOTTLENECK IN PACKAGING

The planning and sawmilling departments have significantly increased productivity over the past couple of years. The sawmill operation recently set a new productivity record on a single day. The planer operation has increased productivity to the point where last year it reduced operations to just one (rather than two) shifts per day. These productivity improvements are due to better operator training, fewer machine breakdowns, and better selection of raw logs. (Sawmill cuts from high-quality logs usually do not require planning work.)

Productivity levels in the boom, shipping, and maintenance departments have remained constant. However, the packaging department has recorded decreasing productivity over the past couple of years, with the result that a large backlog of finished product is typically stockpiled outside the packaging building. The morning shift of the packaging department is unable to keep up with the combined production of the sawmill and planer departments, so the unpackaged output is left for the afternoon shift. Unfortunately, the afternoon shift packages even less product than the morning shift, so the backlog continues to build. The backlog adds to Conifer's inventory costs and increases the risk of damaged stock.

Conifer has added Saturday overtime shifts as well as extra hours before and after the regular shifts for the packaging department employees to process this backlog. Last month, the packaging department employed 10 percent of the workforce but accounted for 85 percent of the overtime. This is frustrating to Conifer's management, because time and motion studies recently confirmed that the packaging department is capable of processing all of the daily sawmill and planer production without overtime. With employees earning one and a half or two times their regular pay on overtime, Conifer's cost competitiveness suffers.

Employees and supervisors at Conifer are aware that people in the packaging department tend to extend lunch by 10 minutes and coffee breaks by 5 minutes. They also typically leave work a few minutes before the end of their shift. This abuse has worsened recently, particularly on the afternoon shift. Employees who are temporarily assigned to the packaging department also seem to participate in this time loss pattern after a few days. Although they are punctual and productive in other departments, these temporary employees soon adopt the packaging crew's informal schedule when assigned to that department.

Discussion Questions

1. What symptom(s) in this case suggest(s) that something has gone wrong?
2. What are the main causes of the symptom(s)?

3. What actions should executives take to correct the problem(s)?

© Copyright 1995 Steven L. McShane and David Lebeter. This case is based on actual events, but names and some characteristics have been changed to maintain anonymity.

**TEAM EXERCISE: TEAM TOWER POWER**

PURPOSE This exercise is designed to help you understand team roles, team development, and other issues in the development and maintenance of effective teams.

MATERIALS The instructor will provide enough Lego pieces or similar materials for each team to complete the assigned task. All teams should have identical (or very similar) amounts and types of pieces. The instructor will need a measuring tape and stopwatch. Students may use writing materials during the design stage (see instructions). The instructor will distribute a "Team Objectives Sheet" and "Tower Specifications Effectiveness Sheet" to all teams.

INSTRUCTIONS The instructor will divide the class into teams. Depending on class size and space availability, teams may have between four and seven members, but all should be approximately equal in size.

Each team has 20 minutes to design a tower that uses only the materials provided, is freestanding, and provides an optimal return on investment. Team members may wish to draw their tower on paper or a flip-chart to facilitate the tower's design. Teams are free to practice building their tower during this stage. Preferably, each team will have a secluded space so that the design can be created privately.

During this stage, each team will complete the Team Objectives Sheet distributed by the instructor. This sheet requires the Tower Specifications Effectiveness Sheet, also distributed by the instructor.

Each team will show the instructor that it has completed its Team Objectives Sheet. Then, with all teams in the same room, the instructor will announce the start of the construction phase. The time allowed for construction will be closely monitored, and the instructor will occasionally call out the time elapsed (particularly if there is no clock in the room).

Each team will advise the instructor as soon as it has completed its tower. The team will write down the time elapsed, as determined by the instructor. The team also may be asked to assist the instructor by counting the number of blocks used and measuring the height of the tower. This information gets added to the Team Objectives Sheet. Then, the team calculates its profit.

After presenting the results, the class will discuss the team dynamics elements that contribute to team effectiveness. Team members will discuss their strategy, division of labor (team roles), expertise within the team, and other elements of team dynamics.

Source: Several published and online sources describe variations of this exercise, but there is no known origin to this activity.

**TEAM EXERCISE: HUMAN CHECKERS**

PURPOSE This exercise is designed to help you understand the importance and application of team dynamics and decision making.

MATERIALS None, but the instructor has more information about each team's task.

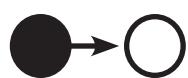
INSTRUCTIONS

1. Form teams of eight students. If possible, each team should have a private location, where team members can plan and practice the required task without being observed or heard by other teams.
2. All teams receive special instructions in class about their assigned task. All teams have the same task and the same amount of time to plan and practice the task.

At the end of this planning and practice period, each team will be timed while completing the task in class. The team that completes the task in the least time wins.

3. No special materials are required or allowed (see rules below) for this exercise. Although the task is not described here, students should learn the following rules for planning and implementing the task:
 - a. You cannot use any written form of communication or any props to assist in the planning or implementation of this task.
 - b. You may speak to other students in your team at any time during the planning and implementation of this task.

- c. When performing the task, you can move only forward, not backward. (You are not allowed to turn around.)
- d. When performing the task, you can move forward to the next space, but only if it is vacant. In Exhibit 1, the individual (black dot) can move directly into an empty space (white dot).
- e. When performing the task, you can move forward two spaces if that space is vacant. In other words, you can move around a person who is one space in front of you to the next space if that space is vacant. (In Exhibit 2, two people occupy the black dots, and the white dot is an empty space. A person can move around the person in front to the empty space.)

Exhibit 1**Exhibit 2**

- 4. When all teams have completed their task, the class will discuss the implications of this exercise for team dynamics and decision making.

Discussion Questions

1. Identify the team dynamics and decision-making concepts that the team applied to complete this task.
2. What personal theories of people and work teams were applied to complete this task?
3. What other organizational behavior issues occurred, and what actions were (or should have been) taken to solve them?



TEAM EXERCISE: SURVIVAL ON THE MOON

PURPOSE This exercise is designed to help you understand the importance and dynamics of team decision making.

MATERIALS All materials are provided below. They include the “Survival on the Moon Scenario” and the “Survival on the Moon Scoring Sheet” for ranking items individually and as a team.

SURVIVAL ON THE MOON SCENARIO The year is 2025. You and your crew are traveling toward the Moon in the *Orion* spacecraft. *Orion* is a gumdrop-shaped spacecraft designed to carry people from Earth to the Moon. *Orion* is similar in shape, but larger than the capsules used during the Apollo program. Attached, or docked, to *Orion* is the Lunar Surface Access Module (LSAM), which you alone will use to land on the Moon (other crew members remain onboard the *Orion*).

As your spacecraft enters lunar orbit, you spot the lunar outpost. This outpost has grown, having been built piece by piece during past missions. You are excited to see the outpost. It is located on a crater rim near the lunar south pole, in near-constant sunlight. This location is not far from supplies of water ice that can be found in the cold, permanently shadowed part of the crater.

After transferring into the LSAM and separating from *Orion*, you prepare to descend to the lunar surface. Suddenly, you notice that there is a problem with the thrusters. You land safely, but off course, about 80 kilometers (50 miles) from the lunar outpost. Looking across the charcoal-gray, dusty surface of the Moon, you realize that your survival

depends on reaching the outpost, finding a way to protect yourself until someone can reach you, or meeting a rescue party somewhere between your landing site and the outpost.

You know the Moon has basically no atmosphere or magnetosphere to protect you from space radiation. The environment is unlike any found on Earth. The regolith, or lunar soil, is a mixture of materials that includes sharp, glassy particles. The gravity field on the Moon is only one-sixth as strong as Earth’s. More than 80 percent of the Moon is made up of heavily cratered highlands. Temperatures vary widely on the Moon. It can be as cold as -193°C (-315°F) at night at its poles and as hot as 111°C (232°F) during the day at its equator.

INSTRUCTIONS Survival will depend on your mode of transportation and ability to navigate. Your basic needs for food, shelter, water, and air must be considered. Your challenge is to choose items that will help you survive.

Part I: Individual Decision The scoring sheet below lists 15 items in alphabetical order that are available to you. In the “Your Ranking” column, rank these items from 1 to 15 according to your own beliefs and knowledge about their importance to you and your team (other members of the crew). Place the number 1 beside the most important item and continue ranking the items to number 15, the least important. Be prepared to explain why you gave each item the rank it received and how you plan to use the item to help you survive.



SURVIVAL ON THE MOON SCORING SHEET

ITEMS (ALPHABETICAL ORDER)	YOUR RANKING	TEAM RANKING	EXPERT RANKING	YOUR SCORE	TEAM SCORE
First aid kit: a basic kit with pain medication and medicine for infection	_____	_____	_____	_____	_____
Food: dehydrated concentrate to which water is added	_____	_____	_____	_____	_____
Life raft: a self-inflatable flotation device	_____	_____	_____	_____	_____
Magnetic compass: a tool that uses a magnetic field to determine direction	_____	_____	_____	_____	_____
Map: document showing the Moon's surface/terrain	_____	_____	_____	_____	_____
Matches (box of): wooden sticks with sulfur-treated heads	_____	_____	_____	_____	_____
Oxygen: two 45.5-kilogram (100-pound) tanks	_____	_____	_____	_____	_____
Parachute: a large piece of silk cloth	_____	_____	_____	_____	_____
Portable lights: with solar-powered rechargeable batteries	_____	_____	_____	_____	_____
Radio receiver-transmitter: a solar-powered communication instrument	_____	_____	_____	_____	_____
Rope: 15 meters (approx. 50 feet) of nylon rope	_____	_____	_____	_____	_____
Signal mirror: a handheld mirror	_____	_____	_____	_____	_____
Space blanket: a thin sheet of plastic material that is coated with a metallic reflecting layer	_____	_____	_____	_____	_____
Space suit repair kit: kit with materials to repair tiny holes in fabric	_____	_____	_____	_____	_____
Water: one 38-liter (10-gallon) container	_____	_____	_____	_____	_____
TOTAL SCORE: (sum scores within the column)	_____	_____	_____	_____	_____

Part II: Team Decision After everyone working alone has ranked these 15 items, the instructor will organize students into approximately equal-sized teams. Team members should try to reach a consensus on the rank order of each of these 15 items. Place the number 1 beside the most important item and continue ranking the items to number 15, the least important. Record this ranking of items in the “Team Ranking” column. Your survival depends on the team’s ability to agree on the importance of these items, as well as logical explanation of their value and how to use them.

Part III: Total Scores After the items have been ranked by teams, your instructor will report how the 15 items were ranked by NASA scientists (experts). Write these rankings under the “Expert Ranking” column. Next, calculate the absolute difference (remove the negative sign) between your ranking and the expert’s ranking for each of the 15 items and record these scores in the “Your Score” column. Sum these 15 absolute differences to determine your personal total score. Determine your team’s score in the same manner using the “Team Score” column. Write these scores and summary statistics into the spaces at the bottom of the scoring sheet for those two columns.

Discussion Questions

1. Did most team members have higher (worse) or lower (better) total scores than the total “team score”? Why did this difference occur?
2. In what situations, if any, would someone’s total personal score be very similar to the total team score? Did this occur for anyone on your team? Why?
3. When the team was ranking items, which items had the most difference of opinion regarding the item’s importance? Why did this disagreement occur, and how was it resolved by the team?
4. While the team was determining the collective ranking of items, did specific team members take on specific roles, such as leading the discussion, encouraging opinions from quieter members, managing conflict, and so forth? If so, why do you think these people took on these roles?
5. Was your team composed mostly of people you have worked with previously in teams? If so, do you think the discussion was more effective or less effective than when making decisions with people who are new to you? Why?

Source: National Aeronautics and Space Administration.

endnotes

1. G.S. McChrystal et al., *Team of Teams: New Rules of Engagement for a Complex World* (New York: Penguin, 2015); J. Mattis, "U.S. Military Academy Graduation and Commissioning," Speech, May 27, 2017; N. Pfau, "AIT Warrior Challenge Builds, Tests Soldiers' Teamwork," New Release (U.S. Army, June 22, 2017); N. Pfau, "AIT Warrior Challenge All about Teamwork, Pushing Limits," News release (U.S. Army, March 15, 2018).
2. "Trends: Are Many Meetings a Waste of Time? Study Says So," news release (MeetingsNet, November 1, 1998); R. Cross, R. Rebele, and A. Grant, "Collaborative Overload," *Harvard Business Review*, Jan-Feb 2016, 74–79; L. Wright and N. McCullough, "New Survey Explores the Changing Landscape of Teamwork," *Microsoft 365 Blog* (blog), April 19, 2018, <https://www.microsoft.com/en-us/microsoft-365/blog/2018/04/19/new-survey-explores-the-changing-landscape-of-teamwork/>.
3. S. Wuchty, B.F. Jones, and B. Uzzi, "The Increasing Dominance of Teams in Production of Knowledge," *Science* 316 (2007): 1036–39. For a detailed analysis of teamwork in scientific research, see N.J. Cooke and M.L. Hilton, *Enhancing the Effectiveness of Team Science*, Committee on the Science of Team Science; Board on Behavioral, Cognitive, and Sensory Sciences; Division of Behavioral and Social Sciences and Education; National Research Council (Washington, DC: National Academies Press, 2015).
4. E. Sundstrom, "The Challenges of Supporting Work Team Effectiveness," in *Supporting Work Team Effectiveness*, ed. E. Sundstrom and Associates (San Francisco: Jossey-Bass, 1999), 6–9; S.A. Mohrman, S.G. Cohen, and A.M. Mohrman Jr., *Designing Team-Based Organizations: New Forms for Knowledge Work* (San Francisco: Jossey-Bass, 1995), 39–40; M.E. Shaw, *Group Dynamics*, 3rd ed. (New York: McGraw-Hill, 1981), 8.
5. J.R. Hollenbeck, B. Beersma, and M.E. Schouten, "Beyond Team Types and Taxonomies: A Dimensional Scaling Conceptualization for Team Description," *Academy of Management Review* 37, no. 1 (2012): 82–106. This article uses the term *skill differentiation*, whereas we use *skill diversity* which is a more common label to describe variations among team members; skill differences represent a form of deep-level diversity. The original article also uses the label *authority differentiation*, whereas we believe that *authority dispersion* is more consistent with power variations, such as in decentralization of organizational structures.
6. S.I. Tannenbaum et al., "Teams Are Changing: Are Research and Practice Evolving Fast Enough?," *Industrial and Organizational Psychology* 5, no. 1 (2012): 2–24; R. Wageman, H. Gardner, and M. Mortensen, "The Changing Ecology of Teams: New Directions for Teams Research," *Journal of Organizational Behavior* 33, no. 3 (2012): 301–15.
7. R.A. Guzzo and M.W. Dickson, "Teams in Organizations: Recent Research on Performance and Effectiveness," *Annual Review of Psychology* 47 (1996): 307–38; L.R. Offerman and R.K. Spiros, "The Science and Practice of Team Development: Improving the Link," *Academy of Management Journal* 44 (2001): 376–92.
8. J.R. Spoor and J.R. Kelly, "The Evolutionary Significance of Affect in Groups: Communication and Group Bonding," *Group Processes & Intergroup Relations* 7, no. 4 (2004): 398–412; W.S. Jansen et al., "Inclusion: Conceptualization and Measurement," *European Journal of Social Psychology* 44, no. 4 (2014): 370–85, <https://doi.org/10.1002/ejsp.2011>.
9. M.A. Hogg et al., "The Social Identity Perspective: Intergroup Relations, Self-Conception, and Small Groups," *Small Group Research* 35, no. 3 (2004): 246–76; S.A. Haslam and N. Ellemers, "Identity Processes in Organizations," in *Handbook of Identity Theory and Research*, ed. J.S. Schwartz, K. Luyckx, and L.V. Vignoles (New York: Springer New York, 2011), 715–44; R. Spears, "Group Identities: The Social Identity Perspective," in *Handbook of Identity Theory and Research*, ed. S.J. Schwartz, K. Luyckx, and V.L. Vignoles (New York: Springer New York, 2011), 201–24; S.K. Kang and G.V. Bodenhausen, "Multiple Identities in Social Perception and Interaction: Challenges and Opportunities," *Annual Review of Psychology* 66, no. 1 (2015): 547–74.
10. S. Cohen, "The Pittsburgh Common Cold Studies: Psychosocial Predictors of Susceptibility to Respiratory Infectious Illness," *International Journal of Behavioral Medicine* 12, no. 3 (2005): 123–31; S.Y. Shin and S.G. Lee, "Effects of Hospital Workers? Friendship Networks on Job Stress," *PLoS ONE* 11, no. 2 (2016): e0149428.
11. R. Cross and R.J. Thomas, *Driving Results through Social Networks: How Top Organizations Leverage Networks for Performance and Growth* (San Francisco: Jossey-Bass, 2009); R. McDermott and D. Archibald, "Harnessing Your Staff's Informal Networks," *Harvard Business Review* 88, no. 3 (2010): 82–89; J. Nieves and J. Osorio, "The Role of Social Networks in Knowledge Creation," *Knowledge Management Research & Practice* 11, no. 1 (2013): 62–77.
12. L. Buchanan, "Taking Teamwork to the Extreme," *Inc.*, April 18, 2013; K. Rong, "Menlo Innovations—Rich Sheridan Podcast" (YouTube, 2013); S. Denning, "The Joy Of Work: Menlo Innovations," *Forbes*, August 2, 2016; S. Adams, "Why Menlo Innovations Relies On Employees To Decide Who Gets Promoted," *Forbes*, December 3, 2018; J. Lauritsen, "Menlo Innovations: Trust and Radical Transparency in a Bossless Company," *Small Improvements* (blog), November 1, 2018, <https://www.small-improvements.com/podcast-human-friendly-workplace/bonus-episode/>.
13. M. Moldaschl and W. Weber, "The 'Three Waves' of Industrial Group Work: Historical Reflections on Current Research on Group Work," *Human Relations* 51 (1998): 347–88. Several popular books in the 1980s encouraged teamwork, based on the Japanese economic miracle. These books include W. Ouchi, *Theory Z: How American Management Can Meet the Japanese Challenge* (Reading, MA: Addison-Wesley, 1981); R.T. Pascale and A.G. Athos, *Art of Japanese Management* (New York: Simon & Schuster, 1982).
14. C.R. Emery and L.D. Fredenhall, "The Effect of Teams on Firm Profitability and Customer Satisfaction," *Journal of Service Research* 4 (2002): 217–29; G.S. Van der

- Vegt and O. Janssen, "Joint Impact of Interdependence and Group Diversity on Innovation," *Journal of Management* 29 (2003): 729–51.
15. R.E. Baumeister and M.R. Leary, "The Need to Belong: Desire for Interpersonal Attachments as a Fundamental Human Motivation," *Psychological Bulletin* 117 (1995): 497–529; J.M. Feinberg and J.R. Aiello, "Social Facilitation: A Test of Competing Theories," *Journal of Applied Social Psychology* 36, no. 5 (2006): 1087–109; A.M. Grant, "Relational Job Design and the Motivation to Make a Prosocial Difference," *Academy of Management Review* 32, no. 2 (2007): 393–417; N.L. Kerr and D.H. Seok, "... with a Little Help from My Friends": Friendship, Effort Norms, and Group Motivation Gain," *Journal of Managerial Psychology* 26, no. 3 (2011): 205–18; D. Herbst and A. Mas, "Peer Effects on Worker Output in the Laboratory Generalize to the Field," *Science* 350, no. 6260 (2015): 545–49.
 16. E.A. Locke et al., "The Importance of the Individual in an Age of Groupism," in *Groups at Work: Theory and Research*, ed. M.E. Turner (Mahwah, NJ: Erlbaum, 2001), 501–28; N.J. Allen and T.D. Hecht, "The 'Romance of Teams': Toward an Understanding of Its Psychological Underpinnings and Implications," *Journal of Occupational and Organizational Psychology* 77 (2004): 439–61.
 17. I.D. Steiner, *Group Process and Productivity* (New York: Academic Press, 1972); N.L. Kerr and S.R. Tindale, "Group Performance and Decision Making," *Annual Review of Psychology* 55 (2004): 623–55.
 18. M.W. McCarter and R.M. Sheremeta, "You Can't Put Old Wine in New Bottles: The Effect of Newcomers on Coordination in Groups," *PLoS ONE* 8, no. 1 (2013): e55058.
 19. B.R. Staats, K.L. Milkman, and C.R. Fox, "The Team Scaling Fallacy: Underestimating the Declining Efficiency of Larger Teams," *Organizational Behavior and Human Decision Processes* 118, no. 2 (2012): 132–42. Brooks's law is discussed in F.P. Brooks, ed. *The Mythical Man-Month: Essays on Software Engineering*, 2nd ed. (Reading, MA: Addison-Wesley, 1995).
 20. S.J. Karau and K.D. Williams, "Social Loafing: A Meta-Analytic Review and Theoretical Integration," *Journal of Personality and Social Psychology* 65 (1993): 681–706; R.C. Liden et al., "Social Loafing: A Field Investigation," *Journal of Management* 30 (2004): 285–304.
 21. B. Latane, K. Williams, and S. Harkins, "Many Hands Make Light the Work: The Causes and Consequences of Social Loafing," *Journal of Personality & Social Psychology* 37, no. 6 (1979): 822–32; U.-C. Klehe and N. Anderson, "The Moderating Influence of Personality and Culture on Social Loafing in Typical versus Maximum Performance Situations," *International Journal of Selection and Assessment* 15, no. 2 (2007): 250–62; R.B. Lount and S.L. Wilk, "Working Harder or Hardly Working? Posting Performance Eliminates Social Loafing and Promotes Social Laboring in Workgroups," *Management Science* 60, no. 5 (2014): 1098–106; M.C. Schippers, "Social Loafing Tendencies and Team Performance: The Compensating Effect of Agreeableness and Conscientiousness," *Academy of Management Learning & Education* 13, no. 1 (2014): 62–81; B. Meyer, C.C. Schermuly, and S. Kauffeld, "That's Not My Place: The Interacting Effects of Faultlines, Subgroup Size, and Social Competence on Social Loafing Behaviour in Work Groups," *European Journal of Work and Organizational Psychology* 25, no. 1 (2016): 31–49.
 22. C. Lam, "The Role of Communication and Cohesion in Reducing Social Loafing in Group Projects," *Business and Professional Communication Quarterly* 78, no. 4 (2015): 454–75, <https://doi.org/10.1177/2329490615596417>; V. Peñarroja, V. Orengo, and A. Zornoza, "Reducing Perceived Social Loafing in Virtual Teams: The Effect of Team Feedback with Guided Reflexivity," *Journal of Applied Social Psychology* 47, no. 8 (2017): 424–35, <https://doi.org/10.1111/jasp.12449>; I. Fronza and X. Wang, "Towards an Approach to Prevent Social Loafing in Software Development Teams," in *11th ACM/IEEE International Symposium on Empirical Software Engineering and Measurement (ESEM 2017)* (New York: IEEE, 2017), 241–46; A.A. Curcio and M.A. Lynch, "Addressing Social Loafing on Faculty Committees," *Journal of Legal Education* 67 (2017): 242–62.
 23. J.R. Engen, "Tough as Nails," *Bank Director*, July 2009, 24.
 24. G.P. Shea and R.A. Guzzo, "Group Effectiveness: What Really Matters?", *Sloan Management Review* 27 (1987): 33–46; J.R. Hackman et al., "Team Effectiveness in Theory and in Practice," in *Industrial and Organizational Psychology: Linking Theory with Practice*, ed. C.L. Cooper and E.A. Locke (Oxford, UK: Blackwell, 2000), 109–29. Recent literature has focused mainly on the first two functions, but team survival is also an important outcome. See: J.E. Mathieu et al., "Embracing Complexity: Reviewing the Past Decade of Team Effectiveness Research," *Annual Review of Organizational Psychology and Organizational Behavior* 6, no. 1 (2019): 17–46, <https://doi.org/10.1146/annurev-orgpsych-012218-015106>.
 25. M.A. West, C.S. Borrill, and K.L. Unsworth, "Team Effectiveness in Organizations," *International Review of Industrial and Organizational Psychology* 13 (1998): 1–48; M.A. Marks, J.E. Mathieu, and S.J. Zaccaro, "A Temporally Based Framework and Taxonomy of Team Processes," *Academy of Management Review* 26, no. 3 (2001): 356–76; J.E. McGrath, H. Arrow, and J.L. Berdahl, "The Study of Groups: Past, Present, and Future," *Personality & Social Psychology Review* 4, no. 1 (2000): 95–105; E. Salas, D.L. Reyes, and S.H. McDaniel, "The Science of Teamwork: Progress, Reflections, and the Road Ahead," *American Psychologist* 73, no. 4 (2018): 593–600, <https://doi.org/10.1037/amp0000334>; J.E. Mathieu et al., "Embracing Complexity: Reviewing the Past Decade of Team Effectiveness Research," *Annual Review of Organizational Psychology and Organizational Behavior* 6, no. 1 (2019): 17–46, <https://doi.org/10.1146/annurev-orgpsych-012218-015106>.
 26. M. Kouchaki et al., "The Treatment of the Relationship between Groups and Their Environments: A Review and Critical Examination of Common Assumptions in Research," *Group & Organization Management* 37, no. 2 (2012): 171–203; T. Driskell, E. Salas, and J.E. Driskell, "Teams in Extreme Environments: Alterations in Team Development and Teamwork," *Human Resource Management Review*, 28, no. 4 (2018): 434–49, <https://doi.org/10.1016/j.hrmr.2017.01.002>.

27. E. Sundstrom, "The Challenges of Supporting Work Team Effectiveness," in *Supporting Work Team Effectiveness* ed. E. Sundstrom and Associates (San Francisco, CA: Jossey-Bass, 1999), 6–9; G.L. Stewart, "A Meta-Analytic Review of Relationships between Team Design Features and Team Performance," *Journal of Management* 32, no. 1 (2006): 29–54; H. Huettermann, S. Doering, and S. Boerner, "Leadership and Team Identification: Exploring the Followers' Perspective," *Leadership Quarterly* 25, no. 3 (2014): 413–32; J.E. Mathieu, L. D'Innocenzo, and M.R. Kukenberge, "Contextual Issues in Project Performance: A Multilevel Perspective," in *The Psychology and Management of Project Teams: An Interdisciplinary Perspective*, ed. B. Hobbs, E.K. Kelloway, and F. Chiocchio (New York: Oxford University Press, 2015), 101–36; F. Schölmerich, C.C. Schermuly, and J. Deller, "How Leaders' Diversity Beliefs Alter the Impact of Faultlines on Team Functioning," *Small Group Research* 47, no. 2 (2016): 177–206; S.A. Conroy and N. Gupta, "Team Pay-for-Performance: The Devil Is in the Details," *Group & Organization Management* 41, no. 1 (2016): 32–65.
28. J.E. Mathieu et al., "Embracing Complexity: Reviewing the Past Decade of Team Effectiveness Research," *Annual Review of Organizational Psychology and Organizational Behavior* 6, no. 1 (2019): 17–46, <https://doi.org/10.1146/annurev-orgpsych-012218-015106>.
29. M.A. Campion, E.M. Papper, and G.J. Medsker, "Relations between Work Team Characteristics and Effectiveness: A Replication and Extension," *Personnel Psychology* 49 (1996): 429–52; N. Sivasubramaniam, S.J. Liebowitz, and C.L. Lackman, "Determinants of New Product Development Team Performance: A Meta-Analytic Review," *Journal of Product Innovation Management* 29, no. 5 (2012): 803–20; M.A. Valentine and A.C. Edmondson, "Team Scaffolds: How Mesolevel Structures Enable Role-Based Coordination in Temporary Groups," *Organization Science* 26, no. 2 (2015): 405–22.
30. G. Van der Vegt and E. Van de Vliert, "Intragroup Interdependence and Effectiveness: Review and Proposed Directions for Theory and Practice," *Journal of Managerial Psychology* 17, no. 1/2 (2002): 50–67; J. Lyubovnikova et al., "24-Karat or Fool's Gold? Consequences of Real Team and Co-Acting Group Membership in Healthcare Organizations," *European Journal of Work and Organizational Psychology* 24, no. 6 (2015): 929–50; S.H. Courtright et al., "Structural Interdependence in Teams: An Integrative Framework and Meta-Analysis," *Journal of Applied Psychology* 100, no. 6 (2015): 1825–46.
31. J.D. Thompson, *Organization in Action* (New York: McGraw-Hill, 1967), 54–55. A slight variation of this model is also applied to understand interdependence in multi-team systems. See: R. Rico et al., "Structural Influences upon Coordination and Performance in Multiteam Systems," *Human Resource Management Review* 28, no. 4 (2018): 332–46, <https://doi.org/10.1016/j.hrmr.2017.02.001>.
32. J.D. Thompson, *Organization in Action* (New York: McGraw-Hill, 1967), 55–59.
33. L. Gratton and T.J. Erickson, "Ways to Build Collaborative Teams," *Harvard Business Review* (2007): 100–09; B. Stone, *The Everything Store: Jeff Bezos and the Age of Amazon* (New York: Random House, 2013), 203–05.
34. J.R. Hackman, *Leading Teams: Setting the Stage for Great Performances* (Boston: Harvard Business Review Press, 2002), 116–22; C. Aube, V. Rousseau, and S. Tremblay, "Team Size and Quality of Group Experience: The More the Merrier?," *Group Dynamics: Theory Research and Practice* 15, no. 4 (2011): 357–75; J.S. Mueller, "Why Individuals in Larger Teams Perform Worse," *Organizational Behavior and Human Decision Processes* 117, no. 1 (2012): 111–24; Y.-N. Lee, J.P. Walsh, and J. Wang, "Creativity in Scientific Teams: Unpacking Novelty and Impact," *Research Policy* 44, no. 3 (2015): 684–97.
35. J.O'Toole, "The Power of Many: Building a High-Performance Management Team," 2003, <http://ceoforum.com.au>.
36. J.S. Mueller, "Why Individuals in Larger Teams Perform Worse," *Organizational Behavior and Human Decision Processes* 117, no. 1 (2012): 111–24.
37. J.E. Mathieu et al., "A Review and Integration of Team Composition Models: Moving toward a Dynamic and Temporal Framework," *Journal of Management* 40, no. 1 (2014): 130–60; N.J. Allen and T. O'Neill, "Team Composition and Performance: Considering the Project-Team Challenge," in *The Psychology and Management of Project Teams: An Interdisciplinary Perspective*, ed. B. Hobbs, E.K. Kelloway, and F. Chiocchio (New York: Oxford University Press, 2015), 301–28.
38. J. Weber, "How Southwest Airlines Hires Such Dedicated People," *Harvard Business Review Online* (Cambridge, MA: Harvard Business School, December 2, 2015).
39. F.P. Morgeson, M.H. Reider, and M.A. Campion, "Selecting Individuals in Team Settings: The Importance of Social Skills, Personality Characteristics, and Teamwork Knowledge," *Personnel Psychology* 58, no. 3 (2005): 583–611; V. Rousseau, C. Aubé, and A. Savoie, "Teamwork Behaviors: A Review and an Integration of Frameworks," *Small Group Research* 37, no. 5 (2006): 540–70; M.L. Loughry, M.W. Ohland, and D.D. Moore, "Development of a Theory-Based Assessment of Team Member Effectiveness," *Educational and Psychological Measurement* 67, no. 3 (2007): 505–24; E. Salas et al., "Understanding and Improving Teamwork in Organizations: A Scientifically Based Practical Guide," *Human Resource Management* 54, no. 4 (2015): 599–622.
40. S. McComb et al., "The Five Ws of Team Communication," *Industrial Management* 54, no. 5 (2012): 10–13.
41. D. van Knippenberg, C.K.W. De Dreu, and A.C. Homan, "Work Group Diversity and Group Performance: An Integrative Model and Research Agenda," *Journal of Applied Psychology* 89, no. 6 (2004): 1008–22; E. Mannix and M.A. Neale, "What Differences Make a Difference?: The Promise and Reality of Diverse Teams in Organizations," *Psychological Science in the Public Interest* 6, no. 2 (2005): 31–55; L.M. Shore et al., "Inclusion and Diversity in Work Groups: A Review and Model for Future Research," *Journal of Management* 37, no. 4 (2011): 1262–89; S.K. Horwitz, "Functional Diversity in Project Teams: Working across Boundaries," in *The Psychology and Management of Project Teams: An Interdisciplinary Perspective*, ed. B. Hobbs, E.K. Kelloway, and F. Chiocchio (New York: Oxford University Press, 2015), 329–63.
42. "For Top Advisors, a Banner Year in North American Wealth Management" (Toronto: PriceMetrix, May 14,

- 2018); S. Garmhausen, "Why Teams Dominate at the Top Financial Advisors," *Barron's*, April 19, 2019.
43. D.C. Lau and J.K. Murnighan, "Interactions within Groups and Subgroups: The Effects of Demographic Faultlines," *Academy of Management Journal* 48, no. 4 (2005): 645–59; S.M.B. Thatcher and P.C. Patel, "Group Faultlines: A Review, Integration, and Guide to Future Research," *Journal of Management* 38, no. 4 (2012): 969–1009; M. Shemla et al., "A Review of Perceived Diversity in Teams: Does How Members Perceive Their Team's Composition Affect Team Processes and Outcomes?," *Journal of Organizational Behavior* 37 (2016): S89–S106.
 44. This book applies the widely held definition of *team processes*, which includes concepts that depict causal changes within teams, such as team development, norms, cohesion, and trust. In other words, it refers to team dynamics. However, some team models refer to *team processes* as a team's actions that contribute to the organization's transformation of inputs to outputs (see open systems in Chapter 1). We view these behaviors as team outcomes, not processes, at the team level of analysis. Most team effectiveness models adopt our meaning of *team processes* (along with *emergent states*). For example, see: J.S. Christian et al., "Team Adaptation in Context: An Integrated Conceptual Model and Meta-Analytic Review," *Organizational Behavior and Human Decision Processes* 140 (2017): 62–89, <https://doi.org/10.1016/j.obhdp.2017.01.003>; M.L. Shuffler et al., "Developing, Sustaining, and Maximizing Team Effectiveness: An Integrative, Dynamic Perspective of Team Development Interventions," *Academy of Management Annals* 12, no. 2 (2018): 688–724, <https://doi.org/10.5465/annals.2016.0045>; H. Roh et al., "Opening the Black Box: A Meta-Analytic Examination of the Effects of Top Management Team Diversity on Emergent Team Processes and Multilevel Contextual Influence," *Group & Organization Management* 44, no. 1 (2019): 112–64, <https://doi.org/10.1177/1059601118799475>.
 45. Some of the better-known team development models over the years have been: W.G. Bennis and H.A. Shepard, "A Theory of Group Development," *Human Relations* 9, no. 4 (1956): 415–37; S.R. Kaplan and M. Roman, "Phases of Development in an Adult Therapy Group," *International Journal of Group Psychotherapy* 13, no. 1 (1963): 10–26; A.P. Hare, "Theories of Group Development and Categories for Interaction Analysis," *Small Group Behavior* 4, no. 3 (1973): 259–304; A.P. Beck, "A Study of Group Phase Development and Emergent Leadership," *Group* 5, no. 4 (1981): 48–54; C.J.G. Gersick, "Time and Transition in Work Teams: Toward a New Model of Group Development," *Academy of Management Journal* 31, no. 1 (1988): 9–41.
 46. B.W. Tuckman and M.A.C. Jensen, "Stages of Small-Group Development Revisited," *Group and Organization Studies* 2 (1977): 419–42; B.W. Tuckman, "Developmental Sequence in Small Groups," *Group Facilitation* (2001): 66–81.
 47. G.R. Bushe and G.H. Coetzer, "Group Development and Team Effectiveness: Using Cognitive Representations to Measure Group Development and Predict Task Performance and Group Viability," *Journal of Applied Behavioral Science* 43, no. 2 (2007): 184–212.
 48. C. Lee, J.L. Farh, and Z.J. Chen, "Promoting Group Potency in Project Teams: The Importance of Group Identification," *Journal of Organizational Behavior* 32, no. 8 (2011): 1147–62.
 49. L.A. DeChurch and J.R. Mesmer-Magnus, "The Cognitive Underpinnings of Effective Teamwork: A Meta-Analysis," *Journal of Applied Psychology* 95, no. 1 (2010): 32–53; C. Aubé, V. Rousseau, and S. Tremblay, "Perceived Shared Understanding in Teams: The Motivational Effect of Being 'on the Same Page,'" *British Journal of Psychology* 106, no. 3 (2015): 468–86; J.M. Schmidtke and A. Cummings, "The Effects of Virtualness on Teamwork Behavioral Components: The Role of Shared Mental Models," *Human Resource Management Review* 27, no. 4 (2017): 660–77, <https://doi.org/10.1016/j.hrmr.2016.12.011>.
 50. R. Rico, M. Sánchez-Manzanares, and C. Gibson, "Team Implicit Coordination Processes: A Team Knowledge-Based Approach," *Academy of Management Review* 33, no. 1 (2008): 163–84; J.C. Gorman, "Team Coordination and Dynamics: Two Central Issues," *Current Directions in Psychological Science* 23, no. 5 (2014): 355–60; J. Schmutz et al., "Effective Coordination in Medical Emergency Teams: The Moderating Role of Task Type," *European Journal of Work and Organizational Psychology* 24, no. 5 (2015): 761–76.
 51. A.P. Hare, "Types of Roles in Small Groups: A Bit of History and a Current Perspective," *Small Group Research* 25 (1994): 443–48; A. Aritzeta, S. Swailes, and B. Senior, "Belbin's Team Role Model: Development, Validity and Applications for Team Building," *Journal of Management Studies* 44, no. 1 (2007): 96–118.
 52. J.K. Summers, S.E. Humphrey, and G.R. Ferris, "Team Member Change, Flux in Coordination, and Performance: Effects of Strategic Core Roles, Information Transfer, and Cognitive Ability," *Academy of Management Journal* 55, no. 2 (2012): 314–38; J.E. Mathieu et al., "Team Role Experience and Orientation: A Measure and Tests of Construct Validity," *Group & Organization Management* 40, no. 1 (2015): 6–34; N. Lehmann-Willenbrock, S.J. Beck, and S. Kauffeld, "Emergent Team Roles in Organizational Meetings: Identifying Communication Patterns Via Cluster Analysis," *Communication Studies* 67, no. 1 (2016): 37–57; T. Driskell et al., "Team Roles: A Review and Integration," *Small Group Research* 48, no. 4 (2017): 482–511, <https://doi.org/10.1177/1046496417711529>.
 53. C.A. Beatty and B.A. Barker, *Building Smart Teams: Roadmap to High Performance* (Thousand Oaks, CA: Sage, 2004); W.G. Dyer, J.H. Dyer, and W.G. Dyer, *Team Building: Proven Strategies for Improving Team Performance*, 5th ed. (San Francisco: Jossey-Bass, 2013).
 54. E. Sundstrom, K. De Meuse, and D. Futrell, "Work Teams: Applications and Effectiveness," *American Psychologist* 45, no. 2 (1990): 120–33; C. Klein et al., "Does Team Building Work?," *Small Group Research* 40, no. 2 (2009): 181–222; M.R. Beauchamp, D. McEwan, and K.J. Waldhauser, "Team Building: Conceptual, Methodological, and Applied Considerations," *Current Opinion in Psychology*, 16 (2017): 114–17, <https://doi.org/10.1016/j.copsyc.2017.02.031>.
 55. E. Rovio et al., "Using Team Building Methods with an Ice Hockey Team: An Action Research Case Study," *Sport Psychologist* 26, no. 4 (2012): 584–603.

56. D.R. Seibold and R.A. Meyers, "Interventions in Groups: Methods for Facilitating Team Development," in *Research Methods for Studying Groups and Teams: A Guide to Approaches, Tools, and Technologies*, ed. A. Hollingshead and M.S. Poole (New York: Routledge, 2012), 418–41; A. Hämmelmann and R. van Dick, "Building the Team: Effect on the Individual—an Evaluation of Team Building Interventions (Entwickeln Im Team—Effekte FÜR Den Einzelnen: Eine Evaluation Von Teamentwicklungsmaßnahmen)," *Gruppendynamik und Organisationsberatung* 44, no. 2 (2013): 221–38.
57. L.J. Martin, A.V. Carron, and S.M. Burke, "Team Building Interventions in Sport: A Meta-Analysis," *Sport & Exercise Psychology Journal* 5, no. 2 (2009): 3–18; C. Klein et al., "Does Team Building Work?," *Small Group Research* 40, no. 2 (2009): 181–222; I. Nadler, P.M. Sanderson, and H.G. Liley, "The Accuracy of Clinical Assessments as a Measure for Teamwork Effectiveness," *Simulation in Healthcare* 6, no. 5 (2011): 260–68; Y.J. Yi, "Effects of Team-Building on Communication and Teamwork among Nursing Students," *International Nursing Review* 63, no. 1 (2016): 33–40, <https://doi.org/10.1111/inr.12224>.
58. R.W. Woodman and J.J. Sherwood, "The Role of Team Development in Organizational Effectiveness: A Critical Review," *Psychological Bulletin* 88 (1980): 166–86; C.J. Miller et al., "A Systematic Review of Team-Building Interventions in Non-Acute Healthcare Settings," *BMC Health Services Research* 18, no. 1 (2018): 146, <https://doi.org/10.1186/s12913-018-2961-9>.
59. L. Mealiea and R. Baltazar, "A Strategic Guide for Building Effective Teams," *Personnel Management* 34, no. 2 (2005): 141–60.
60. G.E. Huszczo, "Training for Team Building," *Training and Development Journal* 44 (1990): 37–43; P. McGraw, "Back from the Mountain: Outdoor Management Development Programs and How to Ensure the Transfer of Skills to the Workplace," *Asia Pacific Journal of Human Resources* 31 (1993): 52–61.
61. D.C. Feldman, "The Development and Enforcement of Group Norms," *Academy of Management Review* 9 (1984): 47–53; E. Fehr and U. Fischbacher, "Social Norms and Human Cooperation," *Trends in Cognitive Sciences* 8, no. 4 (2004): 185–90; B.A. De Jong, K.M. Bijlsma-Frankema, and L.B. Cardinal, "Stronger Than the Sum of Its Parts? The Performance Implications of Peer Control Combinations in Teams," *Organization Science* 25, no. 6 (2014): 1703–21, <https://doi.org/10.1287/orsc.2014.0926>.
62. N. Ellemers and F. Rink, "Identity in Work Groups: The Beneficial and Detrimental Consequences of Multiple Identities and Group Norms for Collaboration and Group Performance," *Advances in Group Processes* 22 (2005): 1–41. For research on norm development and reinforcement in virtual teams, see K. Moser and C. Axtell, "The Role of Norms in Virtual Work: A Review and Agenda for Future Research," *Journal of Personnel Psychology* 12, no. 1 (2013): 1–6.
63. K.D. Opp, "How Do Norms Emerge? An Outline of a Theory," *Mind & Society* 2, no. 1 (2001): 101–28.
64. J.J. Dose and R.J. Klimoski, "The Diversity of Diversity: Work Values Effects on Formative Team Processes," *Human Resource Management Review* 9, no. 1 (1999): 83–108.
65. S. Taggar and R. Ellis, "The Role of Leaders in Shaping Formal Team Norms," *Leadership Quarterly* 18, no. 2 (2007): 105–20; B.A. De Jong, K.M. Bijlsma-Frankema, and L.B. Cardinal, "Stronger Than the Sum of Its Parts? The Performance Implications of Peer Control Combinations in Teams," *Organization Science* 25, no. 6 (2014): 1703–21; A. Lieberman, K.E. Duke, and O. Amir, "How Incentive Framing Can Harness the Power of Social Norms," *Organizational Behavior and Human Decision Processes* 151 (2019): 118–31, <https://doi.org/10.1016/j.obhdp.2018.12.001>.
66. D.J. Beal et al., "Cohesion and Performance in Groups: A Meta-Analytic Clarification of Construct Relations," *Journal of Applied Psychology* 88, no. 6 (2003): 989–1004. However, the definition of *social cohesion* is still being debated, such as its level of analysis. see: S. Drescher, G. Burlingame, and A. Fuhriman, "Cohesion: An Odyssey in Empirical Understanding," *Small Group Research* 43, no. 6 (2012): 662–89, <https://doi.org/10.1177/1046496412468073>; X. Fonseca, S. Lukosch, and F. Brazier, "Social Cohesion Revisited: A New Definition and How to Characterize It," *Innovation: The European Journal of Social Science Research* 32, no. 2 (2019): 231–53, <https://doi.org/10.1080/13511610.2018.1497480>.
67. R.M. Montoya, R.S. Horton, and J. Kirchner, "Is Actual Similarity Necessary for Attraction? A Meta-Analysis of Actual and Perceived Similarity," *Journal of Social and Personal Relationships* 25, no. 6 (2008): 889–922; M.T. Rivera, S.B. Soderstrom, and B. Uzzi, "Dynamics of Dyads in Social Networks: Assortative, Relational, and Proximity Mechanisms," *Annual Review of Sociology* 36 (2010): 91–115.
68. K.A. Jehn, G.B. Northcraft, and M.A. Neale, "Why Differences Make a Difference: A Field Study of Diversity, Conflict, and Performance in Workgroups," *Administrative Science Quarterly* 44, no. 4 (1999): 741–63; D. van Knippenberg, C.K.W. De Dreu, and A.C. Homan, "Work Group Diversity and Group Performance: An Integrative Model and Research Agenda," *Journal of Applied Psychology* 89, no. 6 (2004): 1008–22. For evidence that diversity/similarity does not always influence cohesion, see S.S. Webber and L.M. Donahue, "Impact of Highly and Less Job-Related Diversity on Work Group Cohesion and Performance: A Meta-Analysis," *Journal of Management* 27, no. 2 (2001): 141–62.
69. E. Aronson and J. Mills, "The Effects of Severity of Initiation on Liking for a Group," *Journal of Abnormal and Social Psychology* 59 (1959): 177–81; J.E. Hautaluoma and R.S. Enge, "Early Socialization into a Work Group: Severity of Initiations Revisited," *Journal of Social Behavior & Personality* 6 (1991): 725–48.
70. B. Mullen and C. Copper, "The Relation between Group Cohesiveness and Performance: An Integration," *Psychological Bulletin* 115 (1994): 210–27; C.J. Fullagar and D.O. Eggleston, "Norming and Performing: Using Micro-worlds to Understand the Relationship between Team Cohesiveness and Performance," *Journal of Applied Social Psychology* 38, no. 10 (2008): 2574–93; R. Wageman et al., *Senior Leadership Teams* (Boston: Harvard Business School Press, 2008): 69–70.
71. M. Rempel and R.J. Fisher, "Perceived Threat, Cohesion, and Group Problem Solving in Intergroup Conflict,"

- International Journal of Conflict Management* 8 (1997): 216–34; M.E. Turner and T. Horvitz, “The Dilemma of Threat: Group Effectiveness and Ineffectiveness under Adversity,” in *Groups at Work: Theory and Research* ed. M.E. Turner (Mahwah, NJ: Erlbaum, 2001), 445–70.
72. A.V. Carron et al., “Cohesion and Performance in Sport: A Meta-Analysis,” *Journal of Sport and Exercise Psychology* 24 (2002): 168–88; D.J. Beal et al., “Cohesion and Performance in Groups: A Meta-Analytic Clarification of Construct Relations,” *Journal of Applied Psychology* 88, no. 6 (2003): 989–1004; L.A. DeChurch and J.R. Mesmer-Magnus, “The Cognitive Underpinnings of Effective Teamwork: A Meta-Analysis,” *Journal of Applied Psychology* 95, no. 1 (2010): 32–53; S.M. Gully, D.J. Devine, and D.J. Whitney, “A Meta-Analysis of Cohesion and Performance: Effects of Level of Analysis and Task Interdependence,” *Small Group Research* 43, no. 6 (2012): 702–25.
 73. W. Piper et al., “Cohesion as a Basic Bond in Groups,” *Human Relations* 36 (1983): 93–108; S.Y. Shin and S.G. Lee, “Effects of Hospital Workers’ Friendship Networks on Job Stress,” *PLoS ONE* 11, no. 2 (2016): e0149428.
 74. S.M. Gully, D.J. Devine, and D.J. Whitney, “A Meta-Analysis of Cohesion and Performance: Effects of Level of Analysis and Task Interdependence,” *Small Group Research* 43, no. 6 (2012): 702–25.
 75. C. Langfred, “Is Group Cohesiveness a Double-Edged Sword? An Investigation of the Effects of Cohesiveness on Performance,” *Small Group Research* 29 (1998): 124–43; K.L. Gammie, A.V. Carron, and P.A. Estabrooks, “Team Cohesion and Individual Productivity: The Influence of the Norm for Productivity and the Identifiability of Individual Effort,” *Small Group Research* 32 (2001): 3–18. Concerns about existing research on cohesion–performance are discussed in M. Casey-Campbell and M.L. Martens, “Sticking It All Together: A Critical Assessment of the Group Cohesion–Performance Literature,” *International Journal of Management Reviews* 11, no. 2 (2009): 223–46.
 76. J. Mathieu et al., “Modeling Reciprocal Team Cohesion–Performance Relationships, as Impacted by Shared Leadership and Members’ Competence,” *Journal of Applied Psychology* 100, no. 3 (2015): 713–34.
 77. D.M. Rousseau et al., “Not So Different after All: A Cross-Discipline View of Trust,” *Academy of Management Review* 23 (1998): 393–404; R. Searle, A. Weibel, and D.N. Den Hartog, “Employee Trust in Organizational Contexts,” in *International Review of Industrial and Organizational Psychology* 2011 (Wiley, 2011), 143–91; I. Yang, “What Makes an Effective Team? The Role of Trust (Dis)Confirmation in Team Development,” *European Management Journal* 32, no. 6 (2014): 858–69, <https://doi.org/10.1016/j.emj.2014.04.001>.
 78. D.J. McAllister, “Affect- and Cognition-Based Trust as Foundations for Interpersonal Cooperation in Organizations,” *Academy of Management Journal* 38, no. 1 (1995): 24–59; M. Williams, “In Whom We Trust: Group Membership as an Affective Context for Trust Development,” *Academy of Management Review* 26, no. 3 (2001): 377–96; M. Pirson and D. Malhotra, “Foundations of Organizational Trust: What Matters to Different Stakeholders?,” *Organization Science* 22, no. 4 (2011): 1087–104.
 79. R.J. Lewicki, E.C. Tomlinson, and N. Gillespie, “Models of Interpersonal Trust Development: Theoretical Approaches, Empirical Evidence, and Future Directions,” *Journal of Management* 32, no. 6 (2006): 991–1022.
 80. R.J. Lewicki, E.C. Tomlinson, and N. Gillespie, “Models of Interpersonal Trust Development: Theoretical Approaches, Empirical Evidence, and Future Directions,” *Journal of Management* 32, no. 6 (2006): 991–1022; N. Zhao et al., “The Impact of Traditionality/Modernity on Identification- and Calculus-Based Trust,” *International Journal of Psychology* 54, no. 2 (2019): 237–46, <https://doi.org/10.1002/ijop.12445>.
 81. E.M. Whitener et al., “Managers as Initiators of Trust: An Exchange Relationship Framework for Understanding Managerial Trustworthy Behavior,” *Academy of Management Review* 23 (1998): 513–30; T. Simons et al., “How Leader Alignment of Words and Deeds Affects Followers: A Meta-Analysis of Behavioral Integrity Research,” *Journal of Business Ethics* 132, no. 4 (2015): 831–44, <https://doi.org/10.1007/s10551-014-2332-3>.
 82. H. Akrout and M.F. Diallo, “Fundamental Transformations of Trust and Its Drivers: A Multi-Stage Approach of Business-to-Business Relationships,” *Industrial Marketing Management* 66 (2017): 159–71, <https://doi.org/10.1016/j.indmarman.2017.08.003>; A.C. Costa, C.A. Fulmer, and N.R. Anderson, “Trust in Work Teams: An Integrative Review, Multilevel Model, and Future Directions,” *Journal of Organizational Behavior* 39, no. 2 (2018): 169–84, <https://doi.org/10.1002/job.2213>.
 83. L.P. Robert, A.R. Dennis, and Y.T.C. Hung, “Individual Swift Trust and Knowledge-Based Trust in Face-to-Face and Virtual Team Members,” *Journal of Management Information Systems* 26, no. 2 (2009): 241–79; C.B. Crisp and S.L. Jarvenpaa, “Swift Trust in Global Virtual Teams: Trusting Beliefs and Normative Actions,” *Journal of Personnel Psychology* 12, no. 1 (2013): 45–56; O. Schilke and L. Huang, “Worthy of Swift Trust? How Brief Interpersonal Contact Affects Trust Accuracy,” *Journal of Applied Psychology* 103 (2018): 1181–97, <https://doi.org/10.1037/apl0000321>.
 84. K.T. Dirks and D.L. Ferrin, “The Role of Trust in Organizations,” *Organization Science* 12, no. 4 (2004): 450–67; I. Yang, “What Makes an Effective Team? The Role of Trust (Dis)Confirmation in Team Development,” *European Management Journal* 32, no. 6 (2014): 858–69, <https://doi.org/10.1016/j.emj.2014.04.001>.
 85. Two of the most important changes in teams are empowerment (evident in self-directed teams) and technology and distance (evident in virtual teams). See S.I. Tannenbaum et al., “Teams Are Changing: Are Research and Practice Evolving Fast Enough?,” *Industrial and Organizational Psychology* 5, no. 1 (2012): 2–24.
 86. N. Van Praet, “GE to Modernize Its Aircraft Engine Parts Plant in Quebec,” *Globe & Mail*, February 9, 2017; S. Kessler, “GE Has a Version of Self-Management That Is Much like Zappos’ Holacracy—and It Works,” *Quartz*, June 6, 2017; C. Thatcher, “Smart Factory: GE Aviation,” *Skies Magazine* (blog), August 2, 2017.
 87. S.A. Mohrman, S.G. Cohen, and A.M. Mohrman Jr., *Designing Team-Based Organizations: New Forms for Knowledge Work* (San Francisco: Jossey-Bass, 1995), 39–40; D.E. Yeatts and C. Hyten, *High-Performing Self-Managed Work*

- Teams: A Comparison of Theory and Practice* (Thousand Oaks, CA: Sage, 1998); E.E. Lawler, *Organizing for High Performance* (San Francisco: Jossey-Bass, 2001); R.J. Torraco, "Work Design Theory: A Review and Critique with Implications for Human Resource Development," *Human Resource Development Quarterly* 16, no. 1 (2005): 85–109.
88. P. Panchak, "Production Workers Can Be Your Competitive Edge," *Industry Week*, October 2004, 11; S.K. Muthusamy, J.V. Wheeler, and B.L. Simmons, "Self-Managing Work Teams: Enhancing Organizational Innovativeness," *Organization Development Journal* 23, no. 3 (2005): 53–66.
 89. A. Krause and H. Duncel, "Work Design and Customer Satisfaction: Effects of the Implementation of Semi-Autonomous Group Work on Customer Satisfaction Considering Employee Satisfaction and Group Performance (translated abstract)," *Zeitschrift für Arbeits- und Organisationspsychologie* 47, no. 4 (2003): 182–93; G.L. Stewart, S.H. Courtright, and M.R. Barrick, "Peer-Based Control in Self-Managing Teams: Linking Rational and Normative Influence with Individual and Group Performance," *Journal of Applied Psychology* 97, no. 2 (2012): 435–47; E.E.M. Maurits et al., "Home-Care Nursing Staff in Self-Directed Teams Are More Satisfied with Their Job and Feel They Have More Autonomy over Patient Care: A Nationwide Survey," *Journal of Advanced Nursing* 73, no. 10 (2017): 2430–40, <https://doi.org/10.1111/jan.13298>.
 90. J.L. Cordery et al., "The Impact of Autonomy and Task Uncertainty on Team Performance: A Longitudinal Field Study," *Journal of Organizational Behavior* 31 (2010): 240–58; N.C. Magpili and P. Pazos, "Self-Managing Team Performance: A Systematic Review of Multilevel Input Factors," *Small Group Research* 49, no. 1 (2018): 3–33, <https://doi.org/10.1177/1046496417710500>; M. Renkema, T. Bondarouk, and A. Bos-Nehles, "Transformation to Self-Managing Teams: Lessons Learned: A Look at Current Trends and Data," *Strategic HR Review* 17, no. 2 (2018): 81–84, <https://doi.org/10.1108/SRR-10-2017-0072>.
 91. E. Ulich and W.G. Weber, "Dimensions, Criteria, and Evaluation of Work Group Autonomy," in *Handbook of Work Group Psychology*, ed. M.A. West (Chichester, UK: Wiley, 1996), 247–82.
 92. J. Lipnack and J. Stamps, *Virtual Teams: People Working across Boundaries with Technology* (New York: Wiley, 2001); G. Hertel, S. Geister, and U. Konradt, "Managing Virtual Teams: A Review of Current Empirical Research," *Human Resource Management Review* 15 (2005): 69–95.
 93. L. Schweitzer and L. Duxbury, "Conceptualizing and Measuring the Virtuality of Teams," *Information Systems Journal* 20, no. 3 (2010): 267–95; M.K. Foster et al., "Rethinking Virtuality and Its Impact on Teams," *Small Group Research* 46, no. 3 (2015): 267–99; J.M. Schaubroeck and A. Yu, "When Does Virtuality Help or Hinder Teams? Core Team Characteristics as Contingency Factors," *Human Resource Management Review* 27, no. 4 (2017): 635–47, <https://doi.org/10.1016/j.hrmr.2016.12.009>.
 94. L.L. Gilson et al., "Virtual Teams Research: 10 Years, 10 Themes, and 10 Opportunities," *Journal of Management* 41, no. 5 (2015): 1313–37.
 95. J.L. Cordery and C. Soo, "Overcoming Impediments to Virtual Team Effectiveness," *Human Factors and Ergonomics in Manufacturing & Service Industries* 18, no. 5 (2008): 487–500; A. Ortiz de Guinea, J. Webster, and D.S. Staples, "A Meta-Analysis of the Consequences of Virtualness on Team Functioning," *Information & Management* 49, no. 6 (2012): 301–08; T.A. O'Neill, L.A. Hambley, and G.S. Chatellier, "Cyberslacking, Engagement, and Personality in Distributed Work Environments," *Computers in Human Behavior* 40 (2014): 152–60.
 96. L.L. Martins and M.C. Schilpzand, "Global Virtual Teams: Key Developments, Research Gaps, and Future Directions," *Research in Personnel and Human Resources Management* 30 (2011): 1–72; S. Krumm et al., "What Does It Take to Be a Virtual Team Player? The Knowledge, Skills, Abilities, and Other Characteristics Required in Virtual Teams," *Human Performance* 29, no. 2 (2016): 123–42, <https://doi.org/10.1080/08959285.2016.1154061>; J.L. Gibbs, A. Sivunen, and M. Boyraz, "Investigating the Impacts of Team Type and Design on Virtual Team Processes," *Human Resource Management Review* 27, no. 4 (2017): 590–603, <https://doi.org/10.1016/j.hrmr.2016.12.006>.
 97. S.L. Marlow, C.N. Lacerenza, and E. Salas, "Communication in Virtual Teams: A Conceptual Framework and Research Agenda," *Human Resource Management Review* 27, no. 4 (December 2017): 575–89, <https://doi.org/10.1016/j.hrmr.2016.12.005>; L. Handke et al., "Teams, Time, and Technology: Variations of Media Use Over Project Phases," *Small Group Research* 50, no. 2 (2019): 266–305, <https://doi.org/10.1177/1046496418824151>.
 98. G.G. Harwood, "Design Principles for Successful Virtual Teams," in *The Handbook of High-Performance Virtual Teams: A Toolkit for Collaborating across Boundaries*, ed. J. Nemiro and M.M. Beyerlein (San Francisco: Jossey-Bass, 2008), 59–84. Also see H. Duckworth, "How TRW Automotive Helps Global Virtual Teams Perform at the Top of Their Game," *Global Business and Organizational Excellence* 28, no. 1 (2008): 6–16; L. Dubé and D. Robey, "Surviving the Paradoxes of Virtual Teamwork," *Information Systems Journal* 19, no. 1 (2009): 3–30.
 99. L. Dubé and D. Robey, "Surviving the Paradoxes of Virtual Teamwork," *Information Systems Journal* 19, no. 1 (2009): 3–30.
 100. V.H. Vroom and A.G. Jago, *The New Leadership* (Englewood Cliffs, NJ: Prentice Hall, 1988), 28–29.
 101. M. Diehl and W. Stroebe, "Productivity Loss in Idea-Generating Groups: Tracking Down the Blocking Effects," *Journal of Personality and Social Psychology* 61 (1991): 392–403; B.A. Nijstad, W. Stroebe, and H.F.M. Lodewijkx, "Production Blocking and Idea Generation: Does Blocking Interfere with Cognitive Processes?," *Journal of Experimental Social Psychology* 39, no. 6 (2003): 531–48; D.D. Henningsen and M.L.M. Henningsen, "Generating Ideas About the Uses of Brainstorming: Reconsidering the Losses and Gains of Brainstorming Groups Relative to Nominal Groups," *Southern Communication Journal* 78, no. 1 (2013): 42–55, <https://doi.org/10.1080/1041794X.2012.717684>.
 102. B.E. Irmer, P. Bordia, and D. Abusah, "Evaluation Apprehension and Perceived Benefits in Interpersonal and Database Knowledge Sharing," *Academy of Management Proceedings* (2002): B1–B6; L. McGrath, "When Pairing Reduces Scaring: The Effect Of Dyadic Ideation On Evaluation Apprehension," *International Journal of Innovation Management* 19, no. 04 (2015): 1550039, <https://doi.org/10.1142/S1363919615500395>.

103. A.D. Stajkovic, D. Lee, and A.J. Nyberg, "Collective Efficacy, Group Potency, and Group Performance: Meta-Analyses of Their Relationships, and Test of a Mediation Model," *Journal of Applied Psychology* 94, no. 3 (2009): 814–28; J. Schepers et al., "Fields of Gold: Perceived Efficacy in Virtual Teams of Field Service Employees," *Journal of Service Research* 14, no. 3 (2011): 372–89. OB experts describe team efficacy as efficacy toward a specific task, whereas team potency is the team's general efficacy.
104. D. Miller, *The Icarus Paradox: How Exceptional Companies Bring About Their Own Downfall* (New York: HarperBusiness, 1990); G. Whyte, "Recasting Janis's Groupthink Model: The Key Role of Collective Efficacy in Decision Fiascoes," *Organizational Behavior and Human Decision Processes* 73, no. 2–3 (1998): 185–209; K. Tasa and G. Whyte, "Collective Efficacy and Vigilant Problem Solving in Group Decision Making: A Non-Linear Model," *Organizational Behavior and Human Decision Processes* 96, no. 2 (2005): 119–29; H.J.M. Kooij-de Bode, D. Van Knippenberg, and W.P. Van Ginkel, "Good Effects of Bad Feelings: Negative Affectivity and Group Decision-Making," *British Journal of Management* 21, no. 2 (2010): 375–92; T.L. Rapp et al., "The Role of Team Goal Monitoring in the Curvilinear Relationship between Team Efficacy and Team Performance," *Journal of Applied Psychology* 99, no. 5 (2014): 976–87, <https://doi.org/10.1037/a0036978>; W.-W. Park, M.S. Kim, and S.M. Gully, "Effect of Cohesion on the Curvilinear Relationship Between Team Efficacy and Performance," *Small Group Research* 48, no. 4 (2017): 455–81, <https://doi.org/10.1177/1046496417709933>.
105. A.C. Edmondson and Z. Lei, "Psychological Safety: The History, Renaissance, and Future of an Interpersonal Construct," *Annual Review of Organizational Psychology and Organizational Behavior* 1, no. 1 (2014): 23–43, <https://doi.org/10.1146/annurev-orgpsych-031413-091305>; A. Newman, R. Donohue, and N. Eva, "Psychological Safety: A Systematic Review of the Literature," *Human Resource Management Review* 27, no. 3 (2017): 521–35, <https://doi.org/10.1016/j.hrmr.2017.01.001>.
106. The term *brainstorm* dates back to a New York murder trial in February 1907, during which an alienist (psychiatrist) gave expert testimony that the accused had a "brain storm," which he described as a form of temporary insanity. But by the mid-1920s, a brainstorm was associated with creative thinking. For example, *Popular Science* magazine's lead article in April 1926 described innovative camera operators, one of whom received a film award for a brainstorm of filming while strapped to a windmill. Advertising executive Alex Osborn (the O in BBDO, the largest creative agency owned by Omnicom) first described the brainstorming process in the little-known 1942 booklet *How to Think Up* (p. 29). Osborn gave a fuller description of the brainstorming process in his popular 1948 (*Your Creative Power*) and 1953 (*Applied Imagination*) books. See A.F. Osborn, *How to Think Up* (New York: McGraw-Hill, 1942), Chap. 4; A.F. Osborn, *Your Creative Power* (New York: Scribner's Sons, 1948); A.F. Osborn, *Applied Imagination* (New York: Scribner's Sons, 1953).
107. B. Mullen, C. Johnson, and E. Salas, "Productivity Loss in Brainstorming Groups: A Meta-Analytic Integration," *Basic and Applied Psychology* 12(1991): 2–23.
108. R.I. Sutton and A. Hargadon, "Brainstorming Groups in Context: Effectiveness in a Product Design Firm," *Administrative Science Quarterly* 41(1996): 685–718; T. Kelley, *The Art of Innovation* (New York: Currency Doubleday, 2001); T. Kelley, *The Ten Faces of Innovation* (New York: Doubleday, 2005); A.B. Hargadon and B.A. Bechky, "When Collections of Creatives Become Creative Collectives: A Field Study of Problem Solving at Work," *Organization Science* 17, no. 4 (2006): 484–500, <https://doi.org/10.1287/orsc.1060.0200>; K. Sawyer, *Group Genius: The Creative Power of Collaboration* (New York: Basic Books, 2007). However, brainstorming researchers now suggest that brainstorming can be quite effective when specific conditions are put in place. See: P.B. Paulus and J.B. Kenworthy, "Effective Brainstorming," in *The Oxford Handbook of Group Creativity and Innovation*, ed. P.B. Paulus and B.A. Nijstad (New York: Oxford University Press, 2019), 287–306.
109. J. Barua and P.B. Paulus, "Effects of Training on Idea Generation in Groups," *Small Group Research* 39, no. 5 (2008): 523–41; N.W. Kohn, P.B. Paulus, and Y.H. Choi, "Building on the Ideas of Others: An Examination of the Idea Combination Process," *Journal of Experimental Social Psychology* 47(2011): 554–61. An excellent exception is a recent study that investigated quantity, quality, and diversity of ideas in brainstorming, although there may be questions about how easily idea quality can be measured. See: J.M. Levine et al., "Group Brainstorming: When Regulatory Nonfit Enhances Performance," *Group Processes & Intergroup Relations* 19, no. 2 (2016): 257–71, <https://doi.org/10.1177/136843021557226>. Also, recent evidence suggests that the most creative ideas are found in earlier rather than later ideas presented in brainstorming groups. See: B.R. Johnson and C.J. D'Lauro, "After Brainstorming, Groups Select an Early Generated Idea as Their Best Idea," *Small Group Research* 49, no. 2 (2018): 177–94, <https://doi.org/10.1177/1046496417720285>.
110. N.W. Kohn and S.M. Smith, "Collaborative Fixation: Effects of Others' Ideas on Brainstorming," *Applied Cognitive Psychology* 25, no. 3 (2011): 359–71; A. Fink et al., "Stimulating Creativity Via the Exposure to Other People's Ideas," *Human Brain Mapping* 33, no. 11 (2012): 2603–10.
111. P.A. Heslin, "Better Than Brainstorming? Potential Contextual Boundary Conditions to Brainwriting for Idea Generation in Organizations," *Journal of Occupational and Organizational Psychology* 82, no. 1 (2009): 129–45; J.S. Linsey and B. Becker, "Effectiveness of Brainwriting Techniques: Comparing Nominal Groups to Real Teams," in *Design Creativity 2010*, ed. T. Taura and Y. Nagai (London: Springer London, 2011), 165–71; N. Michinov, "Is Electronic Brainstorming or Brainwriting the Best Way to Improve Creative Performance in Groups? An Overlooked Comparison of Two Idea-Generation Techniques," *Journal of Applied Social Psychology* 42 (2012): E222–E243; M. Litcanu et al., "Brain-Writing Vs. Brainstorming Case Study For Power Engineering Education," *Procedia - Social and Behavioral Sciences* 191 (2015): 387–90, <https://doi.org/10.1016/j.sbspro.2015.04.452>.
112. R.B. Gallupe, L.M. Bastianutti, and W.H. Cooper, "Unblocking Brainstorms," *Journal of Applied Psychology* 76 (1991): 137–42; W.H. Cooper et al., "Some Liberating Effects of Anonymous Electronic Brainstorming," *Small Group Research* 29, no. 2 (1998): 147–78; J. Barua and P.B. Paulus, "The Role of Time and Category Relatedness

- in Electronic Brainstorming," *Small Group Research* 47, no. 3 (2016): 333–42, <https://doi.org/10.1177/1046496416642296>; H. Al-Samarraie and S. Hurmuzan, "A Review of Brainstorming Techniques in Higher Education," *Thinking Skills and Creativity* 27 (2018): 78–91, <https://doi.org/10.1016/j.tsc.2017.12.002>.
113. A.L. Delbecq, A.H. Van de Ven, and D.H. Gustafson, *Group Techniques for Program Planning: A Guide to Nominal Group and Delphi Processes* (Middleton, WI: Green Briar Press, 1986).
114. S. Frankel, "NGT + MDS: An Adaptation of the Nominal Group Technique for Ill-Structured Problems," *Journal of Applied Behavioral Science* 23 (1987): 543–51; H. Barki and A. Pinsonneault, "Small Group Brainstorming and Idea Quality: Is Electronic Brainstorming the Most Effective Approach?," *Small Group Research* 32, no. 2 (2001): 158–205; P. P. Lago et al., "Structuring Group Decision Making in a Web-Based Environment by Using the Nominal Group Technique," *Computers & Industrial Engineering* 52, no. 2 (2007): 277–95; D.M. Spencer, "Facilitating Public Participation in Tourism Planning on American Indian Reservations: A Case Study Involving the Nominal Group Technique," *Tourism Management* 31, no. 5 (2011): 684–90.
- a. C. Goldsberry, "Industrial Molds Group Keeps on Winning," *Plastics Today*, June 25, 2012; S. Baranek, "Industrial Molds Group: Thinking Outside of the Box," *MoldMaking Technology*, June 1, 2012; M. Hill, "Collaboration Makes the Impossible Possible," *MoldMaking Technology*, June 1, 2014; J. Reall, "Industrial Builds on Value of Collaboration," *Plastics News*, March 24, 2016.
- b. "Siemens Industry Motion Control," *Works Management Factory Tours* (October 2, 2013), www.wmfactorytours.co.uk/article-details/siemens-industry-motion-control/56719/ (accessed May 9, 2016); F. Mathijssen, "The Story of Nike's Obeya," *Planet Lean*, December 11, 2014; A. Kreyenberg, "The Obeya Room—Tool and Mirror for Culture Change," in *agile42 Connect* (Berlin 2015); F. Parisot, "PSA Généralise Les Réunions Virtuelles (PSA Generalizes Virtual Meetings)," *L'usine Nouvelle*, January 15, 2015; "The Olympian Task of Transforming ING," News release (ING Bank, February 16, 2017); M. Korytowska, "Obeya Room in Portfolio Management," *LinkedIn Pulse*, February 11, 2019.
- c. TINYpulse, *7 Vital Trends Disrupting Today's Workplace*, 2013 TINYpulse Employee Engagement Survey (Seattle: TINYpulse, December 2013); CareerBuilder, "Overwhelming Majority of Companies Say Soft Skills Are Just as Important as Hard Skills, According to a New Careerbuilder Survey," news release (Chicago: CareerBuilder, April 10, 2014); Association of American Colleges & Universities, *Falling Short? College Learning and Career Success* (Washington, DC: Hart Research Associates, January 20, 2015); *The Class of 2016 Student Survey Report* (Bethlehem, PA: National Association of Colleges and Employers, October 2016).
- d. C. Higgins, "Rijksmuseum to Reopen after Dazzling Refurbishment and Rethink," *The Guardian*, April 5, 2013; TEFAF, *TEFAF New York Fall 2016—A Conversation with Taco Dibbits, Director of the Rijksmuseum*, YouTube (New York, 2016), <https://www.youtube.com/watch?v=lmzwcp1-IVQ>; W. Aghina and A. Webb, "The Rijksmuseum's Agile Process: An Interview with Director Taco Dibbits," *McKinsey Quarterly*, October 2018.
- e. K. Scott, "Treatwell Flies Global Workforce to Barcelona for Team-Building Exercise," *Employee Benefits (London, UK)*, September 14, 2016; "Local Faith Communities Start Aurora Habitat for Humanity Home; Nicor Gas Employees Pitch In," *Daily Herald (Arlington Heights, IL)*, May 23, 2017; R. Inman, "Why We Used an Iron Chef Competition as a Team Building Exercise," *Cobalt Blog*, February 2, 2017, <http://www.cobalt.net/used-iron-chef-competition-team-building-exercise>; "Best Fintechs to Work For," *American Banker*, February 24, 2019.
- f. K.M. Kniffin et al., "Eating Together at the Firehouse: How Workplace Commensality Relates to the Performance of Firefighters," *Human Performance* 28, no. 4 (2015): 281–306; J. Hicks, "Ready to Handle the Heat: Waterloo Firefighter a Culinary Contender on Chopped Canada," *Waterloo Regional Record* (Kitchener, Ontario, Canada), January 29, 2015, A1; P. Mathieu, "Recipe Rescue: Bond over Meal Prep," *Canadian Firefighter*, April 11, 2016; "How Food Helps Both Firefighters and Families Bond," *CBC News*, December 21, 2017.
- g. K. Monsen and J. deBlok, "Buurtzorg Nederland," *American Journal of Nursing* 113, no. 8 (2013): 55–59; J.D. Blok, "Neighbourhood Scheme Transforms Services," *Primary Health Care* 25, no. 2 (2015); B. Gray, D.O. Sarnak, and J. Burgers, *Home Care by Self-Governing Nursing Teams: The Netherlands' Buurtzorg Model*, The Commonwealth Fund (New York: May 29, 2015); "The Buurtzorg Model—Buurtzorg International," *Buurtzorg—About Us*, accessed May 2, 2019, <https://www.buurtzorg.com/about-us/buurtzorgmodel/>; L. Gill, "Buurtzorg and the Power of Self-Managed Teams of Nurses," Episode 26, *Leadermorphosis*, December 17, 2018, accessed May 2, 2019, <http://leadermorphosis.co/ep-26-buurtzorg-and-the-power-of-self-managed-teams-of-nurses>.
- h. G.R. Berry, "Enhancing Effectiveness on Virtual Teams: Understanding Why Traditional Team Skills Are Insufficient," *The Journal of Business Communication* 48, no. 2 (2011): 186–206.
- i. N. Weil, "Global Team Management: Continental Divides," *CIO*, January 23, 2008.
- j. M. O'Brien, "Long-Distance Relationship Troubles," *Human Resource Executive Online*, July 7, 2009.
- k. *Long-Distance Loathing (Summary and Data)*, (Provo, Utah: VitalSmarts, March 2009); "Virtual Reality: Remote Employees Experience More Workplace Politics Than Onsite Teammates," News Release (Provo, Utah: VitalSmarts, November 2, 2017).
- l. O. Staley, "The Creator of WordPress Shares His Secret to Running a Remote Workplace," *Quartz at Work*, May 29, 2018; "Work With Us," *Automattic* (blog), 2019, <https://automattic.com/work-with-us/>.
- m. C. Duhigg, *Smarter, Faster, Better: The Secrets of Being Productive in Life and Business* (New York: Random House, 2016), Chap. 2; "Guide: Understand Team Effectiveness," *Re:Work (Google Blog)* (blog), accessed May 3, 2019, <https://rework.withgoogle.com/print/guides/5721312655835136/>; "How to Foster Psychological Safety on Your Teams" (Google), accessed May 3, 2019, https://docs.google.com/document/d/1PsndMS2emcPLgMLFAQCXZjO7C4j2hJ7znOq_g2Zkjgk/export?format=pdf.



9

Communicating in Teams and Organizations



Learning Objectives ➤

After studying this chapter, you should be able to:

- LO 9-1** Explain why communication is important in organizations, and discuss four influences on effective communication encoding and decoding.
- LO 9-2** Compare and contrast the advantages and disadvantages of digital written communication channels, other verbal communication channels, and nonverbal communication.
- LO 9-3** Discuss the relevance of synchronicity, social presence, social acceptance, and media richness when choosing the preferred communication channel.
- LO 9-4** Discuss various barriers (noise) to effective communication, including cross-cultural and gender-based differences in communication.
- LO 9-5** Explain how to get your message across more effectively, and summarize the elements of active listening.
- LO 9-6** Summarize effective communication strategies in organizational hierarchies, and review the role and relevance of the organizational grapevine.

Stewart Butterfield dislikes email. “When I open my email it’s a giant casserole of email from family, friends, people we work with outside our organization,” complains the Silicon Valley entrepreneur (shown in the photo) who cofounded Flickr and more recently Slack. “It’s a real mixed bag and there’s a high cognitive tax of going through it and there’s an information overload.” However, Butterfield doesn’t predict that email will soon disappear, in spite of its flaws. “[Email’s] still the lowest common denominator in a positive way. For example, it crosses organizational boundaries and everyone has it.”

Even so, email is being pushed aside as employees discover the advantages of using a variety of emerging digital communication channels and products. “Every team needs a series of [communication] tools to work together,” explains Jason Fried, founder and CEO of Basecamp, the software company whose namesake product competes with Slack. “They need a way to make announcements to one another, and they need a way to do real-time conversation, and also slow-time asynchronous-style conversation.”



PART 3: TEAM PROCESSES

Slack, Basecamp, Microsoft Teams, Facebook Workplace, and many other workplace collaboration platforms integrate these and other forms of digital communication. However, many users complain that these platforms can be distracting and noisy. For instance, one recent study found that Slack users interrupt their work every five minutes, on average, just to check messages on Slack. “I found myself compulsively checking Slack even when I had no need to,” admits Alicia Liu, a software engineer in San Francisco. “And as a result, I was in a constant state of distraction.”

Hans Desjarlais, founder of travel website Flightlist, adds that digital communication platforms create endless dialogues that waste time and energy. “Slack has proven to be a great distraction as conversations tend to go on without a time limit.” A related problem is that employees are overwhelmed by the variety of communication channels. “Where there are so many channels and people involved, it gets cluttered,” warns Darius Foroux, a productivity blogger in the Netherlands. “If our brains are too cluttered and we’re processing too much information, our productivity and focus decreases.”



Jason Henry/The New York Times/Redux

Slack and other enterprise-grade digital platforms have become hugely popular communication tools in contemporary organizations, but they also create new issues about how to communicate effectively in the workplace.



Another concern is that employees are reluctant to switch from lean chat messages to richer channels when the issues become complex and ambiguous. “Slack’s a great tool, but the key is to define where it can be used most appropriately, and where more traditional solutions, such as conference calls and face to face meetings, actually work better,” advises Ben Taylor, cofounder of the HomeWorkingClub.com.

Octavian Costache agrees. “When my engineering team has to decide what they want to build in the next two weeks, this is hard to do without meetings,” says the cofounder and chief technology officer of Stellar Health. “There’s so much volume of information [in face-to-face gatherings]...I have this image of a giant pipe, so much richness. It couldn’t go on Slack.”¹

We are currently experiencing the most significant and disruptive transformation of organizational communication in our lifetimes. Digital real-time group messaging (chat rooms), task-management pages, video conferences, private messaging (pings), document repositories, intranet wikis, and other methods barely existed a decade ago. Indeed, many organizations in the United States and other countries are still struggling with whether—let alone determining how—to incorporate these new ways of interacting in the workplace. Digital communication offers significant potential for information sharing and social bonding. Equally important, employees use these emerging communication channels in their private lives and expect to have them available at work.

communication
the process by which information is transmitted and *understood* between two or more people

Communication refers to the process by which information is transmitted and *understood* between two or more people. We emphasize the word *understood* because communication is effective when the receiver accurately deciphers the sender’s message. This chapter begins by discussing the importance of effective communication, outlining the communication process model, and discussing factors that improve communication coding and decoding. Next, we identify types of communication channels, including digital messaging and social media, followed by factors to consider when choosing a communication medium. The chapter then identifies barriers to effective communication. The latter part of the chapter looks at communication in organizational hierarchies and offers insight about the pervasive organizational grapevine.

The Importance of Communication

LO 9-1

Effective communication is vital to all organizations, so much so that no company could exist without it. The reason? Recall from Chapter 1 that organizations are defined as groups of people who work interdependently toward some purpose. People work interdependently only when they can communicate with one another. Although organizations rely on a variety of coordinating mechanisms (which we discuss in Chapter 13), frequent, timely, and accurate communication remains the primary means through which employees and work units effectively synchronize their work.² Chester Barnard, a telecommunications CEO and pioneer in organizational behavior theory, made this observation back in 1938: “An organization comes into being when there are persons able to communicate with each other.”³

In addition to coordination, communication is the means through which knowledge enters the organization and is distributed to employees.⁴ A third function of communication is decision making. Imagine the challenge of making a decision without any information about the decision context, the alternatives available, the likely outcomes of those options, or the extent to which the decision is achieving its objectives. All of these ingredients require communication from coworkers and stakeholders in the external environment. For example, airline cockpit crews make much better decisions—and thereby cause far fewer accidents—when the captain encourages the other pilots to openly share information.⁵

HOW WELL DO ORGANIZATIONS SUPPORT INTERNAL COMMUNICATION?^a



(photo): rawpixel/123RF

A fourth function of communication is to change behavior.⁶ When conveying information to others, we are often trying to alter their beliefs, feelings, and ultimately their behavior. This influence process might be passive, such as merely describing the situation more clearly and fully. But communication is often a deliberate attempt to change someone's thoughts and actions. We will discuss the topic of persuasion later in this chapter.

A fifth function of communication is to support employee well-being.⁷ One way that communication minimizes stress is by conveying knowledge that helps employees better manage their work environment. For instance, research shows that new employees adjust much better to the organization when coworkers communicate subtle nuggets of wisdom, such as how to complete work procedures correctly, find useful resources, handle difficult customers, and avoid office politics.⁸ The second way communication minimizes stress is emotionally; talking with others can be a soothing balm during difficult times. Indeed, people are less susceptible to colds, cardiovascular disease, and other physical and mental illnesses when they have regular social interaction.⁹ In essence, people have an inherent drive to bond, to validate their self-worth, and to maintain their social identity. Communication is the means through which these drives and needs are fulfilled.

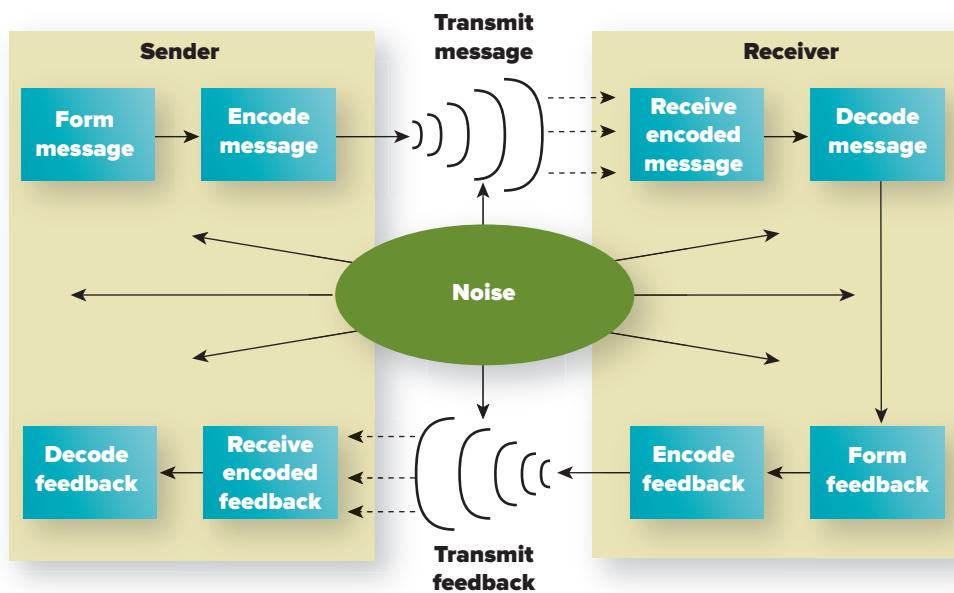
A Model of Communication

The model presented in Exhibit 9.1 provides a useful “conduit” metaphor for thinking about the communication process.¹⁰ According to this model, communication flows through one or more channels (also called *media*) between the sender and receiver. The sender forms a message and encodes it into words, gestures, voice intonations, and other symbols or signs. Next, the encoded message is transmitted to the intended receiver through voice, text, nonverbal cues, or other channels. The receiver senses and decodes the incoming message into something meaningful. Ideally, the decoded meaning is what the sender had intended.

In most situations, the sender looks for evidence that the other person received and understood the transmitted message. This feedback may involve the receiver repeating the message back to the sender or demonstrating awareness of the message indirectly through the receiver's subsequent actions. Notice that feedback repeats the communication process.

EXHIBIT 9.1

The Communication Process Model



Intended feedback is encoded, transmitted, received, and decoded from the receiver to the sender of the original message.

This model recognizes that communication is not a free-flowing conduit. Rather, the transmission of meaning from one person to another is hampered by *noise*—the psychological, social, and structural barriers that distort and obscure the sender's intended message. If any part of the communication process is distorted or broken, the sender and receiver will not have a common understanding of the message.

INFLUENCES ON EFFECTIVE ENCODING AND DECODING

According to the communication process model, effective communication depends on the sender's and receiver's ability, motivation, role clarity, and situational support to efficiently and accurately encode and decode information. Four main factors influence the effectiveness of this encoding-decoding process.¹¹

First, the sender and receiver encode and decode more effectively when they have similar “codebooks,” which are dictionaries of symbols, language, gestures, idioms, and other tools used to convey information. With similar codebooks, the communication participants are able to encode and decode more accurately because they assign the same or similar meaning to the transmitted symbols and signs. Communication efficiency also improves because there is less need for redundancy (repeating the message in different ways) and less need for confirmation feedback (“So, you are saying that . . .?”).

Second, the encoding-decoding process improves with the sender's experience. The more frequently the sender transmits a particular message or to the same audience, the more s/he learns which words, symbols, voice intonations, and other features transmit



global connections 9.1

Coding-Decoding Divergences Across Generations^b

The contemporary workplace is multigenerational. This new reality may be creating problems in the coding-decoding communication process because each generation has increasingly divergent communication channel preferences, abilities, and even codebooks.

In a recent survey of 14,371 employees across seven countries, 55 percent of Generation Z workers (18–21 year olds) said they are happiest using online chat and instant messaging whereas only 45 percent are happiest with in-person meetings. More than one-third (38 percent) of Millennials and 23 percent of Gen Xers are happiest with chat and messaging. In contrast, only 15 percent of Baby Boomers are happiest using chat or instant messaging. The overwhelming majority of Baby Boomers (85 percent) prefer face-to-face meetings. These results are consistent with separate evidence that more than one-third of Baby Boomers never use instant messaging and almost half of them never use social media to communicate with colleagues or clients.

Problems with cross-generational differences in coding-decoding preferences and abilities are already



antoniodiaz/Shutterstock

apparent. In a recent survey across 33 countries (400 or more respondents per country), 80 percent of employees said that the most important difference with working in a multigenerational workplace is communication styles. Furthermore, 31 percent of respondents said they find it difficult to communicate with coworkers who are not from their generation or in their age group.



the message more clearly and persuasively to others. Third, the encoding-decoding process is better when the sender and receiver are skilled and motivated to use the selected communication channel(s). Some people prefer face-to-face conversations, others prefer text messages, and still others prefer writing and receiving detailed reports. Even when the sender and receiver have the same codebooks, the message can get lost in translation when one or both parties use a channel that they dislike or don't know how to use very well.¹²

Fourth, the encoding-decoding process depends on the sender's and receiver's shared mental models of the communication context. Mental models are visual or relational images of the communication setting, whereas codebooks are symbols used to convey message content (see Chapter 3). For example, a Russian cosmonaut and American astronaut might have shared mental models about the layout and features of the international space station (communication context), yet they experience poor communication because of language differences (i.e., different codebooks). Shared mental models potentially enable more accurate transmission of the message content and reduce the need for communication about the message context.

Communication Channels

LO 9-2

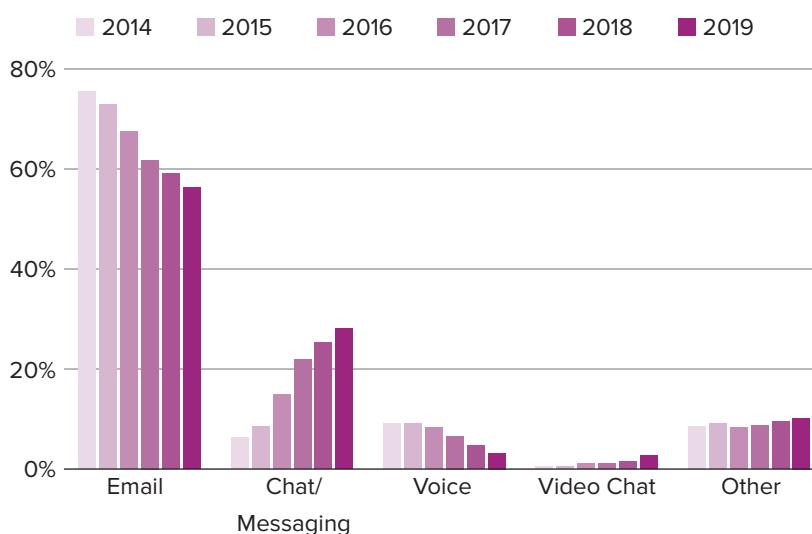


A central feature of the communication model is the channel through which information is transmitted. There are two main types of channels: verbal and nonverbal. Verbal communication uses words, so it includes spoken or written channels. Nonverbal communication is any part of communication that does not use words. Spoken and written communication are both verbal (i.e., they both use words), but they are quite different from each other and have different strengths and weaknesses in communication effectiveness, which we discuss later in this section. Also, written communication has traditionally been much slower than spoken communication at transmitting messages, although email, instant messaging, and other online communication channels have significantly improved written communication efficiency.

DIGITAL WRITTEN COMMUNICATION

In the early 1960s, with funding from the U.S. Department of Defense, university researchers began discussing how to collaborate better by connecting their computers through a network. Their rough vision of connected computers became a reality in 1969 as the Advanced Research Projects Agency Network (ARPANET). ARPANET initially had only a dozen or so connections and was very slow and expensive by today's standards, but it marked the birth of the Internet. Two years later, using that network, a computer engineer sent the first electronic mail (email) message between different computers on a network. By 1973, most communication on ARPANET was through email. ARPANET was mostly restricted to U.S. Defense-funded research centers, so in 1979 two graduate students at Duke University developed a public network system, called Usenet. Usenet allowed people to post information that could be retrieved by anyone else on the network, making it the first public computer-mediated social network.¹³

We have come a long way since the early days of ARPANET and Usenet. Instant messaging, online chat, virtual whiteboards, and other digital text-based communication channels barely existed in organizations a dozen years ago, whereas they are increasingly integrated into enterprise communication platforms. Email still dominates the corporate landscape. Every day, employees in almost every age group use email significantly more often than any other communication channel. Only Generation Z employees—those in their mid-twenties or younger—use online chat more than email in the workplace.¹⁴

EXHIBIT 9.2 Use of Computer-Mediated Communication Channels^c

Percentage of total time in computer-mediated communication at work spent actively using each communication channel. Data are for the month of January 2014 to 2019.

As Exhibit 9.2 shows, there are already signs that email's popularity is waning. The average person in this large continuously monitored sample spent about one hour each work day (18 percent of 5.5 hours of active screen time) engaging in computer-mediated communication. From early 2014 to early 2019, email activity dropped steadily from 75 percent to 56 percent of total computer-mediated communication time. Voice-only communication also dropped (from more than 9 percent to almost 3 percent), although some increase in video chat partly offset the voice-only decline. Meanwhile, online chat and instant messaging jumped from 6.3 percent to 28 percent of total computer-mediated communication over this five-year period.

Why is the preferred type of digital communication changing? One likely explanation is shifting preferences. Younger employees grew up in the era of smartphones, so online real-time (synchronous) chat, text messaging, and other emerging digital text-based communication channels are already embedded in their lives. The other likely reason is opportunity. Slack, Basecamp, Microsoft Teams, and other enterprise-grade collaboration platforms are rapidly being introduced in the workplace. In fact, many of these collaborative communication products didn't exist in 2014! These products rely on chat and messaging, not email, as the core communication channels.

Benefits of Digital Written Communication Almost all workplaces rely heavily on text-based digital communication in one form or another. They have become more popular than face-to-face meetings (in-person or digital), voice conversations, and other media. Why? Because digital messages can be written, edited, and transmitted quickly. Information can be effortlessly appended and conveyed to many people. Most digital text-based channels are also asynchronous (messages are sent and received at different times), so there is no need to coordinate a communication session. Furthermore, email software and almost all of the new collaborative communication platforms include search engines, which makes these channels somewhat efficient filing cabinets.¹⁵

Most digital written communication channels are preferred for sending well-defined information for decision making. They are also the first choice for coordinating work. It is still early to understand the effects of online chat and instant messaging. We do know, however, that when email entered the workplace, it substantially altered the

directional flow of information as well as increased the volume and speed of those messages throughout the organization.¹⁶ In particular, email reduced face-to-face and telephone communication but increased communication with people further up the hierarchy.

When email became the dominant communication channel in organizations, it significantly reduced social and organizational status differences between sender and receiver. This occurred mainly because there are fewer cues to indicate these differences than in face-to-face interactions. Other forms of text-based digital communication (chat, messaging, etc.) have similar characteristics to email, so they will likely continue to minimize status differences. However, status differences still exist to some extent.¹⁷ For instance, one study found that managers signaled their status by replying to emails less quickly and with shorter messages. Text messages can also convey status differences, such as when they are accompanied by an elite signature (e.g., “Sent from my iPhone”).

Email and other forms of digital written communication potentially reduce stereotyping and prejudice because age, race, and other features of the participants are unknown or less noticeable.¹⁸ Compared to face-to-face interactions, digital communication channels also give the sender more time to craft diplomatic messages. However, these diplomatic efforts usually occur only when the writer is aware of potential conflict or perceived prejudice. Otherwise, as we discuss next, digital text-based communication has a tendency to generate and amplify conflict and reliance on stereotypes.

Problems with Digital Written Communication Email, online chat, instant messaging, and other digital written channels dominate organizational communication, but they have several limitations. Here are the top four complaints:

Poor Communication of Emotions People rely on facial expressions and other nonverbal cues to interpret the emotional meaning of words, whereas text messages lack this parallel communication channel. Indeed, people consistently and significantly overestimate the degree to which they understand the emotional tone of digital messages.¹⁹ Senders try to clarify the emotional tone of their messages by using expressive language (“Wonderful to hear from you!”), highlighting phrases in boldface or quotation marks, and inserting graphic faces (called emojis or “smileys”) representing the desired emotion. Studies suggest that writers are getting better at using these emotion symbols. Still, they do not replace the full complexity of real facial expressions, voice intonation, and hand movements.²⁰

Less Politeness and Respectfulness Digital messages are often less diplomatic than messages that are physically transmitted on paper. One reason for “flaming” in digital messages is that individuals can post digital messages before their emotions subside, whereas the sender of a paper-based memo or letter would have time for sober second thoughts. A second reason is that digital messages have low social presence (they are impersonal), which reduces the sender’s empathy and sensitivity. Receivers are also partly to blame for the antagonism generated by digital written communication because they tend to infer a more negative interpretation of the digital message than was intended by the sender.²¹ Fortunately, flaming incidents may be in decline as employees improve their skills with digital channels and as more companies establish explicit norms and rules to minimize flaming and cyberbullying.²²

Inefficient for Ambiguous, Complex, and Novel Situations Digital messages are incredibly efficient for well-defined situations, such as confirming the location of a meeting or giving basic instructions for a routine activity. But this form of communication can be cumbersome and dysfunctional in ambiguous, complex, and novel situations. As we will describe later in this section, these circumstances require communication channels that transmit a

larger volume of information with more rapid feedback. In other words, when the issue gets messy, stop emailing or texting and start talking, preferably face-to-face.

Contributes to Information Overload Digital messages contribute to information overload.²³ Almost 300 billion business and consumer emails and a similar number of text messages are sent and received every day of the year.²⁴ This glut occurs because email and other digital text messages are created and copied to many people without much effort. Text messages are usually much briefer than emails, but they still contribute to information overload because several messages are often transmitted to convey the same information found in fewer emails.

SOCIAL MEDIA COMMUNICATION IN THE WORKPLACE

Until recently, most traditional and early digital communication channels in organizations “pushed” information from the content creator (sender) to the audience. Printed letters, memos, corporate intranet web pages, company magazines and e-zines, video messages from the executive team, policy guidelines, and many other sources of information to employees have been prepared with little or no opportunity for recipients to provide public response, adaptation, or other collaborative contribution to the original message. Even email tends to be one-way “push” communication, such as when the CEO announces corporate news to employees or an employee notifies coworkers about a meeting. These emails offer little or no opportunity for dialogue or amendment by others in the conversation.

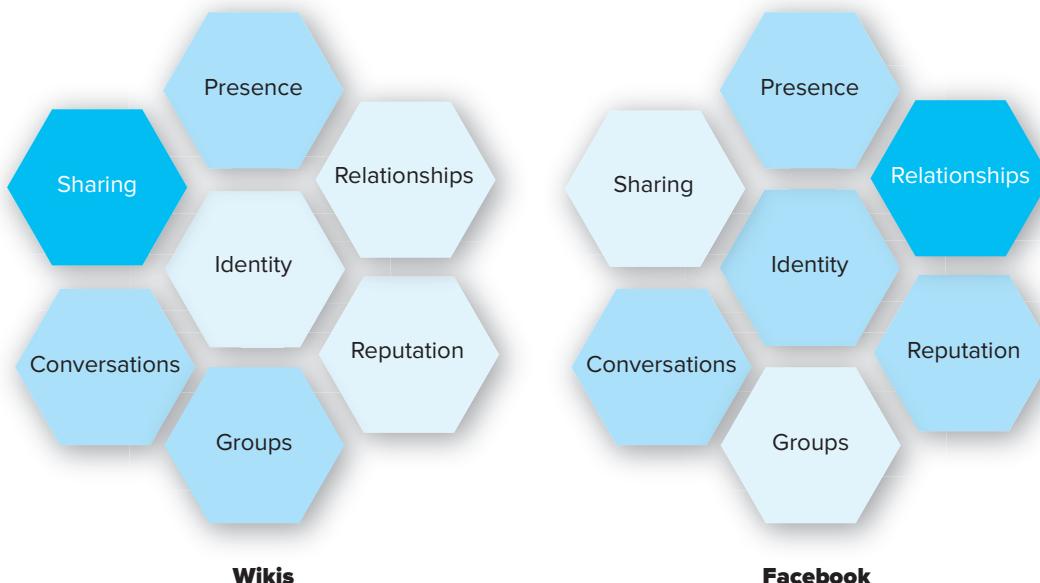
Slack, Microsoft Teams, and other collaborative platforms are quickly shifting organizations from traditional one-way communication to more interactive conversations and information sharing. In other words, they introduce social media into mainstream corporate communication. Although its meaning has been varied and often elusive, we define **social media** as digital (i.e., Internet, intranet-based, mobile, etc.) communication channels that enable people to collaborate in the creation and exchange of user-generated content.²⁵ User-generated content exists when audience members (users) are partly or completely responsible for the creation or amendment of the content.

Social media are called “social” because they enable reciprocally interactive content, such that senders and receivers become “users” in a community of shared content. This collaboration and sense of community occurs through links, interactive conversations, and (for some platforms) common space for collaborative content development. The audience becomes shared content creators by contributing feedback, linking other content, or actively editing the original content. Within and beyond organizations, social media cover a wide range of categories: social networks (Facebook, LinkedIn, WeChat), microblogs (Twitter), blogs and blog communities (Medium, BlogHer), site comments and forums (Reddit, Whirlpool), multimedia sharing (YouTube, Instagram), publishing (Wikipedia), and several others.

Each type of social media serves a unique combination of functions, such as presenting the individual’s identity, enabling conversations, sharing information, sensing the presence of others in the virtual space, maintaining relationships, revealing reputation or status, and supporting communities (see Exhibit 9.3).²⁶ For instance, Facebook has a strong emphasis on maintaining relationships but relatively low emphasis on sharing information or forming communities (groups). Wikis, on the other hand, focus on sharing information or forming communities but have a much lower emphasis on presenting the user’s identity or reputation.

There is increasing evidence that Slack, Microsoft Teams, Basecamp, and other enterprise collaborative communication platforms can improve knowledge sharing and socializing among employees under some conditions.²⁷ When a major credit card company introduced one of these enterprise social media platforms, its employees were 31 percent better at finding information and 71 percent better at finding the person with the original

social media
digital communication
channels that enable people
to collaborate in the creation
and exchange of user-
generated content

EXHIBIT 9.3 Functions of Communicating through Social Media

Source: Based on J.H. Kietzmann, K. Hermkens, I.P. McCarthy, and B.S. Silvestre, "Social Media? Get Serious! Understanding the Functional Building Blocks of Social Media," *Business Horizons* 54, no. 3 (2011): 241–51.

information. A large-scale study of Twitter tweets reported that this form of communication aided employees in transmitting knowledge, maintaining collegiality among coworkers, and strengthening their professional network. Many social media platforms enable feedback, which potentially gives employees more voice, particularly where management encourages feedback.



global connections 9.2

Bosch Employees Improve Collaboration through Social Media^d

A few years ago, Robert Bosch GmbH asked hundreds of its employees to describe their image of a future workplace that supports collaboration and idea generation. From this feedback, the German engineering and electronics company introduced Bosch Connect, an enterprise collaboration platform.

Bosch Connect includes several conditions to support collaboration. First, the online communities are self-organizing; employees set them up without seeking permission from management. Second, the communities are transparent, not hidden or restrictive. This means that any Bosch employee can join a community if it is public, or can ask to join if it is moderated. Third, employees are encouraged to ask questions and offer suggestions, even for communities outside their work specialization.

Bosch Connect has significantly boosted productivity and is now part of everyday work for most of the company's 300,000 employees. For example, one team completed a customer localization project in six days using Bosch Connect rather than email, compared to similar projects that took up to four weeks without Bosch Connect (i.e., mainly



Krisztian Bocsi/Bloomberg/Getty Images

used email). Bosch's social media platform is particularly popular among younger employees. "I'm used to chatting electronically with friends and family and using various social media channels to communicate in my private life," says Ee Von Lim, a Bosch accounting manager in Singapore. "Now when I'm collaborating with colleagues, communication is just as intuitive. That makes me more productive—and my work more fun."

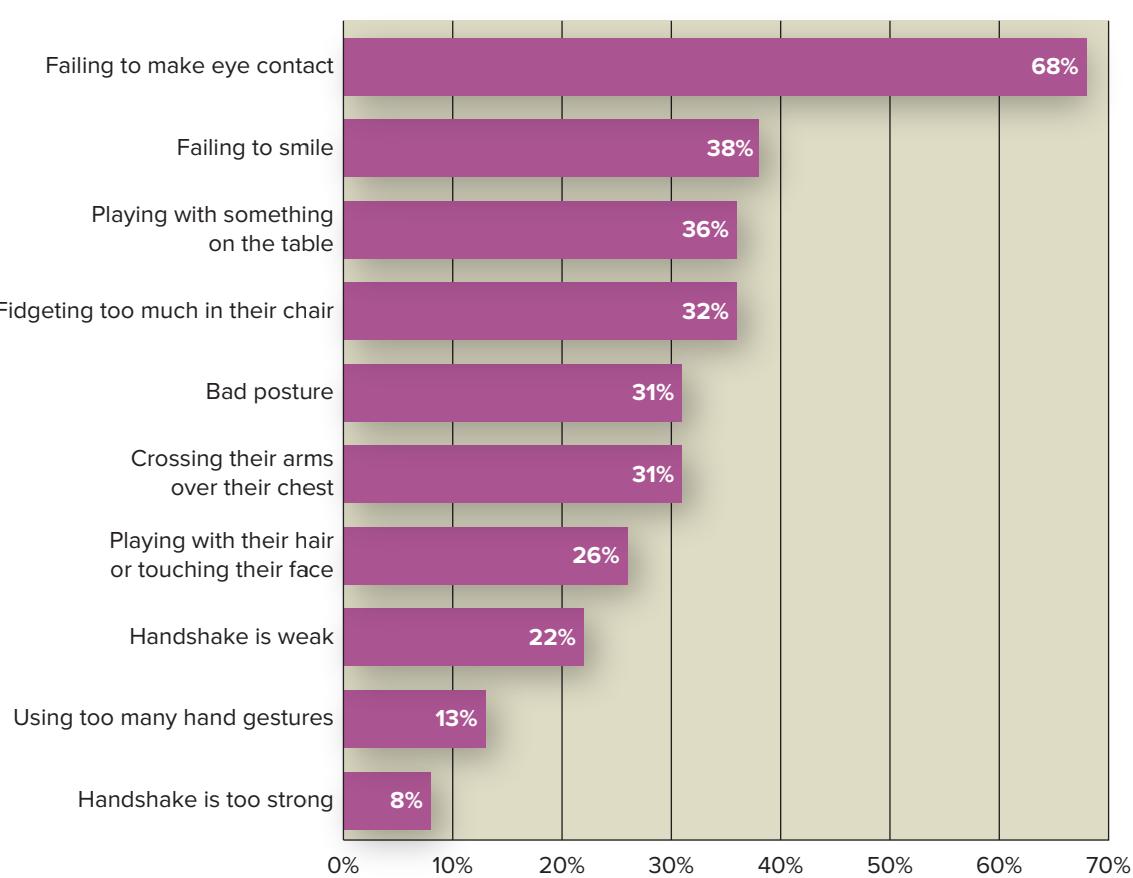
NONVERBAL COMMUNICATION

Nonverbal communication includes facial gestures, voice intonation, physical distance, and even silence.²⁸ This communication channel is necessary where noise or physical distance prevents effective verbal exchanges and the need for immediate feedback precludes written communication. But even in quiet face-to-face meetings, most information is communicated nonverbally. Rather like a parallel conversation, nonverbal cues signal subtle information to both parties, such as reinforcing their interest in the verbal conversation or demonstrating their relative status in the relationship.²⁹ Unfortunately, we often transmit messages nonverbally without being aware of this conversation. For example, Exhibit 9.4 identifies 10 behaviors among job applicants that transmit negative nonverbal messages about their character.

Nonverbal communication differs from verbal (i.e., written and spoken) communication in a couple of ways. First, it is less rule-bound than verbal communication. We receive considerable formal training on how to understand spoken words, but very little on how to understand the nonverbal signals that accompany those words. Consequently, nonverbal cues are generally more ambiguous and susceptible to misinterpretation. At the same time, many facial expressions (such as showing surprise) are hardwired and universal, thereby providing the only reliable means of communicating across cultures.

The other difference between verbal and nonverbal communication is that the former is typically conscious, whereas most nonverbal communication is automatic and nonconscious. We normally plan the words we say or write, but we rarely plan every blink, smile, or other gesture during a conversation. Indeed, as we just mentioned, many of these facial expressions communicate the same meaning across cultures because they are hardwired,

EXHIBIT 9.4 Top 10 Body Language Mistakes in Job Interviews^e



Note: Percentage of more than 1,014 U.S. human resource and hiring managers surveyed who identified each of these nonverbal behaviors as the biggest body language mistakes made by job candidates during hiring interviews.

nonconscious responses to human emotions.³⁰ For example, pleasant emotions cause the brain center to widen the mouth, whereas negative emotions produce constricted facial expressions (squinting eyes, pursed lips, etc.).

Emotional Contagion One of the most fascinating aspects of nonverbal communication is **emotional contagion**, which is the automatic process of “catching” or sharing another person’s emotions by mimicking that person’s facial expressions and other nonverbal behavior. Technically, human beings have brain receptors that cause them to mirror what they observe. In other words, to some degree our brain causes us to act as though we are the person we are watching.³¹

Consider what happens when you see a coworker accidentally bang his or her head against a filing cabinet. Chances are, you wince and put your hand on your own head as if you had hit the cabinet. Similarly, while listening to someone describe a positive event, you tend to smile and exhibit other emotional displays of happiness. While some of our nonverbal communication is planned, emotional contagion represents nonconscious behavior—we automatically mimic and synchronize our nonverbal behaviors with other people.³²

Emotional contagion influences communication and social relationships in three ways.³³ First, mimicry provides continuous feedback, communicating that we understand and empathize with the sender. To consider the significance of this, imagine employees remaining expressionless after watching a coworker bang his or her head! The lack of parallel behavior conveys a lack of understanding or caring. A second function is that mimicking the nonverbal behaviors of other people seems to be a way of receiving emotional meaning from those people. If a coworker is angry with a client, your tendency to frown and show anger while listening helps you experience that emotion more fully. In other words, we receive meaning by expressing the sender’s emotions as well as by listening to the sender’s words.

The third function of emotional contagion is to fulfill the drive to bond that we mentioned earlier in this chapter and was introduced in Chapter 5. Bonding develops through each person’s awareness of a collective sentiment. Through nonverbal expressions of emotional contagion, people see others share the same emotions that they feel. This strengthens relations among team members as well as between leaders and followers by providing evidence of their similarity.

Choosing the Best Communication Channel

LO 9-3

Employees have more communication channels to choose from than ever before, ranging from physical and digital forms of face-to-face interaction to a multitude of ways to transmit written messages. Which communication channel is most appropriate in a particular situation? There are many factors to consider, but the four most important are summarized in Exhibit 9.5 and described in this section.

SYNCHRONICITY

Communication channels vary in their **synchronicity**, that is, the extent to which they require or allow both sender and receiver to be actively involved in the conversation at the same time.³⁴ Face-to-face conversations are almost always synchronous, whereas most digital text communication can occur with each party participating at different times (asynchronous). Emails are typically asynchronous because the receiver doesn’t need to be around when email messages are sent. Online texting can be asynchronous, but some forms (online chat) are often applied in practice as synchronous conversation. Synchronous communication is better when the information is required quickly

emotional contagion

the nonconscious process of “catching” or sharing another person’s emotions by mimicking that person’s facial expressions and other nonverbal behavior

synchronicity

the extent to which the channel requires or allows both sender and receiver to be actively involved in the conversation at the same time (synchronous) or at different times (asynchronous)

EXHIBIT 9.5 Factors in Choosing the Best Communication Channel

CHANNEL CHOICE FACTOR	DESCRIPTION	DEPENDS ON...
Synchronicity	The channel requires or allows the sender and receiver to communicate with each other at the same time (synchronous) or at different times (asynchronous)	<ul style="list-style-type: none"> • Time urgency (immediacy) • Complexity of the topic • Cost of both parties communicating at the same time • Whether receiver should have time to reflect before responding
Social presence	The channel creates psychological closeness to others, awareness of their humanness, and appreciation of the interpersonal relationship	<ul style="list-style-type: none"> • Need to empathize with others • Need to influence others
Social acceptance	The channel is approved and supported by others (receiver, team, organization, or society)	<ul style="list-style-type: none"> • Organizational, team, and cultural norms • Each party's preferences and skills with the channel • Symbolic meaning of the channel
Media richness	The channel has high data-carrying capacity—the volume and variety of information that can be transmitted during a specific time	<ul style="list-style-type: none"> • Situation is nonroutine • Situation is ambiguous

(high immediacy) or where the issue is complex and therefore requires the parties to address several related decisions. Asynchronous communication is better when the issue is simple, the issue has low time urgency, getting both parties together at the same time is costly, and/or the receiver would benefit from time to reflect on the message before responding.

social presence
the extent to which a communication channel creates psychological closeness to others, awareness of their humanness, and appreciation of the interpersonal relationship

SOCIAL PRESENCE

Social presence refers to how much the communication channel creates psychological closeness to others, awareness of their humanness, and appreciation of the interpersonal relationship.³⁵ Some communication channels make us more aware that there is another human being (or several others) in the conversation, and they produce a sense of mutual relationship. Face-to-face interactions almost always have the highest social presence, whereas low social presence would typically occur when sending an email to a large distribution list. Social presence is also stronger in synchronous communication because immediate responses by the other party to our messages increase the sense of connectedness with that person. Although social presence is mostly affected by specific channel characteristics, message content also plays a role. For example, social presence is affected by how casually or formally the message is conveyed and by how much personal information about the sender is included in the message.

A communication channel is valued for its social presence effect when the purpose of the dialogue is to understand and empathize with the other person or group. People are also more willing to listen and help others when there is a degree of interpersonal relationship or feeling of human connectedness. Therefore, channels with high social presence are better when the sender wants to influence the receiver.³⁶

SOCIAL ACCEPTANCE

Social acceptance refers to how well the communication channel is approved and supported for that purpose by the organization, teams, and individuals involved in the exchange.³⁷ One social acceptance factor is the set of norms held by the organization, team, and culture. Norms explain why face-to-face meetings are daily events among staff in some firms, whereas computer-based videoconferencing (such as Skype) and Twitter tweets are the media of choice in other organizations. National culture plays an important role in



preferences for specific communication channels.³⁸ For instance, Koreans are much less likely than Americans to email corporate executives because in Korea email is considered insufficiently respectful of the superior's status. Other research has found that the preference for email depends on the culture's emphasis on context, time, and space in social relationships.

A second social acceptance factor is the sender's and receiver's preferences for specific communication channels.³⁹ You may have noticed that some coworkers ignore (or rarely check) voice mail, yet they quickly respond to text messages or Twitter tweets. These preferences are due to personality traits as well as previous experience and reinforcement with particular channels.

A third social acceptance factor is the symbolic meaning of a channel.⁴⁰ Some communication channels are viewed as impersonal whereas others are more personal; some are considered professional whereas others are casual; some are "cool" whereas others are old-fashioned. For instance, phone calls and other synchronous communication channels convey a greater sense of urgency than do text messages and other asynchronous channels. The importance of a channel's symbolic meaning is perhaps most apparent in stories about managers who use emails or text messages to inform employees that they are fired or laid off. These communication events make headlines because email and text messages are considered inappropriate (too impersonal) for transmission of that particular information.⁴¹

MEDIA RICHNESS

In the opening case study for this chapter, Stellar Health cofounder Octavian Costache commented that Slack and similar digital communication technologies are less effective than face-to-face meetings for the intense, creative discussions he has with the company's engineering team. He specifically noted that online text messages couldn't provide the volume and richness of information exchange that is possible in these meetings. Costache recognizes that communication channels vary in their level of media richness. **Media richness** refers to the medium's data-carrying capacity—the volume and variety of information that can be transmitted during a specific time.⁴²

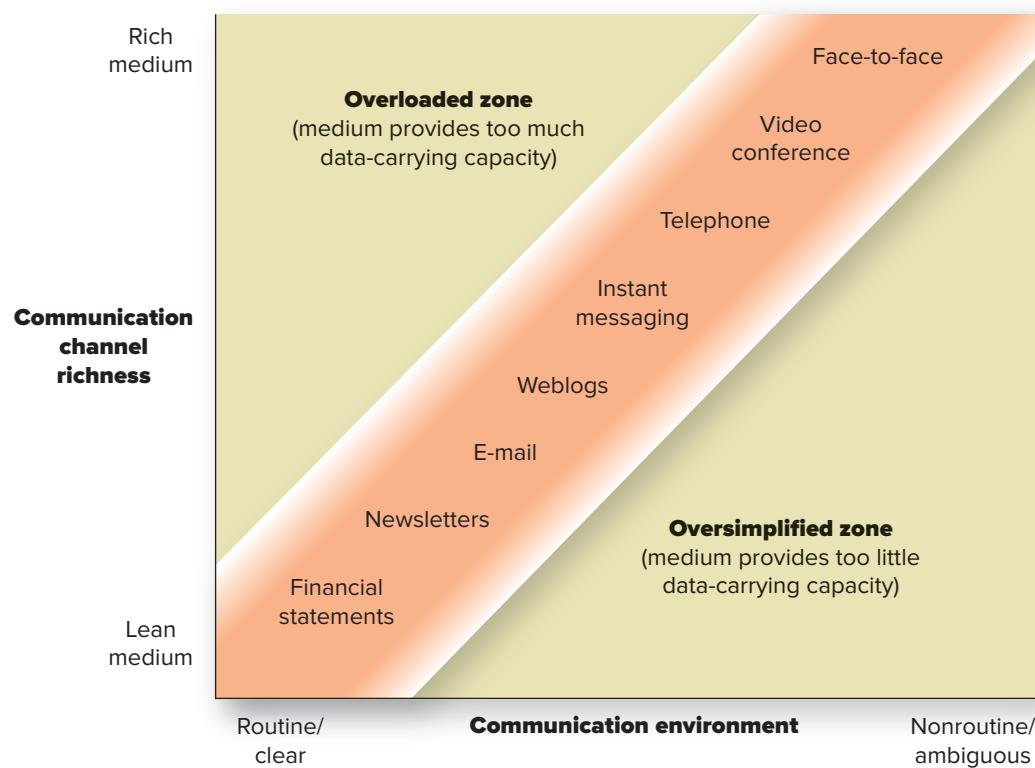
media richness
a communication channel's data-carrying capacity—that is, the volume and variety of information that can be transmitted during a specific time

Exhibit 9.6 illustrates various communication channels arranged in a hierarchy of richness, with face-to-face interaction at the top and lean data-only reports at the bottom. A communication channel has high richness when it is able to convey multiple cues (such as both verbal and nonverbal information), allows timely feedback from receiver to sender, allows the sender to customize the message to the receiver, and makes use of complex symbols (such as words and phrases with multiple meanings).

Face-to-face communication has very high media richness because it allows us to communicate both verbally and nonverbally at the same time, to get feedback almost immediately from the receiver, to quickly adjust our message and style, and to use complex language such as metaphors and idioms (e.g., "spilling the beans"). For example, hospitals increasingly rely on brief daily huddles during which team members share information and expectations about the day's work.⁴³ Rich media tend to be synchronous and have high social presence, but not always.

According to media richness theory, rich media are better than lean media when the communication situation is nonroutine and ambiguous. In nonroutine situations (such as an unexpected and unusual emergency), the sender and receiver have little common experience, so they need to transmit a large volume of information with immediate feedback. Lean media work well in routine situations because the sender and receiver have common expectations through shared mental models. Ambiguous situations also require rich media because the parties must share large amounts of information with immediate feedback to resolve multiple and conflicting interpretations of their observations and experiences.⁴⁴

Choosing the wrong medium reduces communication effectiveness. When the situation is routine or clear, using a rich medium—such as holding a special meeting—would

EXHIBIT 9.6 Media Richness Hierarchy

Sources: Based on R.H. Lengel and R.L. Daft, "The Selection of Communication Media as an Executive Skill," *Academy of Management Executive* 2, no. 3 (August 1988): 226; R.L. Daft and R.H. Lengel, "Information Richness: A New Approach to Managerial Behavior and Organization Design," *Research in Organizational Behavior* 6 (1984): 199.

be a waste of time.⁴⁵ On the other hand, if a unique and ambiguous issue is handled through email or another lean medium, then issues take longer to resolve and misunderstandings are more likely to occur.

Exceptions to the Media Richness Theory Research generally supports media richness theory for traditional channels (face-to-face, written memos, etc.). However, the model doesn't fit reality nearly as well when digital communication channels are studied.⁴⁶ Three factors seem to explain why digital channels may have more media richness than media richness theory predicts:

1. *Ability to multicomunicate.* It is usually difficult (as well as rude) to communicate face-to-face with someone while transmitting messages to another person using another medium. Most digital communication channels, on the other hand, require less social etiquette and attention, so employees can easily engage in two or more communication events at the same time. In other words, they can multicomunicate.⁴⁷ For example, people routinely scan web pages while talking to someone on the phone or video chat (e.g., Skype). Employees tap out text messages to a client while listening to a discussion at a large meeting. Research consistently finds that people multitask less efficiently than they assume,⁴⁸ but the volume of information transmitted simultaneously through two digital communication channels is sometimes greater than through one high media richness channel.
2. *Communication proficiency.* Earlier in this chapter we explained that communication effectiveness is partially determined by the sender's ability and motivation



global connections 9.3

Communicating through Media-Rich Morning Huddles^f

Every morning at 8:45 a.m., thousands of frontline staff and managers at Salt Lake City-based Intermountain Healthcare participate in 15-minute face-to-face huddles to discuss specific events and conditions in their work area. Each huddle specifically discusses the four categories of clinic safety, quality, access, and stewardship of resources. These (usually stand-up) team meetings are a critical media-rich communication practice due to the complex, rapidly changing, and sometimes ambiguous nature of the work in Intermountain's 23 hospitals and 170 clinics.

Reports from those first-level huddles are immediately passed along to about 170 mid-management-level huddles. Information from these management huddles is then discussed in another series of huddles consisting of hospital administrators and clinic leadership. By 10:00 a.m., vital information from all of the previous huddles that morning has risen to Intermountain Healthcare's executive team.



Flamingo Images/Shutterstock

"The process provides three key qualities—clarity, alignment and accountability—for patients and caregivers alike," explains Intermountain Healthcare president and CEO Marc Harrison. "The reporting lets executive leadership know precisely what is happening and unlocks frontline wisdom."

with the communication channel. People with higher proficiency can "push" more information through the channel, thereby increasing the channel's information flow. Experienced smartphone users, for instance, can whip through messages in a flash, whereas new users struggle to type notes and organize incoming messages. In contrast, there is less variation in the ability to communicate through casual conversation and other natural channels because most of us develop good levels of proficiency throughout life and possibly through hardwired evolutionary development.⁴⁹

3. *Social presence effects.* Channels with high media richness tend to have more social presence.⁵⁰ However, high social presence also sensitizes both parties to their relative status and self-presentation, which can distort or divert attention away from the message.⁵¹ Face-to-face communication has very high media richness, yet its high social presence can disrupt the efficient flow of information through that medium. During a personal meeting with the company's CEO, for example, you might concentrate more on your image to the CEO than on what the CEO is saying to you. In other words, the benefits of channels with high media richness may be offset by more social presence distractions, whereas lean media have much less social presence to distract or distort the transmitted information.

persuasion

the use of facts, logical arguments, and emotional appeals to change another person's beliefs and attitudes, usually for the purpose of changing the person's behavior

COMMUNICATION CHANNELS AND PERSUASION

Some communication channels are more effective than others for **persuasion**, that is, changing another person's beliefs and attitudes. Studies support the long-held view that spoken communication, particularly face-to-face interaction, is more persuasive than emails, websites, and other forms of written communication. There are three main reasons for this persuasive effect.⁵² First, spoken communication is typically accompanied by nonverbal communication. People are persuaded more when they receive both emotional

and logical messages, and the combination of spoken with nonverbal communication provides this dual punch. A lengthy pause, raised voice tone, and (in face-to-face interaction) animated hand gestures can amplify the emotional tone of the message, thereby signaling the vitality of the issue.

A second reason why conversations are more persuasive is that spoken communication offers the sender high-quality, immediate feedback about whether the receiver understands and accepts the message (i.e., is being persuaded). This feedback allows the sender to adjust the content and emotional tone of the message more quickly than with written communication. A third reason is that people are persuaded more under conditions of high social presence than low social presence. Listeners have higher motivation to pay attention and consider the sender's ideas in face-to-face conversations (high social presence). In contrast, persuasive communication through a website, email, and other low social presence channels are less effective due to the higher degree of anonymity and psychological distance from the persuader.

Although spoken communication tends to be more persuasive, written communication can also persuade others to some extent. Written messages have the advantage of presenting more technical detail than can occur through conversation. This factual information is valuable when the issue is important to the receiver. Also, people experience a moderate degree of social presence in written communication with friends and coworkers, so written messages can be persuasive when sent and received with close associates.

Communication Barriers (Noise)

LO 9-4

In spite of the best intentions of sender and receiver to communicate, several barriers (called "noise" earlier in Exhibit 9.1) inhibit the effective exchange of information. As American executive and communications expert Joseph W. Coffman said 70 years ago, "The greatest barrier to communication is the illusion that it has been achieved."⁵³

PERCEPTIONS

One barrier is that both sender and receiver have imperfect perceptual processes. As receivers, we don't listen as well as senders assume, and our needs and expectations influence what signals get noticed and ignored. We aren't any better as senders, either. Some studies suggest that we have difficulty stepping out of our own perspectives and stepping into the perspectives of others, so we overestimate how well other people understand the message we are communicating.⁵⁴

LANGUAGE

Language issues can be huge sources of communication noise because sender and receiver seldom have the same codebook. They possibly speak different languages, or might have different meanings for particular words and phrases. The English language (among others) also has built-in ambiguities that cause misunderstandings. Consider the phrase "Can you close the door?" You might assume the sender is asking whether shutting the door is permitted. However, the question might be asking whether you are physically able to shut the door or whether the door is designed such that it can be shut. In fact, this question might not be a question at all; the person could be politely *telling* you to shut the door.⁵⁵

The ambiguity of language isn't always dysfunctional noise.⁵⁶ Corporate leaders sometimes purposively use obscure language to reflect the ambiguity of the topic or to avoid unwanted emotional responses produced by more specific words. They might use metaphors to represent an abstract vision of the company's future, or use obtuse



"You use tech language that I don't understand, so I brought an interpreter."

Jerry King Cartoons

phrases such as “rightsizing” and “restructuring” to obscure the underlying message that people will be fired or laid off. Studies report that effective communicators also use more abstract words and symbols when addressing diverse or distant (not well known to the speaker) audiences, because abstraction increases the likelihood that the message is understood across a broader range of listeners.

JARGON

Jargon—specialized words and phrases for specific occupations or groups—is usually designed to improve communication efficiency. However, it is a source of communication noise when transmitted to people who do not possess the jargon codebook. Furthermore, people who use jargon excessively put themselves in an unflattering light. Not long ago, for example, Twitter co-founder and CEO Jack Dorsey fell into the jargon trap when attempting to gently tell hundreds of Twitter employees that they would be laid off. His email to all staff began: “We are moving forward with a restructuring of our workforce.” After stating that “we plan to part ways with up to 336 people,” he closed with: “We do so with a more purpose-built team, which we’ll

continue to build strength into over time, as we are now enabled to reinvest in our most impactful priorities.” Dorsey’s attempt to soften the blow with corporate speak didn’t have the desired effect, even if employees did figure out what he meant.⁵⁷

FILTERING

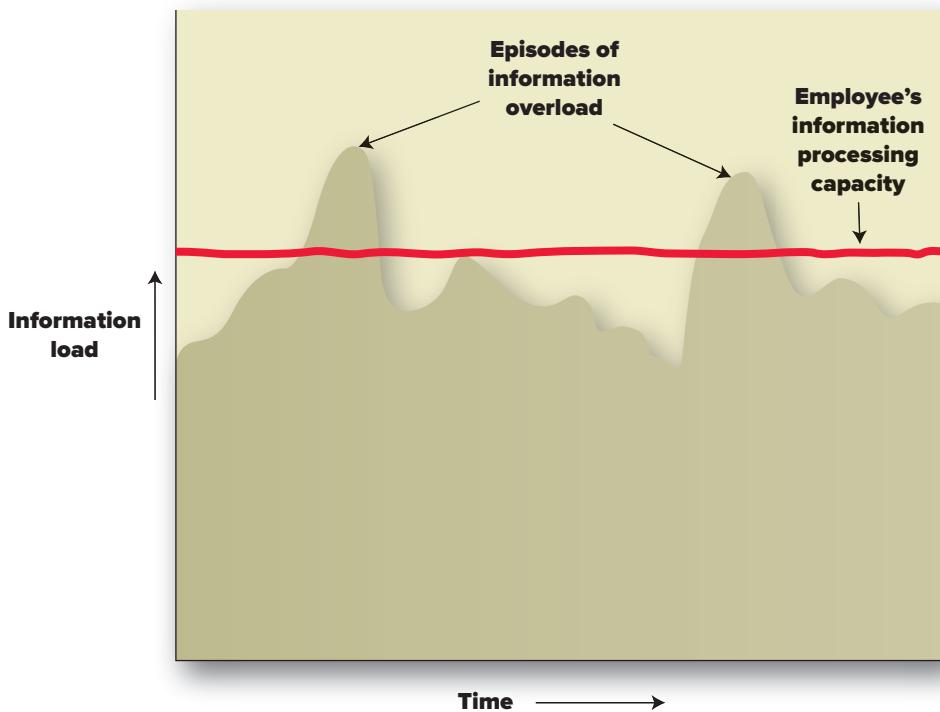
Another source of noise in the communication process is the tendency to filter messages. Filtering may involve deleting or delaying negative information or using less harsh words so the message sounds more favorable.⁵⁸ Filtering is less likely to occur when corporate leaders create a “culture of candor.” This culture develops when leaders themselves communicate truthfully, seek out diverse sources for information, and protect and reward those who speak openly and truthfully.⁵⁹

INFORMATION OVERLOAD

information overload
a condition in which the volume of information received exceeds the person's capacity to process it

Start with a daily avalanche of email, then add in text messages, PDF file downloads, cell/mobile phone calls, web pages, hard copy documents, some Twitter tweets, blogs, wikis, and other sources of incoming information. Altogether, you have created a perfect recipe for **information overload**.⁶⁰ As Exhibit 9.7 illustrates, information overload occurs whenever the job’s information load exceeds the individual’s capacity to get through it. Employees have a certain *information-processing capacity*—the amount of information that they are able to process in a fixed unit of time. At the same time, jobs have a varying *information load*—the amount of information to be processed per unit of time. Information overload creates noise in the communication system because information gets overlooked or misinterpreted when people can’t process it fast enough. Similar to the effects of having too many choices (see Chapter 7), trying to process too much information similarly results in poorer-quality decisions as well as higher stress.⁶¹

Information overload problems can be minimized by increasing our information-processing capacity, reducing the job’s information load, or through a combination of both. Studies suggest that employees often increase their information-processing capacity by temporarily reading faster, scanning through documents more efficiently, and removing distractions that slow information-processing speed. Time management also increases

EXHIBIT 9.7**Dynamics of Information Overload**

information-processing capacity. When information overload is temporary, employees can increase their information-processing capacity by working longer hours.

Information load can be reduced by buffering, omitting, and summarizing. Buffering involves having incoming communication filtered, usually by an assistant. Omitting occurs when we decide to overlook messages, such as using software rules to redirect emails from distribution lists to folders that we rarely look at. Summarizing involves digesting a condensed version of the complete communication, such as reading an executive summary rather than the full report.

Cross-Cultural and Gender Communication

Globalization and increasing cultural diversity within organizations have created more cross-cultural communication issues.⁶² Voice intonation is one form of cross-cultural communication barrier. How loudly, deeply, and quickly people speak varies across cultures, and these voice intonations send secondary messages that have different meanings in different societies.

Language is an obvious cross-cultural communication challenge. Words are easily misunderstood in verbal communication, either because the receiver has a limited vocabulary or the sender's accent distorts the usual sound of some words. For instance, KPMG staff from the United Kingdom sometimes referred to another person's suggestions as "interesting." They had to clarify to their German colleagues that "interesting" might not be complimenting the idea.⁶³

Another cross-cultural dimension of communication is how people interpret conversational gaps (silence) and overlaps. Silence is revered in Japan because it symbolizes respect, indicates that the listener is thoughtfully contemplating what has just been said, and is a way of avoiding overt conflict.⁶⁴ Consequently, the informal communication practice in Japan and a few other countries is to let the other person finish speaking and sometimes wait a second or two before saying anything. In contrast, most people in the



global connections 9.4

Politely Waiting for Some Silence

Miho Aizu has attended many meetings where participants communicated in English. Until recently, the manager at Accenture in Japan thought she communicated well in those sessions. But in a training program conducted by the professional services firm, Aizu learned that Japanese cultural norms held back her involvement in cross-cultural business conversations. One such problem was that she tends to be too polite in waiting for others to finish talking. "I was told I needed to jump into discussions rather than wait until everyone had said what they wanted to say," says Aizu. Managers from North America, South America, the Middle East, and most of Europe seldom allow silence to occur, so Aizu and other Japanese participants are often left out of the conversation.

Aizu also realized that her involvement is held back by the Japanese tendency to be overly self-conscious about imperfect language skills. "During the team discussions, there were many things I wanted to say, but I felt I had to brush up my English language and presentation skills," Aizu admits. In contrast, Accenture managers from many other non-English countries speak up in spite of their broken English.

In Japan, speaking well and waiting for others to finish are signs of respect and cultural refinement. But in meetings with managers across most other cultures, this lack of communication sends a different message. "There are many people who come to me and say they don't know what Japanese people are thinking," says Accenture Japan senior corporate advisor Chikamoto



Dave and Les Jacobs/Blend Images/Getty Images

Hodo. "Our people [at Accenture] are more talkative than most Japanese, but they still have a difficult time communicating with foreigners."

Accenture wants to develop leaders who can communicate effectively across its global operations, so it has developed special programs that coach its managers to engage in better conversations with colleagues and clients across cultures. While Accenture participants learn about Japanese communication practices, Aizu and other Accenture staff in Japan are coached to become more active communicators. "After various training programs, I am more able to say what I need to say, without worrying too much about the exact words," says Satoshi Tanaka, senior manager of human resources at Accenture Japan.⁹

United States and similar cultures avoid silence and interpret those incidents as a sign of disagreement. Conversational overlaps are considered rude in Japan, but people in Brazil, France, and a few other countries tend to view them favorably as an indication of the other person's interest and involvement in the conversation. Meetings in countries that expect overlapping conversations can seem like a chaotic cacophony to those from other cultures.

NONVERBAL DIFFERENCES ACROSS CULTURES

Nonverbal communication represents another potential area for misunderstanding across cultures. Many nonconscious or involuntary nonverbal cues (such as showing surprise) have the same meaning around the world, but deliberate gestures often have different interpretations. For example, most of us shake our head from side to side to say "No," but a variation of head shaking means "I understand" to many people in India. Filipinos raise their eyebrows to give an affirmative answer, yet Arabs interpret this expression (along with clicking one's tongue) as a negative response. Most Americans are taught to maintain eye contact with the speaker to show interest and respect, whereas some North American native groups learn at an early age to show respect by looking down when an older or more senior person is talking to them.⁶⁵

EXHIBIT 9.8 Gender Differences in Communication

WHEN MEN COMMUNICATE	WHEN WOMEN COMMUNICATE
 <ul style="list-style-type: none"> Report talk—give advice, assert power Give advice directly Dominant conversation style Apologize less often Less sensitive to nonverbal cues 	 <ul style="list-style-type: none"> Rapport talk—relationship building Give advice indirectly Flexible conversation style Apologize more often More sensitive to nonverbal cues

(Photos): Brittany Herbert/McGraw-Hill Education

GENDER DIFFERENCES IN COMMUNICATION

Men and women have similar communication practices, but there are subtle distinctions that can occasionally lead to misunderstanding and conflict (see Exhibit 9.8).⁶⁶ One distinction is that men are more likely than women to view conversations as negotiations of relative status and power. They assert their power by directly giving advice to others (e.g., “You should do the following”) and using combative language. There is also evidence that men dominate the talk time in conversations with women, as well as interrupt more and adjust their speaking style less than do women.

Men engage in more “report talk,” in which the primary function of the conversation is impersonal and efficient information exchange. Women also do report talk, particularly when conversing with men, but conversations among women have a higher incidence of relationship building through “rapport talk.”⁶⁷ Women use more tentative speech patterns, including modifiers (“It might be a good idea...”), disclaimers (“I’m not certain, but...”), and tag questions (“This works, doesn’t it?”). They also make more use of indirect requests (“Do you think you should...”), apologize more often, and seek advice from others more quickly than do men. These gender differences are modest, however, mainly because men also use these speech patterns to some extent. Research does indicate that women are more sensitive than men to nonverbal cues in face-to-face meetings. Together, these conditions can create communication conflicts. Women who describe problems get frustrated that men offer advice rather than rapport, whereas men become frustrated because they can’t understand why women don’t appreciate their advice.

Improving Interpersonal Communication

LO 9-5

Effective interpersonal communication depends on the sender’s ability to get the message across and the receiver’s performance as an active listener. In this section, we outline these two essential features of effective interpersonal communication.

GETTING YOUR MESSAGE ACROSS

This chapter began with the statement that effective communication occurs when the other person receives and understands the message. This is more difficult to accomplish than most people believe. To get your message across to the other person, the sender must learn to empathize with the receiver, repeat the message, choose an appropriate time for the conversation, and be descriptive rather than evaluative.

- *Empathize*—Recall from Chapter 3 that empathy is a person’s ability to understand and be sensitive to the feelings, thoughts, and situation of others. In conversations, empathy involves putting yourself in the receiver’s shoes when encoding the message. For instance, be sensitive to words that may be ambiguous or trigger the wrong emotional response.
- *Repeat the message*—Rephrase the key points a couple of times. The saying “Tell them what you’re going to tell them; tell them; then tell them what you’ve told them” reflects this need for redundancy.
- *Use timing effectively*—Your message competes with other messages and noise, so find a time when the receiver is less likely to be distracted by these other matters.
- *Be descriptive*—Focus on the problem, not the person, if you have negative information to convey. People stop listening when the information attacks their self-concept. Also, suggest things the listener can do to improve, rather than pointing to him or her as the problem.

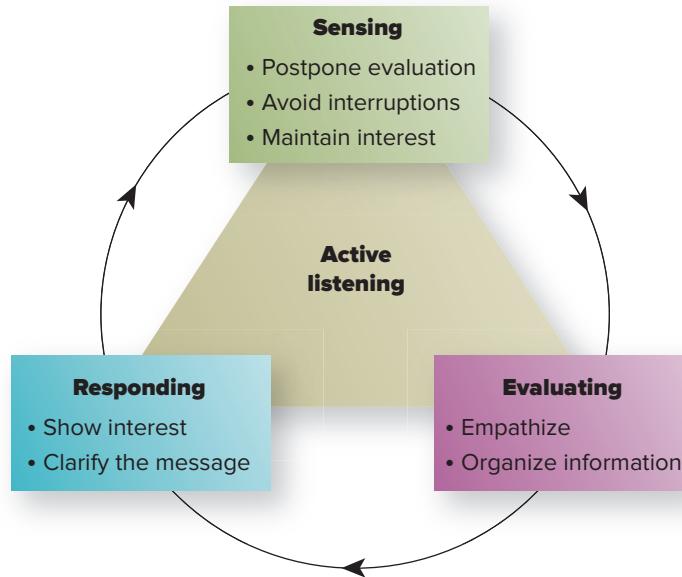
ACTIVE LISTENING

Listening is at least as important as talking. As one sage wisely wrote: “Nature gave us one tongue, but two ears, so we may listen twice as much as we speak.”⁶⁸ But listening is more than just hearing the other person making sounds; it is a process of actively sensing the sender’s signals, evaluating them accurately, and responding appropriately.

These three components of listening—sensing, evaluating, and responding—reflect the listener’s side of the communication model described at the beginning of this chapter. Listeners receive the sender’s signals, decode them as intended, and provide appropriate and timely feedback to the sender. Active listeners constantly cycle through sensing, evaluating, and responding during the conversation and engage in various activities to improve these processes (see Exhibit 9.9).⁶⁹

EXHIBIT 9.9

Active Listening Process and Strategies





Sensing is the process of receiving signals from the sender and paying attention to them. Active listeners improve sensing in three ways. First, they postpone evaluation by not forming an opinion until the speaker has finished. Second, they avoid interrupting the speaker's conversation. Third, they remain motivated to listen to the speaker.

Evaluating includes understanding the message meaning, evaluating the message, and remembering the message. To improve their evaluation of the conversation, active listeners empathize with the speaker—they try to understand and be sensitive to the speaker's feelings, thoughts, and situation. Evaluation also improves by organizing the speaker's ideas during the communication episode.

Responding, the third component of listening, involves providing feedback to the sender, which motivates and directs the speaker's communication. Active listeners accomplish this by maintaining sufficient eye contact and sending back channel signals (e.g., "I see"), both of which show interest. They also respond by clarifying the message—rephrasing the speaker's ideas at appropriate breaks ("So you're saying that...?").



SELF-ASSESSMENT 9.1: Are You an Active Listener?

Listening is a critical component of communication. But most people put more effort into how well they communicate as a sender than how well they listen as a receiver. Active listening is a skill that can be learned, so the first step is to know which components of active listening require further development. You can discover your level of active listening by locating this self-assessment in Connect if it is assigned by your instructor.

Improving Communication throughout the Hierarchy

LO 9-6

So far, we have looked at micro-level issues in the communication process, namely, sending and receiving information between two employees or the informal exchanges of information across several people. But in this era where knowledge is competitive advantage, corporate leaders also need to maintain an open flow of communication up, down, and across the entire organization. In this section, we discuss three organization-wide communication strategies: workspace design, Internet-based communication, and direct communication with top management.

WORKSPACE DESIGN

To improve information sharing and create a more sociable work environment, many organizations have torn down the cubicle walls. In addition, they have incorporated informal spaces for small teams and happenstance gatherings.⁷⁰ The location and design of hallways, offices, cubicles, and communal areas (cafeterias, elevators) all shape to whom we speak as well as the frequency of that communication. Although these open-space arrangements increase the amount of face-to-face communication, they also potentially produce more noise, distractions, and loss of privacy.⁷¹ Still, the challenge is to increase social interaction without raising noise and distraction levels.

Another workspace strategy is to cloister employees into team spaces, but also encourage sufficient interaction with people from other teams. Pixar Animation Studios constructed its campus in Emeryville, California, with these principles in mind. The building

John Legere has straightforward advice for all leaders. “The most powerful formula for success is three simple steps: 1. Shut up and listen to your customers and employees. 2. Do what they tell you. 3. Repeat.” The CEO of T-Mobile practices what he preaches. His town hall meetings with employees are famous. He tweets incessantly with customers and staff alike. And he interacts personally—not just remotely—with the people on the front lines. “At T-Mobile, we’ve cut through the layers—and hierarchy—to listen to employees directly every single day,” he says. “I’ve personally flown over a million miles to visit our call centers and retail stores—because it’s so important to cut out all the layers and hear directly from employees.”⁷⁰

Andrew Weber/AP/Shutterstock



encourages communication among team members. At the same time, the campus encourages happenstance interactions with people on other teams. Pixar executives call this the “bathroom effect” because team members must leave their isolated pods to fetch their mail, have lunch, or visit the restroom.⁷²

DIGITALLY-BASED ORGANIZATIONAL COMMUNICATION

For decades, employees received official company news through hard copy newsletters and magazines. Some firms still use these communication devices, but the traditional company magazine has almost completely been replaced by intranet web pages or PDF format files. The advantage of these *e-zines* is that company news can be prepared and distributed quickly.

Even so, employees are increasingly skeptical of information that has been screened and packaged by management. A few companies try to adapt to this skepticism by encouraging employees to post their own news using internal collaborative communication channels such as blogs and wikis.⁷³ Wikis are collaborative web spaces in which anyone in a group can write, edit, or remove material from the website. *Wikipedia*, the popular online encyclopedia, is a massive public example of a wiki. The accuracy of internal corporate wikis depends on the quality of participants. Another concern is that wikis have failed to gain employee support, likely because wiki involvement takes time and the company does not reward or recognize those who provide this time to wiki development.⁷⁴

DIRECT COMMUNICATION WITH TOP MANAGEMENT

Effective organizational communication includes regular interaction directly between senior executives and employees further down the hierarchy. One form of direct communication is through town hall meetings, where executives brief a large gathering of staff on the company’s current strategy and results. Although the communication is mostly from executives to employees, town hall meetings are more personal and credible than video or written channels. Also, these events usually provide some opportunity for employees to ask questions. Another strategy is for senior executives to hold roundtable forums with a small representation of employees, mainly to hear their opinions on various issues.



A less formal approach to direct communication is **management by wandering around (MBWA)**. Coined by people at Hewlett-Packard four decades ago, this is essentially the practice in which senior executives get out of their offices and casually chat with employees on a daily or regular basis.⁷⁵ Bob Courteau actively practices MBWA by casually meeting employees and trawling social media. “Management by wandering around was a big new idea as part of the Hewlett Packard way ... and I have practiced it heavily in my career,” says Courteau, who initially worked at Hewlett Packard and for the past several years has been CEO of Altus Group, a large Toronto-based commercial real estate services and software company.⁷⁶

Filtering is less prevalent when executives engage in regular casual conversations directly with employees. Direct conversations also help executives acquire a deeper meaning and quicker understanding of internal organizational problems. A third benefit of direct communication is that employees might have more empathy for decisions made further up the corporate hierarchy.

Communicating through the Grapevine

Organizational leaders may try their best to quickly communicate breaking news to employees through emails, Twitter tweets, and other direct formal channels, but employees still rely to some extent on the corporate **grapevine**. The grapevine is an unstructured and informal network founded on social relationships rather than organizational charts or job descriptions. What do employees think about the grapevine? Surveys of two firms—one in Florida, the other in California—found that almost all employees use the grapevine, but very few of them prefer this source of information. The California survey also reported that only one-third of employees believe grapevine information is credible. In other words, employees turn to the grapevine when they have few other options.⁷⁷

GRAPEVINE CHARACTERISTICS

Research conducted several decades ago reported that the grapevine transmits information very rapidly in all directions throughout the organization. The typical pattern is a cluster chain, whereby a few people actively transmit information to many others. The grapevine works through informal social networks, so it is more active where employees have similar backgrounds and are able to communicate easily. Many rumors seem to have at least a kernel of truth, possibly because they are transmitted through media-rich communication channels (e.g., face-to-face) and employees are motivated to communicate effectively. Nevertheless, the grapevine distorts information by deleting fine details and exaggerating key points of the story.⁷⁸

Some of these characteristics might still be true, but the grapevine almost certainly has changed as text messaging, email, and other social media practices have replaced the traditional water cooler as sources of gossip. For example, several Facebook sites are unofficially themed around specific companies, allowing employees and customers to vent

their complaints about the organization. Along with altering the speed and network of corporate grapevines, the Internet has expanded these networks around the globe, not just around the next cubicle.

management by wandering around (MBWA)
a communication practice in which executives get out of their offices and learn from others in the organization through face-to-face dialogue

grapevine
an unstructured and informal communication network founded on social relationships rather than organizational charts or job descriptions

GRAPEVINE BENEFITS AND LIMITATIONS

Should the grapevine be encouraged, tolerated, or quashed? The difficulty in answering this question is that



debating point

SHOULD MANAGEMENT USE THE GRAPEVINE TO COMMUNICATE TO EMPLOYEES?

The grapevine has been the curse of management since modern-day organizations were invented. News flows with stealthlike efficiency below the surface, making it difficult to tell where information is traveling, what is being said to whom, or who is responsible for any misinformation. Although employees naturally flock to the grapevine for knowledge and social comfort in difficult times, its messages can be so distorted that it sometimes produces more stress than it alleviates. It is absurd to imagine management trying to systematically transmit important information—or any news whatsoever—through this uncontrollable, quirky communication channel.

But some communication experts are taking a second look at the grapevine, viewing it more as a resource than a nemesis. Their inspiration comes from marketing, where viral and word-of-mouth marketing have become hot topics.ⁱ Viral and word-of-mouth marketing occur when information seeded to a few people is transmitted to others based on patterns of friendship. In other words, information is passed along to others at the whim of those who first receive that information. Within organizations, this process is essentially the grapevine at work. Employees transmit information to other people within their sphere of everyday interaction.

The grapevine might seem to transmit information in strange and unreliable ways, but there are two contrary arguments. First, the grapevine channel is becoming more robust and reliable, thanks to social media and other emerging forms of digital communication. These media have produced a stronger scaffolding than ever before, which potentially makes the grapevine more useful for transmitting information.

The second argument is that the grapevine tends to be more persuasive than traditional communication channels from management to

employees. The grapevine is based on social networks, which we discuss in the next chapter. Social networks are an important source of organizational power because they are built on trust, and trust increases acceptance of information sent through those networks. Consequently, the grapevine tends to be far more persuasive than other communication channels.

The power of the grapevine as a communication tool was illustrated when Novo Nordisk tried to change the image of its regulatory affairs staff.^j The European pharmaceutical company made limited progress after a year of using traditional communication channels. “We had posters, meetings, competitions, and everything else you would expect,” recalls communication adviser Jakob Wolter. “By the end of it, we’d achieved something—a general awareness among our people—but very little else.”

So Novo Nordisk took another route. During the half-yearly gathering of all employees, nine regulatory staff were given wax-sealed confidential envelopes that assigned them to one of three “secret societies.” Between conference sessions, these employees met with the managing director, who assigned their manifesto, including a mandate and budget. They were also told to keep their mission secret, saying to inquisitive coworkers, “I can’t tell you.”

“The rumor mill started right there that day,” says Wolter. “People were already wondering what on earth was going on.” The societies were allowed to recruit more employees, which they did in subsequent months. Many employees throughout Novo Nordisk became intrigued, spreading their opinions and news to others. Meanwhile, empowered to improve their image and work processes, members of the three secret societies introduced several initiatives that brought about improvements.

the grapevine has both benefits and limitations.⁷⁹ One benefit, as was mentioned earlier, is that employees rely on the grapevine when information is not available through formal channels. It is also the main conduit through which organizational stories and other symbols of the organization’s culture are communicated. A third benefit of the grapevine is that this social interaction relieves anxiety. This explains why rumor mills are most active during times of uncertainty.⁸⁰ Finally, the grapevine is associated with the drive to bond. Being a recipient of gossip is a sign of inclusion, according to evolutionary psychologists. Trying to quash the grapevine is, in some respects, an attempt to undermine the natural human drive for social interaction.⁸¹

While the grapevine offers these benefits, it is not a preferred communication medium. Grapevine information is sometimes so distorted that it escalates rather than reduces employee anxiety. Furthermore, employees develop more negative attitudes toward the organization when management is slower than the grapevine in communicating information. What should corporate leaders do with the grapevine? The best advice seems to be



to listen to the grapevine as a signal of employee anxiety, then correct the cause of this anxiety. Some companies also listen to the grapevine and step in to correct blatant errors and fabrications. Most important, corporate leaders need to view the grapevine as a competitor and meet this challenge by directly informing employees of news before it spreads throughout the grapevine.

chapter summary

LO 9-1 Explain why communication is important in organizations, and discuss four influences on effective communication encoding and decoding.

Communication refers to the process by which information is transmitted and *understood* between two or more people. Communication supports work coordination, organizational learning, decision making, the changing of others' behavior, and employee well-being. The communication process involves forming, encoding, and transmitting the intended message to a receiver, who then decodes the message and provides feedback to the sender. Effective communication occurs when the sender's thoughts are transmitted to and understood by the intended receiver. The effectiveness of this process depends on whether the sender and receiver have similar codebooks, the sender's proficiency at encoding that message to the audience, the sender's and receiver's motivation and ability to transmit messages through that particular communication channel, and their common mental models of the communication context.

LO 9-2 Compare and contrast the advantages and disadvantages of digital written communication channels, other verbal communication channels, and nonverbal communication.

The two main types of communication channels are verbal and nonverbal. Email still dominates organizational communication, but other forms of digital written communication (chat, text) are becoming more common because they are preferred by younger employees and recently developed collaborative communication platforms are being adopted in organizations. The main advantages of digital written communication is that it can be written, edited, and transmitted quickly to many people. Most of these channels reduce social and organizational status differences, are asynchronous and, with search functions, are somewhat efficient filing cabinets.

Digital written communication has a number of disadvantages. It is relatively poor at communicating emotions, tends to reduce politeness and respect, and contributes to information overload. It is also inefficient at communicating in ambiguous, complex, and novel situations.

Organizations have recently been installing digital collaborative platforms, most of which emphasize communication channels that encourage interactive conversations and information sharing rather than one-way communication. They are social media—digital communication channels that enable people to collaborate in the creation and exchange of user-generated content. Social media enable reciprocally interactive content, such that senders and receivers become

"users" in a community of shared content. Each type of social media serves a unique combination of functions (e.g., enabling conversations, sharing information, maintaining relationships).

Nonverbal communication includes facial gestures, voice intonation, physical distance, and even silence. Unlike verbal communication, nonverbal communication is less rule-bound and is mostly automatic and nonconscious. Some nonverbal communication is automatic through a process called emotional contagion.

LO 9-3 Discuss the relevance of synchronicity, social presence, social acceptance, and media richness when choosing the preferred communication channel.

The most appropriate communication medium depends on several factors. Synchronicity refers to the channel's capacity for the sender and receiver to communicate at the same time (synchronous) or at different times (asynchronous). Synchronous channels are better when the issue is urgent or the topic is complex. Asynchronous channels are better when it is costly for both parties to communicate at the same time or when the receiver should have time to reflect before responding. A channel has high social presence when it creates psychological closeness to the other party and awareness of their humanness. This is valuable when the parties need to empathize or influence each other. Social acceptance refers to how well the communication medium is approved and supported by others. This acceptance depends on organizational or societal norms, each party's preferences and skills with the channel, and the symbolic meaning of a channel. Media richness refers to a channel's data-carrying capacity. Nonroutine and ambiguous situations require rich media. However, technology-based lean media may be possible where users can multicomunicate, have high proficiency with that technology, and don't have social distractions.

LO 9-4 Discuss various barriers (noise) to effective communication, including cross-cultural and gender-based differences in communication.

Several barriers create noise in the communication process. People misinterpret messages because of misaligned codebooks due to different languages, jargon, and the use of ambiguous phrases. Filtering messages and information overload are two other communication barriers. These problems are often amplified in cross-cultural settings, where these problems occur, along with differences in the meaning of nonverbal cues, silence, and conversational overlaps. There are also some communication differences between

men and women, such as the tendency for men to exert status and engage in report talk in conversations, whereas women use more rapport talk and are more sensitive to non-verbal cues.

LO 9-5 Explain how to get your message across more effectively, and summarize the elements of active listening.

To get a message across, the sender must learn to empathize with the receiver, repeat the message, choose an appropriate time for the conversation, and be descriptive rather than evaluative. Listening includes sensing, evaluating, and responding. Active listeners support these processes by postponing evaluation, avoiding interruptions, maintaining interest, empathizing, organizing information, showing interest, and clarifying the message.

LO 9-6 Summarize effective communication strategies in organizational hierarchies, and review the role and relevance of the organizational grapevine.

Some companies try to encourage communication across the organization through workspace design as well as through Internet-based communication channels. Some executives also meet directly with employees by engaging in management by wandering around (MBWA) and by holding town-hall meetings.

In any organization, employees rely on the grapevine, particularly during times of uncertainty. The grapevine is an unstructured and informal network founded on social relationships rather than organizational charts or job descriptions. Although early research identified several unique features of the grapevine, some of these features may be changing as the Internet plays an increasing role in grapevine communication.

key terms

communication, p. 330

emotional contagion, p. 340

grapevine, p. 353

information overload, p. 346

management by wandering around

(MBWA), p. 353

media richness, p. 342

persuasion, p. 344

social media, p. 337

social presence, p. 341

synchronicity, p. 340

critical thinking questions

1. You have been hired as a consultant to improve communication between engineering and marketing staff in a large high-technology company. Use the communication model and the four ways to improve that process to devise strategies to improve communication effectiveness among employees between these two work units.
2. A consumer goods company holds quarterly meetings involving its three dozen sales managers. These managers are located in several cities and countries, so more than half of them “participate” in the meeting as remote attendees. The one-day meeting has an opening and closing talk by CEO and vice president of sales, but most of the day consists of open discussion as well as one small-group session on strategic and operations sales issues. Which digital communication channel(s) would likely work best for involving the remote participants in these sessions? You may assume that more than one digital channel can be used throughout the day and, for some channels, more than one channel may be used at the same time. Your answer should refer to the four factors to consider when choosing the best communication channel (synchronicity, social presence, social acceptance, and media richness).
3. Wikis are collaborative websites where anyone in the group can post, edit, or delete any information. Where might this communication technology be most useful in organizations?
4. Under what conditions, if any, do you think it is appropriate to use a text message to notify an employee that he or she has been laid off or fired? Why are text messages and other digital written communication channels usually considered inappropriate for conveying this information?
5. Suppose you are part of a remote team and must persuade other team members on an important matter (such as switching suppliers or altering the project deadline). Assuming you cannot visit these people in person, what can you do to maximize your persuasiveness?
6. Under what circumstances should communication messages be somewhat ambiguous? Under what conditions is ambiguous communication dysfunctional?
7. Explain why men and women are sometimes frustrated with each other's communication behaviors.
8. In your opinion, has the introduction of digital written communication (email, instant messages, online chat, etc.) increased or decreased the amount of information flowing through the corporate grapevine? Explain your answer.



CASE STUDY: SILVER LINES: CHALLENGES IN TEAM COMMUNICATION

By Nuzhat Lotia, University of Melbourne

Exhausted by the day's events, Sarah slumped into the chair at her desk. She was feeling very frustrated, and sensed things were starting to fall apart. Silver Lines was such a successful business and they had such an effective team,

but things were not looking as rosy as they had been even a year ago!

A decade ago, Sarah, along with her two friends Stephanie and Gloria and mentor Helen, started a small business to

sell silver jewelry they had designed and made themselves. Sarah had always dreamed of owning her own business and had been following some successful female entrepreneurs on the Internet. Inspired by their stories, Sarah decided to quit her job to set up her own business. She loved silver as a medium and was passionate about jewelry. She had delved into designing and making jewelry mainly as a hobby and had ended up selling a few pieces to friends and acquaintances. This was a path that appealed to her.

Sarah gazed out of her office window remembering those days filled with excitement and a sense of camaraderie. She had often worked 14 hours a day setting up the shop, located in a busy shopping strip in Melbourne, Australia. Although Stephanie and Gloria continued with their jobs, they worked at the shop in the evenings and on weekends. The business had taken off much faster than anyone had anticipated and soon they were sourcing silver products from other artisans in Australia. Their product lines expanded from jewelry to homeware, such as decorative pieces, boxes, candlesticks, plates and bowls, etc. Eighteen months later, they decided to open up another shop in Melbourne. A third shop followed soon after, and at this time Stephanie and Gloria left their jobs to join forces with Sarah and Helen.

Sarah and Helen were the creative team responsible for sourcing products and identifying suppliers. Stephanie was the management and IT expert, who managed their inventory system and supplier database. Gloria was responsible for advertising and promotion. Success came in leaps and bounds. Five years after it began, the business had expanded and the group owned eight shops in shopping strips and shopping centers across metropolitan Melbourne plus two shops in New South Wales. Additionally, some small boutique shops in rural areas of the state (Victoria) carried their merchandise.

The four partners were joined by Erica and Juliana to form the management team. Erica was the finance and accounts manager. Juliana managed relationships with shops in rural Victoria that carried their products and investigated expansion opportunities. Silver Lines now employed about 55 staff, with each shop having a shop manager and four to six shift-based shop floor staff. The management team worked well together as they had developed a strong bond. Given the expansion of the business and their different roles, they tended to be out and about a lot. As the business had grown and as the founders had started families, they had made a commitment that they would all work flexibly in order to meet their family and parenting responsibilities.

Within this flexible work culture, a key to their effective management and business success was the fact that they had open and effective communication systems in place. For example, the management team met twice a month and rotated their meetings at each shop. This enabled them to stay in touch with shop staff as well as running their management meeting. In addition, they used emails, texts and phone calls to discuss any urgent matters. In the past year, however, it had become increas-

ingly difficult to hold these meetings at different venues, and the last two meetings in the nearby state of New South Wales shops had to be cancelled because four of the six members could not travel due to some personal family commitments.

They also held retreats twice a year for all staff, which enabled employees to meet each other and management to discuss their plans with everyone. This way they were able to keep everyone connected. They had also recently started holding an "expo-meet" once a year at which they brought all of their existing and potential suppliers, designers and artisans together to discuss their requirements and trends and to see any exhibits that the participants brought with them. This they had found to be a very good way of developing and maintaining their ties with these important business associates. The expo-meet was a two-day event that started with a dinner the night before followed by two days of exhibitions, talks, seminars and meetings. While Juliana spearheaded the management of these events, they took up quite a bit of the entire management team's time. Around the time of the annual expo, they usually ended up meeting every week and sometimes twice a week. Last year, while planning the annual expo-meet, however, attendance of the management team at these meetings had started to lag and Juliana had found this extremely frustrating. A couple of things had gone wrong at that expo-meet because it hadn't been as immaculately planned as usual by the team. Juliana had felt very let down and there had been a fair bit of tension at the next management meeting.

Given these issues, Stephanie suggested that they should try out video conferencing, using Skype as a way to ensure attendance at meetings. Everyone liked the idea and once the initial teething and technical issues were resolved, virtual meetings using Skype became the norm. They found that they were able to get a lot more done and were saving travelling time and money as a result. Once they were comfortable with the system, they started including shop staff on a rotational basis. A few weeks later, though, Helen began to notice that the shop staff were not as forthcoming with their comments and feedback as they had been previously in the face-to-face meetings. This was particularly true of one of the Melbourne and one of the Sydney shops, where they had recently recruited new staff. Helen reflected on this issue but decided it was probably due to the fact that they were new to the team and would become more vocal as they become more comfortable in their jobs.

At one of the meetings with the Sydney staff, Helen asked whether the order that they had discussed at the previous meeting had arrived and how the sales were going. Surprised at the question, the shop manager Tanya asked which order she was referring to. It soon became clear to everyone that Tanya had not known that she was meant to follow up on the order. She said she remembered the conversation, but had thought that Helen was talking to Gloria about the order and not to her. Helen was shocked to hear this and was worried that they may

have lost some very good business as a result of this confusion. The management team discussed how to resolve the issue and went on to talk through other agenda items on the list.

In the coming months, the management team realised that they were beginning to lose business and that some valuable external relationships were being affected. Every time this was questioned, it turned out that something had been misunderstood or misinterpreted. Staff members appeared confused about who was doing what, who was being addressed and who was taking what responsibility. There was some irritability and frustration building up, and at times this spilled into anger. The staff's contribution in meetings was also no longer as vibrant as it used to be. Ingrid, who was a long-standing shop manager, felt that the process of meetings had changed and that management often seemed to be in a hurry to discuss and close off agenda items. There was a growing sense of unrest in the team, and although many people had picked up on it, team issues were not being discussed as before.

As Sarah sat at her desk now, she wished that Helen had brought up the issue when she first sensed it. She wished they had all said something about the tension they were starting to feel. Perhaps this would have prevented the disaster they had experienced today. It had been the opening day of this year's expo-meet, which was being held at a town hall in Melbourne. There, they discovered that no one had booked the smaller rooms needed for the concurrent morning seminars. Juliana panicked on learning this and called Sarah out of the opening session to tell her what had

happened. Sarah was equally shocked but kept her cool and started to consider what could be done. She asked Tanya to find out if there were any rooms available—this resulted in her booking the only available room.

Together, Juliana and Sarah decided to hold one seminar in the available room and the rest of the three seminars in different corners of the big hall where the opening session was held and the display stalls were laid out. While the seminars had taken place, the quality of discussions was compromised due to the colocation. They had received a few complaints from participants, who had found it difficult to hear the discussions. Juliana was very upset and angry, as were the others, who felt that their reputation had been tarnished. They discovered that once again there had been miscommunication among them over who was going to book the seminar rooms. The planning for the event had been done primarily through Skype meetings and telephone communication. Sarah sat there thinking that they needed to get back to meeting face-to-face: "Clearly this new technology has worsened things for us!"

Discussion Questions

1. What made communication at Silver Lines effective initially?
2. How did the use of Skype impact this effectiveness?
3. What could the management team do to improve technology-based communication?



TEAM EXERCISE: CROSS-CULTURAL COMMUNICATION GAME

By Steven L. McShane, University of Newcastle (Australia)

PURPOSE This exercise is designed to develop and test your knowledge of cross-cultural differences in communication and etiquette.

MATERIALS The instructor will provide one set of question/answer cards to each pair of teams.

INSTRUCTIONS

Step 1: The class is divided into an even number of teams. Ideally, each team would have three students. (Two- or four-student teams are possible if matched with an equal-sized team.) Each team is then paired with another team and the paired teams (Team "A" and Team "B") are assigned a private space, away from other matched teams.

Step 2: The instructor will hand each pair of teams a stack of cards with the multiple choice questions face down. These cards have questions and answers about cross-cultural differences in communication and etiquette. No books or other aids are allowed.

Step 3: The exercise begins with a member of Team A picking up one card from the top of the pile and asking the question on that card to the members of Team B. The information given to Team B includes the question and all alternatives listed on the card. Team B has 30 seconds after the question and alternatives have been read to give an answer. Team B earns one point if the correct answer is given. If Team B's answer is incorrect, however, Team A earns that point. Correct answers to each question are indicated on the card and, of course, should not be revealed until the question is correctly answered or time is up. Whether or not Team B answers correctly, it picks up the next card on the pile and reads it to members of Team A. In other words, cards are read alternatively to each team. This procedure is repeated until all of the cards have been read or time has expired. The team receiving the most points wins.

Important note: The textbook provides very little information pertaining to the questions in this exercise. Rather, you must rely on past learning, logic, and luck to win.



TEAM EXERCISE: VISUAL INSTRUCTIONS EXERCISE

PURPOSE This exercise is designed to help you understand the importance of media richness, choosing communication channels, and related issues on effective communication.

MATERIALS Each team will receive one sheet of flip chart paper as well as one nonpermanent (e.g., white board) marker. The instructor should have some means of posting each team's final flip chart sheet, such as with tape or removable adhesive tac.

INSTRUCTIONS

Step 1: The class will form teams (usually five or six students per team). (Note: Alternatively, your instructor might ask students to complete this activity individually rather than in teams.)

Step 2: The instructor will ask each team to draw instructions on how to perform a well-known activity. These instructions are intended for people who have never heard about that activity. The instructions use pictures only—without any words. Teams will have a fixed time frame to prepare these visual instructions. Each team will display its instructions on the flip chart sheet provided. These sheets will be posted around the class so all students can see every team's instructions for that task.

Step 3: With all visual instructions posted, the class will debrief on the exercise, guided by a set of questions posed by the instructor.

This exercise was inspired by a similar activity developed by Dave Gray, XPLANE Corp.

endnotes

1. E. Hamburger, "Slack Is Killing Email," *The Verge*, August 12, 2014; V. Heffernan, "Meet Is Murder," *The New York Times*, February 28, 2016, 28; A. Weckler, "You Don't Have Mail: How Slack Reinvented Chat," *Irish Independent*, January 26, 2017; A. Liu, "Death By a Thousand Pings: The Hidden Side of Using Slack," *Medium* (blog), March 20, 2018, <https://medium.com/counter-intuition/the-hidden-side-of-using-slack-2443d9b66f8a>; "New Study Shows Grim Reality of Communication Overload at Work," News release (Seattle: RescueTime, July 11, 2018); D. Roe, "How to Rise Above the Communications Noise in Slack," *CMSWire*, November 8, 2018; R. Molla, "The Productivity Pit: How Slack Is Ruining Work," *Vox*, May 1, 2019.
2. A.H. Van de Ven, A.L. Delbecq, and R. Koenig Jr., "Determinants of Coordination Modes within Organizations," *American Sociological Review* 41, no. 2 (1976): 322–38; J.H. Gittell, R. Seidner, and J. Wimbush, "A Relational Model of How High-Performance Work Systems Work," *Organization Science* 21, no. 2 (2010): 490–506; R. Foy et al., "Meta-Analysis: Effect of Interactive Communication between Collaborating Primary Care Physicians and Specialists," *Annals of Internal Medicine* 152, no. 4 (2010): 247–58.
3. C. Barnard, *The Functions of the Executive* (Cambridge, MA: Harvard University Press, 1938), 82. Barnard's entire statement also refers to the other features of organizations that we describe in Chapter 1, namely that (a) people are willing to contribute their effort to the organization and (b) they have a common purpose.
4. M.T. Hansen, M.L. Mors, and B. Løvås, "Knowledge Sharing in Organizations: Multiple Networks, Multiple Phases," *Academy of Management Journal* 48, no. 5 (2005): 776–93; S.R. Murray and J. Peyrefitte, "Knowledge Type and Communication Media Choice in the Knowledge Transfer Process," *Journal of Managerial Issues* 19, no. 1 (2007): 111–33; S.L. Hoe and S.L. McShane, "Structural and Informal Knowledge Acquisition and Dissemination in Organizational Learning: An Exploratory Analysis," *Learning Organization* 17, no. 4 (2010): 364–86.
5. J. O'Toole and W. Bennis, "What's Needed Next: A Culture of Candor," *Harvard Business Review* 87, no. 6 (2009): 54–61.
6. W.J.L. Elving, "The Role of Communication in Organisational Change," *Corporate Communications* 10, no. 2 (2005): 129–38; P.M. Leonardi, T.B. Neeley, and E.M. Gerber, "How Managers Use Multiple Media: Discrepant Events, Power, and Timing in Redundant Communication," *Organization Science* 23, no. 1 (2012): 98–117; D.A. Tucker, P. Yeow, and G.T. Viki, "Communicating during Organizational Change Using Social Accounts: The Importance of Ideological Accounts," *Management Communication Quarterly* 27, no. 2 (2013): 184–209.
7. R.E. Baumeister and M.R. Leary, "The Need to Belong: Desire for Interpersonal Attachments as a Fundamental Human Motivation," *Psychological Bulletin* 117 (1995): 497–529; K.H. Greenaway et al., "Social Identities Promote Well-Being Because They Satisfy Global Psychological Needs," *European Journal of Social Psychology* 46, no. 3 (2016): 294–307, <https://doi.org/10.1002/ejsp.2169>; N. Steverink et al., "The Associations of Different Social Needs with Psychological Strengths and Subjective Well-Being: An Empirical Investigation Based on Social Production Function Theory," *Journal of Happiness Studies*, 2019, <https://doi.org/10.1007/s10902-019-00107-9>.
8. A.M. Saks, K.L. Upperslev, and N.E. Fassina, "Socialization Tactics and Newcomer Adjustment: A Meta-Analytic Review and Test of a Model," *Journal of Vocational Behavior* 70, no. 3 (2007): 413–46.

9. S. Cohen, "The Pittsburgh Common Cold Studies: Psychosocial Predictors of Susceptibility to Respiratory Infectious Illness," *International Journal of Behavioral Medicine* 12, no. 3 (2005): 123–31; B. A. Scott et al., "A Daily Investigation of the Role of Manager Empathy on Employee Well-Being," *Organizational Behavior and Human Decision Processes* 113, no. 2 (2010): 127–40; S. Y. Shin and S. G. Lee, "Effects of Hospital Workers' Friendship Networks on Job Stress," *PLoS ONE* 11, no. 2 (2016): e0149428.
10. C.E. Shannon and W. Weaver, *The Mathematical Theory of Communication* (Urbana: University of Illinois Press, 1949); R.M. Krauss and S.R. Fussell, "Social Psychological Models of Interpersonal Communication," in *Social Psychology: Handbook of Basic Principles*, ed. E.T. Higgins and A. Kruglanski (New York: Guilford Press, 1996), 655–701.
11. R. Cross and R.J. Thomas, *Driving Results through Social Networks: How Top Organizations Leverage Networks for Performance and Growth* (San Francisco: Jossey-Bass, 2009); R. McDermott and D. Archibald, "Harnessing Your Staff's Informal Networks," *Harvard Business Review* 88, no. 3 (2010): 82–89; J. Nieves and J. Osorio, "The Role of Social Networks in Knowledge Creation," *Knowledge Management Research & Practice* 11, no. 1 (2013): 62–77.
12. P. Shachaf and N. Hara, "Behavioral Complexity Theory of Media Selection: A Proposed Theory for Global Virtual Teams," *Journal of Information Science* 33 (2007): 63–75.
13. M. Hauben and R. Hauben, "Netizens: On the History and Impact of Usenet and the Internet," *First Monday* 3, no. 8 (1998); J. Abbate, *Inventing the Internet* (Cambridge, MA: MIT Press, 1999); B.M. Leiner et al., *Brief History of the Internet* (Reston, VA: Internet Society, October 15, 2012).
14. "Email Statistics Report, 2018–2022" (London: Radicati Group, March 2018); "Communication Barriers in the Modern Workplace" (London: The Economist Intelligence Unit, March 2018); L. Wright and N. McCullough, "New Survey Explores the Changing Landscape of Teamwork," *Microsoft 365 Blog* (blog), April 19, 2018, <https://www.microsoft.com/en-us/microsoft-365/blog/2018/04/19/new-survey-explores-the-changing-landscape-of-teamwork/>.
15. N.B. Ducheneaut and L.A. Watts, "In Search of Coherence: A Review of E-Mail Research," *Human-Computer Interaction* 20, no. 1–2 (2005): 11–48; R.S. Mano and G.S. Mesch, "E-Mail Characteristics, Work Performance and Distress," *Computers in Human Behavior* 26, no. 1 (2010): 61–69.
16. W. Lucas, "Effects of E-mail on the Organization," *European Management Journal* 16, no. 1 (1998): 18–30; G. de La Rupelle, C. Guthrie, and M. Kalika, "La Relation Entre L'intensité Perçue D'utilisation De La Messagerie Électronique Et La Qualité De La Relation Hiérarchique," *Relations Industrielles* 70, no. 1 (2015): 157–85; C.M. Brotheridge, D.J. Neufeld, and B. Dyck, "Communicating Virtually in a Global Organization," *Journal of Managerial Psychology* 30, no. 8 (2015): 909–24.
17. N. Panteli, "Richness, Power Cues and Email Text," *Information & Management* 40, no. 2 (2002): 75–86;
18. C.T. Carr and C. Stefaniak, "Sent from My iPhone: The Medium and Message as Cues of Sender Professionalism in Mobile Telephony," *Journal of Applied Communication Research* 40, no. 4 (2012): 403–24; D.C. DeAndrea, "Advancing Warranting Theory," *Communication Theory* 24, no. 2 (2014): 186–204; C.M. Brotheridge, D.J. Neufeld, and B. Dyck, "Communicating Virtually in a Global Organization," *Journal of Managerial Psychology* 30, no. 8 (2015): 909–24.
19. J. Kruger et al., "Egocentrism over E-Mail: Can We Communicate as Well as We Think?," *Journal of Personality and Social Psychology* 89, no. 6 (2005): 925–36.
20. K. Byron, "Carrying Too Heavy a Load? The Communication and Miscommunication of Emotion by Email," *Academy of Management Review* 33, no. 2 (2008): 309–27; J.M. Whalen, P.M. Pexman, and A.J. Gill, "Should Be Fun—Not!: Incidence and Marking of Nonliteral Language in E-Mail," *Journal of Language and Social Psychology* 28, no. 3 (2009): 263–80; K. Lohmann, S.S. Pyka, and C. Zanger, "The Effects of Smileys on Receivers' Emotions," *Journal of Consumer Marketing* 34, no. 6 (2017): 489–95, <https://doi.org/10.1108/JCM-02-2017-2120>.
21. K. Byron, "Carrying Too Heavy a Load? The Communication and Miscommunication of Emotion by Email," *Academy of Management Review* 33, no. 2 (2008): 309–27.
22. G. Hertel, S. Geister, and U. Konradt, "Managing Virtual Teams: A Review of Current Empirical Research," *Human Resource Management Review* 15 (2005): 69–95; H. Lee, "Behavioral Strategies for Dealing with Flaming in an Online Forum," *The Sociological Quarterly* 46, no. 2 (2005): 385–403.
23. S.R. Barley, D.E. Meyerson, and S. Grodal, "E-Mail as a Source and Symbol of Stress," *Organization Science* 22, no. 4 (2011): 887–906; N. Sobotta and M. Hummel, "A Capacity Perspective on E-Mail Overload: How E-Mail Use Contributes to Information Overload" (paper presented at the 2015 48th Hawaii International Conference on System Sciences, January 5–8, 2015), 692–701; S. Drössler et al., "Informationsüberflutung durch digitale Medien am Arbeitsplatz (Information overload by digital media at the workplace. Systematic review of qualitative studies)," *Zentralblatt für Arbeitsmedizin, Arbeitsschutz und Ergonomie* (Central Journal for Occupational Medicine, Occupational Safety and Ergonomics) 68, no. 2 (2018): 77–88, <https://doi.org/10.1007/s40664-018-0267-8>.
24. "Email Statistics Report, 2019–2022" (Palo Alto, CA: Radicati Group, February 2019). The number of daily text messages globally was estimated from Apple iMessages, WhatsApp data, and a recent estimate of US text message numbers. See "How Many Texts Do People Send Every Day (2018)?," November 2018, <https://www.textrequest.com/blog/how-many-texts-people-send-per-day/>.
25. Social media definitions in the literature tend to be obtuse, varied, and in many cases, elusive. Our definition is based on two of the more widely cited sources: A.M. Kaplan and M. Haenlein, "Users of the World, Unite!

- The Challenges and Opportunities of Social Media,” *Business Horizons* 53, no. 1 (2010): 59–68, <https://doi.org/10.1016/j.bushor.2009.09.003>; C.T. Carr and R.A. Hayes, “Social Media: Defining, Developing, and Divining,” *Atlantic Journal of Communication* 23, no. 1 (2015): 46–65, <https://doi.org/10.1080/15456870.2015.972282>.
26. J.H. Kietzmann et al., “Social Media? Get Serious! Understanding the Functional Building Blocks of Social Media,” *Business Horizons* 54, no. 3 (2011): 241–51; J.W. Treem and P.M. Leonardi, “Social Media Use in Organizations: Exploring the Affordances of Visibility, Editability, Persistence, and Association,” *Communication Yearbook* 36 (2012): 143–89; C.V. Baccarella et al., “Social Media? It’s Serious! Understanding the Dark Side of Social Media,” *European Management Journal* 36, no. 4 (2018): 431–38, <https://doi.org/10.1016/j.emj.2018.07.002>.
 27. “The Coworker Network,” *Kellogg Insight*, June 3, 2013; W. van Zoonen, T.G.L.A. van der Meer, and J.W.M. Verhoeven, “Employees Work-Related Social-Media Use: His Master’s Voice,” *Public Relations Review* 40, no. 5 (2014): 850–52; G. Martin, E. Parry, and P. Flowers, “Do Social Media Enhance Constructive Employee Voice All of the Time or Just Some of the Time?”, *Human Resource Management Journal* 25, no. 4 (2015): 541–62; W. van Zoonen, J.W.M. Verhoeven, and R. Vliegenthart, “How Employees Use Twitter to Talk about Work: A Typology of Work-Related Tweets,” *Computers in Human Behavior* 55, Part A (2016): 329–39.
 28. D.G. Leathers and M.H. Eaves, *Successful Nonverbal Communication: Principles and Applications*, 4th ed. (New York: Routledge, 2015).
 29. L.Z. Tiedens and A.R. Fragale, “Power Moves: Complementarity in Dominant and Submissive Nonverbal Behavior,” *Journal of Personality and Social Psychology* 84, no. 3 (2003): 558–68.
 30. P. Ekman and E. Rosenberg, *What the Face Reveals: Basic and Applied Studies of Spontaneous Expression Using the Facial Action Coding System* (Oxford, UK: Oxford University Press, 1997); P. Winkielman and K.C. Berridge, “Unconscious Emotion,” *Current Directions in Psychological Science* 13, no. 3 (2004): 120–23.
 31. W.J. Becker and R. Cropanzano, “Organizational Neuroscience: The Promise and Prospects of an Emerging Discipline,” *Journal of Organizational Behavior* 31, no. 7 (2010): 1055–59.
 32. M. Sonnby-Borgstrom, P. Jonsson, and O. Svensson, “Emotional Empathy as Related to Mimicry Reactions at Different Levels of Information Processing,” *Journal of Nonverbal Behavior* 27 (2003): 3–23; S.K. Johnson, “I Second That Emotion: Effects of Emotional Contagion and Affect at Work on Leader and Follower Outcomes,” *Leadership Quarterly* 19, no. 1 (2008): 1–19; V. Vijayalakshmi and S. Bhattacharyya, “Emotional Contagion and Its Relevance to Individual Behavior and Organizational Processes: A Position Paper,” *Journal of Business and Psychology* 27, no. 3 (2012): 363–74.
 33. J.R. Kelly and S.G. Barsade, “Mood and Emotions in Small Groups and Work Teams,” *Organizational Behavior and Human Decision Processes* 86 (2001): 99–130; T.L. Chartrand and J.L. Lakin, “The Antecedents and Consequences of Human Behavioral Mimicry,” *Annual Review of Psychology* 64, no. 1 (2013): 285–308.
 34. A.R. Dennis, R.M. Fuller, and J.S. Valacich, “Media, Tasks, and Communication Processes: A Theory of Media Synchronicity,” *MIS Quarterly* 32, no. 3 (2008): 575–600; S. Taipale, “Synchronicity Matters: Defining the Characteristics of Digital Generations,” *Information, Communication & Society* 19, no. 1 (2016): 80–94.
 35. R.E. Rice, “Media Appropriateness: Using Social Presence Theory to Compare Traditional and New Organizational Media,” *Human Communication Research* 19, no. 4 (1993): 451–84; D. Gooch and L. Watts, “The Impact of Social Presence on Feelings of Closeness in Personal Relationships,” *Interacting with Computers* 27, no. 6 (2015): 661–74; C.S. Oh, J.N. Bailenson, and G. Welch, “A Systematic Review of Social Presence: Definition, Antecedents, and Implications,” *Frontiers in Robotics and AI* (October 15, 2018), <https://doi.org/10.3389/frobt.2018.00114>.
 36. N. Walter, K. Ortbach, and B. Niehaves, “Designing Electronic Feedback—Analyzing the Effects of Social Presence on Perceived Feedback Usefulness,” *International Journal of Human-Computer Studies* 76 (2015): 1–11, <https://doi.org/10.1016/j.ijhcs.2014.12.001>; S.C. Srivastava and S. Chandra, “Social Presence in Virtual World Collaboration: An Uncertainty Reduction Perspective Using a Mixed Methods Approach,” *MIS Quarterly* 42, no. 3 (2018): 779–803, <https://doi.org/10.25300/MISQ/2018/11914>.
 37. J. Fulk, “Social Construction of Communication Technology,” *Academy of Management Journal* 36, no. 5 (1993): 921–50; L.K. Treviño, J. Webster, and E.W. Stein, “Making Connections: Complementary Influences on Communication Media Choices, Attitudes, and Use,” *Organization Science* 11, no. 2 (2000): 163–82; B. van den Hooff, J. Groot, and S. de Jonge, “Situational Influences on the Use of Communication Technologies,” *Journal of Business Communication* 42, no. 1 (2005): 4–27; J.W. Turner et al., “Exploring the Dominant Media: How Does Media Use Reflect Organizational Norms and Affect Performance?,” *Journal of Business Communication* 43, no. 3 (2006): 220–50; A. Cheshin et al., “Emergence of Differing Electronic Communication Norms Within Partially Distributed Teams,” *Journal of Personnel Psychology* 12, no. 1 (2013): 7–21, <https://doi.org/10.1027/1866-5888/a000076>.
 38. Z. Lee and Y. Lee, “Emailing the Boss: Cultural Implications of Media Choice,” *IEEE Transactions on Professional Communication* 52, no. 1 (2009): 61–74; D. Holtbrügge, A. Weldon, and H. Rogers, “Cultural Determinants of Email Communication Styles,” *International Journal of Cross Cultural Management* 13, no. 1 (2013): 89–110.
 39. R.C. King, “Media Appropriateness: Effects of Experience on Communication Media Choice,” *Decision Sciences* 28, no. 4 (1997): 877–910.
 40. A.K.C. Au and D.K.S. Chan, “Organizational Media Choice in Performance Feedback: A Multifaceted Approach,” *Journal of Applied Social Psychology* 43, no. 2 (2013): 397–407; K.K. Stephens, A.K. Barrett, and M.J. Mahometta, “Organizational Communication in

- Emergencies: Using Multiple Channels and Sources to Combat Noise and Capture Attention," *Human Communication Research* 39, no. 2 (2013): 230–51.
41. K. Griffiths, "KPMG Sacks 670 Employees by E-Mail," *The Independent* (London), November 5, 2002, 19; "Shop Worker Sacked by Text Message," *The Post* (Claremont/Nedlands, Western Australia), July 28, 2007, 1, 78.
 42. R.L. Daft and R.H. Lengel, "Information Richness: A New Approach to Managerial Behavior and Organization Design," *Research in Organizational Behavior* 6 (1984): 191–233; R.H. Lengel and R.L. Daft, "The Selection of Communication Media as an Executive Skill," *Academy of Management Executive* 2 (1988): 225–32.
 43. H. Rodriguez et al., "Huddle Up!: The Adoption and Use of Structured Team Communication for VA Medical Home Implementation," *Health Care Management Review* 40, no. 4 (2015): 286–99; R.W. Quinn and J.S. Bunderson, "Could We Huddle on This Project? Participant Learning in Newsroom Conversations," *Journal of Management* 42, no. 2 (2016): 386–418.
 44. R.E. Rice, "Task Analyzability, Use of New Media, and Effectiveness: A Multi-Site Exploration of Media Richness," *Organization Science* 3 (1992): 475–500.
 45. V.W. Kupritz and E. Cowell, "Productive Management Communication: Online and Face-to-Face," *Journal of Business Communication* 48, no. 1 (2011): 54–82.
 46. R.F. Otundo et al., "The Complexity of Richness: Media, Message, and Communication Outcomes," *Information & Management* 45, no. 1 (2008): 21–30.
 47. N.L. Reinsch Jr., J.W. Turner, and C.H. Tinsley, "Multicommunicating: A Practice Whose Time Has Come?" *Academy of Management Review* 33, no. 2 (2008): 391–403; A.F. Cameron and J. Webster, "Multicommunicating: Juggling Multiple Conversations in the Workplace," *Information Systems Research* 24, no. 2 (2013): 352–71; N.L. Reinsch and J.W. Turner, "Multicommunicator Aspirational Stress, Suggestions for Teaching and Research, and Other Insights After 10 Years of Multicommunication Research," *Journal of Business and Technical Communication* 33, no. 2 (2019): 141–71, <https://doi.org/10.1177/1050651918816356>.
 48. S. Xu, Z. Wang, and P. David, "Media Multitasking and Well-Being of University Students," *Computers in Human Behavior* 55, Part A (2016): 242–50; A.-F. Cameron et al., "Multicommunicating in Meetings: Effects of Locus, Topic Relatedness, and Meeting Medium," *Management Communication Quarterly* 32, no. 3 (2018): 303–36, <https://doi.org/10.1177/0893318918759437>.
 49. J.R. Carlson and R.W. Zmud, "Channel Expansion Theory and the Experiential Nature of Media Richness Perceptions," *Academy of Management Journal* 42 (1999): 153–70; N. Kock, "Media Richness or Media Naturalness? The Evolution of Our Biological Communication Apparatus and Its Influence on Our Behavior toward E-Communication Tools," *IEEE Transactions on Professional Communication* 48, no. 2 (2005): 117–30.
 50. V.W. Kupritz and E. Cowell, "Productive Management Communication: Online and Face-to-Face," *Journal of Business Communication* 48, no. 1 (2011): 54–82.
 51. L.P. Robert and A.R. Dennis, "Paradox of Richness: A Cognitive Model of Media Choice," *IEEE Transactions on Professional Communication* 48, no. 1 (2005): 10–21; C. Belletier et al., "Choking under Monitoring Pressure: Being Watched by the Experimenter Reduces Executive Attention," *Psychonomic Bulletin & Review* 22, no. 5 (2015): 1410–16, <https://doi.org/10.3758/s13423-015-0804-9>; C. Belletier, A. Normand, and P. Huguet, "Social-Facilitation-and-Impairment Effects: From Motivation to Cognition and the Social Brain," *Current Directions in Psychological Science*, March 28, 2019, 0963721419829699, <https://doi.org/10.1177/0963721419829699>.
 52. E.V. Wilson, "Perceived Effectiveness of Interpersonal Persuasion Strategies in Computer-Mediated Communication," *Computers in Human Behavior* 19, no. 5 (2003): 537–52; K. Sassenberg, M. Boos, and S. Rabung, "Attitude Change in Face-to-Face and Computer-Mediated Communication: Private Self-Awareness as Mediator and Moderator," *European Journal of Social Psychology* 35 (2005): 361–74; P. Di Blasio and L. Milani, "Computer-Mediated Communication and Persuasion: Peripheral vs. Central Route to Opinion Shift," *Computers in Human Behavior* 24, no. 3 (2008): 798–815.
 53. Most sources incorrectly attribute this famous quotation (usually with "accomplished" rather than "achieved") to the Irish playwright and social critic George Bernard Shaw. To the best of our knowledge, it was first uttered in the late 1950s by Joe Coffman, president of Tecnifax Corporation (which made visual education technology). Coffman held patents for specialized slide transparencies and related apparatus on overhead projectors. Given the company's products, Coffman was also an enthusiast of visual and interpersonal communication. Twice each year at its head office in Holyoke, Massachusetts, Tecnifax held international seminars on communication practices. This quotation was originally published in a 1960 article summarizing a public health conference, during which one of the speakers credited Coffman as the originator of this quotation. There is one more twist to the origins of this quotation. Coffman may have adapted it from the following passage in William H. Whyte's 1950 *Fortune* magazine article on communication, which became one of *Fortune*'s most-read articles: "The great enemy of communication, we find, is the illusion of it." See W. H. Whyte, "Is Anybody Listening," *Fortune*, September 1950, 77–83, 167–78; "Web of Mutual Anticipations: Conference Report," *Public Health Reports* 75, no. 10 (1960): 927–32; D. M. Davis, *A Biased Biography: Mine* (Lincoln, NE: iUniverse, 2004); "The Biggest Problem in Communication Is the Illusion That It Has Taken Place," *Quote Investigator*, August 31, 2014, <http://quoteinvestigator.com/2014/08/31/illusion/>.
 54. J. Kruger et al., "Egocentrism over E-Mail: Can We Communicate as Well as We Think?," *Journal of Personality and Social Psychology* 89, no. 6 (2005): 925–36.
 55. R.M. Krauss, "The Psychology of Verbal Communication," in *International Encyclopedia of the*

- Social and Behavioral Sciences*, ed. N. Smelser and P. Baltes (London: Elsevier, 2002), 16161–65.
56. A.M. Carton, C. Murphy, and J.R. Clark, “A (Blurry) Vision of the Future: How Leader Rhetoric about Ultimate Goals Influences Performance,” *Academy of Management Journal* 57, no. 6 (2014): 1544–70; P.D. Joshi et al., “Communicating with Distant Others: The Functional Use of Abstraction,” *Social Psychological and Personality Science* 7, no. 1 (2016): 37–44.
 57. J. Dorsey, “A More Focused Twitter” (San Francisco, October 13, 2015) (accessed May 21, 2016); H. Sheffield, “Jack Dorsey Twitter Memo: 10 Office Jargon Phrases You Should Never Use,” *Independent* (London), October 14, 2015.
 58. D. Goleman, R. Boyatzis, and A. McKee, *Primal Leaders* (Boston: Harvard Business School Press, 2002), 92–95.
 59. J. O’Toole and W. Bennis, “What’s Needed Next: A Culture of Candor,” *Harvard Business Review* 87, no. 6 (2009): 54–61.
 60. T.W. Jackson and P. Farzaneh, “Theory-Based Model of Factors Affecting Information Overload,” *International Journal of Information Management* 32, no. 6 (2012): 523–32; S. Drössler et al., “Informationsüberflutung durch digitale Medien am Arbeitsplatz (Information overload by digital media at the workplace. Systematic review of qualitative studies),” *Zentralblatt für Arbeitsmedizin, Arbeitsschutz und Ergonomie* (Central Journal for Occupational Medicine, Occupational Safety and Ergonomics) 68, no. 2 (2018): 77–88, <https://doi.org/10.1007/s40664-018-0267-8>.
 61. A. Edmunds and A. Morris, “The Problem of Information Overload in Business Organisations: A Review of the Literature,” *International Journal of Information Management* 20 (2000): 17–28; C.-Y. Li, “Why Do Online Consumers Experience Information Overload? An Extension of Communication Theory,” *Journal of Information Science* 43, no. 6 (2017): 835–51, <https://doi.org/10.1177/0165551516670096>.
 62. D.C. Thomas and K. Inkson, *Cultural Intelligence: People Skills for Global Business* (San Francisco: Berrett-Koehler, 2004), Chap. 6; D. Welch, L. Welch, and R. Piekkari, “Speaking in Tongues,” *International Studies of Management & Organization* 35, no. 1 (2005): 10–27.
 63. T. Craig, “Different Strokes,” *Personnel Today*, November 25, 2008, 190.
 64. D. C. Barnlund, *Communication Styles of Japanese and Americans: Images and Realities* (Belmont, CA: Wadsworth, 1988); H. Yamada, *American and Japanese Business Discourse: A Comparison of Interaction Styles* (Norwood, NJ: Ablex, 1992), chap. 2; T. Hasegawa and W. B. Gudykunst, “Silence in Japan and the United States,” *Journal of Cross-Cultural Psychology* 29, no. 5 (1998): 668–84; M. Fujio, “Silence during Intercultural Communication: A Case Study,” *Corporate Communications* 9, no. 4 (2004): 331–39.
 65. P. Harris and R. Moran, *Managing Cultural Differences* (Houston, TX: Gulf, 1987); H. Blagg, “A Just Measure of Shame?,” *British Journal of Criminology* 37 (1997): 481–501; R.E. Axtell, *Gestures: The Do’s and Taboos of Body Language around the World*, rev. ed. (New York: Wiley, 1998).
 66. D. Tannen, *You Just Don’t Understand: Men and Women in Conversation* (New York: Ballantine Books, 1990); J.L. Locke, *Duels and Duets: Why Men and Women Talk So Differently* (Cambridge, UK: Cambridge University Press, 2011); M.R. Atai and F. Chahkandi, “Democracy in Computer-Mediated Communication: Gender, Communicative Style, and Amount of Participation in Professional Listservs,” *Computers in Human Behavior* 28, no. 3 (2012): 881–88; A.B. Hancock and B.A. Rubin, “Influence of Communication Partner’s Gender on Language,” *Journal of Language and Social Psychology* 34, no. 1 (2015): 46–64.
 67. A. Mulac et al., “Uh-Huh. What’s That All About?” Differing Interpretations of Conversational Backchannels and Questions as Sources of Miscommunication across Gender Boundaries,” *Communication Research* 25 (1998): 641–68; N.M. Sussman and D.H. Tyson, “Sex and Power: Gender Differences in Computer-Mediated Interactions,” *Computers in Human Behavior* 16 (2000): 381–94; C. Leaper and R.D. Robnett, “Women Are More Likely Than Men to Use Tentative Language, Aren’t They? A Meta-Analysis Testing for Gender Differences and Moderators,” *Psychology of Women Quarterly* 35, no. 1 (2011): 129–42.
 68. This statement was originally made by the Greek philosopher Epictetus. It is varied slightly from the original translations, which are published in: E. Carter, *All the Works of Epictetus, Which Are Now Extant*, 3rd ed., vol. 2 (London: J. and F. Rivington, 1768), 333; T.W. Higginson, *The Works of Epictetus* (Boston: Little, Brown, and Company, 1866), 428.
 69. L.B. Comer and T. Drollinger, “Active Empathetic Listening and Selling Success: A Conceptual Framework,” *Journal of Personal Selling & Sales Management* 19 (1999): 15–29; T. Drollinger, L.B. Comer, and P.T. Warrington, “Development and Validation of the Active Empathetic Listening Scale,” *Psychology and Marketing* 23, no. 2 (2006): 161–80; P. JungKun et al., “The Role of Listening in E-Contact Center Customer Relationship Management,” *Journal of Services Marketing* 29, no. 1 (2015): 49–58.
 70. T.J. Allen, “Architecture and Communication among Product Development Engineers,” *California Management Review* 49, no. 2 (2007): 23–41; M.C. Davis, D.J. Leach, and C.W. Clegg, “The Physical Environment of the Office: Contemporary and Emerging Issues,” in *International Review of Industrial and Organizational Psychology* 2011 (Wiley, 2011), 193–237; J. Kim and R. de Dear, “Workspace Satisfaction: The Privacy-Communication Trade-Off in Open-Plan Offices,” *Journal of Environmental Psychology* 36 (2013): 18–26.
 71. G. Evans and D. Johnson, “Stress and Open-Office Noise,” *Journal of Applied Psychology* 85 (2000): 779–83; A. Seddigh et al., “The Association between Office Design and Performance on Demanding Cognitive Tasks,” *Journal of Environmental Psychology* 42 (2015): 172–81; M. Yadav et al., “The Irrelevant Speech Effect in Multi-Talker Environments: Applications to Open-Plan Offices,” *The Journal of the Acoustical Society of America* 143, no. 3 (April 2018): 1725, <https://doi.org/10.1121/1.5035619>.

72. S.P. Means, "Playing at Pixar," *Salt Lake Tribune* (Utah), May 30, 2003, D1; G. Whipp, "Swimming against the Tide," *Los Angeles Daily News*, May 30, 2003, U6.
73. C.J. Turco, "A New Era of Corporate Conversation," *MIT Sloan Management Review* 58, no. 1 (Fall 2016): 11–12.
74. M.L. Yeo and O. Arazy, "What Makes Corporate Wikis Work? Wiki Affordances and Their Suitability for Corporate Knowledge Work," in *Design Science Research in Information Systems. Advances in Theory and Practice*, ed. K. Peffers, M. Rothenberger, and B. Kuechler, vol. 7286 (Berlin, Heidelberg: Springer Berlin Heidelberg, 2012), 174–90, https://doi.org/10.1007/978-3-642-29863-9_14; H. Hasan and C.C. Pfaff, "An Activity-Theory Analysis of Corporate Wikis," *Information Technology & People* 25, no. 4 (2012): 423–37, <https://doi.org/10.1108/09593841211278802>; E. Bolisani and E. Scarso, "Factors Affecting the Use of Wiki to Manage Knowledge in a Small Company," *Journal of Knowledge Management* 20, no. 3 (2016): 423–43, <https://doi.org/10.1108/JKM-05-2015-0205>.
75. The original term is "management by *wandering* around," but this has been replaced with "walking around" over the years. See W. Ouchi, *Theory Z* (New York: Avon Books, 1981), 176–77; T. Peters and R. Waterman, *In Search of Excellence* (New York: Harper and Row, 1982), 122.
76. S.-L. Tan, "Altus Group's Bob Courteau Manages by Wandering Around," *Australian Financial Review*, March 7, 2019.
77. R. Rousos, "Trust in Leaders Lacking at Utility," *The Ledger* (Lakeland, FL), July 29, 2003, B1; B. Whitworth and B. Riccomini, "Management Communication: Unlocking Higher Employee Performance," *Communication World*, March/April 2005, 18–21.
78. K. Davis, "Management Communication and the Grapevine," *Harvard Business Review* 31 (1953): 43–49; W.L. Davis and J.R. O'Connor, "Serial Transmission of Information: A Study of the Grapevine," *Journal of Applied Communication Research* 5 (1977): 61–72.
79. S.R. Clegg and A. van Iterson, "Dishing the Dirt: Gossiping in Organizations," *Culture and Organization* 15, no. 3/4 (2009): 275–89; C. Mills, "Experiencing Gossip: The Foundations for a Theory of Embedded Organizational Gossip," *Group & Organization Management* 35, no. 2 (2010): 213–40; T.J. Grosser et al., "Hearing It through the Grapevine: Positive and Negative Workplace Gossip," *Organizational Dynamics* 41, no. 1 (2012): 52–61.
80. R.L. Rosnow, "Inside Rumor: A Personal Journey," *American Psychologist* 46 (1991): 484–96; C.J. Walker and C.A. Beckerle, "The Effect of State Anxiety on Rumor Transmission," *Journal of Social Behavior & Personality* 2 (1987): 353–60; M. Noon and R. Delbridge, "News from Behind My Hand: Gossip in Organizations," *Organization Studies* 14 (1993): 23–36.
81. N. Nicholson, "Evolutionary Psychology: Toward a New View of Human Nature and Organizational Society," *Human Relations* 50 (1997): 1053–78; E.K. Foster, "Research on Gossip: Taxonomy, Methods, and Future Directions," *Review of General Psychology* 8, no. 2 (2004): 78–99; B. Beersma and G.A. Van Kleef, "Why People Gossip: An Empirical Analysis of Social Motives, Antecedents, and Consequences," *Journal of Applied Social Psychology* 42, no. 11 (2012): 2640–70.
- a. E. O'Boyle, "American Workplace Changing at a Dizzying Pace," *Gallup Workplace*, February 15, 2017; American Psychological Association, "2017 Work and Well-Being Survey" (Washington, D.C.: Center for Organizational Excellence, May 30, 2017); "Communication Barriers in the Modern Workplace" (London: The Economist Intelligence Unit, March 2018); United States Office of Personnel Management, "Federal Employee Viewpoint Survey" (Washington, DC: Office of Personnel Management, October 2018).
- b. "Communication Barriers in the Modern Workplace" (London: The Economist Intelligence Unit, March 2018); L. Wright and N. McCullough, "New Survey Explores the Changing Landscape of Teamwork," *Microsoft 365 Blog* (blog), April 19, 2018, <https://www.microsoft.com/en-us/microsoft-365/blog/2018/04/19/new-survey-explores-the-changing-landscape-of-teamwork/>; "Randstad Workmonitor Q2 2018" (Amsterdam: Randstad Holding nv, June 12, 2018).
- c. Adapted from information reported in: R. Molla, "The Productivity Pit: How Slack Is Ruining Work," *Vox*, May 1, 2019. Data are from 12,000 RescueTime app users. Data points are from the first month (January) of each year. On average, users actively focused on their screens for 5.5 hours each work day. The data shown here represent the 18 percent (about one hour) of total active screen time spent engaging in communication activity.
- d. M. Göhring and K. Perschke, "Internal Community Management @ Bosch," in *KnowTech 2014* (Hanau, Germany: BitKom KnowTech, 2014); R. Roewkamp, "Bosch Bricht Ins Vernetzte Arbeiten Auf (Bosch Launches into Connected Work)," *CIO* (German edition), November 19, 2015; "Boosting Agility on the Job: Bosch Invests in the Workplace of the Future," news release for Robert Bosch GmbH (Stuttgart, Germany: ENP Newswire, June 15, 2015); J. Heinz and A. Kumar, "Enterprise Social Networks—the Nerve-Center of Future Organizations," in *Connect2016* (Orlando, FL: IBM, 2016); P. Tate, "Dialogue: Pioneering an Industrial Revolution at Bosch," *Manufacturing Leadership Journal*, June 2, 2018.
- e. "The Most Unusual Interview Mistakes and Biggest Body Language Mishaps, According to Annual CareerBuilder Survey," News Release (Chicago: CareerBuilder, February 22, 2018).
- f. M. Harrison, "How a U.S. Health Care System Uses 15-Minute Huddles to Keep 23 Hospitals Aligned," *Harvard Business Review*, November 29, 2018.
- g. Adapted from M. Nakamoto, "Cross-Cultural Conversations," *Financial Times* (London), January 12, 2012, 16.
- h. J. Legere, "T-Mobile's CEO on Winning Market Share by Trash-Talking Rivals," *Harvard Business Review*, January–February 2017; J. Legere, "Un-Carrier Is from the Inside Out!," September 26, 2017, <https://www.t-mobile.com/>

- news/un-carrier-is-from-the-inside-out; M. Davis, "T-Mobile CEO John Legere Met Employees at Sprint Campus Weeks after Negative Report," *Kansas City Star*, October 5, 2018.
- i. A. De Bruyn and G.L. Lilien, "A Multi-Stage Model of Word-of-Mouth Influence through Viral Marketing," *International Journal of Research in Marketing* 25, no. 3 (2008): 151–63; J.Y.C. Ho and M. Dempsey, "Viral Marketing: Motivations to Forward Online Content," *Journal of Business Research* 63, no. 9/10 (2010): 1000–06;
 - j. M. Williams and F. Buttle, "The Eight Pillars of WOM Management: Lessons from a Multiple Case Study," *Australasian Marketing Journal* 19, no. 2 (2011): 85–92.



10

Power and Influence in the Workplace



Learning Objectives ➤

After studying this chapter, you should be able to:

- LO 10-1** Describe the dependence model of power and the five sources of power in organizations.
- LO 10-2** Discuss the four contingencies of power.
- LO 10-3** Explain how people and work units gain power through social networks.
- LO 10-4** Describe eight types of influence tactics, three consequences of influencing others, and three contingencies to consider when choosing an influence tactic.
- LO 10-5** Identify the organizational conditions and personal characteristics associated with organizational politics, as well as ways to minimize organizational politics.

Ann Hand didn't know what an oil company "marketing rep" did when she accepted the job at Mobil immediately after completing her economics degree. Although initially horrified to learn that she would be running eight gas station convenience stores in Philadelphia, Hand diligently learned "a lot of the basics about running something and making it profitable."

"It would be a reality show today," jokes Hand, who is now CEO and board chair of amateur tournament platform Super League Gaming. "Taking a preppy, naïve, Midwestern girl and [plunking] her in the city of Philly for 24-hour-a-day, 7-day-a-week gas stations."

Running gas station convenience stores provided Hand with a unique and valuable personal brand. She gained expert power that opened doors for future jobs and enhanced credibility later in her career. Due to her convenience store experience, McDonald's sought her out a few years later to expand its fast food business into larger gas stations and other unique sites. She then joined Amoco, which sent her to Hong Kong in a finance position.

One year later, BP acquired Amoco, and Hand was transferred to London as chief of staff for Vivienne Cox, BP's highest-ranking female executive. The London position was a critical juncture because less



PART 3: TEAM PROCESSES

than one-third of her peers at BP's headquarters would be selected for executive leadership roles. Unfortunately, it was also a ripe environment for organizational politics.

"When I got there [BP's London headquarters], it was unusual to be a woman in that role, and it was also a lot of sharp elbows because everyone was trying to show off," Hand recalls. Her peers were actively undercutting one another in a perverse joust of tournament mobility. A few made pointed comments about Hand's work hours (which she had adjusted to fit her boss's maternity leave schedule) and what she wore. She was even criticized for laughing too often!

Fortunately, her boss (Vivian Cox) offered sage advice after overhearing one of the cutting comments. "Your personal brand is being yourself," Cox advised. "So don't fall into this image of what you think a British male looks like, or just a male in general. You're going to stand out if you bring your whole self to work."

Only in her mid-30s, Hand was promoted to BP's top executive positions in Liquid Petroleum Gas and later Global Brand Marketing. She was a leader in male-dominated operational businesses, which required her to prove her credibility in those executive roles. Fortunately, her early career experience running gas station convenience stores became a powerful asset once again.

"Whenever I would talk about starting out in the stations, that was kind of like starting in the mailroom. It gave me credibility. I had gotten my hands dirty," she said. "Any naysayers, that would usually shut 'em up."¹



Bloomberg/Getty Images

By developing a personal brand and expert power, Ann Hand attained managerial and executive positions in the energy, fast food, and online gaming industries.

Personal brand, expert power, organizational politics. Almost everyone experiences these and other organizational power and influence topics throughout their careers. In fact, some OB experts point out that power and influence are inherent in all organizations. They exist in every business and in every decision and action.

This chapter unfolds as follows: First, we define power and present a basic model depicting the dynamics of power in organizational settings. The chapter then discusses the five bases of power. Next, we look at the contingencies necessary to translate those sources into meaningful power. Our attention then turns to social networks and how they provide power to members through social capital. The latter part of this chapter examines the various types of influence in organizational settings as well as the contingencies of effective influence strategies. The final section of this chapter looks at situations in which influence becomes organizational politics, as well as ways of minimizing political behavior.

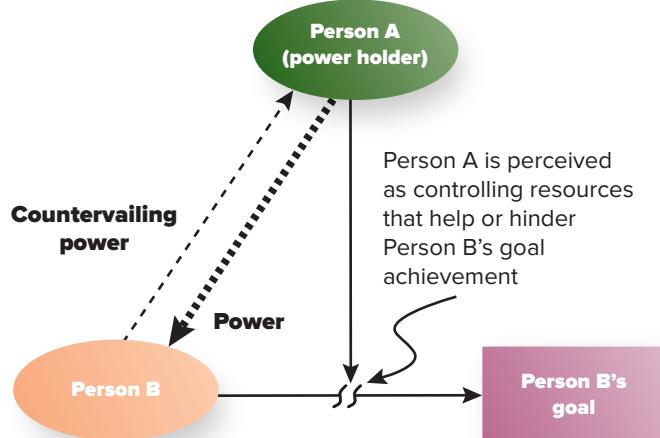
The Meaning of Power

LO 10-1

power
the capacity of a person, team, or organization to influence others

Power is the capacity of a person, team, or organization to influence others.² There are a few important features of this definition. First, power is not the act of changing someone's attitudes or behavior; it is only the *potential* to do so. People frequently have power they do not use; they might not even know they have power. Second, power is based on the target's *perception* that the power holder controls (i.e., possesses, has access to, or regulates) a valuable resource that can help the target achieve his or her goals.³ People might generate power by convincing others that they control something of value, whether or not they actually control that resource. This perception is also formed from the power holder's behavior, such as someone who is not swayed by authority or norms. For instance, people are perceived as more powerful just by engaging in behavior that deviates from norms, such as putting their feet on a table.⁴ However, power is not your own perception or feeling of power; it exists only when others believe you have power.

Third, power involves asymmetric (unequal) *dependence* of one party on another party.⁵ This dependent relationship is illustrated in Exhibit 10.1. The line from Person B to the goal shows that he or she believes Person A controls a resource that can help or hinder Person B in achieving that goal. Person A—the power holder in this illustration—might have power over Person B by controlling a desired job assignment, useful information, rewards, or even the privilege of being associated with Person A! For example, if you believe a coworker has expertise (the resource) that would substantially help you write a better report (your goal), then that coworker has some power over you because you value that expertise to achieve your goal. Whatever the resource is, Person B is *dependent* on Person A (the power holder) to provide the resource so Person B can reach his or her goal.

EXHIBIT 10.1**Dependence Model of Power**

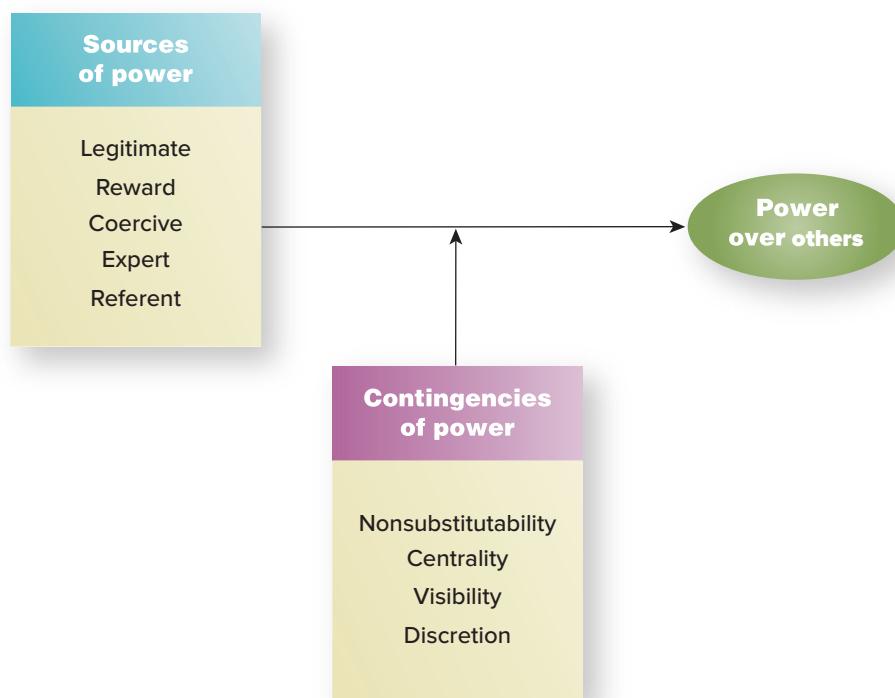
countervailing power
the capacity of a person, team, or organization to keep a more powerful person or group in the exchange relationship

Although dependence is a key element of power relationships, we use the phrase *asymmetric dependence* because the less powerful party still has some degree of power—called **countervailing power**—over the stronger power holder. In Exhibit 10.1, Person A dominates the power relationship, but Person B has enough countervailing power to keep Person A in the exchange relationship and ensure that person uses his or her dominant power judiciously. For example, although managers have power over subordinates in many ways (e.g., control of job security and preferred work assignments), employees have countervailing power by possessing skills and knowledge to keep production humming and customers happy, something that management can't accomplish alone.

One other key feature is that all power relationships depend on some minimum level of trust. Trust indicates a level of expectation that the more powerful party will deliver the resource. For instance, you trust your employer to give you a paycheck at the end of each pay period. Even those in extremely dependent situations will usually walk away from the relationship if they lack a minimum level of trust in the more powerful party.

Let's look at this power dependence model in the employee–manager relationship. You depend on your boss to support your continued employment, satisfactory work arrangements, and other valued resources. At the same time, the manager depends on you to complete required tasks and to work effectively with others in the completion of their work. Managers (and the companies they represent) typically have more power, whereas employees have weaker countervailing power. But sometimes employees do have more power than their bosses in the employment relationship. Notice that the strength of your power in the employee–manager relationship doesn't depend on your actual control over valued resources; it depends on the perceptions that your boss and others have about your control of these resources. Finally, trust is an essential ingredient in this relationship. Even with strong power, the employee–manager relationship comes apart when one party no longer sufficiently trusts the other.

The dependence model of power reveals only the core features of power dynamics between people and work units in organizations. We also need to learn about the specific sources of power and contingencies that effectively convert power into influence. Exhibit 10.2 shows that power is derived from five sources: legitimate, reward, coercive, expert, and referent. The model also identifies four contingencies of power: the employee's or department's nonsubstitutability, centrality, discretion, and visibility. Over the next few pages, we will discuss each of these sources and contingencies of power in the context of organizations.

EXHIBIT 10.2**Sources and Contingencies of Power**

Sources of Power in Organizations

There are five main sources of power in human interactions.⁶ Three of these—legitimate, reward, and coercive—originate mostly (but not completely) from the power holder’s formal position or informal role. In other words, the person is granted these sources of power formally by the organization or informally by coworkers. Two other sources of power—expert and referent—originate mainly from the power holder’s own characteristics; in other words, people carry these power bases around with them. However, even personal sources of power are not completely within the person because they depend on how others perceive them.

LEGITIMATE POWER

legitimate power
an agreement among organizational members that people in specific roles can request a set of behaviors from others

Legitimate power is an agreement among organizational members that people in specific roles can request a set of behaviors from others. This perceived right or obligation originates from formal job descriptions as well as informal rules of conduct. It is usually the most important source of power in organizational settings, particularly between employees and managers.⁷ For example, managers have a legitimate right to tell employees what tasks to perform, whom to work with, what company resources they can use, and so forth. Employees follow the boss’s requests because they have agreed to follow a range of requests from people in positions of higher authority. Employee motivation to comply with these requests occurs separately from the manager’s ability to reward or punish employees.

Legitimate power has restrictions; it gives the power holder the right to ask others to perform only a limited domain of behaviors. This domain—known as the “zone of indifference”—is the set of behaviors that individuals are willing to engage in at the other person’s request.⁸ Although most employees accept the boss’s right to deny them access to Facebook during company time, some might draw the line when the boss asks them to work several hours beyond the regular workday. They either overtly refuse to follow orders or engage in delaying and other evasive tactics.

Several factors influence the size of the zone of indifference and, consequently, the magnitude of legitimate power. Highly trusted power holders have a larger zone of indifference.



A French television program revealed how far people are willing to follow orders. As a variation of the 1960s experiments conducted by Stanley Milgram, 80 contestants administered electric shocks whenever a volunteer (an actor who didn't receive the shocks at all) answered a question incorrectly. Shocks increased in 20-volt increments, from 20 volts for the first mistake through to 460 volts. Contestants often hesitated after hearing the volunteer screaming for them to stop, yet continued the shocks after the television host reminded them that their job was to apply punishment for wrong answers. Only 16 of the 80 contestants refused to administer the strongest shocks.^a

Yami2

norm of reciprocity

a felt obligation and social expectation of helping or otherwise giving something of value to someone who has already helped or given something of value to you

Employees are more willing to abide by the requests of trusted leaders even when those requests are unusual or on the periphery of expected job duties. Some people are more obedient to authority due to their values and personality traits. Specifically, those who value conformity and tradition as well as have high power distance (i.e., they accept an unequal distribution of power) tend to give their bosses a larger zone of indifference. The organization's culture represents another influence on the willingness of employees to follow orders. A 3M scientist might continue to work on a project after being told by superiors to stop working on it because the 3M culture supports an entrepreneurial spirit, which includes ignoring your boss's authority from time to time.⁹

Managers are not the only people with legitimate power in organizations. Employees also have legitimate power over their bosses and coworkers through legal and administrative rights as well as informal norms.¹⁰ An organization might give employees the right to request information that is required for their job. Laws give employees the right to refuse to work in unsafe conditions. Subtler forms of legitimate power also exist.¹¹ Human beings have a **norm of reciprocity**—a feeling of obligation to help someone who has helped you. If a coworker previously helped you handle a difficult client, that coworker has power because you feel an obligation to help the coworker on something of similar value in the future. The norm of reciprocity is a form of legitimate power because it is an informal rule of conduct that we are expected to follow.

Legitimate Power through Information Control A particularly potent form of legitimate power occurs where people have the right to control information that others receive.¹² These information gatekeepers have power in two ways. First, information is a resource, so those who need information are dependent on the gatekeeper to provide that resource. For example, the map department of a mining company has considerable power when other departments are dependent on the map department to deliver maps required for exploration projects.

Second, information gatekeepers gain power by selectively distributing information in a way that affects how those receiving the information perceive the situation compared to their perception if they received all of the information.¹³ As we learned in the previous chapter on communication, information is often filtered as it flows up the hierarchy, which enables those transmitting the information to frame the situation in a more positive light. This framing allows the information gatekeeper to steer the executive team toward one decision rather than another.

REWARD POWER

Reward power is derived from the person's ability to control the allocation of rewards valued by others and to remove negative sanctions (i.e., negative reinforcement). Managers have formal authority that gives them power over the distribution of organizational rewards such as pay, promotions, time off, vacation schedules, and work assignments. Employees also have reward power over their bosses through their feedback and ratings in 360-degree feedback systems. These ratings affect supervisors' promotions and other rewards, so supervisors tend to pay more attention to employee needs after 360-degree feedback is introduced.

COERCIVE POWER

Coercive power is the ability to apply punishment. Managers usually have considerable coercive power, ranging from showing disapproval to firing employees. Employees also have coercive power, such as when coworkers use peer pressure to change another

employee's behavior. In fact, one recent study found that the coercive power of peer pressure had a stronger effect on motivating hand-hygiene behavior among hospital employees than did the reward power of a large financial incentive.¹⁴ Many firms rely on the coercive power of peer pressure to control coworker behavior in team settings. Nucor is one such example: "If you're not contributing with the team, they certainly will let you know about it," says an executive at the Charlotte, North Carolina, steelmaker. "The few poor players get weeded out by their peers."¹⁵

EXPERT POWER

Legitimate, reward, and coercive power originate mostly from the position.¹⁶ Expert power, on the other hand, originates from within the power holder. It is an individual's or work unit's capacity to influence others by possessing knowledge or skills valued by others. One important form of expert power is the perceived ability to manage uncertainties in the business environment. Organizations are more effective when they operate in predictable environments, so they value people who can minimize the turbulence in consumer trends, societal changes, unstable supply lines, and so forth. Expertise can help companies cope with uncertainty in three ways. These coping strategies are arranged in a hierarchy of importance, with prevention being the most powerful:¹⁷

- *Prevention*—The most effective strategy is to prevent environmental changes from occurring. For example, financial experts acquire power by preventing the organization from experiencing a cash shortage or breaching debt covenants.
- *Forecasting*—The second best strategy is to predict environmental changes or variations. In this respect, some people gain power as trend spotters. They have the uncanny ability to predict the rise and fall of fads and other consumer preferences so companies can adapt before the emerging environmental conditions occur.
- *Absorption*—People and work units also gain power by absorbing or neutralizing the impact of environmental shifts as they occur. An example is the ability of maintenance crews to come to the rescue when machines break down.

The Dark Side of Deference Many people respond to expertise just as they respond to authority—they mindlessly follow the guidance of these experts.¹⁸ In one classic study, for example, a researcher posing as a hospital physician telephoned on-duty nurses to prescribe a specific dosage of medicine to a hospitalized patient. None of the nurses knew the person calling, and hospital policy forbade them from accepting treatment by telephone (i.e., the caller lacked discretion to give the order). Furthermore, the medication was unauthorized and the prescription was twice the maximum daily dose. Yet, almost all 22 nurses who received the telephone call followed the "doctor's" orders until stopped by researchers.¹⁹

This doctor-nurse study is a few decades old, but the power of expertise remains just as strong today, sometimes with tragic consequences. Not long ago, the Canadian justice system discovered that one of its "star" expert witnesses—a forensic child pathology expert—had provided inaccurate cause of death evaluations in at least 20 cases, a dozen of which resulted in wrongful or highly questionable criminal convictions. The pathologist's reputation as a renowned authority was the main reason why his often-weak evidence was accepted without question. "Experts in a courtroom—we give great deference to experts," admits a defense lawyer familiar with this situation.²⁰

referent power
the capacity to influence others on the basis of an identification with and respect for the power holder

REFERENT POWER

People have **referent power** when others identify with them, like them, or otherwise respect them. As with expert power, referent power originates within the power holder. It is mostly a function of the person's interpersonal skills. Referent power is also associated



global connections 10.1

The Power of a Trend Hunter^b

People who can forecast the future are worth their weight in gold because they help companies cope with environmental uncertainties. By understanding and even managing the future, corporate leaders know whether to ramp up production or take corrective action before fads fall out of favor.

Jeremy Gutsche is one of the world's leading trend spotters, but he doesn't like to use that word. "Quite simply, the word 'trends' is too broad," he says, explaining that it can mean anything from next year's fashionable color to macro-level buying behavior. "I like to hunt for what I call clusters of inspiration," he offers. "Clustering is the art of identifying insights that are meaningful to your customer. To create clusters, you'll need to collect your observations from trend hunting and filter through the noise."

Gutsche's foray into searching for clusters of inspiration came from his entrepreneurial father. "He used to get me to read hundreds of magazines a month, searching for business ideas and brainstorming what projects we could prototype during the weekend." During his MBA at Queen's University in Canada, a professor introduced Gutsche to the business of "hunting for cool."

Soon after, Gutsche developed a new "trend hunter" website "as a place for people to share business ideas." The website has become phenomenally successful with millions of visitors and 200,000 idea hunters. Gutsche leads a team that dissects this cornucopia of information to identify future trends, including the decline of the luxury market and the rise of "credit crunch couture." He also



Marcel Bieri/Shutterstock

hosts Future Festivals in several countries, writes best-selling books on the topic, and advises Samsung, Adidas, NASA, and other organizations on future clusters of inspiration.

charisma

a personal characteristic or special "gift" that serves as a form of interpersonal attraction and referent power over others

with **charisma**. Experts have difficulty agreeing on the meaning of charisma, but it is usually described as a form of interpersonal attraction whereby followers ascribe almost magical powers to the charismatic individual.²¹ Some writers describe charisma as a special "gift" or trait within the charismatic person, while others say it is mainly in the eyes of the beholder. However, all agree that charisma produces a high degree of trust, respect, and devotion toward the charismatic individual.

Contingencies of Power

LO 10-2

Suppose that you have valuable expertise that helps the organization navigate its rapidly changing external environment. Does this expertise mean that you are powerful? Not necessarily. As was illustrated earlier in Exhibit 10.2, sources of power generate power only under some conditions. Four important contingencies of power are nonsubstitutability, centrality, visibility, and discretion.²²

NONSUBSTITUTABILITY

Individuals and work units have more power when the resource they offer is nonsubstitutable. Conversely, power decreases as the number of alternative sources of the critical



One of the top drivers of career success is your personal brand—what makes you unique and valuable. “Nurturing and enhancing your professional ‘brand’ should be up there with performance as top priorities in your career journey,” says public relations executive Curtis Sparrer. The power of your personal brand increases with its nonsubstitutability—how much it differentiates you from others. Furthermore, personal brand power increases with visibility. “In order for your great performance to be appreciated, it needs to be visible,” says Jeffrey Pfeffer, a leading expert on power in organizations. Rita Mitjans adds that you need to actively manage your public image. “Make sure that you are able to articulate and present the brand that you want others to see,” advises the chief diversity and corporate social responsibility officer at payroll and tax services firm ADP.^c

Artem Furman/Shutterstock

resource increases. If you—and no one else—have expertise that is valuable to the organization, you would be more powerful than if several people in your company possess this valued knowledge. Substitutability refers not only to other sources that offer the resource; it also refers to substitutions of the resource itself. You might be the only person with specialized knowledge about a topic, but that knowledge becomes substitutable if technology or documented procedures provide similar guidance.

One strategy to increase nonsubstitutability is to differentiate the resource from the alternatives. Consulting firms sometimes use this tactic. They take skills and knowledge that many competitors can also provide and wrap them into a package (with the latest buzz words, of course) so that it looks like a service that no one else can offer.

A second strategy is to control access to the resource. Several professions leverage their expert power by controlling (and limiting) access to the profession and often to the educational programs that train people into that profession. Labor unions also increase their power as they represent an increasing percentage of workers in a company or industry (high union density). Employees are also less substitutable when they operate special equipment or possess other knowledge that isn’t documented or widely held by others.

For most of us, the best nonsubstitutability strategy is to develop a *personal brand*—a unique combination of knowledge, skills, and experience that is valuable to current or prospective employers. “Be unique about something. Be a specialist in something. Be known for something. Drive something,” advises Barry Salzberg, the former global CEO of Deloitte Touche Tohmatsu Limited who now teaches at Columbia Business School. “That’s very, very important for success in leadership

because there are so many highly talented people. What’s different about you—that’s your personal brand.”²³

The opening case study for this chapter highlighted the benefits of a unique personal brand. Ann Hand gained unique and valuable expertise running several retail outlets (gas station convenience stores), which opened doors to later jobs and increased her credibility even in executive roles. Furthermore, as Ann Hand’s mentor at BP advised: “Your personal brand is being yourself.” Our public image and reputation should be authentic (who we really are and what we can deliver), but it also needs to be unique and valuable, which leverages the power of nonsubstitutability.

CENTRALITY

centrality
a contingency of power pertaining to the degree and nature of interdependence between the power holder and others

Centrality refers to the power holder’s importance based on the degree and nature of interdependence with others.²⁴ Centrality increases with the number of people dependent on you as well as how quickly and severely they are affected by that dependence. Think about your own centrality for a moment: If you decided not to show up for work or school tomorrow, how many people would have difficulty performing their jobs because of your absence? How soon after they arrive at work would these coworkers notice that you are missing and have to adjust their tasks and work schedule as a result? If you have high centrality, many people in the organization would be adversely affected by your absence, and they would be affected quickly.

The power of centrality is apparent in well-timed labor union strikes, such as a New York City transit strike during the busy Christmas shopping season. The illegal three-day



debating point

HOW MUCH POWER DO CEOS REALLY POSSESS?

It seems reasonable to assume that chief executive officers wield enormous power. They have legitimate power by virtue of their position at the top of the organizational hierarchy. They also have tremendous reward and coercive power because they allocate budgets and other resources. Refusing to go along with the CEO's wishes can be an unfortunate career decision. Some CEOs also gain referent power because their lofty position creates an aura of reverence. Even in this era of equality and low power distance, most employees further down the organization are in awe when the top executive visits.

CEO power is equally apparent through various contingencies. Top executives are almost always visible; some amplify that visibility when they become synonymous with the company's brand.^d CEOs also have high centrality. Few strategic decisions are put into motion unless the top dog supports the idea. CEOs are supposed to have replacements-in-waiting (to make them substitutable), yet more than a few don't take enough time to mentor an heir-apparent. Some CEOs create an image of being too unique to be replaceable.

It would seem evident that CEOs have considerable power—except that many CEOs and a few experts disagree with that view.^e New CEOs quickly discover that they no longer have expertise over a specific area of the company or subject matter. Instead, they oversee the entire organization—a domain so broad that CEOs necessarily become jacks-of-all-trades and masters-of-none. Consequently, the CEO depends on the expertise of others to get things done. CEOs don't even have much knowledge about what goes on in the organization. Reliable sources of information become more guarded when communicating to the top dog; employees further down the hierarchy carefully filter information so the CEO hears more of the good and less of the bad news.

The biggest Achilles' heel for CEOs' power is that their discretion is much more restricted than most people realize. To begin with, CEOs are rarely at the top of the power pyramid. Instead, they report to the company board, which can reject their proposals and fire them for acting contrary to the board's wishes. The board's power over the CEO is

particularly strong when the company has one or two dominant shareholders. But CEOs have been fired by the board even when the CEO is the company's founder! At one time, some CEOs had more power by serving as the board's chair and personally selecting board members. Today, corporate governance rules and laws in most countries have curtailed this practice, resulting in more power for the board and less power for the CEO.^f

The CEO's discretion is also held in check by the power of various groups within the organization. One such group is the CEO's own executive team. These executives constantly monitor their boss, because their careers and reputation are affected by his or her actions, and some of them are eager to fill the top job themselves.^g Similarly, the actions of hospital CEOs are restricted to some extent by the interests and preferences of physicians associated with the hospital.

One cross-cultural study found that the CEO's discretion is limited in countries where laws offer greater rights to many stakeholders (not just shareholders) and give employees more protection from dismissal. The study also reported that the CEO's discretion is limited in cultures with high uncertainty avoidance, because these social values require executives to take measured rather than bold steps toward change.^h

You might think that CEOs have one remaining form of discretion: They can still overrule their vice presidents. Technically they can, but one group of experts points out that doing so has nasty repercussions. It triggers resentment and sends morale into a tailspin. Worse, this action motivates vice presidents to seek out the CEO's involvement much earlier, which overwhelms the CEO's schedule and leaves less time for other priorities. A related observation is that CEOs are the official voice of the organization, so they have much less discretion about what they can say in public or even in private conversations.

Finally, although it seems safe to claim that CEOs have high centrality, a few executives see their situation differently. "I am the least important person in this building," claims the CEO of a regional hospital in Illinois. "This place would run without me for weeks, but the most important groups here are the people taking care of the patients."ⁱ

work stoppage immediately clogged roads and prevented half of city workers from getting to work on time. "[The Metropolitan Transit Authority] told us we got no power, but we got power," said one striking transit worker. "We got the power to stop the city."²⁵

VISIBILITY

Power does not flow to unknown people in the organization. Instead, employees gain power when their talents remain in the forefront of the minds of their boss, coworkers, and others. In other words, power increases with visibility. This visibility can occur, for



example, by taking on people-oriented jobs and projects that require frequent interaction with senior executives. Employees also gain visibility by being, quite literally, visible. Some people strategically locate themselves in more visible work areas, such as those closest to the boss or where other employees frequently pass by.

People often use public symbols as subtle (and not-so-subtle) cues to make their power sources known to others. Many professionals display their educational diplomas and awards on office walls to remind visitors of their expertise. Medical professionals wear white coats with stethoscopes around their necks, which symbolize their legitimate and expert power in hospital settings. Other people play the game of “face time”—spending more time at work and showing that they are working productively.

DISCRETION

The freedom to exercise judgment—to make decisions without referring to a specific rule or receiving permission from someone else—is another important contingency of power in organizations.²⁶ Consider the *lack* of power of many first-line supervisors. They may have legitimate, reward, and coercive power over employees, but this power is often curtailed by specific rules that supervisors must follow to use their power bases.²⁷

The Power of Social Networks

LO 10-3

social networks
social structures of individuals or social units that are connected to one another through one or more forms of interdependence

“It’s not what you know, but who you know that counts!” This often-heard statement reflects the idea that employees get ahead not just by developing their knowledge and skills, but by locating themselves within **social networks**—social structures of individuals or social units (e.g., departments, organizations) that are connected to one another through one or more forms of interdependence.²⁸ Some networks are held together due to common interests, such as when employees who have dogs or other pets spend more time together. Other networks form around common status, expertise, kinship, or physical proximity. For instance, employees are more likely to form networks with coworkers who have common educational backgrounds and occupational interests.²⁹

Social networks exist everywhere because people have a drive to bond. However, there are cultural differences in the norms of active network involvement. Social networking may be more of a central life activity in Asian cultures that emphasize *guanxi*, a Chinese term referring to an individual’s network of social connections. Guanxi is an expressive activity because interacting with family and friends reinforces one’s self-concept. It is also an instrumental activity for receiving favors and opportunities from others. Guanxi is sometimes so pervasive, however, that several experts warn it can undermine the organization’s effectiveness.³⁰



SELF-ASSESSMENT 10.1: Do You Have a Guanxi Orientation?

Connections and social networks are important, no matter where you do business around the world. These interpersonal relationships are called *guanxi* in China, where they are very important due to Confucian values and the unique history of that country. You can discover the extent to which you apply guanxi values in your business and personal relationships by locating this self-assessment in Connect if it is assigned by your instructor.



global connections 10.2

Employee Resource Group for Women Blossoms into a Meaningful Network^j

Most large organizations encourage employees to form employee resource groups—support and information networks around specific commonalities such as gender, disability, ethnicity, parenthood, and so forth. Management consultant Maya Townsend was hired by a biopharmaceutical company to assess how well one of its new employee resource groups—the Women's Success Network (WSN)—was working.

Townsend conducted an organizational network analysis one year after the group was formed and again after two years. The network analysis specifically asked who each employee knows in the network and how much meaningful interaction she had sharing expertise, mentoring, creative discussions, or ad hoc decisions.

Soon after its formation, the WSN had developed objectives, fundraising, and several activities such as lunch and learn sessions. But networking takes time. The Year 1 network map indicated that few meaningful connections had developed among the biopharmaceutical firm's 343 WSN members. Only a small percentage of these employees were actively involved in the network. Most of these connections were with only one or two other people. Several clusters of people were completely disconnected from other clusters.

By the end of Year 2, networking in the biopharmaceutical company's WSN group had blossomed. The group had grown to 634 members. More significantly, these members were much more actively connected to one



stockbroker/123RF

another, either by providing and receiving mentoring or by sharing expertise. For instance, expertise connections jumped from an average of 2.7 per person in Year 1 to 4.2 per person in Year 2. The analysis also revealed that although the founders and active participants in Year 1 were still involved, newer members were in the center of most network clusters.

Overall, Maya Townsend's organizational network analysis provided compelling evidence that the Women's Success Network was, indeed, becoming a success. Members were supporting one another, learning from one another, and opening doors to career advancement. Although a causal link is difficult to verify, the percentage of women at the biopharmaceutical firm's director level and above has increased significantly since the WSN was formed.

social capital

the knowledge, opportunities, and other resources available to members of a social network, along with the mutual support, trust, reciprocity, and coordination that facilitate sharing of those resources

SOCIAL CAPITAL AND SOURCES OF POWER

Social networks generate power through **social capital**—the knowledge, opportunities, and other resources available to members of a social network as well as the mutual support, trust, reciprocity, and coordination that facilitate sharing of those resources.³¹ Compared to non-members, members within a social network are more motivated and able to communicate, distribute, or otherwise provide resources within their power to others in that community.

Social networks potentially enhance and maintain the power of its members through three resources: information, visibility, and referent power. Probably the best-known resource is information from other network members, which improves the individual's expert power.³² The goodwill of social capital opens communication pipelines among those within the network. Network members receive valuable knowledge more easily and more quickly from fellow network members than do people outside that network.³³ With better information access and timeliness, members have more power because their expertise is a scarce resource; it is not widely available to people outside the network.

Increased visibility is a second contributor to a person's power through social networks. When asked to recommend someone for valued positions, other network members more readily think of you than of people outside the network. They are more likely to mention your name when asked to identify people with expertise in your areas of knowledge. A third resource from social networks is increased referent power. People tend to



gain referent power through networking because members of the network identify with or at least have greater trust in one another. Referent power is also apparent by the fact that reciprocity increases among network members as they become more embedded in the network.³⁴

A common misperception is that social networks are free spirits that cannot be orchestrated by corporate leaders. In reality, company structures and practices can shape these networks to some extent.³⁵ But even if organizational leaders don't try to manage social networks, they need to be aware of them. Indeed, people gain power in organizations by knowing what the social networks around them look like.³⁶

GAINING POWER THROUGH SOCIAL NETWORKS

How do individuals (and teams and organizations) gain social capital from social networks? To answer this question, we need to consider the number, depth, variety, and centrality of connections that people have in their networks.

Strong Ties, Weak Ties, Many Ties The volume of information, favors, and other social capital that people receive from networks usually increases with the number of people connected to them. Some people have an amazing capacity to maintain their connectivity with many people. Emerging social network technologies (Facebook, LinkedIn, etc.) have further amplified this capacity to maintain numerous connections.³⁷ However, the more people you know, the less time and energy you have to form "strong ties." Strong ties are close-knit relationships, which are evident from how often we interact with people, how intensely we share resources with them, how much we experience psychological closeness to them, and whether we have multiple- or single-purpose relationships with them (e.g., friend, coworker, sports partner). Strong ties are valuable because they offer resources more quickly and usually more plentifully than are available from weak ties (i.e., acquaintances). Strong ties also offer greater social support and greater cooperation for favors and assistance.³⁸

Some minimal connection strength is necessary to remain in any social network, but strong connections aren't necessarily the most valuable ties. Instead, having weak ties (i.e., being merely acquaintances) with people from diverse networks can be more valuable than having strong ties (i.e., having close friendships) with people in similar networks.³⁹ Why is this so? Strong ties—our close-knit circle of friends—tend to be similar to us and to one another, and similar people tend to have the same information and connections that we already have.⁴⁰ Weak ties, on the other hand, are acquaintances who are usually different from us and therefore offer resources we do not possess. Furthermore, by serving as a "bridge" across several unrelated networks, we receive unique resources from each network rather than more of the same resources.

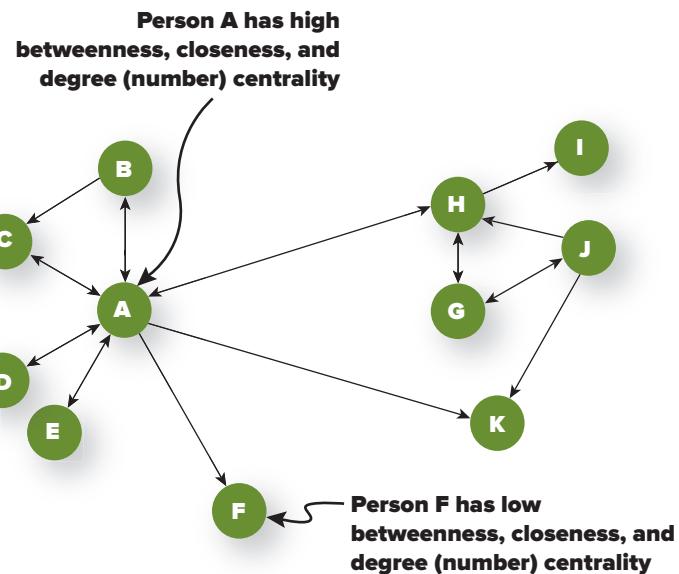
The importance of weak ties is revealed in job hunting and career development.⁴¹ People with diverse networks tend to be more successful job seekers because they have a wider net to catch new job opportunities. In contrast, people who belong to similar overlapping networks tend to receive fewer leads, many of which they already knew about. As careers require more movement across many organizations and industries, you need to establish connections with people across a diverse range of industries, professions, and other spheres of life.

Social Network Centrality Earlier in this chapter, we explained that centrality is an important contingency of power. This contingency also applies to social networks.⁴² The more central a person (or team or organization) is located in the network, the more social capital and therefore more power he or she acquires. Centrality is your importance in that network.

Three factors determine your centrality in a social network. One factor is your "betweenness," which literally refers to how much you are located between others in the

EXHIBIT 10.3

Centrality in Social Networks



network. In Exhibit 10.3, Person A has high betweenness centrality because he or she is a gatekeeper who controls the flow of information to and from many other people in the network. Person H has less betweenness, whereas Person F and several other network members in the diagram have no betweenness. The more betweenness you have, the more you control the distribution of information and other resources to people on either side of you.

A second factor in centrality is the number or percentage of connections you have to others in the network (called *degree centrality*). Recall that the more people are connected to you, the more resources (information, favors, etc.) will be available. The number of connections also increases centrality because you are more visible to other members of the network. Although being a member of a network gives you access to resources in that network, having a direct connection to more people within the network makes that resource sharing more fluid.

A third factor in centrality is the “closeness” of the relationship with others in the network. High closeness refers to strong ties. It is depicted by shorter, more direct, and efficient paths or connections with others in the network. For example, Person A has fairly high closeness centrality because he or she has direct paths to most of the network, and many of these paths are short (implying stronger, more intense, efficient, and high-quality communication links). Your centrality increases with your closeness to others in the network because they are affected more quickly and significantly by you.

One last observation is that Exhibit 10.3 illustrates two clusters of people in the network. The gap between these two clusters is called a **structural hole**.⁴³ Notice that Person A provides the main bridge across this structural hole (connecting to H and K in the other cluster). This bridging role gives Person A additional power in the network. By bridging this gap, Person A becomes a broker—someone who connects two independent networks and controls information flow between them. Research shows that the more brokering relationships you have, the more likely you are to get early promotions and higher pay.

structural hole
a gap between two or more social networks that lack network ties

The Dark Side of Social Networks Social networks are inherent in all organizations, yet they can create a formidable barrier to those who are excluded from those networks.⁴⁴ Women are often excluded from informal male social networks because of the natural tendency of people to network with others who are similar, and because women and men tend to have somewhat different interests and social activities.

"From my experience, women and men tend to mainly network with their own genders," says Sharon Ritchey, executive committee member on the U.S. Golf Association and previously a senior executive at an insurance company. She warns that gendered networks can be a liability for women because most senior management positions are still held by men. Consequently, men "are more likely to hear about jobs at the senior levels—and then pass these tips along to their mostly male networks. This obviously works against women, because men tend to hear earlier and more often about upper-level job leads."⁴⁵

Sharon Ritchey recommends overcoming the male network barrier by encouraging women to include more men in their networks. Deloitte Touche Tohmatsu actively helps women in social networks. Several years ago, executives at the accounting and consulting firm discovered that many junior female employees quit before reaching partnership level because they felt isolated from powerful male social networks. Deloitte now supports mentoring, formal women's network groups, and measurement of career progress to ensure that female staff members have the same career development opportunities as their male colleagues.⁴⁶

Consequences of Power

How does power affect the power holder? The answer depends to some extent on the type of power.⁴⁷ When people feel empowered (high self-determination, meaning, competence, and impact), they believe they have power over themselves and freedom from being influenced by others. Empowerment tends to increase motivation, job satisfaction, organizational commitment, and job performance. However, this feeling of being in control and free from others' authority also increases automatic rather than mindful thinking. In particular, people who feel powerful usually are more likely to rely on stereotypes, have difficulty empathizing, and generally have less accurate perceptions compared with people who have less power.⁴⁸

The other type of power is one in which an individual has power *over others*, such as the legitimate, reward, and coercive power that managers have over employees in the workplace. This type of power produces a sense of duty or responsibility for the people over whom the power holder has authority. Consequently, people who have power over others tend to be more mindful of their actions and engage in less stereotyping. Even when people feel empowered, they can shift their focus from self to others, so the power becomes viewed more as one of social responsibility than enjoyable for its own sake.⁴⁹

Influencing Others

LO 10-4



influence
any behavior that attempts to alter someone's attitudes or behavior

So far, this chapter has focused on the sources and contingencies of power as well as power derived from social networks. But power is only the *capacity* to influence others. It represents the potential to change someone's attitudes and behavior. **Influence**, on the other hand, refers to any behavior that attempts to alter someone's attitudes or behavior.⁵⁰ Influence is power in motion. It applies one or more sources of power to get people to alter their beliefs, feelings, and activities. Consequently, our interest in the remainder of this chapter is on how people use power to influence others.

Influence tactics are woven throughout the social fabric of all organizations. Indeed, influence is central to the definition of leadership. It is an essential process through which people coordinate their effort and act in concert to achieve organizational objectives. Influence operates down, across, and up the corporate hierarchy. Executives ensure that subordinates complete required tasks. Employees influence coworkers to help them with their job assignments.

**SELF-ASSESSMENT 10.2: What Is Your Approach to Influencing Coworkers?**

Working with others in organizations is an ongoing process of coordination and cooperation. Part of that dynamic is changing our attitudes and behavior as well as motivating others to change their attitudes and behavior. In other words, everyone engages in influence tactics to get things done. There are many ways to influence other people, some of which work better than others, depending on the situation. You can discover your preferred influence tactics on coworkers and other peers by locating this self-assessment in Connect if it is assigned by your instructor.

TYPES OF INFLUENCE TACTICS

Organizational behavior researchers have devoted considerable attention to the various types of influence tactics found in organizational settings. They do not agree on a definitive list, but the most commonly discussed influence tactics are identified in Exhibit 10.4 and described over the next few pages.⁵¹ The first five are known as “hard” influence tactics because they force behavior change through position power (legitimate, reward, and coercion). The latter three—persuasion, impression management, and exchange—are called “soft” tactics because they rely more on personal sources of power (referent, expert) and appeal to the target person’s attitudes and needs.

Silent Authority The silent application of authority occurs when someone complies with a request because of the requester’s legitimate power as well as the target person’s role expectations.⁵² This influence occurs when you comply with your boss’s request to complete a particular task. If the task is within your job scope and your boss has the right to make this request, then this influence strategy operates without negotiation, threats, persuasion, or other tactics. Silent authority is the most common form of influence in high power distance cultures.⁵³

EXHIBIT 10.4 Types of Influence Tactics in Organizations

INFLUENCE TACTIC	DESCRIPTION
Silent authority	Influencing behavior through legitimate power without explicitly referring to that power base.
Assertiveness	Actively applying legitimate and coercive power by applying pressure or threats.
Information control	Explicitly manipulating someone else’s access to information for the purpose of changing their attitudes and/or behavior.
Coalition formation	Forming a group that attempts to influence others by pooling the resources and power of its members.
Upward appeal	Relying symbolically or in reality on people with higher authority or expertise to support our position.
Persuasion	Using logical arguments, factual evidence, and emotional appeals to convince people of the value of a request.
Impression management	Actively shaping, through self-presentation and other means, the perceptions and attitudes that others have of us. Includes ingratiation, which refers to the influencer’s attempt to be more liked by the targeted person or group.
Exchange	Promising benefits or resources in exchange for the target person’s compliance.



Nearly 30 percent of American and UK employees believe they have been victims of workplace bullying, usually by their boss. Employees in the Los Angeles County city of Carson apparently had their share of this problem. An independent report concluded that the recently elected city clerk, who previously served for a decade as Carson's part-time mayor, was so mercurial and verbally abusive that staff felt "uncomfortable and fearful, to the point that they were taking steps to secure their work stations and planning escape routes." The Carson city council initially suspended the city clerk and moved his staff to a separate building when he returned. Voters then removed him from office. But in a curious twist, voters recently elected the former city clerk as one of two new Carson City council members. Carson's city manager immediately quit and Carson's mayor chose not to attend his swearing-in ceremony. The other council member elected said she would get along fine with the contentious former city clerk because he "had learned his lesson."

Wavebreak Media/age fotostock

coalition

a group that attempts to influence people outside the group by pooling the resources and power of its members

upward appeal

a type of influence in which someone with higher authority or expertise is called on in reality or symbolically to support the influencer's position

Assertiveness Assertiveness might be called "vocal authority" because it involves actively applying legitimate and coercive power to influence others. This includes persistently reminding the target of his or her obligations, frequently checking the target's work, confronting the target, and using threats of sanctions to force compliance. Workplace bullying is an extreme form of assertiveness because it involves explicit threats of punishment.

Information Control Earlier in this chapter we explained that people with centrality in social networks have the power to control information. This power translates into influence when the power holder actually distributes information selectively so it reframes the situation and causes others to change their attitudes and/or behavior. Controlling information might include withholding information that is more critical or favorable, or distributing information to some people but not to others. For example, one study found that CEOs influence their board of directors by selectively feeding and withholding information.⁵⁴

Coalition Formation When people lack sufficient power alone to influence others in the organization, they might form a **coalition** of people who support the proposed change. A coalition is influential in three ways.⁵⁵ First, it pools the power and resources of many people, so the coalition potentially has more influence than its members have if they operated alone. Second, the coalition's mere existence can be a source of power by symbolizing the legitimacy of the issue. In other words, a coalition creates a sense that the issue deserves attention because it has broad support. Third, coalitions tap into the power of the social identity process introduced in Chapter 3. A coalition is an informal group that advocates a new set of norms and behaviors. If the coalition has a broad-based membership (i.e., its members come from various parts of the organization), then other employees are more likely to identify with that group and, consequently, accept the ideas the coalition is proposing.

Upward Appeal **Upward appeal** involves calling on higher authority or expertise, or symbolically relying on these sources to support the influencer's position. It occurs when someone says "The boss likely agrees with me on this matter; let's find out!" Upward appeal also occurs when relying on the authority of the firm's policies or values. By reminding others that your request is consistent with the organization's overarching goals, you are implying support from senior executives without formally involving them.

Persuasion

Persuasion involves the use of facts, logical arguments, and emotional appeals to change another person's beliefs and attitudes, usually for the purpose of changing his or her behavior. This is the most widely used and

EXHIBIT 10.5 Elements of Persuasion

PERSUASION ELEMENT	CHARACTERISTICS OF EFFECTIVE PERSUASION
Persuader characteristics	<ul style="list-style-type: none"> • Expertise • Credibility • No apparent profit motive • Appears somewhat neutral (acknowledges strengths of alternative choices)
Message content	<ul style="list-style-type: none"> • Multiple viewpoints (not exclusively supporting the preferred option) • Limited to a few strong arguments (not many arguments) • Repeat arguments, but not excessively • Use emotional appeals in combination with logical arguments • Offer specific solutions to overcome the stated problems • Inoculation effect—audience warned of counterarguments that opponents will present
Communication channel	<ul style="list-style-type: none"> • Channels with high media-richness and social presence are usually more persuasive
Audience characteristics	<p>Persuasion is less effective when the audience:</p> <ul style="list-style-type: none"> • has higher self-esteem • has higher intelligence • has a self-concept tied to an opposing position

accepted influence strategy in organizations. It is a quality of effective leaders and, in many societies, a noble skill. The effectiveness of persuasion as an influence tactic depends on characteristics of the persuader, message content, communication channel, and the audience being persuaded (see Exhibit 10.5).⁵⁶ People are more persuasive when listeners believe they have expertise and credibility. Credibility is higher when the persuader does not seem to profit from the persuasion attempt, mentions limitations with the position being persuaded, and acknowledges minor positive features of the alternative choices.

The message is more important than the messenger when the issue is important to the audience. Message content is more persuasive when it acknowledges several points of view so the speaker is viewed as more credible and the audience does not feel boxed in by the persuasion attempt. The message should also be limited to a few strong arguments, which are repeated a few times, but not too frequently. The message should use emotional appeals (such as graphically showing the unfortunate consequences of a bad decision), but only in combination with logical arguments and specific recommendations to overcome the threat. Finally, message content is more persuasive when the audience is warned about opposing arguments. This **inoculation effect** causes listeners to generate counterarguments to the anticipated persuasion attempts, which makes the opponent's subsequent persuasion attempts less effective.⁵⁷

Two other considerations when persuading people are the communication channel and characteristics of the audience. Generally, persuasion works best in face-to-face conversations and through other channels with high social presence and media richness. The personal nature of face-to-face communication increases the persuader's credibility, and the richness of this channel provides faster feedback that the influence strategy is working. With respect to audience characteristics, it is more difficult to persuade people who have high self-esteem and intelligence, as well as a self-concept that is strongly tied to the opposing viewpoint.⁵⁸

Impression Management Silent authority, assertiveness, information control, coalitions, and upward appeals are somewhat (or very!) forceful ways to influence other

inoculation effect

a persuasive communication strategy of warning listeners that others will try to influence them in the future and that they should be wary of the opponent's arguments



impression management
actively shaping through self-presentation and other means the perceptions and attitudes that others have of us

people. In contrast, a very soft influence tactic is **impression management**—actively shaping the perceptions and attitudes that others have of us.⁵⁹ Impression management mostly occurs through self-presentation. We craft our public images to communicate an identity, such as being important, vulnerable, threatening, or pleasant. For the most part, employees routinely engage in pleasant impression management behaviors to satisfy the basic norms of social behavior, such as the way they dress and how they behave toward coworkers and customers.

Impression management is a common strategy for people trying to get ahead in the workplace. In fact, as we noted earlier, career professionals encourage people to develop a personal “brand”; that is, to form and display an accurate impression of their own distinctive, competitive advantage.⁶⁰ Furthermore, people who master the art of personal branding rely on impression management through distinctive personal characteristics such as black shirts, tinted hair, or unique signatures.

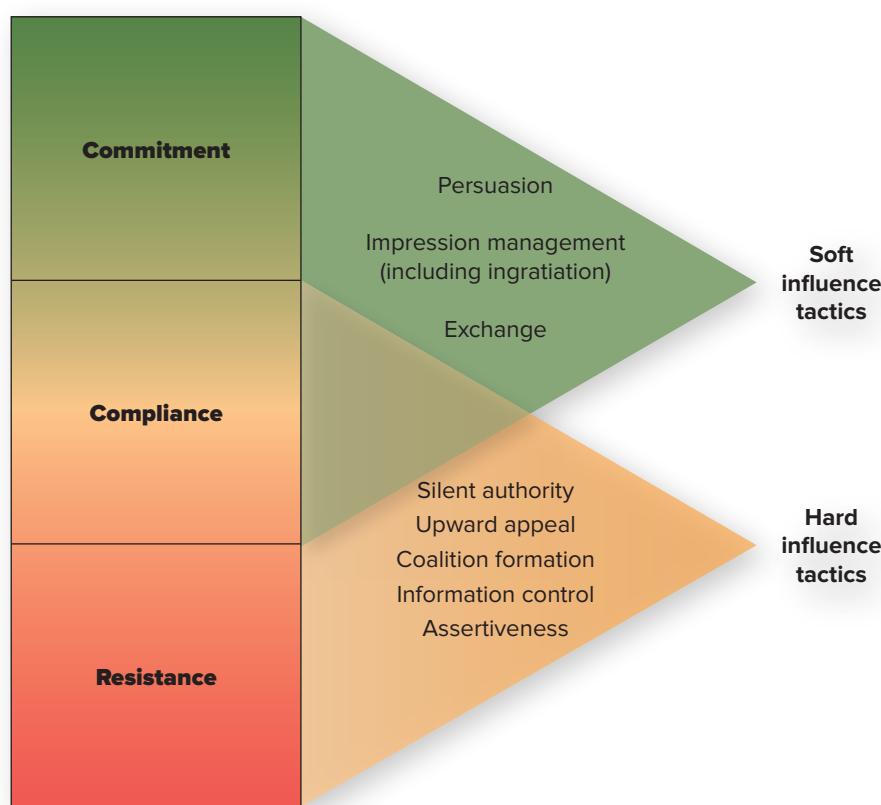
One subcategory of impression management is *ingratiation*, which is any attempt to increase liking by, or perceived similarity to, some targeted person.⁶¹ Ingratiation comes in several flavors. Employees might flatter their boss in front of others, demonstrate that they have similar attitudes as their boss (e.g., agreeing with the boss’s proposal), or ask their boss for advice. Ingratiation is one of the more effective influence tactics at boosting a person’s career success.⁶² However, people who engage in high levels of ingratiation are less (not more) influential and less likely to get promoted.⁶³ Why the opposite effect? Those who engage in too much ingratiation are viewed as insincere and self-serving. The terms *apple polishing* and *brown-nosing* are applied to those who ingratiate to excess or in ways that suggest selfish motives for the ingratiation.

Exchange Exchange activities involve the promise of benefits or resources in exchange for the target person’s compliance with your request. Negotiation is an integral part of exchange influence activities. For instance, you might negotiate with your boss for a day off in return for working a less desirable shift at a future date. Exchange also includes applying the norm of reciprocity that we described earlier, such as reminding the target of past benefits or favors with the expectation that the target will now make up for that debt. Earlier in this chapter we explained how people gain power through social networks. They also use norms of reciprocity to influence others in the network. Active networkers build up “exchange credits” by helping colleagues in the short term for reciprocal benefits in the long term.

CONSEQUENCES AND CONTINGENCIES OF INFLUENCE TACTICS

Faced with a variety of influence strategies, you are probably asking: Which ones are best? To answer this question, we first need to describe how people react when others try to influence them: resistance, compliance, or commitment (see Exhibit 10.6).⁶⁴ *Resistance* occurs when people or work units oppose the behavior desired by the influencer. At the extreme, they refuse to engage in the behavior. However, there are degrees of resistance, such as when people perform the required duties yet maintain their opposition by performing the tasks poorly or continuing to complain about the imposed work.

Compliance occurs when people are motivated to implement the influencer’s request for purely instrumental reasons. Without external sources to motivate the desired behavior, compliance would not occur. Furthermore, compliance usually involves engaging in the behavior with no more effort than is required. *Commitment* is the strongest outcome of influence, whereby people identify with the influencer’s request and are highly motivated to implement it even when extrinsic sources of motivation are not present.

EXHIBIT 10.6**Consequences of Hard and Soft Influence Tactics**

People usually react more favorably to soft tactics than to hard tactics. Soft influence tactics rely on personal sources of power (expert and referent power), which tend to build commitment to the influencer's request. In contrast, hard tactics rely on position power (legitimate, reward, and coercion), so they tend to produce compliance or, worse, resistance. Hard tactics also tend to undermine trust, which can hurt future relationships.

Apart from the general preference for soft rather than hard tactics, the most appropriate influence strategy depends on a few contingencies.⁶⁵ One obvious contingency is the influencer's strongest sources of power. Those with expertise tend to have more influence using persuasion, whereas those with a strong legitimate power base may be more successful applying silent authority. A second contingency is whether the person being influenced is higher, lower, or at the same level in the organization. As an example, employees may face adverse career consequences by being too assertive with their boss. Meanwhile, supervisors who engage in ingratiation and impression management tend to lose the respect of their staff.

Finally, the most appropriate influence tactic depends on personal, organizational, and cultural values.⁶⁶ People with a strong power orientation might feel more comfortable using assertiveness, whereas those who value conformity would make greater use of upward appeals. At an organizational level, firms with a competitive culture might encourage more use of information control and coalition formation, whereas companies with a more collegial culture would likely encourage more influence through persuasion. The preferred influence tactics also vary across societal cultures. Research indicates that ingratiation is much more common among managers in the United States than in Hong Kong. Possibly, ingratiation is incompatible with the more distant roles that managers and employees expect in high power distance cultures.

Organizational Politics

LO 10-5



Organizational politics goes hand-in-hand with the topics of organizational power and influence. Unfortunately, the meaning of organizational politics is quite muddled. The most widely held view among scholars and employees alike is that organizational politics harms individual performance and well-being and ultimately damages the organization's effectiveness.⁶⁷ Employees consistently identify office politics as one of the top factors that undermines their productivity and mental health. Yet some scholars and an increasing number of popular press writers claim that organizational politics can be beneficial. These "positive politics" sources claim that "politics is an essential skill in managers who wish to get things done" and that it is "an indispensable component of organizational life."⁶⁸

OFFICE POLITICS BY THE NUMBERS¹

- 65%** of 3,000 employees say they would be more productive working from home due to minimal office politics compared to an office.
- 58%** of 763 American employees say they have left jobs, or are considering leaving, because of negative office politics.
- 49%** of 2,000 job seekers in South Africa say they occasionally had to deal with office politics and clashes.
- 39%** of 1,700 18- to 34-year-old employees in India identify office politics as a major barrier to working effectively (second highest barrier, following excessive workload).
- 25%** of 1,000 professional adults identify workplace politics as one of their major career struggles (fourth highest on the list of 10 struggles)



(photo): SchulteProductions/Getty Images

Can organizational politics be both functional and dysfunctional for organizations? We don't think so. A closer look at the "positive politics" writing reveals why.⁶⁹ Some avoid defining the concept, but refer to specific influence activities such as networking and coalition building as types of positive political activity. One often-cited study measured standard influence tactics (ingratiation, coalitions, assertiveness) but called them "political tactics." A frequently cited book defines organizational politics as "power in action, using a range of technique and tactics." This happens to be the definition of *influence* adopted by most experts and described in the previous section of this chapter. In short, the "positive politics" advocates seem to be claiming that all influence tactics are political tactics.

We define **organizational politics** as the use of influence tactics for personal gain at the perceived expense of others and the organization.⁷⁰ This definition recognizes that all political behaviors apply one or more influence tactics. However, influence activities are organizational politics only when the perpetrator is motivated by self-interest and the action is likely to have an adverse effect on others and the organization. Organizational politics is necessarily a perceptual interpretation of events because it is very difficult to know that the perpetrator was motivated by self-interest and either ignored or delighted in the adverse consequences for others.

The adverse consequences of organizational politics on employees has been well documented in research. These include lower job satisfaction, organizational commitment, organizational citizenship, and task performance, as well as higher levels of work-related stress and motivation to leave the organization.⁷¹ These individual outcomes produce adverse organizational outcomes. In addition, political tactics potentially divert resources away from productive use, which further undermines the organization. "A politically charged work environment can hinder productivity, erode trust, and lead to morale and retention issues," says Renan Silva, a corporate project management office specialist at Serasa Experian, a credit bureau in São Paulo, Brazil.

organizational politics
the use of influence tactics for personal gain at the perceived expense of others and the organization

INDIVIDUAL DIFFERENCES IN ORGANIZATIONAL POLITICS

Some people are more likely than others to engage in organizational politics.⁷² Employees with a strong need for personalized power seek power for its own sake and try to acquire



global connections 10.3

Playing Politics with the Vacation Schedule

The vacation roster is a scarce resource, and resource scarcity brings out the worst office politics. One survey reported that 13 percent of British employees refused to reveal when they would take their vacations, so coworkers wouldn't book the same dates. Another 7 percent said they protected their vacation plans by lying to coworkers about those plans. Five percent were even more

Machiavellian; they strategically booked vacation dates that scuttled the plans of a disliked coworker.

"I know this is true," says an employee from Newport, Wales, who was not part of the survey. "I had a colleague who knew my holiday habits and would go in on January the 2nd and book every week that he knew I habitually had for holidays because he knew my wife's holidays were fixed and could not be changed. He didn't really need those days; he did it out of spite."⁷³



Ferran Traite Soler/Getty Images

Machiavellianism

a personality trait of people who demonstrate a strong motivation to achieve their own goals at the expense of others, who believe that deceit is a natural and acceptable way to achieve their goals, who take pleasure in outwitting and misleading others using crude influence tactics, and who have a cynical disregard for morality

more power. This contrasts with people with a strong need for socialized power; they seek power as an instrument to accomplish organizationally beneficial objectives.

A second individual predictor of political behavior in the workplace and elsewhere is **Machiavellianism** (see Chapter 2).⁷³ People with high Machiavellianism (*high-Machs*) are highly motivated to get what they want at the expense of others. They believe that deceit is a natural and acceptable way to achieve their goals; indeed, they take pleasure in misleading, outwitting, and otherwise controlling others. High-Machs routinely use lies, manipulation, exploitation, and other undesirable influence tactics. They seldom empathize with or trust coworkers, have a cynical disregard for moral principles, and believe that getting more than one deserves is acceptable.

MINIMIZING ORGANIZATIONAL POLITICS

Organizational behavior experts have identified several conditions that encourage organizational politics. Out of these findings we can identify corresponding strategies to keep political activities to a minimum.⁷⁴

- *Provide sufficient resources.* Organizational politics is triggered by scarce resources in the workplace. When budgets are slashed, people rely on political tactics to safeguard their resources and maintain the status quo. Although it is not easy to maintain or add resources, sometimes this action is less costly than the consequences of organizational politics.
- *Clarify resource allocation rules.* Political tactics are fueled by ambiguous or complex rules, or the absence of formal rules, because those tactics help people get what they want when decisions lack structural guidelines. Consequently, organizational politics is suppressed when resource allocation decisions are clear and simplified.



- *Apply effective organizational change practices.* Organizational change tends to bring out more organizational politics, mainly because change creates ambiguity and threatens the employee's power and other valued resources.⁷⁵ Consequently, leaders need to apply the organizational change strategies that we describe in Chapter 15, particularly through communication, learning, and involvement. Research has found that employees who are kept informed of what is going on in the organization and who are involved in organizational decisions are less likely to engage in organizational politics.
- *Purge political behavior norms and role models.* Political behavior is more common in work units and organizations where it is tolerated and reinforced. Some companies seem to nurture self-serving behavior through reward systems and the role modeling of organizational leaders. To minimize political norms, the organization needs to diagnose and alter systems and role modeling that support self-serving behavior. They should support organizational values that oppose political tactics, such as altruism and focusing on the customer. One of the most important strategies is for leaders to become role models of organizational citizenship rather than symbols of successful organizational politicians.

 connect**SELF-ASSESSMENT 10.3: How Politically Charged Is Your School?**

Every organization has some degree of organizational politics. Depending on behavioral norms and organizational culture, employees in some companies actively use influence tactics to get their own way for personal gain. In other workplaces, employees who engage in organizational politics are quickly reminded to avoid these tactics, or are eventually asked to work somewhere else. Students can usually sense the level of organizational politics at the college where they are taking courses. You can discover the degree to which you believe the school where you attend classes has a politicized culture by locating this self-assessment in Connect if it is assigned by your instructor.

chapter summary

LO 10-1 Describe the dependence model of power and the five sources of power in organizations.

Power is the capacity to influence others. It exists when one party perceives that he or she is dependent on the other for something of value. However, the dependent person must also have countervailing power—some power over the dominant party—to maintain the relationship, and the parties must have some level of trust.

There are five power bases. Legitimate power is an agreement among organizational members that people in certain roles can request certain behaviors of others. This power has restrictions, represented by the target person's zone of indifference. It also includes the norm of reciprocity (a feeling of obligation to help someone who has helped you), as well as control over the flow of information to others. Reward power is derived from the ability to control the allocation of rewards

valued by others and to remove negative sanctions. Coercive power is the ability to apply punishment. Expert power is the capacity to influence others by possessing knowledge or skills that they value. An important form of expert power is the (perceived) ability to manage uncertainties in the business environment. People have referent power when others identify with them, like them, or otherwise respect them.

LO 10-2 Discuss the four contingencies of power.

Four contingencies determine whether these power bases translate into real power. Individuals and work units are more powerful when they are nonsubstitutable. Employees, work units, and organizations reduce substitutability by controlling tasks, knowledge, and labor, by differentiating themselves from competitors, and by developing a personal brand—a unique combination of knowledge, skills, and

experience that are valuable to current or prospective employers.

A second contingency is centrality. People have more power when they have high centrality, which means that many people are quickly affected by their actions. The third contingency, visibility, refers to the idea that power increases to the extent that a person's or work unit's competencies are known to others. Discretion, the fourth contingency of power, refers to the freedom to exercise judgment. Power increases when people have the freedom to use their power.

LO 10-3 Explain how people and work units gain power through social networks.

Social networks are social structures of individuals or social units (e.g., departments, organizations) that connect to one another through one or more forms of interdependence. People receive power in social networks through social capital, which is the goodwill and resulting resources shared among members in a social network. Three main resources from social networks are information, visibility, and referent power.

Employees gain social capital through their relationship in the social network. Social capital tends to increase with the number of network ties. Strong ties (close-knit relationships) can also increase social capital because these connections offer more resources more quickly. However, having weak ties with people from diverse networks can be more valuable than having strong ties with people in similar networks. Weak ties provide more resources that we do not already possess. Another influence on social capital is the person's centrality in the network. Network centrality is determined in several ways, including the extent to which you are located between others in the network (betweenness), how many direct ties you have (degree), and the closeness of these ties. People also gain power by bridging structural holes—linking two or more clusters of people in a network.

LO 10-4 Describe eight types of influence tactics, three consequences of influencing others, and three contingencies to consider when choosing an influence tactic.

Influence refers to any behavior that attempts to alter someone's attitudes or behavior. The most widely studied influence tactics are silent authority, assertiveness, information control, coalition formation, upward appeal, impression management, persuasion, and exchange. "Soft" influence tactics such as friendly persuasion and subtle ingratiation are more acceptable than "hard" tactics such as upward appeal and assertiveness. However, the most appropriate influence tactic also depends on the influencer's power base; whether the person being influenced is higher, lower, or at the same level in the organization; and personal, organizational, and cultural values regarding influence behavior.

LO 10-5 Identify the organizational conditions and personal characteristics associated with organizational politics, as well as ways to minimize organizational politics.

Organizational politics refer to the use of influence tactics for personal gain at the perceived expense of others and the organization. It is more common when ambiguous decisions allocate scarce resources and when the organization tolerates or rewards political behavior. Individuals with a high need for personal power and a Machiavellian personality have a higher propensity to use political tactics. Organizational politics can be minimized by providing clear rules for resource allocation, establishing a free flow of information, using education and involvement during organizational change, supporting team norms and a corporate culture that discourages political behavior, and having leaders who role model organizational citizenship rather than political savvy.

key terms

centrality, p. 374

charisma, p. 373

coalition, p. 382

countervailing power, p. 369

impression management, p. 384

influence, p. 380

inoculation effect, p. 383

legitimate power, p. 370

Machiavellianism, p. 387

norm of reciprocity, p. 371

organizational politics, p. 386

persuasion, p. 382

power, p. 368

referent power, p. 372

social capital, p. 377

social networks, p. 376

structural hole, p. 379

upward appeal, p. 382

critical thinking questions

- What role does countervailing power play in the power relationship? Give an example of one of your own encounters with countervailing power at school or work.
- Until recently, a mining company's data resided in the department that was responsible for that information. Property data were on the computers in land administration, hydrocarbon data were in the well administration group, maps were found in the map department, and so on. The executive team concluded that this arrangement was dysfunctional, so the CEO announced that all

information would become widely accessible on a central server system. If someone needs a color map, for example, he or she can retrieve it from the central server without going through the map department. Rather than welcome the change, employees in several departments complained, offering several arguments why other groups should not have direct access to their data files. Some departments tried to opt out of the centralized server system. Using the model of sources and contingencies of power, explain why some groups opposed the central server model of data access.

3. You have just been hired as a brand manager of toothpaste for a large consumer products company. Your job mainly involves encouraging the advertising and production groups to promote and manufacture your product more effectively. These departments aren't under your direct authority, though company procedures indicate that they must complete certain tasks requested by brand managers. Describe the sources of power you can use to ensure that the production and advertising departments will help you make and sell toothpaste more effectively.
4. Your personal brand is an important form of power for career success. In what ways can you and other students strengthen their personal brand? What sources and contingencies of power are relevant in building a personal brand?
5. Discuss the eight influence tactics described in this chapter in terms of how they are used by students to influence their college instructors. Which influence tactic is applied most often? Which is applied least often, in your opinion? To what extent is each influence tactic considered legitimate behavior or organizational politics?
6. Consider a situation in which there is only one female member on a team of six people, and she is generally excluded from informal gatherings of the team. What kind of influence tactics can she use to address this situation?
7. In the mid-1990s, the CEO of Apple Computer invited the late Steve Jobs (who was not associated with the company at the time) to serve as a special adviser and raise morale among Apple employees and customers. While doing so, Jobs spent more time advising the CEO on how to cut costs, redraw the organizational chart, and hire new people. Before long, most of the top people at Apple were Jobs's colleagues, who began to systematically evaluate and weed out teams of Apple employees. While publicly supporting Apple's CEO, Jobs privately criticized him and, in a show of nonconfidence, sold the 1.5 million shares of Apple stock he had received. This action caught the attention of Apple's board of directors, who soon after decided to replace the CEO with Steve Jobs. The CEO claimed Jobs was a conniving back-stabber who used political tactics to get his way. Others suggest that Apple would be out of business today if he hadn't taken over the company. In your opinion, were Steve Jobs's actions examples of organizational politics? Justify your answer.
8. Successful companies depend on their employees to seek out new information and to share their discoveries and ideas with others in the organization. How does organizational politics interfere with these beneficial activities?



CASE STUDY: RESONUS CORPORATION

By Steven L. McShane, University of Newcastle (Australia), based on a case written by John A. Seeger

Frank Choy is normally a quiet person, but his patience has already been worn thin by interdepartmental battles. Choy joined Resonus Corporation, a hearing aid designer and manufacturer, eight months ago as director of engineering. Production of the latest product has been delayed by two months, and Choy's engineering services department (ESD)—which prepares final manufacturing specifications—is taking the heat as the main culprit for these delays. Similar delays have been occurring at Resonus for the past few years. The previous engineering director was fired after 18 months; the director before him quit after about the same amount of time.

Bill Hunt, CEO of Resonus for the past 15 years, responded to these problems by urging everyone to remain civil. "I'm sure we can resolve these differences if we just learn to get along better," he said whenever a dispute broke out. Hunt disliked firing anyone, but he felt the previous engineering director was too confrontational. "I spent too much time smoothing out arguments when he was here," Hunt thought to himself soon after Choy was hired. "Frank, on the other hand, seems to fit into our culture of collegiality."

Hunt was groomed by the company's founder and took great pride in preserving the organization's family spirit. He

also discouraged bureaucracy, believing that Resonus operated best through informal relationships among its managers. Most Resonus executives were similarly informal, except Jacqui Blanc, the production director, who insisted on strict guidelines. Hunt tolerated Blanc's formal style, because soon after joining Resonus five years ago, she discovered and cleaned up fraudulent activity involving two production managers and a few suppliers.

The organizational chart shows that Frank Choy oversees two departments: ESD and research. In reality, "Doc" Kalandry, the research director, informally reports directly to the CEO (Hunt) and has never considered the director of engineering as his boss. Hunt actively supports this informal reporting relationship because of Doc's special status in the organization. "Doc Kalandry is a living genius," Hunt told Choy soon after he joined the firm. "With Doc at the helm of research, this company will continue to lead the field in innovation." Hunt's first job at Resonus was in the research group, and Choy suspected that Hunt still favored that group.

Everyone at Resonus seems to love Doc's successful products, his quirky style, and his over-the-top enthusiasm, but some of Choy's ESD staff are also privately concerned. Says one engineer: "Doc is like a happy puppy

when he gets a new product idea. He delights in the discovery but also won't let go of it. He also gets Hunt too enthusiastic. But Doc's too optimistic; we've had hundreds of production change orders already this year. If I were in Frank's shoes, I'd put my foot down on all this new development."

Soon after joining Resonus, Choy realized that ESD employees get most of the blame and little of the credit for their work. When production staff find a design fault, they directly contact the research design engineer who developed the technology, rather than the ESD group who prepare the specifications. Research engineers willingly work with production, because they don't want to let go of their project. "The designers seem to feel they're losing something when one of us in ESD tries to help," Choy explains.

Meanwhile, production supervisors regularly critique ESD staff, whereas they tend to accept explanations from the higher-status research department engineers. "Production routinely complains about every little specification error, many of which are due to design changes made by the research group," says one frustrated ESD technician. "Many of us have more than 15 years experience in this work. We shouldn't have to prove our ability all the time, but we spend as much time defending ourselves as we do getting the job done."

Choy's latest troubles occurred when Doc excitedly told CEO Hunt about new nano-processor technology that he wanted to install in the forthcoming high-end hearing aid product. As with most of Doc's previous last-minute revisions, Hunt endorsed this change and asked Choy and Blanc (the production director) to show their commitment, even though production was scheduled to begin in less than three weeks. Choy wanted to protest, knowing that his department would have to tackle unexpected in-

compatibility design errors. Instead, he quietly agreed to Hunt's request to avoid acting like his predecessor and facing similar consequences (getting fired). Blanc curtly stated that her group was ready if Choy's ESD unit could get accurate production specifications ready on time and if the sales director would stop making wild delivery promises to customers.

When Doc's revised design specs arrived more than a week later, Choy's group discovered numerous incompatibilities that had to be corrected. Even though several ESD staff were assigned to 12-hour days on the revisions, the final production specifications weren't ready until a couple of days after the deadline. Production returned these specs two days later, noting a few elements that required revision because they were too costly or difficult to manufacture in their current form. By that time, the production director had to give priority to other jobs and moved the new hearing aid product further down the queue. This meant that manufacturing of the new product was delayed by at least two months. The sales director was furious and implied that Frank Choy's incompetence was to blame for this catastrophe.

Discussion Questions

1. What sources and contingencies of power existed among the executives and departments at Resonus?
2. What influence tactics were evident in this case study? Would you define any of these influence activities as organizational politics? Why or why not?
3. Suppose you are a consultant invited to propose a solution to the product delay problems facing this organization. What would you recommend, particularly regarding power dynamics among the executives and departments?



CASE STUDY: JP MORGAN'S WHALE

By Steven L. McShane, University of Newcastle (Australia)

JP Morgan Chase & Co. suffered a \$7 billion loss (plus another \$1 billion in government fines) from highly speculative investments by a handful of traders in its London office. The ill-fated trades occurred in JP Morgan's chief investment office (CIO), a special unit whose original objective was to use the bank's own money to conservatively hedge against its investment risks. With top management's approval, however, the CIO became an active profit center by investing in higher risk derivatives. The unit's portfolio tripled over three years to \$350 billion (15 percent of JP Morgan's total assets) and apparently generated more than 10 percent of the bank's net income. It had gained senior management's highest respect.

JP Morgan monitored risk compliance among its client-serving trading groups, whereas the CIO traders were under

much less scrutiny, possibly because their assets were the bank's money, not clients' money. One U.S. government investigator quipped that supervision of CIO trades "was little more than a rubber stamp." CIO traders reported their results less often than did other groups. Due to the complexity of these products, the CIO traders also had considerable discretion to estimate the size of those gains and losses. One U.S. Senator remarked that "the traders seemed to have more responsibility and authority than the higher-up executives."

Bruno Iksil, the lead trader in the CIO group's London operations, had developed a reputation for making bold, but ultimately profitable, bets on whether companies would default on their bond payments. A few years ago, traders nicknamed Iksil the "Caveman" for his aggressive trading style.

Later, Iksil became known as “Voldemort” after the powerful Harry Potter villain, because his trades namelessly moved the markets in which he bet. But Iksil’s most famous nickname was “the London Whale” because of his mammoth \$100 billion credit default bet that ultimately cost the bank \$7 billion. Iksil was revered for his trading success and reputation, which likely gave him considerable power to initiate trades that may have otherwise required higher authority.

But Iksil’s considerable power couldn’t save his oversized credit default position. Hedge funds noticed how his trades distorted the market, so they bet against those trades, which eventually created huge losses rather than profits for JP Morgan. Iksil’s trading losses on one day alone were more than a half-billion dollars. “We are dead,” Iksil texted to his assistant. “They are going to trash/destroy us. You don’t lose \$500 million without consequences.”

As those losses mounted, Iksil and his assistant avoided scrutiny from head office by underestimating the size of those losses. They distorted or hid information about their trading losses, hoping that this would buy them time to recoup those losses before top management discovered the problem. U.S. government documents indicate that Iksil’s boss actively encouraged this practice, even after Iksil eventually refused to continue the charade. When Iksil did eventually refuse to under-report the losses, his boss told him to “leave for the day” so a junior trader could file a lower loss amount.

The losses were revealed only after the bank completed one if its regular reviews. Until then JP Morgan’s chief investment officer claimed no knowledge of the problems in the London CIO office. She later complained that “some members of the London team failed to value positions properly” and that they “hid from me important information regarding the true risks of the book.” After he was fired, Iksil claimed that CIO’s senior management were involved in these trades. “The losses suffered by the CIO were not the actions of one person acting in an unauthorized manner,” wrote Iksil in a public letter. “My role was to execute a trading strategy that had been initiated,

approved, mandated and monitored by the CIO’s senior management.”

When JPMorgan’s top executives did become aware of Iksil’s losses, they apparently delayed informing the board of directors. “JPMorgan’s senior management broke a cardinal rule of corporate governance and deprived its board of critical information it needed to fully assess the company’s problems,” concluded a senior U.S. government official.

Bruno Iksil, his boss, the bank’s chief investment officer, and several others have since left the bank.

Discussion Questions

1. What sources and contingencies of power gave Bruno Iksil considerable power in the CIO group at JP Morgan?
2. What influence tactics, if any, were used to hide the financial losses?
3. Was organizational politics evident in the events described in this case? If so, what were the characteristics of those actions that identified them as organizational politics?

Sources: K. Burne, “Making Waves against ‘Whale,’” *The Wall Street Journal*, April 11, 2012, C1; E. Schatzker, C. Harper, and M. Childs, “JPMorgan Said to Transform Treasury to Prop Trading,” *Bloomberg*, April 13, 2012; G. Zuckerman, “From ‘Caveman’ to ‘Whale,’ ” *The Wall Street Journal*, May 17, 2012, C1; E. Flitter and A. Viswanatha, “Ex-JP Morgan Exec Tries to Dodge Harpoon of ‘Whale’ Losses,” *Reuters*, March 15, 2013; R. Sidel, S. Patterson, and J. Eaglesham, “J.P. Morgan Faces a Hard-Line SEC,” *The Wall Street Journal*, September 20, 2013, C1; D. Fitzpatrick, J. Eaglesham, and D. Barrett, “Two Charged in ‘London Whale’ Case,” *The Wall Street Journal*, August 15, 2013, C1; “Ex-JP Morgan Boss Blames London Office for £4bn Loss in ‘Whale’ Scandal,” *Mail Online* (London), March 16, 2013; B. Laurence, “Whale Leaves Cracks in Wall St,” *Sunday Times* (London), August 18, 2013, 7; M. Cavanagh, *Report of JPMorgan Chase & Co. Management Task Force Regarding 2012 CIO Losses*, JP Morgan Chase & Co (New York: January 16, 2013); J.B. Stewart, “Convictions Prove Elusive in ‘London Whale’ Trading Case,” *The New York Times*, July 17, 2015; L. McNulty and G. Zuckerman, “‘London Whale’ Breaks Silence,” *The Wall Street Journal*, February 23, 2016, C1.



TEAM EXERCISE: DECRYPTING THE NETWORK

By Steven L. McShane, University of Newcastle (Australia)

PURPOSE This exercise is designed to help students interpret social network maps and their implications for organizational effectiveness.

MATERIALS The instructor will distribute several social network diagrams to each student.

INSTRUCTIONS (SMALLER CLASSES) The instructor will organize students into teams (typically four to seven people, depending on class size). Teams will examine each social network diagram to answer the following questions:

1. What aspects of this diagram suggest that the network is not operating as effectively as possible?
2. Which people in this network seem to be most powerful? Least powerful? What information or features of the diagram led you to this conclusion?
3. If you were responsible for this group of people, how would you change this situation to improve their effectiveness?

After teams have diagnosed each social network map, the class will debrief by hearing each team’s assessments and recommendations.

INSTRUCTIONS (LARGER CLASSES) This activity is also possible in large classes by projecting each social network diagram on a screen and giving students a minute or two to examine the diagram. The instructor can then ask specific questions to the class, such as pointing to a specific individual in the network and asking whether he

or she has high or low power, what level of centrality is apparent, and whether the individual's connections are mainly strong or weak ties. The instructor might also ask which quadrant on the map indicates the most concern and then allow individual students to provide their explanations.



TEAM EXERCISE: BINGO NETWORKING

PURPOSE This exercise is designed to improve student networking by practicing how to meet and quickly acquire information from other people.

MATERIALS The instructor will distribute one Bingo card with rules to each student. Students need to supply their own pen or pencil to initial the other students' Bingo cards. This activity requires sufficient space for social interaction.

INSTRUCTIONS This exercise can involve any number of students, depending on the space available.

Each student completes boxes in the Bingo card by finding another student in the class who has done the activity stated in that box. That other person initials the box. For example, if a box says that the person has ridden a horse within the past five years, only a student who satisfies that condition can initial the box.

Students need to follow the specific rules of the activity. In particular, participants cannot volunteer information about themselves and can only ask and answer specific questions related to a specific box on the Bingo card.

This activity has similarities to classic Bingo in that your objective is to fill in boxes along an entire row, column, and/or diagonal. Unlike classic Bingo, however, the

activity does not end when you complete a sequence of boxes. Instead, it ends after a fixed period of time. After completing a row, column, and/or diagonal, students will continue to complete more boxes.

Everyone is a winner in this activity because it is a social event where you get to know others better. However, the instructor might ask how many participants have completed one or more entire rows, columns, and diagonals.

INSTRUCTIONS: BINGO RULES

1. Formally introduce yourself to each person you meet (e.g. say your name, shake hands).
2. You cannot volunteer information about yourself, only answer questions asked regarding a specific box on the Bingo card (i.e., you cannot ask: "Which of these boxes apply to you?").
3. When someone satisfies one of the boxes, that person should initial the box.
4. You cannot initial any boxes on your own card.
5. The goal is to get initials along one or more entire rows, columns, or diagonals.

Source: Bingo networking is based on a widely discussed activity with no known original source.



TEAM EXERCISE: MANAGING YOUR BOSS

PURPOSE This exercise is designed to help students apply influence tactics to real situations, in this case influencing people above them in the hierarchy.

MATERIALS None.

INSTRUCTIONS (FOR SMALLER CLASSES ONLY)

The instructor will organize students into teams (typically four to seven people, depending on class size). Teams will identify specific strategies to influence people above them in the organizational hierarchy. Teams should consider each of the various influence tactics to determine specific

practices that might change the attitudes and behavior of their bosses. During this team discussion, students should determine which influence tactics are most and least appropriate for managing their bosses. Teams should also consider relevant concepts from other chapters, such as perceptions (Chapter 3), emotions and attitudes (Chapter 4), motivation (Chapter 5), and (if already covered in the course) conflict (Chapter 11).

The class will regroup, and each team will present specific recommendations for influencing people in higher positions.

endnotes

1. R. Hoar, "The Young Elite Who Work, Rest and Play," *Evening Standard (London)*, April 28, 2003; M. McBride, "Climbing the Ladder," *Star Press (Muncie, Ind.)*, October 12, 2003, G1; Business Wire, "Ann Hand New CEO at Project FROG," News Release (New York: Project Frog, September 22, 2009); A. Hayward, "Super League Gaming CEO Ann Hand's Global Journey from Gas Stations to Esports," *The Esports Observer*, May 23, 2019.
2. J.R. French and B. Raven, "The Bases of Social Power," in *Studies in Social Power*, ed. D. Cartwright (Ann Arbor: University of Michigan Press, 1959), 150–67; A.D. Galinsky et al., "Power and Perspectives Not Taken," *Psychological Science* 17, no. 12 (2006): 1068–74. Also see H. Mintzberg, *Power in and around Organizations* (Englewood Cliffs, NJ: Prentice Hall, 1983), Chap. 1; J. Pfeffer, *Managing with Power: Politics and Influence in Organizations* (Boston: Harvard Business School Press, 1992), 17, 30; A. Guinote and T.K. Vescio, "Introduction: Power in Social Psychology," in *The Social Psychology of Power*, ed. A. Guinote and T.K. Vescio (New York: Guilford Press, 2010), 1–18.
3. R.A. Dahl, "The Concept of Power," *Behavioral Science* 2 (1957): 201–18; R.M. Emerson, "Power-Dependence Relations," *American Sociological Review* 27 (1962): 31–41; A.M. Pettigrew, *The Politics of Organizational Decision-Making* (London: Tavistock, 1973).
4. G.A. van Kleef et al., "The Social Dynamics of Breaking the Rules: Antecedents and Consequences of Norm-Violating Behavior," *Current Opinion in Psychology* 6 (2015): 25–31.
5. J. Pfeffer and G.R. Salancik, *The External Control of Organizations* (New York: Harper & Row, 1978), 52–54; K. Cowan, A.K. Paswan, and E. Van Steenburg, "When Inter-Firm Relationship Benefits Mitigate Power Asymmetry," *Industrial Marketing Management* 48 (2015): 140–48.
6. J.R. French and B. Raven, "The Bases of Social Power," in *Studies in Social Power*, ed. D. Cartwright (Ann Arbor: University of Michigan Press, 1959), 150–67; P.M. Podsakoff and C. Schreisheim, "Field Studies of French and Raven's Bases of Power: Critique, Analysis, and Suggestions for Future Research," *Psychological Bulletin* 97 (1985): 387–411; P.P. Carson and K.D. Carson, "Social Power Bases: A Meta-Analytic Examination of Interrelationships and Outcomes," *Journal of Applied Social Psychology* 23 (1993): 1150–69. Most alternative models of power bases parallel French and Raven's list. See P. Heinemann, *Power Bases and Informational Influence Strategies: A Behavioral Study on the Use of Management Accounting Information* (Wiesbaden, Germany: Deutscher Universitäts-Verlag, 2008). Raven subsequently proposed information power as a sixth source of power. We present information power as forms of legitimate and expert power rather than as a distinct sixth power base.
7. Legitimate power and expert power are also consistently the strongest source of power that coaches have over players in sports. See P. Rylander, "Coaches' Bases of Power: Developing Some Initial Knowledge of Athletes' Compliance with Coaches in Team Sports," *Journal of Applied Sport Psychology* 27, no. 1 (2015): 110–21.
8. C. Barnard, *The Function of the Executive* (Cambridge, MA: Harvard University Press, 1938), 167–70; B.J. Tepper, "What Do Managers Do When Subordinates Just Say, 'No'?: An Analysis of Incidents Involving Refusal to Perform Downward Requests," in *Power and Influence in Organizations*, ed. L.L. Neider and C.A. Schreisheim (Charlotte, NC: IAP/Information Age Publishing, 2006), 1–20.
9. A.I. Shahin and P.L. Wright, "Leadership in the Context of Culture: An Egyptian Perspective," *Leadership & Organization Development Journal* 25, no. 5/6 (2004): 499–511; Y.J. Huo et al., "Leadership and the Management of Conflicts in Diverse Groups: Why Acknowledging versus Neglecting Subgroup Identity Matters," *European Journal of Social Psychology* 35, no. 2 (2005): 237–54.
10. B.H. Raven, "Kurt Lewin Address: Influence, Power, Religion, and the Mechanisms of Social Control," *Journal of Social Issues* 55 (1999): 161–86.
11. A.W. Gouldner, "The Norm of Reciprocity: A Preliminary Statement," *American Sociological Review* 25 (1960): 161–78; M. Koslowsky and J. Schwarzwald, "Power Tactics Preference in Organizations: Individual and Situational Factors," in *Power and Interdependence in Organizations*, ed. D. Tjosvold and B. Wisse (New York: Cambridge University Press, 2009), 244–61.
12. G. Yukl and C.M. Falbe, "Importance of Different Power Sources in Downward and Lateral Relations," *Journal of Applied Psychology* 76 (1991): 416–23; B.H. Raven, "Kurt Lewin Address: Influence, Power, Religion, and the Mechanisms of Social Control," *Journal of Social Issues* 55 (1999): 161–86.
13. A.M. Pettigrew, "Information Control as a Power Resource," *Sociology* 6, no. 2 (1972): 187–204; P.L. Dawes, D.Y. Lee, and G.R. Dowling, "Information Control and Influence in Emergent Buying Centers," *Journal of Marketing* 62, no. 3 (1998): 55–68; J. Webster et al., "Beyond Knowledge Sharing: Withholding Knowledge at Work," *Research in Personnel and Human Resources Management* 27 (2008): 1–37; C.E. Connolly et al., "Knowledge Hiding in Organizations," *Journal of Organizational Behavior* 33, no. 1 (2012): 64–88.
14. S.L. Robinson, J. O'Reilly, and W. Wang, "Invisible at Work: An Integrated Model of Workplace Ostracism," *Journal of Management* 39, no. 1 (2013): 203–31; S. Gallani, "Incentives Don't Help People Change, but Peer Pressure Does," *Harvard Business Review*, March 23, 2017.
15. M. Bolch, "Rewarding the Team," *HR Magazine*, February 2007, 91–93.
16. J.M. Peiro and J.L. Melia, "Formal and Informal Interpersonal Power in Organisations: Testing a Bifactorial Model of Power in Role-Sets," *Applied Psychology* 52, no. 1 (2003): 14–35.

17. C.R. Hinings et al., "Structural Conditions of Intraorganizational Power," *Administrative Science Quarterly* 19 (1974): 22-44. Also see C.S. Saunders, "The Strategic Contingency Theory of Power: Multiple Perspectives," *Journal of Management Studies* 27 (1990): 1-21.
18. R.B. Cialdini and N.J. Goldstein, "Social Influence: Compliance and Conformity," *Annual Review of Psychology* 55 (2004): 591-621.
19. C.K. Hofling et al., "An Experimental Study in Nurse-Physician Relationships," *Journal of Nervous and Mental Disease* 143, no. 2 (1966): 171-77.
20. C. Perkel, "It's Not CSI," *Canadian Press*, November 10, 2007; "Dr. Charles Smith: The Man behind the Public Inquiry," *CBC News* (Toronto), August 10, 2010. Evidence-based management writers also warn against blindly following the advice of management gurus. See J. Pfeffer and R.I. Sutton, *Hard Facts, Dangerous Half-Truths, and Total Nonsense* (Boston: Harvard Business School Press, 2006), 45-46. The broader problem of judicial deference to medical experts is discussed in: C. Foster, "The Dangers Of Deferring To Doctors | Practical Ethics," *Oxford University-Practical Ethics* (blog), July 30, 2018, <http://blog.practicalethics.ox.ac.uk/2018/07/the-dangers-of-deferring-to-doctors/>.
21. K. Miyahara, "Charisma: From Weber to Contemporary Sociology," *Sociological Inquiry* 53, no. 4 (1983): 368-88; J.D. Kudisch and M.L. Poteet, "Expert Power, Referent Power, and Charisma: Toward the Resolution of a Theoretical Debate," *Journal of Business & Psychology* 10 (1995): 177-95; D. Ladkin, "The Enchantment of the Charismatic Leader: Charisma Reconsidered as Aesthetic Encounter," *Leadership* 2, no. 2 (2006): 165-79.
22. D.J. Hickson et al., "A Strategic Contingencies' Theory of Intraorganizational Power," *Administrative Science Quarterly* 16 (1971): 216-27; C.R. Hinings et al., "Structural Conditions of Intraorganizational Power," *Administrative Science Quarterly* 19 (1974): 22-44. R.M. Kanter, "Power Failure in Management Circuits," *Harvard Business Review* (1979): 65-75.
23. A. Bryant, "The Right Job? It's Much Like the Right Spouse," *The New York Times*, May 22, 2011, 2. The DNA acronym is from M.D. Johnson, *Brand Me. Make Your Mark: Turn Passion into Profit* (Blacklick, OH: Ambassador Press, 2008).
24. D.J. Hickson et al., "A Strategic Contingencies' Theory of Intraorganizational Power," *Administrative Science Quarterly* 16 (1971): 219-21; J.D. Hackman, "Power and Centrality in the Allocation of Resources in Colleges and Universities," *Administrative Science Quarterly* 30 (1985): 61-77; D.J. Brass and M.E. Burkhardt, "Potential Power and Power Use: An Investigation of Structure and Behavior," *Academy of Management Journal* 36 (1993): 441-70.
25. S.D. Harrington and B. Ivry, "For Commuters, a Day to Adapt," *The Record* (Bergen, NJ), December 21, 2005, A1; S. McCarthy, "Transit Strike Cripples New York," *Globe & Mail* (Toronto), December 21, 2005, A17.
26. A. Caza, "Typology of the Eight Domains of Discretion in Organizations," *Journal of Management Studies* 49, no. 1 (2012): 144-77.
27. B.E. Ashforth, "The Experience of Powerlessness in Organizations," *Organizational Behavior and Human Decision Processes* 43 (1989): 207-42; D.B. Wangrow, D.J. Schepker, and V.L. Barker, "Managerial Discretion: An Empirical Review and Focus on Future Research Directions," *Journal of Management* 41, no. 1 (2015): 99-135.
28. S. Wasserman and K. Faust, *Social Network Analysis: Methods and Applications*, Structural Analysis in the Social Sciences (Cambridge, UK: Cambridge University Press, 1994), Chap. 1; D.J. Brass et al., "Taking Stock of Networks and Organizations: A Multilevel Perspective," *Academy of Management Journal* 47, no. 6 (2004): 795-817.
29. M. Grossetti, "Where Do Social Relations Come From?: A Study of Personal Networks in the Toulouse Area of France," *Social Networks* 27, no. 4 (2005): 289-300.
30. R.J. Taormina and J.H. Gao, "A Research Model for Guanxi Behavior: Antecedents, Measures, and Outcomes of Chinese Social Networking," *Social Science Research* 39, no. 6 (2010): 1195-212; J. Barbalet, "Guanxi, Tie Strength, and Network Attributes," *American Behavioral Scientist* 59, no. 8 (2015): 1038-50; X.-A. Zhang, N. Li, and T.B. Harris, "Putting Non-Work Ties to Work: The Case of Guanxi in Supervisor-Subordinate Relationships," *Leadership Quarterly* 26, no. 1 (2015): 37-54. For problems with guanxi, see W.R. Vanhonacker, "When Good Guanxi Turns Bad," *Harvard Business Review* 82, no. 4 (2004): 18-19; F. Yang, "Guanxi Human Resource Management Practices as a Double-Edged Sword: The Moderating Role of Political Skill," *Asia Pacific Journal of Human Resources* 52, no. 4 (2014): 496-510.
31. A. Portes, "Social Capital: Its Origins and Applications in Modern Society," *Annual Review of Sociology* 24 (1998): 1-24; P.S. Adler and S.W. Kwon, "Social Capital: Prospects for a New Concept," *Academy of Management Review* 27, no. 1 (2002): 17-40; R. Lee, "Social Capital and Business and Management: Setting a Research Agenda," *International Journal of Management Reviews* 11, no. 3 (2009): 247-73.
32. R.F. Chisholm, *Developing Network Organizations: Learning from Practice and Theory* (Reading, MA: Addison-Wesley Longman, 1998); W.S. Chow and L.S. Chan, "Social Network, Social Trust and Shared Goals in Organizational Knowledge Sharing," *Information & Management* 45, no. 7 (2008): 458-65.
33. R.S. Burt, *Structural Holes: The Social Structure of Competition* (Cambridge, MA: Harvard University Press, 1992).
34. M.T. Rivera, S.B. Soderstrom, and B. Uzzi, "Dynamics of Dyads in Social Networks: Assortative, Relational, and Proximity Mechanisms," *Annual Review of Sociology* 36 (2010): 91-115.
35. R. Cross and R.J. Thomas, *Driving Results through Social Networks: How Top Organizations Leverage Networks for Performance and Growth* (San Francisco: Jossey-Bass, 2009); R. McDermott and D. Archibald, "Harnessing Your Staff's Informal Networks," *Harvard Business Review* 88, no. 3 (2010): 82-89.

36. M. Kilduff and D. Krackhardt, *Interpersonal Networks in Organizations: Cognition, Personality, Dynamics, and Culture* (New York: Cambridge University Press, 2008).
37. N.B. Ellison, C. Steinfield, and C. Lampe, "The Benefits of Facebook 'Friends': Social Capital and College Students' Use of Online Social Network Sites," *Journal of Computer-Mediated Communication* 12, no. 4 (2007): 1143–68.
38. D.J. Brass et al., "Taking Stock of Networks and Organizations: A Multilevel Perspective," *Academy of Management Journal* 47, no. 6 (2004): 795–817; D. Melamed and B. Simpson, "Strong Ties Promote the Evolution of Cooperation in Dynamic Networks," *Social Networks* 45 (2016): 32–44.
39. M.S. Granovetter, "The Strength of Weak Ties," *American Journal of Sociology* 78 (1973): 1360–80; B. Erickson, "Social Networks," in *The Blackwell Companion to Sociology*, ed. J.R. Blau (Malden, MA: Blackwell, 2004), 314–26.
40. B. Uzzi and S. Dunlap, "How to Build Your Network," *Harvard Business Review* 83, no. 12 (2005): 53–60.
41. S.C. de Janasz and M.L. Forret, "Learning the Art of Networking: A Critical Skill for Enhancing Social Capital and Career Success," *Journal of Management Education* 32, no. 5 (2008): 629–50; Y. Zenou, "A Dynamic Model of Weak and Strong Ties in the Labor Market," *Journal of Labor Economics* 33, no. 4 (2015): 891–932.
42. C. Phelps, R. Heidl, and A. Wadhwa, "Knowledge, Networks, and Knowledge Networks: A Review and Research Agenda," *Journal of Management* 38, no. 4 (2012): 1115–66.
43. R.S. Burt, *Structural Holes: The Social Structure of Competition* (Cambridge, MA: Harvard University Press, 1992); D.J. Brass and D.M. Krackhardt, "Power, Politics, and Social Networks in Organizations," in *Politics in Organizations: Theory and Research Considerations*, ed. G.R. Ferris and D.C. Treadway (New York: Routledge, 2012), 355–75.
44. B.R. Ragins and E. Sundstrom, "Gender and Power in Organizations: A Longitudinal Perspective," *Psychological Bulletin* 105 (1989): 51–88; S. McDonald et al., "Frontiers of Sociological Research on Networks, Work, and Inequality," in *Networks, Work and Inequality*, ed. S. McDonald, *Research in the Sociology of Work* (Emerald Group Publishing Limited, 2013), 1–41.
45. S. Ritchey, "The Biggest Mistake Women Make When Networking," *Fortune*, February 1, 2016.
46. D.M. McCracken, "Winning the Talent War for Women: Sometimes It Takes a Revolution," *Harvard Business Review* (2000): 159–67.
47. J. Lammers, J.I. Stoker, and D.A. Stapel, "Differentiating Social and Personal Power: Opposite Effects on Stereotyping, but Parallel Effects on Behavioral Approach Tendencies," *Psychological Science* 20, no. 12 (2009): 1543–49.
48. J. Lammers et al., "Power and Morality," *Current Opinion in Psychology* 6 (2015): 15–19.
49. A.D. Galinsky et al., "Acceleration with Steering: The Synergistic Benefits of Combining Power and Perspective-Taking," *Social Psychological and Personality Science* 5, no. 6 (2014): 627–35.
50. K. Atuahene-Gima and H. Li, "Marketing's Influence Tactics in New Product Development: A Study of High Technology Firms in China," *Journal of Product Innovation Management* 17 (2000): 451–70; A. Somech and A. Drach-Zahavy, "Relative Power and Influence Strategy: The Effects of Agent/Target Organizational Power on Superiors' Choices of Influence Strategies," *Journal of Organizational Behavior* 23 (2002): 167–79.
51. D. Kipnis, S.M. Schmidt, and I. Wilkinson, "Intraorganizational Influence Tactics: Explorations in Getting One's Way," *Journal of Applied Psychology* 65 (1980): 440–52; G. Yukl, "Power and the Interpersonal Influence of Leaders," in *Power and Interdependence in Organizations*, ed. D. Tjosvold and B. Wisse (New York: Cambridge University Press, 2009), 207–23.
52. R.B. Cialdini and N.J. Goldstein, "Social Influence: Compliance and Conformity," *Annual Review of Psychology* 55 (2004): 591–621.
53. A. Rao and K. Hashimoto, "Universal and Culturally Specific Aspects of Managerial Influence: A Study of Japanese Managers," *Leadership Quarterly* 8 (1997): 295–312. Silent authority as an influence tactic in non-Western cultures is also discussed in S.F. Pasa, "Leadership Influence in a High Power Distance and Collectivist Culture," *Leadership & Organization Development Journal* 21 (2000): 414–26.
54. S. Maitlis, "Taking It from the Top: How CEOs Influence (and Fail to Influence) Their Boards," *Organization Studies* 25, no. 8 (2004): 1275–311. This type of influence is a form of manipulation. See P. Fleming and A. Spicer, "Power in Management and Organization Science," *The Academy of Management Annals* 8, no. 1 (2014): 237–98.
55. A.T. Cobb, "Toward the Study of Organizational Coalitions: Participant Concerns and Activities in a Simulated Organizational Setting," *Human Relations* 44 (1991): 1057–79; E.A. Mannix, "Organizations as Resource Dilemmas: The Effects of Power Balance on Coalition Formation in Small Groups," *Organizational Behavior and Human Decision Processes* 55 (1993): 1–22; D.J. Terry, M.A. Hogg, and K.M. White, "The Theory of Planned Behavior: Self-Identity, Social Identity and Group Norms," *British Journal of Social Psychology* 38 (1999): 225–44.
56. A.P. Brief, *Attitudes in and around Organizations* (Thousand Oaks, CA: Sage, 1998), 69–84; D.J. O'Keefe, *Persuasion: Theory and Research* (Thousand Oaks, CA: Sage, 2002); R.H. Gass and J.S. Seiter, *Persuasion: Social Influence and Compliance Gaining*, 5th ed. (New York: Routledge, 2014).
57. These and other features of message content in persuasion are detailed in R. Petty and J. Cacioppo, *Attitudes and Persuasion: Classic and Contemporary Approaches* (Dubuque, IA: W. C. Brown, 1981); M. Pfau, E.A. Szabo, and J. Anderson, "The Role and Impact of Affect in the Process of Resistance to Persuasion," *Human Communication Research* 27 (2001): 216–52; O'Keefe, *Persuasion: Theory and Research*, Chap. 9; R. Buck et al., "Emotion and Reason in Persuasion:

- Applying the ARI Model and the CASC Scale," *Journal of Business Research* 57, no. 6 (2004): 647–56; W.D. Crano and R. Prislin, "Attitudes and Persuasion," *Annual Review of Psychology* 57 (2006): 345–74.
58. N. Rhodes and W. Wood, "Self-Esteem and Intelligence Affect Influenceability: The Mediating Role of Message Reception," *Psychological Bulletin* 111, no. 1 (1992): 156–71.
59. M. Bolino, D. Long, and W. Turnley, "Impression Management in Organizations: Critical Questions, Answers, and Areas for Future Research," *Annual Review of Organizational Psychology and Organizational Behavior* 3, no. 1 (2016): 377–406.
60. T. Peters, "The Brand Called You," *Fast Company*, August 1997; J. Sills, "Becoming Your Own Brand," *Psychology Today* 41, no. 1 (2008): 62–63.
61. D. Strutton and L.E. Pelton, "Effects of Ingratiation on Lateral Relationship Quality within Sales Team Settings," *Journal of Business Research* 43 (1998): 1–12; R. Vonk, "Self-Serving Interpretations of Flattery: Why Ingratiation Works," *Journal of Personality and Social Psychology* 82 (2002): 515–26.
62. C.A. Higgins, T.A. Judge, and G.R. Ferris, "Influence Tactics and Work Outcomes: A Meta-Analysis," *Journal of Organizational Behavior* 24 (2003): 90–106.
63. D. Strutton, L.E. Pelton, and J.F. Tanner, "Shall We Gather in the Garden: The Effect of Ingratiatory Behaviors on Buyer Trust in Salespeople," *Industrial Marketing Management* 25 (1996): 151–62; J. O'Neil, "An Investigation of the Sources of Influence of Corporate Public Relations Practitioners," *Public Relations Review* 29 (2003): 159–69.
64. C.M. Falbe and G. Yukl, "Consequences for Managers of Using Single Influence Tactics and Combinations of Tactics," *Academy of Management Journal* 35 (1992): 638–52.
65. G. Yukl and J. Tracey, "Consequences of Influence Tactics Used with Subordinates, Peers, and the Boss," *Journal of Applied Psychology* 77, no. 4 (1992): 525–35; B. Oc and M.R. Bashshur, "Followership, Leadership and Social Influence," *Leadership Quarterly* 24, no. 6 (2013): 919–34; M.B. Wadsworth and A.L. Blanchard, "Influence Tactics in Virtual Teams," *Computers in Human Behavior* 44 (2015): 386–93.
66. P.P. Fu et al., "The Impact of Societal Cultural Values and Individual Social Beliefs on the Perceived Effectiveness of Managerial Influence Strategies: A Meso Approach," *Journal of International Business Studies* 35, no. 4 (2004): 284–305; A.N. Smith et al., "Gendered Influence: A Gender Role Perspective on the Use and Effectiveness of Influence Tactics," *Journal of Management* 39, no. 5 (2013): 1156–83; C.C. Lewis and J. Ryan, "Age and Influence Tactics: A Life-Stage Development Theory Perspective," *The International Journal of Human Resource Management* 25, no. 15 (2014): 2146–58.
67. A. Drory and T. Romm, "The Definition of Organizational Politics: A Review," *Human Relations* 43, no. 11 (1990): 1133–54; C.C. Rosen and P.E. Levy, "Stresses, Swaps, and Skill: An Investigation of the Psychological Dynamics That Relate Work Politics to Employee Performance," *Human Performance* 26, no. 1 (2013): 44–65, <https://doi.org/10.1080/08959285.2012.736901>; A. Bedi and A. Schat, "Perceptions of Organizational Politics: A Meta-Analysis of Its Attitudinal, Health, and Behavioural Consequences," *Canadian Psychology* 54 (2013): 246–59. Some recent employee surveys criticizing organizational politics include: "Indian Millennials Lack Critical Skills: HBR Ascend Survey," *Hindustan Times*, July 18, 2017; Z. Mejia, "These Are the Top 10 Workplace Struggles Employees Face in 2018," *CNBC*, September 19, 2018.
68. D. Buchanan and R. Badham, *Power, Politics, and Organizational Change: Winning the Turf Game* (SAGE, 2008); W.A. Hochwarter, "The Positive Side of Politics," In G.R. Ferris and D.C. Treadway (Eds.), *Politics in Organizations: Theory and Research Considerations*, (New York: Routledge, 2012), 27–66 at 33; "How to Play Office Politics the Smart Way," *BBC*, August 14, 2015; E.M. Landells and S.L. Albrecht, "Positive Politics, Negative Politics, and Engagement: Psychological Safety, Meaningfulness, and Availability as 'Black Box' Explanatory Mechanisms," in *Research in Occupational Stress and Well-Being*, ed. C.C. Rosen and P.L. Perrewé, vol. 15 (Emerald Publishing Limited, 2017), 33–49, <https://doi.org/10.1108/S1479-355520170000015004>.
69. D.L. Madison et al., "Organizational Politics: An Exploration of Managers' Perceptions," *Human Relations* 33, no. 2 (1980): 79–100; P. Kumar and R. Ghadially, "Organizational Politics and Its Effects on Members of Organizations," *Human Relations* 42, no. 4 (1989): 305–14; D. Buchanan and R. Badham, *Power, Politics, and Organizational Change: Winning the Turf Game* (SAGE, 2008), pg. 11; E.M. Landells and S.L. Albrecht, "Positive Politics, Negative Politics, and Engagement: Psychological Safety, Meaningfulness, and Availability as 'Black Box' Explanatory Mechanisms," in *Research in Occupational Stress and Well-Being*, ed. C.C. Rosen and P.L. Perrewé, vol. 15 (Emerald Publishing Limited, 2017), 33–49, <https://doi.org/10.1108/S1479-355520170000015004>; E.M. Landells and S.L. Albrecht, "The Positives and Negatives of Organizational Politics: A Qualitative Study," *Journal of Business and Psychology* 32, no. 1 (2017): 41–58, <https://doi.org/10.1007/s10869-015-9434-5>.
70. This definition is founded on a cluster of definitions with similar core elements, including self-interest, damage to individuals and the organization, and perceived motivation of the political actor. See: H. Mintzberg, *Power In and Around Organizations* (Englewood Cliffs, NJ: Prentice Hall, 1983); K. Michele Kacmar and G.R. Ferris, "Politics at Work: Sharpening the Focus of Political Behavior in Organizations," *Business Horizons* 36, no. 4 (1993): 70–74; C.-H. Chang, C.C. Rosen, and P.E. Levy, "The Relationship between Perceptions of Organizational Politics and Employee Attitudes, Strain, and Behavior: A Meta-Analytic Examination," *Academy of Management Journal* 52 (2009): 779–801; A. Bedi and A. Schat, "Perceptions of Organizational Politics: A Meta-Analysis of Its Attitudinal, Health, and

- Behavioural Consequences," *Canadian Psychology* 54 (2013): 246–59.
71. E. Vigoda, "Stress-Related Aftermaths to Workplace Politics," *Journal of Organizational Behavior* 23, no. 5 (August 2002), 571–91. C.H. Chang, C.C. Rosen, and P.E. Levy, "The Relationship between Perceptions of Organizational Politics and Employee Attitudes, Strain, and Behavior: A Meta-Analytic Examination," *Academy of Management Journal* 52, no. 4 (2009): 779–801; A. Bedi and A. Schat, "Perceptions of Organizational Politics: A Meta-Analysis of Its Attitudinal, Health, and Behavioural Consequences," *Canadian Psychology* 54 (2013): 246–59. The quotation is from M. Landry, "Navigating the Political Minefield," *PM Network*, March 2013, 38–43.
 72. L.W. Porter, R.W. Allen, and H.L. Angle, "The Politics of Upward Influence in Organizations," *Research in Organizational Behavior* 3 (1981): 120–22; R.J. House, "Power and Personality in Complex Organizations," *Research in Organizational Behavior* 10 (1988): 305–57.
 73. R. Christie and F. Geis, *Studies in Machiavellianism* (New York: Academic Press, 1970); S.R. Kessler et al., "Re-Examining Machiavelli: A Three-Dimensional Model of Machiavellianism in the Workplace," *Journal of Applied Social Psychology* 40, no. 8 (2010): 1868–96; E. O'Boyle et al., "A Meta-Analysis of the Dark Triad and Work Behavior: A Social Exchange Perspective," *Journal of Applied Psychology* 97, no. 3 (2012): 557–79.
 74. C. Hardy, *Strategies for Retrenchment and Turnaround: The Politics of Survival* (Berlin: Walter de Gruyter, 1990), Chap. 14; G.R. Ferris et al., "Perceptions of Organizational Politics: Prediction, Stress-Related Implications, and Outcomes," *Human Relations* 49 (1996): 233–63; M.C. Andrews and K.M. Kacmar, "Discriminating among Organizational Politics, Justice, and Support," *Journal of Organizational Behavior* 22 (2001): 347–66.
 75. S. Blazejewski and W. Dorow, "Managing Organizational Politics for Radical Change: The Case of Beiersdorf-Lechia S.A., Poznan," *Journal of World Business* 38 (2003): 204–23.
 - a. B. Crumley, "Game of Death: France's Shocking TV Experiment," *Time*, March 17, 2010; M. Portillo, "Would You Torture This Man?," *Sunday Telegraph* (London), March 21, 2010, 22. A recent variation of deference to authority occurred on British television. Four strangers were individually encouraged to assist the head of a (fictitious) charity by impersonating a wealthy would-be donor who died before making the donation, then kicking the supposedly dead body, and later throwing the body off a roof. See H. Mount, "Could You Be Talked into Murder?," *Daily Mail* (London), January 14, 2016, 16.
 - b. R. Spence, "Seven 'Patterns of Opportunity' as Seen in the Crystal Ball of Change," *Financial Post* (Toronto), October 18, 2017; A. Gopinath, "Trend Hunter Helps You Identify the Next Big Thing," *The Edge* (Malaysia), July 2, 2018; "Interview with Jeremy Gutsche," *Media Planet-Careers and Education* (blog), September 2018, <http://www.careersandeducation.ca/inspiration/interview-with-jeremy-gutsche>.
 - c. J. Pfeffer, *Power: Why Some People Have It—and Others Don't* (New York: Harper Collins, 2010), 26–27; C. Sparrer, "Establish Your Personal Brand For Workplace Success," *Forbes*, January 7, 2019; L. Blanco, "How To Become Visible Through Personal Branding in the Social Age," *Black Enterprise*, March 7, 2019.
 - d. A. Chatterjee and D.C. Hambrick, "It's All about Me: Narcissistic Chief Executive Officers and Their Effects on Company Strategy and Performance," *Administrative Science Quarterly* 52, no. 3 (2007): 351–86.
 - e. M.E. Porter, J.W. Lorsch, and N. Nohria, "Seven Surprises for New CEOs," *Harvard Business Review* 82, no. 10 (2004): 62–72.
 - f. M.A. Bliss, "Does CEO Duality Constrain Board Independence? Some Evidence from Audit Pricing," *Accounting & Finance* 51, no. 2 (2011): 361–80; G. Owen and T. Kirchmaier, "The Changing Role of the Chairman: Impact of Corporate Governance Reform in the United Kingdom 1995–2005," *European Business Organization Law Review (EBOR)* 9, no. 2 (2008): 187–213.
 - g. J.G. Combs et al., "The Moderating Effect of CEO Power on the Board Composition–Firm Performance Relationship," *Journal of Management Studies* 44, no. 8 (2007): 1299–323.
 - h. C. Crossland and D.C. Hambrick, "Differences in Managerial Discretion across Countries: How Nation-Level Institutions Affect the Degree to Which CEOs Matter," *Strategic Management Journal* 32, no. 8 (2011): 797–819.
 - i. D. Pressey, "Area Hospitals Chief Extends Personal Touch," *News-Gazette* (Champaign-Urbana, IL), April 18, 2011.
 - j. M. Townsend, "What You Can Learn from Your Employee Networks," *Strategy+business*, January 22, 2019.
 - k. "Office Bullying Plagues Workers across Races, Job Levels and Educational Attainment, According to Careerbuilder's New Study," news release (Chicago: CareerBuilder, September 18, 2014); "Nearly a Third of People Are Bullied at Work, Says TUC," news release (London: Trades Union Congress, November 12, 2015); S. Mazza, "Carson Clerk Jim Dear Allowed Back at City Hall in Limited Capacity," *Daily Breeze* (Torrance, CA), September 18, 2015; S. Mazza, "Carson City Hall Business Stalled by Abusive Clerk, Report Says," *Daily Breeze* (Torrance, CA), October 4, 2015; M.K. Aarvig, *Report of Investigation of City Clerk Jim Dear (Redacted)* (Riverside, CA: Creason & Aarvig LLP, September 29, 2015); B. Majia, "Preliminary Election Results Favor Recall of Carson's Controversial City Clerk," *Los Angeles Times*, February 24, 2016; N. Green, "Carson City Manager Resigns Day after Municipal Election That Saw Recalled City Clerk Jim Dear Re-Elected," *Daily Breeze* (Torrence, CA), November 8, 2018; N. Green, "Rocky Road Ahead for Carson Council as Two Members Skip Swearing-in Ceremony," *Daily Breeze* (Torrence, CA), January 18, 2019.
 - l. "Indian Millennials Lack Critical Skills: HBR Ascend Survey," *Hindustan Times*, July 18, 2017; "Your Best Employees Are Leaving. But Is It Personal or Practical?,"

News Release (Atlanta: Randstad USA, August 28, 2018); J. Howington, “2018 Annual Survey Finds Workers Are More Productive at Home,” *FlexJobs Job Search Tips and Blog* (blog), September 9, 2018, <https://www.flexjobs.com/blog/post/2018-annual-survey-finds-workers-more-productive-at-home/>; Z. Mejia, “These Are the Top 10 Workplace Struggles Employees Face in 2018,” *CNBC*, September 19, 2018; “South African

Workplace Habits - The Truth Revealed!,” *CareerJunction Blog* (blog), April 23, 2019, <https://www.careerjunction.co.za/blog/south-african-workplace-habits-the-truth-revealed/>.

- m. L. Hull, “Covert War in the Workplace ... over the Holiday Rota,” *Mail Online*, August 7, 2013; “Office Wars: Tis the Season to Be Spiteful,” *Officebroker Blog*, 2013, www.officebroker.com/blog/.



11

Conflict and Negotiation in the Workplace



Learning Objectives ➤

After studying this chapter, you should be able to:

- LO 11-1** Define conflict and debate its positive and negative consequences in the workplace.
- LO 11-2** Distinguish task conflict from relationship conflict and describe three strategies to minimize relationship conflict during task conflict episodes.
- LO 11-3** Diagram the conflict process model and describe six structural sources of conflict in organizations.
- LO 11-4** Outline the five conflict-handling styles and discuss the circumstances in which each would be most appropriate.
- LO 11-5** Apply the six structural approaches to conflict management and describe the three types of third-party dispute resolution.
- LO 11-6** Discuss activities in the negotiation preparation, process, and setting that improve negotiation effectiveness.

On a hot August afternoon, an easyJet flight was taxiing out to the runway at London's Gatwick Airport when an incident delayed its departure to Belfast, Northern Ireland. The problem was neither mechanical nor an external threat. Instead, two cabin crew members had an irreconcilable disagreement about how to properly unpack and store the water bottles. When notified of the quarrel, the cabin manager advised the employees to try to get along and do their jobs. Unfortunately, the conflict continued, so the cabin manager met with the captain and decided to offload and replace the two squabbling crew members. Facing the frustrated passengers, the captain apologized that the flight would be delayed until two new crew members arrived. "This is quite incredible," exclaimed a British television presenter who had a front row seat on the flight. "We've all worked with people we don't get on with, right? But this tiff means a one hour flight is delayed!" The easyJet flight arrived in Belfast 90 minutes late.



PART 3: TEAM PROCESSES

Overt conflict is infrequent among commercial airline crew members, but when these clashes do occur, the consequences can be costly for the airline and inconvenient for passengers. A few months before the easyJet incident, a Delta Air Lines flight from Los Angeles to Minneapolis made an unscheduled detour to Salt Lake City because two flight attendants got into a nasty argument over work issues. In fact, passengers watched in horror as the two female crew members began physically fighting each other. A third unidentified woman tried to calm down the two combatants but was hit by a wayward fist. The cabin manager notified the captain, who then changed course. Delta Air Lines later sent an understated letter of apology to passengers, saying: "We expect our flight crew to be nothing but courteous and professional at all times and what you experienced was far from that." The flight arrived 75 minutes late in Minneapolis.



images/Alamy Stock Photo

Overt conflict is rare among commercial airline crew members, but when these clashes do occur, the consequences can be costly for the airline and inconvenient for passengers.

The most recent and arguably serious airline crew conflict occurred between the captain and her male copilot on a Jet Airways flight from London to Mumbai. More than half way through the nine-hour flight, the visibly upset captain rushed out of the cockpit to the forward galley, complaining to cabin crew that the copilot had slapped her during a disagreement over personal matters. The two pilots were reportedly in a relationship and had less dramatic arguments during earlier flights. The crew tried to comfort the captain but were unable to convince her to return to the cockpit. The copilot eventually came out—leaving the cockpit unattended on auto-pilot mode—and was able to persuade the captain to return with him. Unfortunately, their disagreement did not abate. Within an hour, the captain left the cockpit a second time, returning only after becoming aware that crew and passengers were increasingly concerned for their safety. Jet Airways initially announced that both pilots had a “misunderstanding” which they “resolved amicably.” However, the two were fired a few days later.¹

These incidents involving flight crew members illustrate that workplace conflict can be very costly. But as we will learn in this chapter, some forms of conflict are also valuable to organizations. The challenge is to enable beneficial conflict and suppress dysfunctional conflict. We begin this chapter by defining conflict and discussing the age-old question: Is conflict good or bad? Next, we look at the conflict process and examine in detail the main factors that cause or amplify conflict. The five styles of handling conflict are then described, including the contingencies of conflict handling as well as gender and cross-cultural differences. This is followed by discussion of the most important structural approaches to conflict resolution. Next, we look at the role of managers and others in third-party conflict resolution. The final section of this chapter reviews key issues in negotiating conflict resolution.

The Meaning and Consequences of Conflict

LO 11-1

conflict
the process in which one party perceives that its interests are being opposed or negatively affected by another party

Conflict is a fact of life in organizations. Companies are continuously adapting to their external environment, yet there is no clear road map on what changes are best. Every day, employees disagree on which work objectives should receive priority, which norms they should abide by, and how even minor job tasks should be performed (such as how to properly store water bottles during a flight). These conflict episodes occur because of clashing work goals, divergent personal values and experiences, and a variety of other reasons that we discuss in this chapter.

Conflict is a process in which one party perceives that its interests are being opposed or negatively affected by another party.² It occurs when one party obstructs another's goals in some way, or just from one party's perception that the other party is going to do so. Conflict



is ultimately based on perceptions; it exists whenever one party *believes* that another might obstruct its efforts, regardless of whether the other party actually has those intentions.

This definition—and the focus of this chapter—is on conflict with others, such as between people on the same team or department, between work units or business divisions, or between the organization and external stakeholders. However, conflict also occurs within each of us (called *intrapersonal conflict*). In earlier chapters, we discussed various intrapersonal conflicts, such as when our behavior conflicts with our beliefs and values (see Chapter 4 on cognitive dissonance) and when we need to reconcile conflicting task goals such as providing customer service versus working efficiently (Chapter 7).

IS CONFLICT GOOD OR BAD?

One of the oldest debates in organizational behavior is whether conflict is good or bad—or, more recently, what forms of conflict are good or bad.³ The dominant view over most of this time has been that conflict is dysfunctional.⁴ The “conflict-is-bad” perspective emphasizes that organizations work best through harmonious relations and that conflict, particularly between employees and management, undermines organizational effectiveness. This view argues that even moderately low levels of disagreement tatter the fabric of workplace relations and sap energy from productive activities. For example, conflict critics claim that disagreement with one’s supervisor wastes productive time, violates the hierarchy of command, and questions the efficient assignment of authority (where managers make the decisions and employees follow them).

Although the “conflict-is-bad” perspective is now considered too simplistic, conflict can indeed have negative consequences under some circumstances (see Exhibit 11.1).⁵ Conflict potentially reduces employee performance by consuming otherwise productive time. It threatens personal needs and self-concept, which produces employee stress, reduces job satisfaction, and increases turnover. Stress also reduces performance because it consumes energy and distracts employees from their work.⁶

Interpersonal conflict also has a negative effect on information sharing.⁷ Specifically, team members are less motivated to ask for, pay attention to, and transmit information with one another during some types of conflict. In some situations, disagreements can fuel organizational politics and thereby waste resources, such as when employees try to undermine the credibility of their opponents. Conflict among team members may hurt team cohesion and performance. Even when conflict occurs between work units (such as when competing for budget funding), the interdepartmental conflict may lead to conflict and power struggles among employees *within* each work unit.⁸

Benefits of Conflict In the 1920s, when most organizational scholars viewed conflict as inherently dysfunctional, educational philosopher and psychologist John Dewey praised its benefits by suggesting that it “shocks us out of sheeplike passivity.” Three years later, political science and management theorist Mary Parker Follett similarly explained that the “friction” of conflict should be put to use rather than treated as an unwanted consequence of differences.⁹ But it wasn’t until the 1970s that conflict management experts began to embrace the notion that some level of conflict can be beneficial.¹⁰ They

EXHIBIT 11.1

Consequences of Workplace Conflict

NEGATIVE CONSEQUENCES	POSITIVE CONSEQUENCES
<ul style="list-style-type: none">Lower performanceHigher stress, dissatisfaction, and turnoverLess information sharing and coordinationIncreased organizational politicsWasted resourcesWeakened team cohesion (when conflict exists among team members)	<ul style="list-style-type: none">Better decision making<ul style="list-style-type: none">Tests logic of argumentsQuestions assumptionsGenerates creative thinkingMore responsive to changing environmentStronger team cohesion (when conflict exists between the team and outside opponents)

formed an “optimal conflict” perspective, which states that organizations are most effective when employees experience some level of conflict. Organizations are less effective when the intensity of conflict is very low or very high.

What are the benefits of conflict? First, conflict potentially improves decision making. As Dewey stated, conflict energizes people to debate issues and evaluate alternatives more thoroughly. When employees disagree constructively, they probe and test one another’s way of thinking to better understand the underlying issues that need to be addressed. They evaluate the logic of the opposing positions and reexamine each party’s basic assumptions about the problem and its possible solution. Conflict also motivates creative thinking about novel solutions to the disagreement.¹¹

A second potential benefit is that moderate levels of conflict prevent organizations from becoming nonresponsive to their external environment. Differences of opinion encourage employees to engage in active thinking, and this often involves ongoing questioning and vigilance about how the organization can be more closely aligned with its customers, suppliers, and other stakeholders.¹² A third benefit occurs when team members experience conflict with external sources, such as competition with or threats from other teams or organizations. People tend to be more motivated to work together when faced with an external threat, which strengthens cohesion within the team (see Chapter 8). However, as mentioned a few paragraphs ago, this interdepartmental conflict sometimes undermines relations within the department.

The Emerging View: Task and Relationship Conflict

LO 11-2



The “optimal conflict” perspective remains popular and seems to be true in some respects—there is some evidence that any form of conflict becomes dysfunctional beyond a level of intensity.¹³ However, the school of thought most widely accepted today is that there are two dominant types of conflict: task conflict and relationship conflict. These represent two distinct ways that people approach and interact with one another during disagreements and that have different consequences for employees and organizations.¹⁴

TASK CONFLICT

Task conflict (also called *constructive conflict*) occurs when people focus their discussion around the issue (i.e., the “task”) in which different viewpoints occur while showing respect for people involved in that disagreement. This type of conflict keeps the spotlight on the qualities of the ideas presented (logic, factual accuracy, etc.). With a task conflict focus, participants examine the assumptions and logical foundation of the ideas presented. Their debate avoids any attention to the competence or power of the participants.

Most conflicts—including “personality clashes” and other interpersonal tiffs—arise while employees are performing their jobs or deciding which task should be performed, how should it be done, how employees should behave, who should perform the various task roles, and so forth. Therefore, in almost all organizational conflicts, the parties can potentially focus on the work-related situation in which these differences arose (task conflict). Research indicates that task conflict tends to produce the beneficial outcomes described earlier, particularly better decision making.¹⁵ However, as we already mentioned, there is likely an upper limit to the intensity of any disagreement, even if it is focused impersonally on issues rather than the conflict participants.

task conflict

a type of conflict in which people focus their discussion around the issue (i.e., the “task”) in which different viewpoints occur while showing respect for people involved in that disagreement

relationship conflict

a type of conflict in which people focus their discussion on qualities of the people in the dispute, rather than on the qualities of the ideas presented regarding a task-related issue

RELATIONSHIP CONFLICT

Whereas people engage in task conflict when they focus on logical foundations of work-related disagreements, **relationship conflict** occurs when the discussion focuses on qualities of participants in the dispute. This type of

Team decision making at Amazon .com is not a casual social gathering. “It is respectful contention and eventually we reach a decision based on the data, but meetings are hotly debated,” says a vice president about the meetings he attends at the online retailer. In fact, one of Amazon’s principles states that leaders should “respectfully challenge decisions when they disagree, even when doing so is uncomfortable or exhausting.” Another Amazon executive explains that “it would certainly be much easier and socially cohesive to just compromise and not debate, but that may lead to the wrong decision.” Some observers and employees say that Amazon fuels relationship conflict, not just task conflict. Others counter that relationship conflict is discouraged, pointing out that “respectfully challenge” means focusing on the problem, not the person. “We debate politely and respectfully, and you are given constructive feedback to course-correct if you are rude or disrespectful,” says a middle management engineer.^a

fizkes/Shutterstock



conflict is apparent when employees attack an opposing idea by questioning the competence of those who introduce that position or engage in the disputed behavior. Rather than identifying logical and factual concerns with someone’s suggestion (task conflict), relationship conflict attempts to dismiss the idea by arguing that it was proposed or supported by people who lack expertise, intelligence, credibility, or other traits necessary to make good suggestions.

Relationship conflict also occurs more indirectly when people rely on status or expertise to defend their position (“My recommendation is better because I have the most experience!”). Arguing for an idea by claiming one’s own superior competencies implies the inferiority of those who present opposing arguments or recommendations. It focuses on the relative qualities of the people involved, not the qualities of the ideas presented. Relationship conflict even occurs when someone is abrasive or assertive to the extent that the behavior demeans others in the conversation.¹⁶ For example, relationship conflict can occur when a manager bangs his or her fist on the desk while presenting an argument; the physical action implies that the speaker has more power and the followers need harsh signals to get their attention.

Relationship conflict is dysfunctional because it threatens self-esteem, self-enhancement, and self-verification processes (see Chapter 3). It usually triggers defense mechanisms and a competitive orientation between the parties. Relationship conflict also reduces mutual trust because it emphasizes interpersonal differences that weaken any bond that exists between the parties.¹⁷ Relationship conflict escalates more easily than task conflict because the adversaries become less motivated to communicate and share information, making it more difficult for them to discover common ground and ultimately resolve the conflict. Instead, they rely increasingly on distorted perceptions and stereotypes, which tend to reinforce their perceptions of threat.

MINIMIZING RELATIONSHIP CONFLICT DURING TASK CONFLICT

From our discussion so far, the logical recommendation is for organizations to encourage task conflict and minimize relationship conflict. This idea sounds good in theory, but separating these two types of conflict isn’t easy in practice. Research indicates that we experience some degree of relationship conflict whenever we are engaged in constructive debate.¹⁸ No matter how diplomatically someone questions our ideas and actions, he or she potentially threatens our self-esteem and our public image, which usually triggers our

drive to defend. The stronger the level of debate and the more the issue is tied to our self-view, the more likely that task conflict will evolve into (or mix with) relationship conflict. Fortunately, three conditions potentially minimize the level of relationship conflict during task conflict episodes.¹⁹

- *Emotional intelligence.* Relationship conflict is less likely to occur, or is less likely to escalate, when team members have high levels of emotional intelligence, as well as the related attributes of emotional stability personality and trait self-control.²⁰ Employees with higher emotional intelligence are better able to regulate their emotions during debate, which reduces the risk of escalating perceptions of interpersonal hostility. They are also more likely to view a coworker's emotional reaction as valuable information about that person's needs and expectations, rather than as a personal attack.
- *Team development.* Team development plays a critical role in suppressing relationship conflict during task conflict.²¹ One explanation is mutual understanding. As teams develop, their members become better at understanding and anticipating one another, which reduces the risk that a coworker's words or actions will be misinterpreted as a conflict trigger. This may explain why newly formed teams (which have lower mutual understanding) have difficulty separating task and relationship conflict, whereas experienced teams (such as senior executive teams) are better able to suppress and separate relationship conflict. A second explanation is that team development produces higher team cohesion, in which employees feel a strong social identity with the group. Members of cohesive teams are motivated to



debating point

CAN PEOPLE AVOID RELATIONSHIP CONFLICT DURING DISAGREEMENTS?

One of the core ideas in conflict theory is that people can disagree with each other regarding an issue (task conflict) without experiencing negative emotions toward each other (relationship conflict). The most popular book on negotiation makes this point by stating that the parties need to “separate the people from the problem.”^b It advises that the participants need to view themselves as “working side by side, attacking the problem, not each other.”

Scholars do recognize that separating task from relationship conflict isn’t easy, but they claim it is possible.^c People with well-developed emotional intelligence can control negative emotional reactions (anger, frustration, hurt, etc.) and can reframe the conflict as a constructive event rather than as a personal attack. Research also suggests that relationship conflict is less likely to occur when the parties understand each other’s views, such as in high-performing teams. Psychological safety norms have also been identified as a way to avoid relationship conflict while engaging in task conflict.

The ability to avoid relationship conflict during task conflict sounds promising in theory yet, in practice, it may be a bridge too far. Instead, some degree of relationship conflict may be inevitable. One of the most basic problems is that employees immediately and automatically experience negative emotions when they become aware that coworkers or supervisors disagree with their ideas or behavior.^d Negative emotions

aren’t just attributed to information in the opposing message; they are also attributed to the source of that message. This occurs because we naturally try to make sense of disruptive conditions, and this includes forming adverse interpretations about why a coworker has disagreed with our proposal or behavior. Consequently, relationship conflict seems to form as soon as we become aware that our ideas or actions are being challenged.

Relationship conflict may also be unavoidable because it disrupts the current or expected pattern of behavior, which produces negative emotions toward those who caused that disruption. People have a natural desire to maintain the status quo.^e Even those who propose change want to see their ideas flow predictably through to the future without opposition. This effect occurs because people want to believe they control their situation, whereas disagreement reduces perceived control and predictability in the work environment.

Relationship conflict may also be inevitable in any disagreement because all communication has both a relational and substantive function.^f This means that when people interact with each other, they not only transmit and receive information (substantive), but also reinforce or strain the fabric of their relationship. Communication is important for one’s relatedness needs, so a message that challenges another viewpoint (substantive) also seems to challenge the relationship.

psychological safety

a shared belief that it is safe to engage in interpersonal risk-taking; specifically, that presenting unusual ideas, constructively disagreeing with the majority, and experimenting with new work behaviors will not result in coworkers posing a threat to their self-concept, status, or career

minimize relationship conflict because these episodes threaten the team's stability and the member's future with that group.

- *Norms supporting psychological safety.* Task conflict is less likely to morph into chronic relationship conflict when the team or broader workplace adopts norms that support psychological safety.²² As we described in Chapter 8, **psychological safety** refers to a shared belief that it is safe to engage in interpersonal risk-taking. In other words, employees are confident that presenting unusual ideas, constructively disagreeing with the majority, or experimenting with new work behaviors will not cause coworkers to threaten their self-concept, status, or career. Psychological safety flourishes when team and organizational norms encourage employees to respect and value one another, demonstrate interest in one another, be open-minded about and tolerant with coworkers' opinions, and show positive intentions toward one another. Showing positive intentions involves displaying positive emotions and nonthreatening behavior when discussing different points of view.

Conflict Process Model

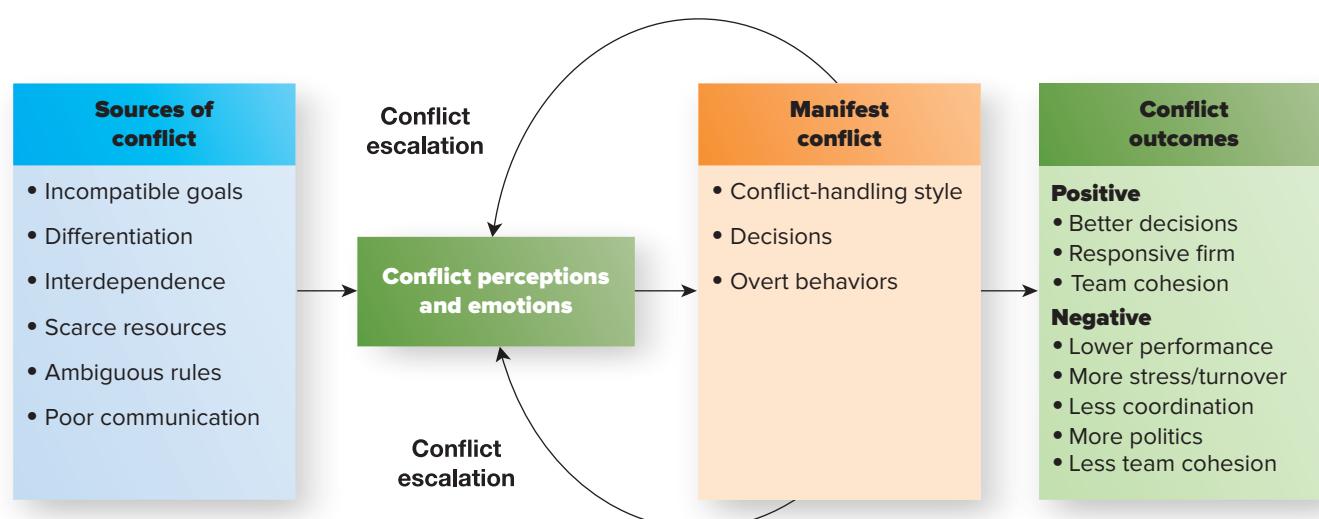
LO 11-3

Now that we have outlined the history and current perspectives of conflict and its outcomes, let's look at the model of the conflict process, shown in Exhibit 11.2.²³ This model begins with the sources of conflict, which we will describe in the next section. The sources of conflict lead one or both parties to perceive that conflict exists. They become aware that one party's statements and actions interfere with or otherwise threaten their own goals or beliefs. These perceptions produce and interact with emotions experienced about the conflict.

Conflict perceptions usually produce negative emotions, including feelings of stress (emotional strain), anxiety, fear, frustration, and/or anger.²⁴ However, some people experience positive emotions through cognitive reappraisal of the conflict, such as by perceiving the situation as a positive challenge, an opportunity to learn about other viewpoints, and a relief that nagging concerns about a possible conflict are out in the open and can now be addressed.

Manifest conflict represents each party's decisions and behaviors toward the other. These *conflict episodes* may range from subtle nonverbal communication to warlike aggression.

EXHIBIT 11.2 Model of the Conflict Process





Conflict behaviors are influenced by many personal characteristics (personality, emotional intelligence, personal values, etc). However, as the model illustrates, these forms of manifest conflict are also influenced by how the situation is perceived and the emotions experienced from awareness of the conflict. For instance, employees who experience anger tend to be more assertive and competitive toward the opposing party.²⁵ In contrast, those who experience fear or anxiety when faced with workplace conflict tend to avoid the opposing coworkers or concede to their wishes.

Exhibit 11.2 shows arrows looping back from manifest conflict to conflict perceptions and emotions. These arrows illustrate that the conflict process is really a series of episodes that potentially cycle into conflict escalation.²⁶ It doesn't take much to start this conflict cycle—just an inappropriate comment, a misunderstanding, or an action that lacks diplomacy. These behaviors cause the other party to perceive that conflict exists. Even if the first party did not intend to demonstrate conflict, the second party's response may create that perception. A typical problem with conflict escalation is that any task conflict focus that existed crumbles and relationship conflict takes over. Furthermore, the parties become less motivated to communicate with each other because of the shift to personal attacks and the failure of past logical discussion to resolve their differences. With less communication, the parties increasingly rely on stereotypes of the opposing group, which amplify differences and feed relationship conflict.

Structural Sources of Conflict in Organizations

The conflict model starts with the sources of conflict, so we need to understand these sources to effectively diagnose conflict episodes and subsequently resolve the conflict or occasionally to generate conflict where it is lacking. The six main conditions that cause conflict in organizational settings are incompatible goals, differentiation, interdependence, scarce resources, ambiguous rules, and communication problems.

INCOMPATIBLE GOALS

Organizations divide the work among departments and teams, who divide it further among individuals. Each division of work has associated goals, resulting in different goals from one employee and department to the next. Goal incompatibility occurs when the goals of one person or department seem to interfere with another person's or department's goals.²⁷ For example, the production department strives for cost-efficiency by scheduling long production runs whereas the sales team emphasizes customer service by delivering the client's product as quickly as possible. If the company runs out of a particular product, the production team would prefer to have clients wait until the next production run. This infuriates sales representatives who would rather change production quickly to satisfy consumer demand.

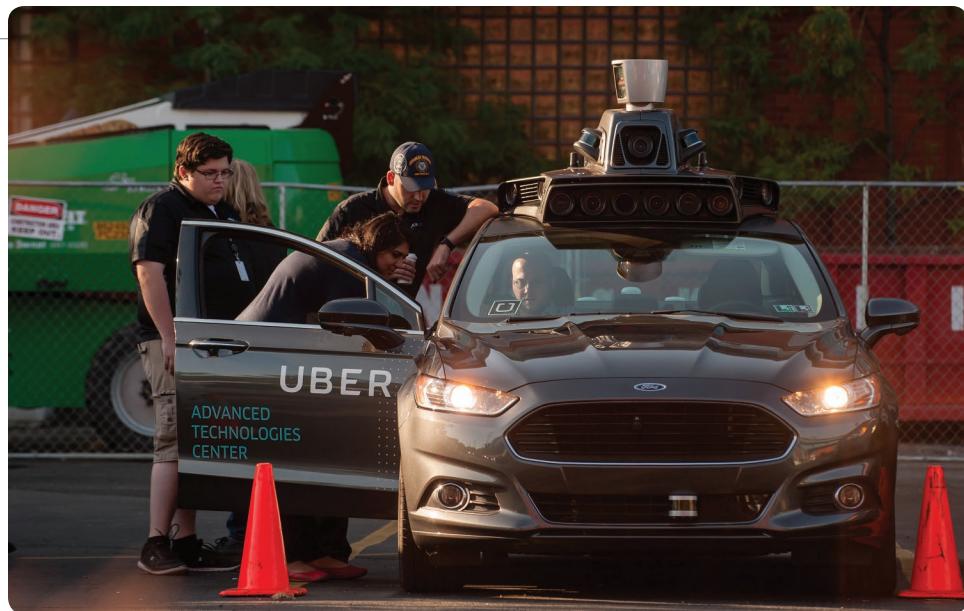
DIFFERENTIATION

Another source of conflict is differentiation—differences among people and work units regarding their beliefs, values, and preferences. Differentiation is distinct from goal incompatibility; two people or departments may agree on a common goal (serving customers better) but have different beliefs about how to best achieve that goal (such as by introducing new technology versus employee customer service training). Employees form different beliefs, expectations, and worldviews due to their childhood socialization, gender, ethnicity, occupation, personal values, and personality.²⁸ Also, conflict is a perception, so before differences are actually apparent, employees form conflict beliefs from stereotypes and false expectations about coworkers from different backgrounds.

Generational diversity is one form of differentiation that can lead to workplace conflict.²⁹ People across broad age groups tend to have different needs, expectations, and

Uber developed such a competitive culture that many employees at the ride-sharing service clashed with one another to achieve their own career goals. “It seemed like every manager was fighting their peers and attempting to undermine their direct supervisor so that they could have their direct supervisor’s job,” complained a former Uber engineer. Hostilities also occurred across teams due to both incompatible team goals and differentiation. For instance, sources say the San Francisco software engineers working on Uber’s self-driving vehicles viewed their robotics hardware coworkers in Pittsburgh as “a bunch of academics with no real-world, product-building experience,” whereas the Pittsburgh crew perceived the West coast engineers as “whiny and ungrateful.” This infighting may have contributed to faulty technology, which was one of several factors in the death of a pedestrian by an Uber self-driving vehicle.⁹

Jeff Swensen/Getty Images



behaviors, which become a source of workplace conflict. This intergenerational differentiation occurs for two reasons. First, each of us is deeply influenced by the unique technological advances (e.g., smartphones versus Sputnik), economic conditions, and other “social forces” we experience growing up and throughout our lives. Second, we tend to have somewhat different needs and priorities at each stage of our career and life, such as a greater need for skills development during early career, a greater need for job security while raising a family, and a greater need for financial security in retirement toward the end of our career.

Differentiation also produces the classic tension that occurs when two companies merge, particularly when they are based in different countries.³⁰ These organizational and national culture clashes occur through disagreements over the “right way” to do things because of their unique experiences within each organization. This form of differentiation-based conflict emerged when CenturyLink acquired Qwest, creating the third-largest telecommunications company in the United States. The two companies were headquartered in different parts of the country. “Their languages were different, their food was different, answers were different. We talked fast and interrupted, and they talked slow and were polite,” recalls a senior Qwest executive. “If we said up, they said down. If we said yes, they said no. If we said go, they said stop.” This resulted in “unnecessary misunderstandings” as executives tried to integrate the two companies.³¹

INTERDEPENDENCE

All conflict is caused to some extent by interdependence, because conflict exists only when one party perceives that its interests are being opposed or negatively affected by another party. Task interdependence refers to the extent to which employees must share materials, information, or expertise to perform their jobs (see Chapter 8). The risk and intensity of conflict increase with the level of interdependence because more frequent interactions increase each party’s awareness that they have divergent goals, beliefs, or intentions.³²

Conflict has the lowest intensity or probability of occurring when employees have a pooled interdependence relationship. Pooled interdependence exists where individuals operate independently except for reliance on a common resource or authority. The potential for conflict is higher in sequential interdependence work relationships, such as an assembly line. The highest risk and intensity of conflict tends to occur in reciprocal



global connections 11.1

Open Office, Hidden Conflict^h

The private office has become a rarity in most workplaces. By some estimates, two-thirds of large organizations in the United States have open-plan offices (where employees work in a large shared space). Many firms are also moving toward nonterritorial offices or hot-desking (desks are shared, not assigned to specific employees). These arrangements reduce real estate costs, but they are also supposed to improve communication and cooperation among coworkers.

Instead, open office and nonterritorial workspaces may be fueling conflict, although mostly as hidden irritation and resentment rather than manifest verbal arguments. Shared work space arrangements create higher interdependence among employees regarding the noise, visual movement, territorial privacy, and information privacy of that space. Numerous studies have found that these distractions and intrusions make it more difficult to concentrate on one's work. The result is interpersonal conflict from the discomfort of the distractions as well as from their effect on lower job performance.

"Our open office has absolutely crippled my productivity," concludes a marketing professional in Idaho after three years in an open-office arrangement. "I can't hear myself think, I'm starting to feel bitter toward my coworkers, and my anxiety has shot through the roof." Employees at another company reported increased conflict when the company squeezed more desks into the open space. "When we sat closer together, suddenly minor things became major irritants," observes one occupant. "That



Monkey Business Images/Shutterstock

was before the disagreements over blinds open or closed, windows opened or closed."

Conflict seems to be even more intense in nonterritorial offices because, along with the irritations of sharing office space, employees compete for scarce resources. Nonterritorial spaces usually have more desks than employees on a given day, but there is ongoing competition over prized locations, such as desks near windows, in quieter areas, and with stronger Wi-Fi.

"Each morning in my office is like a grown-up game of musical chairs, with six or so people competing for the last remaining hot desk," complains a junior accountant in one office. "Lost productivity spent hunting for somewhere to sit is the least of our concerns. Barely concealed resentment comes to the fore on regular occasions."

interdependence situations. With reciprocal interdependence, employees have high mutual dependence on each other as well as higher centrality. Consequently, relationships with reciprocal interdependence are the most intense because they have the strongest and most immediate risk of interfering with each other's objectives.

SCARCE RESOURCES

Resource scarcity generates conflict because each person or unit requiring the same resource necessarily interferes with others who also need that resource to fulfill their goals.³³ Most labor strikes, for instance, occur because there aren't enough financial and other resources for employees and company owners to each receive the outcomes they seek, such as higher pay (employees) and higher investment returns (stockholders). Budget deliberations within organizations also produce conflict because there isn't enough cash flow or debt facility to satisfy the funding aspirations of each work unit. The more resources one group receives, the fewer resources other groups will receive. Fortunately, these interests aren't perfectly opposing in complex negotiations, but limited resources are typically a major source of friction.

AMBIGUOUS RULES

Conflict breeds in work settings where rules are ambiguous, inconsistently enforced, or completely missing.³⁴ This occurs because uncertainty increases the risk that one party will interfere with the other party's goals. Ambiguity also encourages political tactics and, in



some cases, employees enter a free-for-all battle to win decisions in their favor. This explains why conflict is more common during mergers and acquisitions. Employees from both companies have conflicting practices and values, and few rules have developed to minimize the maneuvering for power and resources.³⁵ When clear rules exist, on the other hand, employees know what to expect from one another and usually agree to abide by those rules.

COMMUNICATION PROBLEMS

Conflict often takes a dysfunctional first step because employees lack the ability or motivation to state their disagreement in a diplomatic, nonconfrontational manner. It is difficult to craft a message that communicates dissent with neither too little nor too much assertiveness.³⁶ Influenced by their own emotions regarding an issue, employees tend to use emotion-laden language and aggressive nonverbal behavior when transmitting their concerns. The stronger the message, the stronger the perception by receivers that the conflict not only exists, but is a high risk threat. Receivers often reciprocate with a similar response, which further escalates the conflict. Furthermore, aggressive and emotive communication typically fuels relationship conflict and makes it more difficult for the discussants to maintain a task conflict focus.

Poorly crafted communication is a source of conflict, but a lack of communication often amplifies that conflict. Occasionally, lack of communication exists because employees don't have the opportunity to discuss their differences. More often, the quarrel makes the relationship so uncomfortable that the parties actively avoid each other. Unfortunately, less communication can further escalate the conflict because each side increasingly relies on distorted images and stereotypes of the other party. Perceptions are further distorted because people in conflict situations tend to perceive more differentiation with those who are unlike themselves (see Chapter 3). This differentiation creates a more positive self-concept and a more negative image of the opponent. We begin to see opponents less favorably so our self-concept remains positive during these conflict situations.³⁷

Interpersonal Conflict-Handling Styles

LO 11-4

The six sources of conflict lead to conflict perceptions and emotions that, in turn, motivate people to respond in some way to the conflict. Mary Parker Follett (who argued that conflict can be beneficial) observed almost a century ago that people respond to perceived and felt conflict through various conflict-handling strategies. Follett's original list was expanded and refined over the years into the five-category model shown in Exhibit 11.3. This model recognizes that how people respond behaviorally to a conflict situation depends on the relative importance they place on maximizing outcomes for themselves and for the other party.³⁸

- **Problem solving.** Problem solving tries to find a solution that is beneficial for both parties. This is known as the **win-win orientation** because people using this style believe the resources at stake are expandable rather than fixed if the parties work together to find a creative solution. Information sharing is an important feature of this style because both parties collaborate to identify common ground and potential solutions that satisfy everyone involved.

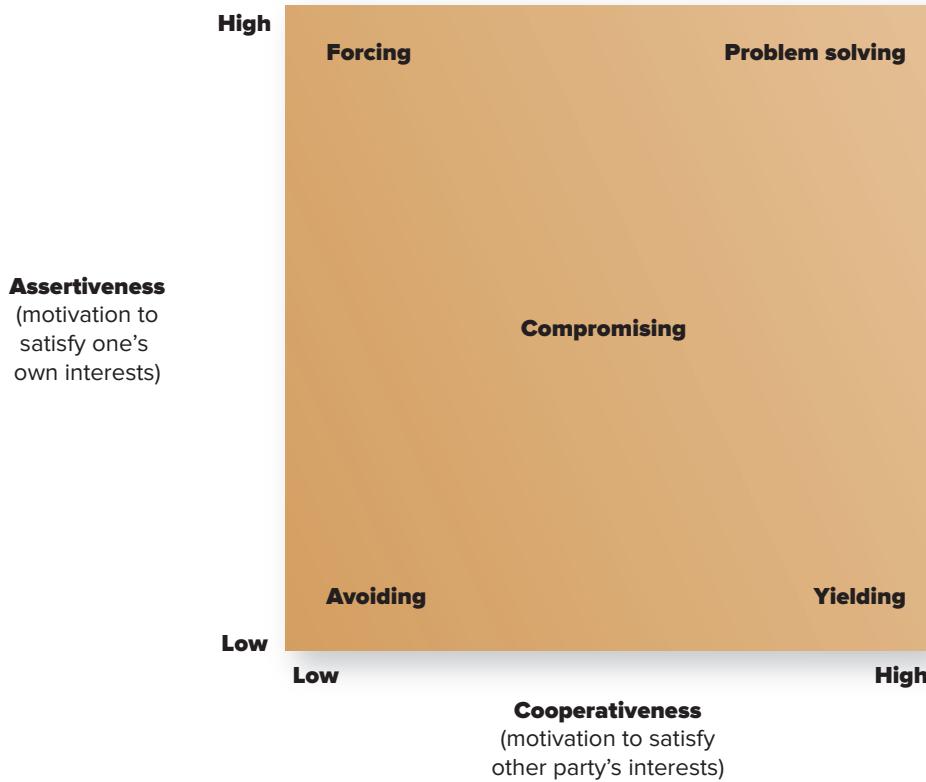
- **Forcing.** Forcing tries to win the conflict at the other's expense. People who use this style typically have a **win-lose orientation**—they believe the parties are drawing from a fixed pie, so the more one party receives, the less the other party will receive. Consequently, this style relies on hard influence tactics (see Chapter 10) to get one's own way. However, forcing is not necessarily aggressiveness or bullying. It includes more moderate degrees of assertiveness, where you speak up and show conviction for your idea or request.³⁹

win-win orientation
the belief that conflicting parties will find a mutually beneficial solution to their disagreement

win-lose orientation
the belief that conflicting parties are drawing from a fixed pie, so the more one party receives, the less the other party will receive

EXHIBIT 11.3**Interpersonal Conflict-Handling Styles**

Source: C.K.W. de Dreu, A. Evers, B. Beersma, E.S. Kluwer, and A. Nauta, "A Theory-Based Measure of Conflict Management Strategies in the Workplace," *Journal of Organizational Behavior* 22 (2001): 645–68. Reprinted with permission of John Wiley & Sons, Inc.



- *Avoiding.* Avoiding tries to smooth over or evade conflict situations altogether. A common avoidance strategy is to steer clear of the coworkers associated with the conflict. A second avoidance strategy is to minimize discussion of the sensitive topic when interacting with the other person in the conflict. Although avoiding is situated in the “low-low” sector of the model, people do not always avoid conflict due to a low concern for both one’s own and the other party’s interest. On the contrary, we may be very concerned about one or both party’s interests but conclude that avoidance is the best strategy, at least in the short term.⁴⁰
- *Yielding.* Yielding involves giving in completely to the other side’s wishes, or at least cooperating with little or no attention to your own interests. This style involves making unilateral concessions and unconditional promises, as well as offering help with no expectation of reciprocal help.
- *Compromising.* Compromising involves looking for a position in which your losses are offset by equally valued gains. It involves actively searching for a middle ground between the interests of the two parties. Compromising is also associated with matching the other party’s concessions and making conditional offers (“If you do X, I’ll do Y.”).

connect
SELF-ASSESSMENT 11.1:**What Is Your Preferred Conflict-Handling Style?**

There are five main conflict-handling styles that people use in response to conflict situations. We are usually most comfortable using one or two of these styles based on our personality, values, self-concept, and past experience. You can discover your preferred conflict-handling styles by locating this self-assessment in Connect if it is assigned by your instructor.



CHOOSING THE BEST CONFLICT-HANDLING STYLE

Chances are that you prefer one or two conflict-handling styles more than the others. You might typically engage in avoiding or yielding because disagreement makes you feel uncomfortable and is contrary to your self-view as someone who likes to get along with everyone. Or perhaps you prefer the compromising and forcing strategies because they reflect your strong need for achievement and to control your environment. People usually gravitate toward one or two conflict-handling styles that match their personality, personal and cultural values, and past experience.⁴¹ However, the best style depends on the situation, so we need to understand and develop the capacity to use any of the five styles for the appropriate occasions.⁴²

Exhibit 11.4 summarizes the main contingencies, as well as problems with using each conflict-handling style. Problem solving is widely recognized as the preferred conflict-handling style, whenever possible. Why? This approach calls for dialogue and clever thinking, both of which help the parties discover a win-win solution. In addition, the problem-solving style tends to improve long-term relationships, reduce stress, and minimize emotional defensiveness and other indications of relationship conflict.⁴³

The problem-solving style is not optimal in all situations, however. If the conflict is simple and perfectly opposing (each party wants more of a single fixed pie), then this style will waste time and increase frustration. It also takes more time and requires a fairly high degree of trust because there is a risk that the other party will take advantage of the information you have openly shared. The problem-solving style can be stressful and difficult when people experience strong feelings of conflict, likely because these negative emotions undermine trust in the other party.⁴⁴

The avoiding conflict style is often ineffective because it produces uncertainty and frustration rather than resolution of the conflict.⁴⁵ However, avoiding may be the best

EXHIBIT 11.4 Conflict-Handling Style Contingencies and Problems

CONFLICT-HANDLING STYLE	PREFERRED STYLE WHEN ...	PROBLEMS WITH THIS STYLE
Problem solving	<ul style="list-style-type: none">• Interests are not perfectly opposing (i.e., not pure win–lose)• Parties have trust, openness, and time to share information• Issues are complex	<ul style="list-style-type: none">• Sharing information that the other party might use to his or her advantage
Forcing	<ul style="list-style-type: none">• Dispute requires a quick solution• Your position objectively has a much stronger logical or moral foundation• Other party would take advantage of more cooperative strategies	<ul style="list-style-type: none">• Highest risk of relationship conflict• May damage long-term relations, reducing future problem solving
Avoiding	<ul style="list-style-type: none">• Conflict has become too emotionally charged• Parties want to maintain harmony in relationship• Cost of trying to resolve the conflict outweighs the benefits	<ul style="list-style-type: none">• Doesn't usually resolve the conflict• May increase uncertainty and frustration
Yielding	<ul style="list-style-type: none">• Issue is much less important to you than to the other party• The value and logic of your position isn't as clear• Parties want to maintain harmony in relationship• Other party has substantially more power	<ul style="list-style-type: none">• Increases other party's expectations in future conflict episodes
Compromising	<ul style="list-style-type: none">• Single issue conflict with opposing interests• Parties lack time or trust for problem solving• Parties want to maintain harmony in relationship• Parties have equal power	<ul style="list-style-type: none">• Suboptimal solution where mutual gains are possible

short-term strategy when the conflict has become emotionally charged or is so intractable that resolution would be excessively costly in terms of time, effort, and other resources. Avoidance is also one of the preferred cooperative styles in cultures where openly resolving the conflict is a lower priority than maintaining superficial harmony in the relationship (*superficial* because the disagreement still exists under the surface).

The forcing style is usually inappropriate because a high level of assertiveness tends to generate relationship conflict more quickly or intensely than other conflict-handling styles. This adverse effect of forcing is conveyed in the old adage: “The more arguments you win, the fewer friends you will have.”⁴⁶ Even so, a moderate degree of assertiveness may be appropriate where the dispute requires a quick solution or your ideas have a significantly and objectively stronger logical or moral foundation. This conflict-handling style may also be preferred when the other party would take advantage of a more cooperative conflict-handling style.

The yielding style may be appropriate when the other party has substantially more power, the issue is not as important to you as to the other party, and you aren’t confident that your position has superior logical or ethical justification.⁴⁷ On the other hand, yielding behaviors may give the other side unrealistically high expectations, thereby motivating them to seek more from you in the future. In the long run, yielding may produce more conflict, rather than resolve it.

The compromising style may be best where the conflict is simple and perfectly opposing (each party wants more of a single fixed pie). Even if the conflict is sufficiently complex for potential mutual gains, compromising may be necessary when the parties lack time, trust, and openness to apply the problem-solving style. The compromising style is also popular where the parties prioritize harmony in their relationship over personal gains in the dispute.⁴⁸ Compromise tends to occur where both parties have approximately equal power because this prevents one party from gaining advantage over the other. The main problem is that many conflicts have the potential for mutual gains, whereas the compromise style settles for a suboptimal solution. Research also suggests that employees experience negative emotions (depression, frustration, etc.) under some conditions after they settle for a compromise agreement.

STEERING CLEAR OF WORKPLACE CONFLICTⁱ

37% of 616 American managers surveyed say they are uncomfortable giving direct performance feedback/criticism to their employees that they might respond badly to.

46% of 1,554 Australian employees polled say they would rather seek a new job than deal with a workplace conflict.

25% of 2,195 UK employees say the most common negative behavior resulting from recent conflict episodes was the refusal to work together or cooperate with each other.

20% of 926 American employees surveyed say they avoid some coworkers because of their political views (54% of employees say they avoid talking about politics at all with colleagues).

Alhovik/Shutterstock



CULTURAL AND GENDER DIFFERENCES IN CONFLICT-HANDLING STYLES

Cultural differences are more than just a source of conflict. They also influence the preferred conflict-handling style.⁴⁹ Some research suggests that people from high collectivism cultures—where group goals are valued more than individual goals—are motivated to maintain harmonious relations and, consequently, are more likely than those from low collectivism cultures to manage disagreements through avoidance or problem solving. However, this view may be somewhat simplistic. Collectivism motivates harmony within the group but not necessarily with people outside the group. Indeed, research indicates that managers in some collectivist cultures are more likely to shame those whose actions oppose their own.⁵⁰ Cultural values and norms influence the conflict-handling style used most often in a society, so they also represent an important contingency when choosing the preferred conflict-handling approach in that culture. For example, people who frequently use the conflict avoidance style might have more problems in cultures where the forcing style is common.

Men and women also rely on different conflict-handling styles to some degree.⁵¹ The clearest difference is that men are more likely than women to use the forcing style, whether as managers or nonmanagement employees. Female managers are more likely than male managers to use the avoiding style, whereas female nonmanagement employees use the avoiding style only slightly more than male nonmanagement employees. Women in management and nonmanagement roles are only slightly more likely than men to use problem solving, compromising, and yielding. Except for the male preference for forcing, gender differences in conflict-handling style are relatively small, but they have a logical foundation. Compared to men, women pay more attention to the relationship between the parties, so their preferred style tries to protect the relationship. This is apparent in less forcing, more avoiding, and slightly more use of compromising and yielding.

Structural Approaches to Conflict Management

LO 11-5

Conflict-handling styles describe how we approach the other party in a conflict situation. But conflict management also involves altering the underlying structural causes of potential conflict. The main structural approaches parallel the sources of conflict discussed earlier. These structural approaches include emphasizing superordinate goals, reducing differentiation, improving communication and understanding, reducing task interdependence, increasing resources, and clarifying rules and procedures.

EMPHASIZING SUPERORDINATE GOALS

One of the oldest recommendations for resolving conflict is to increase the parties' commitment to superordinate goals and less on the conflicting subordinate goals.⁵² **Superordinate goals** are goals that the conflicting employees or departments value and whose attainment requires the joint resources and effort of those parties.⁵³ These goals are called superordinate because they are higher-order aspirations such as the organization's strategic objectives rather than key performance objectives specific to the individual or work unit. Research indicates that the most effective executive teams frame their decisions as superordinate goals that rise above each executive's conflicting departmental or divisional goals. Similarly, effective leaders reduce dysfunctional organizational conflict through an inspirational vision that unifies employees and makes them less preoccupied with their subordinate goal differences.⁵⁴

Suppose that marketing staff members want a new product released quickly whereas engineers want more time to test and add new features. Leaders can potentially reduce this interdepartmental conflict by reminding both groups of the company's mission to serve customers, or by pointing out that competitors currently threaten the company's leadership in the industry. By increasing commitment to companywide goals (customer

superordinate goals
goals that the conflicting parties value and whose attainment requires the joint resources and effort of those parties



focus, competitiveness), engineering and marketing employees pay less attention to their competing departmental-level goals, which reduces their perceived conflict with each other. Work-related goals are often linked to one's self-concept, so as employees strengthen their commitment to a superordinate goal (while still valuing their subordinate work goals) they form a stronger social identity with the department or organization where that goal is embedded. In other words, superordinate goals not only manage conflict by reducing goal incompatibility, they also potentially reduce differentiation by establishing feelings of a shared social identity with the department or company.⁵⁵

REDUCING DIFFERENTIATION

Differentiation—differences regarding training, values, beliefs, and experiences—was identified earlier as one of the main sources of workplace conflict. Therefore, reducing differentiation is a logical approach to reducing dysfunctional conflict. Employees across subgroups form a shared social identity as they become more aware of or actually develop common experiences, beliefs, and values. As employees in one team, department, or region develop and recognize more similarities than differences with members of other work units, they increase their trust in members of the other group and are thereby more motivated to coordinate activities and resolve their disputes through constructive discussion.⁵⁶

Organizations can reduce differentiation among individuals or work units in several ways, particularly where the parties have similar status and the process doesn't threaten that status.⁵⁷ One strategy is for employees to have meaningful interaction with people in other groups, such as through temporary assignments to other work units or participation in multidisciplinary projects.⁵⁸ These work-related interactions not only improve mutual understanding through the contact hypothesis (see Chapter 3); they also create common experiences among coworkers across the organization and consequently increase employee identification with the organization rather than just with a narrow career specialization.

A second strategy is to rotate staff to different departments or regions throughout their career. This is a longer-term career development intervention than the temporary assignments recommended above. Consequently, cross-functional and regional career transfers may have a particularly strong influence on the employee's identification with the organization rather than with one geographic region or occupational group (engineering, marketing, etc.). A third strategy is for leaders to build and maintain a strong organizational culture. Employees have shared values and assumptions and a stronger sense of community in a company with a strong culture. Chapter 14 describes specific activities to support a strong culture.

IMPROVING COMMUNICATION AND MUTUAL UNDERSTANDING

A third set of approaches for minimizing or preventing dysfunctional conflict is to help employees across the organization understand one another better through increased communication and more formal mutual understanding interventions.⁵⁹ These activities don't necessarily reduce differentiation (employees still have divergent beliefs and experiences), but the interaction and discussion may create a clearer awareness of and respect for one another's situation and point of view.

The most basic application of this strategy is to rearrange physical or reporting arrangements so employees across departments have more occasions to interact with one another. When Telenor, the Norwegian telecommunications company, replaced departmental coffee machines with a few large coffee stations, employees who didn't know one another started mingling around these common areas. Balentine, the employee-owned financial services firm in Atlanta and Raleigh, is one of many organizations that holds regular "lunch and learn" sessions. At Balentine, staff learn new knowledge from coworkers (financial planning practices, new software, etc), but the sessions also improve collaboration and rapport across work units.⁶⁰



global connections 11.2

Improving Mutual Understanding through Lunch Roulettes^j

WeWork, the shared workspace company, expanded into Israel and within two years employed more than 100 people in its Tel-Aviv technology group. This rapid growth was exciting for WeWork staff. But as the numbers grew, newcomers increasingly had trouble blending in, informal subgroups were springing up, and some team members had never spoken to one another. The situation could eventually lead to dysfunctional squabbles among employees and their cliques.

"For those that were part of the early team and experienced the close, family-like, relationships of a small group, something started to feel 'off,'" recalls software engineer Benny Sitbon. He and a few other early hires began casually thinking of ways to minimize dysfunctional conflict by improving connectedness among staff in their large Tel-Aviv technology group. When someone described "lunch roulette," Sitbon and the others sprang into action.

Lunch roulettes at WeWork's Tel-Aviv technology group are held every second week. Any employee in the technology group can participate (on average, about half of them do). Those who sign up are organized randomly—like a roulette wheel—into lunch groups of three people. To encourage conversation within each trio, Sitbon developed an app in which attendees register for the event and (optionally) briefly state their hobbies and a "talk to me



wavebreakmedia/Shutterstock

about" category. The app organizes participants a couple of hours before the event and creates a private space so each luncheon trio can coordinate where to eat and what to order. After several of these events, a survey reported a 66 percent increase in how close employees in the Tel-Aviv technology unit felt to one another.

"Lunch is a great time to talk and get to know one another," says Sitbon. "Although our team is already medium-sized and in hyper-growth, the lunch roulette helps keeping that 'small team' feeling. Not only does this affect our team's happiness, it also improves our collaboration and approachability, and therefore, our efficiency."

Some companies improve mutual understanding among employees from divergent occupations, regions, or age groups through a variation of the Johari Window model (see Chapter 3). In seminars with a trained facilitator, individuals disclose to coworkers information about themselves and their self-perceptions as well as feedback to others about how they are perceived.⁶¹ One excellent example is the full-day intergenerational training program at L'Oréal Canada. The purpose of the session, called Valorizing Intergenerational Differences, is "to raise awareness of individuals' differing workplace needs as they move through their careers." In one part of the program, for example, employees sit together in their generational cohorts and ask questions to employees in the other cohorts. "Each group is interested and surprised to see what's important to the other group," says a L'Oréal Canada executive who helped develop the seminar.⁶²

Where conflicts have escalated, some embattled groups have participated in a deeper version of this process, called *intergroup mirroring*.⁶³ Led by an external consultant, the conflicting groups begin by identifying and prioritizing their relationship problems. Next, each group separately documents (usually on large flip chart paper) three sets of perceptions: (1) how the group perceives itself, (2) how it perceives the other group, and (3) how the group believes it is perceived by the other group. This is followed by the "mirroring" stage of intergroup mirroring, whereby each group shows its three sets of perceptions to the other group. After comparing and discussing these mirrored perceptions, the two sides jointly review their relationship problems. Finally, both sides establish joint goals and action plans to correct their perceptual distortions and establish more favorable relationships in the future.

There are two important warnings about relying on communication and mutual understanding activities to reduce dysfunctional conflict. First, these interventions should be applied only where differentiation is not high. If the parties believe they have overwhelming differences in their beliefs, values, and experiences, attempts to manage conflict through dialogue could escalate rather than reduce relationship conflict. The reason is that when forced to interact with people who we believe are quite different and in conflict with us, we tend to select information that reinforces that view.⁶⁴ The second warning is that people in collectivist and high power distance cultures are less comfortable with the practice of resolving differences through direct and open confrontation.⁶⁵ Recall that people in collectivist cultures prefer the avoidance and compromising conflict-handling styles because they are the most consistent with harmony and face saving. Direct communication is a high-risk strategy because it easily threatens the need to save face and maintain harmony.

REDUCING INTERDEPENDENCE

Conflict occurs where people are dependent on one another, so another way to reduce dysfunctional conflict is to minimize the level of interdependence among the parties. Three ways to reduce interdependence among employees and work units are to create buffers, use integrators, and combine jobs.

- *Create buffers.* A buffer is any mechanism that loosens the coupling between two or more people or work units. This decoupling reduces the potential for conflict because the buffer reduces or delays the effect of one party on the other. In-process inventory between employees on an assembly line is a buffer that reduces intergroup conflict because it reduces an employee's short-term dependence on the previous person along that line.⁶⁶
- *Use integrators.* Integrators are employees who coordinate the activities of multiple work units toward the completion of a shared task or project.⁶⁷ Brand managers, for instance, are responsible for coordinating the efforts of the research, production, advertising, and marketing departments regarding a specific product line. Integrators typically reduce the amount of direct interaction required among these diverse work units. Integrators rarely have direct authority over the departments they integrate, so they must rely on referent power and persuasion to manage conflict and accomplish the work.
- *Combine jobs.* Combining jobs is both a form of job enrichment and a way to reduce task interdependence. Consider a toaster assembly system where one person inserts the heating element, another adds the sides, and so on. By combining these tasks so that each person assembles an entire toaster, the employees now have a pooled rather than sequential form of task interdependence and the likelihood of dysfunctional conflict is reduced.

INCREASING RESOURCES

Resource scarcity is a source of conflict, so increasing the amount of resources available would have the opposite effect.⁶⁸ This might not be a feasible strategy for minimizing dysfunctional conflict due to the costs involved. However, these costs need to be compared against the costs of dysfunctional conflict due to the resource scarcity.

CLARIFYING RULES AND PROCEDURES

Conflicts that arise from ambiguous rules can be minimized by establishing rules and procedures. If two departments are fighting over the use of a new laboratory, a schedule might be established that allocates the lab exclusively to each team at certain times of the day or week.

Third-Party Conflict Resolution

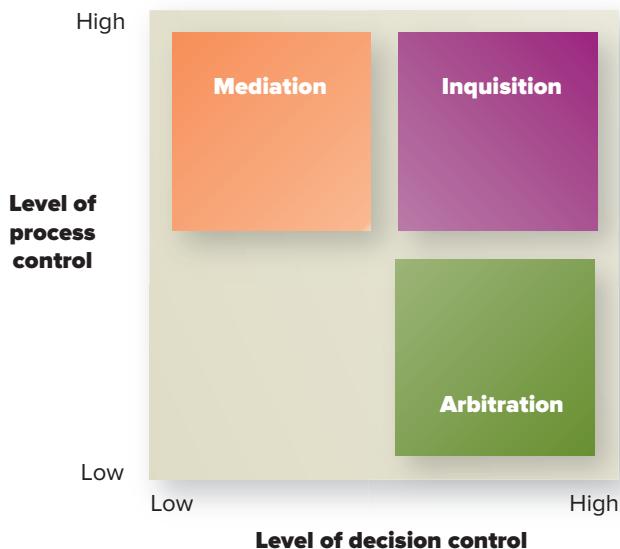
third-party conflict resolution
any attempt by a relatively neutral person to help conflicting parties resolve their differences

Most of this chapter has focused on people directly involved in a conflict, yet many disputes among employees and departments are resolved with the assistance of a manager. **Third-party conflict resolution** is any attempt by a relatively neutral person to help the parties resolve their differences.⁶⁹ There are three main third-party dispute resolution activities: arbitration, inquisition, and mediation. These interventions can be classified by their level of control over the process and control over the decision (see Exhibit 11.5).⁷⁰

- **Arbitration**—Arbitrators have high control over the final decision, but low control over the process. This is the “adversarial” model used in North American legal proceedings, in which the judge has decision control and the lawyers representing the opponents have process control. In organizations, managers engage in this strategy by following previously agreed-upon rules of due process, listening to arguments from the disputing employees, and making a binding decision. Arbitration is applied as the final stage of grievances by unionized employees in many countries, but it is also applied to nonunion conflicts in organizations with formal conflict resolution processes.
- **Inquisition**—Inquisitors control all discussion about the conflict. Like arbitrators, inquisitors have high decision control because they determine how to resolve the conflict. However, inquisitors also have high process control because they choose which information to examine and how to examine it, and they generally decide how the conflict resolution process will be handled. Many judicial systems in Europe apply forms of inquisitional justice, although some countries are shifting toward the North American model of adversarial justice. Meanwhile, some North American experts recommend the inquisitional rather than the adversarial approach for some legal conflicts.⁷¹
- **Mediation**—Mediators have high control over the intervention process. In fact, their main purpose is to manage the process and context of interaction between the disputing parties. However, the parties make the final decision about how to resolve their differences. Thus, mediators have little or no control over the conflict resolution decision.⁷²

EXHIBIT 11.5

Types of Third-Party Intervention



CHOOSING THE BEST THIRD-PARTY INTERVENTION STRATEGY

Team leaders, executives, and coworkers regularly intervene in workplace disputes. Sometimes they adopt a mediator role; other times they serve as arbitrators. Occasionally, they begin with one approach then switch to another. However, research suggests that managers and other people in positions of authority usually adopt an inquisitional approach whereby they dominate the intervention process as well as make a binding decision.⁷³

Managers tend to rely on the inquisition approach because it is consistent with the decision-oriented nature of managerial jobs. This approach also gives them control over the conflict process and outcome and tends to resolve disputes efficiently. However, inquisition is usually the least effective third-party conflict resolution method in organizational settings.⁷⁴ One problem is that leaders who take an inquisitional role tend to collect limited information about the problem, so their imposed decision may produce an ineffective solution to the conflict. Another problem is that employees often view inquisitional procedures and outcomes as unfair because they have little control over this approach. In particular, the inquisitional approach potentially violates several practices required to support procedural justice (see Chapter 5).

Which third-party intervention is most appropriate in organizations? The answer partly depends on the situation, such as the type of dispute, the relationship between the manager and employees, and cultural values such as power distance.⁷⁵ Also, any third-party approach has more favorable results when it applies the procedural justice practices described in Chapter 5.⁷⁶ But generally speaking, for everyday disagreements between two employees, the mediation approach is usually best because this gives employees more responsibility for resolving their own disputes. The third-party representative merely establishes an appropriate context for conflict resolution. Although not as efficient as other strategies, mediation potentially offers the highest level of employee satisfaction with the conflict process and outcomes.⁷⁷ When employees cannot resolve their differences through mediation, arbitration seems to work best because the predetermined rules of evidence and other processes create a higher sense of procedural justice.⁷⁸ Arbitration is also preferred where the organization's goals should take priority over individual goals.

Employees at Morning Star Company can't rely on their boss to settle disagreements because there aren't any bosses at the California tomato processing company. Instead, those who can't resolve a conflict invite another coworker to mediate the situation and possibly recommend a solution. If anyone in the disagreement still isn't satisfied, then several colleagues form a panel to review and arbitrate the conflict. Almost all conflicts are resolved by this stage. But in rare instances, the matter can be brought to the attention of Morning Star's president, who either makes—or designates an arbitrator to make—a binding final decision. "When a panel of peers gets convened, people can see that the process is fair and reasonable," explains Morning Star founder Chris Rufer. "Everyone knows they have recourse."⁷⁹

Echo/Getty Images





Resolving Conflict through Negotiation

LO 11-6

negotiation

the process whereby two or more conflicting parties attempt to resolve their divergent goals by redefining the terms of their interdependence

Think back through yesterday's events. Maybe you had to work out an agreement with other students about what tasks to complete for a team project. Chances are you shared transportation with someone, so you had to agree on the timing of the ride. Then perhaps there was the question of who made dinner. Each of these daily events created potential conflict and, most likely, they were resolved through negotiation. **Negotiation** occurs whenever two or more conflicting parties attempt to resolve their divergent goals by redefining the terms of their interdependence. In other words, people negotiate when they think that discussion can produce a more satisfactory arrangement (at least for them) in exchanging or sharing resources.

As you can see, negotiation is not an obscure practice reserved for labor and management bosses when hammering out a collective agreement. Everyone negotiates, every day. Most of the time you don't even realize that you are in negotiations. Negotiation is particularly evident in the workplace because employees work interdependently. They negotiate with their supervisors over next month's work assignments, with customers over the sale and delivery schedules of their product, and with coworkers over when to have lunch. And yes, they occasionally negotiate with each other in labor disputes and collective agreements.

DISTRIBUTIVE VERSUS INTEGRATIVE APPROACHES TO NEGOTIATION

Earlier in this chapter, we noted that some conflict-handling styles adopt a win-lose orientation—the view that one party necessarily loses when the other party gains. In negotiations, this is called the *distributive* approach because the negotiator believes those involved in the conflict must distribute portions from a fixed pie. The opposing view is a win-win orientation, known as the *integrative* or *mutual gains* approach to negotiations. This approach exists when negotiators believe the resources at stake are expandable rather than fixed if the parties work creatively together to find a solution.

When do negotiators adopt a distributive or integrative approach to negotiations? The actual situation is a key factor. Distributive negotiation is most common when the parties have only one item to resolve, such as product price or starting salary. Integrative negotiation is more common when multiple issues are open for discussion. Multiple issues provide greater opportunity for mutual gains because each issue or element in the negotiation has different value to each party. Consider the example of a buyer who wants to pay a low price for several dozen manufactured items from a seller, doesn't need the entire order at once, but does need the payment schedule spread over time due to limited cash flow. The seller values a high price due to rising costs, but also values steady production to minimize overtime and layoffs. Through negotiation, the parties learn that spreading out the delivery schedule benefits both of them, and that the buyer would agree to a higher price if payments could be spread out with the delivery schedule.

Negotiators usually begin with a cautiously integrative approach to negotiations, but they sometimes shift to a distributive approach as it becomes apparent that the parties have similar preferences for a limited number of items. Another factor is the individual's personality and past experience. Some people have a natural tendency to be competitive and think more distributively whereas others more frequently believe that conflicts have an integrative solution.

PREPARING TO NEGOTIATE

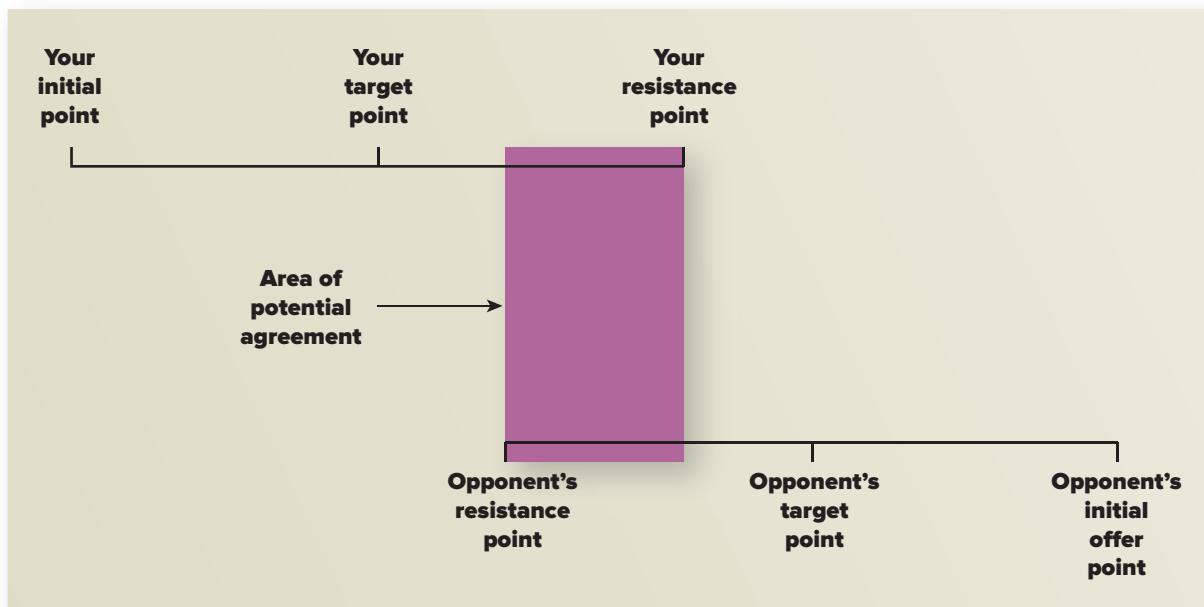
Preparation is essential for successful negotiations.⁷⁹ You can't resolve disagreements unless you know what you want, why you want it, and what power you have to get it. You also need to anticipate the other party for each of these factors.

Develop Goals and Understand Needs Successful negotiators develop *goals* about what they want to achieve from the exchange. Equally important, they reflect on what *needs* they are trying to fulfill from those goals. The distinction between goals and needs is important because specific needs can be satisfied by different goals. For example, an employee might negotiate for a promotion (a goal), but what the employee really wants is more status and interesting work (underlying needs). Effective negotiators try to understand their own needs and avoid becoming locked into fixed goals. Focusing on needs enables negotiators to actively consider different proposals and opportunities, some of which could fulfill their needs better than their original negotiation goals. Preparation also includes anticipating the other party's goals and their underlying needs, based on available information before negotiation sessions begin.

Negotiators engage in a form of goal setting that identifies three key positions: what they will initially request in the negotiations, what they want to achieve in the best possible situation, and what minimum acceptable result they will accept. These three key positions—initial, target, and resistance—are shown for each party in the bargaining zone model (see Exhibit 11.6).⁸⁰ This linear diagram depicts a purely distributive approach to negotiation because it illustrates that one side's gain will be the other's loss. Complex bargaining zone models can depict situations where mutual gains are possible. Also, keep in mind that these positions and other aspects of the negotiation process are ultimately subjective, malleable, and influenced by perceptual distortions.⁸¹

The *initial offer point*—each party's opening offer to the other side—requires careful consideration because it can influence the negotiation outcome. If the initial offer is set higher—but not outrageously higher—than expected by the other party, it can anchor the negotiation at a higher point along the range by reframing the other party's perception of what is considered a “high” or “low” demand (see Chapter 7).⁸² In other words, a high initial offer point can potentially move the outcome closer to your target point; it may even cause the other side to lower its resistance point. Suppose that a prospective employer thinks you would ask no more than \$50,000 for an annual salary, but your initial request is for \$62,000. This higher demand may change the employer's perception of a high salary to the extent that, after some negotiation activity, the company is

EXHIBIT 11.6 Bargaining Zone Model of Negotiations





comfortable with the final agreement of \$55,000. The challenge is to avoid an initial offer that is set so high that the other party breaks off negotiations or forms distrust that cannot be rebuilt.

The *target point* is your realistic goal or expectation for a final agreement. This position must consider alternative strategies to achieve those objectives, and test underlying assumptions about the situation.⁸³ Negotiators who set high, specific target points usually obtain better outcomes than those with low or vague target points. In this respect, a target point needs to possess the same characteristics as effective goal setting (see Chapter 5). Unfortunately, perceptual distortions cause inexperienced negotiators to form overly optimistic expectations, which can only be averted through careful reflection of the facts.

best alternative to a negotiated settlement (BATNA)
the best outcome you might achieve through some other course of action if you abandon the current negotiation

Know Your BATNA and Power The *resistance point* in the bargaining zone model is the point beyond which you will make no further concessions. How do you determine the resistance point—the point beyond which you walk away from the negotiations? The answer requires thoughtful comparison of how your goals and needs might be achieved through some other means. This comparison is called the **best alternative to a negotiated agreement (BATNA)**.⁸⁴ BATNA estimates your power in the negotiation because it represents the estimated cost to you of walking away from the relationship. If sources outside the current negotiation are willing to negotiate with you for the product or service you need, then you have a high BATNA because it would cost you very little to walk away from the current negotiation.

Having more than one BATNA to a negotiation increases your power. A common problem, however, is that people tend to overestimate their BATNA.⁸⁵ They wrongly believe there are plenty of other ways to achieve their objective rather than through this negotiation. Wise advice here is to actively investigate multiple alternatives, not just the option being negotiated. For instance, if you are searching for a new job, make specific inquiries at a few organizations. This may give you a more realistic idea of your BATNA, in particular, how much your talents are in demand and what employers are willing to offer for those talents.

Your power in the negotiation depends on the sources and contingencies of power discussed in Chapter 10. For example, you have more power to negotiate a better starting salary and job conditions if you have valued skills and experience that few other people possess (high expertise with low substitutability), the employer knows that you possess these talents (high visibility), and the company will experience costs or lost opportunities fairly quickly if this position is not filled soon (high centrality). Not surprisingly, BATNA tends to be higher for those with favorable sources and contingencies of power, because they would be in demand in the marketplace.

THE NEGOTIATION PROCESS

The negotiation process is a complex human interaction that draws on many topics in this book, including perceptions, attitudes, motivation, decision making, and communication. The most important specific negotiation practices are to gather information, manage concessions, manage time, and build the relationship.

Gather Information Information is the cornerstone of effective negotiations.⁸⁶ In distributive situations, some types of information reveal the other party's resistance point. Information can also potentially transform distributive negotiations into integrative negotiations by discovering multiple dimensions that weren't previously considered. For example, a simple negotiation over salary may reveal that the employee would prefer more performance-based pay and less fixed salary. Thus, mutual gains may be possible because there is now more than one variable to negotiate. Information is even more important in integrative negotiations, because the parties require knowledge of each other's needs to discover solutions that maximize benefits for both sides.

Effective negotiators gather information about the opponent's underlying needs and expectations. They do this by listening more than talking, but also by encouraging the other party to reveal more information. "It's not just listening, but it's understanding how to get them to talk more," says former FBI hostage negotiator, Chris Voss. One effective strategy used by the FBI is *mirroring*—repeating back as a question the last few words of what the other person said. If the opponent says "I need to receive your shipment within the next month," you would mirror by asking "I'm sorry, within the next month?" This usually motivates the other person to explain further. "By repeating back what people say, you trigger this mirroring instinct and your counterpart will inevitably elaborate on what was just said and sustain the process of connecting," Voss explains.¹

fizkes/Shutterstock



Successful negotiations require both parties to volunteer information. However, information sharing is a potential pitfall because it gives the other party more power to leverage a better deal if the opportunity occurs.⁸⁷ Skilled negotiators address this dilemma by adopting a cautious problem-solving style at the outset. They begin by sharing information slowly and determining whether the other side will reciprocate. In this way, they try to establish trust with the other party.

The most important practices for gathering information in negotiations are to listen and ask questions. Thus, skilled negotiators heed the advice of the late management guru Stephen Covey: "Seek first to understand, then to be understood."⁸⁸ They spend most of the negotiation time listening closely to the other party and asking for details. In contrast, inexperienced negotiators mainly talk to the other side about their arguments and justifications.

A central objective of information gathering is to discover the other party's needs hidden behind their stated offers and negotiation goals. Effective negotiators actively seek information by asking questions (see Exhibit 11.7). Some questions are open-ended, such as inviting the other side to describe their situation (workload, costs, etc), followed by probe questions ("Oh, what caused that to happen?") to draw out more details. The other party's nonverbal communication also plays an important role in understanding their needs, such as how attentive they are to some topics more than to others.

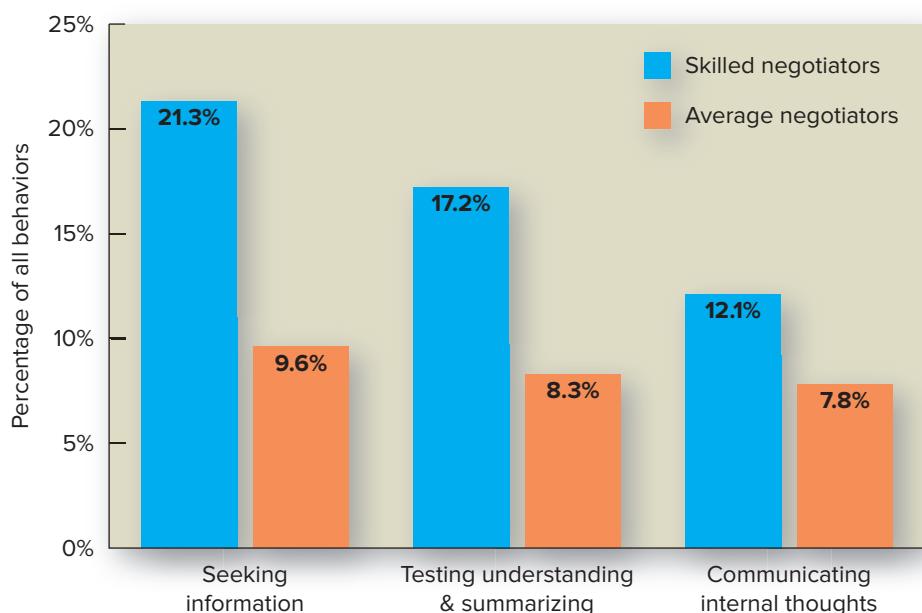
Skilled negotiators also test how well they understand the other side's facts and position, by summarizing the information presented and asking for clarification on specific points (see Exhibit 11.7). Finally, skilled negotiators communicate their inner thoughts and feelings about what the other party has said. This practice does not present arguments or proposals. Instead, by reflecting on their own feelings, negotiators encourage the other party to provide further information that will help dissolve concerns ("What you just said makes me hopeful, but I'm still uncertain about some details. So, please describe your idea further.").

Manage Concessions Most of us think about making concessions when engaging in negotiations.⁸⁹ A concession is one party's revision of a negotiating position so it comes closer to the other party's current position. Successful negotiators actually make fewer concessions and each concession is smaller than those of average negotiators, particularly in distributive negotiations where both parties know the bargaining zone.⁹⁰ Even so, the process of making concessions is important to all parties.

EXHIBIT 11.7**Information Gathering and Reflecting by Skilled versus Average Negotiators**

Percentage of behaviors observed by skilled and average negotiators, based on observations of several dozen negotiators across more than 100 negotiation sessions.

Source: Based on data from N. Rackham and J. Carlisle, "The Effective Negotiator—Part I: The Behaviour of Successful Negotiators," *Journal of European Industrial Training* 2, no. 6 (1978): 6–11.



Concessions are a form of communication because they signal to the other party the relative importance of each issue being negotiated. Concessions also symbolize each party's motivation to bargain in good faith. In fact, an important feature of negotiations is that each party reciprocates when the other side makes a concession.⁹¹ Ultimately, concessions are necessary for the parties to move toward the area of agreement. Concessions need to be clearly labeled as such and should be accompanied by an expectation that the other party will reciprocate. They should also be offered in installments because people experience more positive emotions from a few smaller concessions than from one large concession.⁹² Generally, the best strategy is to be moderately tough and give just enough concessions to communicate sincerity and motivation to resolve the conflict.

Some types of offers and concessions are better than others. The key objective is to discover and signal which issues are more and less important to each side. Suppose that you have been asked to lend a couple of your best staff to projects in another division, whereas you need these people on-site for other assignments and to coach junior staff. Through problem-solving negotiation, you discover that the other division doesn't need those staff at their site; rather, the division head mainly needs some guarantee that these people will be available. The result is that your division keeps the staff (important to you) while the other division has some guarantee these people will be available at specific times for their projects (important to them).

One way to figure out the relative importance of the issues to each party is to make multi-issue offers rather than discuss one issue at a time.⁹³ You might offer a client a specific price, delivery date, and guarantee period, for example. The other party's counteroffer signals which of the multiple items are more and which are less important to them. Your subsequent concessions similarly signal how important each issue is to your group.

Manage Time Negotiators tend to make more concessions as the deadline gets closer.⁹⁴ This can be a liability if you are under time pressure, or it can be an advantage if the other party alone is under time pressure. Negotiators with more power in the relationship sometimes apply time pressure through an "exploding offer" whereby they give the opponent a very short time to accept their offer.⁹⁵ These time-limited offers are frequently found in consumer sales ("on sale today only!") and in some job offers. They produce time pressure, which can motivate the other party to accept the offer and forfeit the opportunity to explore their BATNA. Another time factor is that the more time someone has invested in the negotiation, the more committed he or she becomes to ensuring an

agreement is reached. This commitment increases the tendency to make unwarranted concessions so that the negotiations do not fail.

Build the Relationship Building and maintaining trust is important in all negotiations.⁹⁶ In purely distributive negotiation situations, trust keeps the parties focused on the issue rather than personalities, motivates them to return to the bargaining table when negotiations stall, and encourages the parties to engage in future negotiations. Trust is also critical in integrative negotiations because it motivates the parties to share information and actively search for mutual gains.

How do you build trust in negotiations? One approach is to discover common backgrounds and interests, such as places you have lived, favorite hobbies and sports teams, and so forth. If there are substantial differences between the parties (age, gender, etc.), consider including team members who closely match the backgrounds of the other party. First impressions are also important. Recall from earlier chapters in this book that people attach emotions to incoming stimuli in a fraction of a second. Therefore, you need to be sensitive to your nonverbal cues, appearance, and initial statements.

Signaling trustworthiness also helps strengthen the relationship. We can do this by demonstrating that we are reliable, will keep our promises, and have shared goals and values with the other party. Trustworthiness also increases by developing a shared understanding of the negotiation process, including its norms and expectations about speed and timing.⁹⁷ Finally, relationship building demands emotional intelligence.⁹⁸ This includes managing the emotions you display to the other party, particularly avoiding an image of superiority, aggressiveness, or insensitivity. Emotional intelligence also involves managing the other party's emotions. We can use well-placed flattery, humor, and other methods to keep everyone in a good mood and to diffuse dysfunctional tension.⁹⁹

THE NEGOTIATION SETTING

The effectiveness of negotiating depends to some extent on the environment in which the negotiations occur. Three key situational factors are location, physical setting, and audience.

Location It is easier to negotiate on your own turf because you are familiar with the negotiating environment and are able to maintain comfortable routines.¹⁰⁰ Also, there is no need to cope with travel-related stress or depend on others for resources during the negotiation. Of course, you can't walk out of negotiations as easily when the event occurs on your own turf, but this is usually a minor issue. Considering the strategic benefits of home turf, many negotiators agree to neutral territory. Phone calls, videoconferences, email, and other forms of information technology potentially avoid territorial issues, but skilled negotiators usually prefer the media richness of face-to-face meetings. Frank Lowy, cofounder of retail property giant Westfield Group, says that telephones are "too cold" for negotiating. "From a voice I don't get all the cues I need. I go by touch and feel and I need to see the other person."¹⁰¹

Physical Setting The physical distance between the parties and formality of the setting can influence their orientation toward each other and the disputed issues. So can the seating arrangements. People who sit face-to-face are more likely to develop a win-lose orientation toward the conflict situation. In contrast, some negotiation groups deliberately intersperse participants around the table to convey a win-win orientation. Others arrange the seating so that both parties face a whiteboard, reflecting the notion that both parties face the same problem or issue.

Audience Characteristics Most negotiators have audiences—anyone with a vested interest in the negotiation outcomes, such as executives, other team members, or the general public. Negotiators tend to act differently when their audience observes the negotiation or has detailed information about the process, compared to situations in

which the audience sees only the end results.¹⁰² When the audience has direct surveillance over the proceedings, negotiators tend to be more competitive, less willing to make concessions, and more likely to engage in assertive tactics against the other party. This “hard-line” behavior shows the audience that the negotiator is working for their interests. With their audience watching, negotiators also have more interest in saving face.

GENDER AND NEGOTIATION

When it comes to negotiation, women tend to have poorer economic outcomes than do men.¹⁰³ Women tend to set lower personal target points and are more likely to accept offers just above their resistance points. Men set high target points and push to get a deal as close to their target point as possible. Women are also less likely than men to use alternatives to improve their outcomes. One explanation for these differences is that women give higher priority than men to interpersonal relations in the exchange. This is consistent with why there are gender differences in conflict-handling styles, discussed earlier in this chapter. Giving more concessions and even avoiding the negotiation process altogether (accepting the salary offered when hired) are ways that women try to maintain good relations. This is also consistent with evidence that women have a stronger dislike of negotiation activities.

Gender differences in negotiation outcomes are not just due to abilities and motivation, however. Various investigations report that women are treated worse than men by the opposing negotiators.¹⁰⁴ Female negotiators have a significantly higher risk than men of being deceived by the other party and to have less generous offers than men receive for the same job or product. For instance, men and women in one study went into a used-car lot and asked about the price of one of the cars. The car dealer quoted a lower price to men than to women—for the same car. A second problem is that female negotiators who use effective firm negotiation tactics—such as making fewer and smaller concessions—are viewed less favorably by the opposing negotiator than when men use these tactics. This reaction likely occurs because some effective negotiation activities violate female stereotypes, so women are viewed as more aggressive than men doing exactly the same thing. The result is that the other negotiator becomes less trustful and engages in harder tactics.

Fortunately, women perform as well as men in negotiations when they receive training and gain experience. Women also negotiate well when the situation signals that

Susanne Smith (not her real name) was shocked to discover that two male coworkers earned almost double her salary. The Boston area web developer worried that confronting her boss about a pay raise would backfire, but she took that chance and was given a 20 percent increase (still well below her male coworkers). The experience made Smith angry with herself for accepting whatever salary was offered when hired whereas her male coworkers had negotiated a higher pay deal. “I was like the bargain-basement candidate that didn’t bother to negotiate,” she says. Studies report that, compared to men, women negotiate less, have lower target points, and give more concessions. The City of Boston, the Women’s Foundation of Montana, and other groups are addressing this source of gender pay gap by offering free negotiation workshops for women. “We know that women need some concrete skills and tools to take to the negotiation table,” explains the head of Boston’s Office of Women’s Advancement.^m

Morsa/Digital Vision/Getty Images



negotiation is expected, such as when a job opening states that the salary is negotiable. Another factor that improves negotiation outcomes for women is how well they know the expected bargaining range. For example, women negotiate a better starting salary when they research the salary range for that position. “I was able to come to the table knowing what my value should be because I had done research,” says Kristen Peed, an executive at CBIZ Insurance Services Inc. in Cleveland. Peed reviewed industry salary survey data before discussing her salary package in the new job.¹⁰⁵

chapter summary

LO 11-1 Define conflict and debate its positive and negative consequences in the workplace.

Conflict is the process in which one party perceives that its interests are being opposed or negatively affected by another party. The earliest view of conflict was that it was dysfunctional for organizations. Even today, we recognize that conflict sometimes or to some degree consumes productive time, increases stress and job dissatisfaction, discourages coordination and resource sharing, undermines customer service, fuels organizational politics, and undermines team cohesion. But conflict can also be beneficial. It is known to motivate more active thinking about problems and possible solutions, encourage more active monitoring of the organization in its environment, and improve team cohesion (where the conflict source is external).

LO 11-2 Distinguish task conflict from relationship conflict and describe three strategies to minimize relationship conflict during task conflict episodes.

Task conflict occurs when people focus their discussion around the issue while showing respect for people with other points of view. Relationship conflict exists when people focus their discussion on qualities of the people in the dispute; that is, they view each other, rather than the issue, as the source of conflict. It is apparent when people attack each other’s credibility, assert their superior status, and display aggression toward the other party. It is difficult to separate task from relationship conflict. However, three strategies or conditions that minimize relationship conflict during constructive debate are (1) emotional intelligence of the participants, (2) team development, and (3) norms that support psychological safety (a shared belief that it is safe to engage in interpersonal risk-taking).

LO 11-3 Diagram the conflict process model and describe six structural sources of conflict in organizations.

The conflict process model begins with the six structural sources of conflict: incompatible goals, differentiation (different values and beliefs), interdependence, scarce resources, ambiguous rules, and communication problems. These sources lead one or more parties to perceive a conflict and to experience conflict emotions. This produces manifest conflict, such as behaviors toward the other side. The conflict process often escalates through a series of episodes.

LO 11-4 Outline the five conflict-handling styles and discuss the circumstances in which each would be most appropriate.

There are five known conflict-handling styles: problem solving, forcing, avoiding, yielding, and compromising. People who use

problem solving have a win-win orientation. Others, particularly forcing, assume a win-lose orientation. In general, people gravitate toward one or two preferred conflict handling styles that match their personality, personal and cultural values, and past experience.

The best style depends on the situation. Problem solving is best when interests are not perfectly opposing, the parties trust each other, and the issues are complex. Forcing works best when the dispute requires quick action, your position is logically and morally stronger, and the other party would take advantage of a cooperative style. Avoiding is preferred when the conflict has become emotional, there is strong incentive to maintain harmony, or the cost of resolution outweighs the benefits. Yielding works well when the issue is less important to you, the value or logic of your position is less clear, the parties want to maintain harmony, and the other party has substantially more power. Compromising is preferred when there is a single issue (not complex) with opposing interests, the parties are under time pressure, they want to maintain harmony, and they have equal power.

LO 11-5 Apply the six structural approaches to conflict management and describe the three types of third-party dispute resolution.

Conflict can be managed through six structural strategies. One of these is to increase the parties’ commitment to superordinate goals—goals that the conflicting employees or departments value and whose attainment requires the joint resources and effort of those parties. Another method is to reduce differentiation between the conflicting parties, such as by temporarily assigning employees to other work units, rotating employees across the organization throughout their career, and by building a strong organizational culture. A third method is to improve communication and mutual understanding. This can occur by designing workspaces such that diverse groups coincidentally mingle, engaging in seminars that apply Johari Window principles across groups, and through intergroup mirroring interventions. Fourth, conflict can be minimized by reducing interdependence, such as by creating buffers, using integrators, or combining jobs. The final two structural approaches to conflict management involve increasing resources and clarifying rules and procedures.

Third-party conflict resolution is any attempt by a relatively neutral person to help the parties resolve their differences. The three main forms of third-party dispute resolution are mediation, arbitration, and inquisition. Managers tend to use an inquisition approach, though mediation and arbitration often are more appropriate, depending on the situation.

LO 11-6 Discuss activities in the negotiation preparation, process, and setting that improve negotiation effectiveness.

Negotiation occurs whenever two or more conflicting parties attempt to resolve their divergent goals by redefining the terms of their interdependence. Distributive negotiation is most common when the parties have only one item to resolve, such as product price or starting salary. Integrative negotiation is more common when multiple issues are open for discussion. Effective negotiators engage in several preparation activities. These include determining their initial, target, and resistance positions; understanding their needs behind these goals; and knowing their alternatives to the negotiation (BATNA).

During the negotiation process, effective negotiators devote more attention to gathering than giving information. They try to determine the other party's underlying needs rather than just their stated positions. They make fewer and smaller concessions, but use concessions strategically to discover the other party's priorities and to maintain trust. They try to avoid time traps (negotiating under deadlines set by the other side), and they engage in practices to maintain a positive relationship with the other party. Characteristics of the setting—including location, physical setting, and audience characteristics—are also important in successful negotiations.

key terms

best alternative to a negotiated agreement (BATNA), p. 423
conflict, p. 402
negotiation, p. 421

psychological safety, p. 407
relationship conflict, p. 404
superordinate goals, p. 415
task conflict, p. 404

third-party conflict resolution, p. 419
win-lose orientation, p. 411
win-win orientation, p. 411

critical thinking questions

1. Distinguish task conflict from relationship conflict, and explain how to maintain some degree of task conflict while minimizing relationship conflict.
2. The chief executive officer of Creative Toys, Inc. read about cooperation in Japanese companies and vowed to bring this same philosophy to the company. The goal is to avoid all conflict, so that employees would work cooperatively and be happier at Creative Toys. Discuss the merits and limitations of the CEO's policy.
3. Conflict among managers emerged soon after a French company acquired a Swedish firm. The Swedes perceived the French management as hierarchical and arrogant, whereas the French thought the Swedes were naive, cautious, and lacking an achievement orientation. Identify the source(s) of conflict that best explain(s) this conflict, and describe ways to reduce dysfunctional conflict in this situation.
4. You are a special assistant to the commander-in-chief of a peacekeeping mission to a war-torn part of the world. The unit consists of a few thousand peacekeeping troops from the United States, France, India, and four other countries. The troops will work together for approximately one year. What strategies would you recommend to improve mutual understanding and minimize conflict among these troops?
5. The chief operating officer (COO) has noticed that production employees in the company's Mexican manufacturing operations are unhappy with some of the production engineering decisions made by engineers in the company's headquarters in Chicago. At the same time, the engineers complain that production employees aren't applying their engineering specifications correctly and don't understand why those specifications were put in place. The COO believes that the best way to resolve this conflict is to have a frank and open discussion between some of the engineers and employees representing the Mexican production crew. This open dialogue approach worked well recently among managers in the company's Chicago headquarters, so it should work equally well between the engineers and production staff. Based on your knowledge of communication and mutual understanding as a way to resolve conflict, discuss the COO's proposal.
6. Describe the inquisitional approach to resolve disputes between employees or work units. Discuss its appropriateness in organizational settings, including the suitability of its use with a multigenerational workforce.
7. Jane has just been appointed as purchasing manager of Tacoma Technologies, Inc. The previous purchasing manager, who recently retired, was known for his "winner-take-all" approach to suppliers. He continually fought for more discounts and was skeptical about any special deals that suppliers would propose. A few suppliers refused to do business with Tacoma Technologies, but senior management was confident that the former purchasing manager's approach minimized the company's costs. Jane wants to try a more collaborative approach to working with suppliers. Will her approach work? How should she adopt a more collaborative approach in future negotiations with suppliers?
8. You are a new program manager with responsibility for significant funding and external relations, and because of downsizing issues in your area, you have lost two valuable employees (actually 1.5, because the second person is on half time now; she used to be your manager and was the person under whom you trained). You have been in the new job approximately two weeks; however, you have been in the unit for more than a year and seen how systems are managed, from your manager's perspective. You now have her job. Out of the blue, a senior person (not in your area) comes to you and says he is taking most of your space (when the company had to let the 1.5 people go). He doesn't ask your permission, nor does he seem the least bit concerned with what your response is. What do you do?
9. Laura is about to renegotiate her job role with her new manager. She has heard through the grapevine that he is a tough negotiator, highly competitive, and unwilling to take others' needs into consideration. She has also heard that even if he gives concessions in the negotiation, he often fails to keep his word. If you were Laura, how would you prepare for this negotiation?



CASE STUDY: MAELSTROM COMMUNICATIONS

By Daniel Robey, Georgia State University, in collaboration with Todd Anthony

Sales manager Roger Todd was fuming. Thanks to, as he put it, “those nearsighted addleheads in service,” he had nearly lost one of his top accounts. When told of Todd’s complaint, senior serviceperson Ned Rosen retorted, “That figures. Anytime Mr. Todd senses even the remotest possibility of a sale, he immediately promises the customer the world on a golden platter. We can’t possibly provide the service they request under the time constraints they give us and do an acceptable job.”

Feelings of this sort were common in the departments both Roger and Ned worked for in Maelstrom Communications. Sales and service, the two dominant functions in the company, never saw eye to eye on anything, it seemed. The problems dated well back in the history of the company, even before Roger or Ned were hired some years ago.

Maelstrom Communications is a franchised distributionship belonging to a nationwide network of companies that sell voice, mobile, data, and cloud telecommunications products to small and medium-sized businesses. Maelstrom competes directly with the largest national telecommunications firms in the hardware market. Equipment installation and maintenance service are an integral part of the total package Maelstrom offers.

Modern telecommunications systems hardware is highly sophisticated and few, if any, system users have the technological know-how to do their own equipment servicing. An excellent service record is crucial to the success of any company in the field. After the direct sale of a Maelstrom system, the sales force maintains contacts with customers. There is nothing the salespeople dislike so much as hearing that a customer hasn’t received the type of service promised at the time of sale. On the other hand, service technicians complain of being hounded by the salespeople whenever a preferred customer needs even the simplest fiber optic cable reconnected. As Ned Rosen put it, “I can’t remember the last time a service request came through that *wasn’t* an emergency from a preferred customer.”

Maelstrom’s owner and president, Al Whitfield, has a strong sales background and views sales as the bread-and-butter department of the company. He is in on all major decisions and has final say on any matter brought to his attention. He spends most of his time working with sales and

marketing personnel, and rarely concerns himself with the day-to-day activities of the service department unless a major problem of some sort crops up.

Next in line in Maelstrom’s corporate hierarchy is the vice-president in charge of production, Lawrence Henderson. Henderson is responsible for the acquisition and distribution of all job-related equipment and materials and for the scheduling of all service department activities. His sympathies lie primarily with the service department.

Each week Whitfield, Henderson, and all members of the sales force hold a meeting in Maelstrom’s conference room. The sales personnel present their needs to Henderson so that equipment can be ordered and jobs scheduled. Service requests reported to salespeople from customers are also relayed to Henderson at this point. Once orders for service have been placed with production, sales personnel receive no feedback on the disposition of them (unless a customer complains to them directly) other than at these weekly meetings. It is common for a salesperson to think all is well with his or her accounts when, in fact, they are receiving delayed service or none at all. When an irate customer phones the sales representative to complain, it sets in motion the machinery that leads to disputes such as the one between Roger Todd and Ned Rosen.

It has become an increasingly common occurrence at Maelstrom for sales personnel to go to Henderson to complain when their requests are not met by the service department. Henderson has exhibited an increasing tendency to side with the service department and to tell the salespeople that existing service department priorities must be adhered to and that any sales requests will have to wait for rescheduling. At this point, a salesperson’s only recourse is to go to Whitfield, who invariably agrees with the salesperson and instructs Henderson to take appropriate action. All of this is time consuming and only serves to produce friction between the president and the vice-president in charge of production.

Discussion Questions

1. What situational conditions have created the conflict in this case?
2. What actions should the organization take to manage the conflict more effectively?



CASE STUDY: DISCORD INVESTMENTS

By Steven L. McShane, University of Newcastle (Australia)

Discord Investments didn’t expect so much conflict when the regional brokerage firm brought in a global information technology (IT) consulting firm to implement a new client/server network. Discord had no plans to outsource its information systems activities, yet the investment firm’s own IT

employees were worried that they would be replaced or transferred to the consulting firm after the hardware installation was completed. This risk made them somewhat reluctant to provide details about Discord’s operations that the consultants needed to do their jobs effectively.

"Why should we tell them what we know and end up losing our jobs or, at best, getting outsourced to some unknown outfit," Discord's IT employees privately warned each other. The consultants sensed this reluctance, but the Discord employees kept their concerns to themselves.

Scheduling was another source of disagreement between Discord's IT staff and the external consultants. Each week, the consultants flew in from other cities to Discord's offices, typically working 12-hour days, Monday through Thursday, then flew back to their home cities on Friday. Discord's employees lived close to the company's offices and worked Monday to Friday with regular hours, usually 9 to 5 with one or two hours of flexibility around those times. The consultants raised concerns that the project would be delayed by Discord's IT staff if they did not adjust to the consultants' schedule during the two or three months that the consultants were on-site. The employees complained because the consultants' schedule would mean significant

disruption to their usual nonwork life, such as attending evening school events, spending time with family, or participating in sports and other social activities during the week.

Finally, the most serious disagreement broke out regarding who should lead the project—the Discord IT managers or the external consultants? Discord's top executives tried to quell the dispute by giving the leadership role to the consultants, but this decision simply added to the tension. The problem was that Discord's IT people would be responsible for the system long after the external consultants were gone, so they felt somewhat trapped by the consultants' power.

Discussion Questions

1. Identify and explain the main source(s) of conflict in this case.
2. What actions should the organization take immediately and for future consulting interventions to manage the conflict more effectively?



CLASS EXERCISE: CONFLICT HANDLING INCIDENTS

By Steven L. McShane, University of Newcastle (Australia)

PURPOSE This exercise is designed to help you understand the factors to consider when choosing the preferred conflict-handling styles in organizational settings.

INSTRUCTIONS

Step 1: Participants will read each of the three incidents presented below and select the most appropriate response from among the five alternatives for each incident.

Step 2 (Optional): The instructor may ask each student to complete the Conflict Handling Style Scale (available in Connect if assigned by the instructor) or a similar instrument. This instrument will provide an estimate of your preferred conflict-handling style.

Step 3: As a class, students identify their top two responses from the five provided. They discuss the situational factors they took into account in making those selections.

Step 4 (Optional): Students will compare their responses to the three incidents with their results from the conflict-handling self-assessment. Discussion will focus on the extent to which each person's preferred conflict-handling style influenced their alternatives in this activity, and the implications of this style preference for managing conflict in organizations.

INCIDENT #1

Setting

You work as a sonographer for a company that owns a dozen imaging diagnostics clinics in a major city. A sonographer is a medical professional who uses ultrasound medical equipment to create images for medical diagnostics. You are assigned to several clinics, staying at each clinic

for a few days or a week. You typically rotate across four clinics closest to your home, but occasionally are assigned to one of the company's other seven clinics in the city. Each day, the clinic assigns each of its half-dozen sonographers to a specific consulting room and they receive patients who have been pre-booked by the clinic administrative staff. The company owns more than one brand and model of ultrasound equipment (GE, Toshiba, Siemens, Philips, etc.), so some rooms have different equipment. Each ultrasound machine has similar functions, but staff tend to have more experience and preferences for one model than for others. Also, some machines are easier to use for some purposes (e.g., scanning, video imaging) or have more modern controls or displays.

On this particular day, you are assigned to a clinic where you have worked only a few times in the past. As you enter your assigned consulting room, you see another sonographer already preparing the equipment for the day's use. The sonographer explains that she decided to use this room because she doesn't like the ultrasound equipment in the room assigned to her. She claims that the clinic rarely assigns her to that other consulting room. She says that you can take the consulting room she was assigned. At that point, she turns away to continue her equipment preparation. You are able to work on the equipment in the other consulting room, although it is not your favorite machine, either. Also, you notice from your appointment sheet that one patient today requires a special type of scan that is much more difficult to complete using the equipment in other other room than in the room to which you were assigned. You barely know the other sonographer. She seemed somewhat presumptuous in casually taking your assigned room, but wasn't aggressive or threatening

in her statements. She works frequently at this clinic whereas you are seldom assigned to this clinic. You believe that the clinic management is indifferent regarding who is assigned to each consulting room.

Action Alternatives for Incident #1

Please indicate your first (1) and second (2) choices from among the following alternatives by writing the appropriate number in the space provided.

ACTION ALTERNATIVE	RANKING (1ST & 2ND)
1. You tell the other sonographer that she must return to her assigned room or trade rooms with another sonographer. If she refuses, you state that you will ask the clinic manager to enforce the room assignment.	_____
2. You politely tell the other sonographer that as a favor to her, you will let her use the consulting room that you were assigned (and she has taken).	_____
3. Given that there is a half hour before the clinic opens, you ask the sonographer to spend a few minutes discussing her needs and preferences to determine if there is some solution on the consulting room or ultrasound equipment that will benefit both of you.	_____
4. You tell the sonographer that she can have the consulting room you were assigned for most of the day, but must swap rooms with you when you have appointments that are much better served by the equipment in this room.	_____
5. Without saying anything, you walk away from the consulting room you were assigned and work in the room assigned to the other sonographer. Later, you make some excuse (such as long driving distance) to the company's central administration to explain why they should not assign you to this clinic in future.	_____

INCIDENT #2

Setting

You are district manager responsible for eight salespeople in one region of a national manufacturer and wholesaler of building supplies products. You and fourteen other district sales managers report directly to the company's national sales director, who is located at headquarters in another city. You were promoted to this job almost two years ago and have become increasingly frustrated with the national sales director's ambiguity regarding several key sales management decisions. The director tells district managers that they are empowered to make decisions regarding common sales issues, such as bulk buying deals, addressing customer complaints, and allocating the sales staff training budget. Yet, without warning, the director tends to step in and reverse some of your decisions (and apparently decisions of other district managers). These interventions do not appear to be consistent with any underlying rationale or policy, and the director's explanations for these actions are equally obtuse.

You have learned from others as well as some personal observations that the national sales director sometime becomes testy when someone disagrees with his views. The director generally treats his district sales managers fairly over the long term, but he can be briefly vindictive if a direct report questions his wisdom. So far, you have only asked the sales director politely to explain why he reversed a few of the decisions. However, this is becoming an important issue to you because the director's actions are making it difficult to make decisions. Also, some direct reports feel less confident about whether your decisions will remain long enough so they can plan their work. You are known for performing your job well, but the sales director does not view your performance any better than most other district sales managers.

Action Alternatives for Incident #2

Please indicate your first (1) and second (2) choices from among the following alternatives by writing the appropriate number in the space provided.

ACTION ALTERNATIVE	RANKING (1ST & 2ND)
1. You decide not to raise this matter with the national sales director because the disagreement is not worth the risk to your career. Instead, you frequently remind your sales staff that your decisions might be reversed by the director.	_____
2. You arrange a meeting with the director and insist that your should have clear decision control over specific district sales decisions. If the director wants to reverse any decision, you explain that he should first speak to you and reach mutual agreement before the decision is reversed.	_____
3. You speak to the director about his tendency to reverse decisions. You suggest that he can reverse decisions on specific matters where a change in decision is less disruptive (such as training budget allocation) but will not interfere with other types of district sales manager decisions (such as addressing customer complaints).	_____
4. You meet with the director to discuss the issue of having decisions reversed. You ask the director to think of ways that would allow you to make decisions without the director feeling the need to reverse some of them.	_____
5. You try to minimize the risk of having your decisions reversed by delaying making decisions that you think are at higher risk of being reversed by the director, even though you eventually need to act on these matters.	_____

INCIDENT #3**Setting**

You are the manager responsible for operational analysis at a national company that processes citrus fruit into juices, concentrates, oils and essences, pulp cells, and dried fruit. The company has several processing plants and specific measurement metrics are applied to determine their efficiency and effectiveness. The company's executive team increasingly relies on your quarterly report and other analyses you provide to make important decisions regarding future investments, product changes, budgets, and so forth. In fact, your ability to provide timely, high quality operational performance information has raised your reputation and influence in the organization. Your quarterly reports depend on each production facility to supply you with the raw data identified in a well-developed online reporting system.

As per the established schedule, senior management expects to receive your next quarterly report later this week. However, Ben Estobar, the manager of grapefruit

production at the Florida facility, has not yet submitted key information for you to complete your report. Ben did not reply to your email reminders, so you give him a call. During that conversation, Ben says he is too busy to get the required information within the next couple of days. He explains that his delay for another week or two is due to the busy season for grapefruit processing, even though the data have never been submitted late in the past. You remind Ben that his information is critical to completion of your report, which is vital to senior executive decisions and the company's long-term success. You have a higher position and more seniority in the company than Ben Estobar. Ben is friendly and rarely aggressive in any way, but he has been known to twist facts to make his position look more favorable.

Action Alternatives for Incident #3

Please indicate your first (1) and second (2) choices from among the following alternatives by writing the appropriate number in the space provided.

ACTION ALTERNATIVE	RANKING (1ST & 2ND)
1. Tell Ben Estobar that you understand his difficult work deadlines, and try to prepare the report by estimating what his data might have been, such as by extrapolating last quarter's numbers.	_____
2. Meet with Ben Estobar and other managers to discover a longer term solution that would almost completely avoid the risk that one or more managers fail to submit the operational data on time.	_____
3. Give Ben Estobar an ultimatum that he must submit the required information by tomorrow afternoon. If he fails to do so, you will ask the chief operating officer (to whom you and Ben Estobar's manager reports) to compel you to provide the operational data this week.	_____
4. Choose a middle ground in which you ask Ben Estobar to send you the most vital information (about half of what is required) and you will use your judgment to fill in the missing information.	_____
5. Ask the senior executive team if they would be willing to have your quarterly report postponed for a week or two, if possible.	_____

NOTE: This exercise was inspired by a similar activity in: G.A. Callanan and D.F. Perri, "Teaching Conflict Management Using a Scenario-Based Approach," *Journal of Education for Business* 81 (January/February 2006): 131-39.

**TEAM EXERCISE: KUMQUAT CONFLICT ROLE PLAY**

PURPOSE This exercise is designed to help you understand the dynamics of interpersonal and intergroup conflict, as well as the effectiveness of negotiation strategies in specific conditions.

MATERIALS The instructor will distribute roles for Dr. Rexa, Dr. Chan, and a few observers. Ideally, each negotiation should occur in a private area, away from the other negotiations.

INSTRUCTIONS

Step 1: The instructor will divide the class into an even number of small teams (usually 4 or 5 students per team, but larger teams are possible to accommodate larger classes). One student will remove himself or herself from

the team to be an independent observer of that team and the negotiation (e.g., 10 observers if there are 10 teams). One-half of the teams will take the role of Dr. Rexa and the other half will be Dr. Chan.

Step 2: The instructor will describe the activity and read out the statement by Cathal, representative of the farmer's cooperative that grows the world's only Caismirt Kumquats. The instructor will also state the time frames for preparing the negotiation and the actual negotiation.

Step 3: With teams formed and the instructions read, the instructor will distribute the roles. Members within each team are given a short time (usually 10 minutes), but the instructor may choose another time limit) to learn their roles and decide their negotiating strategy.

Step 4: After reading their roles and discussing strategy, each Dr. Chan team is matched with a Dr. Rexa team and begin negotiations. Observers will receive observation forms from the instructor, and will watch the paired teams during pre-negotiations and subsequent negotiations.

Step 5: At the end of the exercise, the class will debrief on the negotiations. Observers, negotiators, and the instructor will discuss their observations and experiences

and the implications for conflict management and negotiation.

This exercise was developed by Steven L. McShane. It is inspired by a similar exercise in D.T. Hall, D.D. Bowen, R.J. Lewicki, and F.S. Hall, *Experiences in Management and Organizational Behavior* (Chicago: St. Clair Press, 1975). It is also inspired by an incident involving two sisters described in R. Fisher and W. Ury, *Getting to Yes: Negotiating Agreement without Giving In* (New York: Penguin, 1981).

endnotes

1. S. Hradecky, "Incident: Delta B752 near Salt Lake City on Jan 22nd 2016, Unruly Crew," *The Aviation Herald*, January 28, 2016; T. Harlow, "Delta Flight Attendants Scrap, Stir up Turbulence," *Star Tribune* (Minneapolis), February 2, 2016, B3; J. Shamas, "EasyJet Flight from Gatwick Delayed after 'Unbelievable Fight between Staff,'" *The Mirror* (UK), August 24, 2016; E. Kerr, "Passengers 'aghast' at Easyjet Crew Spat," *BBC News*, August 25, 2016; R. Flood, "EasyJet Flight Delayed by Fighting Crew in Bizarre Row 'over Bottled Water,'" *Sunday Express* (UK), August 25, 2016; S. Francis, "EasyJet Flight 'Delayed for an Hour after Crew Members Fight over Water Bottles,'" *Daily Mail* (UK), August 25, 2016; S. Sinha, "Jet Grounds Two Senior Pilots for Fighting in Cockpit of London-Mumbai Flight," *The Times of India*, January 3, 2018; M. Bartiromo, "Jet Airways Fires Pilots Who Fought on Flight, Left Cockpit Unattended," *Fox News*, January 5, 2018.
2. J.A. Wall and R.R. Callister, "Conflict and Its Management," *Journal of Management* 21 (1995): 515–58; M.A. Rahim, *Managing Conflict in Organizations*, 4th ed. (New Brunswick, NJ: Transaction, 2011), 15–17; D. Tjosvold, A.S.H. Wong, and N.Y.F. Chen, "Constructively Managing Conflicts in Organizations," *Annual Review of Organizational Psychology and Organizational Behavior* 1, no. 1 (2014): 545–68.
3. J.A. Litterer, "Conflict in Organization: A Re-Examination," *Academy of Management Journal* 9, no. 3 (September 1966): 178–86; M.A. Rahim, *Managing Conflict in Organizations*, 4th ed. (New Brunswick, NJ: Transaction, 2011), Chap. 1.
4. For example, see L. Urwick, *The Elements of Administration*, 2nd ed. (London: Pitman, 1947); H.L. Sheppard and S. Chase, "The Social and Historical Philosophy of Elton Mayo [with Comment]," *The Antioch Review* 10, no. 3 (1950): 396–406; C. Argyris, "The Individual and Organization: Some Problems of Mutual Adjustment," *Administrative Science Quarterly* 2, no. 1 (1957): 1–24; K.E. Boulding, "Organization and Conflict," *Conflict Resolution* 1, no. 2 (1957): 122–34; R.R. Blake, H.A. Shepard, and J.S. Mouton, *Managing Intergroup Conflict in Industry* (Houston: Gulf, 1964).
5. C.K.W. De Dreu and L.R. Weingart, "A Contingency Theory of Task Conflict and Performance in Groups and Organizational Teams," in *International Handbook of Organizational Teamwork and Cooperative Working*, ed. M.A. West, D. Tjosvold, and K.G. Smith (Chichester, UK: Wiley, 2003), 151–66; S. Rispens, "Benefits and Detrimental Effects of Conflict," in *Handbook of Conflict Management Research*, ed. O.B. Ayoko, N.M. Ashkanasy, and K.A. Jehn (Cheltenham, UK: Edward Elgar, 2014), 19–32; D. De Clercq and I. Belausteguiotia, "Overcoming the Dark Side of Task Conflict: Buffering Roles of Transformational Leadership, Tenacity, and Passion for Work," *European Management Journal* 35, no. 1 (February 2017): 78–90, <https://doi.org/10.1016/j.emj.2016.06.008>.
6. F.R.C. de Wit, L.L. Greer, and K.A. Jehn, "The Paradox of Intragroup Conflict: A Meta-Analysis," *Journal of Applied Psychology* 97, no. 2 (2012): 360–90; L.L. Meier et al., "Relationship and Task Conflict at Work: Interactive Short-Term Effects on Angry Mood and Somatic Complaints," *Journal of Occupational Health Psychology* 18, no. 2 (2013): 144–56; N.L. Jimmieson, M.K. Tucker, and J.L. Campbell, "Task Conflict Leads to Relationship Conflict When Employees Are Low in Trait Self-Control: Implications for Employee Strain," *Personality and Individual Differences* 113 (July 2017): 209–18, <https://doi.org/10.1016/j.paid.2017.03.035>.
7. J. Meng, J. Fulk, and Y.C. Yuan, "The Roles and Interplay of Intragroup Conflict and Team Emotion Management on Information Seeking Behaviors in Team Contexts," *Communication Research* 42, no. 5 (July 2015): 675–700, <https://doi.org/10.1177/0093650213476294>; M.-H. Tsai and C. Bendersky, "The Pursuit of Information Sharing: Expressing Task Conflicts as Debates vs. Disagreements Increases Perceived Receptivity to Dissenting Opinions in Groups," *Organization Science* 27, no. 1 (December 2015): 141–56, <https://doi.org/10.1287/orsc.2015.1025>.
8. L.L. Greer, L. Van Bunderen, and S. Yu, "The Dysfunctions of Power in Teams: A Review and Emergent Conflict Perspective," *Research in Organizational Behavior* 37 (2017): 103–24, <https://doi.org/10.1016/j.riob.2017.10.005>; L. van Bunderen, L.L. Greer, and D. van Knippenberg, "When Interteam Conflict Spirals into Intra-team Power Struggles: The Pivotal Role of Team Power Structures," *Academy of Management Journal* 61, no. 3 (2018): 1100–30, <https://doi.org/10.5465/amj.2016.0182>.
9. J. Dewey, *Human Nature and Conduct: An Introduction to Social Psychology* (New York: Holt, 1922), 300; M.P. Follett, "Constructive Conflict," in *Dynamic Administration: The Collected Papers of Mary Parker Follett*, ed. H.C. Metcalf and L. Urwick (Bath, UK: Management Publications Trust, 1941), 30–49.

10. Although the 1970s marked a point when the benefits of conflict became widely acknowledged, a few earlier writers had also expressed this view. See H. Assael, "Constructive Role of Interorganizational Conflict," *Administrative Science Quarterly* 14, no. 4 (1969): 573–82; L.A. Coser, *The Functions of Social Conflict* (New York: Free Press, 1956); J.A. Litterer, "Conflict in Organization: A Re-Examination," *Academy of Management Journal* 9 (1966): 178–86.
11. P.J. Carnevale, "Creativity in the Outcomes of Conflict," in *The Handbook of Conflict Resolution: Theory and Practice*, ed. M. Deutsch, P.T. Coleman, and E.C. Marcus (San Francisco: Jossey-Bass, 2006), 414–35; T.A. O'Neill, N.J. Allen, and S.E. Hastings, "Examining the 'Pros' and 'Cons' of Team Conflict: A Team-Level Meta-Analysis of Task, Relationship, and Process Conflict," *Human Performance* 26, no. 3 (July 2013): 236–60, <https://doi.org/10.1080/08959285.2013.795573>; X.-Y. Xie, W.-L. Wang, and K. Luan, "It Is Not What We Have, but How We Use It: Reexploring the Relationship between Task Conflict and Team Innovation from the Resource-Based View," *Group Processes & Intergroup Relations* 17, no. 2 (March 2014): 240–51, <https://doi.org/10.1177/1368430213502559>; P. Petrou, A.B. Bakker, and K. Bezemer, "Creativity under Task Conflict: The Role of Proactively Increasing Job Resources," *Journal of Occupational and Organizational Psychology* (2018), <https://doi.org/10.1111/joop.12250>.
12. K.M. Eisenhardt, J.L. Kahwajy, and L.J. Bourgeois III, "Conflict and Strategic Choice: How Top Management Teams Disagree," *California Management Review* 39 (1997): 42–62; T. Greitemeyer et al., "Information Sampling and Group Decision Making: The Effects of an Advocacy Decision Procedure and Task Experience," *Journal of Experimental Psychology: Applied* 12, no. 1 (2006): 31–42; U. Klocke, "How to Improve Decision Making in Small Groups: Effects of Dissent and Training Interventions," *Small Group Research* 38, no. 3 (2007): 437–68.
13. C.K.W. De Dreu, "When Too Little or Too Much Hurts: Evidence for a Curvilinear Relationship Between Task Conflict and Innovation in Teams," *Journal of Management* 32, no. 1 (2006): 83–107; J.L. Farh, C. Lee, and C.I.C. Farh, "Task Conflict and Team Creativity: A Question of How Much and When," *Journal of Applied Psychology* 95, no. 6 (2010): 1173–80; G. Todorova, J.B. Bear, and L.R. Weingart, "Can Conflict Be Energizing? A Study of Task Conflict, Positive Emotions, and Job Satisfaction," *Journal of Applied Psychology* 99, no. 3 (2014): 451–67; L.R. Weingart et al., "The Directness and Oppositional Intensity of Conflict Expression," *Academy of Management Review* 40, no. 2 (2015): 235–62, <https://doi.org/10.5465/amr.2013.0124>.
14. This book adopts the long-held perspective (Fisher & Ury, Tjosvold, etc.) that task and relationship conflict refer to how the conflict is framed (the focus of attention). This "framing" perspective contrasts with some recent studies, which define task, relationship, and two other types (process and status conflict) in terms of what the conflict is inherently about, i.e., the conflict content or topic. This latter view is problematic because content- or topic-based typologies often expand into a long list of categories that undermines their usefulness for theory and practice. Furthermore, the content-based view inappropriately assumes that task conflict and relationship conflict cannot co-exist or be perceived in the same conflict episode. The "framing" perspective, which this book adopts, recognizes that almost all workplace conflicts can be viewed as task as well as relationship conflict. For example, "personality clashes" invariably manifest themselves in work-related tasks – how a task should be performed, how employees should behave, etc. The framing perspective distinguishes whether the parties focus on factual/logical details of the stated positions (task conflict) or on the characteristics (personality, competencies) of people who support those positions (relationship conflict). It is a point of view and approach, not a typology of the event itself. Ultimately, it is how conflicts are framed – not whether the alleged topic is the task, process, status, or relationship – that affects the key outcomes in conflict episodes. For literature on the meaning of conflict types, see: R.A. Baron, "Positive Effects of Conflict: A Cognitive Perspective," *Employee Responsibilities and Rights Journal* 4, no. 1 (March 1991): 25–36; A.C. Amason, "Distinguishing the Effects of Functional and Dysfunctional Conflict on Strategic Decision Making: Resolving a Paradox for Top Management Teams," *Academy of Management Journal* 39, no. 1 (February 1996): 123–48; R. Fisher and W. Ury, *Getting to Yes: Negotiating an Agreement without Giving In* (Random House, 2012); K.A. Jehn, "Types of Conflict: The History and Future of Conflict Definitions and Typologies," in *Handbook of Conflict Management Research*, ed. O.B. Ayoko, N.M. Ashkanasy, and K.A. Jehn (Cheltenham, UK: Edward Elgar, 2014), 3–18; D. Tjosvold, A.S.H. Wong, and N.Y.F. Chen, "Constructively Managing Conflicts in Organizations," *Annual Review of Organizational Psychology and Organizational Behavior* 1 (2014): 545–68; T.A. O'Neill et al., "The Structure and Function of Team Conflict State Profiles," *Journal of Management* 44, no. 2 (February 2018): 811–36, <https://doi.org/10.1177/0149206315581662>. One recent review recognizes this distinction between conflict type and how conflict is viewed (focus) or how it is expressed. See: L.R. Weingart et al., "The Directness and Oppositional Intensity of Conflict Expression," *Academy of Management Review* 40, no. 2 (2015): 235–62, <https://doi.org/10.5465/amr.2013.0124>.
15. F.R.C. de Wit, L.L. Greer, and K.A. Jehn, "The Paradox of Intragroup Conflict: A Meta-Analysis," *Journal of Applied Psychology* 97, no. 2 (2012): 360–90. Earlier meta-analyses reported either nonsignificant or somewhat negative correlations between task conflict and team outcomes. However, the recent meta-analysis and other writers point to several methodological problems with conflict research that explain the mixed findings. For a review, see M.L. Loughry and A.C. Amason, "Why Won't Task Conflict Cooperate? Deciphering Stubborn Results," *International Journal of Conflict Management* 25, no. 4 (2014): 333–58.
16. J.M. Leon-Perez et al., "The Relationship between Interpersonal Conflict and Workplace Bullying," *Journal of Managerial Psychology* 30, no. 3 (April 2015): 250–63, <https://doi.org/10.1108/JMP-01-2013-0034>; K.A. Graham et al., "Too Many Cooks in the Kitchen: The Effects of Dominance Incompatibility on Relationship Conflict

- and Subsequent Abusive Supervision," *The Leadership Quarterly*, December 2018, <https://doi.org/10.1016/j.lequa.2018.12.003>.
17. R.S. Lau and A.T. Cobb, "Understanding the Connections between Relationship Conflict and Performance: The Intervening Roles of Trust and Exchange," *Journal of Organizational Behavior* 31, no. 6 (2010): 898–917.
 18. C.K.W. De Dreu and L.R. Weingart, "Task versus Relationship Conflict, Team Performance, and Team Member Satisfaction: A Meta-Analysis," *Journal of Applied Psychology* 88 (2003): 587–604; A.C. Mooney, P.J. Holahan, and A.C. Amason, "Don't Take It Personally: Exploring Cognitive Conflict as a Mediator of Affective Conflict," *Journal of Management Studies* 44, no. 5 (2007): 733–58; K. Choi and B. Cho, "Competing Hypotheses Analyses of the Associations between Group Task Conflict and Group Relationship Conflict," *Journal of Organizational Behavior* 32, no. 8 (2011): 1106–26.
 19. J.X. Yang and K.W. Mossholder, "Decoupling Task and Relationship Conflict: The Role of Intergroup Emotional Processing," *Journal of Organizational Behavior* 25 (2004): 589–605; B.H. Bradley et al., "Ready to Rumble: How Team Personality Composition and Task Conflict Interact to Improve Performance," *Journal of Applied Psychology* 98, no. 2 (2013): 385–92; B.H. Bradley et al., "Reaping the Benefits of Task Conflict in Teams: The Critical Role of Team Psychological Safety Climate," *Journal of Applied Psychology* 97, no. 1 (2012): 151–58.
 20. P.L. Curseu, S. Boros, and L.A.G. Oerlemans, "Task and Relationship Conflict in Short-Term and Long-Term Groups: The Critical Role of Emotion Regulation," *International Journal of Conflict Management* 23, no. 1 (2012): 97–107; A. Schlaerth, N. Ensari, and J. Christian, "A Meta-Analytical Review of the Relationship between Emotional Intelligence and Leaders' Constructive Conflict Management," *Group Processes & Intergroup Relations* 16, no. 1 (2013): 126–36; N.L. Jimmieson, M.K. Tucker, and J.L. Campbell, "Task Conflict Leads to Relationship Conflict When Employees Are Low in Trait Self-Control: Implications for Employee Strain," *Personality and Individual Differences* 113 (July 2017): 209–18, <https://doi.org/10.1016/j.paid.2017.03.035>; H.R. Flores, X. Jiang, and C.C. Manz, "Intra-Team Conflict: The Moderating Effect of Emotional Self-Leadership," *International Journal of Conflict Management* 29, no. 3 (2018): 424–44, <https://doi.org/10.1108/IJCMA-07-2017-0065>.
 21. F.R.C. de Wit, L.L. Greer, and K.A. Jehn, "The Paradox of Intragroup Conflict: A Meta-Analysis," *Journal of Applied Psychology* 97, no. 2 (March 2012): 360–90; S.E. Humphrey et al., "Team Conflict Dynamics: Implications of a Dyadic View of Conflict for Team Performance," *Organizational Behavior and Human Decision Processes* 142 (September 2017): 58–70, <https://doi.org/10.1016/j.obhdp.2017.08.002>; T.A. O'Neill and M.J.W. McLarnon, "Optimizing Team Conflict Dynamics for High Performance Teamwork," *Human Resource Management Review* 28, no. 4 (December 2018): 378–94, <https://doi.org/10.1016/j.hrmr.2017.06.002>.
 22. A.C. Edmondson and Z. Lei, "Psychological Safety: The History, Renaissance, and Future of an Interpersonal Construct," *Annual Review of Organizational Psychology and Organizational Behavior* 1, no. 1 (2014): 23–43, <https://doi.org/10.1146/annurev-orgpsych-031413-091305>; D. Tjosvold, A.S.H. Wong, and N.Y.F. Chen, "Constructively Managing Conflicts in Organizations," *Annual Review of Organizational Psychology and Organizational Behavior* 1, no. 1 (2014): 545–68; A. Newman, R. Donohue, and N. Eva, "Psychological Safety: A Systematic Review of the Literature," *Human Resource Management Review* 27, no. 3 (September 2017): 521–35, <https://doi.org/10.1016/j.hrmr.2017.01.001>.
 23. L. Pondy, "Organizational Conflict: Concepts and Models," *Administrative Science Quarterly* 2 (1967): 296–320; K.W. Thomas, "Conflict and Negotiation Processes in Organizations," in *Handbook of Industrial and Organizational Psychology*, ed. M.D. Dunnette and L.M. Hough (Palo Alto, CA: Consulting Psychologists Press, 1992), 651–718.
 24. E. Halperin, "Emotion, Emotion Regulation, and Conflict Resolution," *Emotion Review* 6, no. 1 (January 1, 2014): 68–76, <https://doi.org/10.1177/1754073913491844>; G. Todorova, J.B. Bear, and L.R. Weingart, "Can Conflict Be Energizing? A Study of Task Conflict, Positive Emotions, and Job Satisfaction," *Journal of Applied Psychology* 99, no. 3 (2014): 451–67, <https://doi.org/10.1037/a0035134>; S. Čehajić-Clancy et al., "Social-Psychological Interventions for Intergroup Reconciliation: An Emotion Regulation Perspective," *Psychological Inquiry* 27, no. 2 (2016): 73–88, <https://doi.org/10.1080/104740X.2016.1153945>; M. Caldara et al., "A Study of the Triggers of Conflict and Emotional Reactions," *Games* 8, no. 2 (2017): 21, <https://doi.org/10.3390/g8020021>; G.A. van Kleef and S. Côté, "Emotional Dynamics in Conflict and Negotiation: Individual, Dyadic, and Group Processes," *Annual Review of Organizational Psychology and Organizational Behavior* 5, no. 1 (2018): 437–64, <https://doi.org/10.1146/annurev-orgpsych-032117-104714>.
 25. E. Halperin, "Emotion, Emotion Regulation, and Conflict Resolution," *Emotion Review* 6, no. 1 (2014): 68–76, <https://doi.org/10.1177/1754073913491844>; D. Motro, T. Kugler, and T. Connolly, "Back to the Basics: How Feelings of Anger Affect Cooperation," *International Journal of Conflict Management* 27, no. 4 (2016): 523–46, <https://doi.org/10.1108/IJCMA-10-2015-0068>; J. Folger, M.S. Poole, and R.K. Stutman, *Working through Conflict: Strategies for Relationships, Groups, and Organizations*, 7th ed. (Oxon, UK: Routledge, 2016), Chap. 2.
 26. G.E. Martin and T.J. Bergman, "The Dynamics of Behavioral Response to Conflict in the Workplace," *Journal of Occupational & Organizational Psychology* 69 (1996): 377–87; K.A. Kennedy and E. Pronin, "When Disagreement Gets Ugly: Perceptions of Bias and the Escalation of Conflict," *Personality and Social Psychology Bulletin* 34, no. 6 (2008): 833–48, <https://doi.org/10.1177/0146167208315158>; L.F. Smyth, "Escalation and Mindfulness," *Negotiation Journal* 28, no. 1 (2012): 45–72, <https://doi.org/10.1111/j.1571-9979.2011.00325.x>.
 27. R.E. Walton and J.M. Dutton, "The Management of Conflict: A Model and Review," *Administrative Science Quarterly* 14 (1969): 73–84; S.M. Schmidt and T.A. Kochan, "Conflict: Toward Conceptual Clarity," *Administrative Science Quarterly* 17, no. 3 (1972): 359–70.

28. For example, see: K.A. Jehn, C. Chadwick, and S.M.B. Thatcher, "To Agree or Not to Agree: The Effects of Value Congruence, Individual Demographic Dissimilarity, and Conflict on Workgroup Outcomes," *International Journal of Conflict Management* 8, no. 4 (1997): 287–305; A.N. Garman, D.C. Leach, and N. Spector, "Worldviews in Collision: Conflict and Collaboration across Professional Lines," *Journal of Organizational Behavior* 27, no. 7 (2006): 829–49, <https://doi.org/10.1002/job.394>; L.L. Greer et al., "Why and When Hierarchy Impacts Team Effectiveness: A Meta-Analytic Integration," *Journal of Applied Psychology* 103, no. 6 (2018): 591–613, <https://doi.org/10.1037/apl0000291>; X. "Paul" Zhang et al., "One World, Two Realities: Perception Differences between Software Developers and Testers," *Journal of Computer Information Systems* 58, no. 4 (2018): 385–94, <https://doi.org/10.1080/08874417.2017.1289355>.
29. D.R. Hillman, "Understanding Multigenerational Work-Value Conflict Resolution," *Journal of Workplace Behavioral Health* 29, no. 3 (2014): 240–57; S. Lyons and L. Kuron, "Generational Differences in the Workplace: A Review of the Evidence and Directions for Future Research," *Journal of Organizational Behavior* 35, no. S1 (2014): S139–57; M.J. Urick et al., "Understanding and Managing Intergenerational Conflict: An Examination of Influences and Strategies," *Work, Aging and Retirement* 3, no. 2 (2017): 166–85, <https://doi.org/10.1093/workar/waw009>.
30. R.M. Sarala, "The Impact of Cultural Differences and Acculturation Factors on Post-Acquisition Conflict," *Scandinavian Journal of Management* 26, no. 1 (2010): 38–56; J. Joseph, "Managing Change after the Merger: The Value of Pre-Merger Ingroup Identities," *Journal of Organizational Change Management* 27, no. 3 (2014): 430–48, <https://doi.org/10.1108/JOCM-10-2013-0184>; H.E. Yildiz, "'Us vs. Them' or 'Us over Them'? On the Roles of Similarity and Status in M&As," *International Business Review* 25, no. 1, Part A (2016): 51–65, <https://doi.org/10.1016/j.ibusrev.2015.05.002>. Differentiation conflict in mergers is similar to differentiation conflict between people and work units across national cultures. See, for example: J. Brett, "Intercultural Challenges in Managing Workplace Conflict—A Call for Research," *Cross Cultural & Strategic Management* 25, no. 1 (February 2018): 32–52, <https://doi.org/10.1108/CCSM-11-2016-0190>.
31. T. Taylor, "Change Is an Inevitable Part of Life," *Denver Business Journal* Online, October 8, 2012.
32. P.C. Earley and G.B. Northcraft, "Goal Setting, Resource Interdependence, and Conflict Management," in *Managing Conflict: An Interdisciplinary Approach*, ed. M.A. Rahim (New York: Praeger, 1989), 161–70; K. Jehn, "A Multimethod Examination of the Benefits and Detriments of Intragroup Conflict," *Administrative Science Quarterly* 40 (1995): 245–82; P.T. Coleman et al., "Navigating Conflict and Power at Work: The Effects of Power and Interdependence Asymmetries on Conflict in Organizations," *Journal of Applied Social Psychology* 43, no. 10 (2013): 1963–83.
33. J.G. March and H.A. Simon, *Organizations* (New York: John Wiley & Sons, 1958), 126.
34. Some scholars have noted that ambiguous rules may be the rule violator's opportunistic interpretation of rules that others believe are clear. For a discussion of the conditions under which conflict results from ambiguous or inconsistently enforced rules, see: A.W. Martin et al., "Against the Rules: Synthesizing Types and Processes of Bureaucratic Rule-Breaking," *Academy of Management Review* 38, no. 4 (2013): 550–74, <https://doi.org/10.5465/amr.2011.0223>.
35. A. Risberg, "Employee Experiences of Acquisition Processes," *Journal of World Business* 36 (2001): 58–84.
36. L.R. Weingart et al., "The Directness and Oppositional Intensity of Conflict Expression," *Academy of Management Review* 40, no. 2 (2015): 235–62, <https://doi.org/10.5465/amr.2013.0124>; D. Ames, A. Lee, and A. Wazlawek, "Interpersonal Assertiveness: Inside the Balancing Act," *Social and Personality Psychology Compass* 11, no. 6 (2017): e12317, <https://doi.org/10.1111/spc3.12317>; C. Samba, D. Van Knippenberg, and C.C. Miller, "The Impact of Strategic Dissent on Organizational Outcomes: A Meta-Analytic Integration," *Strategic Management Journal* 39, no. 2 (2018): 379–402, <https://doi.org/10.1002/smj.2710>.
37. M. Hewstone, M. Rubin, and H. Willis, "Intergroup Bias," *Annual Review of Psychology* 53 (2002): 575–604; T. Yamagishi and N. Mifune, "Social Exchange and Solidarity: In-Group Love or Out-Group Hate?," *Evolution and Human Behavior* 30, no. 4 (2009): 229–37; N. Harev, O. Weisel, and G. Bornstein, "'In-Group Love' and 'Out-Group Hate' in Repeated Interaction between Groups," *Journal of Behavioral Decision Making* 25, no. 2 (2012): 188–95; O. Weisel and R. Böhm, "'Ingroup Love' and 'Outgroup Hate' in Intergroup Conflict between Natural Groups," *Journal of Experimental Social Psychology* 60 (September 2015): 110–20, <https://doi.org/10.1016/j.jesp.2015.04.008>.
38. M.P. Follett, "Constructive Conflict," in *Dynamic Administration: The Collected Papers of Mary Parker Follett*, ed. H.C. Metcalf and L. Urwick, (Bath, UK: Management Publications Trust, 1941), 30–49; R.R. Blake, H.A. Shepard, and J.S. Mouton, *Managing Intergroup Conflict in Industry* (Houston: Gulf Publishing, 1964); T. Ruble and K. Thomas, "Support for a Two-Dimensional Model of Conflict Behavior," *Organizational Behavior and Human Performance* 16 (1976): 143–55; C.K.W. De Dreu et al., "A Theory-Based Measure of Conflict Management Strategies in the Workplace," *Journal of Organizational Behavior* 22 (2001): 645–68; D. Tjosvold, A.S.H. Wong, and N.Y.F. Chen, "Constructively Managing Conflicts in Organizations," *Annual Review of Organizational Psychology and Organizational Behavior* 1, no. 1 (2014): 545–68; K.E. Johnson and J.A. Hall, "Validity of Self-Reported Conflict Handling Preferences and the Role of Self-Enhancement," *International Journal of Conflict Management* 29, no. 4 (2018): 543–63, <https://doi.org/10.1108/IJCMA-03-2018-0039>.
39. D. Ames, A. Lee, and A. Wazlawek, "Interpersonal Assertiveness: Inside the Balancing Act," *Social and Personality Psychology Compass* 11, no. 6 (2017): e12317, <https://doi.org/10.1111/spc3.12317>.
40. Q. Wang, E.L. Fink, and D.A. Cai, "The Effect of Conflict Goals on Avoidance Strategies: What Does Not

- Communicating Communicate?," *Human Communication Research* 38, no. 2 (2012): 222–52.
41. Several studies have identified personal characteristics that predict a person's preferred conflict style. For example, see P.J. Moberg, "Linking Conflict Strategy to the Five-Factor Model: Theoretical and Empirical Foundations," *International Journal of Conflict Management* 12, no. 1 (2001): 47–68; J.E. Barbuto Jr., K.A. Phipps, and Y. Xu, "Testing Relationships between Personality, Conflict Styles and Effectiveness," *International Journal of Conflict Management* 21, no. 4 (2010): 434–47; M. Gunkel, C. Schlaegel, and V. Taras, "Cultural Values, Emotional Intelligence, and Conflict Handling Styles: A Global Study," *Journal of World Business* 51, no. 4 (2016): 568–85, <https://doi.org/10.1016/j.jwb.2016.02.001>; L. Parmer, "Relationships between Philosophical Values and Conflict Management Styles," *International Journal of Conflict Management* 29, no. 2 (2017): 236–52, <https://doi.org/10.1108/IJCMA-11-2016-0091>.
 42. D.W. Johnson et al., "Effects of Cooperative, Competitive, and Individualistic Goal Structures on Achievement: A Meta-Analysis," *Psychological Bulletin* 89 (1981): 47–62; G.A. Callanan, C.D. Benzing, and D.F. Perri, "Choice of Conflict-Handling Strategy: A Matter of Context," *Journal of Psychology* 140, no. 3 (2006): 269–88; T.J. Hargrave and A.H. Van de Ven, "Integrating Dialectical and Paradox Perspectives on Managing Contradictions in Organizations," *Organization Studies* 38, no. 3–4 (April 2017): 319–39, <https://doi.org/10.1177/0170840616640843>.
 43. X.M. Song, J. Xile, and B. Dyer, "Antecedents and Consequences of Marketing Managers' Conflict-Handling Behaviors," *Journal of Marketing* 64 (2000): 50–66; L.A. DeChurch, K.L. Hamilton, and C. Haas, "Effects of Conflict Management Strategies on Perceptions of Intragroup Conflict," *Group Dynamics* 11, no. 1 (2007): 66–78; D.G. Oore, M.P. Leiter, and D.E. LeBlanc, "Individual and Organizational Factors Promoting Successful Responses to Workplace Conflict," *Canadian Psychology* 56, no. 3 (2015): 301–10.
 44. G.A. Chung-Yan and C. Moeller, "The Psychosocial Costs of Conflict Management Styles," *International Journal of Conflict Management* 21, no. 4 (2010): 382–99.
 45. J.B. Bear, L.R. Weingart, and G. Todorova, "Gender and the Emotional Experience of Relationship Conflict: The Differential Effectiveness of Avoidant Conflict Management," *Negotiation and Conflict Management Research* 7, no. 4 (2014): 213–31; A. Chunyan Peng and D. Tjosvold, "Social Face Concerns and Conflict Avoidance of Chinese Employees with Their Western or Chinese Managers," *Human Relations* 64, no. 8 (2011): 1031–50, <https://doi.org/10.1177/0018726711400927>; I. Yang, "Perceived Conflict Avoidance by Managers and Its Consequences on Subordinates' Attitudes," *Business Ethics: A European Review* 24, no. 3 (2015): 282–96, <https://doi.org/10.1111/beer.12083>; Z.-X. Zhang and X. Wei, "Superficial Harmony and Conflict Avoidance Resulting from Negative Anticipation in the Workplace," *Management and Organization Review* 13, no. 4 (2017): 795–820, <https://doi.org/10.1017/mor.2017.48>.
 46. Several variations of this quotation have appeared over the past century. The field of marketing has an even older version of this quotation—Win an argument and lose a sale (or customer). Marketing textbooks and trade publications cited it in the 1890s. The "friends" version of this quotation has occasionally been attributed to Edward Wood, 1st Earl of Halifax, but we could not verify this. In any event, the earliest marketing/sales version appeared before Lord Halifax was an adult. Dale Carnegie definitely popularized the idea behind the notion that winning arguments loses friends. The entire first chapter of Part 3 in his best-selling book *How to Win Friends and Influence People* (1936) is devoted to this topic: "You Can't Win an Argument." The version of the quotation cited here is published in E. Knowles, *Little Oxford Dictionary of Proverbs* (Oxford, UK: Oxford University Press, 2009), 21.
 47. A. Ergeneli, S.M. Camgoz, and P.B. Karapinar, "The Relationship between Self-Efficacy and Conflict-Handling Styles in Terms of Relative Authority Positions of the Two Parties," *Social Behavior & Personality: An International Journal* 38, no. 1 (2010): 13–28.
 48. K. Leung et al., "Harmony and Conflict: A Cross-Cultural Investigation in China and Australia," *Journal of Cross-Cultural Psychology* 42, no. 5 (2011): 795–816, <https://doi.org/10.1177/0022022110363474>; W.-F. Lin et al., "We Can Make It Better: 'We' Moderates the Relationship Between a Compromising Style in Interpersonal Conflict and Well-Being," *Journal of Happiness Studies* 17, no. 1 (2016): 41–57, <https://doi.org/10.1007/s10902-014-9582-8>.
 49. C.H. Tinsley, "How Negotiators Get to Yes: Predicting the Constellation of Strategies Used across Cultures to Negotiate Conflict," *Journal of Applied Psychology* 86, no. 4 (2001): 583–93; M. Gunkel, C. Schlaegel, and V. Taras, "Cultural Values, Emotional Intelligence, and Conflict Handling Styles: A Global Study," *Journal of World Business* 51, no. 4 (2016): 568–85, <https://doi.org/10.1016/j.jwb.2016.02.001>.
 50. F.P. Brew and D.R. Cairns, "Styles of Managing Interpersonal Workplace Conflict in Relation to Status and Face Concern: A Study with Anglos and Chinese," *International Journal of Conflict Management* 15, no. 1 (2004): 27–57; A. C-Y. Peng and D. Tjosvold, "Social Face Concerns and Conflict Avoidance of Chinese Employees with Their Western or Chinese Managers," *Human Relations* 64, no. 8 (2011): 1031–50, <https://doi.org/10.1177/0018726711400927>; X. Li, V. Worm, and P. Xie, "Towards an Integrative Framework of Conflict-Handling Behaviour: Integrating Western and Chinese Perspectives," *Asia Pacific Business Review* 24, no. 1 (2018): 22–36, <https://doi.org/10.1080/13602381.2017.1357322>; J. Brett, "Intercultural Challenges in Managing Workplace Conflict—A Call for Research," *Cross Cultural & Strategic Management* 25, no. 1 (2018): 32–52, <https://doi.org/10.1108/CCSM-11-2016-0190>.
 51. J.L. Holt and C.J. DeVore, "Culture, Gender, Organizational Role, and Styles of Conflict Resolution: A Meta-Analysis," *International Journal of Intercultural Relations* 29, no. 2 (2005): 165–96; M. Davis, S. Capobianco, and L. Kraus, "Gender Differences in Responding to Conflict in the Workplace: Evidence from a Large Sample of

- Working Adults," *Sex Roles* 63, no. 7 (2010): 500–14; B.M. Gayle, R.W. Preiss, and M. Allen, "Where Are We Now? A Meta-Analytic Review of Sex Difference Expectations for Conflict Management Strategy Selection," in *Managing Interpersonal Conflict: Advances through Meta-Analysis*, ed. N.A. Burrell, et al. (New York: Routledge, 2014), 226–47.
52. K. Lewin, *Resolving Social Conflicts* (New York: Harper, 1948).
 53. M. Sherif, "Superordinate Goals in the Reduction of Intergroup Conflict," *American Journal of Sociology* 63, no. 4 (1958): 349–56; J.D. Hunger and L.W. Stern, "An Assessment of the Functionality of the Superordinate Goal in Reducing Conflict," *Academy of Management Journal* 19, no. 4 (1976): 591–605.
 54. K.M. Eisenhardt, J.L. Kahwajy, and L.J. Bourgeois III, "How Management Teams Can Have a Good Fight," *Harvard Business Review* (July/August 1997): 77–85; O. Doucet, J. Poitras, and D. Chenevert, "The Impacts of Leadership on Workplace Conflicts," *International Journal of Conflict Management* 20, no. 4 (2009): 340–54; J. DiBenigno, "Anchored Personalization in Managing Goal Conflict between Professional Groups: The Case of U.S. Army Mental Health Care," *Administrative Science Quarterly* 63, no. 3 (2018): 526–69, <https://doi.org/10.1177/0001839217714024>.
 55. R.S. Lau and A.T. Cobb, "Understanding the Connections between Relationship Conflict and Performance: The Intervening Roles of Trust and Exchange," *Journal of Organizational Behavior* 31, no. 6 (2010): 898–917; D.E. Rast, M.A. Hogg, and D. van Knippenberg, "Intergroup Leadership Across Distinct Subgroups and Identities," *Personality and Social Psychology Bulletin* 44, no. 7 (2018): 1090–103, <https://doi.org/10.1177/0146167218757466>; R. Harush, A. Lisak, and E. Glikson, "The Bright Side of Social Categorization: The Role of Global Identity in Reducing Relational Conflict in Multicultural Distributed Teams," *Cross Cultural & Strategic Management* 25, no. 1 (2018): 134–56, <https://doi.org/10.1108/CCSM-11-2016-0202>.
 56. M.-G. Seo and N.S. Hill, "Understanding the Human Side of Merger and Acquisition: An Integrative Framework," *The Journal of Applied Behavioral Science* 41, no. 4 (2005): 422–43, <https://doi.org/10.1177/0021886305281902>; H.E. Yildiz, "Us vs. Them' or 'Us over Them'? On the Roles of Similarity and Status in M&As," *International Business Review* 25, no. 1, Part A (2016): 51–65, <https://doi.org/10.1016/j.ibusrev.2015.05.002>; F. Du and K. Xu, "The Path to Independence: Board Cohesion, Cognitive Conflict, and Information Sharing," *Journal of Management Accounting Research* 30, no. 1 (Spring 2018): 31–54, <https://doi.org/10.2308/jmar-51834>.
 57. J. Sanchez-Burks, C.-Y. Cheng, and F. Lee, "Taking Advantage of Differences: Increasing Team Innovation through Identity Integration," in *Diversity and Groups*, vol. 11, *Research on Managing Groups and Teams* 11 (Emerald Group Publishing Limited, 2008), 55–73; A.M. Carton and B.A. Tewfik, "Perspective—A New Look at Conflict Management in Work Groups," *Organization Science* 27, no. 5 (2016): 1125–41, <https://doi.org/10.1287/orsc.2016.1085>; H. Rubinstein, "The Importance of Multiple Perspectives," in *Applying Behavioural Science to the Private Sector: Decoding What People Say and What They Do*, ed. H. Rubinstein (Cham: Springer International Publishing, 2018), 89–106, https://doi.org/10.1007/978-3-030-01698-2_6; T. Wei and J. Clegg, "Effect of Organizational Identity Change on Integration Approaches in Acquisitions: Role of Organizational Dominance," *British Journal of Management* 29, no. 2 (2018): 337–55, <https://doi.org/10.1111/1467-8551.12226>.
 58. J. DiBenigno, "Anchored Personalization in Managing Goal Conflict between Professional Groups: The Case of U.S. Army Mental Health Care," *Administrative Science Quarterly* 63, no. 3 (2018): 526–69, <https://doi.org/10.1177/0001839217714024>.
 59. J.F. Dovidio et al., "Reducing Intergroup Bias through Intergroup Contact: Twenty Years of Progress and Future Directions," *Group Processes & Intergroup Relations* 20, no. 5 (2017): 606–20, <https://doi.org/10.1177/1368430217712052>; R. Böhm, H. Rusch, and J. Baron, "The Psychology of Intergroup Conflict: A Review of Theories and Measures," *Journal of Economic Behavior & Organization*, 2018, <https://doi.org/10.1016/j.jebo.2018.01.020>.
 60. B. Waber, J. Magnolfi, and G. Lindsay, "Workspaces That Move People," *Harvard Business Review* 92 (October 2014); S. Baker, "Communication a Key Thread for Winners," *Pensions & Investments* 45, no. 25 (December 11, 2017): 0022.
 61. J. Luft, *Of Human Interaction* (Palo Alto, CA: National Press, 1969); E.H. Schein, "Reactions, Reflections, Rejoinders, and a Challenge," *The Journal of Applied Behavioral Science* 45, no. 1 (2009): 141–58, <https://doi.org/10.1177/0021886308328942>; L. Shamoa-Nir, "The Window Becomes a Mirror: The Use of the Johari Window Model to Evaluate Stereotypes in Intergroup Dialogue in Israel," *Israel Affairs* 23, no. 4 (2017): 727–46, <https://doi.org/10.1080/13537121.2017.1333737>.
 62. D. Nebenzahl, "Managing the Generation Gap," *Montreal Gazette*, February 28, 2009, G1; "L'Oréal Canada Considers Inter-Generational Teams a Strength," *National Post*, May 13, 2013; R. Yerema and K. Leung, "L'Oréal Canada: Recognized As One Of Canada's Top 100 Employers (2019) And Montreal's Top Employers (2018)," November 8, 2018, <https://content.eluta.ca/top-employer-loreal>.
 63. R.R. Blake and J.S. Mouton, "Reactions to Intergroup Competition under Win-Lose Conditions," *Management Science* 7, no. 4 (1961): 420–35; R.R. Blake and J.S. Mouton, *Solving Costly Organizational Conflicts*, 1st ed, (San Francisco: Jossey-Bass Publishers, 1984), Chapter 6; M.L. Marks, "Merger Management HR's Way," *HRMagazine; Alexandria* 36, no. 5 (May 1991): 60; G. Gemmill and M. Elmes, "Mirror, Mask, and Shadow: Psychodynamic Aspects of Intergroup Relations," *Journal of Management Inquiry* 2, no. 1 (1993): 43–51, <https://doi.org/10.1177/105649269321008>.
 64. A.-K. Newheiser and J.F. Dovidio, "Individual Differences and Intergroup Bias: Divergent Dynamics Associated with Prejudice and Stereotyping," *Personality and Individual Differences* 53, no. 1 (2012): 70–74, <https://doi.org/10.1016/j.paid.2012.02.024>; L. Cosmides and

- J. Tooby, "Evolutionary Psychology: New Perspectives on Cognition and Motivation," *Annual Review of Psychology* 64 (2013): 201–29, <https://doi.org/doi:10.1146/annurev.psych.121208.131628>.
65. M.A. Von Glinow, D.L. Shapiro, and J.M. Brett, "Can We Talk, and Should We? Managing Emotional Conflict in Multicultural Teams," *Academy of Management Review* 29, no. 4 (2004): 578–92; X. Li, V. Worm, and P. Xie, "Towards an Integrative Framework of Conflict-Handling Behaviour: Integrating Western and Chinese Perspectives," *Asia Pacific Business Review* 24, no. 1 (2018): 22–36, <https://doi.org/10.1080/13602381.2017.1357322>.
66. J.R. Galbraith, *Organization Design* (Addison-Wesley Pub. Co., 1977), 132.
67. P.R. Lawrence and J.W. Lorsch, "New Management Job: The Integrator," *Harvard Business Review*, December 1967, 142–51; J.R. Galbraith, *Organization Design* (Addison-Wesley Pub. Co., 1977), 152–58; R. Cappetta and P. Cillo, "Managing Integrators Where Integration Matters: Insights from Symbolic Industries," *The International Journal of Human Resource Management* 19, no. 12 (2008): 2235–51, <https://doi.org/10.1080/09585190802479462>.
68. J.G. March and H.A. Simon, *Organizations* (New York: John Wiley & Sons, 1958), 126.
69. A.R. Elangovan, "The Manager as the Third Party: Deciding How to Intervene in Employee Disputes," in *Negotiation: Readings, Exercises, and Cases*, ed. R.J. Lewicki, J.A. Litterer, and D. Saunders (New York: McGraw-Hill, 1999), 458–69; D.E. Conlon et al., "Third Party Interventions across Cultures: No 'One Best Choice,'" in *Research in Personnel and Human Resources Management* (Greenwich, CT: JAI, 2007), 309–49. A broader variation of third-party conflict resolution is peacemaking. See: X. Zhang et al., "Peacemaking at the Workplace: A Systematic Review," *Negotiation and Conflict Management Research* 11, no. 3 (August 2018): 204–24, <https://doi.org/10.1111/ncmr.12128>.
70. J.W. Thibaut and L. Walker, *Procedural Justice: A Psychological Analysis* (Hillsdale, NJ.: L. Erlbaum Associates, 1975); B.H. Sheppard, "Managers as Inquisitors: Lessons from the Law," in *Bargaining inside Organizations*, ed. M.H. Bazerman and R.J. Lewicki (Beverly Hills, CA: Sage, 1983).
71. M. Asimow, "Inquisitorial Adjudication and Mass Justice in American Administrative Law," in *The Nature of Inquisitorial Processes in Administrative Regimes: Global Perspectives*, ed. L. Jacobs and S. Baglay (Ashgate, 2013), 93–112; D.J. Bussel, "A Third Way: Examiners as Inquisitors," *American Bankruptcy Law Journal* 90 (2016): 59–127.
72. J.A. Wall and T.C. Dunne, "Mediation Research: A Current Review," *Negotiation Journal* 28, no. 2 (2012): 217–44; K. Bollen and M. Euwema, "Workplace Mediation: An Underdeveloped Research Area," *Negotiation Journal* 29, no. 3 (2013): 329–53. Some researchers suggest that there are several forms of mediation, not all of which have high process and low decision control. See: D.L. Shapiro and E.N. Sherf, "The Role of Conflict in Managing Justice," in *The Oxford Handbook of Justice in the Workplace*, ed. R. Cropanzano and M.L. Ambrose (New York: Oxford University Press, 2015), 443–60.
73. B.H. Sheppard, "Managers as Inquisitors: Lessons from the Law," in *Bargaining inside Organizations*, ed. M.H. Bazerman and R.J. Lewicki (Beverly Hills, CA: Sage, 1983). Even in cultures that support managerial mediation, managers slip easily into inquisition and arbitration approaches where conflict has escalated. See M.K. Koza, C. Ergin, and K. Varoglu, "Bases of Power and Conflict Intervention Strategy: A Study on Turkish Managers," *International Journal of Conflict Management* 25, no. 1 (2014): 38–60.
74. R. Karambayya and J.M. Brett, "Managers Handling Disputes: Third Party Roles and Perceptions of Fairness," *Academy of Management Journal* 32 (1989): 687–704; B.M. Goldman et al., "The Role of Third Parties/Mediation in Managing Conflict in Organizations," in *The Psychology of Conflict and Conflict Management in Organizations*, ed. C.K.W. De Dreu and M.J. Gelfand (New York: Lawrence Erlbaum Associates, 2008), <https://doi.org/10.4324/9780203810125-18>.
75. A.R. Elangovan, "Managerial Intervention in Organizational Disputes: Testing a Prescriptive Model of Strategy Selection," *International Journal of Conflict Management* 4 (1998): 301–35; P.S. Nugent, "Managing Conflict: Third-Party Interventions for Managers," *Academy of Management Executive* 16, no. 1 (2002): 139–54.
76. K. Bollen, H. Ittner, and M.C. Euwema, "Mediating Hierarchical Labor Conflicts: Procedural Justice Makes a Difference—For Subordinates," *Group Decision and Negotiation* 21, no. 5 (2012): 621–36; R. Nesbit, T. Nabatchi, and L.B. Bingham, "Employees, Supervisors, and Workplace Mediation: Experiences of Justice and Settlement," *Review of Public Personnel Administration* 32, no. 3 (2012): 260–87.
77. J.P. Meyer, J.M. Gemmell, and P.G. Irving, "Evaluating the Management of Interpersonal Conflict in Organizations: A Factor-Analytic Study of Outcome Criteria," *Canadian Journal of Administrative Sciences* 14 (1997): 1–13; L.B. Bingham, "Employment Dispute Resolution: The Case for Mediation," *Conflict Resolution Quarterly* 22, no. 1/2 (2004): 145–74; M. Hyde et al., "Workplace Conflict Resolution and the Health of Employees in the Swedish and Finnish Units of an Industrial Company," *Social Science & Medicine* 63, no. 8 (2006): 2218–27.
78. W.H. Ross and D.E. Conlon, "Hybrid Forms of Third-Party Dispute Resolution: Theoretical Implications of Combining Mediation and Arbitration," *Academy of Management Review* 25, no. 2 (2000): 416–27; W.H. Ross, C. Brantmeier, and T. Ciriacks, "The Impact of Hybrid Dispute-Resolution Procedures on Constituent Fairness Judgments," *Journal of Applied Social Psychology* 32, no. 6 (2002): 1151–88.
79. Several models of negotiations have been developed. Preparation (also called planning) is a key part of these models in organizational settings. See, for example: D. Jang, H.A. Elfenbein, and W.P. Bottom, "More than a Phase: Form and Features of a General Theory of Negotiation," *Academy of Management Annals* 12, no. 1 (2018): 318–56, <https://doi.org/10.5465/annals.2016.0053>.
80. R. Stagner and H. Rosen, *Psychology of Union-Management Relations* (Belmont, CA: Wadsworth, 1965), 95–96, 108–10; R.E. Walton and R.B. McKersie,

- A Behavioral Theory of Labor Negotiations: An Analysis of a Social Interaction System* (New York: McGraw-Hill, 1965), 41–46; L. Thompson, *The Mind and Heart of the Negotiator* (Upper Saddle River, NJ: Prentice Hall, 1998), Chap. 2.
81. A. Caputo, “A Literature Review of Cognitive Biases in Negotiation Processes,” *International Journal of Conflict Management* 24, no. 4 (2013): 374–98, <https://doi.org/10.1108/IJCMA-08-2012-0064>; A.B.V. Zant and L.J. Kray, “Negotiation and Conflict Resolution: A Behavioral Decision Research Perspective,” in *The Wiley Blackwell Handbook of Judgment and Decision Making*, ed. G. Keren, and G. Wu (John Wiley & Sons, Ltd, 2015), 828–48, <https://doi.org/10.1002/9781118468333.ch29>; M. Schaefer, D.D. Loschelder, and R.I. Swaab, “Bargaining Zone Distortion in Negotiations: The Elusive Power of Multiple Alternatives,” *Organizational Behavior and Human Decision Processes* 137 (2016): 156–71, <https://doi.org/10.1016/j.obhdp.2016.09.001>.
 82. A. Tversky and D. Kahneman, “Judgment under Uncertainty: Heuristics and Biases,” *Science* 185, no. 4157 (1974): 1124–31; J.D. Jasper and S.D. Christman, “A Neuropsychological Dimension for Anchoring Effects,” *Journal of Behavioral Decision Making* 18 (2005): 343–69.
 83. S. Doctoroff, “Reengineering Negotiations,” *Sloan Management Review* 39 (1998): 63–71; D.C. Zetik and A.F. Stuhlmacher, “Goal Setting and Negotiation Performance: A Meta-Analysis,” *Group Processes & Intergroup Relations* 5 (2002): 35–52.
 84. L.L. Thompson, J. Wang, and B.C. Gunia, “Negotiation,” *Annual Review of Psychology* 61 (2010): 491–515. Some negotiation experts warn that BATNA is often misunderstood and that “no deal option” may be a better way of viewing such situations. see: J.K. Sebenius, “BATNAs in Negotiation: Common Errors and Three Kinds of ‘No,’” *Negotiation Journal* 33, no. 2 (2017): 89–99, <https://doi.org/10.1111/nejo.12176>.
 85. R.L. Pinkley et al., “The Power of Phantom Alternatives in Negotiation: How What Could Be Haunts What Is,” *Organizational Behavior and Human Decision Processes* 151 (2019): 34–48, <https://doi.org/10.1016/j.obhdp.2018.12.008>.
 86. L.L. Thompson, “Information Exchange in Negotiation,” *Journal of Experimental Social Psychology* 27 (1991): 161–79; R. Fells, *Effective Negotiation: From Research to Results*, 2nd ed. (Melbourne: Cambridge University Press, 2012), Chap. 6.
 87. J.M. Brett, “Managing Organizational Conflict,” *Professional Psychology: Research and Practice* 15 (1984): 664–78. For recent research on cautious information exchange among skilled negotiators, see R. Fells et al., “Unraveling Business Negotiations Using Practitioner Data,” *Negotiation and Conflict Management Research* 8, no. 2 (2015): 119–36.
 88. S.R. Covey, *The 7 Habits of Highly Effective People* (New York: Free Press, 1989), 235–60.
 89. S. Kwon and L.R. Weingart, “Unilateral Concessions from the Other Party: Concession Behavior, Attributions, and Negotiation Judgments,” *Journal of Applied Psychology* 89, no. 2 (2004): 263–78; R. Fells, *Effective Negotiation* (Cambridge, UK: Cambridge University Press, 2012), Chap. 8.
 90. A.R. Herrman and M. Allen, “Hardline Versus Softline Bargaining Strategies: A Meta-Analytic Review,” in *Managing Interpersonal Conflict: Advances through Meta-Analysis*, ed. N.A. Burrell, et al. (New York: Routledge, 2014), 213–25; J. Hüffmeier et al., “Being Tough or Being Nice? A Meta-Analysis on the Impact of Hard- and Soft-line Strategies in Distributive Negotiations,” *Journal of Management* 40, no. 3 (2014): 866–92.
 91. C. Thuderoz, “Why Do We Respond to a Concession with Another Concession? Reciprocity and Compromise,” *Negotiation Journal* 33, no. 1 (2017): 71–83, <https://doi.org/10.1111/nejo.12174>.
 92. D. Malhotra, “The Fine Art of Making Concessions,” *Negotiation* (2006): 3–5.
 93. R.J. Lewicki et al., *Negotiation*, 4th ed. (New York: McGraw-Hill/Irwin, 2003), 95; M. Olekalns and P.L. Smith, “Testing the Relationships among Negotiators’ Motivational Orientations, Strategy Choices, and Outcomes,” *Journal of Experimental Social Psychology* 39, no. 2 (2003): 101–17.
 94. A.F. Stuhlmacher, T.L. Gillespie, and M.V. Champagne, “The Impact of Time Pressure in Negotiation: A Meta-Analysis,” *International Journal of Conflict Management* 9, no. 2 (1998): 97–116; C.K.W. De Dreu, “Time Pressure and Closing of the Mind in Negotiation,” *Organizational Behavior and Human Decision Processes* 91 (2003): 280–95; P.J. Carnevale, “Strategic Time in Negotiation,” *Current Opinion in Psychology*, 2019, <https://doi.org/10.1016/j.copsyc.2018.12.017>.
 95. As with other forms of time pressure, the exploding offer effects on negotiation outcomes are complex. Those who apply these offers can be worse off in the negotiation under some circumstances. See N. Lau et al., “Exploding Offers Can Blow up in More Than One Way,” *Decision Analysis* 11, no. 3 (2014): 171–88; W. Güth and M.G. Kocher, “More Than Thirty Years of Ultimatum Bargaining Experiments: Motives, Variations, and a Survey of the Recent Literature,” *Journal of Economic Behavior & Organization* 108 (2014): 396–409.
 96. M. Olekalns and P.L. Smith, “Moments in Time: Metacognition, Trust, and Outcomes in Dyadic Negotiations,” *Personality and Social Psychology Bulletin* 31, no. 12 (2005): 1696–707.
 97. D.W. Choi, “Shared Metacognition in Integrative Negotiation,” *International Journal of Conflict Management* 21, no. 3 (2010): 309–33.
 98. J.M. Brett et al., “Sticks and Stones: Language, Face, and Online Dispute Resolution,” *Academy of Management Journal* 50, no. 1 (2007): 85–99; D. Pietroni et al., “Emotions as Strategic Information: Effects of Other’s Emotional Expressions on Fixed-Pie Perception, Demands, and Integrative Behavior in Negotiation,” *Journal of Experimental Social Psychology* 44, no. 6 (2008): 1444–54; D. Druckman and M. Olekalns, “Emotions in Negotiation,” *Group Decision and Negotiation* 17, no. 1 (2008): 1–11; M.J. Boland and W.H. Ross, “Emotional Intelligence and Dispute Mediation in Escalating and De-Escalating Situations,” *Journal of Applied Social Psychology* 40, no. 12 (2010): 3059–105.
 99. P.J. Carnevale and A.M. Isen, “The Influence of Positive Affect and Visual Access on the Discovery of Integrative Solutions in Bilateral Negotiation,” *Organizational*

- Behavior and Human Decision Processes* 37 (1986): 1–13; L. Thompson, *The Mind and Heart of the Negotiator* (Upper Saddle River, NJ: Prentice-Hall, 1998), Chap. 2.
100. J.W. Salacuse and J.Z. Rubin, “Your Place or Mine? Site Location and Negotiation,” *Negotiation Journal* 6 (1990): 5–10; G. Brown and M. Baer, “Location in Negotiation: Is There a Home Field Advantage?,” *Organizational Behavior and Human Decision Processes* 114, no. 2 (2011): 190–200, <https://doi.org/10.1016/j.obhdp.2010.10.004>.
101. J. Margo, “The Persuaders,” *Boss Magazine*, December 29, 2000, 38. For a full discussion of the advantages and disadvantages of face-to-face and alternative negotiation situations, see M.H. Bazerman et al., “Negotiation,” *Annual Review of Psychology* 51 (2000): 279–314.
102. R.J. Lewicki et al., *Negotiation*, 4th ed. (New York: McGraw-Hill/Irwin, 2003), 298–322.
103. J.A. Kennedy and L.J. Kray, “A Pawn in Someone Else’s Game?: The Cognitive, Motivational, and Paradigmatic Barriers to Women’s Excelling in Negotiation,” *Research in Organizational Behavior* 35 (2015): 3–28; J. Mazei et al., “A Meta-Analysis on Gender Differences in Negotiation Outcomes and Their Moderators,” *Psychological Bulletin* 141, no. 1 (2015): 85–104.
104. I. Ayres and P. Siegelman, “Race and Gender Discrimination in Bargaining for a New Car,” *American Economic Review* 83, no. 3 (1995): 304–21; L.J. Kray, J.A. Kennedy, and A.B. Van Zant, “Not Competent Enough to Know the Difference? Gender Stereotypes about Women’s Ease of Being Misled Predict Negotiator Deception,” *Organizational Behavior and Human Decision Processes* 125, no. 2 (2014): 61–72.
105. D. Mahoney, “Risk Manager Pay Survey Reveals Significant Gender Gap,” *Business Insurance* 49, no. 26 (2015): 3.
- a. G. Anders, “Inside Amazon’s Idea Machine: How Bezos Decodes Customers,” *Forbes*, April 23, 2012; J. Kantor and D. Streitfeld, “Amazon’s Bruising, Thrilling Workplace,” *The New York Times*, August 16, 2015; N. Ciubotariu, “An Amazonian’s Response to ‘Inside Amazon: Wrestling Big Ideas in a Bruising Workplace,’” *LinkedIn Pulse*, LinkedIn, August 16, 2015, www.linkedin.com/pulse/amazonians-response-inside-amazon-wrestling-big-ideas-nick-ciubotariu; L. Hook, “Person of the Year: Amazon Web Services’ Andy Jassy,” *FT.Com (London)*, March 17, 2016.
- b. R. Fisher and W. Ury, *Getting to Yes: Negotiating an Agreement without Giving In* (Random House, 2012). Although few believe task and relationship conflict can be completely separated (Fisher and Ury included), several scholars have developed activities that emphasize the possibility of this separation. For example, see: L. Boyd, M. Gupta, and F. Kuzmits, “The Evaporating Cloud: A Tool for Resolving Workplace Conflict,” *International Journal of Conflict Management* 22, no. 4 (2011): 394–412, <https://doi.org/10.1108/10444061111171387>; C.A. Blair and D.E. Desplaces, “Conflict Management through the Negotiations Canvas, Getting Participants to Understand,” *Conflict Resolution Quarterly* 36, no. 1 (2018): 39–51, <https://doi.org/10.1002/crq.21227>.
- c. For a summary of these views, see: T.A. O’Neill et al., “The Structure and Function of Team Conflict State Profiles,” *Journal of Management* 44, no. 2 (2018): 811–36, <https://doi.org/10.1177/0149206315581662>.
- d. M.D. Seery et al., “Alone against the Group: A Unanimously Disagreeing Group Leads to Conformity, but Cardiovascular Threat Depends on One’s Goals,” *Psychophysiology* 53, no. 8 (2016): 1263–71, <https://doi.org/10.1111/psyp.12674>; A. Hagemeister and J. Volmer, “Do Social Conflicts at Work Affect Employees’ Job Satisfaction?: The Moderating Role of Emotion Regulation,” *International Journal of Conflict Management* 29, no. 2 (2017): 213–35, <https://doi.org/10.1108/IJCM-11-2016-0097>.
- e. W. Samuelson and R. Zeckhauser, “Status Quo Bias in Decision Making,” *Journal of Risk and Uncertainty* 1, no. 1 (1988): 7–59; D. Proudfoot and A.C. Kay, “System Justification in Organizational Contexts: How a Motivated Preference for the Status Quo Can Affect Organizational Attitudes and Behaviors,” *Research in Organizational Behavior* 34 (2014): 173–87, <https://doi.org/10.1016/j.riob.2014.03.001>; D. De Clercq and I. Belausteguiotia, “Overcoming the Dark Side of Task Conflict: Buffering Roles of Transformational Leadership, Tenacity, and Passion for Work,” *European Management Journal* 35, no. 1 (2017): 78–90, <https://doi.org/10.1016/j.emj.2016.06.008>.
- f. A.C. Mooney, P.J. Holahan, and A.C. Amason, “Don’t Take It Personally: Exploring Cognitive Conflict as a Mediator of Affective Conflict,” *Journal of Management Studies* 44, no. 5 (July 2007): 733–58; S.J. Beck and J. Keyton, “Perceiving Strategic Meeting Interaction,” *Small Group Research* 40, no. 2 (2009): 223–46; L.R. Weingart et al., “The Directness and Oppositional Intensity of Conflict Expression,” *Academy of Management Review* 40, no. 2 (2015): 235–62, <https://doi.org/10.5465/amr.2013.0124>.
- g. M. Isaac, “Inside Uber’s Aggressive, Unrestrained Workplace Culture,” *The New York Times*, February 22, 2017; A. Griswold, “Uber Is Designed so That for One Employee to Get Ahead, Another Must Fail,” *Quartz*, February 27, 2017; J. Bort, S. Lee, and N. Behring, “Uber Insiders Describe Infighting and Questionable Decisions before Its Self-Driving Car Killed a Pedestrian,” *Business Insider*, November 19, 2018.
- h. P. Tomlin, “Hot Desk, Cold Shoulder,” *The Guardian*, November 7, 2005; C.B. Danielsson et al., “The Relation between Office Type and Workplace Conflict: A Gender and Noise Perspective,” *Journal of Environmental Psychology* 42 (2015): 161–71, <https://doi.org/10.1016/j.jenvp.2015.04.004>; L. Greene, “How Open Offices Are Killing Us,” *PsyPost*, August 20, 2016; R.L. Morrison and K.A. Macky, “The Demands and Resources Arising from Shared Office Spaces,” *Applied Ergonomics* 60 (April 2017): 103–15, <https://doi.org/10.1016/j.apergo.2016.11.007>; R. Reid, “Let’s Face It, Hot Desking Is the Absolute Worst,” *Metro UK*, January 8, 2018; M. Yadav et al., “The Irrelevant Speech Effect in Multi-Talker Environments: Applications to Open-Plan Offices,” *The Journal of the Acoustical Society of America* 143, no. 3 (April 2018): 1725, <https://doi.org/10.1121/1.5035619>; A. Green, “Can We Make Hot Desking Work in Our Office?,” *Ask A Manager*, October 18, 2018, <https://www.askamanmanager.com>.

- org/2018/10/can-we-make-hot-desking-work-in-our-office.html.
- i. “Half of Aussie Workers ‘Would Rather Quit,’” *Sydney Morning Herald*, August 22, 2012; J. Gifford, *Getting under the Skin of Workplace Conflict: Tracing the Experiences of Employees* (London: Chartered Institute of Personnel and Development, April 2015); Interact, “New Interact Report: Many Leaders Shrink from Straight Talk with Employees,” news release (Charlotte, NC: Interact, February 2015); American Psychological Association, “1 in 4 Employees Negatively Affected by Political Talk at Work This Election Season, Finds New Survey,” news release (Washington, DC: American Psychological Association, September 14, 2016).
 - j. Based on information in: B. Sitbon, “Meet, Eat, Scale, Repeat,” *WeWork Technology* (blog), May 29, 2018, <https://engineering.wework.com/meet-eat-scale-repeat-b33042383180>.
 - k. G. Hamel, “First, Let’s Fire All the Managers,” *Harvard Business Review* 89, no. 12 (2011): 48–60; D. Kirkpatrick, “Self-Management’s Success at Morning Star,” *T&D*, October 2013, 25–27; “Colleague Principles,” Morning Star Company, 2016, <http://morningstarco.com/index.cgi?Page=About%20Us/Colleague%20Principles> (accessed May 25, 2016).
 - l. C. Voss and T. Raz, *Never Split the Difference: Negotiating as If Your Life Depended on It* (Random House, 2016), Chap.2; C. Clifford, “Ex FBI Negotiator Chris Voss: How to Get What You Want,” *CNBC*, October 16, 2017.
 - m. M. Ferguson, “Workshop Helps Young Workers Negotiate Salaries,” *Billings Gazette* (Montana), November 22, 2015, C1; P. Smith, “Mayor Martin Walsh Hosts Free Salary Negotiation Workshops,” *Daily Free Press* (Boston University), April 6, 2016; I. Caputo, “When It Comes to Negotiating Salaries, Women Face Traps That Men Don’t,” *Boston Globe*, April 24, 2016, R30.



12

Leadership in Organizational Settings



Learning Objectives

After studying this chapter, you should be able to:

- LO 12-1** Define leadership and shared leadership.
- LO 12-2** Describe the four elements of transformational leadership and explain why they are important for organizational change.
- LO 12-3** Compare managerial leadership with transformational leadership, and describe the features of task-oriented, people-oriented, and servant leadership.
- LO 12-4** Discuss the elements of path–goal theory and leadership substitutes theory.
- LO 12-5** Describe the two components of the implicit leadership perspective.
- LO 12-6** Identify eight personal attributes associated with effective leaders and describe authentic leadership.
- LO 12-7** Discuss cultural and gender similarities and differences in leadership.

Startup company Dayforce had developed world-class workforce management software (employee scheduling, forecasting, etc.) but lacked an established market presence. Founder and CEO David Ossip saw an opportunity to partner with Minneapolis-based Ceridian, a well-established global organization in payroll systems that needed new products and services. Ceridian acquired Dayforce one year after the partnership began, and Ossip was installed as CEO of the overall company less than one year after the acquisition.

When Ossip first arrived at Ceridian's offices, he realized the company needed a leader-led transformation. "My take-home after a hard look at Ceridian was that the organization had to reinvent its culture in order to drive proper employee engagement, in turn improving our customer engagement scores and market share," Ossip recalls. Employees weren't enthusiastic about Ceridian's future and lacked trust in its senior managers, most of whom were sequestered far away on the executive floor.

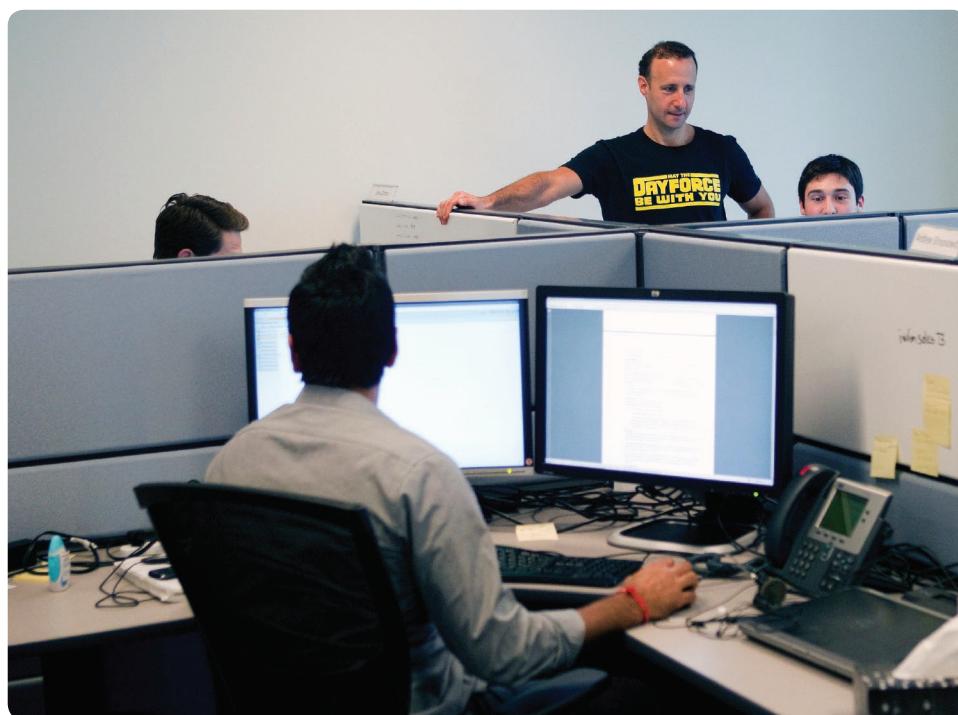


PART 3: TEAM PROCESSES

Ossip developed a more appealing vision for Ceridian's employees. "Our worldwide focus became something more than just paying people correctly," Ossip explains. "At Ceridian, our brand promise is 'Makes Work Life Better'—we believe that our solutions and our people make work life better for employees everywhere, in any role within their organization." Ossip travelled to Ceridian's offices worldwide to discuss and demonstrate his personal commitment to the company's new vision and values. "Essentially it came down to a lot of communication, a lot of town halls, and a lot of interaction with everyone inside Ceridian, and that's what I did."

Ossip disbanded the executive floor and introduced a coaching program to help managers communicate the company's vision more effectively to employees. A new team of executives was carefully selected who believed in the company's vision and values. As a result, employee trust improved because management's words and actions matched the firm's vision and values.

"When employees are able to see their leadership live by the values that guide them, it helps to establish a sense of organizational trust and credibility," says Ossip, who recently had the highest employee ratings of any business leader on Glassdoor. This view is echoed by Ceridian employees.



Christ Young/The New York Times/Redux Pictures

Ceridian Chairman and CEO David Ossip is one of the highest-rated leaders due to his inspiring vision, effective communication, and role modeling of desired behavior at the cloud-based human capital management company.

"Having worked in other companies prior to Ceridian, I can only appreciate the leadership team that is consistently walking the talk, seeking feedback and doing something with the feedback," says one Ceridian employee.¹

The transformation of Ceridian illustrates how David Ossip and other leaders make a difference in an organization's survival and success. This opening case study also highlights specific leadership topics, such as vision, role modeling, and the leader's personal attributes of leadership integrity and self-concept. Leadership is one of the most researched and discussed topics in the field of organizational behavior.² Google returns a whopping 1.4 billion web pages where *leadership* is mentioned. Google Scholar lists 337,000 journal articles and books with *leader* or *leadership* in the title. Every year over the past five years, Amazon has added an average of 2,500 English language books with *leadership* in the title.

The topic of leadership receives so much attention because we are captivated by the ability of some individuals to influence and motivate beyond expectations a large collective of people. This chapter explores leadership from four perspectives: transformational, managerial, implicit, and personal attributes.³ Although some of these perspectives are currently more popular than others, each helps us to more fully understand the complex issue of leadership. The final section of this chapter looks at cross-cultural and gender issues in organizational leadership. But first, we learn about the meaning of leadership as well as shared leadership.

What Is Leadership?

LO 12-1



leadership
influencing, motivating, and enabling others to contribute toward the effectiveness and success of the organizations of which they are members

Several years ago, dozens of leadership experts from around the world reached a consensus that **leadership** is about influencing, motivating, and enabling others to contribute toward the effectiveness and success of the organizations of which they are members.⁴ This definition has two key components. First, leaders motivate others through persuasion and other influence tactics. They use their communication skills, rewards, and other resources to energize the collective toward the achievement of challenging objectives. Second, leaders are enablers. They allocate resources, alter work relationships, minimize external disruptions, and establish other work environment changes that make it easier for employees to achieve organizational objectives.

SHARED LEADERSHIP

Airbus Industrie employs more than 130,000 people from 130 nationalities. The European aerospace company has thousands of managers and executives, yet has adopted the view that every employee should assume a leadership role no matter what position they hold. In fact, the company's recently launched Airbus Leadership University in Toulouse, France, ultimately serves all employees because "Airbus firmly believes that everyone is a leader!"⁵



global connections 12.1

EllisDon: The Leaderful Construction Company

At EllisDon Corporation, leaders aren't just people in management jobs. The Canadian construction services giant believes that leadership extends to every employee in the organization.

"Everyone is a leader, everyone is accountable to each other, and everyone is involved in the success of the company as a whole," says EllisDon CEO Geoff Smith. "It's a leadership philosophy throughout our company."

EllisDon supports shared leadership by setting objectives and then giving employees a high degree of autonomy to achieve them. "Get good people, give them the authority, give them the support, and then get out of their way so you create leaders around you," Smith advises.^a



Courtesy of EllisDon Corporation

shared leadership
the view that leadership is a role, not a position assigned to one person; consequently, people within the team and organization lead each other

Although Airbus Industrie employs many people in formal leadership positions, the aerospace firm recognizes that leadership is ultimately a set of roles that everyone performs. In other words, leaders are not specific positions in the organizational hierarchy. Companies are far more effective when everyone assumes leadership responsibilities in various ways and at various times.

This emerging view is called **shared leadership**.⁶ Shared leadership is based on the idea that the formal leader cannot—and should not—try to perform all leadership tasks. Instead, employees lead one another as the occasion arises. Shared leadership exists when an employee persuades coworkers to try out a new work activity or introduce new technology.⁷ It exists when employees help one another through social support or organizational citizenship behaviors. Shared leadership also exists when employees keep one another focused on the task and deadlines. As the late Sergio Marchionne, former CEO of Fiat Chrysler, proclaimed several years ago: "We've abandoned the Great Man model of leadership that long characterized Fiat and have created a culture where everyone is expected to lead."⁸

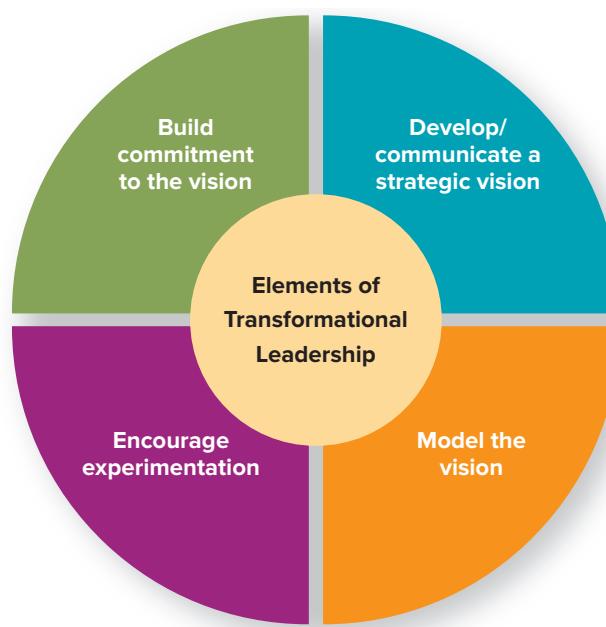
Shared leadership typically supplements formal leadership; that is, employees lead along with the formal manager, rather than replace the manager. However, W. L. Gore & Associates, Semco SA, Valve Corporation, Morning Star Company, and a few other unique companies rely almost completely on shared leadership because they don't have any formal managers on the organizational chart.⁹ In fact, when Gore employees are asked "Are you a leader?" in annual surveys, more than 50 percent of them answer yes.

Shared leadership flourishes in organizations where the formal leaders are willing to delegate power and encourage employees to take initiative and risks without fear of failure (i.e., a learning orientation culture). Shared leadership also calls for a collaborative rather than internally competitive culture because employees take on shared leadership roles when coworkers support them for their initiative. Furthermore, shared leadership lacks formal authority, so it operates best when employees learn to influence others through their enthusiasm, logical analysis, and involvement of coworkers in their idea or vision.

Transformational Leadership Perspective

LO 12-2

Most leadership concepts and practices can be organized into four perspectives: transformational, managerial, implicit, and personal attributes. By far the most popular of these perspectives today—and arguably the most important in the domain of leadership—is

EXHIBIT 12.1**Elements of Transformational Leadership**

transformational leadership
a leadership perspective that explains how leaders change teams or organizations by creating, communicating, and modeling a vision for the organization or work unit and inspiring employees to strive for that vision

transformational leadership. **Transformational leadership** views leaders as change agents. They move the organization or work unit in a new direction that will provide better opportunities and alignment with the external environment.

There are several models of transformational leadership, but four elements are common throughout most of them and represent the core concepts of this leadership perspective (see Exhibit 12.1).¹⁰ Transformational leaders create, communicate, and model a shared vision for the team or organization. They encourage experimentation so employees discover a better path to the future. Through these and other activities, transformational leaders also build commitment in followers to strive for that vision.

DEVELOP AND COMMUNICATE A STRATEGIC VISION

The heart of transformational leadership is a strategic *vision*.¹¹ A vision is a positive image or model of the future that energizes and unifies employees.¹² Sometimes this vision is created by the leader; at other times, it is formed by employees or other stakeholders and then adopted and championed by the formal leader.

The opening case study to this chapter described how David Ossip has led Ceridian's success through a vision of making work life better for employees everywhere, rather than the more prosaic image of selling payroll and employee scheduling software as a service. William Rogers, CEO of British radio station group UKRD, emphasizes that one of the key features of successful leaders is their "clarity of vision, so people can say: 'I know where we're going, what this journey is about, what our noble cause is.' For us, it's not just running a radio group and commercial success—it's about changing people's lives, impacting on communities."¹³

An effective strategic vision has several identifiable features.¹⁴ It describes an aspirational future with a higher purpose. This purpose is associated with personal values that directly or indirectly fulfill the needs of multiple stakeholders. A values-based vision is particularly meaningful and appealing to employees, which motivates them to strive for that ideal.

A strategic vision also engages employees because it is a distant goal that is both challenging and abstract. A vision of the future is challenging because it requires substantial change, such as new work practices and belief systems. It is necessarily abstract for two reasons. One reason is that the vision hasn't yet been experienced (at least, not in this company or industry), so it isn't possible to detail exactly what the vision looks like. The other reason is that an abstract description enables the vision to remain stable over time, yet is sufficiently flexible to accommodate operational adjustments in a shifting external



global connections 12.2

Strategic Visions of a Serial Transformational Leader^b

By any measure, Keith Krach is a transformational leader. The serial entrepreneur cofounded or led several technology firms, including digital procurement services company Ariba (now owned by SAP) and most recently electronic signature company DocuSign. For each business, Krach developed and communicated an inspirational vision of a future that did not previously exist.

At Ariba, Krach described a vision “to lead the electronic trade revolution, to build a great, sustaining organization into the next century.” At DocuSign, he inspired employees with a noble mission to “change the way business is done,” and ultimately “simplify and improve people’s lives.” Krach explains that a strategic vision is critical to an organization’s success because for employees to “spring out of the bed in the morning, they need to know that they’re making a difference.”

“A single vision is one more than most people will ever produce,” says Mitch Daniels, President of Purdue University and former Governor of Indiana. “Keith Krach is working on the most recent of a long string of them. And unlike so many visionaries, he never fails to make his new conceptions real, and powerfully successful.”



Keith Krach/Flickr/CCBY2.0

Rick Smith, CEO of Equifax, echoes Daniels’ comments about Krach as a transformational leader. “Keith is a passionate leader known to attract top talent, build high performance teams, and inspire a shared vision focused around customer success.”

environment. As such, a vision describes a broad noble cause related to fulfilling the needs of one or more stakeholder groups.

Another feature of an effective vision is that it is unifying. It is a superordinate objective that bonds employees together and aligns their personal values with the organization’s values. In fact, a successful vision is really a shared vision because employees collectively define themselves by this aspirational image of the future as part of their identification with the organization.

Communicating the Vision The effectiveness of a strategic vision depends on how leaders convey it to followers and other stakeholders.¹⁵ Transformational leaders generate meaning and motivation in followers by relying on symbols, metaphors, stories, and other vehicles that transcend plain language.¹⁶ Metaphors and related communication tools “frame” the vision, meaning that they guide or construct the listener’s mental model of the situation.

For example, to transform DaVita into the most customer-focused dialysis treatment group (now the largest in the United States), leaders referred to the company as a village and employees (called teammates) are citizens of that village who “cross the bridge,” meaning that they make a commitment to the community. “The words we use, while simple in nature, are packed with meaning,” explains a DaVita executive.¹⁷

Borrowing images from other experiences creates a richer understanding of the abstract vision. These communication tools also generate desired emotions, which motivate people to pursue the vision. For instance, when McDonald’s faced the daunting challenge of opening the company’s first restaurants in Russia (back when it was the USSR), CEO George Cohen frequently reminded his team members that they were establishing “hamburger diplomacy.”¹⁸

Transformational leaders also communicate the vision with humility, sincerity, and a level of passion that reflects their personal belief in the vision and optimism that employees can succeed. They support teamwork and increase self-efficacy by referring to the team’s strengths and potential. By focusing on shared experiences and the central role of employees



in achieving the vision, transformational leaders suppress leader-follower differences, deflect attention from themselves, and avoid any image of superiority over the team.¹⁹

MODEL THE VISION

Transformational leaders not only talk about a vision; they enact it. They “walk the talk” by stepping outside the executive suite and doing things that symbolize the vision.²⁰ Leaders model the vision through significant events such as visiting customers, moving their offices closer to (or further from) employees, and holding ceremonies to symbolize significant change. However, they also enact the vision by ensuring that routine daily activities—meeting agendas, dress codes, executive schedules—are consistent with the vision and its underlying values.

Modeling the vision is important because it legitimizes and demonstrates what the vision looks like in practice. It also builds employee trust in the leader. The greater the consistency between the leader’s words and actions, the more employees will believe in and be willing to follow the leader. As Ceridian CEO David Ossip, profiled at the beginning of this chapter, explains, “When employees are able to see their leadership live by the values that guide them, it helps to establish a sense of organizational trust and credibility.”

Mike Perlis, vice chairman of Forbes Media, also emphasizes that leaders need to enact the vision. “Great leaders walk the talk,” says Perlis. “They lead by example. There isn’t anything they ask people to do they’re not willing to do themselves.”²¹ Consistent with these comments, surveys report that “leading by example” is the most important attribute of effective leaders and is one of the most important characteristics of a company’s culture.²²

ENCOURAGE EXPERIMENTATION

Transformational leadership is about change, and central to any change is discovering new behaviors and practices that are better aligned with the desired vision. Transformational leaders support this journey by encouraging employees to question current practices and to experiment with new ways that are potentially more consistent with the vision’s future state.²³ In other words, transformational leaders support a **learning orientation** (see Chapter 7). They want employees to continuously question current practices, actively try out new ideas and work processes, and view reasonable mistakes as a natural part of the learning process.²⁴

learning orientation
a set of beliefs and norms in which people are encouraged to question past practices, learn new ideas, experiment putting ideas into practice, and view mistakes as part of the learning process

BUILD COMMITMENT TOWARD THE VISION

Transforming a vision into reality requires employee commitment, and transformational leaders build this commitment in several ways.²⁵ Their words, symbols, and stories build a contagious enthusiasm that energizes people to adopt the vision as their own. Leaders demonstrate a can-do attitude by enacting and behaving consistently with their vision. This persistence and consistency reflect an image of honesty, trust, and integrity. By encouraging experimentation, leaders involve employees in the change process so it is a collective activity. Leaders also build commitment through rewards, recognition, and celebrations as they pass milestones along the road to the desired vision.



SELF-ASSESSMENT 12.1:

What Are Your Transformational Leadership Tendencies?

Transformational leadership is about leading change toward a better future. This popular leadership perspective includes several dimensions, representing specific sets of behaviors. You can discover your level of transformational leadership on each dimension by locating this self-assessment in Connect if it is assigned by your instructor.



global connections 12.3

Did Charismatic Leadership Cause Steinhoff's Downfall?^c

Board members of Steinhoff International Holdings anxiously waited for CEO Markus Jooste to arrive from Europe with documents supporting the company's unaudited and overdue financial reports. Instead, after hours of delay, Jooste sent a text message saying that he was quitting, seeking legal counsel, and wouldn't attend the board meeting at all. The South African-based company's stock value plummeted by 90 percent with news of its accounting "irregularities." A recent forensic accounting report confirmed the worst: a small group of Steinhoff executives, "led by a senior management executive," had engaged in extensive accounting fraud involving more than (USD) \$7 billion over the previous decade.

Steinhoff's collapse has been attributed to several factors, including overpriced acquisitions, a dual reporting structure, and a board that failed to provide sufficient oversight of management. Another frequently mentioned explanation, however, is that Markus Jooste was a charismatic leader who mesmerized Steinhoff's board, executives, and many external stakeholders. Jooste has been portrayed as a "superhuman businessman," a "ruthlessly ambitious" retail star with "extraordinary dealmaking talent" and "unshakeable confidence." These characteristics were reinforced through his "bold" acquisitions, including Poundland (United Kingdom), Mattress Firm (United States), Freedom (Australia), and Conforama (France).

Jooste cultivated a small cadre of "fiercely loyal insiders who enjoyed social and financial privileges through their close association with Jooste." He was called the "don" of the "Stellenbosch mafia," referring to his tendency to hire executives educated at his alma mater,



Roger Bosch/AFP/Getty Images

Stellenbosch University. One South African professor stated that Jooste's "leadership style fostered an institutional culture of uncritical subservience and self-censorship" and that "only those subordinates who obsequiously defer to him benefit from his extensive patronage."

Jooste's apparent charisma was even blamed for the board's poor oversight of management. Steinhoff's chairman, who has since resigned, claimed that the accounting fraud "came like a bolt out of the blue." Yet German authorities had been investigating Steinhoff's accounting practices for almost two years and an investment firm (Portsea) had written a scathing report about self-dealing and potentially illegal financial transfers at the company. A well-known investment analyst summed up the Steinhoff saga with this warning: "You cannot in this day and age have a board full of stooges that rubber-stamp what a charismatic CEO wants to get away with."

TRANSFORMATIONAL LEADERSHIP AND CHARISMA

Are transformational leaders also charismatic leaders? Some leadership experts believe that charisma is an essential part of transformational leadership. However, the balance of evidence suggests that charismatic leadership is different from transformational leadership.²⁶ Charisma is a personal trait or relational quality that provides referent power over followers, whereas transformational leadership is a set of behaviors that engage followers toward a better future.²⁷

Furthermore, transformational leadership motivates followers through behaviors that persuade and earn trust, whereas charismatic leadership motivates followers directly through the leader's inherent referent power. For instance, communicating an inspiring vision is a transformational leadership behavior that motivates followers to strive for that vision. This motivational effect exists separate from the leader's charismatic appeal. If the leader is highly charismatic, however, his or her charisma will amplify follower motivation.

Being charismatic is not inherently good or bad, but several research studies have concluded that charismatic leadership can have negative consequences.²⁸ One concern is that charismatic leadership tends to produce dependent followers because, by definition, followers want to be associated with people who have charisma. Transformational leadership

has the opposite effect; it builds follower empowerment, which tends to reduce dependence on the leader.

Another concern is that leaders who possess the gift of charisma may become intoxicated by this power, which leads to a greater focus on self-interest than on the common good. “Charisma becomes the undoing of leaders,” Peter Drucker warned many years ago. “It makes them inflexible, convinced of their own infallibility, unable to change.”²⁹ The late management guru witnessed the destructive effects of charismatic political leaders in Europe a century ago and foresaw that this personal or relational characteristic would create similar problems for organizations. The main point here is that transformational leaders are not necessarily charismatic, and charismatic leaders are not necessarily transformational.

EVALUATING THE TRANSFORMATIONAL LEADERSHIP PERSPECTIVE

Transformational leaders do make a difference.³⁰ Subordinates are more satisfied and have higher affective organizational commitment under transformational leaders. They also perform their jobs better, engage in more organizational citizenship behaviors, and make better or more creative decisions. One study of bank branches reported that organizational commitment and financial performance increased when the branch manager completed a transformational leadership training program.³¹

Transformational leadership is currently the most popular leadership perspective, but it faces a number of challenges.³² One problem is that some models engage in circular logic. They define and measure transformational leadership by its effects on employees (e.g., inspire employees), then (not surprisingly) report that this leadership is effective because it inspires employees. Instead, transformational leadership needs to be defined purely as a set of behaviors that people use to lead others through the change process. A second concern is that some transformational leadership theories combine leader behaviors with the personal characteristics of leaders. For instance, transformational leaders are described as visionary, imaginative, sensitive, and thoughtful, yet these are personal characteristics that likely predict transformational leadership behaviors.³³

A third concern is that transformational leadership is usually described as a universal concept, that is, it should be applied in all situations. Only a few studies have investigated whether this form of leadership is more valuable in some situations than others.³⁴ For instance, transformational leadership is probably more appropriate when organizations need to continuously adapt to a rapidly changing external environment than when the environment is stable. Preliminary evidence suggests that the transformational leadership perspective is relevant across cultures. However, there may be specific elements of transformational leadership, such as the way visions are communicated and modeled, that are more appropriate in North America than in other cultures.

Managerial Leadership Perspective

LO 12-3

managerial leadership
a leadership perspective
stating that effective leaders
help employees improve their
performance and well-being
toward current objectives and
practices

Leaders don’t spend all (or even most) of their time transforming the organization or work unit. They also engage in **managerial leadership**—daily activities that support and guide the performance and well-being of individual employees and the work unit toward current objectives and practices. Leadership experts recognize that leading (transformational leadership) differs from managing (managerial leadership).³⁵ Although the distinction between these two perspectives remains somewhat fuzzy, each cluster has a reasonably clear set of activities and strong research foundation.

One distinction between these two perspectives is that managerial leadership assumes the organization’s (or department’s) objectives are stable and aligned with the external environment.³⁶ It focuses on continuously developing or maintaining the effectiveness of employees and work units toward those established objectives and practices. In contrast, transformational leadership assumes the organization is misaligned with its environment



By applying managerial leadership, Pamela Dyson (front in photo) has significantly improved operational performance and client satisfaction among information technology staff, previously at the U.S. Securities and Exchange Commission (SEC) and now at the Federal Reserve Bank of New York. "She's as good a manager as I've seen in IT in my career," says a senior SEC executive. "She really knows how to manage and listen to people. . . . If she sees a problem, she'll go and talk to somebody. . . . She's hands on in the way that helps the organization."^d

Source: Photo by Jose Saenz

and therefore needs to change its direction. This distinction is captured in the often-cited statement: "Managers are people who do things right and leaders are people who do the right thing."³⁷ Managers "do things right" by enabling employees to perform established goals more effectively. Leaders "do the right thing" by changing the organization or work unit so its objectives are aligned more closely with the external environment.

A second distinction is that managerial leadership is more micro-focused and concrete, because it relates to the specific performance and well-being objectives of individual employees and the immediate work unit. Transformational leadership is more macro-focused and abstract. It is directed toward an imprecise strategic vision for an entire organization, department, or team.

INTERDEPENDENCE OF MANAGERIAL AND TRANSFORMATIONAL LEADERSHIP

Although transformational and managerial leadership are discussed as two leadership perspectives, they are more appropriately described as *interdependent* perspectives.³⁸ In other words, transformational leadership and managerial leadership depend on each other. Transformational leadership identifies, communicates, and builds commitment to a better future for the organization or work unit. But these transformational leadership

behaviors are not enough for organizational success. That success also requires managerial leadership to translate the abstract vision into more specific operational behaviors and practices, and to continuously improve employee performance and well-being in the pursuit of that future ideal. Managerial leadership also depends on transformational leadership to set the right direction. Otherwise, managers might produce operational excellence toward goals that are misaligned with the organization's long-term survival.

Incumbents of senior executive positions typically engage in more transformational leadership behavior than do people in manager positions further down the hierarchy. This greater emphasis on transformational leadership at higher levels likely occurs because senior leaders are more responsible for the organization's alignment with its environment and because they have more discretion to enable macro-level change. However, managerial and transformational leadership are not embodied in different people or positions in the organization. Every manager needs to apply both transformational and managerial leadership behaviors to varying degrees. Even frontline nonmanagement employees who engage in shared leadership may be managerial (helping coworkers through a difficult project) or transformational (championing more customer-friendly norms in the work unit).

TASK-ORIENTED AND PEOPLE-ORIENTED LEADERSHIP

Managerial leadership research began in the 1940s when several universities launched intensive investigations to answer the question "What behaviors make leaders effective?" They studied first-line supervisors by asking subordinates to rate their bosses on many behaviors. These independent research teams essentially identified the same two clusters of leadership behavior from literally thousands of items (Exhibit 12.2).³⁹

One cluster, called *task-oriented leadership*, includes behaviors that define and structure work roles. Task-oriented leadership assigns employees to specific tasks, sets goals and deadlines, clarifies work duties and procedures, defines work procedures, and plans work activities. The other cluster represents *people-oriented leadership*. This cluster includes behaviors such as listening to employees' ideas, creating a pleasant physical work environment, showing interest in staff, appreciating employees for their contributions, and showing consideration of employee needs.

**EXHIBIT 12.2****Task- and People-Oriented Leadership Styles****Leaders are task-oriented when they ...**

- Assign work and clarify responsibilities.
- Set goals and deadlines.
- Evaluate and provide feedback on work quality.
- Establish well-defined best work procedures.
- Plan future work activities.

Leaders are people-oriented when they ...

- Show interest in others as people.
- Listen to employees.
- Make the workplace more pleasant.
- Show appreciation to employees for their performance contribution.
- Are considerate of employee needs.

These early managerial leadership studies tried to find out whether effective managers are more task-oriented or more people-oriented. This proved to be a difficult question to answer because each style has its advantages and disadvantages. In fact, recent evidence suggests that effective leaders rely on both styles, but in different circumstances.⁴⁰ When leaders use people-oriented leadership behavior, their employees tend to have more positive attitudes as well as lower absenteeism, grievances, stress, and turnover. When leaders use task-oriented leadership behavior, their employees tend to have higher job performance. Not surprisingly, employees generally prefer people-oriented bosses and they form negative attitudes toward bosses who are mostly task-oriented. However, task-oriented leadership is also appreciated to some degree. For example, college students value task-oriented instructors because those instructors provide clear expectations and well-prepared lectures that abide by the course objectives.⁴¹

connect**SELF-ASSESSMENT 12.2: What Is Your Preferred Managerial Leadership Style?**

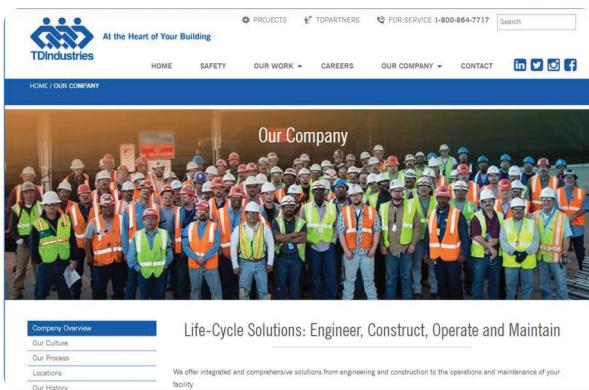
Managerial leadership refers to behaviors that improve employee performance and well-being in the current situation. These objectives require a variety of managerial leadership styles in different situations. You can discover your level on the two most commonly studied dimensions of managerial leadership by locating this self-assessment in Connect if it is assigned by your instructor.

servant leadership
the view that leaders serve followers, rather than vice versa; leaders help employees fulfill their needs and are coaches, stewards, and facilitators of employee development

SERVANT LEADERSHIP

Servant leadership is mostly an extension or variation of people-oriented leadership because it defines leadership as serving others. In particular, servant leaders assist others in their need fulfillment, personal development, and growth.⁴² Servant leaders ask “How can I help you?” rather than expecting employees to serve them. Servant leaders have been described as selfless, egalitarian, humble, nurturing, empathetic, and ethical coaches. The main objective of servant leadership is to help followers and other stakeholders fulfill their needs and potential, particularly “to become healthier, wiser, freer, more autonomous, more likely themselves to become servants.”⁴³ This description captures three key features of servant leadership:⁴⁴

- *Natural desire or “calling” to serve others.* Servant leaders have a deep commitment to help others in their personal growth for that purpose alone. This commitment is not merely an instrument to achieve company objectives. It is a selfless desire to support others that goes beyond the leader’s role obligation.



Dallas-based TDIndustries is one of America's largest mechanical contractors and facility service companies. It is also one of the earliest companies (since the 1970s) to embrace servant leadership. "Leadership at TDIndustries is all about servant leadership," declares CEO Harold MacDowell, who was recently named one of the world's most admired CEOs. "In the servant leadership model, leaders are first a servant of those they lead. They are a teacher, a source of information and knowledge, and a role model." MacDowell explains that servant leadership includes "providing for [employees], eliminating roadblocks, helping them grow. When you do that, the organization grows and the leader's job is just much easier."⁴³

Source: TDIndustries

- *Humble, egalitarian, accepting relationship with followers.* Servant leaders do not view leadership as a position of power. Rather, they serve without drawing attention to themselves, without evoking superior status, and without being judgmental about others or defensive of criticisms received.
- *Ethical decisions and behavior.* Servant leaders display sensitivity to and enactment of moral values. They are not swayed by deviant social pressures or expectations. Servant leaders maintain moral integrity by relying on personal values to anchor their decisions and behavior. In this respect, servant leadership relies heavily on authentic leadership, which we discuss later in this chapter.

Servant leadership was introduced several decades ago and has had a steady following over the years, particularly among practitioners and religious leaders. Scholarly interest in this topic has bloomed quite recently, but the concept still faces a number of conceptual hurdles.⁴⁵ Although servant leadership writers generally agree on the three features we described earlier, many have included other characteristics that lack agreement and might confound the concept with its predictors and outcomes. Still, the notion that leaders should be servants has considerable currency and for many centuries has been embedded in the principles of major religions. One recent study also found that companies have higher performance (return on assets) when their chief executive officer exhibits servant leadership behaviors.⁴⁶

Path–Goal and Leadership Substitute Theories

LO 12-4

path–goal leadership theory
a leadership theory stating that effective leaders choose the most appropriate leadership style(s), depending on the employee and situation, to influence employee expectations about desired results and their positive outcomes

PATH–GOAL LEADERSHIP THEORY

The earliest managerial leadership studies not only identified the task-oriented and people-oriented leadership styles; they also concluded that the best leadership style depends on the situation.⁴⁷ This "it depends" view is more consistent with the contingency anchor of organizational behavior discussed in Chapter 1. In other words, the most appropriate leadership style depends on the characteristics of the employees, work setting, the leader-follower relationship, and other factors.

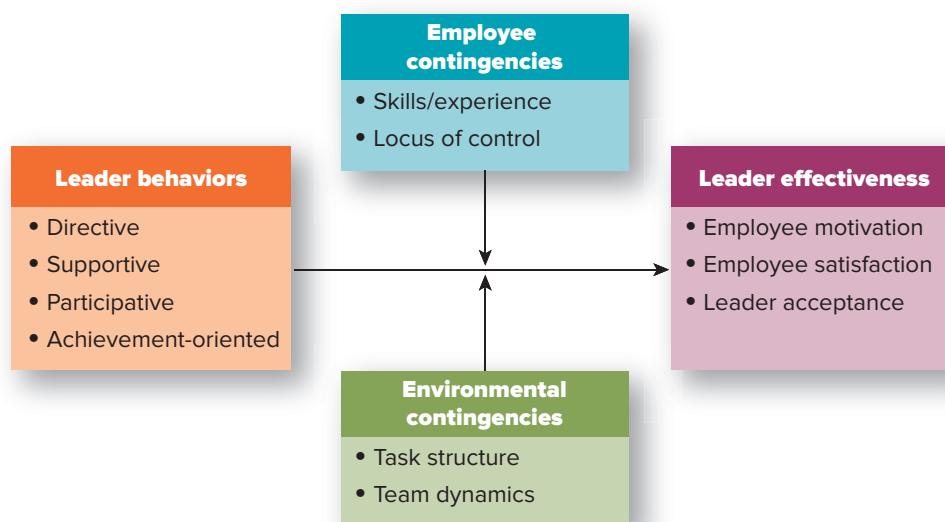
Path–goal leadership theory is the dominant model that applies this contingency approach to managerial leadership. This theory states that effective leaders choose one or more leadership styles to influence employee expectations (their preferred path) regarding achievement of desired results (their work-related goals), as well as their perceived satisfaction with those results (outcome valences). Leaders clarify the link between employee behaviors and outcomes, influence the valence of those outcomes, provide a work environment to facilitate goal accomplishment, and so forth.⁴⁸ Notice from this description that path–goal theory builds on the expectancy theory of motivation (Chapter 5) and its underlying formula of rational decision making (Chapter 7).⁴⁹

Path–Goal Leadership Styles Exhibit 12.3 presents the path–goal theory of leadership. This model specifically highlights four leadership styles and several contingency factors leading to three indicators of leader effectiveness. The four leadership styles are:⁵⁰

- *Directive.* Directive leadership is the same as task-oriented leadership, described earlier. This leadership style consists of clarifying behaviors that provide a psychological structure for subordinates. It includes clarifying performance

EXHIBIT 12.3

Path-Goal Leadership Theory



goals, the means to reach those goals, and the standards against which performance will be judged. Directive leadership also includes judicious use of rewards and disciplinary actions.

- *Supportive.* Supportive leadership is the same as people-oriented leadership, described earlier. This style provides psychological support for subordinates. The leader is friendly and approachable; makes the work more pleasant; treats employees with equal respect; and shows concern for the status, needs, and well-being of employees.
 - *Participative.* Participative leadership behaviors encourage and facilitate employee involvement in decisions beyond their normal work activities. The leader consults with his or her staff, asks for their suggestions, and carefully reflects on employee views before making a decision. Participative leadership relates to involving employees in decisions (see Chapter 7).
 - *Achievement-oriented.* This leadership style emphasizes behaviors that encourage employees to reach their peak performance. The leader sets challenging goals, expects employees to perform at their highest level, continuously seeks improvement in employee performance, and shows a high degree of confidence that employees will assume responsibility and accomplish challenging goals. Achievement-oriented leadership applies goal-setting theory as well as positive expectations in self-fulfilling prophecy.

Path–Goal Theory Contingencies As a contingency theory, path-goal theory states that each of the four leadership styles will be more effective in some situations than in others. The theory also contends that effective leaders are capable of selecting the most appropriate behavioral style (or styles) for each situation. Leaders often use two or more styles at the same time, if these styles are appropriate for the circumstances. The model specifies two sets of situational variables: (1) employee characteristics and (2) characteristics of the employee’s work environment. Several employee and workplace contingencies have been studied, but the following four have received the most attention:⁵¹

- *Skill and experience.* A combination of directive and supportive leadership is best for employees who are (or perceive themselves to be) inexperienced and unskilled.⁵² Directive leadership gives subordinates information about how to accomplish the task, whereas supportive leadership helps them cope with the uncertainties of unfamiliar work situations. Directive leadership is detrimental when employees are skilled and experienced because it introduces too much supervisory control.



Employees identify a variety of managerial leadership styles when asked to describe their favorite boss. The reason for this variety is that people have unique needs and situations, which require different managerial behaviors. A young employee at a pharmaceutical company in London, United Kingdom, praises his boss's supportive style. "She has this magical ability to lead with empathy, compassion and transparency." An experienced community education services worker in Minnesota appreciates participative leadership. "Is he perfect? No. But he listens to others' opinions and always considers them." A financial services professional in Illinois says his manager is someone "you would walk on coals for" because of his balance of achievement and supportive leadership. "He pushed you but always had your best interest at heart and wanted you to succeed." And a school teacher in Michigan is happy that his current boss doesn't apply too much directive leadership, but instead "trusts that I am a veteran professional and does not micromanage."

FatCamera/E+/Getty Images

leadership substitutes theory
a theory identifying conditions that either limit a leader's ability to influence subordinates or make a particular leadership style unnecessary

- **Locus of control.** People with an internal locus of control believe that they have control over their work environment (see Chapter 3). Consequently, these employees prefer participative and achievement-oriented leadership styles and may become frustrated with a directive style. In contrast, people with an external locus of control believe that their performance is due more to luck and fate, so they tend to be more satisfied with directive and supportive leadership.

- **Task structure.** Leaders should adopt the directive style when the task is nonroutine because this style reduces the role ambiguity that tends to occur in complex work situations (particularly for inexperienced employees).⁵³ The directive style is ineffective when employees have routine and simple tasks

because the manager's guidance serves no purpose and may be viewed as unnecessarily close control. Employees in highly routine and simple jobs may require supportive leadership to help them cope with the tedious nature of the work and lack of control over the pace of work. Participative leadership is preferred for employees performing nonroutine tasks because the lack of rules and procedures gives them more discretion to achieve challenging goals. The participative style is ineffective for employees in routine tasks because they lack discretion over their work.

- **Team dynamics.** Cohesive teams with performance-oriented norms act as a substitute for most leader interventions. High team cohesion substitutes for supportive leadership, whereas performance-oriented team norms substitute for directive and possibly achievement-oriented leadership. Thus, when team cohesion is low, leaders should use a supportive style. Leaders should apply a directive style to counteract team norms that oppose the team's formal objectives. For example, the team leader may need to exert authority if team members have developed a norm to "take it easy" rather than get a project completed on time.

Evaluating Path–Goal Theory Path–goal theory has received more research support than other managerial leadership models. In fact, one study reported that path–goal theory explains more about effective leadership than does the transformational leadership model.⁵⁴ This stronger effect is likely because managers typically spend more of their time engaging in managerial rather than transformational leadership.⁵⁵

Support for the path–goal model is far from ideal, however. A few contingencies (e.g., task structure) have limited research support. Other contingencies and leadership styles in the path–goal leadership model haven't been investigated at all.⁵⁶ Another concern is that as path–goal theory expands, the model may become too complex for practical use. Few people would be able to remember all the contingencies and the appropriate leadership styles for those contingencies.

Another limitation of path–goal theory is its assumption that effective leaders can fluidly adapt their behavior and managerial styles to the immediate situation. In reality, it takes considerable effort to choose and enact different styles to match the situation. Leaders typically prefer one style that is most consistent with their personality and values. Some experts even suggest that leadership styles are hardwired.⁵⁷ In spite of these limitations, path–goal theory remains a relatively robust theory of managerial leadership.

LEADERSHIP SUBSTITUTES THEORY

Path–goal leadership theory recommends using different styles for managing employees in various situations. In contrast, **leadership substitutes theory** suggests that the situation either limits the leader's ability to influence subordinates or renders a particular leadership style unnecessary. Leadership experts have proposed and, for some variables, found evidence of specific conditions that substitute for task-oriented or people-oriented leadership (see Exhibit 12.4).

**EXHIBIT 12.4****Potential Leadership Substitutes**

	MANAGERIAL LEADERSHIP STYLE	POTENTIAL SUBSTITUTES FOR THAT STYLE
	Task-oriented	<ul style="list-style-type: none">• Performance-based rewards.• Employee is skilled and experienced.• Guidance from coworkers.• Team norms reinforce task objectives.• Intrinsically motivating work.• Employee applies self-leadership.
	People-oriented	<ul style="list-style-type: none">• Supportive coworkers.• Employee is skilled and experienced.• Enjoyable work.• Employee uses effective stress coping strategies.

Based on ideas in S. Kerr and J.M. Jermier, "Substitutes for Leadership: Their Meaning and Measurement," *Organizational Behavior and Human Performance* 22 (December 1978): 375–403; P.M. Podsakoff and S.B. MacKenzie, "Kerr and Jermier's Substitutes for Leadership Model: Background, Empirical Assessment, and Suggestions for Future Research," *Leadership Quarterly* 8 (1997): 117–32.

Task-oriented leadership may be less important as employees increase their skill and experience. This proposition is consistent with path-goal leadership theory, which states that directive leadership is unnecessary—and may be detrimental—when employees are skilled or experienced.⁵⁸ The task-oriented leadership style also may be redundant or have less value when performance-based reward systems keep employees directed toward organizational goals, when the work is intrinsically motivating, and when the employee applies self-leadership practices (see Chapter 6).

Under some conditions, teams likely substitute for task-oriented leadership.⁵⁹ Specifically, team norms that support organizational goals motivate team members to encourage (or pressure) coworkers to perform their tasks and possibly even to apply achievement-oriented performance expectations.⁶⁰ Coworkers also engage in organizational citizenship behaviors by instructing less-experienced employees, thereby requiring less task-oriented leadership from the formal manager.

Some conditions may reduce the need for people-oriented leadership. This style is likely less valuable from the formal leader when other forms of social support are available (such as supportive team members), when the work itself is enjoyable, and when the employee applies effective coping strategies to minimize stress. Skilled and experienced employees also have higher self-efficacy, which results in less stressful work and therefore less need for people-oriented leadership interaction from the boss.

The leadership substitutes model has intuitive appeal, but the evidence so far is mixed. Some studies show that a few substitutes do replace the need for task- or people-oriented leadership, but others do not. The difficulties of statistically testing for leadership substitutes may account for some problems, but a few writers contend that the limited support is evidence that formal leadership plays a critical role regardless of the situation.⁶¹ At this point, we can conclude that leadership substitutes might reduce the need for managerial leadership behaviors, but they do not completely replace managers in these situations.

Implicit Leadership Perspective

LO 12-5

Research on transformational and managerial leadership has found that leaders do “make a difference”; that is, leaders significantly influence the performance of their departments and organizations. However, a third leadership perspective, called **implicit leadership theory**, explains that followers’ perceptions also play a role in a leader’s effectiveness. The implicit leadership perspective has two components: leader prototypes and the romance of leadership.⁶²



implicit leadership theory
a theory stating that people evaluate a leader's effectiveness in terms of how well that person fits preconceived beliefs about the features and behaviors of effective leaders (leadership prototypes) and that people tend to inflate the influence of leaders on organizational events

PROTOTYPES OF EFFECTIVE LEADERS

One aspect of implicit leadership theory states that everyone has *leadership prototypes*—preconceived beliefs about the features and behaviors of effective leaders.⁶³ These prototypes, which develop through socialization within the family and society, shape the follower's expectations and acceptance of others as leaders. These expectations and affirmations influence the employee's willingness to be a follower. Leadership prototypes not only support a person's role as leader; they also influence our perception of the leader's effectiveness. In other words, leaders are often perceived as more effective when they look and act consistently with observers' prototype of a leader.⁶⁴

This prototype comparison process occurs because people want to trust their leader before they are willing to serve as followers. However, the leader's actual effectiveness usually isn't known for several months or possibly years, so comparing the leader against a prototype is a quick (although faulty) way of estimating the leader's future success.

THE ROMANCE OF LEADERSHIP

Along with relying on implicit prototypes of effective leaders, followers tend to inflate the perceived influence of leaders on the organization's success. This "romance of leadership" effect exists because people in most cultures want to believe that leaders make a difference.



SELF-ASSESSMENT 12.3: Do Leaders Make a Difference?

People have different views about the extent to which leaders influence the organization's success. Those with a high romance of leadership attribute the causes of organizational events much more to its leaders and much less to the economy, competition, and other factors beyond the leader's short-term control. You can discover your Romance of Leadership score by locating this self-assessment in Connect if it is assigned by your instructor.

There are two basic reasons why people overestimate the leader's influence on organizational outcomes.⁶⁵ First, leadership is a useful way for us to simplify life events. It is easier to explain organizational successes and failures in terms of the leader's ability than by analyzing a complex array of other forces. Second, there is a strong tendency in the

United States and other Western cultures to believe that life events are generated more by people than by uncontrollable natural forces.⁶⁶ This illusion of control is satisfied by believing that events result from the rational actions of leaders. In other words, employees feel better believing that leaders make a difference, so they actively look for evidence that this is so.

One way that followers inflate their perceptions of the leader's success is through fundamental attribution error (see Chapter 3). Leaders are often given credit for the company's success because employees do

THE LEADERSHIP REPORT CARD⁹

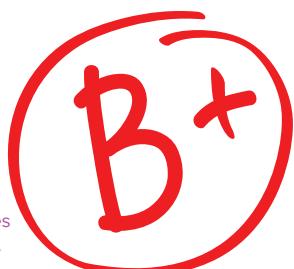
78% of 7,096 business and human resource leaders surveyed across 130 countries say that leadership development is currently important or very important in their organization (86% say so in Germany, China, and India; 72% in the U.S.; 65% in France).

62% of 3,031 American full-time employees surveyed rated their boss's performance as 'A' or 'B'.

38% of 1,019 employees surveyed in India say they could perform their boss's job better than the boss.

36% of 1,000 human resources leaders surveyed in the U.S. and U.K. say that their organization's greatest skill is in "leadership" (lowest out of four skill groups).

(photo): vasilyroscia/123RF



26% of 1,019 employees surveyed in India say their boss should not be in a leadership role.

18% of current managers have the high talent needed to effectively manage others (Gallup's estimate from analysis of 2.5 million manager-led teams).

16% of 3,031 American full-time employees surveyed gave low ratings ('D' or 'F') to their boss's performance.

not readily see the external forces that also influence these events. Leaders reinforce this belief by taking credit for these organizational successes.⁶⁷ “The people at Semco don’t look and act like me,” explains Ricardo Semler, well-known author, speaker, CEO of Semco Partners, and founder of the Lumiar Schools in Brazil. “They are not yes-men by any means. . . . [Yet] they credit me with successes that are not my own, and they don’t debit me my mistakes.”⁶⁸

The implicit leadership perspective provides valuable advice to improve leadership acceptance. It highlights the fact that leadership is a perception of followers as much as the actual behaviors and formal roles of people calling themselves leaders. Potential leaders must be sensitive to this fact, understand what followers expect, and act accordingly. Individuals who do not naturally fit leadership prototypes need to provide more direct evidence of their effectiveness as leaders.

Personal Attributes Perspective of Leadership

LO 12-6



Since the beginning of recorded civilization, people have been interested in the personal characteristics that distinguish great leaders from the rest of us.⁶⁹ One groundbreaking review in the late 1940s concluded that no consistent list of leadership traits could be distilled from previous research. This conclusion was revised a decade later, suggesting that a few traits are associated with effective leaders.⁷⁰ These nonsignificant findings caused many scholars to give up their search for the personal characteristics of effective leaders.

EIGHT IMPORTANT LEADERSHIP ATTRIBUTES

Over the past two decades, leadership experts have returned to the notion that effective leaders possess specific personal attributes. Many leadership studies long ago were apparently plagued by methodological problems, lack of theoretical foundation, and inconsistent definitions of leadership. Recent studies have mostly corrected these problems, with the result that several attributes are consistently identified with effective leadership or leader emergence. Eight important leadership attributes (not in any particular order) are personality, self-concept, leadership motivation, drive, integrity, knowledge of the business, cognitive and practical intelligence, and emotional intelligence (see Exhibit 12.5).⁷¹

Personality Most of the Big Five personality dimensions (see Chapter 2) are associated with effective leadership.⁷² However, the strongest predictors are high levels of extraversion (outgoing, talkative, sociable, and assertive) and conscientiousness (careful, dependable, and self-disciplined). With high extraversion, effective leaders are comfortable having an influential role in social settings. With higher conscientiousness, effective leaders set higher goals for themselves (and others), are organized, and have a strong sense of duty to fulfill work obligations.

Self-Concept Successful leaders have a complex, internally consistent, and clear self-concept as a leader (see Chapter 3). This “leader identity” also includes a positive self-evaluation, including high self-esteem, self-efficacy, and internal locus of control.⁷³ Many people in leadership positions default to daily managerial leadership and define themselves as managers. Effective leaders, on the other hand, view themselves as both transformational and managerial, and are confident with both of these self-views.⁷⁴

Leadership Motivation Effective leaders are motivated to lead others. They have a strong need for *socialized power*, meaning that they want power to lead others in accomplishing organizational objectives and similar good deeds. This contrasts with a need for *personalized power*, which is the desire to have power for personal gain or for the thrill one might experience from wielding power over others (see Chapter 5).⁷⁵ Leadership

**EXHIBIT 12.5 Personal Attributes of Effective Leaders**

LEADERSHIP ATTRIBUTE	DESCRIPTION
Personality	Effective leaders have higher levels of extraversion (outgoing, talkative, sociable, and assertive) and conscientiousness (careful, dependable, and self-disciplined).
Self-concept	Effective leaders have strong self-beliefs and a positive self-evaluation about their own leadership skills and ability to achieve objectives.
Leadership motivation	Effective leaders have a need for socialized power (not personalized power) to accomplish team or organizational goals.
Drive	Effective leaders have an inner motivation to pursue goals.
Integrity	Effective leaders have strong moral principles, which are demonstrated through truthfulness and consistency of words with deeds.
Knowledge of the business	Effective leaders have tacit and explicit knowledge about the company's environment, enabling them to make more intuitive decisions.
Cognitive and practical intelligence	Effective leaders have above-average cognitive ability to process information (cognitive intelligence) and ability to solve real-world problems by adapting to, shaping, or selecting appropriate environments (practical intelligence).
Emotional intelligence	Effective leaders have the ability to recognize and regulate their own emotions and the emotions of others.

motivation is also necessary because, even in organizations where managers support one another, they are in contests for positions further up the hierarchy. Effective leaders thrive rather than wither in the face of this competition.⁷⁶

Drive Related to their high conscientiousness, extraversion, and positive self-evaluation, successful leaders have a moderately high need for achievement (see Chapter 5). This drive represents the inner motivation that leaders possess to pursue their goals and encourage others to move forward with theirs. Drive inspires inquisitiveness, an action orientation, and measured boldness to take the organization or team into uncharted waters.

Integrity Integrity involves having strong moral principles, which supports the tendency to be truthful and to be consistent in words and deeds. Leaders have a high moral capacity to judge dilemmas using sound values and to act accordingly. Notice that integrity is ultimately based on the leader's values, which provide an anchor for consistency. Several large-scale studies have reported that integrity and honesty are the most important characteristics of effective leaders.⁷⁷

Knowledge of the Business Effective leaders understand the business environment in which they operate, including subtle indications of emerging trends. Knowledge of the business also includes a good understanding of how their organization works effectively.

Cognitive and Practical Intelligence Leaders have above-average cognitive ability to process enormous amounts of information. Leaders aren't necessarily geniuses; rather, they have a superior ability to analyze a variety of complex alternatives and opportunities. Furthermore, leaders have practical intelligence. This means that they can think through the relevance and application of ideas in real-world settings. Practical intelligence is particularly evident where problems are poorly defined, information is missing, and more than one solution may be plausible.⁷⁸



global connections 12.4

Transformational Leader Carolyn McCall Identifies Important Leadership Attributes^h

Carolyn McCall says she is not a turnaround expert. Yet the chief executive of ITV, the United Kingdom's largest commercial television company, has demonstrated her turnaround skills on more occasions than most leaders. Discount airline easyJet rebounded under her guidance as CEO, and Guardian Media Group also prospered when she led that company in earlier years. McCall is now transforming ITV from a traditional linear broadcaster to the emerging video-on-demand model.

Along with having an inspiring vision, McCall says that successful leaders require several personal attributes. One of these is integrity. "A reputation takes years to build and you can lose it in two seconds," warns McCall, who recently received the British honor of Damehood (the female equivalent of knighthood). "I would rather tell people the truth, even if it's really hard, than avoid the problem."

In addition, McCall observes that effective leaders have the drive to continue under adversity. "You'll get hammered at points in your career and you have to have the resilience to keep going and believe in what you're doing." A third leadership attribute that McCall emphasizes is the need to understand and manage emotions. "Emotional intelligence is important for leadership," she says. "For me, it's about being able to relate to other people and to show you want to nurture that relationship."



Anthony Harvey/Getty Images

McCall also recognizes the importance of knowing yourself and being yourself in leadership roles. "You need to be comfortable with yourself to be confident," she says, warning that "if you change yourself to adapt to that, it's even harder." However, McCall distinguishes pretending to be someone else from adapting your leadership style to the situation. "Of course in different situations you have to have different behaviors. You sometimes have to be a lot more assertive in meetings, but that's a change of tone, not character."

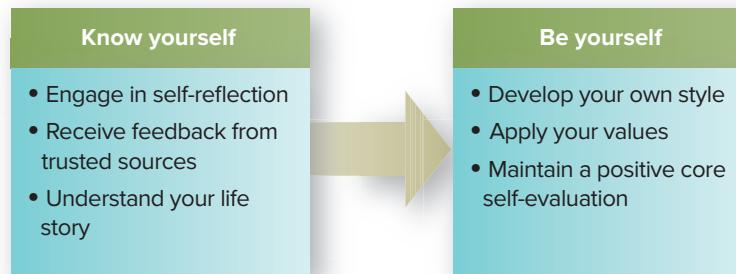
Emotional Intelligence Effective leaders have a high level of emotional intelligence. They are able to recognize and regulate emotions in themselves and in other people (see Chapter 4).⁷⁹ For example, effective leaders can tell when their conversations are having the intended emotional effect on employees. They are also able to recognize and change their own emotional state to suit the situation, such as feeling optimistic and determined in spite of recent business setbacks.

AUTHENTIC LEADERSHIP

A few paragraphs ago, we said that successful leaders have a complex, internally consistent, and clear self-concept as a leader, and that they have a strong positive self-evaluation. These characteristics lay the foundation for **authentic leadership**, which refers to how well leaders are aware of, feel comfortable with, and act consistently with their values, personality, and self-concept.⁸⁰ Authenticity is mainly about knowing yourself and being yourself (see Exhibit 12.6). Leaders learn more about their personality, values, thoughts, and habits by reflecting on various situations and personal experiences. They also improve this self-awareness by receiving feedback from trusted people inside and outside the organization. Both self-reflection and receptivity to feedback require high levels of emotional intelligence.

As people learn more about themselves, they gain a greater understanding of their inner purpose which, in turn, generates a long-term passion for achieving something

authentic leadership
the view that effective leaders need to be aware of, feel comfortable with, and act consistently with their values, personality, and self-concept

EXHIBIT 12.6**Authentic Leadership**

worthwhile for the organization or society. Some leadership experts suggest that this inner purpose emerges from a life story, typically initiated by a transformative event or experience earlier in life.⁸¹

Authentic leadership is more than self-awareness; it also involves behaving in ways that are consistent with that self-concept rather than pretending to be someone else. It is difficult enough to lead others as your natural self; to lead others while pretending to be someone else is nearly impossible. To be themselves, great leaders regulate their decisions and behavior in several ways. First, they develop their own style and, where appropriate, move into positions where that style is most effective. Although effective leaders adapt their behavior to the situation to some extent, they invariably understand and rely on decision methods and interpersonal styles that feel most comfortable to them.

Second, effective leaders continually think about and consistently apply their stable hierarchy of personal values to those decisions and behaviors. Leaders face many pressures and temptations, such as achieving short-term stock price targets at the cost of long-term profitability. Experts note that authentic leaders demonstrate self-discipline by remaining anchored to their values. Third, leaders maintain consistency around their self-concept by having a strong, positive core self-evaluation. They have high self-esteem and self-efficacy as well as an internal locus of control (Chapter 3).

LEADERSHIP ATTRIBUTES PERSPECTIVE LIMITATIONS AND PRACTICAL IMPLICATIONS

Personality, experience, self-concept, and other personal characteristics potentially contribute to a leader's effectiveness. Still, the leadership attributes perspective has a few limitations.⁸² First, it assumes that all effective leaders have the same personal characteristics that are equally important in all situations. This is probably a false assumption; leadership is far too complex to have a universal list of traits that apply to every condition. Some attributes might not be important all the time. Second, alternative combinations of attributes may be equally successful; two people with different sets of personal characteristics might be equally good leaders. Third, the attributes perspective views leadership as something within a person, yet experts emphasize that leadership is relational. People are effective leaders because of their favorable relationships with followers, not just because they possess specific personal characteristics.⁸³

Also remember from our discussion earlier in this chapter that, in the short term, followers tend to define others as effective or ineffective leaders based on their personal characteristics rather than whether the leader actually makes a difference to the organization's success. People who exhibit self-confidence, extraversion, and other traits are called leaders because they fit the widely held prototype of an effective leader. Alternatively, if someone is successful, observers might assign several nonobservable personal characteristics to him or her, such as intelligence, confidence, and drive. In short, the link between personal characteristics and effective leadership is muddled by several perceptual distortions.



debating point

SHOULD LEADERS REALLY BE AUTHENTIC ALL THE TIME?

According to popular business books and several scholarly articles, authentic leadership is one of the core attributes of effective leaders. Authentic leaders know themselves and act in accordance with that self-concept. They live their personal values and find a leadership style that best matches their personality. Furthermore, authentic leaders have a sense of purpose, often developed through a crisis or similar “crucible” event in their lives.

It makes sense that leaders should be authentic. After all, as singer Liza Minnelli has often said: “I would rather be a first-rate version of myself than a second-rate version of anybody else.”^l In other words, leaders are better at acting out their natural beliefs and tendencies than by acting like someone else. Furthermore, authenticity results in consistency, which is a foundation of trust. So, by being authentic, leaders are more likely to be trusted by followers.^j

But should leaders always be themselves and act consistently with their beliefs and personality? Not necessarily, according to a few experts. The concept of authentic leadership seems to be at odds with well-established research that people are evaluated as more effective leaders when they have a high rather than low self-monitoring personality.^k

High “self-monitors” quickly understand their social environment and easily adapt their behavior to that environment. In other words, high self-monitors change their behavior to suit what others expect from them. In contrast, low self-monitors behave consistently with their

personality and self-concept. They do not change their beliefs, style, or behaviors across social contexts. On the contrary, they feel much more content with high congruence between who they are and what they do, even when their natural style does not fit the situation.

Employees prefer an adaptive (i.e., high self-monitoring) leader because they have preconceived prototypes of how leaders should act (implicit leadership theory, which we discussed earlier in this chapter).^l Authentic leaders are more likely to violate those prototypical expectations and, consequently, be viewed as less leaderlike. The message from this is that leadership is a role that its incumbents are required to perform rather than to completely “act naturally.” Ironically, while applauding the virtues of authentic leadership, the late leadership expert Warren Bennis acknowledged that “leadership is a performance art.” His point was that leaders are best when they act naturally in that role, but the reality of any performance is that people can never fully be themselves.^m

Furthermore, while being yourself is authentic, it may convey the image of being inflexible and insensitive.ⁿ This problem was apparent to a management professor and consultant when recently working with a client. The executive’s staff followed a work process that was comfortable to the executive but not to many of her employees. When asked to consider adopting a process that was easier for her staff, the executive replied: “Look. This is just how I work.” The executive was authentic, but the inflexibility undermined employee performance and morale.^o

One important final point: The personal attributes perspective of leadership does not necessarily imply that leadership is a talent acquired at birth. On the contrary, attributes indicate only leadership *potential*, not leadership performance. People with these characteristics become effective leaders only after they have developed and mastered the necessary leadership behaviors through experience. However, even those with fewer leadership attributes may become very effective leaders by more fully developing their potential.

Cross-Cultural and Gender Issues in Leadership

LO 12-7

Along with the four perspectives of leadership presented throughout this chapter, cultural values and practices affect what leaders do. Culture shapes the leader’s values and norms, which influence his or her decisions and actions. Cultural values also shape the expectations that followers have of their leaders. An executive who acts inconsistently with cultural expectations is more likely to be perceived as an ineffective leader. Furthermore, leaders who deviate from those values may experience various forms of influence to get them to conform to the leadership norms and expectations of the society. Thus, differences in leadership practices across cultures are partly explained by implicit leadership theory, which was described earlier in this chapter.



A major global research project over the past two decades has found that some features of leadership are universal and some differ across cultures.⁸⁴ One leadership category, called *charismatic visionary*, is a universally recognized concept and middle managers around the world believe it is characteristic of effective leaders. Charismatic visionary represents a cluster of concepts including visionary, inspirational, performance orientation, integrity, and decisiveness.⁸⁵ In contrast, participative leadership is perceived as characteristic of effective leadership in low power distance cultures but less so in high power distance cultures.⁸⁶ In summary, some features of leadership are universal and some differ across cultures.

GENDER AND LEADERSHIP

Studies in work settings have generally found that male and female leaders do not differ in their levels of task-oriented or people-oriented leadership. The main explanation is that real-world jobs require similar behavior from male and female job incumbents.⁸⁷ However, women do adopt a participative leadership style more readily than their male counterparts. One possible reason is that, compared to boys, girls are often raised to be more egalitarian and less status-oriented, which is consistent with being participative. There is also some evidence that, compared to men, women have somewhat better interpersonal skills, and this translates into their relatively greater use of the participative leadership style. A third explanation is that employees are motivated by their own gender stereotypes to expect female leaders to be more participative. Thus, female leaders comply with follower expectations to some extent.

Several studies report that women are rated higher than men on the emerging leadership qualities of coaching, teamwork, and empowering employees.⁸⁸ Yet studies also find that women are evaluated negatively when they try to apply the full range of leadership styles, particularly more directive and autocratic approaches. Thus, ironically, women may be well suited to contemporary leadership roles, yet they often continue to face limitations of leadership through the gender stereotypes and prototypes of leaders that are held by followers.⁸⁹ Overall, both male and female leaders must be sensitive to the fact that followers have expectations about how leaders should act, and leaders who deviate from those expectations likely receive less favorable evaluations.

chapter summary

LO 12-1 Define leadership and shared leadership.

Leadership is defined as the ability to influence, motivate, and enable others to contribute to the effectiveness and success of the organizations of which they are members. Leaders use influence to motivate followers and arrange the work environment so they do the job more effectively. Shared leadership views leadership as a role rather than a formal position, so employees throughout the organization act informally as leaders as the occasion arises. These situations include serving as champions for specific ideas or changes, as well as filling leadership roles where it is needed.

LO 12-2 Describe the four elements of transformational leadership and explain why they are important for organizational change.

Transformational leadership begins with a strategic vision, which is a positive representation of a future state that energizes and unifies employees. A vision is values-based, a distant goal, abstract, and meaningful to employees. Transformational leaders effectively communicate the vision by framing it

around values, showing sincerity and passion toward the vision, and using symbols, metaphors, and other vehicles that create richer meaning for the vision. Transformational leaders model the vision (walk the talk) and encourage employees to experiment with new behaviors and practices that are potentially more consistent with the visionary future state. They also build employee commitment to the vision through the preceding activities, as well as by celebrating milestones to the vision. Transformational leaders are not necessarily charismatic, and charismatic leaders do not necessarily apply transformational leadership behaviors.

LO 12-3 Compare managerial leadership with transformational leadership, and describe the features of task-oriented, people-oriented, and servant leadership.

Managerial leadership includes the daily activities that support and guide the performance and well-being of individual employees and the work unit to achieve current objectives and practices. Transformational and managerial leadership are dependent on each other, but they differ in their assumptions of stability versus change and their micro versus macro focus.

Task-oriented behaviors include assigning employees to specific tasks, clarifying their work duties and procedures, ensuring they follow company rules, and pushing them to reach their performance capacity. People-oriented behaviors include showing mutual trust and respect for subordinates, demonstrating a genuine concern for their needs, and having a desire to look out for their welfare.

Servant leadership defines leadership as serving others to support their need fulfillment and personal development and growth. Servant leaders have a natural desire or “calling” to serve others. They maintain a relationship with others that is humble, egalitarian, and accepting. Servant leaders also anchor their decisions and actions in ethical principles and practices.

LO 12-4 Discuss the elements of path-goal theory and leadership substitutes theory.

The path-goal theory of leadership takes the view that effective managerial leadership involves diagnosing the situation and using the most appropriate style for it. The core model identifies four leadership styles—directive, supportive, participative, and achievement-oriented—and several contingencies related to the characteristics of the employee and of the situation. Leadership substitutes theory identifies contingencies that either limit the leader’s ability to influence subordinates or make a particular leadership style unnecessary.

LO 12-5 Describe the two components of the implicit leadership perspective.

According to the implicit leadership perspective, people have leadership prototypes, which they use to evaluate the leader’s

effectiveness. Furthermore, people form a romance of leadership; they want to believe that leaders make a difference, so they engage in fundamental attribution error and other perceptual distortions to support this belief in the leader’s impact.

LO 12-6 Identify eight personal attributes associated with effective leaders and describe authentic leadership.

The personal attributes perspective identifies the characteristics of effective leaders. Recent writing suggests that leaders have specific personality characteristics, positive self-concept, drive, integrity, leadership motivation, knowledge of the business, cognitive and practical intelligence, and emotional intelligence. Authentic leadership refers to how well leaders are aware of, feel comfortable with, and act consistently with their self-concept. This concept consists mainly of two parts: self-awareness and engaging in behavior that is consistent with one’s self-concept.

LO 12-7 Discuss cultural and gender similarities and differences in leadership.

Cultural values influence the leader’s personal values, which in turn influence his or her leadership practices. Women generally do not differ from men in the degree of people-oriented or task-oriented leadership. However, female leaders more often adopt a participative style. Research also suggests that people evaluate female leaders on the basis of gender stereotypes, which may result in higher or lower ratings.

Key Terms

authentic leadership, p. 462
implicit leadership theory, p. 458
leadership, p. 446
leadership substitutes theory, p. 457

learning orientation, p. 450
managerial leadership, p. 452
path-goal leadership theory, p. 455

servant leadership, p. 454
shared leadership, p. 447
transformational leadership, p. 448

critical thinking questions

1. Why is it important for top executives to value and support shared leadership?
2. Transformational leadership is the most popular perspective of leadership. However, it is far from perfect. Discuss the limitations of transformational leadership.
3. This chapter distinguished charismatic leadership from transformational leadership. Yet charisma is identified by most employees and managers as a characteristic of effective leaders. Why is charisma commonly related to leadership? In your opinion, are the best leaders charismatic? Why or why not?
4. Consider your favorite teacher. What people-oriented and task-oriented leadership behaviors did he or she use effectively? In general, do you think students prefer an instructor who is more people-oriented or task-oriented? Explain your preference.
5. Your employees are skilled and experienced customer service representatives who perform nonroutine tasks, such as solving unique customer problems. Use path-goal theory to identify the most appropriate leadership style(s) you should use in this situation. Be sure to fully explain your answer, and discuss why other styles are inappropriate.
6. Identify a current political leader (e.g., president, governor, mayor) and his or her recent accomplishments. Now, using the implicit leadership perspective, think of ways that these accomplishments of the leader may be overstated. In other words, explain why they may be due to factors other than the leader.
7. Find two job advertisements for management or executive positions. What leadership personal attributes are mentioned in these ads? If you were on the selection panel, what methods would you use to identify these personal attributes in job applicants?
8. How do you think emotional, cognitive, and practical intelligence influence authentic leadership?
9. You hear two people debating the merits of women as leaders. One person claims that women make better leaders than do men because women are more sensitive to their

employees' needs and involve them in organizational decisions. The other person counters that though these leadership styles may be increasingly important, most women have trouble gaining acceptance as leaders when they face

tough situations in which a more autocratic style is required. Discuss the accuracy of the comments made in this discussion.



CASE STUDY: A WINDOW ON LIFE

By Steven L. McShane, University of Newcastle (Australia)

For Gilbert LaCrosse, there is nothing quite as beautiful as a handcrafted wood-framed window. LaCrosse's passion for windows goes back to his youth in Eau Claire, Wisconsin, where he learned how to make residential windows from an elderly carpenter. He learned about the characteristics of good wood, the best tools to use, and how to choose the best glass from local suppliers. LaCrosse apprenticed with the carpenter in his small workshop and, when the carpenter retired, was given the opportunity to operate the business himself.

LaCrosse hired his own apprentice as he built up business in the local area. His small operation soon expanded as the quality of windows built by LaCrosse Industries, Inc. became better known. Within eight years, the company employed nearly 25 people, and the business had moved to larger facilities to accommodate the increased demand from Wisconsin. In these early years, LaCrosse spent most of his time in the production shop, teaching new apprentices the unique skills that he had mastered and applauding the journeymen for their accomplishments. He would constantly repeat the point that LaCrosse products had to be of the highest quality because they gave families a "window on life."

After 15 years, LaCrosse Industries employed over 200 people. A profit-sharing program was introduced to give employees a financial reward for their contribution to the organization's success. Due to the company's expansion, headquarters had to be moved to another area of the city, but the founder never lost touch with the workforce. Although new apprentices were now taught entirely by the master carpenters and other craftspeople, LaCrosse would still chat with plant and office employees several times each week.

When a second work shift was added, LaCrosse would show up during the evening break with coffee and boxes of donuts and discuss how the business was doing and how it became so successful through quality workmanship. Production employees enjoyed the times when he would gather them together to announce new contracts with developers from Chicago and New York. After each announcement, LaCrosse would thank everyone for making the business a success. They knew that LaCrosse quality had become a standard of excellence in window manufacturing across the eastern part of the country.

It seemed that almost every time he visited, LaCrosse would repeat the now well-known phrase that LaCrosse products had to be of the highest quality because they

provided a window on life to so many families. Employees never grew tired of hearing this from the company founder. However, it gained extra meaning when LaCrosse began posting photos of families looking through LaCrosse windows. At first, LaCrosse would personally visit developers and homeowners with a camera in hand. Later, as the "window on life" photos became known by developers and customers, people would send in photos of their own families looking through elegant front windows made by LaCrosse Industries. The company's marketing staff began using this idea, as well as LaCrosse's famous phrase, in their advertising. After one such marketing campaign, hundreds of photos were sent in by satisfied customers. Production and office employees took time after work to write personal letters of thanks to those who had submitted photos.

As the company's age reached the quarter-century mark, LaCrosse, now in his mid-fifties, realized that the organization's success and survival depended on expansion to other parts of the United States. After consulting with employees, LaCrosse made the difficult decision to sell a majority share to Build-All Products, Inc., a conglomerate with international marketing expertise in building products. As part of the agreement, Build-All brought in a vice president to oversee production operations while LaCrosse spent more time meeting with developers. LaCrosse would return to the plant and office at every opportunity, but often this would be only once a month.

Rather than visiting the production plant, Jan Vlodoski, the new production vice president, would rarely leave his office in the company's downtown headquarters. Instead, production orders were sent to supervisors by memorandum. Although product quality had been a priority throughout the company's history, less attention had been paid to inventory controls. Vlodoski introduced strict inventory guidelines and outlined procedures on using supplies for each shift. Goals were established for supervisors to meet specific inventory targets. Whereas employees previously could have tossed out several pieces of warped wood, they would now have to justify this action, usually in writing.

Vlodoski also announced new procedures for purchasing production supplies. LaCrosse Industries had highly trained purchasing staff who worked closely with senior craftspeople when selecting suppliers, but Vlodoski wanted to bring in Build-All's procedures. The new purchasing methods removed production leaders from the decision process and, in

some cases, resulted in trade-offs that LaCrosse's employees would not have made earlier. A few employees quit during this time, saying that they did not feel comfortable about producing a window that would not stand the test of time. However, there were few jobs for carpenters at the time, so most staff members remained with the company.

After one year, inventory expenses decreased by approximately 10 percent, but the number of defective windows returned by developers and wholesalers had increased markedly. Plant employees knew that the number of defective windows would increase as they used somewhat lower-quality materials to reduce inventory costs. However, they heard almost no news about the seriousness of the problem until Vlodoski sent a memo to all production staff saying that quality must be maintained. During the latter part of the first year under Vlodoski, a few employees had the opportunity to personally ask LaCrosse about the changes and express their concerns. LaCrosse apologized, saying due to his travels to new regions, he had not heard about the problems, and that he would look into the matter.

Exactly 18 months after Build-All had become majority shareholder of LaCrosse Industries, LaCrosse called together

five of the original staff in the plant. The company founder looked pale and shaken as he said that Build-All's actions were inconsistent with his vision of the company and, for the first time in his career, he did not know what to do. Build-All was not pleased with the arrangement either. Although LaCrosse windows still enjoyed a healthy market share and were competitive for the value, the company did not quite provide the minimum 18 percent return on equity that the conglomerate expected. LaCrosse asked his long-time companions for advice.

Discussion Questions

1. Identify the symptoms indicating that problems exist at LaCrosse Industries, Inc.
2. Use one or more leadership theories to analyze the underlying causes of the current problems at LaCrosse Industries. What other organizational behavior theories might also help explain some of the problems?
3. What should Gilbert LaCrosse do in this situation?

© Copyright 2000, Steven L. McShane



TEAM EXERCISE: LEADERSHIP DIAGNOSTIC ANALYSIS

PURPOSE To help students learn about the different path-goal leadership styles and when to apply each style.

INSTRUCTIONS *Step 1:* Students individually write down two incidents in which someone has been an effective manager or leader over them. The leader and situation might be from work, a sports team, a student work group, or any other setting where leadership might emerge. For example, students might describe how their supervisor in a summer job pushed them to reach higher performance goals than they would have done otherwise. Each incident should state the actual behaviors that the leader used, not just general statements (e.g., "My boss sat down with me and we agreed on specific targets and deadlines, then he said several times over the next few weeks that I was capable of reaching those goals."). Each incident requires only two or three sentences.

Step 2: After everyone has written their two incidents, the instructor will form small groups (typically between four or five students). Each team will answer the following questions for each incident presented in that team:

1. Which path-goal theory leadership style(s)—directive, supportive, participative, or achievement-oriented—did the leader apply in this incident?
2. Ask the person who wrote the incident about the conditions that made this leadership style (or these styles, if more than one was used) appropriate in this situation. The team should list these contingency factors clearly and, where possible, connect them to the contingencies described in path-goal theory. (*Note:* The team might identify path-goal leadership contingencies that are not described in the book. These, too, should be noted and discussed.)

Step 3: After the teams have diagnosed the incidents, each team will describe to the entire class the most interesting incidents, as well as its diagnosis of that incident. Other teams will critique the diagnosis. Any leadership contingencies not mentioned in the textbook should also be presented and discussed.

endnotes

1. D. Ossip, "Create a Culture of Engagement for Successful Customer Outcomes," *The CEO Forum*, 2015, 30–31; R. Reiss, "Interview with David Ossip," *The CEO Forum*, October 11, 2015, 73–76; L. Efron, "How Transformational Leadership Saved This Company: Ceridian's Story," *Forbes*, July 6, 2016; "Leaders That Care," *Ceridian* (Sausalito, Calif.: Glassdoor, October 2016),

<https://www.glassdoor.com/Reviews/Ceridian-Reviews-E179.htm> (accessed March 29, 2017); K. Boothby, "Promise Fulfilled: Makes Work Life Better," *National Post*, March 2, 2017, SC10; M. Greenwood, "Ceridian CEO David Ossip Has Made Culture His Purpose, and Purpose His Culture," *Tech Vibes*, July 5, 2018.

2. These statistics were collected in June 2019 using the advanced search features of Google, Google Scholar, and Amazon.
3. Many of these perspectives are summarized in R.N. Kanungo, "Leadership in Organizations: Looking Ahead to the 21st Century," *Canadian Psychology* 39 (1998): 71–82; G.A. Yukl, *Leadership in Organizations*, 8th ed. (Upper Saddle River, NJ: Pearson Education, 2013).
4. R. House, M. Javidan, and P. Dorfman, "Project GLOBE: An Introduction," *Applied Psychology: An International Review* 50 (2001): 489–505; R. House et al., "Understanding Cultures and Implicit Leadership Theories across the Globe: An Introduction to Project GLOBE," *Journal of World Business* 37 (2002): 3–10.
5. "Leadership University," Airbus Industrie, Careers—Working for Airbus, accessed June 9, 2019, <https://www.airbus.com/careers/working-for-airbus/leadership-university.html>.
6. J.A. Raelin, "We the Leaders: In Order to Form a Leaderful Organization," *Journal of Leadership & Organizational Studies* 12, no. 2 (2005): 18–30; C.L. Pearce, J.A. Conger, and E.A. Locke, "Shared Leadership Theory," *Leadership Quarterly* 19, no. 5 (2008): 622–28; E. Engel Small and J.R. Rentsch, "Shared Leadership in Teams: A Matter of Distribution," *Journal of Personnel Psychology* 9, no. 4 (2010): 203–11.
7. C.A. Beatty, "Implementing Advanced Manufacturing Technologies: Rules of the Road," *Sloan Management Review* (1992): 49–60; J.M. Howell, "The Right Stuff: Identifying and Developing Effective Champions of Innovation," *Academy of Management Executive* 19, no. 2 (2005): 108–19; J.M. Howell and C.M. Shea, "Effects of Champion Behavior, Team Potency, and External Communication Activities on Predicting Team Performance," *Group & Organization Management* 31, no. 2 (2006): 180–211.
8. S. Marchionne, "Fiat's Extreme Makeover," *Harvard Business Review* (2008): 45–48.
9. J.A. Raelin, *Creating Leaderful Organizations: How to Bring Out Leadership in Everyone* (San Francisco: Berrett-Koehler, 2003).
10. Most or all of these elements are included in W. Bennis and B. Nanus, *Leaders: The Strategies for Taking Charge* (New York: Harper & Row, 1985); N.M. Tichy and M.A. Devanna, *The Transformational Leader* (New York: Wiley, 1986); B.M. Bass and R.E. Riggio, *Transformational Leadership*, 2nd ed. (Mahwah, NJ: Erlbaum, 2006); J.M. Kouzes and B.Z. Posner, *The Leadership Challenge*, 5th ed. (San Francisco: Jossey-Bass, 2012).
11. Strategic collective vision has been identified as a key factor in leadership since Chester Barnard's seminal book in organizational behavior. See C. Barnard, *The Functions of the Executive* (Cambridge, MA: Harvard University Press, 1938), 86–89.
12. W. Bennis and B. Nanus, *Leaders: The Strategies for Taking Charge* (New York: Harper & Row, 1985), 27–33, 89; R.E. Quinn, *Building the Bridge as You Walk on It: A Guide for Leading Change* (San Francisco: Jossey-Bass, 2004), Chap. 11; R. Gill, *Theory and Practice of Leadership* (London: Sage, 2011), Chap. 4; D. O'Connell, K. Hickerson, and A. Pillutla, "Organizational Visioning: An Integrative Review," *Group & Organization Management* 36, no. 1 (2011): 103–25.
13. J. Faragher, "Employee Engagement: The Secret of UKRD's Success," *Personnel Today*, May 3, 2013; S. Waite, "Warm Hearts Bring Cheer and Rewards," *Sunday Times* (London), March 3, 2013.
14. J.M. Strange and M.D. Mumford, "The Origins of Vision: Effects of Reflection, Models, and Analysis," *Leadership Quarterly* 16, no. 1 (2005): 121–48; S. Kantabutra, "Toward a Behavioral Theory of Vision in Organizational Settings," *Leadership & Organization Development Journal* 30, no. 4 (2009): 319–37; S.A. Kirkpatrick, "Lead through Vision and Values," in *Handbook of Principles of Organizational Behavior*, ed. E.A. Locke (Chichester, UK: Wiley, 2010), 367–87; R. Ashkenas and B. Manville, "You Don't Have to Be CEO to Be a Visionary Leader," *Harvard Business Review (Online)*, April 4, 2019.
15. J.A. Conger and R.N. Kanungo, *Charismatic Leadership in Organizations* (Thousand Oaks, CA: Sage, 1998), 173–83; M. Venus, D. Stam, and D. van Knippenberg, "Leader Emotion as a Catalyst of Effective Leader Communication of Visions, Value-Laden Messages, and Goals," *Organizational Behavior and Human Decision Processes* 122, no. 1 (2013): 53–68; J. Mayfield, M. Mayfield, and W.C. Sharbrough, "Strategic Vision and Values in Top Leaders' Communications: Motivating Language at a Higher Level," *International Journal of Business Communication* 52, no. 1 (2015): 97–121.
16. D.A. Waldman, P.A. Balthazard, and S.J. Peterson, "Leadership and Neuroscience: Can We Revolutionize the Way That Inspirational Leaders Are Identified and Developed?," *Academy of Management Perspectives* 25, no. 1 (2011): 60–74; S. Denning, *The Leader's Guide to Storytelling: Mastering the Art and Discipline of Business Narrative*, rev. ed. (San Francisco: Jossey-Bass, 2011); J.C. Sarros et al., "Leaders and Their Use of Motivating Language," *Leadership & Organization Development Journal* 35, no. 3 (2014): 226–40; A.M. Carton, C. Murphy, and J.R. Clark, "A (Blurry) Vision of the Future: How Leader Rhetoric About Ultimate Goals Influences Performance," *Academy of Management Journal* 57, no. 6 (2014): 1544–70.
17. R. Shook, *Heart & Soul: Five American Companies That Are Making the World a Better Place* (Dallas: BenBella Books, 2010), 155–222.
18. L. Black, "Hamburger Diplomacy," *Report on Business Magazine*, August 1988, 30–36.
19. J.E. Baur et al., "More Than One Way to Articulate a Vision: A Configurations Approach to Leader Charismatic Rhetoric and Influence," *Leadership Quarterly* 27, no. 1 (2016): 156–71.
20. D.E. Berlew, "Leadership and Organizational Excitement," *California Management Review* 17, no. 2 (1974): 21–30; W. Bennis and B. Nanus, *Leaders: The Strategies for Taking Charge* (New York: Harper & Row, 1985), 43–55; T. Simons, "Behavioral Integrity: The Perceived Alignment between Managers' Words and Deeds as a Research Focus," *Organization Science* 13, no. 1 (2002): 18–35.
21. S. Kolesnikov-Jessop, "You're the Conductor: Listen to the Music You Can Create with the Group," *The New York Times*, April 11, 2016.

22. For a discussion of trust in leadership, see C.S. Burke et al., "Trust in Leadership: A Multi-Level Review and Integration," *Leadership Quarterly* 18, no. 6 (2007): 606–32. The surveys on leading by example are reported in J.C. Maxwell, "People Do What People See," *BusinessWeek*, 19 November 2007, 32; "Who's the Boss of Workplace Culture?," News release (Chelmsford, MA: Kronos, 9 March 2016). In the earlier survey, "leading by example" was the most important attribute of effective leaders. In the recent survey, HR professionals and managers rated "leading by example" as the top attribute of a company's culture, whereas employees ranked it below pay, coworker respect, and work-life integration.
23. B.M. Bass and R.E. Riggio, *Transformational Leadership*, 2nd ed. (Mahwah, NJ: Erlbaum, 2006), 7; J.M. Kouzes and B.Z. Posner, *The Leadership Challenge*, 5th ed. (San Francisco: Jossey-Bass, 2012), Chaps. 6 and 7.
24. W.E. Baker and J.M. Sinkula, "The Synergistic Effect of Market Orientation and Learning Orientation on Organizational Performance," *Academy of Marketing Science Journal* 27, no. 4 (1999): 411–27; Z. Emden, A. Yaprak, and S.T. Cavusgil, "Learning from Experience in International Alliances: Antecedents and Firm Performance Implications," *Journal of Business Research* 58, no. 7 (2005): 883–92.
25. J.M. Kouzes and B.Z. Posner, *The Leadership Challenge*, 5th ed. (San Francisco: Jossey-Bass, 2012).
26. R.J. House, "A 1976 Theory of Charismatic Leadership," in *Leadership: The Cutting Edge*, ed. J.G. Hunt and L.L. Larson (Carbondale: Southern Illinois University Press, 1977), 189–207; J.A. Conger, "Charismatic Leadership," in *The Sage Handbook of Leadership*, ed. A. Bryman et al. (London: Sage, 2011), 86–102.
27. J.E. Barbuto Jr., "Taking the Charisma out of Transformational Leadership," *Journal of Social Behavior & Personality* 12 (1997): 689–97; Y.A. Nur, "Charisma and Managerial Leadership: The Gift That Never Was," *Business Horizons* 41 (1998): 19–26; M.D. Mumford and J.R. Van Doorn, "The Leadership of Pragmatism: Reconsidering Franklin in the Age of Charisma," *Leadership Quarterly* 12, no. 3 (2001): 279–309; A. Fanelli, "Bringing Out Charisma: CEO Charisma and External Stakeholders," *Academy of Management Review* 31, no. 4 (2006): 1049–61; M.J. Platow et al., "A Special Gift We Bestow on You for Being Representative of Us: Considering Leader Charisma from a Self-Categorization Perspective," *British Journal of Social Psychology* 45, no. 2 (2006): 303–20.
28. B. Shamir et al., "Correlates of Charismatic Leader Behavior in Military Units: Subordinates' Attitudes, Unit Characteristics, and Superiors' Appraisals of Leader Performance," *Academy of Management Journal* 41, no. 4 (1998): 387–409; R.E. de Vries, R.A. Roe, and T.C.B. Taillieu, "On Charisma and Need for Leadership," *European Journal of Work and Organizational Psychology* 8 (1999): 109–33; R. Khurana, *Searching for a Corporate Savior: The Irrational Quest for Charismatic CEOs* (Princeton, NJ: Princeton University Press, 2002); R.E. de Vries, R.D. Pathak, and A.R. Paquin, "The Paradox of Power Sharing: Participative Charismatic Leaders Have Subordinates with More Instead of Less Need for Leadership," *European Journal of Work and Organizational Psychology* 20, no. 6 (2010): 779–804. The effect of charismatic leadership on follower dependence was also noted earlier by U.S. government leader John Gardner. See J.W. Gardner, *On Leadership* (New York: Free Press, 1990), 34–36.
29. J. Lipman-Blumen, "A Pox on Charisma: Why Connective Leadership and Character Count," in *The Drucker Difference: What the World's Greatest Management Thinker Means to Today's Business Leaders*, ed. C.L. Pearce, J.A. Maciariello, and H. Yamawaki (New York: McGraw-Hill, 2010), 149–74.
30. A. Mackey, "The Effect of CEOs on Firm Performance," *Strategic Management Journal* 29, no. 12 (2008): 1357–67. However, one study reported that transformational leadership is less effective than authoritarian (command-control with punishment) leadership in resource scarcity environments. See X. Huang et al., "When Authoritarian Leaders Outperform Transformational Leaders: Firm Performance in a Harsh Economic Environment," *Academy of Management Discoveries* 1, no. 2 (2015): 180–200.
31. J. Barling, T. Weber, and E.K. Kelloway, "Effects of Transformational Leadership Training on Attitudinal and Financial Outcomes: A Field Experiment," *Journal of Applied Psychology* 81 (1996): 827–32.
32. A. Bryman, "Leadership in Organizations," in *Handbook of Organization Studies*, ed. S.R. Clegg, C. Hardy, and W.R. Nord (Thousand Oaks, CA: Sage, 1996), 276–92; D. van Knippenberg and S.B. Sitkin, "A Critical Assessment of Charismatic–Transformational Leadership Research: Back to the Drawing Board?," *Academy of Management Annals* 7, no. 1 (2013): 1–60.
33. G. Yukl and J.W. Michel, "A Critical Assessment of Research on Effective Leadership Behavior," in *Advances in Authentic and Ethical Leadership*, ed. L.L. Neider and C.A. Schriesheim (Charlotte, NC: Information Age, 2014), 209–30.
34. B.S. Pawar and K.K. Eastman, "The Nature and Implications of Contextual Influences on Transformational Leadership: A Conceptual Examination," *Academy of Management Review* 22 (1997): 80–109; C.P. Egri and S. Herman, "Leadership in the North American Environmental Sector: Values, Leadership Styles, and Contexts of Environmental Leaders and Their Organizations," *Academy of Management Journal* 43, no. 4 (2000): 571–604.
35. A. Zaleznik, "Managers and Leaders: Are They Different?," *Harvard Business Review* 55, no. 3 (1977): 67–78; J.P. Kotter, *A Force for Change: How Leadership Differs from Management* (New York: Free Press, 1990); E.A. Locke, *The Essence of Leadership* (New York: Lexington Books, 1991); G. Yukl and R. Lepsinger, "Why Integrating the Leading and Managing Roles Is Essential for Organizational Effectiveness," *Organizational Dynamics* 34, no. 4 (2005): 361–75; D.V. Simonet and R.P. Tett, "Five Perspectives on the Leadership–Management Relationship: A Competency-Based Evaluation and Integration," *Journal of Leadership & Organizational Studies* 20, no. 2 (2013): 199–213.
36. R.J. House and R.N. Aditya, "The Social Scientific Study of Leadership: Quo Vadis?," *Journal of Management* 23, no. 3 (1997): 409–73.
37. W. Bennis and B. Nanus, *Leaders: The Strategies for Taking Charge* (New York: Harper & Row, 1985), 20. Peter Drucker is also widely cited as the source of this

- quotation. The closest passage we could find, however, is in the first two pages of *The Effective Executive* (1966) where Drucker states that effective executives "get the right things done." On the next page, he states that manual workers need only efficiency, "that is, the ability to do things right rather than the ability to get the right things done." See P.F. Drucker, *The Effective Executive* (New York: Harper Business, 1966), 1-2.
38. G. Yukl and R. Lepsinger, "Why Integrating the Leading and Managing Roles Is Essential for Organizational Effectiveness," *Organizational Dynamics* 34, no. 4 (2005): 361-75. One recent critique of leadership theories suggests that scholars need to further clarify the distinction, if any exists, between leading and managing. See S.T. Hannah et al., "Debunking the False Dichotomy of Leadership Idealism and Pragmatism: Critical Evaluation and Support of Newer Genre Leadership Theories," *Journal of Organizational Behavior* 35, no. 5 (2014): 598-621.
 39. E.A. Fleishman, "The Description of Supervisory Behavior," *Journal of Applied Psychology* 37, no. 1 (1953): 1-6. For discussion on methodological problems with the development of these people- versus task-oriented leadership constructs, see C.A. Schriesheim, R.J. House, and S. Kerr, "Leader Initiating Structure: A Reconciliation of Discrepant Research Results and Some Empirical Tests," *Organizational Behavior and Human Performance* 15, no. 2 (1976): 297-321; L. Tracy, "Consideration and Initiating Structure: Are They Basic Dimensions of Leader Behavior?," *Social Behavior and Personality* 15, no. 1 (1987): 21-33.
 40. A.K. Korman, "Consideration, Initiating Structure, and Organizational Criteria—a Review," *Personnel Psychology* 19 (1966): 349-62; E.A. Fleishman, "Twenty Years of Consideration and Structure," in *Current Developments in the Study of Leadership*, ed. E.A. Fleishman and J.C. Hunt (Carbondale: Southern Illinois University Press, 1973), 1-40; T.A. Judge, R.F. Piccolo, and R. Ilies, "The Forgotten Ones?: The Validity of Consideration and Initiating Structure in Leadership Research," *Journal of Applied Psychology* 89, no. 1 (2004): 36-51; D.S. DeRue et al., "Trait and Behavioral Theories of Leadership: An Integration and Meta-Analytic Test of Their Relative Validity," *Personnel Psychology* 64, no. 1 (2011): 7-52; G.A. Yukl, *Leadership in Organizations*, 8th ed. (Upper Saddle River, NJ: Pearson Education, 2013), 62-75.
 41. V.V. Baba, "Serendipity in Leadership: Initiating Structure and Consideration in the Classroom," *Human Relations* 42 (1989): 509-25.
 42. S.J. Peterson, B.M. Galvin, and D. Lange, "CEO Servant Leadership: Exploring Executive Characteristics and Firm Performance," *Personnel Psychology* 65, no. 3 (2012): 565-96.
 43. R.K. Greenleaf, *Servant Leadership: A Journey into the Nature of Legitimate Power & Greatness* (Mahwah, NJ: Paulist Press, 1977; repr., 2002), 27.
 44. S. Sendjaya, J.C. Sarros, and J.C. Santora, "Defining and Measuring Servant Leadership Behaviour in Organizations," *Journal of Management Studies* 45, no. 2 (2008): 402-24; R.C. Liden et al., "Servant Leadership: Development of a Multidimensional Measure and Multi-Level Assessment," *Leadership Quarterly* 19, no. 2 (2008): 161-77; D. van Dierendonck, "Servant Leadership: A Review and Synthesis," *Journal of Management* 37, no. 4 (2011): 1228-61; R. VanMeter et al., "In Search of Clarity on Servant Leadership: Domain Specification and Reconceptualization," *AMS Review* 6, no. 1 (March 29, 2016): 59-78.
 45. R. VanMeter et al., "In Search of Clarity on Servant Leadership: Domain Specification and Reconceptualization," *AMS Review* 6, no. 1 (March 29, 2016): 59-78.
 46. S.J. Peterson, B.M. Galvin, and D. Lange, "CEO Servant Leadership: Exploring Executive Characteristics and Firm Performance," *Personnel Psychology* 65, no. 3 (2012): 565-96.
 47. S. Kerr et al., "Towards a Contingency Theory of Leadership Based Upon the Consideration and Initiating Structure Literature," *Organizational Behavior and Human Performance* 12 (1974): 62-82; L.L. Larson, J.G. Hunt, and R.N. Osborn, "The Great Hi-Hi Leader Behavior Myth: A Lesson from Occam's Razor," *Academy of Management Journal* 19 (1976): 628-41.
 48. R.J. House, "A Path Goal Theory of Leader Effectiveness," *Administrative Science Quarterly* 16, no. 3 (1971): 321-39; M.G. Evans, "Extensions of a Path-Goal Theory of Motivation," *Journal of Applied Psychology* 59 (1974): 172-78; R.J. House and T.R. Mitchell, "Path-Goal Theory of Leadership," *Journal of Contemporary Business* (1974): 81-97; M.G. Evans, "Path Goal Theory of Leadership," in *Leadership*, ed. L.L. Neider and C.A. Schriesheim (Greenwich, CT: Information Age, 2002), 115-38.
 49. For a thorough study of how expectancy theory of motivation relates to leadership, see R.G. Isaac, W.J. Zerbe, and D.C. Pitt, "Leadership and Motivation: The Effective Application of Expectancy Theory," *Journal of Managerial Issues* 13 (2001): 212-26.
 50. R.J. House, "Path-Goal Theory of Leadership: Lessons, Legacy, and a Reformulated Theory," *The Leadership Quarterly* 7, no. 3 (1996): 323-52.
 51. J. Indvik, "Path-Goal Theory of Leadership: A Meta-Analysis," *Academy of Management Proceedings* (1986): 189-92; J.C. Wofford and L.Z. Liska, "Path-Goal Theories of Leadership: A Meta-Analysis," *Journal of Management* 19 (1993): 857-76.
 52. J.D. Houghton and S.K. Yoho, "Toward a Contingency Model of Leadership and Psychological Empowerment: When Should Self-Leadership Be Encouraged?," *Journal of Leadership & Organizational Studies* 11, no. 4 (2005): 65-83.
 53. R.T. Keller, "A Test of the Path-Goal Theory of Leadership with Need for Clarity as a Moderator in Research and Development Organizations," *Journal of Applied Psychology* 74 (1989): 208-12.
 54. R.P. Vecchio, J.E. Justin, and C.L. Pearce, "The Utility of Transactional and Transformational Leadership for Predicting Performance and Satisfaction within a Path-Goal Theory Framework," *Journal of Occupational and Organizational Psychology* 81 (2008): 71-82.
 55. B. Carroll and L. Levy, "Defaulting to Management: Leadership Defined by What It Is Not," *Organization* 15, no. 1 (2008): 75-96; I. Holmberg and M. Tyrstrup, "Well Then—What Now? An Everyday Approach to Managerial Leadership," *Leadership* 6, no. 4 (2010): 353-72.

56. C.A. Schriesheim and L.L. Neider, "Path-Goal Leadership Theory: The Long and Winding Road," *Leadership Quarterly* 7 (1996): 317–21.
57. N. Nicholson, *Executive Instinct* (New York: Crown, 2000). The earliest contingency theory of leadership in the 1960s introduced the notion that managers have preferred styles and limited flexibility to use other styles. That theory had various flaws (so is not described here) but deserves recognition for proposing that it is better to move managers to situations that fit their leadership style than to expect managers to fluidly change style with the situation. See F.E. Fiedler, "Engineer the Job to Fit the Manager," *Harvard Business Review* 43, no. 5 (1965): 115–22; F.E. Fiedler, *A Theory of Leadership Effectiveness* (New York: McGraw-Hill, 1967); F.E. Fiedler and M.M. Chemers, *Leadership and Effective Management* (Glenview, IL: Scott, Foresman, 1974).
58. This observation has also been made by C.A. Schriesheim, "Substitutes-for-Leadership Theory: Development and Basic Concepts," *Leadership Quarterly* 8 (1997): 103–08.
59. D.F. Elloy and A. Randolph, "The Effect of Superleader Behavior on Autonomous Work Groups in a Government Operated Railway Service," *Public Personnel Management* 26 (1997): 257–72; C.C. Manz and H. Sims Jr., *The New SuperLeadership: Leading Others to Lead Themselves* (San Francisco: Berrett-Koehler, 2001).
60. M.L. Loughry, "Coworkers Are Watching: Performance Implications of Peer Monitoring," *Academy of Management Proceedings* (2002): 01–06.
61. P.M. Podsakoff and S.B. MacKenzie, "Kerr and Jermier's Substitutes for Leadership Model: Background, Empirical Assessment, and Suggestions for Future Research," *Leadership Quarterly* 8 (1997): 117–32; S.D. Dionne et al., "Neutralizing Substitutes for Leadership Theory: Leadership Effects and Common-Source Bias," *Journal of Applied Psychology* 87, no. 3 (2002): 454–64; J.R. Villa et al., "Problems with Detecting Moderators in Leadership Research Using Moderated Multiple Regression," *Leadership Quarterly* 14, no. 1 (2003): 3–23; S.D. Dionne et al., "Substitutes for Leadership, or Not," *Leadership Quarterly* 16, no. 1 (2005): 169–93.
62. J.R. Meindl, "On Leadership: An Alternative to the Conventional Wisdom," *Research in Organizational Behavior* 12 (1990): 159–203; L.R. Offermann, J.K. Kennedy, and P.W. Wirtz, "Implicit Leadership Theories: Content, Structure, and Generalizability," *Leadership Quarterly* 5, no. 1 (1994): 43–58; R.J. Hall and R.G. Lord, "Multi-Level Information Processing Explanations of Followers' Leadership Perceptions," *Leadership Quarterly* 6 (1995): 265–87; O. Epitropaki and R. Martin, "Implicit Leadership Theories in Applied Settings: Factor Structure, Generalizability, and Stability over Time," *Journal of Applied Psychology* 89, no. 2 (2004): 293–310. For a broader discussion of the social construction of leadership, see G.T. Fairhurst and D. Grant, "The Social Construction of Leadership: A Sailing Guide," *Management Communication Quarterly* 24, no. 2 (2010): 171–210.
63. R.G. Lord et al., "Contextual Constraints on Prototype Generation and Their Multilevel Consequences for Leadership Perceptions," *Leadership Quarterly* 12, no. 3 (2001): 311–38; K.A. Scott and D.J. Brown, "Female First, Leader Second? Gender Bias in the Encoding of Leadership Behavior," *Organizational Behavior and Human Decision Processes* 101 (2006): 230–42; S.J. Shondrick, J.E. Dinh, and R.G. Lord, "Developments in Implicit Leadership Theory and Cognitive Science: Applications to Improving Measurement and Understanding Alternatives to Hierarchical Leadership," *Leadership Quarterly* 21, no. 6 (2010): 959–78.
64. S.F. Cronshaw and R.G. Lord, "Effects of Categorization, Attribution, and Encoding Processes on Leadership Perceptions," *Journal of Applied Psychology* 72 (1987): 97–106; J.L. Nye and D.R. Forsyth, "The Effects of Prototype-Based Biases on Leadership Appraisals: A Test of Leadership Categorization Theory," *Small Group Research* 22 (1991): 360–79.
65. R. Meindl, "On Leadership: An Alternative to the Conventional Wisdom," *Research in Organizational Behavior* 12 (1990): 163; B. Schyns, J.R. Meindl, and M.A. Croon, "The Romance of Leadership Scale: Cross-Cultural Testing and Refinement," *Leadership* 3, no. 1 (2007): 29–46; J. Felfe and L.E. Petersen, "Romance of Leadership and Management Decision Making," *European Journal of Work and Organizational Psychology* 16, no. 1 (2007): 1–24.
66. J. Pfeffer, "The Ambiguity of Leadership," *Academy of Management Review* 2 (1977): 102–12.
67. R. Weber et al., "The Illusion of Leadership: Misattribution of Cause in Coordination Games," *Organization Science* 12, no. 5 (2001): 582–98; N. Ensari and S.E. Murphy, "Cross-Cultural Variations in Leadership Perceptions and Attribution of Charisma to the Leader," *Organizational Behavior and Human Decision Processes* 92 (2003): 52–66; M.L.A. Hayward, V.P. Rindova, and T.G. Pollock, "Believing One's Own Press: The Causes and Consequences of CEO Celebrity," *Strategic Management Journal* 25, no. 7 (2004): 637–53.
68. L.M. Fisher, "Ricardo Semler Won't Take Control," *strategy+business*, no. 41 (2005): 1–11.
69. The history of the trait perspective of leadership, as well as current research on this topic, is nicely summarized in S.J. Zaccaro, C. Kemp, and P. Bader, "Leader Traits and Attributes," in *The Nature of Leadership*, ed. J. Antonakis, A.T. Cianciolo, and R.J. Sternberg (Thousand Oaks, CA: Sage, 2004), 101–24.
70. R.M. Stogdill, *Handbook of Leadership* (New York: Free Press, 1974), Chap. 5.
71. This list is based on S.A. Kirkpatrick and E.A. Locke, "Leadership: Do Traits Matter?," *Academy of Management Executive* 5 (1991): 48–60; S.J. Zaccaro, C. Kemp, and P. Bader, "Leader Traits and Attributes," in *The Nature of Leadership*, ed. J. Antonakis, A.T. Cianciolo, and R.J. Sternberg (Thousand Oaks, CA: Sage, 2004), 101–24; G.A. Yukl, *Leadership in Organizations*, 8th ed. (Upper Saddle River, NJ: Pearson Education, 2013), Chap. 6.
72. T.A. Judge et al., "Personality and Leadership: A Qualitative and Quantitative Review," *Journal Of Applied Psychology* 87, no. 4 (2002): 765–80; D.S. Derue et al., "Trait and Behavioral Theories of Leadership: An Integration and Meta-Analytic Test of Their Relative Validity," *Personnel Psychology* 64, no. 1 (2011): 7–52; A. Deinert et al., "Transformational Leadership Sub-Dimensions and

- Their Link to Leaders' Personality and Performance," *Leadership Quarterly* 26, no. 6 (2015): 1095–120; A.D. Parr, S.T. Lanza, and P. Berenthal, "Personality Profiles of Effective Leadership Performance in Assessment Centers," *Human Performance* 29, no. 2 (2016): 143–57.
73. D.V. Day, M.M. Harrison, and S.M. Halpin, *An Integrative Approach to Leader Development: Connecting Adult Development, Identity, and Expertise* (New York: Routledge, 2009); D.S. DeRue and S.J. Ashford, "Who Will Lead and Who Will Follow? A Social Process of Leadership Identity Construction in Organizations," *Academy of Management Review* 35, no. 4 (2010): 627–47; H. Ibarra et al., "Leadership and Identity: An Examination of Three Theories and New Research Directions," in *The Oxford Handbook of Leadership and Organizations*, ed. D.V. Day (New York: Oxford University Press, 2014), 285–301; L. Guillén, M. Mayo, and K. Korotov, "Is Leadership a Part of Me? A Leader Identity Approach to Understanding the Motivation to Lead," *Leadership Quarterly* 26, no. 5 (2015): 802–20.
 74. B. Carroll and L. Levy, "Defaulting to Management: Leadership Defined by What It Is Not," *Organization* 15, no. 1 (2008): 75–96.
 75. One recent study suggests that leaders retain their power by undermining followers' power. See C. Case and J. Maner, "Divide and Conquer: When and Why Leaders Undermine the Cohesive Fabric of Their Group," *Journal of Personality and Social Psychology* 107, no. 6 (2014): 1033–50.
 76. J.B. Miner, "Twenty Years of Research on Role Motivation Theory of Managerial Effectiveness," *Personnel Psychology* 31 (1978): 739–60; C.J. Vinkenburg et al., "Arena: A Critical Conceptual Framework of Top Management Selection," *Group & Organization Management* 39, no. 1 (2014): 33–68; B.L. Connally et al., "Tournament Theory: Thirty Years of Contests and Competitions," *Journal of Management* 40, no. 1 (2014): 16–47; Y. Baruch and Y. Vardi, "A Fresh Look at the Dark Side of Contemporary Careers: Toward a Realistic Discourse," *British Journal of Management* 27, no. 2 (2016): 355–72.
 77. For surveys on the importance of leader integrity, see J.M. Kouzes and B.Z. Posner, *The Leadership Challenge*, 5th ed. (San Francisco: Jossey-Bass, 2012), Chap. 2; Robert Half, "What Is the Most Important Leadership Attribute?," news release (Menlo Park, CA: PR Newswire, September 22, 2016); S. Giles, "The Most Important Leadership Competencies, According to Leaders around the World," *Harvard Business Review Digital Articles*, March 2016, 2–6.
 78. J. Hedlund et al., "Identifying and Assessing Tacit Knowledge: Understanding the Practical Intelligence of Military Leaders," *Leadership Quarterly* 14, no. 2 (2003): 117–40; R.J. Sternberg, "A Systems Model of Leadership: WICS," *American Psychologist* 62, no. 1 (2007): 34–42.
 79. J.M. George, "Emotions and Leadership: The Role of Emotional Intelligence," *Human Relations* 53 (2000): 1027–55; D. Goleman, R. Boyatzis, and A. McKee, *Primal Leaders* (Boston: Harvard Business School Press, 2002); R.G. Lord and R.J. Hall, "Identity, Deep Structure and the Development of Leadership Skill," *Leadership Quarterly* 16, no. 4 (2005): 591–615;
 - C. Skinner and P. Spurgeon, "Valuing Empathy and Emotional Intelligence in Health Leadership: A Study of Empathy, Leadership Behaviour and Outcome Effectiveness," *Health Services Management Research* 18, no. 1 (2005): 1–12.
 80. B. George, *Authentic Leadership* (San Francisco: Jossey-Bass, 2004); W.L. Gardner et al., "'Can You See the Real Me?' A Self-Based Model of Authentic Leader and Follower Development," *Leadership Quarterly* 16 (2005): 343–72; B. George, *True North* (San Francisco: Jossey-Bass, 2007), Chap. 4; M.E. Palanski and F.J. Yammarino, "Integrity and Leadership: Clearing the Conceptual Confusion," *European Management Journal* 25, no. 3 (2007): 171–84; F.O. Walumbwa et al., "Authentic Leadership: Development and Validation of a Theory-Based Measure," *Journal of Management* 34, no. 1 (2008): 89–126.
 81. W.G. Bennis and R.J. Thomas, "Crucibles of Leadership," *Harvard Business Review* 80, no. 9 (2002): 39–45; R.J. Thomas, *Crucibles of Leadership: How to Learn from Experience to Become a Great Leader* (Boston: Harvard Business Press, 2008).
 82. R. Jacobs, "Using Human Resource Functions to Enhance Emotional Intelligence," in *The Emotionally Intelligent Workplace*, ed. C. Cherniss and D. Goleman (San Francisco: Jossey-Bass, 2001), 161–63; J.A. Conger and D.A. Ready, "Rethinking Leadership Competencies," *Leader to Leader* (2004): 41–47.
 83. R.G. Lord and D.J. Brown, *Leadership Processes and Self-Identity: A Follower-Centered Approach to Leadership* (Mahwah, NJ: Erlbaum, 2004); R. Bolden and J. Gosling, "Leadership Competencies: Time to Change the Tune?," *Leadership* 2, no. 2 (2006): 147–63.
 84. Six of the Project GLOBE clusters are described in a special issue of the *Journal of World Business* 37 (2000). For an overview of Project GLOBE, see R. House, M. Javidan, and P. Dorfman, "Project GLOBE: An Introduction," *Applied Psychology: An International Review* 50(2001): 489–505; R. House et al., "Understanding Cultures and Implicit Leadership Theories across the Globe: An Introduction to Project GLOBE," *Journal of World Business* 37 (2002): 3–10.
 85. J.C. Jesuino, "Latin Europe Cluster: From South to North," *Journal of World Business* 37 (2002): 88. Another GLOBE study, of Iranian managers, also reported that "charismatic visionary" stands out as a primary leadership dimension. See A. Dastmalchian, M. Javidan, and K. Alam, "Effective Leadership and Culture in Iran: An Empirical Study," *Applied Psychology: An International Review* 50 (2001): 532–58.
 86. D.N. Den Hartog et al., "Culture Specific and Cross-Cultural Generalizable Implicit Leadership Theories: Are Attributes of Charismatic/Transformational Leadership Universally Endorsed?," *Leadership Quarterly* 10 (1999): 219–56; F.C. Brodbeck et al., "Cultural Variation of Leadership Prototypes across 22 European Countries," *Journal of Occupational and Organizational Psychology* 73 (2000): 1–29; E. Szabo et al., "The Europe Cluster: Where Employees Have a Voice," *Journal of World Business* 37 (2002): 55–68. The Mexican study is reported in C.E. Nicholls, H.W. Lane, and M.B. Brechu, "Taking Self-Managed Teams to Mexico," *Academy of Management Executive* 13 (1999): 15–25.

87. G.N. Powell, "One More Time: Do Female and Male Managers Differ?," *Academy of Management Executive* 4 (1990): 68–75; M.L. van Engen and T.M. Willemsen, "Sex and Leadership Styles: A Meta-Analysis of Research Published in the 1990s," *Psychological Reports* 94, no. 1 (2004): 3–18.
88. A.H. Eagly, M.C. Johannesen-Schmidt, and M.L. van Engen, "Transformational, Transactional, and Laissez-Faire Leadership Styles: A Meta-Analysis Comparing Women and Men," *Psychological Bulletin* 129 (2003): 569–91; S. Paustian-Underdahl, L. Walker, and D. Woehr, "Gender and Perceptions of Leadership Effectiveness: A Meta-Analysis of Contextual Moderators," *Journal of Applied Psychology* 99, no. 6 (2014): 1129–45.
89. A.H. Eagly, S.J. Karau, and M.G. Makhijani, "Gender and the Effectiveness of Leaders: A Meta-Analysis," *Psychological Bulletin* 117 (1995): 125–45; M.E. Heilman et al., "Penalties for Success: Reactions to Women Who Succeed at Male Gender-Typed Tasks," *Journal of Applied Psychology* 89, no. 3 (2004): 416–27; A.H. Eagly, "Achieving Relational Authenticity in Leadership: Does Gender Matter?," *Leadership Quarterly* 16, no. 3 (2005): 459–74; A.J. Anderson et al., "The Effectiveness of Three Strategies to Reduce the Influence of Bias in Evaluations of Female Leaders," *Journal of Applied Social Psychology* 45, no. 9 (2015): 522–39.
- a. C. McMorrow, *Entrepreneurs Turn Us On: 20 Years of Recognizing Bright Ideas*, EY Entrepreneur of the year—Ontario 2013, Ernst & Young (October 2013); D. Ovsey, "Get Out of the Way," *National Post*, February 18, 2014.
 - b. "DocuSign Chairman & CEO Keith Krach Honored as 'Most Admired CEO,'" Press Release (San Francisco: DocuSign, November 12, 2015); D. Ciamprone, "DocuSign's Keith Krach Talks Transformational Leadership," *Profile Magazine*, June 27, 2018; P.G. Stoltz, "The True GRIT of a Serial Transformational Leader," *Psychology Today*, December 1, 2018; J.R. Miles, "Bold Spotlight: Krach, Transformational Leader," LinkedIn, January 30, 2019, <https://www.linkedin.com/pulse/bold-leader-spotlight-keith-krach-transformational-keith-krach/>; H.R. Morgan, "Entrepreneur Keith Krach Reveals His Secret Sauce For Creating Billion Dollar Companies," *Forbes*, February 25, 2019.
 - c. S. Harris, "Is Jooste SA's Top Dealmaker?," *Finweek*, August 25, 2016, 32–34; "The Seagull's Name Was Markus Jooste: Steinhoff And The 'Stellenbosch Mafia,'" *HuffPost UK*, December 12, 2017; R. Henderson, "Steinhoff Sells off Its Luxury Gulfstream Jet to Raise Funds," *Sunday Times (South Africa)*, January 21, 2018; S. Theobald, "Jooste's Obsession with Maintaining Steinhoff Illusion Drove Him to Cross the Line," *Business Day (South Africa)*, March 5, 2018; J. Shapiro, "The 'Murky' Local Origins of Steinhoff's Secret Empire," *Australian Financial Review*, June 15, 2018; "Inside the Steinhoff Saga, One of the Biggest Cases of Corporate Fraud in South African Business History," (Case study written by "Several University of Stellenbosch Business School academics") *CNBC Africa*, June 28, 2018; J.-B. Styan, "The Steinhoff Story That Markus Jooste Left Untold," *Finweek*, September 27, 2018, 34–35; M. Soko, "Book on Steinhoff's Demise Shows Danger of 'Big Men' Business Leaders," *The Conversation*, November 13, 2018; J. Rossouw and J. Styan, "Steinhoff Collapse: A Failure of Corporate Governance," *International Review of Applied Economics* 33, no. 1 (2019): 163–70, <https://doi.org/10.1080/02692171.2019.1524043>; PwC, "Overview of Forensic Investigation" (South Africa: Steinhoff International Holdings, March 15, 2019).
 - d. Based on information in D. DeFrancesco, "Won't Back Down: SEC CIO Pamela Dyson," *WatersTechnology*, February 2016.
 - e. TDAdmin, "Harold MacDowell Named #7 CEO in the World in Inc. Magazine Feature," News Release (Dallas: TD Industries, April 7, 2017); *2018 Most Admired CEO: Harold MacDowell, TDIndustries (Video)* (Dallas Business Journal, 2018), <https://www.bizjournals.com/dallas/video/I5N3Q3ZzE67T6brYtK3oTjY83U-dpZQa>; J. Yoo, "How TDIndustries Puts Its People First," Chase Bank, *Bold Leaders* (blog), March 1, 2018, <https://www.chase.com/news/030218-td-industries>.
 - f. S. Sahadi, "We Asked CNN Business Readers What Makes a Great Boss. Here's What You Said," *CNN Business*, March 27, 2019.
 - g. *State of the American Manager: Analytics and Advice for Leaders* (Washington, DC: Gallup, March 2015); CareerBuilder, "4 in 10 Indian Employees Believe Their Boss Has Room for Improvement," news release (Noida, India: CareerMuse, August 6, 2015); *Connecting the Dots between Retention and Employee Development*, Saba Global Workforce Survey (Redwood Shores, CA: Saba, November 2015); CareerBuilder, "Bosses in the Western U.S. Receive Higher Praise from Their Employees," news release (Chicago: PR Newswire, May 25, 2016); *Rewriting the Rules for the Digital Age*, 2017 Deloitte Global Human Capital Trends, Deloitte (New York: Deloitte University Press, February 2017).
 - h. "Three Leadership Secrets from easyJet Boss Carolyn McCall," *O2 BusinessBlog*, O2, September 19, 2014, <http://businessblog.o2.co.uk/three-leadership-secrets-easyjet-boss-carolyn-mccall/>; C. Zillman, "easyJet CEO: 'I'm Not a Turnaround Expert,'" *Fortune*, June 15, 2015; L. Roderick, "easyJet CEO Carolyn McCall Explains How Marketers Can Soar," *Marketing Week*, March 9, 2016; K. Magee, "'Women Don't Need to Defeminise, They Need to Be Themselves,' easyJet CEO McCall Says," *Advertising Week*, April 19, 2016; G. Spanier, "ITV's Carolyn McCall: 'We Have Got to Evolve Quickly,'" *Campaign*, February 18, 2019.
 - i. Liza Minnelli makes this statement to explain why she doesn't perform the songs made famous by her mother, Judy Garland. The earliest versions of this quotation are found in *New Woman* magazine (volume 8, 1978) and Vincente Minnelli's 1975 autobiography. The version cited here is from E. Santosuosso, "Minnelli Brings a Real-Life Concert to Town," *Boston Globe*, September 24, 1992, 61.
 - j. B.J. Avolio et al., "Unlocking the Mask: A Look at the Process by Which Authentic Leaders Impact Follower Attitudes and Behaviors," *Leadership Quarterly* 15 (2004): 801–23.
 - k. D.V. Day et al., "Self-Monitoring Personality at Work: A Meta-Analytic Investigation of Construct Validity,"

- Journal of Applied Psychology* 87, no. 2 (2002): 390–401; I.O. Tueretgen, P. Unsal, and I. Erdem, “The Effects of Sex, Gender Role, and Personality Traits on Leader Emergence—Does Culture Make a Difference?,” *Small Group Research* 39, no. 5 (2008): 588–615; D.U. Bryant et al., “The Interaction of Self-Monitoring and Organizational Position on Perceived Effort,” *Journal of Managerial Psychology* 26, no. 2 (2011): 138–54.
1. A.G. Bedeian and D.V. Day, “Can Chameleons Lead?,” *The Leadership Quarterly* 15, no. 5 (2004): 687–718.
 - m. W. Bennis, “We Need Leaders,” *Executive Excellence* 27, no. 12 (2010): 4. Also see D. Nyberg and S. Sveningsson, “Paradoxes of Authentic Leadership: Leader Identity Struggles,” *Leadership* 10, no. 4 (2014): 437–55.
 - n. A.G. Bedeian and D.V. Day, “Can Chameleons Lead?,” *The Leadership Quarterly* 15, no. 5 (2004): 687–718.
 - o. D. Gruenfeld and L. Zander, “Authentic Leadership Can Be Bad Leadership,” *Harvard Business Review Blog*, Harvard Business School, February 3, 2011, <http://blogs.hbr.org>.



13

Designing Organizational Structures



Learning Objectives ➤

After studying this chapter, you should be able to:

- LO 13-1** Describe three types of coordination in organizational structures.
- LO 13-2** Discuss the role and effects of span of control, centralization, and formalization, and relate these elements to organic and mechanistic organizational structures.
- LO 13-3** Identify and evaluate six types of departmentalization.
- LO 13-4** Explain how the external environment, organizational size, technology, and strategy are relevant when designing an organizational structure.

Samsung Electronics is one of the world's largest technology companies, yet the South Korean maker of smartphones, tablets, televisions, and home appliances, wants to be as nimble as a high-tech startup. The magic ingredient for this transformation is a new organizational structure. "Samsung will stay away from top-down structures and build bottom-up structures, while the company will put more focus on improving efficiency by introducing programs to self-motivate employees," the company explains.

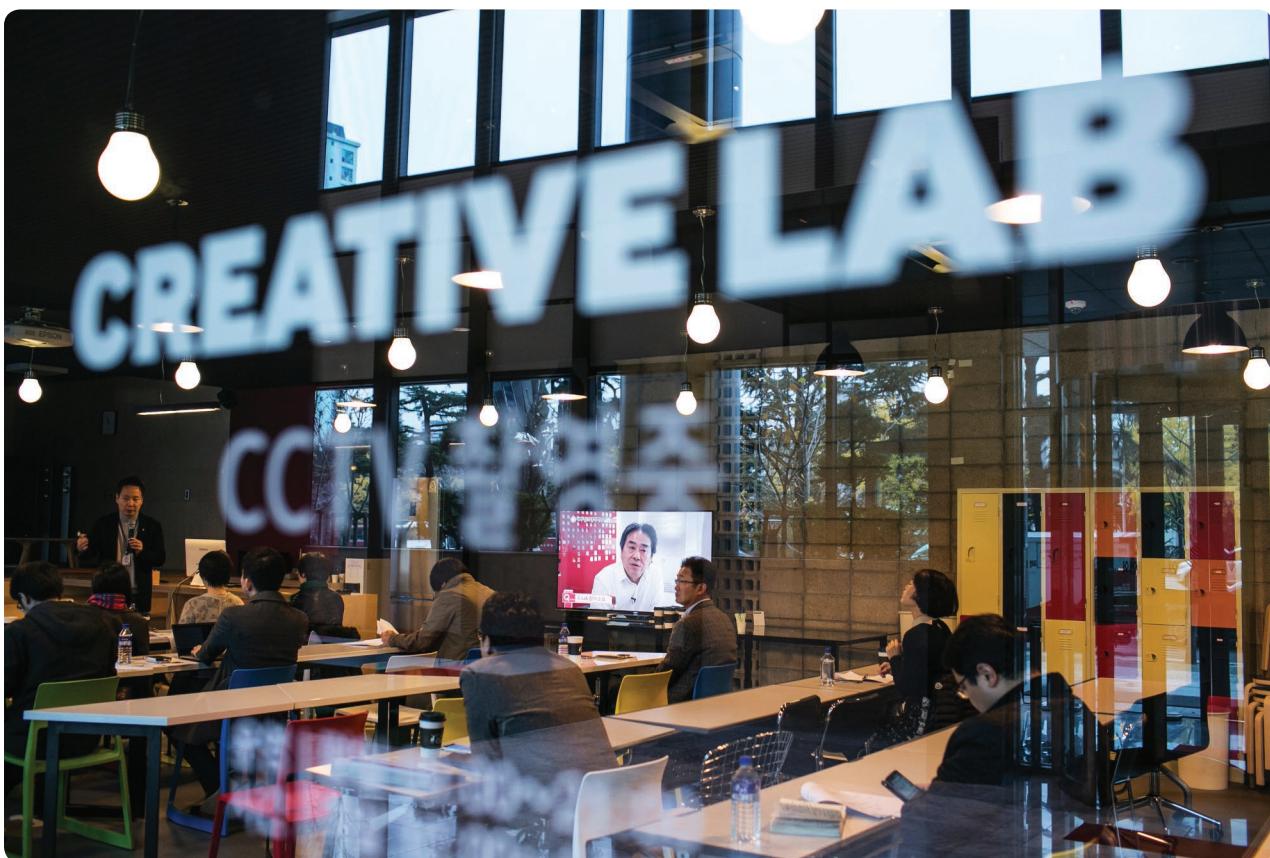
This transformation, called "Start-up Samsung," will be challenging because the conglomerate's existing organizational structure is almost the opposite of what most startups look like. As with most large Korean firms, Samsung has had a tall, rigid hierarchy with power centralized at the top of the organization. This authoritarian, mechanistic structure included seven well-defined status titles below the executive level, ranging from an entry-level employee through to division manager. Until recently, everyone addressed one another by their rank rather than personal name. For example, when Tyler Kim joined Samsung's Korean operations, his coworkers referred to him as Mr. Manager Kim (chaekimnim). "It was a bit awkward at first," recalls Kim, who was called by his personal name in his previous job in the United States.



PART 4: ORGANIZATIONAL PROCESSES

Samsung's new organizational structure has a flatter hierarchy with only four career levels. Employees no longer address one another by their rank. Instead, they use the suffix "nim," which is a highly respectful variation of Mr./Ms. They can also use a polite reference to the coworker's senior or junior position ("seonbae" and "hubae").

Previously, Samsung employees tended to follow orders without question and communicated with other departments mainly through their manager. Employees also routinely wrote "fancy reports" to management and attended endless manager-dominated meetings. Under the new structure, employees are expected to speak up about new ideas and to use the company's internal communications portal to coordinate informally and spontaneously with coworkers elsewhere in the company. Formal reports to the boss and meetings are now discouraged. "Samsung's top management plans to kill unnecessary internal meetings and require executives to end the rigidity of internal reporting systems," says Samsung's statement about the changes.



Jean Chung/Bloomberg/Getty Images

Samsung Electronics is relying on a less hierarchical and more decentralized organizational structure to improve employee creativity, adaptability, and competitiveness.

Samsung's new structure will take time to become established across the organization, but the company has been experimenting with a flatter, more organic structure over the past few years. It introduced an in-house incubator called Creative Lab (also called C-Lab), where about 350 engineers take up to a year away from their regular jobs to develop unique ideas. Projects that show promise are assigned additional staff (designers, marketers, etc.) without any direct management control. "In other divisions at Samsung, all decisions are made by top managers," explains one engineer. "At C-Lab, it feels like you are running your own company."¹

Samsung Electronics is trying to improve employee creativity, adaptability, and competitiveness by introducing a new organizational structure.

organizational structure
the division of labor as well as the patterns of coordination, communication, workflow, and formal power that direct organizational activities

Organizational structure refers to the division of labor as well as the patterns of coordination, communication, workflow, and formal power that direct organizational activities. It formally dictates what activities receive the most attention as well as financial, power, and information resources. For example, Samsung's new structure will devolve more power and resources to frontline engineers and managers. It will also refocus attention on performance rather than status and will enable employees to coordinate with one another more fluidly through informal communication rather than through the formality of their manager.

The topic of organizational structure typically conjures up images of an organizational chart. Organizational structure includes these reporting relationships, but it also includes other features that relate to work standards and rules, team dynamics, power relationships, information flow, and job design. The organization's structure is an important instrument in an executive's toolkit for organizational change because it establishes new communication patterns and aligns employee behavior with the corporate vision. Indeed, one recent global survey of 7,000 business and human resources leaders in 130 countries reported that organizational design was their firm's most important trend or priority to improve human capital (leadership and corporate culture were second and third most important, respectively).²

This chapter begins by introducing the two fundamental processes in organizational structure: division of labor and coordination. This is followed by a detailed investigation of the four main elements of organizational structure: span of control, centralization, formalization, and departmentalization. The latter part of this chapter examines the contingencies of organizational design, including external environment, organizational size, technology, and strategy.

Division of Labor and Coordination

LO 13-1

All organizational structures include two fundamental requirements: the division of labor into distinct tasks and the coordination of that labor so employees are able to accomplish common goals.³ Organizations are groups of people who work interdependently toward some purpose. To effectively accomplish this common purpose, most work is divided into manageable chunks, particularly when there are many different tasks to perform. Organizations also introduce various coordinating mechanisms to ensure that everyone is working in concert toward the same objectives.

DIVISION OF LABOR

Division of labor refers to the subdivision of work into separate jobs assigned to different people. Subdivided work leads to job specialization because each job now includes a narrow subset of the tasks necessary to complete the product or service. Samsung divides its employees into thousands of specific jobs to more effectively design, manufacture, and market new products. As companies get larger, this horizontal division of labor is usually accompanied by vertical division of labor. Some people are assigned the task of supervising employees, others are responsible for managing those supervisors, and so on.

Why do companies divide the work into several jobs? As we described in Chapter 6, job specialization increases work efficiency.⁴ Job incumbents can master their tasks more quickly when work cycles are shorter. Less time is wasted changing from one task to another. Training costs are reduced because employees require fewer physical and mental skills to accomplish the assigned work. Finally, job specialization makes it easier to match people with specific aptitudes or skills to the jobs for which they are best suited. It is almost impossible for one person working alone to design, manufacture, and sell a new Samsung smartphone; instead, this enterprise requires thousands of people with diverse knowledge and skills.

COORDINATION OF WORK ACTIVITIES

When people divide work among themselves, they require coordinating mechanisms to ensure that everyone works in concert. In fact, the extent to which work can be effectively divided among several people and work units depends on how well the divided work can be coordinated. When an organization divides work beyond its capacity to coordinate that work, individual effort is wasted due to misalignment, duplication, and mistiming of tasks. Coordination also tends to become more expensive and difficult as the division of labor increases. Therefore, companies specialize jobs only to the point where it isn't too costly or challenging to coordinate the people in those jobs.⁵

Every organization—from the two-person corner convenience store to the largest corporate entity—uses one or more of the following coordinating mechanisms:⁶ informal communication, formal hierarchy, and standardization (see Exhibit 13.1). These forms of coordination align the work of staff within the same department as well as across work units. The coordinating mechanisms are also critical when several organizations work together, such as in joint ventures and humanitarian aid programs.⁷

Coordination through Informal Communication All organizations rely on informal communication as a coordinating mechanism. This process includes sharing information on mutual tasks as well as forming common mental models so that employees synchronize work activities using the same mental road map.⁸ Informal communication is vital in nonroutine and ambiguous situations because employees need to exchange a large volume of information through face-to-face communication and other media-rich channels. Samsung's new structure encourages more informal communication because much of the work among engineers relates to novel ideas, which are nonroutine and ambiguous.

**EXHIBIT 13.1 Coordinating Mechanisms in Organizations**

FORM OF COORDINATION	DESCRIPTION	SUBTYPES/STRATEGIES
Informal communication	Sharing information on mutual tasks; forming common mental models to synchronize work activities	<ul style="list-style-type: none">• Direct communication• Liaison roles• Integrator roles• Temporary teams
Formal hierarchy	Assigning legitimate power to individuals, who then use this power to direct work processes and allocate resources	<ul style="list-style-type: none">• Direct supervision• Formal communication channels
Standardization	Creating routine patterns of behavior or output	<ul style="list-style-type: none">• Standardized skills• Standardized processes• Standardized output

Sources: Based on information in J. Galbraith, *Designing Complex Organizations* (Reading, MA: Addison-Wesley, 1973), 8–19; H. Mintzberg, *The Structuring of Organizations* (Englewood Cliffs, NJ: Prentice Hall, 1979), Chap. 1; D.A. Nadler and M.L. Tushman, *Competing by Design: The Power of Organizational Architecture* (New York: Oxford University Press, 1997), Chap. 6.

Although coordination through informal communication is easiest in small firms, information technologies have further enabled this coordinating mechanism at Samsung and in other large organizations.⁹ Companies employing thousands of people also support informal communication by keeping each production site small. Magna International follows this principle by keeping many of its plants—including its recently opened paint shop in Hoče, Slovenia—to less than 200 employees. The global auto-parts manufacturer has found that employees have difficulty remembering one another's names in plants that are any larger, a situation that makes informal communication more difficult as a coordinating mechanism.¹⁰

Larger organizations also encourage coordination through informal communication by assigning *liaison roles* to employees, who are expected to communicate and share information with coworkers in other work units. Where coordination is required among several work units, companies create *integrator roles*. These people are responsible for coordinating a work process by encouraging employees in each work unit to share information and informally coordinate work activities. Integrators do not have authority over the people involved in that process, so they must rely on persuasion and commitment. Brand managers for luxury perfumes have integrator roles because they ensure that the work of fragrance developers, bottle designers, advertising creatives, production, and other groups are aligned with the brand's image and meaning.¹¹

Large organizations also encourage coordination through informal communication by organizing employees from several departments into temporary teams. Known as *concurrent engineering*, this cross-disciplinary team-based coordination was pioneered by Toyota almost four decades ago and is now widespread throughout that industry. As design engineers work on product specifications, team members from production engineering, manufacturing, marketing, purchasing, and other departments provide immediate feedback as well as begin their contribution to the process. Without this informal team-based coordination, employees at each stage of product development face the cumbersome task of passing their work "over the wall" to the next department with limited or significantly delayed feedback.¹²

Coordination through Formal Hierarchy Informal communication is the most flexible form of coordination, but it can become chaotic as the number of employees increases. Consequently, as organizations grow, they rely increasingly on a second coordinating mechanism: formal hierarchy.¹³ Hierarchy assigns legitimate power to individuals, who then use this power to direct work processes and allocate resources. In other words, work is coordinated through direct supervision—the chain of command. For instance, Walmart stores have managers and assistant managers who are responsible for ensuring that employees are properly trained, perform their respective tasks, and coordinate effectively with other staff.



global connections 13.1

ESA Coordinates Satellite Design through Concurrent Engineering^a

More than 2,000 people work at the European Space Agency (ESA), yet the organization relies extensively on informal communication to coordinate the design of satellites and their missions. The government agency forms cross-disciplinary teams that meet in a specially constructed Concurrent Design Facility (CDF) in the Netherlands. This concurrent engineering arrangement is effective because it enables representatives from a dozen interdependent departments to fluidly coordinate through face-to-face interaction.

"Concurrent engineering involves bringing together all necessary experts into a single room to work together in real time," explains Massimo Bandecchi, who founded ESA's Concurrent Design Facility two decades ago. "With all disciplines contributing at the same time and place, we tackle problems from all points of view, to turn a naturally sequential process into something more 'concurrent'."

CDF technical writer Andrew Pickering describes the inefficiency of the sequential process. "Traditional mission design is an 'over-the-fence' type process, where one domain team—mission analysis for instance—starts work based on the initial mission requirements, then throws it over the fence to the next subsystem team, such as propulsion, passing it in turn to the next."

A typical ESA design team consists of two or three dozen people representing numerous disciplines, including propulsion, structures and mechanisms, flight dynamics, electrical systems, thermal control, as well as specialists in technical risk, organization, and cost engineering. The team meets in the CDF for four intense hours twice each week.

"It can be quite draining, but exciting at the same time, because there are always challenges arising," says CDF Study Leader Ilaria Roma. "As a team leader, it's like leading an orchestra, to sustain good communication, guide the process, and keep it moving toward finding solutions."



Dean Mouhtaropoulos/Getty Images

A century ago, management scholars applauded the formal hierarchy as the best coordinating mechanism for large organizations. They argued that organizations are most effective when managers exercise their authority and employees receive orders from only one supervisor. The chain of command—in which information flows across work units only through supervisors and managers—was viewed as the backbone of organizational strength.

Although still important, formal hierarchy is much less popular today. One problem, which Samsung is trying to minimize with its new structure, is that hierarchical organizations are not as agile for coordination in complex and novel situations. Formal communication through the chain of command is rarely as fast or accurate as direct communication among employees. Another concern with formal hierarchy is that managers are able to closely supervise only

COORDINATION THROUGH MICROMANAGEMENT^b

71% of 889 Koreans

say that they have experienced a militaristic (authoritarian, patriarchic, oppressive management) culture at school and work.



59% of 450 American

employees surveyed say they have worked for a micromanager.

31% of 97,000

employees surveyed in 30 countries describe their company's leadership as oppressive or authoritative.

18% of 300 Canadian

human resource managers say that micromanaging employees has the most negative effect on employee morale (second only to lack of open, honest communication).

39% of 2,000

American employees say that being a micromanager is the worst quality in a boss (most frequent choice, followed by being "overly critical").

(photo): Steve Hamblin/Corbis

a limited number of employees. As the business grows, the number of supervisors and layers of management must increase, resulting in a costly bureaucracy. A third problem is that today's workforce demands more autonomy over work and more involvement in company decisions. Coordination through formal hierarchy tends to limit employee autonomy and involvement, which increases employee complaints of being "micromanaged."

Coordination through Standardization Standardization, the third means of coordination, involves creating routine patterns of behavior or output. This coordinating mechanism takes three distinct forms:

- *Standardized processes.* Quality and consistency of a product or service can often be improved by standardizing work activities through job descriptions and procedures.¹⁴ For example, flowcharts represent a form of coordination through standardized processes. This coordinating mechanism works best when the task is routine (such as mass production) or simple (such as stocking shelves), but it is less effective in nonroutine and complex work such as product design (which occurs among employees at Samsung's creativity center).
- *Standardized outputs.* This form of standardization involves ensuring that individuals and work units have clearly defined goals and output measures (e.g., customer satisfaction, production efficiency). For instance, to coordinate the work of salespeople, companies assign sales targets rather than specific behaviors.
- *Standardized skills.* When work activities are too complex to standardize through processes or goals, companies often coordinate work effort by ensuring that job incumbents have the necessary knowledge and skills. Samsung and other technology companies rely on coordination through standardized skills. They carefully hire people for their skills in software engineering and other disciplines so they can perform tasks without continuous supervision, precise job descriptions, or exacting work process guidelines. Training is also a form of standardization through skills. Many companies have in-house training programs where employees learn how to perform tasks consistent with company expectations.

Division of labor and coordination of work represent the two fundamental ingredients of all organizations. But how work is divided, which coordinating mechanisms are emphasized, who makes decisions, and other issues are related to the four elements of organizational structure that we discuss over the next two sections of this chapter.

Elements of Organizational Structure

LO 13-2



Organizational structure has four elements that apply to every organization. This section introduces three of them: span of control, centralization, and formalization. The fourth element—departmentalization—is presented in the next section.

SPAN OF CONTROL

Chief executive officers of large corporations are probably much busier today managing their direct reports than they were two or three decades ago. In the 1980s, CEOs of the largest companies had an average of five people (typically vice presidents) reporting directly to them. By the end of the 1990s, this span of control increased to an average of 6.5 direct reports. Today, CEOs of the largest North American firms have an average of 10 direct reports, double the number a few decades earlier. This increase reflects the fact that most large companies are far more complex today. They operate in many markets, have more variety of products, and employ people with a broader array of technical specialties. Each type of variation demands top level attention, so CEOs have more vice presidents than ever before reporting directly to them. In other words, they have a wider span of control.¹⁵

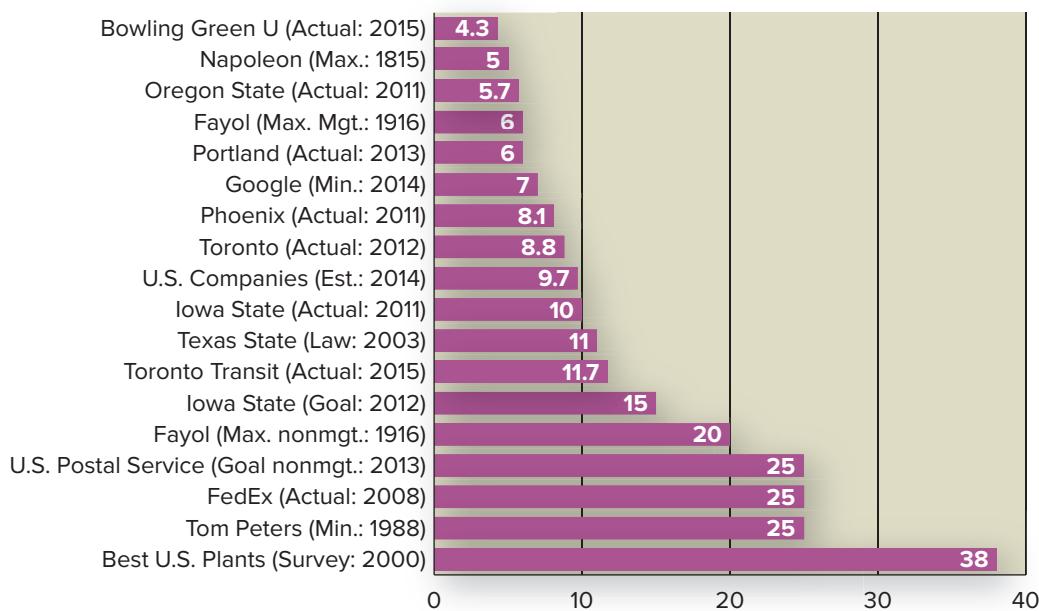
span of control

the number of people directly reporting to the next level above in the hierarchy

Span of control (also called *span of management*) refers to the number of people directly reporting to the next level above in the hierarchy. A narrow span of control exists when very few people report directly to a manager, whereas a wide span exists when a manager has many direct reports.¹⁶ A century ago, French engineer and management scholar Henri Fayol strongly recommended a relatively narrow span of control, typically no more than 20 employees per supervisor and six supervisors per manager. Fayol championed formal hierarchy as the primary coordinating mechanism, so he believed that supervisors should closely monitor and coach employees. His views were similar to those of Napoleon, who declared that senior military leaders should have no more than five officers directly reporting to them. These prescriptions were based on the belief that managers simply could not monitor and control any more subordinates closely enough.¹⁷

Today, we know better. The best-performing manufacturing plants have an average of 38 production employees per supervisor (see Exhibit 13.2).¹⁸ What's the secret here? Did Fayol, Napoleon, and others miscalculate the optimal span of control? The answer is that those sympathetic to hierarchical control believed that employees should perform the physical tasks, whereas supervisors and other management personnel should make the decisions and monitor employees to ensure they performed their tasks. In contrast, the best-performing manufacturing operations today rely on self-directed teams, so direct supervision (formal hierarchy) is supplemented with other coordinating mechanisms. Self-directed teams coordinate mainly through informal communication and various forms of standardization (i.e., training and processes), so formal hierarchy plays more of a supporting role.

EXHIBIT 13.2 Recommended, Actual, Estimated, and Enforced Spans of Control^c



Note: Data represent the average number of direct reports per manager. "Max." is the maximum spans of control recommended by Napoleon Bonaparte and Henri Fayol. "Min." is the minimum span of control applied to teams by Google and recommended by Tom Peters. "Est." is the estimated average span of control across all major U.S. companies, according to consulting firm Deloitte. "Goal" refers to the span of control targets that the U.S. Postal Service and State of Iowa are trying to achieve. (USPS currently exceeds its goal.) The State of Texas number is the span of control mandated by law. The Best U.S. Plants number is the average span of control in American manufacturing facilities identified by *Industry Week* magazine as the most effective. "Actual" refers to the spans of control reported in the cities of Phoenix, Portland, and Toronto, the public service of the U.S. states of Oregon and Iowa, Bowling Green University, the Toronto Transit Commission, and FedEx Corporation in the years indicated. The City of Toronto number excludes firefighters and parks, which have unusually high spans of control. When these units are included, Toronto's span of control is 16.29.



Vincit California opened offices in California a few years ago and currently employs three dozen people. So far, none of them has a manager. "We stand out for our lack of hierarchy," states Ville Houttu, CEO of the Finland-based company's American subsidiary that creates customized mobile apps for corporate clients. At Vincit, more senior employees mentor new hires. Anyone can order supplies and convince coworkers to make workplace changes. "We don't have any managers—employees manage themselves," Houttu explains. "For instance, they don't need to go through an approval process to order something. We don't ask for written reports about what they're working on."¹⁹

M_a_y_a/Getty Images

Managers can often accommodate a wider span of control because staff members are self-managing and coordinate mainly through standardized skills. For instance, nurse managers often have between 25 and 50 direct reports because nurses are professionally trained and have specific protocols to guide most of their work activity.¹⁹

A second factor influencing the best span of control is whether employees perform routine tasks. A wider span of control is possible when employees perform routine jobs, because they require less direction or advice from supervisors. A narrow span of control is necessary when employees perform novel or complex tasks, because these employees tend to require more supervisory decisions and coaching. This principle is illustrated in a survey of property and casualty insurers. The average span of control in commercial-policy processing departments is around 15 employees per supervisor, whereas the span of control is 6.1 in claims service and 5.5 in commercial underwriting. Staff members in the latter two departments perform more technical work, so they have more novel and complex tasks, which requires more active supervision. Commercial-policy processing, on the other hand, is like production work. Tasks are routine and have few exceptions, so managers have less coordinating to do with each employee.²⁰

A third influence on span of control is the degree of interdependence among employees within the department or team.²¹ Generally, a narrow span of control is necessary for highly interdependent jobs because employees tend to experience more conflict with one another, which requires more of a manager's time to resolve. Also, employees are less clear on their personal work performance in highly interdependent tasks, so supervisors spend more time providing coaching and feedback.

Tall versus Flat Structures Span of control is interconnected with organizational size (number of employees) and the number of layers in the organizational hierarchy. Consider two companies with the same number of employees. If Company A has a wider span of control (more direct reports per manager) than Company B, then Company A necessarily has fewer layers of management (i.e., a flatter structure). The reason for this relationship is that a company with a wider span of control has more employees per supervisor, more supervisors for each middle manager, and so on. This larger number of direct reports, compared to a company with a narrower span of control, is possible only by removing layers of management.

The interconnection of span of control, organizational size (number of employees), and number of management layers has important implications for companies. As organizations grow, they typically employ more people, which means they must widen the span of control, build a taller hierarchy, or both. Most companies end up building taller structures because they rely on direct supervision to some extent as a coordinating mechanism and there are limits to how many people each manager can coordinate.

Unfortunately, building a taller hierarchy (more layers of management) creates problems. One concern is that executives in tall structures tend to receive lower-quality and less timely information. People tend to filter, distort, and simplify information before it is passed to higher levels in the hierarchy because they are motivated to frame the information in a positive light or to summarize it more efficiently. In contrast, in flat hierarchies, information is manipulated less and is usually transmitted much more quickly than in tall hierarchies. "Any new idea condemned to struggle upward through multiple levels of rigidly hierarchical, risk-averse management is an idea that won't see daylight . . . until it's too late," warned Sergio Marchionne, the late CEO of Fiat Chrysler Automobiles.²²



A second problem is that taller structures have higher overhead costs. With more managers per employee, tall hierarchies necessarily have more people administering the company, thereby reducing the percentage of staff who are actually making the product or providing the service. A third issue with tall hierarchies is that employees usually feel less empowered and engaged in their work. Hierarchies are power structures, so more levels of hierarchy tend to draw power away from people at the bottom of that hierarchy. Indeed, the size of the hierarchy itself tends to focus power around managers rather than employees.²³

These problems with tall hierarchies have prompted companies to reduce management layers. For example, McDonald's Corp. and BCE (Canada's largest telecommunications company) recently sliced out three layers of management. McDonald's CEO Steve Easterbrook says that the delayering "has meant the visibility and the flow of ideas and the transparency was just much, much quicker for all of us as we're making our business decisions." Conagra Foods also recently restructured into a flatter organization. CEO Sean Connolly says the packaged food company now has "fewer layers, broader spans of control and the workforce, we believe, is right-sized for speed, empowerment, agility, all the things we need to do."²⁴

There are potential negative consequences of flattening the hierarchy, however.²⁵ Critics warn that all companies need managers to translate corporate strategy into coherent daily operations. Delayering widens the span of control, leaving managers with less time to effectively coach employees, resolve conflicts, and make operational decisions within the work unit. Fewer layers also reduce the company's ability to develop managerial skills because there are fewer positions and steps to develop management talent. Promotions are also riskier because they involve a larger jump in responsibility in flatter, compared to taller, hierarchies.

The risks of flattening the organizational hierarchy became apparent at Treehouse a few years ago. The Portland, Oregon, online-education company made headlines by converting all of its managers (except the CEO) to frontline roles. Treehouse's 100 employees would manage themselves. Two years later, the company reversed course. Without managers, employees felt adrift, like "lonely islands with no support," observes Treehouse CEO Ryan Carson. "Humans want that support system and they want to be led, and that's OK." Carson also discovered that the completely flat hierarchy created productivity issues. "Some people weren't pulling their weight and it became clear really, really fast," admits Carson. "When you install management, you get accountability back."²⁶

CENTRALIZATION AND DECENTRALIZATION

centralization

the degree to which formal decision authority is held by a small group of people, typically those at the top of the organizational hierarchy

Centralization means that formal decision-making authority is held by a small group of people, typically those at the top of the organizational hierarchy. Most organizations begin with centralized structures, because the founder makes most of the decisions and tries to direct the business toward his or her vision. As organizations grow, however, they diversify and their environments become more complex. Senior executives aren't able to process all the decisions that significantly influence the business. Consequently, larger organizations typically *decentralize*; that is, they disperse decision authority and power throughout the organization.

The optimal level of centralization or decentralization depends on several contingencies that we will examine later in this chapter. However, different degrees of decentralization can occur simultaneously in different parts of an organization. For instance, 7-Eleven centralizes decisions about information technology and supplier purchasing to improve buying power, increase cost-efficiencies, and minimize complexity across the organization. Yet it decentralizes local inventory decisions to store managers because they have the best information about their customers and can respond quickly to local market needs. "We could never predict a busload of football players on a Friday night, but the store manager can," explains a 7-Eleven executive.²⁷



Fulfillment by Amazon is well-known—and sometimes infamously identified—for its very high formalization. The warehouse operations for Amazon's third-party sellers relies on standardization of work processes as a coordinating mechanism. Computer algorithms determine how many products employees should pick, move, pack, and store per hour. As soon as one product is picked, the employee's scanner displays the next item with a count down of the time allowed to find and scan that item. Employees are told to walk at "Amazon pace," which is somewhere between walking and jogging. Bathroom breaks are timed.^e

Terry Harris/Shutterstock

become the focus of attention rather than the organization's ultimate objectives of producing a product or service and serving its dominant stakeholders.

FORMALIZATION

Formalization is the degree to which organizations standardize behavior through rules, procedures, formal training, and related mechanisms.²⁸ In other words, companies become more formalized as they increasingly rely on various forms of standardization to coordinate work.

Older companies tend to become more formalized because work activities become routinized, making them easier to document into standardized practices. Larger companies also tend to have more formalization because direct supervision and informal communication among employees do not operate as easily when large numbers of people are involved. External influences, such as government safety legislation and strict accounting rules, also encourage formalization.

Formalization may increase efficiency and compliance, but it can also create problems.²⁹ Rules and procedures reduce organizational flexibility, so employees follow prescribed behaviors even when the situation clearly calls for a customized response. High levels of formalization tend to undermine creativity. Some work rules become so convoluted that organizational efficiency would decline if they were actually followed as prescribed. Formalization is also a source of job dissatisfaction and work stress. Finally, rules and procedures have been known to take on a life of their own in some organizations. They be-

formalization
the degree to which organizations standardize behavior through rules, procedures, formal training, and related mechanisms

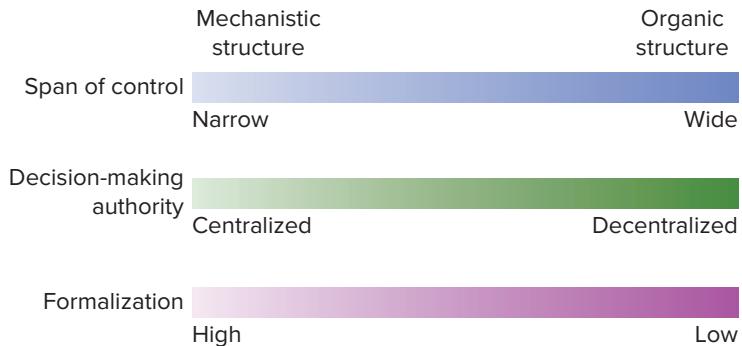
mechanistic structure
an organizational structure with a narrow span of control and a high degree of formalization and centralization

come the focus of attention rather than the organization's ultimate objectives of producing a product or service and serving its dominant stakeholders.

Mechanistic structures have many rules and procedures, limited decision making at lower levels, tall hierarchies of people in specialized roles, and vertical rather than horizontal communication flows. Tasks are rigidly defined and are altered only when sanctioned by higher authorities. Although now changing its structure, Samsung has traditionally had a mechanistic structure, which is apparent by the Korean firm's centralized decision making, clearly defined job descriptions, and work activities heavily guided by established rules and procedures.

EXHIBIT 13.3

Contrasting Mechanistic and Organic Organizational Structures



organic structure
an organizational structure with a wide span of control, low formalization, and decentralized decision making

Companies with an **organic structure** have the opposite characteristics. They operate with a wide span of control, decentralized decision making, and little formalization. Tasks are fluid, adjusting to new situations and organizational needs. In extremely organic organizations, decision making is decentralized down to teams and individuals, and employees have enough autonomy to adapt their job duties to fit the situation.

As a general rule, mechanistic structures operate better in stable environments because they rely on efficiency and routine behaviors. Organic structures work better in rapidly changing (i.e., dynamic) environments because they are more flexible and responsive to the changes. Organic structures are also more compatible with high-performance workplaces because they emphasize an empowered workforce rather than hierarchy and status. However, the effectiveness of organic structures depends on how well employees have developed their roles and expertise.³¹ Without these conditions, employees are unable to coordinate effectively with one another, resulting in errors and gross inefficiencies.



SELF-ASSESSMENT 13.1: Which Organizational Structure Do You Prefer?

Personal values influence how comfortable you are working in different organizational structures. You might prefer an organization with clearly defined rules or no rules at all. You might prefer a firm where almost any employee can make important decisions or one in which important decisions are screened by senior executives. You can discover which organizational structure is most comfortable for you by locating this self-assessment in Connect if it is assigned by your instructor.

Forms of Departmentalization

LO 13-3

Span of control, centralization, and formalization are important elements of organizational structure, but most people think about organizational charts when the discussion of organizational structure arises. The organizational chart represents the fourth element in the structuring of organizations, called *departmentalization*. Departmentalization specifies how employees and their activities are grouped together. It is a fundamental strategy for coordinating organizational activities because it influences organizational behavior in the following ways:³²

- Departmentalization establishes the chain of command—the system of common supervision among positions and units within the organization. It frames the membership of formal work teams and typically determines which positions and units must share resources. Thus, departmentalization establishes interdependencies among employees and subunits.
- Departmentalization focuses people around common mental models or ways of thinking, such as serving clients, developing products, or supporting a particular skill set. This focus is typically anchored around the common budgets and measures of performance assigned to employees within each departmental unit.
- Departmentalization encourages specific people and work units to coordinate through informal communication. With common supervision and resources, members within each configuration typically work near one another, so they can use frequent and informal interaction to get the work done.

There are almost as many organizational charts as there are businesses, but the six most common pure types of departmentalization are simple, functional, divisional, team-based, matrix, and network.



global connections 13.2

Chapman's Ice Cream Grows Its Organizational Structure

Chapman's Ice Cream Limited had a classic simple organizational structure when David and Penny Chapman started their business back in 1973. The couple and four employees performed all the work in a century-old creamery located in the village of Markdale, Ontario, Canada. "We did everything," recalls company president Penny Chapman (center in photo with David at right and son Ashley with several employees). "We made the mixes, built the packages, we worked in cold storage . . . David went out on the road to do sales."

Chapman's grew quickly by offering unique ice cream flavors. The work was eventually divided into more specialized tasks and a functional structure emerged around production, marketing, research, and other departments. Today, Chapman's is Canada's largest independent ice cream manufacturer, with 700 full-time employees who

produce more than 200 products on 20 production lines. The company is also a global award winner for innovation in ice cream products.^f



Chapman's

SIMPLE STRUCTURE

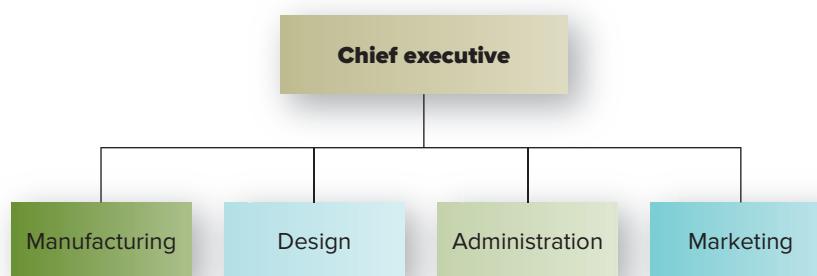
Most companies begin with a *simple structure*.³³ They employ only a few people and typically offer only one distinct product or service. There is minimal hierarchy—usually just employees reporting to the owners. Employees perform broadly defined roles because there are insufficient economies of scale to assign them to specialized jobs. The simple structure is highly flexible and minimizes the walls that form between employees in other structures. However, the simple structure usually depends on the owner's direct supervision to coordinate work activities, so it is very difficult to operate as the company grows and becomes more complex.

FUNCTIONAL STRUCTURE

As organizations grow, they typically shift from a simple structure to a functional structure. Even after they adopt more complex organizational structures that we discuss later, they will have a functional structure at some level of the hierarchy. A **functional structure** organizes employees around specific knowledge or other resources (see Exhibit 13.4). Employees with marketing expertise are grouped into a marketing unit, those with production skills are located in manufacturing, engineers are found in product development, and so on. Organizations with functional structures are typically centralized to coordinate their activities effectively.

EXHIBIT 13.4

A Functional Organizational Structure



Evaluating the Functional Structure The functional structure creates specialized pools of talent that typically serve everyone in the organization. Pooling talent into one group improves economies of scale compared to dispersing functional specialists over different parts of the organization. The functional structure also increases employee identity with the specialization or profession. Direct supervision is easier in a functional structure because managers oversee people with common issues and expertise.³⁴

The functional structure also has limitations.³⁵ Grouping employees around their skills tends to focus attention on those skills and related professional needs rather than on the company's products, services, or client needs. Unless people are transferred from one function to the next, they might not develop a broader understanding of the business. Compared with other structures, the functional structure usually produces more dysfunctional conflict and poorer coordination in serving clients or developing products. These problems occur because employees need to work with coworkers in other departments to complete organizational tasks, yet they have different subgoals and mental models about how to perform the work effectively. Together, these problems require substantial formal controls and coordination when people are organized around functions.

DIVISIONAL STRUCTURE

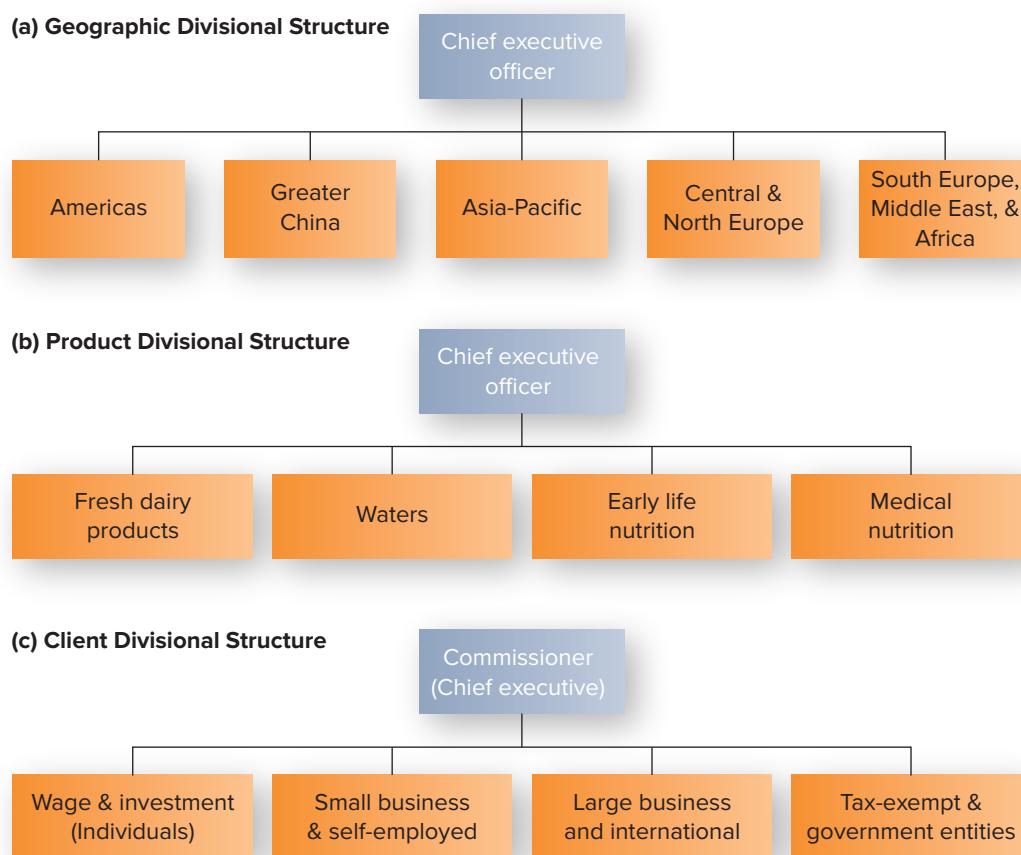
divisional structure
an organizational structure in which employees are organized around geographic areas, outputs (products or services), or clients

The **divisional structure** (sometimes called the *multidivisional* or *M-form* structure) groups employees around geographic areas, outputs (products or services), or clients. Exhibit 13.5 illustrates these three variations of divisional structure.³⁶ The *geographic divisional structure* organizes employees around distinct regions of the country or world. Exhibit 13.5(a) illustrates a simplified version of the geographic divisional structure adopted by Kone, the Finland-based global elevator and escalator company. The *product/service divisional structure* organizes employees around distinct outputs. Exhibit 13.5(b) illustrates the four product divisions at Danone, the France-based global food company. The *client divisional structure* organizes employees around specific customer groups. Exhibit 13.5(c) illustrates a customer-focused divisional structure adopted by the U.S. Internal Revenue Service.³⁷

Which form of divisional structure should large organizations adopt? The answer depends mainly on the primary source of environmental diversity or uncertainty.³⁸ Suppose an organization has one type of product sold to people across the country. If customers have different needs across regions, or if state governments impose different regulations on the product, then a geographic structure would be best so the company can be more vigilant about this diversity. On the other hand, if the company sells several types of products across the country and customer preferences and government regulations are similar everywhere, then a product structure would likely work best.

Kone, the global elevator and escalator company, is organized mainly around geographic regions, likely because regulations and sales channels vary much more by region than by product. McDonald's is organized into four geographic divisions (high growth, established, franchised) and is further organized by specific countries or zones within each of these divisions. This geographic organization makes sense because even though it makes the same Big Mac throughout the world, McDonald's has more fish products in Hong Kong and more vegetarian products in India, in line with traditional diets in those countries. Danone has dozens of country managers to anticipate and respond to cultural differences. However, the French dairy products maker places product groups (waters, dairy, medical, early life) at the top of its organizational structure, possibly because marketing and manufacturing activities vary much more across product divisions than across regions.

Many companies are moving away from structures that organize people around geographic clusters.³⁹ One reason is that clients can purchase products online and communicate with businesses from almost anywhere in the world, so local representation is becoming less important. Reduced geographic variation is another reason for the shift away from geographic structures; freer trade has reduced government intervention, and

EXHIBIT 13.5 Three Types of Divisional Structure

Note: Diagram (a) shows a global geographic divisional structure similar to that of Kone Corporation; diagram (b) depicts the four product divisions of Danone; diagram (c) is similar to the customer-focused structure at the U.S. Internal Revenue Service.

consumer preferences for many products and services are becoming more similar (converging) around the world. The third reason is that large companies increasingly have global business customers who demand one global point of purchase, not one in every country or region.

Evaluating the Divisional Structure The divisional organizational structure is a building-block structure; it accommodates growth relatively easily. As the company develops new products, services, or clients, it can sprout new divisions. The divisional structure is also outcome-focused. It directs employee attention to customers and products, rather than to their own specialized knowledge.⁴⁰

These advantages are offset by a number of limitations. First, the divisional structure tends to duplicate resources, such as production equipment and engineering or information technology expertise. Also, unless the division is quite large, resources are not used as efficiently as they are in functional structures where resources are pooled across the entire organization. The divisional structure also creates silos of knowledge. Expertise is spread across several autonomous business units, which reduces the ability and perhaps motivation of the people in one division to share their knowledge with counterparts in other divisions. In contrast, a functional structure groups experts together, thereby supporting knowledge sharing.

Finally, the preferred divisional structure depends on the company's primary source of environmental diversity or uncertainty. This principle seems to be applied easily enough



global connections 13.3

Toyota's Evolving Divisional Structure

Toyota Motor Company was fined \$1.2 billion by the U.S. government, the largest financial penalty ever against an automaker, because it “misled regulators, misled customers, and even misstated the facts to Congress” regarding safety issues with its accelerator pedals. The Japanese company’s safety processes and reporting procedures will be monitored in the United States for three years. How could one of the largest and most respected automakers in the world get into this situation? A panel of independent experts commissioned by Toyota identified several issues ranging from supplier product quality to business processes. However, its main conclusion was that Toyota’s functional organizational structure was inappropriate for the global organization.

Toyota’s functional structure created silos around each specialization (sales, engineering, manufacturing), which transmitted information selectively to headquarters in Japan. The result was that most decisions were made by executives in Japan with limited knowledge about practices and problems in specific regions. Based on that review, Toyota added two regional divisions (essentially dividing the world into two groups) to the existing functional structure. “Dealing with our overseas operations on a regional basis, rather than a functional basis, will enable us to conduct decision making on a more-comprehensive basis,” said Toyota CEO Akio Toyoda when announcing the updated structure.

Toyota’s revised organizational structure lasted only two years. Faced with rapid technological change and increasing competition, the automaker recently announced a massive reorganization that divides the company into several vehicle product groups, such as compact cars and commercial vehicles, as well as key functional areas (power train and connected technology). Appended to the new divisional structure are the two regional groups. “This structural change may not be the ultimate solution, but it is certainly an opportunity . . . to strengthen our workforce and further promote making ever-better cars,” says Toyoda.⁹



Ibrahim Yozoglu/Anadolu Agency/Getty Images

at Danone and the U.S. Internal Revenue Service, but many global organizations experience diversity and uncertainty in terms of geography, product, and clients. Consequently, some organizations revise their structures back and forth or create complex structures that attempt to give all three dimensions equal status. This muddling generates further complications, because organizational structure decisions shift power and status among executives. If the company switches from a geographic to a product structure, people who lead the geographic fiefdoms suddenly get demoted under the product chiefs. In short, leaders of global organizations struggle to find the best divisional structure, often resulting in the departure of some executives and frustration among those who remain.

TEAM-BASED STRUCTURE

Most people probably assume that military organizations are rigid hierarchies with top-down centralized decision making. Some still are, but the U.S. Army has learned over the years that protecting society and responding to emergencies requires teamwork on the front lines. Those teams, in turn, are supported by resource support teams as well as leadership teams. “We became what we called ‘a team of teams’: a large command that captured at scale the traits of agility normally limited to small teams,” says General Stanley McChrystal, who led America’s Joint Special Operations Command and NATO forces in the war in Afghanistan. This shift from a hierarchy to a “team of teams” was sometimes learned the hard way—through lost battles and inefficient response to emergencies. Indeed, U.S. Army leaders acknowledge that their team-based organizational structure adopted some of the fluid structural features that supported their adversaries.⁴¹



global connections 13.4

Haier Group's Team-Based Organizational Structure

Haier Group, the world's largest white goods (domestic appliance) manufacturer, recently introduced a radical team-based organizational structure that encourages entrepreneurial decision making among frontline employees and improves their connection with customers. The Chinese company's evolved structure is built around self-organizing work teams called ZZJYTs (the acronym for *zi zhu jing ying ti*, meaning "independent operating unit" in Chinese).

First-level ZZJYTs consist of sales, R&D, marketing, and finance teams of between 10 and 20 people who are closest to customers and therefore best suited to make operational decisions. "In the past, employees waited to hear from the boss; now, they listen to the customer," says Zhang Ruimin, Haier's CEO who has transformed the company from a money-losing government enterprise in 1984 to its current position as an industry leader. Second-level ZZJYTs are essentially teams of supervisory facilitators who support the first level teams. The third layer of ZZJYTs are the divisional and functional managers.

Haier has created an internal marketplace whereby ZZJYTs and individual employees compete with one another. When the Haier team responsible for a model of

washing machines needs market research, it selects the ZZJYT with the best proposal to provide that research. Entrepreneurial employees also compete with one another to receive approval (based on votes from employees and sometimes suppliers) to develop an innovative product. The successful employee forms a team of members from across Haier Group and secures assistance from other ZZJYTs as well as outside resources (suppliers, research centers).^h



Cancan Chu/Getty Images

team-based organizational structure
an organizational structure built around self-directed teams that complete an entire piece of work

A **team-based organizational structure** is built around self-directed teams that complete an entire piece of work, such as manufacturing a product or accomplishing a military mission. This type of structure is usually organic. There is a wide span of control because teams operate with minimal supervision. In extreme situations, team-based structures have no formal leader, just someone selected by other team members to help coordinate the work and liaise with top management.

Team structures are highly decentralized because almost all day-to-day decisions are made by team members rather than someone further up the organizational hierarchy. Many team-based structures also have low formalization because teams are given relatively few rules about how to organize their work. Instead, executives assign quality and quantity output targets, and often productivity improvement goals, to each team. Teams are then encouraged to use available resources and their own initiative to achieve those objectives.

Team-based structures are usually found within the manufacturing or service operations of larger divisional structures. Several GE Aircraft Engines plants are organized as team-based structures, but these plants operate within GE's larger divisional structure. However, a small number of firms apply the team-based structure from top to bottom, including W. L. Gore & Associates, Semco SA, Morning Star Company, and Valve Corporation, where almost all associates work in teams.

Evaluating the Team-Based Structure The team-based structure has gained popularity because it is more flexible and responsive in turbulent environments.⁴² It tends to reduce costs because teams have less reliance on formal hierarchy (direct supervision). A cross-functional team structure improves communication and cooperation across traditional boundaries. With greater autonomy, this structure also allows quicker and more informed decision making.⁴³ For this reason, some hospitals have shifted from functional departments

to cross-functional teams. Teams composed of nurses, radiologists, anesthetists, a pharmacology representative, possibly social workers, a rehabilitation therapist, and other specialists communicate and coordinate more efficiently, thereby reducing delays and errors.⁴⁴

The team-based structure also has several limitations. It can be costly to maintain due to the need for ongoing interpersonal skills training. Teamwork potentially takes more time to coordinate than formal hierarchy during the early stages of team development. Employees may experience more stress due to increased ambiguity in their roles. Team leaders also experience more stress due to increased conflict, loss of functional power, and unclear career progression ladders. In addition, team structures suffer from duplication of resources and potential competition (and lack of resource sharing) across teams.⁴⁵

MATRIX STRUCTURE

ABB Group, one of the world's largest power and automation technology engineering firms, has four product divisions, such as power grids and process automation. It employs more than 135,000 people across 100 countries, so the global giant also has several regional groups (Americas, AMEA, and Europe). What organizational structure would work best for ABB? For example, should the head of power grids in North America report to the worldwide head of power grids in Zurich, Switzerland, or to the head of North American operations?

matrix structure
an organizational structure that overlays two structures (such as a geographic divisional and a product structure) in order to leverage the benefits of both

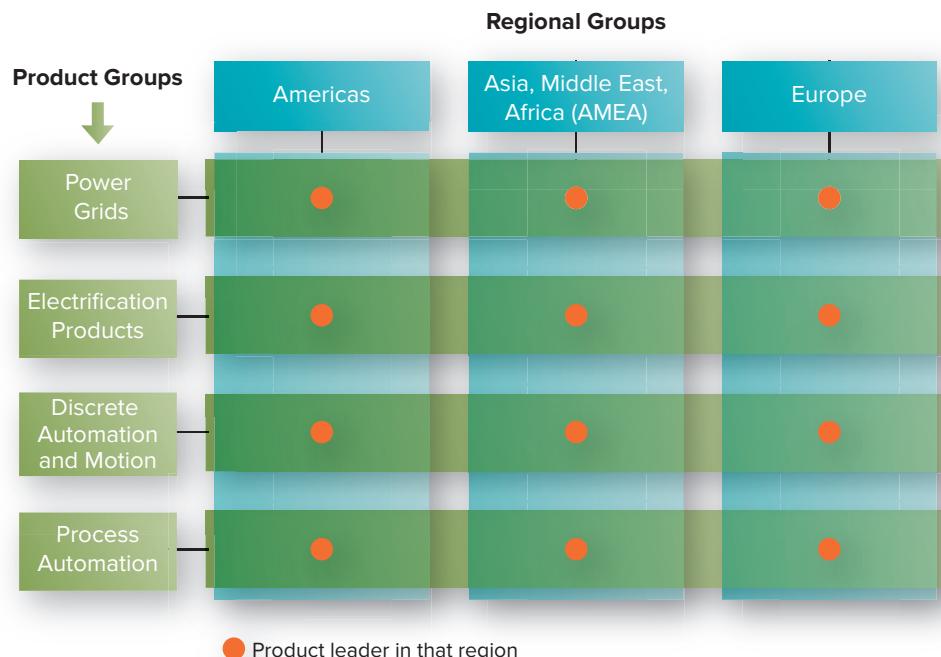
For ABB, the answer is to have a **matrix structure**, which overlays two structures (in this case, a product divisional and geographic divisional structure) to leverage the benefits of both.⁴⁶ Exhibit 13.6 shows a product-geographic matrix structure, which is a simplified version of ABB's structure. The dots represent the individuals who have two bosses. For example, the head of power grids in Europe reports to ABB's worldwide president of power grids as well as to ABB's president of European regional operations.

A common mistake is to assume that everyone in this type of matrix organizational structure reports to two bosses. In reality, only managers at one level in the organization (typically country-specific product managers) have two bosses. For example, as mentioned, ABB's executive responsible for power grids in Europe reports to both the product and regional leaders. However, employees below that country product leader report to only one manager in the European operations.

EXHIBIT 13.6

Matrix Organizational Structure at ABB Group

Note: This diagram is for illustrative purposes only. It represents a simplified version of ABB's most recent structure. The complete top-level structure also has three nonmatrixed functional groups (finance, legal, HR) reporting to the CEO. In addition, this diagram assumes ABB has a pure matrix structure, in which both product and regional chiefs have equal power. ABB says it continues to have a matrix structure, but its recent reorganization seems to give more direct line authority to product groups rather than regional groups.





The product-geographic matrix structure is the most common matrix design among global companies. For instance, Shiseido, Procter & Gamble, and Shell have variations of this matrix structure because these firms recognize that regional groups and product/services groups are equally important. Other variations of matrix structures also exist in global businesses. H&M, the Swedish fast-fashion retail group, has a matrix organizational structure that intersects its brands-based divisions (H&M, H&M Home, Cheap Monday, Monki, Cos, etc.) with almost a dozen functional groups (logistics, production, accounting, human resources, etc.).⁴⁷

Global organizations tend to have complex designs that combine different types of structures, so a “pure” matrix design is relatively uncommon. A pure matrix gives equal power to leaders of both groups (products and regions, for example), whereas in reality companies often give more power to one set of groups while the other set of groups has mostly “dotted line” or advisory authority. So, although ABB’s head of power grids has two bosses, the global president of power grids might have more final say or line authority than the regional leader.

Some companies also deviate from the pure matrix structure by applying it only to some regions. One such example is Cummins Inc., which is mainly organized around product divisions but has a matrix structure in China, India, and Russia. These markets are large, have high potential, and are potentially less visible to headquarters, so the country leaders are given as much authority as the product leaders within those regions. “I think in China there’s still enough lack of transparency, there’s still enough uniqueness to the market that having some kind of coordination across business units gets the greatest synergies,” explains Michael Barbala, an American executive who has spent most of his career in China.⁴⁸

A second type of matrix structure, which can be applied to small or large companies, overlays a functional structure with a project structure.⁴⁹ BioWare adopted this project-functional matrix structure soon after the electronic games company was born two decades ago, and recently returned to this matrix structure after discovering that other forms were less effective. Most BioWare employees have two managers. One manager leads the specific project to which employees are assigned, such as *Star Wars*, *Mass Effect*, and *Dragon Age*; the other manager is head of the employee’s functional specialization, such as art, programming, audio, quality assurance, and design.⁵⁰ Employees are assigned permanently to their functional unit but physically work with the temporary project team. When the project nears completion, the functional boss reassigns employees in his or her functional specialization to another project.

Evaluating the Matrix Structure The project-functional matrix structure usually makes very good use of resources and expertise, making it ideal for project-based organizations with fluctuating workloads. When properly managed, it improves communication efficiency, project flexibility, and innovation, compared to purely functional or divisional designs. It focuses employees on serving clients or creating products, yet keeps people organized around their specialization. The result is that knowledge sharing improves and human resources are used more efficiently.

Matrix structures for global organizations are also a logical choice when, as in the case of ABB Group, two different dimensions (regions and products) are equally important. Structures determine executive power and what should receive priority; the matrix structure works best when the business environment is complex and two different dimensions deserve equal attention and integration. Executives who have worked in a global matrix also say they have more freedom, likely because their two bosses are more advisory and less command and control focused.⁵¹

The many advantages of the matrix structure are offset by well-known problems.⁵² One concern is that it increases conflict among managers who equally share power. Employees working at the matrix level have two bosses and, consequently, two sets of priorities that aren’t always aligned with each other. Project leaders might squabble with functional



debating point

DO ORGANIZATIONS REALLY NEED TO ADOPT A MATRIX STRUCTURE?

The matrix organizational structure is gaining in popularity among leaders of large organizations. Multinational firms typically adopt a product–geographic matrix because it potentially balances the importance of the company’s core products/services with its geographic diversity. Matrix structures are also gaining popularity in smaller firms, typically as project–functional structures, as leaders try to make their workforce more “agile.”

“An agile, matrixed structure can help companies be more nimble, as this approach emphasizes interdisciplinary functionality and enables workers to move from team to team as project needs demand,” enthuses consulting firm Gallup. The company claims that matrixed employees are more motivated and focused on the organization’s unified mission and vision.

In spite of these potential benefits, matrix organizational structures have a long history of problems that are avoided or minimized through other forms of departmentalization. Proctor & Gamble, Philips, Hana Financial, Siemens, and other companies that at one time had boasted their matrix structure have since shifted to divisionalized or functional structures. McLaren Racing is the latest example. The well-known Formula 1 race car organization recently discarded its matrix structure because it undermined decision efficiency and overall coordination. “The current [matrix] structure does not allow certain people to make decisions quickly enough and act as entrepreneurially as I would like,” argues McLaren Racing CEO Zak Brown.

The most commonly cited concern is that matrix structures rely on co-management at one or many levels of the organization. The risk is that when employees report to two managers, some degree of responsibility and accountability falls through the cracks. For example, Britain’s HM Revenue & Customs (HMRC) lost two computer discs containing confidential details of 25 million child welfare claimants. A review concluded that the lax security was partly due to “muddled accountabilities” created by the matrix organizational structure under which the new department operated. In fact, responsibility for data security was assigned to no less than five departments, each of which

reported to different director generals. The final report concluded that “[HMRC] is not suited to the so-called ‘constructive friction’ matrix type organization [that was] in place at the time of the data loss.”

A second perennial problem with matrix structures is that it produces unnecessary conflict and organizational politics. Ambiguity is one of the main structural causes of conflict. Matrix structures necessarily produce more ambiguity because joint managers and their employees need to negotiate priorities with each other, whereas single line authority assigns the decision to one person. Also, no matter how collaborative the culture, managers have a degree of territoriality and inherent competitive tournament mentality that makes it difficult to maintain continuous bipartisanship. In other words, there are limits to how much managers are willing to resolve conflicts through problem solving, yielding, and other supportive actions.

Finally, matrix structures assume that the two dimensions—whether product and geography or project and function—are absolutely equally important. This is rarely true; one group almost always takes priority over other groups at the top of the hierarchy. Yet CEOs take the expedient route of a matrix structure rather than decide through a divisionalized structure that one set of executives (such as product leaders) will be subordinate to another set of executives (such as regional leaders). One CEO candidly described the matrix structure as a “cop-out style of management.”

Most organizations with a matrix structure would experience fewer problems with a variation of another structure with clearer line of accountability. For instance, an organization might have a global footprint, but it should be organized around its diverse product groups if they represent the core focus and competitive advantage. Geographic diversity is still embedded somewhere beneath the top level of the structure, such as under the heads of global sales or manufacturing. Another option is to apply “dotted-line” reporting relationships that clearly identify the executive who leads and the executive with lesser power in the relationship, often with specific statements about where the latter has rights.

leaders regarding the assignment of specific employees to projects as well as regarding the employee’s technical competence. However, successful companies manage this conflict by developing and promoting leaders who can work effectively in matrix structures. “Of course there’s potential for friction,” says an executive at IBM India. “In fact, one of the prerequisites to attaining a leadership position at IBM is the ability to function in a matrix structure.”⁵³

Ambiguous accountability is another challenge with matrix structures. In a functional or divisional structure, one manager is responsible for everything, even the most unexpected issues. But in a matrix structure, the unusual problems don’t get resolved because neither manager takes ownership of them.⁵⁴ Due to this ambiguous accountability, matrix structures have been blamed for corporate ethical misconduct, such as embezzlement at Hana Financial Group in Korea and massive bribery at Siemens AG in Germany. Oracle

co-CEO Mark Hurd warned of this problem: “The more accountable I can make you, the easier it is for you to show you’re a great performer,” says Hurd. “The more I use a matrix, the easier I make it to blame someone else.”⁵⁵ The combination of dysfunctional conflict and ambiguous accountability in matrix structures also explains why some employees experience more stress and why some managers are less satisfied with their work arrangements.

NETWORK STRUCTURE

BMW AG and Daimler AG aren’t eager to let you know this, but some of the vehicles manufactured by them with Germanic precision are not constructed by their employees or in Germany. BMW’s newest Z4 sports coupe and Daimler’s Mercedes G class luxury SUVs are made in Austria by Magna Steyr, a division of Magna Corporation. For these vehicles, at least, BMW and Daimler Benz are hub organizations that own and market their respective brands, whereas Magna Steyr and other suppliers are spokes around the hub that provide production, engineering, and other services that get the auto firms’ luxury products to customers.⁵⁶

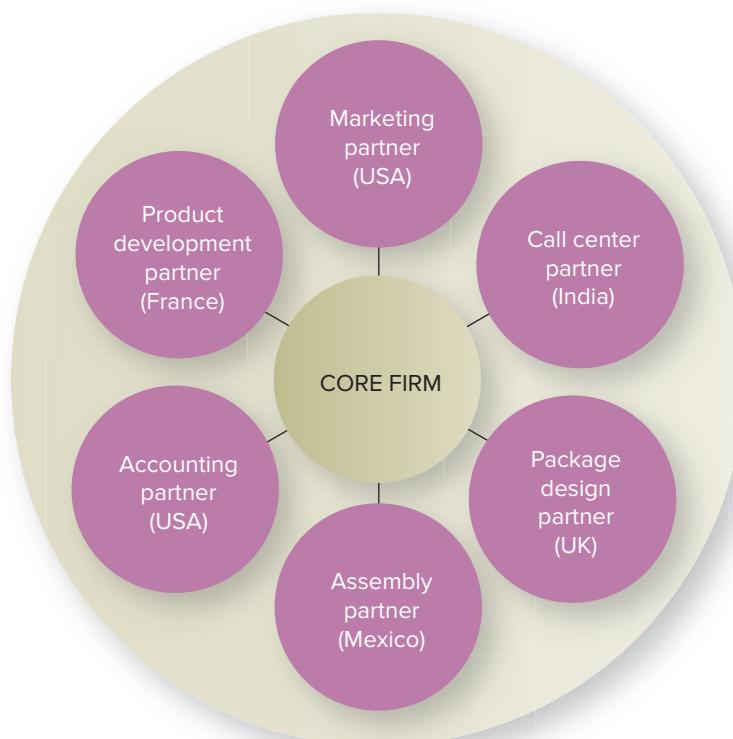
network structure
an alliance of several organizations for the purpose of creating a product or serving a client

BMW, Daimler, and many other organizations are moving toward a **network structure** as they design and build a product or serve a client through an alliance of several organizations.⁵⁷ As Exhibit 13.7 illustrates, this collaborative structure typically consists of several satellite organizations bee-hived around a hub or core firm. The core firm orchestrates the network process and provides one or two other core competencies, such as marketing or product development. In our example, BMW or Mercedes is the hub that provides marketing and management, whereas other firms perform many other functions. The core firm might be the main contact with customers, but most of the product or service delivery and support activities are farmed out to satellite organizations located anywhere in the world. Extranets (web-based networks with partners) and other technologies ensure that information flows easily and openly between the core firm and its array of satellites.⁵⁸

One of the main forces pushing toward a network structure is the recognition that an organization has only a few *core competencies*. A core competency is a knowledge base that

EXHIBIT 13.7

A Network Organizational Structure



resides throughout the organization and provides a strategic advantage. As companies discover their core competency, they outsource noncritical tasks to other organizations that have a core competency at performing those tasks. For instance, BMW decided long ago that facilities management is not one of its core competencies, so it outsourced this function in its British operations to a company that specializes in facilities management.⁵⁹

Companies are also more likely to form network structures when technology is changing quickly and production processes are complex or varied.⁶⁰ Many firms cannot keep up with the hyperfast changes in information technology, so they have outsourced their entire information system departments to IBM, HP Enterprise Business, and other firms that specialize in information system services. Similarly, many high-technology firms form networks with electronic equipment manufacturers that have expertise in diverse production processes.

Evaluating the Network Structure Organizational behavior theorists have long argued that executives should think of their companies from the metaphor of plasma-like organisms rather than rigid machines.⁶¹ Network structures come close to the organism metaphor because they offer the flexibility to realign their structure with changing environmental requirements. If customers demand a new product or service, the core firm forms new alliances with other firms offering the appropriate resources. For example, by working with Magna Steyr, Jaguar Land Rover was able to launch a wider variety of new models than was possible with its own manufacturing resources. When Magna Steyr's clients need a different type of manufacturing, they aren't saddled with nonessential facilities and resources. Network structures also offer efficiencies because the core firm becomes globally competitive as it shops worldwide for subcontractors with the best people and the best technology at the best price. Indeed, the pressures of global competition have made network structures more vital, and computer-based information technology has made them possible.⁶²

A potential disadvantage of network structures is that they expose the core firm to market forces. Other companies may bid up the price for subcontractors, whereas the short-term cost would be lower if the company hired its own employees to perform the same function. Another problem is that information technology makes worldwide communication much easier, but it will never replace the degree of control organizations have when manufacturing, marketing, and other functions are in-house. The core firm can use arm's-length incentives and contract provisions to maintain the subcontractor's quality, but these actions are relatively crude compared with maintaining the quality of work performed by in-house employees.

Contingencies of Organizational Design

LO 13-4



Most organizational behavior theories and concepts have contingencies: Ideas that work well in one situation might not work as well in another situation. This contingency approach is certainly relevant when choosing the most appropriate organizational structure.⁶³ In this section, we introduce four contingencies of organizational design: external environment, size, technology, and strategy.

EXTERNAL ENVIRONMENT

The best structure for an organization depends on its external environment. The external environment includes anything outside the organization, including most stakeholders (e.g., clients, suppliers, government), resources (e.g., raw materials, human resources, information, finances), and competitors. Four characteristics of external environments influence the type of organizational structure best suited to a particular situation: dynamism, complexity, diversity, and hostility.⁶⁴

Dynamic versus Stable Environments Dynamic environments have a high rate of change, leading to novel situations and a lack of identifiable patterns. Organic structures in which employees are experienced and coordinate well in teams are better suited to dynamic environments, so the organization can adapt more quickly to changes.⁶⁵ In contrast, stable environments are characterized by regular cycles of activity and steady changes in supply and demand for inputs and outputs. Events are more predictable, enabling the firm to apply rules and procedures. Mechanistic structures are more efficient when the environment is predictable, so they tend to be more profitable than organic structures under these conditions.

Complex versus Simple Environments Complex environments have many elements, whereas simple environments have few things to monitor. As an example, a major university library operates in a more complex environment than a small-town public library. The university library's clients require several types of services—book borrowing, online full-text databases, research centers, course reserve collections, and so on. A small-town public library has fewer of these demands placed on it. The more complex the environment, the more decentralized the organization should become. Decentralization is a logical choice for complex environments because decisions are pushed down to people and subunits who possess the information needed to make informed choices.

Diverse versus Integrated Environments Organizations located in diverse environments have a greater variety of products or services, clients, and regions. In contrast, an integrated environment has only one client, product, and geographic area. The more diversified the environment, the more the firm needs to use a divisional structure aligned with that diversity. If it sells a single product around the world, a geographic divisional structure would align best with the firm's geographic diversity, for example. Diverse environments also call for decentralization. By pushing decision making further down the hierarchy, the company can adapt better and more quickly to diverse clients, government requirements, and other circumstances related to that diversity.

Hostile versus Munificent Environments Firms located in a hostile environment face resource scarcity and more competition in the marketplace. Hostile environments are typically dynamic ones because they reduce the predictability of access to resources and demand for outputs. Organic structures tend to be best in hostile environments. However, when the environment is extremely hostile—such as a severe shortage of supplies or tumbling market share—organizations tend to temporarily centralize so that decisions can be made more quickly and executives feel more comfortable being in control.⁶⁶ Ironically, centralization may result in lower-quality decisions during organizational crises because top management has less information, particularly when the environment is complex.

ORGANIZATIONAL SIZE

The structures of larger organizations differ from those of smaller organizations, for good reason.⁶⁷ As the number of employees increases, job specialization increases due to a greater division of labor. The greater division of labor requires more elaborate coordinating mechanisms. Thus, larger firms make greater use of standardization (particularly work processes and outcomes) to coordinate work activities. These coordinating mechanisms create an administrative hierarchy and greater formalization. At one time, growing organizations reduced their reliance on informal communication as a coordinating mechanism. However, emerging information technologies and increased emphasis on empowerment have caused informal communication to regain its importance in large firms.⁶⁸

Larger organizations also tend to be more decentralized than are smaller organizations. Executives have neither sufficient time nor expertise to process all the decisions that significantly influence the business as it grows. Therefore, decision-making authority

is pushed down to lower levels, where employees are able to make decisions on issues within their narrower range of responsibility.

TECHNOLOGY

Technology is another factor to consider when designing the best organizational structure for the situation.⁶⁹ *Technology* refers to the mechanisms or processes an organization relies on to make its products or services. In other words, technology isn't just the equipment used to make something; it also includes how the production process is physically arranged and how the production work is divided among employees.

The two main technological contingencies are variability and analyzability, both of which we described as job characteristics in Chapter 6. *Task variability* refers to how predictable the job duties are from one day to the next. In jobs with high variability, employees perform several types of tasks, but they don't know which of those tasks are required from one day to the next. Low variability occurs when the work is highly routine and predictable. *Task analyzability* refers to how much the job can be performed using known procedures and rules. In jobs with high task analyzability, employees have well-defined guidelines to direct them through the work process. In jobs with low task analyzability, employees tackle unique situations with few (if any) guidelines to help them determine the best course of action.

An organic, rather than a mechanistic, structure should be introduced where employees perform tasks with high variability and low analyzability, such as in a research setting. The reason is that employees face unique situations with little opportunity for repetition. In contrast, a mechanistic structure is preferred where the technology has low variability and high analyzability, such as an assembly line. Assembly work is routine, highly predictable, and has well-established procedures—an ideal situation for a mechanistic structure to operate efficiently.



SELF-ASSESSMENT 13.2: Does Your Job Require an Organic or Mechanistic Structure?

Different jobs require different types of organizational structures. For some jobs, employees work better in an organic structure. In other jobs, a mechanistic structure helps incumbents perform their work better. Think of the job you currently have or recently held, or even your "job" as a student. You can discover which structure is better for your job by locating this self-assessment in Connect if it is assigned by your instructor.

organizational strategy
the way the organization positions itself in its environment in relation to its stakeholders, given the organization's resources, capabilities, and mission

ORGANIZATIONAL STRATEGY

Organizational strategy refers to the way the organization positions itself in its environment in relation to its stakeholders, given the organization's resources, capabilities, and mission.⁷⁰ In other words, strategy represents the decisions and actions applied to achieve the organization's goals. Although size, technology, and environment influence the optimal organizational structure, these contingencies do not necessarily determine structure. Instead, corporate leaders formulate and implement strategies that shape both the characteristics of these contingencies as well as the organization's resulting structure.

This concept is summed up with the simple phrase "structure follows strategy."⁷¹ Organizational leaders decide how large to grow and which technologies to use. They take steps to define and manipulate their environments, rather than let the organization's fate be entirely determined by external influences. Furthermore, organizational structures don't evolve as a natural response to environmental conditions; they result from conscious human decisions. Thus, organizational strategy influences both the contingencies of structure and the structure itself.

If a company's strategy is to compete through innovation, a more organic structure would be preferred because it is easier for employees to share knowledge and be creative. If a company chooses a low-cost strategy, a mechanistic structure is preferred because it maximizes production and service efficiency.⁷² Overall, it is now apparent that organizational structure is influenced by size, technology, and environment, but the organization's strategy may reshape these elements and loosen their connection to organizational structure.

chapter summary

LO 13-1 **Describe three types of coordination in organizational structures.**

Organizational structure is the division of labor as well as the patterns of coordination, communication, workflow, and formal power that direct organizational activities. All organizational structures divide labor into distinct tasks and coordinate that labor to accomplish common goals. The primary means of coordination are informal communication, formal hierarchy, and standardization.

LO 13-2 **Discuss the role and effects of span of control, centralization, and formalization, and relate these elements to organic and mechanistic organizational structures.**

The four basic elements of organizational structure are span of control, centralization, formalization, and departmentalization. The optimal span of control—the number of people directly reporting to the next level in the hierarchy—depends on what coordinating mechanisms are present other than formal hierarchy, whether employees perform routine tasks, and how much interdependence there is among employees within the department.

Centralization occurs when formal decision authority is held by a small group of people, typically senior executives. Many companies decentralize as they become larger and more complex, but some sections of the company may remain centralized while other sections decentralize. Formalization is the degree to which organizations standardize behavior through rules, procedures, formal training, and related mechanisms. Companies become more formalized as they get older and larger. Formalization tends to reduce organizational flexibility, organizational learning, creativity, and job satisfaction.

Span of control, centralization, and formalization cluster into mechanistic and organic structures. Mechanistic structures are characterized by a narrow span of control and a high degree of formalization and centralization. Companies with an organic structure have the opposite characteristics.

LO 13-3 **Identify and evaluate six types of departmentalization.**

Departmentalization specifies how employees and their activities are grouped together. It establishes the chain of command,

focuses people around common mental models, and encourages coordination through informal communication among people and subunits. A simple structure employs few people, has minimal hierarchy, and typically offers one distinct product or service. A functional structure organizes employees around specific knowledge or other resources. This structure fosters greater specialization and improves direct supervision, but it weakens the focus on serving clients or developing products.

A divisional structure groups employees around geographic areas, clients, or outputs. This structure accommodates growth and focuses employee attention on products or customers rather than tasks. However, this structure also duplicates resources and creates silos of knowledge. Team-based structures are very flat, with low formalization, and organize self-directed teams around work processes rather than functional specialties. The matrix structure combines two structures to leverage the benefits of both types. However, this approach requires more coordination than functional or pure divisional structures, may dilute accountability, and increases conflict. A network structure is an alliance of several organizations for the purpose of creating a product or serving a client.

LO 13-4 **Explain how the external environment, organizational size, technology, and strategy are relevant when designing an organizational structure.**

The best organizational structure depends on whether the environment is dynamic or stable, complex or simple, diverse or integrated, and hostile or munificent. Another contingency is the organization's size. Larger organizations need to become more decentralized and more formalized. The work unit's technology—including variability of work and analyzability of problems—influences whether it should adopt an organic or mechanistic structure. These contingencies influence but do not necessarily determine structure. Instead, corporate leaders formulate and implement strategies that shape both the characteristics of these contingencies and the organization's resulting structure.

key terms

centralization, p. 485

matrix structure, p. 493

organizational strategy, p. 499

divisional structure, p. 489

mechanistic structure, p. 486

organizational structure, p. 478

formalization, p. 486

network structure, p. 496

span of control, p. 483

functional structure, p. 488

organic structure, p. 487

team-based organizational structure, p. 492

critical thinking questions

1. Samsung Electronics' organizational structure was described at the beginning of this chapter. What coordinating mechanism is likely most common in this organization? Describe the extent and form in which the other two types of coordination might be apparent at Samsung.
2. Think about the business school or other organizational unit whose classes you are currently attending. What is the dominant coordinating mechanism used to guide or control the instructor? Why is this coordinating mechanism used the most here?
3. Administrative theorists concluded many decades ago that the most effective organizations have a narrow span of control. Yet today's top-performing manufacturing firms have a wide span of control. Why is this possible? Under what circumstances, if any, should manufacturing firms have a narrow span of control?
4. Leaders of large organizations struggle to identify the best level and types of centralization and decentralization. What should companies consider when determining the degree of decentralization?
5. Diversified Technologies, Inc. (DTI) makes four types of products, each type to be sold to different types of clients. For example, one product is sold exclusively to automobile repair shops, whereas another is used mainly in hospitals. Expectations within each client group are surprisingly similar throughout the world. The company has separate marketing, product design, and manufacturing facilities in Asia, North America, Europe, and South America because, until recently, each jurisdiction had unique regulations governing the production and sales of these products. However, several governments have begun the process of deregulating the products that DTI designs and manufactures, and trade agreements have opened several markets to foreign-made products. Which form of departmentalization might be best for DTI if deregulation and trade agreements occur?
6. Mechanistic and organic structures are two organizational forms. How do the three types of coordination mechanisms operate through these forms?
7. From an employee perspective, what are the advantages and disadvantages of working in a matrix structure?
8. Suppose you have been hired as a consultant to diagnose the environmental characteristics of your college or university. How would you describe the school's external environment? Is the school's existing structure appropriate for this environment?



CASE STUDY: MERRITT'S BAKERY

By Steven L. McShane, University of Newcastle (Australia)

In 1979, Larry and Bobbie Merritt bought The Cake Box, a small business located in a tiny 450 square-foot store in Tulsa, Oklahoma. The couple were the only employees. "I would make cakes and Bobbie would come in and decorate them," Larry recalls. Bobbie Merritt was already skilled in decorating cakes, whereas baking was a new occupation for Larry Merritt, who previously worked as a discount store manager. So, Larry spent hours pouring over baking books in the local library and testing recipes through trial-and-error experimentation. "I threw away a lot of ingredients that first year," he recalls.

Sales were initially slow. Then, a doughnut shop around the corner was put up for sale, and its owner made it possible for the Merritts to buy that business. They moved to the larger location and changed the company's name to Merritt's Bakery to reflect the broader variety of products sold. The Merritts hired their first two employees, who performed front-of-store sales and service. Over the next decade, Merritt's Bakery's physical space doubled and its revenues increased 13-fold. The company employed 20 people by the time it made its next move.

In 1993, Merritt's Bakery moved to a 6,000 square-foot location across the street. The business became so popular that customers were lining up down the street to buy its fresh-baked goods. "That looks like success to a lot of people, but that was failure," says Bobbie Merritt. The problem was that the couple didn't want to delegate production to employees, but they couldn't produce their baked goods or

decorate their carefully crafted cakes fast enough to keep up with demand. "We felt like failures because we had to work those 20 hours (per day)," she reflects.

At some point, the Merritts realized that they had to become business owners and managers rather than bakers. They devised a plan to grow the business and drew up an organizational structure that formalized roles and responsibilities. When a second Merritt's Bakery store opened across town in 2001, each store was assigned a manager, a person in charge of baking production, another in charge of cake decorating and pastries, and someone responsible for sales. A third store opened a few years later. Larry worked on maintaining quality by training bakery staff at each store. "Because it is so difficult to find qualified bakers nowadays, I want to spend more time teaching and developing our products," he said at the time.

Christian Merritt, one of Larry and Bobbie's sons, joined the organization in 2000 and now runs the business. An engineer by training with experience in the telecommunications industry, Christian soon developed flowcharts that describe precise procedures for most work activities, ranging from simple store-front tasks (cashiering) to unusual events such as a power outage. These documents standardized work activities to maintain quality with less reliance on direct supervision. Christian also introduced computer systems to pool information across stores about how much inventory exists, which products are selling quickly, and how much demand exists for Merritt's famous custom cakes.

The information improved decision making about production, staffing, and purchasing without having to directly contact or manage each store as closely.

In late 2007, Merritt's Bakery opened a dedicated production center near the original store and moved all production staff into the building, affectionately called "the Fort." The centralized production facility reduced costs by removing duplication of staff and equipment, provided more consistent quality, and allowed the stores to have more front store space for customers.

Merritt's Bakery also refined its training programs, from the initial orientation session to a series for modules on specific skills. For example, front-of-store staff complete a series of clinics that add up to 20 hours of training. The company also introduced special selection processes so people with the right personality and skills are hired into these jobs. Employees at Merritt's production facility receive decorator training through a graduated program over a longer time. One or two managers at the production site closely coach up to five new hires.

Today, Merritt's Bakery employs more than 80 people, including production managers, store managers, and a marketing director. Two-thirds of the business is in the creation of cakes for birthdays, weddings, and other events, but the company also has three busy and popular stores across

Tulsa. "We're just now getting the pieces in place to start to treat Merritt's Bakery like a business, with a lot of parts that we manage from a distance," says Christian Merritt. "We're present but detached; we have our hands in a lot of things, but it's in managing stores instead of operating them."

Discussion Questions

- How have the division and coordination of labor evolved at Merritt's Bakery from its beginnings to today?
- Describe how span of control, centralization, and formalization have changed at Merritt's Bakery over the years. Is the company's organizational structure today more mechanistic or organic? Are these three organizational structure elements well suited to the company in their current form? Why or why not?
- What form of departmentalization currently exists at Merritt's Bakery? Would you recommend this form of departmentalization to this company? Why or why not?

Sources: S. Cherry, "Not without Its Merritt's," *Tulsa World*, April 13, 2001, 19; D. Blossom, "Bakery Has Recipe for Success," *Tulsa World*, October 28, 2002, A7; M. Reynolds, "A Difficult Choice Pays Off for Merritt's Bakery," *Modern Baking*, March 2010, 39; "Flour Power," *Tulsa People*, May 2011. Information also was collected from the company's website, www.merrittsbakery.com.



TEAM EXERCISE: THE CLUB ED EXERCISE

PURPOSE This exercise is designed to help you understand the issues to consider when designing organizations at various stages of growth.

MATERIALS Each student team should have several flip chart sheets or other means to draw and show the class several organizational charts.

INSTRUCTIONS Teams receive up to four scenarios, one at a time in chronological sequence. For each scenario, teams are given a fixed time (e.g., 15 minutes) to draw an organizational chart that best suits the firm in that scenario. The first scenario is presented below. The exercise and debriefing require approximately 90 minutes, although fewer scenarios can reduce the time somewhat.

Step 1: Students are placed in teams (typically four or five people).

Step 2: After reading scenario #1 (presented below), each team will design an organizational chart (departmentalization) that is most appropriate for this situation. Students will describe the type of structure drawn and explain why it is the best option. The structure should be drawn on one sheet of flip chart paper for others to see during later class discussion. The instructor will set a

fixed time (e.g., 15 minutes) to complete this task before the next scenario is presented.

Scenario #1 Determined to never suffer another cold winter, you secured venture capital funding for a new resort business called Club Ed on a small Caribbean island. The resort is under construction and is scheduled to open in less than one year. The resort will employ approximately 75 staff (most employed full-time). Draw an organizational chart that best suits the organization when it opens, and justify your decision.

Step 3: At the end of the time allowed, the instructor will present scenario #2 and each team will be asked to draw another organizational chart to suit that situation. Again, students will describe the type of structure drawn and explain why it is the best type of structure for that situation.

Step 4: At the end of the time allowed, the instructor will present scenario #3, and each team will be asked to draw another organizational chart to suit that situation.

Step 5: Depending on the time available, the instructor might present a fourth scenario. The class will gather to present their designs for each scenario. During each presentation, teams will be asked to describe the type of structure drawn and explain why it is the best choice for that situation.

Based on C. Harvey and K. Morouney, *Journal of Management Education* 22 (June 1998), 425–29.

endnotes

1. “Samsung Emulates Silicon Valley by Letting Staff Take on Pet Projects,” *Today (Singapore)*, November 20, 2015, 55; Y.-c. Kim, “Samsung to Overhaul Rigid Business Structure,” *Korea Times*, March 24, 2016; “Korean Companies Seek to Drop Job Titles,” *Korea Herald*, April 6, 2016; “Samsung to Streamline Job Titles,” *The Nation (Bangkok)*, February 11, 2017; “Samsung to Demolish Rigid, Top-Down Corporate Culture,” *Korea Times*, February 11, 2017.
2. S. Ranson, R. Hinings, and R. Greenwood, “The Structuring of Organizational Structure,” *Administrative Science Quarterly* 25 (1980): 1–14; J. E. Johanson, “Intra-organizational Influence,” *Management Communication Quarterly* 13 (2000): 393–435; K. Walsh, “Interpreting the Impact of Culture on Structure,” *Journal of Applied Behavioral Science* 40, no. 3 (2004): 302–22. The recent survey is reported in J. Bersin et al., “The New Organization: Different by Design,” in *Global Human Capital Trends 2016* (Westlake, TX: Deloitte University Press, 2016), 1–14.
3. H. Mintzberg, *The Structuring of Organizations* (Englewood Cliffs, NJ: Prentice Hall, 1979), 2–3.
4. E.E. Lawler III, *Motivation in Work Organizations* (Monterey, CA: Brooks/Cole, 1973); M.A. Campion, “Ability Requirement Implications of Job Design: An Interdisciplinary Perspective,” *Personnel Psychology* 42 (1989): 1–24.
5. G.S. Becker and K.M. Murphy, “The Division of Labor, Coordination Costs, and Knowledge,” *Quarterly Journal of Economics* 107, no. 4 (1992): 1137–60; L. Borghans and B. Weel, “The Division of Labour, Worker Organisation, and Technological Change,” *The Economic Journal* 116, no. 509 (2006): F45–F72.
6. H. Mintzberg, *The Structuring of Organizations* (Englewood Cliffs, NJ: Prentice Hall, 1979), Chap. 1; D.A. Nadler and M.L. Tushman, *Competing by Design: The Power of Organizational Architecture* (New York: Oxford University Press, 1997), Chap. 6; J.R. Galbraith, *Designing Organizations: An Executive Guide to Strategy, Structure, and Process* (San Francisco: Jossey-Bass, 2002), Chap. 4.
7. J. Stephenson Jr., “Making Humanitarian Relief Networks More Effective: Operational Coordination, Trust and Sense Making,” *Disasters* 29, no. 4 (2005): 337.
8. A. Willem, M. Buelens, and H. Scarbrough, “The Role of Inter-Unit Coordination Mechanisms in Knowledge Sharing: A Case Study of a British MNC,” *Journal of Information Science* 32, no. 6 (2006): 539–61; R.R. Gulati, “Silo Bust-ing,” *Harvard Business Review* 85, no. 5 (2007): 98–108.
9. L. Borghans and B. Weel, “The Division of Labour, Worker Organisation, and Technological Change,” *The Economic Journal* 116, no. 509 (2006): F45–F72.
10. T. Van Alphen, “Magna in Overdrive,” *Toronto Star*, July 24, 2006; “Production at Magna Paint Shop Finally under Way,” News release (Hoče, Slovenia: Magna Steyr, March 19, 2019).
11. J.R. Galbraith, *Designing Organizations: An Executive Guide to Strategy, Structure, and Process* (San Francisco, CA: Jossey-Bass, 2002), 66–72; D. Aaker, *Spanning Silos: The New CMO Imperative* (Cambridge, MA: Harvard Business Press, 2008), 95–96; A. Pike, *Brands and Branding Geographies* (Cheltenham, UK: Edward Elgar, 2011), 133.
12. S.M. Sapuan, M.R. Osman, and Y. Nukman, “State of the Art of the Concurrent Engineering Technique in the Automotive Industry,” *Journal of Engineering Design* 17, no. 2 (2006): 143–57; D.M. Anderson, *Design for Manufacturing: How to Use Concurrent Engineering to Rapidly Develop Low-Cost, High-Quality Products for Lean Management* (Boca Raton, FL: CRC Press/Taylor & Francis, 2014), Chap. 2.
13. A.H. Van De Ven, A.L. Delbecq, and R.J. Koenig Jr., “Determinants of Coordination Modes within Organizations,” *American Sociological Review* 41, no. 2 (1976): 322–38.
14. Y.M. Hsieh and A.T. Hsieh, “Enhancement of Service Quality with Job Standardisation,” *Service Industries Journal* 21 (2001): 147–66.
15. M. Guadalupe, J. Wulf, and H. Li, “The Rise of the Functional Manager: Changes Afoot in the C-Suite,” *European Business Review* (2012); G.L. Neilson and J. Wulf, “How Many Direct Reports?,” *Harvard Business Review* 90, no. 4 (2012): 112–19.
16. B. Davison, “Management Span of Control: How Wide Is Too Wide?,” *Journal of Business Strategy* 24, no. 4 (2003): 22–29; N.A. Theobald and S. Nicholson-Crotty, “The Many Faces of Span of Control: Organizational Structure across Multiple Goals,” *Administration Society* 36, no. 6 (2005): 648–60; R.M. Meyer, “Span of Management: Concept Analysis,” *Journal of Advanced Nursing* 63, no. 1 (2008): 104–12.
17. D.D. Van Fleet and A.G. Bedeian, “A History of the Span of Management,” *Academy of Management Review* 2 (1977): 356–72; H. Fayol, *General and Industrial Management*, trans. C. Storrs (London: Pitman, 1949); D.A. Wren, A.G. Bedeian, and J.D. Breeze, “The Foundations of Henri Fayol’s Administrative Theory,” *Management Decision* 40, no. 9 (2002): 906–18.
18. D. Drickamer, “Lessons from the Leading Edge,” *IndustryWeek*, February 21, 2000, 23–26.
19. For examples of nurse manager span of control, see: D. Jones et al., “Nurse Manager Scope and Span of Control: An Objective Business and Measurement Model” (AONE 45th Annual Conference, Denver, 2013); R.O. Sherman, “Span of Control in Nurse Leader Roles,” *Emerging Nurse Leader* (blog), June 27, 2013, <https://www.emergingrnleader.com/span-of-control-in-nurse-leader-roles/>; J.M. Kendall, “Nurse Manager Span of Control and the Impact on Employee Engagement,” DNP Projects (University of Kentucky, 2018), https://uknowledge.uky.edu/dnp_etds/185.
20. J. Greenwald, “Ward Compares the Best with the Rest,” *Business Insurance*, August 26, 2002, 16. One recent article also emphasized that claims managers require a narrow span of control. See M.T. Murdock, “Getting Claim Costs under Control: Improve Your Loss Ratio Using These Proven Fundamentals,” *Claims Journal*, March 1, 2016.

21. J.H. Gittell, "Supervisory Span, Relational Coordination and Flight Departure Performance: A Reassessment of Postbureaucracy Theory," *Organization Science* 12, no. 4 (2001): 468-83.
22. S. Marchionne, "Navigating the New Automotive Epoch," *Vital Speeches of the Day* (2010): 134-37.
23. T.D. Wall, J.L. Cordery, and C.W. Clegg, "Empowerment, Performance, and Operational Uncertainty: A Theoretical Integration," *Applied Psychology: An International Review* 51 (2002): 146-69.
24. C. Pellegrini, "BCE's George Cope Named Canada's Outstanding CEO of the Year," *Financial Post Magazine*, November 10, 2015; Conagra Foods, "Conagra Brands Investor Day," news release (Chicago: CQ FD Disclosure, October 18, 2016); McDonald's Corp., "McDonald's Corp at Sanford C Bernstein Strategic Decision Conference," news release (Oak Brook, IL: Bloomberg, May 31, 2017).
25. Q.N. Huy, "In Praise of Middle Managers," *Harvard Business Review* 79 (2001): 72-79; C.R. Littler, R. Wiesner, and R. Dunford, "The Dynamics of Delayering: Changing Management Structures in Three Countries," *Journal of Management Studies* 40, no. 2 (2003): 225-56; H.J. Leavitt, *Top Down: Why Hierarchies Are Here to Stay and How to Manage Them More Effectively* (Cambridge: Harvard Business School Press, 2005); L. McCann, J. Morris, and J. Hassard, "Normalized Intensity: The New Labour Process of Middle Management," *Journal of Management Studies* 45, no. 2 (2008): 343-71; "Why Middle Managers May Be the Most Important People in Your Company," *Knowledge @ Wharton*, May 25, 2011.
26. M. Rogoway, "Portland Startup Treehouse Eliminates the Boss, Tells Workers to Manage Themselves," *The Oregonian*, December 20, 2013; M. Rogoway, "No-Boss Office Brings Back the Boss: 'We Were Naive,'" *The Oregonian*, June 18, 2016.
27. The variations of decentralization within a company are discussed in G. Masada, "To Centralize or Decentralize?," *Optimize*, May 2005, 58-61. The 7-Eleven example is described in J.G. Kelley, "Slurpees and Sausages: 7-Eleven Holds School," *Richmond (VA) Times-Dispatch*, March 12, 2004, C1; S. Marling, "The 24-Hour Supply Chain," *InformationWeek*, January 26, 2004, 43.
28. H. Mintzberg, *The Structuring of Organizations* (Englewood Cliffs, NJ: Prentice Hall, 1979), Chap. 5.
29. W. Dessein and T. Santos, "Adaptive Organizations," *Journal of Political Economy* 114, no. 5 (2006): 956-95; A.A.M. Nasurdin et al., "Organizational Structure and Organizational Climate as Potential Predictors of Job Stress: Evidence from Malaysia," *International Journal of Commerce and Management* 16, no. 2 (2006): 116-29; C.J. Chen and J.W. Huang, "How Organizational Climate and Structure Affect Knowledge Management—The Social Interaction Perspective," *International Journal of Information Management* 27, no. 2 (2007): 104-18.
30. T. Burns and G. Stalker, *The Management of Innovation* (London: Tavistock, 1961).
31. W.D. Sine, H. Mitsuhashi, and D.A. Kirsch, "Revisiting Burns and Stalker: Formal Structure and New Venture Performance in Emerging Economic Sectors," *Academy of Management Journal* 49, no. 1 (2006): 121-32.
32. H. Mintzberg, *The Structuring of Organizations* (Englewood Cliffs, NJ: Prentice Hall, 1979), 106.
33. H. Mintzberg, *The Structuring of Organizations* (Englewood Cliffs, NJ: Prentice Hall, 1979), Chap. 17; R.M. Burton, B. Obel, and G. DeSanctis, *Organizational Design: A Step-by-Step Approach*, 2nd ed. (Cambridge, UK: Cambridge University Press, 2011), 61-63.
34. J.R. Galbraith, *Designing Organizations: An Executive Guide to Strategy, Structure, and Process* (San Francisco: Jossey-Bass, 2002), 23-25; R.M. Burton, B. Obel, and G. DeSanctis, *Organizational Design: A Step-by-Step Approach*, 2nd ed. (Cambridge, UK: Cambridge University Press, 2011), 63-65.
35. E.E. Lawler III, *Rewarding Excellence: Pay Strategies for the New Economy* (San Francisco: Jossey-Bass, 2000), 31-34.
36. The evolutionary development of the divisional structure is described in J.R. Galbraith, "The Evolution of Enterprise Organization Designs," *Journal of Organization Design* 1, no. 2 (2012): 1-13.
37. These structures were identified from corporate websites and annual reports. The organizations typically rely on a mixture of other structures, so the charts shown have been adapted for learning purposes.
38. M. Goold and A. Campbell, "Do You Have a Well-Designed Organization?," *Harvard Business Review* 80 (2002): 117-24. Others have added factors such as economies of scale and what resources need to be controlled the most. See G. Kesler and A. Kates, *Leading Organization Design: How to Make Organization Design Decisions to Drive the Results You Want* (San Francisco: Jossey-Bass, 2011), Chap. 3.
39. J.R. Galbraith, "Structuring Global Organizations," in *Tomorrow's Organization*, ed. S.A. Mohrman et al. (San Francisco: Jossey-Bass, 1998), 103-29; C. Homburg, J.P. Workman Jr., and O. Jensen, "Fundamental Changes in Marketing Organization: The Movement toward a Customer-Focused Organizational Structure," *Academy of Marketing Science Journal* 28 (2000): 459-78; T.H. Davenport, J.G. Harris, and A.K. Kohli, "How Do They Know Their Customers So Well?," *Sloan Management Review* 42 (2001): 63-73; J.R. Galbraith, "Organizing to Deliver Solutions," *Organizational Dynamics* 31 (2002): 194-207.
40. R.M. Burton, B. Obel, and G. DeSanctis, *Organizational Design: A Step-by-Step Approach*, 2nd ed. (Cambridge, UK: Cambridge University Press, 2011), 65-68.
41. G.S. McChrystal et al., *Team of Teams: New Rules of Engagement for a Complex World* (New York: Penguin, 2015).
42. J.R. Galbraith, E.E. Lawler III, and Associates, *Organizing for the Future: The New Logic for Managing Complex Organizations* (San Francisco: Jossey-Bass, 1993); R. Bettis and M. Hitt, "The New Competitive Landscape," *Strategic Management Journal* 16 (1995): 7-19.
43. P.C. Ensign, "Interdependence, Coordination, and Structure in Complex Organizations: Implications for Organization Design," *Mid-Atlantic Journal of Business* 34 (1998): 5-22.
44. M.M. Fanning, "A Circular Organization Chart Promotes a Hospital-Wide Focus on Teams," *Hospital & Health*

- Services Administration* 42 (1997): 243–54; L.Y. Chan and B.E. Lynn, “Operating in Turbulent Times: How Ontario’s Hospitals Are Meeting the Current Funding Crisis,” *Health Care Management Review* 23 (1998): 7–18.
45. R. Cross, “Looking before You Leap: Assessing the Jump to Teams in Knowledge-Based Work,” *Business Horizons* 43, no. 5 (2000): 29–36; M. Fenton-O’Creevy, “Employee Involvement and the Middle Manager: Saboteur or Scapegoat?,” *Human Resource Management Journal* 11 (2001): 24–40; C. Douglas and W.L. Gardner, “Transition to Self-Directed Work Teams: Implications of Transition Time and Self-Monitoring for Managers’ Use of Influence Tactics,” *Journal of Organizational Behavior* 25 (2004): 47–65; G. Garda, K. Lindstrom, and M. Dallnera, “Towards a Learning Organization: The Introduction of a Client-Centered Team-Based Organization in Administrative Surveying Work,” *Applied Ergonomics* 34 (2003): 97–105.
 46. S. M. Davis and P. R. Lawrence, *Matrix* (Reading, MA: Addison-Wesley, 1977); J. R. Galbraith, *Designing Matrix Organizations That Actually Work* (San Francisco: Jossey-Bass, 2009); G. Kesler and A. Kates, *Leading Organization Design: How to Make Organization Design Decisions to Drive the Results You Want* (San Francisco: Jossey-Bass, 2011), chap. 7.
 47. H&M’s matrix structure is illustrated and described in *Corporate Governance Report 2016* (Stockholm: H & M Hennes & Mauritz AB, March 2017). Shiseido’s recently introduced matrix structure is described in *Our Global Management Organization Is Fully Operational*, Annual Report 2015 (Tokyo: Shiseido, May 2016).
 48. Deloitte U.S. Chinese Services Group, *Balancing Flexibility and Control: Optimizing Your Organizational Structure in China*, Board Brief China (New York: Deloitte, 2008).
 49. R.C. Ford and W.A. Randolph, “Cross-Functional Structures: A Review and Integration of Matrix Organization and Project Management,” *Journal of Management* 18 (1992): 267–94.
 50. R. Muzyka and G. Zeschuk, “Managing Multiple Projects,” *Game Developer*, March 2003, 34–42; J. Schreier, “BioWare Boss Addresses Studio Issues, Vows To ‘Continue Working To Solve Them,’ ” *Kotaku*, April 4, 2019.
 51. J.X.J. Qiu and L. Donaldson, “Stopford and Wells Were Right! MNC Matrix Structures Do Fit a ‘High-High’ Strategy,” *Management International Review (MIR)* 52, no. 5 (2012): 671–89; D. Ganguly and M. Mitra, “Survive the Matrix,” *Economic Times* (Mumbai, India), March 29, 2013.
 52. G. Calabrese, “Communication and Co-operation in Product Development: A Case Study of a European Car Producer,” *R&D Management* 27 (1997): 239–52; T. Sy and L.S. D’Annunzio, “Challenges and Strategies of Matrix Organizations: Top-Level and Mid-Level Managers’ Perspectives,” *Human Resource Planning* 28, no. 1 (2005): 39–48; J. Wolf and W.G. Egelhoff, “An Empirical Evaluation of Conflict in MNC Matrix Structure Firms,” *International Business Review* 22, no. 3 (2013): 591–601.
 53. D. Ganguly, “Matrix Evolutions,” *Economic Times* (Mumbai, India), February 18, 2012.
 54. D.A. Nadler and M.L. Tushman, *Competing by Design: The Power of Organizational Architecture* (New York: Oxford University Press, 1997), Chap. 6; M. Goold and A. Campbell, “Structured Networks: Towards the Well-Designed Matrix,” *Long Range Planning* 36, no. 5 (2003): 427–39.
 55. D. Ciampa and M. Watkins, “Rx for New CEOs,” *Chief Executive*, January 2008. The matrix structure problems at Hana Financial and Siemens are discussed in: J.-Y. Lee, “Matrix Structure No Easy Fit for Local Financial Groups,” *Korea JoongAng Daily*, February 3, 2012; G. Dietz and N. Gillespie, “Rebuilding Trust: How Siemens Atoned for Its Sins,” *The Guardian*, March 26, 2012.
 56. M. Beecham, “Magna Steyr President on Launching Products Smarter and Quicker—Q&A,” *Just-Auto Global News*, March 16, 2016; M. Panait, “Magna Steyr Celebrates 300,000th Mercedes-Benz G-Class Produced Since 1978,” *AutoEvolution*, July 19, 2017; A. Padeanu, “2019 BMW Z4 Production Starts In Austria,” *Motor1*, November 8, 2018; A. Karr, “First 2020 Toyota Supra Rolls Off Magna Steyr Assembly Lines,” *Motor1*, March 25, 2019.
 57. R.F. Miles and C.C. Snow, “The New Network Firm: A Spherical Structure Built on a Human Investment Philosophy,” *Organizational Dynamics* 23, no. 4 (1995): 5–18; C. Baldwin and K. Clark, “Managing in an Age of Modularity,” *Harvard Business Review* 75 (1997): 84–93.
 58. J. Hagel III and M. Singer, “Unbundling the Corporation,” *Harvard Business Review* 77 (1999): 133–41; R. Hacki and J. Lighton, “The Future of the Networked Company,” *McKinsey Quarterly* 3 (2001): 26–39.
 59. J. Dwyer, “Mind How You Go,” *Facilities Management*, May 2008, 22–25.
 60. M.A. Schilling and H.K. Steensma, “The Use of Modular Organizational Forms: An Industry-Level Analysis,” *Academy of Management Journal* 44 (2001): 1149–68.
 61. G. Morgan, *Images of Organization*, Second ed. (Newbury Park: Sage, 1996); G. Morgan, *Imagin-I-Zation: New Mindsets for Seeing, Organizing and Managing* (Thousand Oaks, CA: Sage, 1997).
 62. H. Chesbrough and D.J. Teece, “When Is Virtual Virtuous? Organizing for Innovation,” *Harvard Business Review* 74, no. 1 (1996): 65–73; P.M.J. Christie and R. Levary, “Virtual Corporations: Recipe for Success,” *Industrial Management* 40 (1998): 7–11.
 63. L. Donaldson, *The Contingency Theory of Organizations* (Thousand Oaks, CA: Sage, 2001); J. Birkinshaw, R. Nobel, and J. Ridderstråle, “Knowledge as a Contingency Variable: Do the Characteristics of Knowledge Predict Organizational Structure?,” *Organization Science* 13, no. 3 (2002): 274–89.
 64. P.R. Lawrence and J.W. Lorsch, *Organization and Environment* (Homewood, IL: Irwin, 1967); H. Mintzberg, *The Structuring of Organizations* (Englewood Cliffs, NJ: Prentice Hall, 1979), Chap. 15.
 65. T. Burns and G. Stalker, *The Management of Innovation* (London: Tavistock, 1961); P.R. Lawrence and J.W. Lorsch, *Organization and Environment* (Homewood, IL: Irwin, 1967).

66. H. Mintzberg, *The Structuring of Organizations* (Englewood Cliffs, NJ: Prentice Hall, 1979), 282.
67. D.S. Pugh and C.R. Hinings, *Organizational Structure: Extensions and Replications* (Farnborough, UK: Lexington Books, 1976); H. Mintzberg, *The Structuring of Organizations* (Englewood Cliffs, NJ: Prentice Hall, 1979), Chap. 13.
68. J.R. Galbraith, *Designing Matrix Organizations That Actually Work* (San Francisco, CA: Jossey-Bass, 2009), 52–55; G. Hertel, S. Geister, and U. Konradt, “Managing Virtual Teams: A Review of Current Empirical Research,” *Human Resource Management Review* 15 (2005): 69–95.
69. C. Perrow, “A Framework for the Comparative Analysis of Organizations,” *American Sociological Review* 32 (1967): 194–208; D. Gerwin, “The Comparative Analysis of Structure and Technology: A Critical Appraisal,” *Academy of Management Review* 4, no. 1 (1979): 41–51; C.C. Miller et al., “Understanding Technology-Structure Relationships: Theory Development and Meta-Analytic Theory Testing,” *Academy of Management Journal* 34, no. 2 (1991): 370–99.
70. R.H. Kilmann, *Beyond the Quick Fix* (San Francisco: Jossey-Bass, 1984), 38.
71. A.D. Chandler, *Strategy and Structure* (Cambridge, MA: MIT Press, 1962).
72. D. Miller, “Configurations of Strategy and Structure,” *Strategic Management Journal* 7 (1986): 233–49.
- a. M. Bandecchi et al., “The ESA/ESTEC Concurrent Design Facility,” in *Proceedings of the 2nd European Systems Engineering Conference* (European Systems Engineering Conference (EuSEC 2000), Munich, 2000), 329–36; “20 Years of ESA’s Concurrent Design Facility: An Oral History,” News release (Paris: European Space Agency, April 1, 2019); “Where Space Missions Are Born,” News release (Paris: European Space Agency, April 1, 2019).
- b. Kelly Services, *Effective Employers: The Evolving Workforce*, Kelly Global Workforce Index, Kelly Services (Troy, MI: November 2011); “Something to Talk about,” news release (Toronto: Accountemps, October 22, 2013); “Survey: More Than Half of Employees Have Worked for a Micromanager,” news release for Accountemps (Menlo Park, CA: PR Newswire, July 1, 2014); T.K. Ock, “Top-Down Corporate Culture Continues to Take Its Toll,” *Korea Herald*, July 19, 2016; “Study: The Worst Traits in a Boss,” *Comparably* (blog), March 28, 2018, <https://www.comparably.com/blog/study-the-worst-trait-in-a-boss/>.
- c. D. Thompson, “More on the Span of Control Issue,” *Statesman Journal Blog* (Oregon), May 16, 2011; Iowa State Legislative Services Agency, *Span of Control*, Fiscal Note, Iowa State (Des Moines: Iowa Legislature, March 10, 2011); Western Management Consultants, *Service Efficiency Study Program Management Span of Control Review Report to the City Manager*, City of Toronto (Toronto: October 31, 2012); United States Postal Service, *Supervisor Workhours and Span of Control: Management Advisory* (Washington, DC: United States Postal Service, April 4, 2013); N. Fish and S. Novick, *FY 2013-14 Budget Subcommittee #1 Final Report*, City of Portland, Oregon (Portland, Oregon: April 8, 2013); E. Schmidt and J. Rosenberg, *How Google Works* (New York: Grand Central, 2014), 42–44; S. Stoll, *Accenture Update: Progress Report through August 31, 2015*, Bowling Green University (Bowling Green, OH: September 18, 2015); WMC Consultants, *Toronto Transit Commission Organizational Review Report*, Toronto Transit Commission (Toronto: July 2015); *The New Organization: Different by Design*, Global Human Capital Trends 2016 (New York: Deloitte University Press, 2016).
- d. S.C. Goulding, “Top Workplaces 2018: How Finnish Culture Opens up Software Development at Vincit,” *Orange County Register*, December 7, 2018; “Inc. Magazine Ranks Vincit among Best Workplaces 2019,” News release (Irvine, Calif.: Vincit California, May 17, 2019).
- e. J. Bloodworth, “I Worked in an Amazon Warehouse,” *The Guardian*, September 17, 2018; M. Burin, “When You Click ‘Buy Now’, This Is What Happens inside Amazon Australia’s Warehouse,” *ABC News (Australia)*, February 27, 2019; M. Zahn and S. Paget, “‘Colony of Hell’: 911 Calls From Inside Amazon Warehouses,” *The Daily Beast*, March 11, 2019.
- f. A. Joseph, “The Cream Always Rises,” *Canadian Packaging*, April 2012, 18–22; D. Crosby, “Chapman’s Mixes in Some Fun,” *Owen Sound Sun Times*, February 26, 2014, C11; “Chapman’s Ice Cream Wins Most Innovative Ice Cream Award,” news release for Chapman’s Ice Cream (Thornbury, ON: Marketwired, October 29, 2015); A. Joseph, “Safety First,” *Food In Canada*, October 2018.
- g. K. Linebaugh, D. Searcey, and N. Shirouzu, “Secretive Culture Led Toyota Astray,” *The Wall Street Journal*, February 10, 2010; Toyota North American Quality Advisory Panel, *A Road Forward* (Washington, DC: Toyota North American Quality Advisory Panel, May 23, 2011); J. Muller, “Toyota Admits Misleading Customers; Agrees to \$1.2 Billion Criminal Fine,” *Forbes*, March 19, 2014; Y. Kubota, “Toyota Plans Organizational Shake-Up,” *The Wall Street Journal*, February 29, 2016; “Toyota Overhauls Function-Based Structure in Favor of Products,” news release (Toyota City, Japan: Toyota Motor Corporation, March 2, 2016).
- h. “Haier and Higher,” *The Economist*, October 12, 2013; B. Fischer, U. Lago, and F. Liu, “The Haier Road to Growth,” *strategy&business*, April 27, 2015; N. Mahajan, “Haier Is Disrupting Itself—before Someone Else Does,” *knowledge.ckgsb.edu.cn*, October 5, 2015; J.G. Frynas, M.J. Mol, and K. Mellahi, “Management Innovation Made in China: Haier’s Rendanheyi,” *California Management Review* 61, no. 1 (November 2018): 71–93, <https://doi.org/10.1177/0008125618790244>. For a detailed review of Haier’s evolution from hierarchy to ZZJYT “platforms,” see: X. Sun et al., “Building a Global Responsive Organization: The Case of the Haier Group,” in *The Responsive Global Organization*, ed. T.J. Andersen (Emerald Publishing Limited, 2017), 149–68, <https://doi.org/10.1108/978-1-78714-831-420171006>.
- i. T.J. Peters, “Beyond the Matrix Organization,” *Business Horizons* 22, no. 5 (October 1979): 15–27; V. Houlder, “The Merger That Exposed a Taxing Problem for Managers,” *Financial Times*, 11 July 2008, 12; K. Poynter,

Review of Information Security at HM Revenue and Customs, (London: HM Treasury, Government of the United Kingdom, June 2008); “The Multiple Boss Dilemma: Is It Possible to Please More Than One?,” *Knowledge@ Wharton*, September 2, 2016; B. Johnson and Geal, “The Challenges of Matrix Management,” *Training Journal*, October 28, 2016; O. Keogh, “Balancing Bosses in the

Matrix Can Be a Daunting Challenge,” *The Irish Times*, June 15, 2018; M. Gretton, Z. Haidinger and E. Straw, “Zak Brown: Was Mit ‘Matrix-Management’ Verkehrt Ist (Zak Brown: What’s wrong with “matrix management”),” *Motorsport-Total.Com*, July 15, 2018; V. Ratanjee and N. Dvorak, “Mastering Matrix Management in the Age of Agility,” *Gallup Workplace*, September 18, 2018.



14

Organizational Culture



Learning Objectives ➤

After studying this chapter, you should be able to:

- LO 14-1** Describe the elements of organizational culture and discuss the importance of organizational subcultures.
- LO 14-2** Describe four categories of artifacts through which corporate culture is deciphered.
- LO 14-3** Discuss the importance of organizational culture and the conditions under which organizational culture strength improves organizational performance.
- LO 14-4** Compare and contrast four strategies for merging organizational cultures.
- LO 14-5** Describe five strategies for changing and strengthening an organization's culture, including the application of attraction–selection–attrition theory.
- LO 14-6** Describe the organizational socialization process and identify strategies to improve that process.

Uber employed more than 5,000 people just six years after the transportation network company was created. To guide employee behavior in the rapidly expanding organization, cofounder and former CEO Travis Kalanick and chief product officer Jeff Holden penned a list of 14 values representing Uber's "philosophy of work." They were Uber's actual or aspirational culture.

Dressed in a white lab coat, Kalanick introduced the list at a secretive Las Vegas convention with almost all Uber employees in attendance. He explained each value in detail with several slides and a video, then asked specific Uber executives to tell a story that exemplified each value. "When you go through that growth, you have to cement your culture values and talk about them all of the time," said Kalanick after the cultural values were made public.

Kalanick's rationale for articulating the list of 14 values was to maintain Uber's aggressive entrepreneurial spirit. Yet many observers say that these values and corresponding leadership role modeling produced a "toxic culture" and a "cultural implosion" that led to lawsuits, employee turnover



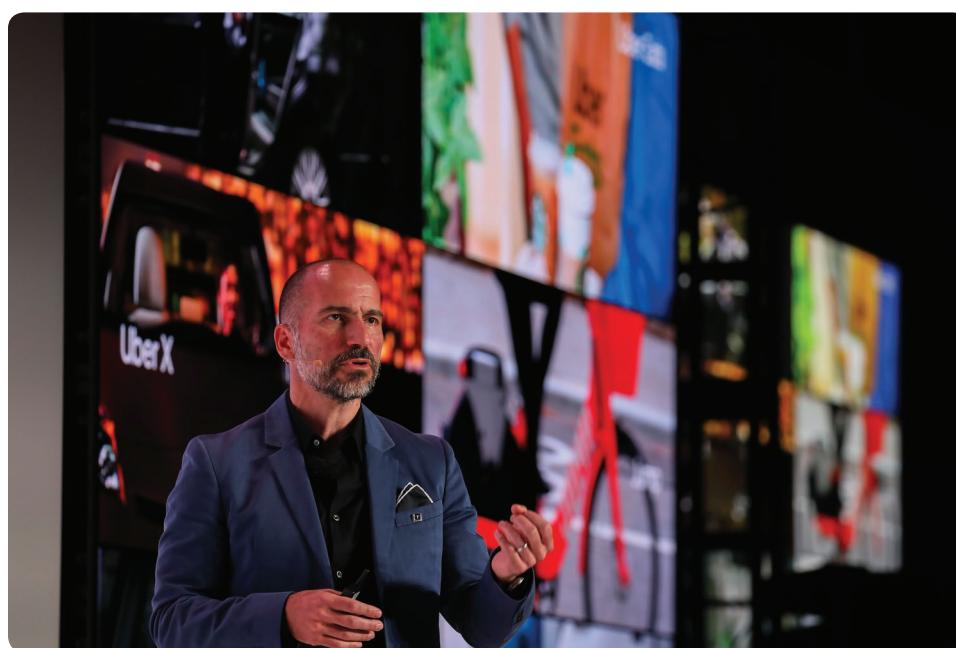
PART 4: ORGANIZATIONAL PROCESSES

and dismissals, and government investigations. Uber has faced allegations of sexual harassment, bullying, privacy violations, corporate espionage, anti-competitive activities, and theft of proprietary technology.

Three years after his dramatic corporate culture presentation, Kalanick was replaced as Uber's CEO by outsider Dara Khosrowshahi. One of Khosrowshahi's top priorities was to realign the company's culture with more productive behavior and societal expectations. "The culture and approach that got Uber where it is today is not what will get us to the next level," said Khosrowshahi soon after stepping into the CEO role. "Our values define who we are and how we work, but I had heard from many employees that some of them simply didn't represent the kind of company we want to be."

Uber's original list was developed by two Uber executives alone, whereas Khosrowshahi invited all employees to participate in crafting the new cultural "norms." More than 1,200 staff members worldwide submitted ideas and almost two dozen employee focus group sessions were held. Employees voted on the resulting list of values, which were then distilled down to eight core themes.

Only a few of the original values remained, such as "big bold bets" and "be an owner." Other values were jettisoned because they reinforced some of the activities that got Uber in trouble. Khosrowshahi specifically commented that "toe-stepping" was intended to encourage employees at all levels to share their ideas, "but too often it was used as an excuse for being [a jerk]." Equally important, the new values include the explicit ethical mandate to "do the right thing" whereas nothing similar existed in the original list.¹



Tasos Katopodis/Getty Images

Uber CEO Dara Khosrowshahi (shown in the photo) hopes to replace the transportation network firm's "toxic culture" with a set of values that are aligned with more productive behavior and societal expectations.

organizational culture
the values and assumptions shared within an organization

Uber’s “toxic” organizational culture nearly veered the transportation network company over a cliff. Yet considerable research suggests that, under specific conditions, companies are more successful when they have a strong culture. This evidence explains why current CEO Dara Khosrowshahi orchestrated a new set of cultural values to redirect employees toward more productive and socially acceptable behavior. **Organizational culture** consists of the values and assumptions shared within an organization.² It defines what is important and unimportant in the company and, consequently, directs everyone in the organization toward the “right way” of doing things. You might think of organizational culture as the company’s DNA—invisible to the naked eye, yet a powerful template that shapes what happens in the workplace.

This chapter begins by identifying the elements of organizational culture and then describing how culture is deciphered through artifacts. Next, we examine the relationship between organizational culture and organizational effectiveness, including the effects of cultural strength, fit, and adaptability. Our attention then turns to strategies for merging organizational cultures. The latter part of this chapter examines ways to change and strengthen organizational culture, and looks more closely at the related topic of organizational socialization.

Elements of Organizational Culture

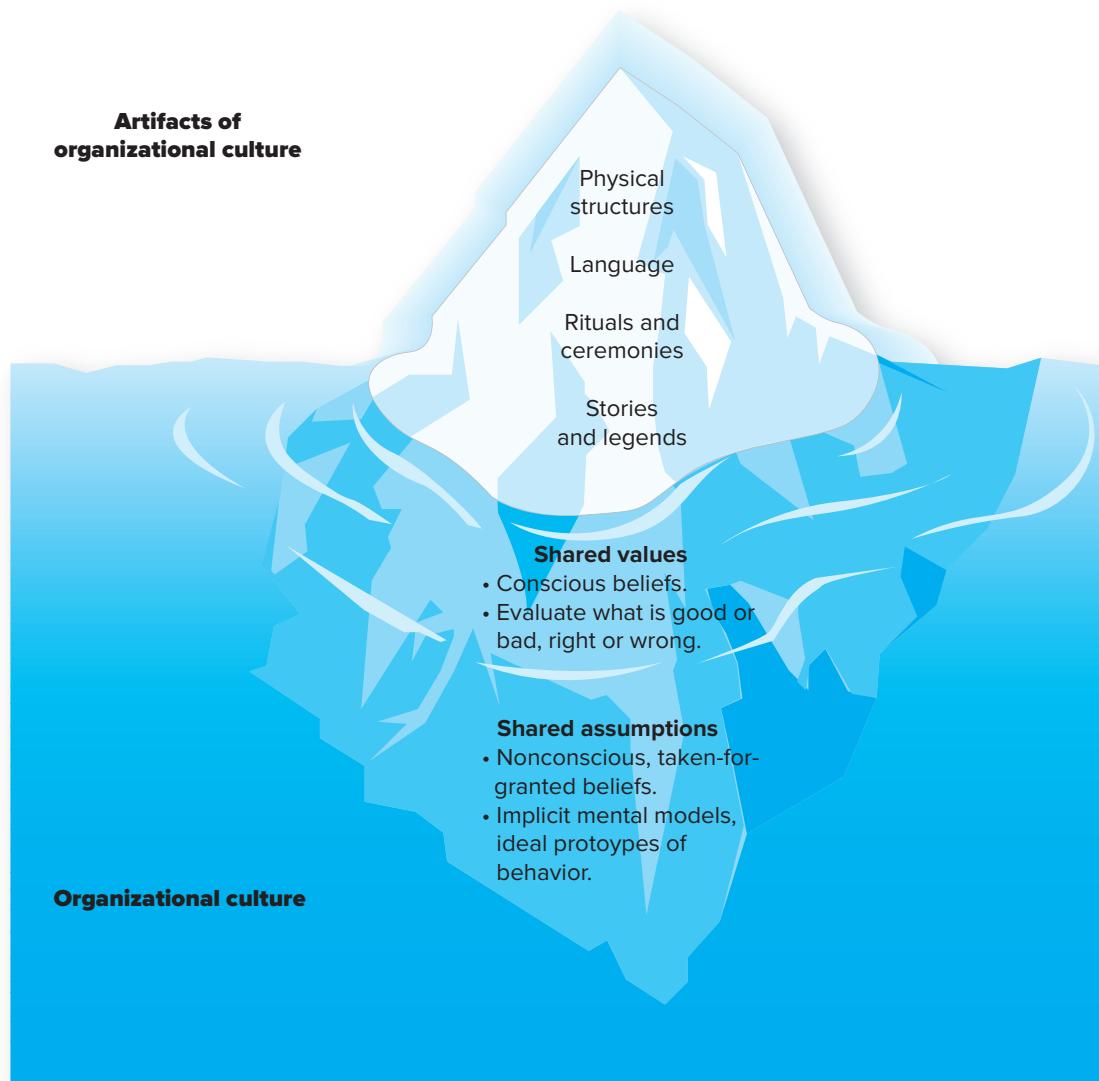
LO 14-1

Organizational culture consists of shared values and assumptions. Exhibit 14.1 illustrates how these shared values and assumptions relate to each other and are associated with artifacts, which are discussed later in this chapter. *Values* are stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations (see Chapters 1 and 2).³ They are conscious perceptions about what is good or bad, right or wrong. In the context of organizational culture, values are discussed as *shared values*, which are values that people within the organization or work unit have in common and place near the top of their hierarchy of values.⁴ For example, Uber has shifted significantly within the past few years from a culture that does whatever it takes (including abusive and illegal activity) to one that prioritizes ethical conduct, customer focus, and lawful innovation.

Organizational culture also consists of *shared assumptions*—a deeper element that some experts believe is the essence of corporate culture. Shared assumptions are nonconscious, taken-for-granted perceptions or ideal prototypes of behavior that are considered the correct way to think and act toward problems and opportunities. Shared assumptions are so deeply ingrained that you probably wouldn’t discover them by surveying employees. Only by observing employees, analyzing their decisions, and debriefing them on their actions would these assumptions rise to the surface.

ESPOUSED VERSUS ENACTED VALUES

Most corporate websites have “Careers” web pages for job candidates, and many of these sites proudly list the company’s core values. Facebook, the social networking company,

EXHIBIT 14.1 Organizational Culture Assumptions, Values, and Artifacts

lists its core values as: focus on impact, move fast, be bold, be open, and build social value. “We want people to take risks and be bold and really strive to make a huge impact,” says a Facebook employee. New Zealand’s TrustPower has six core “PRIIDE” values: passion, respect, integrity, innovation, delivery, and empowerment. “No matter how much we grow or how technology changes, we will always value the relationships we have with our customers and our values guide our actions,” says a TrustPower executive.⁵

Do these values really represent the cultural content of Facebook and TrustPower? They probably do in these two organizations, because their cultures are well known and are deeply entrenched through various artifacts. However, most company websites tend to describe *espoused values*—the values that corporate leaders hope will eventually become the organization’s culture, or at least the values they want others to believe guide the organization’s decisions and actions.⁶ Espoused values are usually socially desirable, so they present a positive public image. Even if top management acts consistently with the espoused values, lower-level employees might not do so. Employees bring diverse personal values to the organization, some of which might conflict with the organization’s espoused values. Some companies even describe espoused values that are completely different from their actual culture.⁷



global connections 14.1

Takata's Espoused vs. Enacted Cultural Values

For many years, Takata Corporation proudly described the three components of its Takata Way culture: open communication, commitment, and adherence to the fact-based problem-solving principles of San Gen Shugi (principally, the so-called “three-reals”: go and look at what’s really happening; take a realistic look at your product or service; use facts to arrive at a conclusion).

Yet evidence suggests that these espoused values do not represent the Japanese airbag and seatbelt manufacturer’s enacted values. Takata has become infamous for designing dangerous airbags. At least two dozen people have died and hundreds of others have been injured due to flying shrapnel from Takata airbag explosions. These disastrous products can be traced back to a culture that was mostly contrary to what Takata claimed.

Rather than encouraging open communication, Takata’s senior management apparently discouraged open debate. And rather than supporting the principles of San Gen Shugi, Takata’s leaders actively suppressed fact-based analysis of its products. The company was found guilty of concealing evidence that its airbags had catastrophic safety flaws. An independent panel of



KAZUHIRO NOGI/Getty Images

experts concluded that “many of the Panel’s recommendations require cultural change. Accordingly, Takata must take steps to drive quality into its culture.”

The claims against Takata have been so overwhelming that the company entered bankruptcy protection and was recently sold to a Chinese competitor.^a

An organization’s culture is defined by its *enacted values*, not its espoused values. Values are *enacted* when they actually guide and influence decisions and behavior. They are values put into practice. Enacted values are apparent when watching executives and other employees in action, including their decisions, where they focus their attention and resources, how they behave toward stakeholders, and the outcomes of those decisions and behavior.

CONTENT OF ORGANIZATIONAL CULTURE

Organizations differ considerably in their cultural content, that is, the relative ordering of shared values.⁸ Pinterest, the image-focused social media site, has a decidedly collaborative culture that avoids contested debate and other risks of offending coworkers. “We aspire to create a culture where people feel respected and valued,” says a Pinterest spokesperson. In contrast, Netflix’s culture seems to prioritize individual performance and undertones of internal competitiveness. For instance, the online streaming media provider reminds employees that “We’re a team, not a family,” that “Netflix leaders hire, develop, and cut smartly,” and that “adequate performance gets a generous severance package.”⁹

How many corporate cultures are there? Several models and measures classify organizational culture into a handful of easy-to-remember categories. One of these, shown in Exhibit 14.2, identifies seven corporate cultures. Another popular model identifies four organizational cultures organized in a two-by-two table representing internal versus external focus and flexibility versus control. Other models organize cultures around a circle with 8 or 12 categories. These circumplex models suggest that some cultures are opposite to others, such as an avoidance culture versus a self-actualization culture, or a power culture versus a collegial culture.¹⁰

**EXHIBIT 14.2****Organizational Culture Profile Dimensions and Characteristics**

Source: Based on information in C.A. O'Reilly III, J. Chatman, and D.F. Caldwell, "People and Organizational Culture: A Profile Comparison Approach to Assessing Person-Organization Fit," *Academy of Management Journal* 34, no. 3 (1991): 487-518.

ORGANIZATIONAL CULTURE DIMENSION	CHARACTERISTICS OF THE DIMENSION
Innovation	Experimenting, opportunity seeking, risk taking, few rules, low cautiousness
Stability	Predictability, security, rule-oriented
Respect for people	Fairness, tolerance
Outcome orientation	Action-oriented, high expectations, results-oriented
Attention to detail	Precise, analytic
Team orientation	Collaboration, people-oriented
Aggressiveness	Competitive, low emphasis on social responsibility

Organizational culture models and surveys are popular with corporate leaders faced with the messy business of diagnosing their company's culture and identifying what kind of culture they want to develop. Unfortunately, the models oversimplify the diversity of cultural values within organizations. There are dozens of individual values, and many more combinations of values, so the number of organizational cultures that these models describe probably falls considerably short of the full set.

The diversity of corporate cultures is evident in a recent study of espoused values at the top 500 American companies.¹¹ The study distilled these values down to nine categories. Integrity appeared most often, followed by teamwork, innovation, respect, quality, safety, community, communication, and hard work. But each of these categories includes a large number of specific values. The "respect" category, for instance, includes the specific values of diversity, inclusion, development, empowerment, and dignity. As there are dozens of espoused values, there would be an equally long list of enacted values.

Another concern is that organizational culture models and measures typically ignore the shared assumptions aspect of culture. This oversight likely occurs because measuring shared assumptions is even more difficult than measuring shared values. A third concern is that many organizational culture models and measures incorrectly assume that organizations have a fairly clear, unified culture that is easily decipherable.¹² In reality, an organization's culture is typically blurry and fragmented. Every employee has a somewhat distinct hierarchy of values, so an organization's culture necessarily has noticeable variability. Also, organizations consist of clusters of employees across the organization, and these employees prioritize different values than the company's culture. Thus, many of the popular organizational culture models and measures oversimplify the variety of organizational cultures and falsely presume that organizations can easily be identified within these categories.

**SELF-ASSESSMENT 14.1: Which Corporate Culture Do You Prefer?**

An organization's culture may be very appealing to some people and much less so to others. After all, each of us has a hierarchy of personal values, and that hierarchy may be compatible or incompatible with the company's shared values. You can discover which of four types of organizational culture you most and least prefer by locating this self-assessment in Connect if it is assigned by your instructor.

ORGANIZATIONAL SUBCULTURES

When discussing organizational culture, we are really referring to the *dominant culture*, that is, the values and assumptions shared most consistently and widely by the organization's members. The dominant culture is usually (but not always) supported by senior management. Cultural values and assumptions can also persist in spite of senior management's desire for another culture.

Organizations are also composed of *subcultures* located throughout their various divisions, geographic regions, and occupational groups.¹³ Some subcultures enhance the dominant culture by embracing similar assumptions and values. Other subcultures differ from, but do not conflict with, the dominant culture. Still others are called *countercultures* because they embrace values and assumptions that directly oppose the organization's dominant culture. It is also possible that some organizations (including some universities, according to one study) consist of subcultures with no decipherable dominant culture at all.¹⁴

Subcultures, particularly countercultures, potentially create conflict and dissension among employees, but they also serve two important functions.¹⁵ First, they maintain the organization's standards of performance and ethical behavior. Employees who hold countercultural values are an important source of surveillance and critical review of the dominant order. They encourage constructive conflict and more creative thinking about how the organization should interact with its environment. Subcultures potentially support ethical conduct by preventing employees from blindly following one set of values. Subculture members continually question the "obvious" decisions and actions of the majority, thereby making everyone more mindful of the consequences of their actions.

Subcultures serve a second valuable function: they are spawning grounds for emerging values that keep the firm aligned with the evolving needs and expectations of customers, suppliers, communities, and other stakeholders. Companies eventually need to replace their existing dominant values with ones that are more appropriate for the changing environment. Those emerging cultural values and assumptions usually exist in subcultures long before they are ideal for the organization. If subcultures are suppressed, the organization may take longer to discover, develop, and adopt the emerging desired culture.

Deciphering Organizational Culture through Artifacts

LO 14-2

artifacts
the observable symbols and signs of an organization's culture

Shared values and assumptions are not easily measured through surveys and might not be accurately reflected in the organization's values statements. Instead, as Exhibit 14.1 illustrated earlier, an organization's culture needs to be deciphered through a detailed investigation of artifacts. **Artifacts** are the observable symbols and signs of an organization's culture, such as the way visitors are greeted, the organization's physical layout, and how employees are rewarded.¹⁶ A few experts suggest that artifacts are the essence of organizational culture, whereas most others (including the authors of this book) view artifacts as symbols or indicators of culture. In other words, culture is cognitive—values and assumptions reside inside people's heads—whereas artifacts are observable manifestations of that culture. Either way, artifacts are important because they represent and reinforce an organization's culture.

Artifacts provide valuable evidence about a company's culture.¹⁷ An organization's ambiguous and fragmented culture is best understood by observing workplace behavior, listening to everyday conversations among staff and with customers, studying written documents and emails, viewing physical structures and settings, and interviewing staff about corporate stories. In other words, to truly understand an organization's culture, we need to sample information from a variety of organizational artifacts.

The Mayo Clinic conducted such an assessment. An anthropologist was hired to decipher the medical organization's culture at its headquarters in Minnesota and to identify ways of transferring that culture to its two newer sites in Florida and Arizona. For six weeks, the anthropologist shadowed employees, posed as a patient in waiting rooms, did



countless interviews, and accompanied physicians on patient visits. The final report outlined Mayo's dominant culture and how its satellite operations varied from that culture.¹⁸

We review four broad categories of artifacts next: organizational stories and legends, language, rituals and ceremonies, and physical structures and symbols.

ORGANIZATIONAL STORIES AND LEGENDS

Alibaba is a relatively young company, yet the Chinese e-commerce firm's culture is already supported by several stories and legends. One famous story describes how a small band of employees joined a secret project to create Taobao, Alibaba's consumer trade portal, to compete directly with eBay in China. The group worked out of Alibaba's original offices—cofounder Jack Ma's former apartment—which had been vacated a couple of years earlier. Through perseverance and “fire in their belly,” the Taobao team built a business that whittled away at eBay's 80 percent market share. Within six years, Taobao was China's dominant consumer trading portal and eBay closed its operations.

Stories such as Alibaba's bold head-on competition with eBay permeate strong organizational cultures. Some tales recount heroic deeds, whereas others ridicule past events that deviate from the firm's core values. Organizational stories and legends serve as powerful social prescriptions of the way things should (or should not) be done. They add human realism to corporate expectations, individual performance standards, and the criteria for getting fired. Stories also produce emotions, which tend to improve listeners' memory of the lesson within the story.¹⁹ Stories have the greatest effect on communicating corporate culture when they describe real people, are assumed to be true, and are known by employees throughout the organization. Stories are also prescriptive—they advise people what to do or not to do.²⁰

ORGANIZATIONAL LANGUAGE

The language of the workplace speaks volumes about the company's culture. How employees talk to one another, describe customers, express anger, and greet stakeholders are all verbal symbols of shared values and assumptions. “What we say—and how we say it—can deeply affect a company's culture,” advise Tom Kelley and David Kelley, leaders of design firm IDEO.²¹ An organization's culture particularly stands out when employees habitually use customized phrases and labels. At The Container Store, for instance, employees compliment one another about “being Gumby,” meaning that they are being as flexible as the once-popular green toy to help a customer or another employee.²²

Language also captures less complimentary cultural values. At Goldman Sachs, “elephant trades” are apparently large investment transactions with huge profit potential, so the investment firm allegedly encourages its salespeople to go “elephant hunting” (seeking out these large trades from clients). A former Goldman Sachs manager reported that some employees at the investment firm also routinely described their clients as “muppets.” “My muppet client didn't put me in comp on the trade we just printed,” said one salesperson, meaning that the client was a fool because he didn't compare prices, so the salesperson overcharged him. The “muppet” label seems to reveal a culture with a derogatory view of clients. When this language use became public, Goldman Sachs scanned its internal emails for the “muppet” label and warned employees not to use the term.²³

RITUALS AND CEREMONIES

Rituals are the programmed routines of daily organizational life that dramatize an organization's culture.²⁴ They include how visitors are greeted, how often senior executives visit subordinates, how people communicate with one another, how much time employees take for lunch, and so on. Cultural rituals are repetitive, predictable events that have symbolic meaning of underlying cultural values and assumptions. For instance, BMW's fast-paced culture is quite literally apparent in the way employees walk around the German

rituals

the programmed routines of daily organizational life that dramatize the organization's culture



The unique organizational culture of DaVita HealthCare Partners, Inc. is reflected in the language heard throughout its workplace. The Denver-based provider of kidney care and dialysis services is called the “village” (not the company) and its chief executive is the “mayor” of the village. DaVita’s 65,000 staff members are “teammates” (not employees) who eventually become “citizens” of the village as they

“cross the bridge,” meaning that they embrace the company’s culture. These aren’t meaningless slogans. The language symbolizes DaVita’s deeply held cultural beliefs that employee well-being and performance depend on the human connection of workplace community that, in turn, translates into superior service to DaVita’s patients.^b

Craig F. Walker/The Denver Post/Getty Images

ceremonies
planned displays of organizational culture, conducted specifically for the benefit of an audience

automaker’s offices. “When you move through the corridors and hallways of other companies’ buildings, people kind of crawl, they walk slowly,” observes a BMW executive. “But BMW people tend to move faster.”²⁵ **Ceremonies** are more formal artifacts than rituals. Ceremonies are planned activities conducted specifically for the benefit of an audience. This would include publicly rewarding (or punishing) employees or celebrating the launch of a new product or newly won contract.

PHYSICAL STRUCTURES AND SYMBOLS

Winston Churchill once said: “We shape our buildings; thereafter, they shape us.”²⁶ The former British prime minister was reminding us that an organization’s culture affects building decisions, but the size, shape, location, and age of the resulting structure subsequently reinforces or alters that culture. Physical structures might support a company’s emphasis on teamwork, environmental friendliness, hierarchy, or any other set of values.²⁷

One such example is Mars, Inc. Mars is one of the world’s largest food manufacturers (Uncle Ben’s, Pedigree pet food, Wrigley’s gum, etc.), yet the privately held company’s low-profile (some say secretive) culture is evident from its nondescript head offices in most countries. Mars’ global head office in Virginia could easily be mistaken for an upscale brick warehouse. There is no corporate identification at all, just a “private property” sign. Mars’ head office is so low profile that locals call it the Kremlin. The chair of Nestlé once thought he arrived at the wrong address when visiting his major competitor.²⁸

EXHIBIT 14.3**Workspace Design and Organizational Culture***Photos:* (left) Robert Daly/Getty

Images; (right) Hero Images/

Getty Images

Source: Based on information in *How to Create a Successful Organizational Culture: Build It—Literally* (Holland, MI: Haworth Inc., June 2015).**COLLABORATIVE AND CREATIVE CULTURES**

- More team space
- Informal space
- Low/medium enclosure
- Flexible environment
- Organic layout

CONTROLLING AND COMPETITIVE CULTURES

- More individual space
- More formal than informal space
- High/medium enclosure
- More fixed environment
- More structured, symmetrical layout

Even if the building doesn't make much of a statement, there is a treasure-trove of physical artifacts inside. Desks, chairs, office space, and wall hangings (or lack of them) are just a few of the items that might convey cultural meaning.²⁹ Each physical artifact alone might not say much, but put enough of them together and you can see how they symbolize the organization's culture. For example, one prominent workspace design and manufacturing company recently identified the workspace features typically found at companies with several different cultures. Exhibit 14.3 summarizes the physical space design of collaborative and creative cultures compared to cultures that emphasize efficiency (control) and competition. Collaborative and creative cultures value more teamwork and flexibility, so space design is informal and enables spontaneous group discussion. Controlling and competitive cultures tend to have more structural office arrangements and provide more space for individual work than teamwork.

Is Organizational Culture Important?

LO 14-3

Does organizational culture improve organizational effectiveness? Autumn Manning thinks so. "Business leaders need to make culture a strategic priority," advises Manning, cofounder of Austin-based software company YouEarnedIt (recently renamed KazooHR). Tony Guzzi agrees. "I am a firm believer that my job is to define the culture we want, model the culture we want, and nourish the culture we want," says the CEO of EMCOR Group, a *Fortune* 500 company that provides construction, industrial and energy infrastructure, and facilities services. "In the end, the biggest thing you [as CEO] can try to shape is the culture in the organization."³⁰

Autumn Manning, Tony Guzzi, Uber CEO Dara Khosrowshahi, and many other leaders believe that an organization's success partly depends on its culture. Several popular press management books similarly assert that the most successful companies have strong cultures. In fact, one popular management book, *Built to Last*, suggests that successful companies are "cultlike" (although not actually cults, the authors are careful to point out).³¹ Does OB research support this view that companies are more effective when they have a strong culture? Yes, potentially, but the evidence indicates that the relationship depends on a few conditions.³²

MEANING AND POTENTIAL BENEFITS OF A STRONG CULTURE

Before discussing the contingencies of an effective organizational culture, let's examine the meaning of a "strong" culture and its potential benefits. Culture strength refers to how widely and deeply employees understand and embrace the organization's dominant values and assumptions. In a strong organizational culture, the company's core values are "shared" by most employees across all subunits. Values are "shared" when employees hold a similar understanding of them and internalize them as part of their personal set of values.

In a strong culture, the company's values and assumptions are also institutionalized through well-established artifacts, which further entrench the culture. In addition, the company's culture tends to be long-lasting; some can be traced back to the company's founder. In contrast, companies have weak cultures when the dominant values are held mainly by a few people at the top of the organization, employees lack awareness or agreement on the meaning of those values, the values and assumptions are unstable over time or highly varied across the organization, and the culture is difficult to interpret from artifacts.

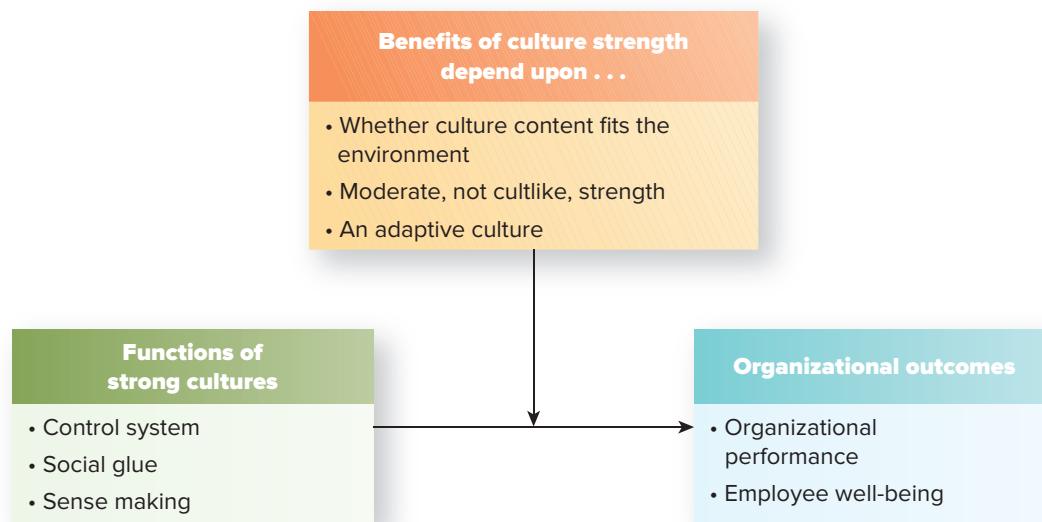
Under the right conditions, companies are more effective when they have strong cultures because of the three important functions listed in Exhibit 14.4 and described as follows:

1. *Control system.* Organizational culture is a deeply embedded form of social control that influences employee decisions and behavior.³³ Culture is pervasive and operates almost invisibly. Think of it as an automatic pilot, nonconsciously directing employees so their behavior is consistent with organizational expectations. For this reason, some writers describe organizational culture as a compass that points everyone in the same direction.
2. *Social glue.* Organizational culture is the social glue that bonds people together and makes them feel part of the organizational experience.³⁴ Employees are motivated to internalize the organization's dominant culture because it fulfills their need for social identity. This social glue attracts new staff and retains top performers. It also becomes the common thread that holds employees together in global organizations. "The values of the company are really the bedrock—the glue which holds the firm together," emphasizes Nandan Nilekani, cofounder and non-executive chairman of Infosys, India's second-largest information technology company.³⁵
3. *Sense making.* Organizational culture helps employees to make sense of what goes on and why things happen in the company.³⁶ Corporate culture also makes it easier for them to understand what is expected of them. For instance, research has found that sales employees in companies with stronger organizational cultures have clearer role perceptions and less role-related stress.³⁷

CONTINGENCIES OF ORGANIZATIONAL CULTURE AND EFFECTIVENESS

Studies report only a moderately positive relationship between culture strength and organizational effectiveness. The reason for this weak link is that strong cultures improve organizational effectiveness only under specific conditions (see Exhibit 14.4). The three main contingencies are (1) whether the culture content is aligned with the environment; (2) whether the culture is moderately strong, not cultlike; and (3) whether the culture incorporates an adaptive culture.

Culture Content Is Aligned with the External Environment Whether a strong culture is an effective culture partly depends on the degree of alignment of the culture's dominant values and assumptions with the external environment. If the culture is congruent with the environment, then employees are more motivated and have clearer role perceptions to practice behaviors that improve the organization's interaction with its environment. But when the culture is misaligned with the environment, a strong culture encourages decisions and behaviors that can undermine the organization's connection with its stakeholders.

EXHIBIT 14.4 Potential Benefits and Contingencies of Culture Strength

The opening case study on Uber's culture reveals the potentially catastrophic risks of having a culture that is seriously misaligned with the external environment. Although some argue that Uber's success is due to its initially aggressive and possibly illegal tactics, the company was very much at risk of imploding from lawsuits, government legislation, customer and driver revolts, and an extremely sour public reputation.

Culture Strength Is Not the Level of a Cult A second contingency is the degree of culture strength. Various experts suggest that companies with very strong cultures—known as corporate “cults”—may be less effective than companies with moderately strong cultures.³⁸ One reason why corporate cults may undermine organizational effectiveness is that they lock people into mental models, which can blind them to new opportunities and unique problems. The effect of these very strong cultures is that people overlook or incorrectly define subtle misalignments between the organization’s activities and the changing environment.

The other reason why very strong cultures may be dysfunctional is that they suppress dissenting subcultures. The challenge for organizational leaders is to maintain not only a strong culture but one that allows subcultural diversity. Subcultures encourage task-oriented conflict, which improves creative thinking and offers some level of ethical vigilance over the dominant culture. In the long run, a subculture’s nascent values could become important dominant values as the environment changes. Corporate cults suppress subcultures, thereby undermining these benefits.

Culture Is an Adaptive Culture A third condition influencing the effect of culture strength on organizational effectiveness is whether the culture content includes an **adaptive culture**.³⁹ An adaptive culture embraces change, creativity, open-mindedness, growth, and learning. Organizational leaders across many industries increasingly view an adaptive culture as an important ingredient for the organization’s long-term success. “At the end of the day, you have to create a culture that not only accepts change but seeks out how to change,” says former GM CEO Dan Akerson. “It’s critically important that we inculcate that into our culture.”⁴⁰

What does an adaptive culture look like? It is one in which employees recognize that the organization’s survival and success depends on their ability to discover emerging changes in the external environment and to adapt their own behavior to those changes. Thus, employees in adaptive cultures see things from an open systems perspective and

adaptive culture
an organizational culture in which employees are receptive to change, including the ongoing alignment of the organization to its environment and continuous improvement of internal processes



debating point

IS CORPORATE CULTURE AN OVERUSED PHRASE?

Corporate culture is probably one of the most frequently uttered phrases in organizations these days. That's quite an accomplishment for two words that were rarely paired together prior to 1982.^c Executives say they have crafted the company's culture to attract top talent and better serve clients. Job applicants have made organizational culture one of the top factors in their decision whether to join the company. Journalists routinely blame corporate culture for business failures, deviant activities, and quirky employee conduct.

This chapter offers plenty of ammunition to defend the argument that organizational culture explains employee decisions and behavior. A strong culture is a control system that directs employee decisions and behavior. It is, after all, the "way we do things around here." The underlying assumptions of a company's culture further guide employee behavior without conscious awareness. A strong culture also serves as the company's "social glue," which strengthens cohesion among employees. In other words, employees in strong cultures have similar beliefs and values which, in turn, increases their motivation to follow the corporate herd.

Organizational culture can be a useful concept to explain workplace activities, but some OB experts suggest that the phrase is overused. To begin with, corporate culture is usually presented as a singular thing within the company—one company with one culture. This presumption of a homogeneous culture—in which every employee understands and embraces the same few dominant values—just doesn't exist. Every organization has a fragmented culture to varying degrees. Furthermore, many employees engage in façades of conformity. They pretend to live the company's values but don't actually do so because they don't believe in them.^d Fragmentation and façades suggest that

culture is not an integrated force field that manipulates people like mindless robots. Instead, employees ultimately make decisions based on a variety of influences, not only the organization's values and assumptions.

Another argument that corporate culture is overused to explain the workplace is that values don't drive behavior as often as many people believe. Instead, employees turn to their values to guide behavior only when they are reminded of their values or when the situation produces fairly obvious conflicting or questionable decisions.^e Most of the time, frontline staff perform their jobs without much thought to their values. Their decisions are usually technical rather than values-based matters. As such, corporate culture has a fairly peripheral role in daily routine work activities.

A third problem is that organizational culture is a blunt instrument for explaining workplace behavior and for recommending how to change those behaviors. "Fix the culture" is almost meaningless because the problems prompting this advice could be due to any number of artifacts. Furthermore, some problems attributed to a poor corporate culture may be due to more mundane and precise dysfunctions—unintended consequences of poorly designed rewards, ineffective leadership, misaligned corporate strategy, biased information systems, and a host of other conditions.

Rather than blame the company's culture, we should pay more attention to specific systems, structures, behaviors, and attitudes that explain what went wrong. Furthermore, as one paper recently noted, organizational culture is often the outcome of these specific artifacts, not the cause of the problems those artifacts create.^f

take responsibility for the organization's performance and alignment with the external environment.

In an adaptive culture, receptivity to change extends to internal processes and roles. Employees believe that satisfying stakeholder needs requires continuous improvement of internal work processes. They also recognize the importance of remaining flexible in their own work roles. The phrase "That's not my job" is found in nonadaptive cultures. Finally, an adaptive culture has a strong **learning orientation** because being receptive to change necessarily means that the company also supports action-oriented discovery. With a learning orientation, employees welcome new learning opportunities, actively experiment with new ideas and practices, view reasonable mistakes as a natural part of the learning process, and continuously question past practices (see Chapter 7).⁴¹

ORGANIZATIONAL CULTURE AND BUSINESS ETHICS

An organization's culture influences the ethical conduct of its employees. This makes sense because good behavior is driven by ethical values, and ethical values become embedded in an organization's dominant culture. For example, AIA Group, Hong Kong's largest life insurance company (by number of policies), has a strong culture focused on

learning orientation

a set of beliefs and norms in which people are encouraged to question past practices, learn new ideas, experiment putting ideas into practice, and view mistakes as part of the learning process



global connections 14.2

Corporate Culture Blamed for CBA Scandals

Commonwealth Bank of Australia (CBA) has been hit by several scandals over the past decade, leading many observers to conclude that the bank's corporate culture is the main cause of its ethical lapses. In fact, the Australian Prudential Regulation Authority (APRA) recently created an independent panel to identify "any core organizational and cultural drivers within CBA that have contributed to these incidents" and to provide a "set of recommendations for organization and cultural change."

In one set of incidents that occurred over several years, some CBA financial advisors provided fraudulent or unprofessional advice to clients. Insiders say the bank had a boiler room culture that rewarded high-pressure sales tactics so clients would invest in products that were ill-suited to their financial needs. An internal CBA document warned senior management of the regulatory risks these advisors created, yet the bank did not act on that advice, and even promoted one of the advisors when the problems became public. CBA eventually paid more than AUD \$50 million to clients who'd been affected, and the Australian Government banned eight CBA employees from working for several years as financial advisors.

In a second scandal, the Australian Securities and Investments Commission (ASIC) filed charges against CBA for allegedly manipulating inter-bank interest rates on six occasions. ASIC contends that several CBA traders engaged in "unconscionable conduct and market manipulation" by trading prime bank bills in ways that deliberately moved the interest rate to the bank's advantage. ASIC had previously charged Australia's three other major banks with interest rate rigging; two of them have since settled with ASIC.



esmehelit/123RF

The most recent, and possibly most serious, scandal is that CBA had allegedly breached money-laundering and counter-terrorism financing laws by failing to adequately monitor, intervene, and report to government authorities 53,000 transactions amounting to more than AUD \$600 million. Austrac, the Australian government agency that monitors financial transactions, claims that even after CBA became aware of flaws in its monitoring system, it allowed some of these breaches to continue and did not notify Austrac (as the law requires). CBA executives dismissed the violations as simply a "coding error" in bank software, even though the software problem was fixed long before many of the breaches discovered by Austrac took place.

Catherine Livingstone, chairwoman of CBA's board eventually admitted that a dysfunctional corporate culture may be a factor in CBA's ethical failings. "We've acknowledged there are aspects of our culture where we could improve and we have been focused on upgrading our performance in the areas of governance, operating procedures and regulatory compliance," says Livingstone.⁹

"doing the right thing, in the right way, with the right people, and the results will come." This means that employees are expected to think through the ramifications of their actions (right thing) and ensure they always work with integrity and teamwork (right way).⁴²

The opposite is equally true. There are numerous instances where an organization's culture has caused unethical conduct. As the opening case study described, Uber suffered from an organizational culture that resulted in allegations of sexual harassment, bullying, privacy violations, anti-competitive activities, and theft of proprietary technology. It also created an infamously competitive, political, and conflict-ridden workplace.

Some leaders try to improve ethical conduct by changing and strengthening the organization's culture around more socially desirable values. This strategy occurred at Barclays Bank PLC, which was found guilty of rigging interest rates a few years ago. After the British bank's most senior executives were forced out due to the scandal, the new CEO focused on establishing a clear set of ethical values (respect, integrity, service, excellence, stewardship). He then advised all 140,000 Barclays employees that these values should guide their behavior so Barclays could become a more ethical organization.

"There might be some who don't feel they can fully buy in to an approach which so squarely links performance to the upholding of our values," warned Barclays' CEO.

"My message to those people is simple: Barclays is not the place for you. The rules have changed. You won't feel comfortable at Barclays and, to be frank, we won't feel comfortable with you as colleagues."⁴³ The point here is that organizational culture and ethics go hand-in-hand. To create a more ethical company, leaders need to work on the enacted culture that steers employee behavior.

Merging Organizational Cultures

LO 14-4

Mergers and acquisitions often fail financially when the merging organizations have incompatible cultures.⁴⁴ Unless the acquired firm is left to operate independently, companies with clashing cultures tend to undermine employee performance and customer service. Consequently, several studies estimate that only between 30 and 50 percent of corporate acquisitions add value.⁴⁵

Consider one such acquisition by Johnson & Johnson (J&J).⁴⁶ The venerable medical devices and consumer products firm has acquired numerous companies over the years, and most of these deals carefully diagnosed the cultural compatibilities of the two firms. But Aileen Stockburger recalls one acquisition that didn't. "We did extremely cursory assessments of the existing organizational cultures," admits the former J&J vice president of mergers and acquisitions. "Based on these assessments, we thought the cultures were very similar. Only later did we learn just how different the cultures were, particularly in terms of decision-making style."

J&J values debate and constructive discussion in the decision process, whereas the acquired firm valued top-down authority. During the integration, executives at the acquired firm felt increasingly uncomfortable and unhappy because their decisions were questioned by others. Most of the acquired firm executives eventually quit and J&J lost considerable value in their business acquisition.

bicultural audit
a process of diagnosing cultural relations between companies and determining the extent to which cultural clashes will likely occur

BICULTURAL AUDIT

Organizational leaders can minimize cultural collisions in corporate mergers and fulfill their duty of due diligence by conducting a bicultural audit. A **bicultural audit** diagnoses cultural relations between the companies and determines the extent to which cultural clashes will likely occur.⁴⁷ The process begins by identifying cultural differences between

CORPORATE CULTURE RISKS IN MERGERS AND ACQUISITIONS (M&A)^h

76% of 803 executives surveyed who were recently involved in M&A activity say alignment of cultures is important to the overall success of post-merger integration.

58% of 200 senior executives surveyed worldwide who are involved in mergers/acquisitions say they could have improved upon cultural fit in their most recent deal.



51% of 200 senior executives surveyed worldwide who are involved in mergers/acquisitions say that cultural factors are overestimated for the success of a merger/acquisition deal.

54% of 553 M&A executives say that cultural and HR matters are the most consistently challenging issues in merger/acquisitions (top-ranked issue).

52% of 803 executives surveyed who were recently involved in M&A activity say they aligned the merged companies' cultures by interviewing employees at both firms during the integration process.

(photos): Volodymyr Krasyuk/Shutterstock; Mike Flippo/Shutterstock



the merging companies. This might occur by surveying employees or through an extended series of meetings where executives and staff of both firms discuss how they think through important decisions in their business. From the survey data or meetings, the parties determine which differences between the two firms will result in conflict and which cultural values provide common ground on which to build a cultural foundation in the merged organization. The final stage involves identifying strategies and preparing action plans to bridge the two organizations' cultures.

STRATEGIES FOR MERGING DIFFERENT ORGANIZATIONAL CULTURES

In some cases, the bicultural audit results in a decision to end merger talks because the two cultures are too different to merge effectively. However, even with substantially different cultures, two companies may form a workable union if they apply the appropriate merger strategy. The four main strategies for merging different corporate cultures are assimilation, deculturation, integration, and separation (see Exhibit 14.5).⁴⁸

Assimilation Assimilation occurs when employees at the acquired company willingly embrace the cultural values of the acquiring organization. Typically, this strategy works best when the acquired company has a weak culture that is either similar to the acquiring company's culture or is dysfunctional, whereas the acquiring company's culture is strong and aligned with the external environment. The cultural assimilation strategy seldom produces cultural clashes because the acquiring firm's culture is highly respected and the acquired firm's culture is either weak or somewhat similar to the other culture.

Deculturation Assimilation is rare. Employees usually resist organizational change, particularly when they are asked to adopt significantly different personal and corporate values. Under these conditions, some acquiring companies apply a *deculturation* strategy by imposing their culture and business practices on the acquired organization. The acquiring firm strips away reward systems and other artifacts that support the old culture. People who cannot adopt the acquiring company's culture often lose their jobs. Deculturation may be necessary when the acquired firm's culture doesn't work, even when employees in the acquired company aren't convinced of this. However, this strategy is difficult to apply

EXHIBIT 14.5 Strategies for Merging Different Organizational Cultures

MERGER STRATEGY	DESCRIPTION	WORKS BEST WHEN . . .
Assimilation	Acquired company embraces acquiring firm's culture.	Acquired firm has a weak culture and acquiring firm's culture is strong and successful.
Deculturation	Acquiring firm imposes its culture on unwilling acquired firm.	Rarely works—may be necessary only when acquired firm's culture is dysfunctional but its employees aren't yet aware of the problems.
Integration	Merging companies combine the two or more cultures into a new composite culture.	Existing cultures at both firms are relatively weak or have overlapping values and can be improved.
Separation	Merging companies remain distinct entities with minimal exchange of culture or organizational practices.	Firms operate successfully in different businesses requiring different cultures.

Sources: Based on ideas in A.R. Malekzadeh and A. Nahavandi, "Making Mergers Work by Managing Cultures," *Journal of Business Strategy* 11 (May/June 1990): 55–57; K.W. Smith, "A Brand-New Culture for the Merged Firm," *Mergers and Acquisitions* 35 (June 2000): 45–50.



global connections 14.3

Alaska Air's Acquisition of Virgin America: From Separation to Integration

Alaska Air's decision to acquire Virgin America brought audible gasps from customers and investment analysts alike. Both airlines are successful and their routes are complementary, but many observers questioned the cultural fit of a combined airline. "I think of [Virgin America] as a young, hip airline," says one business traveller. "Alaska is more of a friendly aunt."

At first, Alaska Air Group CEO Brad Tilden asserted that both airlines had similar cultures that were focused on employees, customers, and safety. But Tilden's executive team was soon deliberating whether the cultures were sufficiently different that the two airlines should remain separate with their own cultures. Creating a single airline with the best cultural elements of both (integration strategy) would be more cost efficient, but maintaining Alaska and Virgin as distinct operations (separation strategy) might avoid an internal culture clash and retain valued Virgin staff and customers.

Tilden and his executive team eventually chose both cultural merger strategies. For the first two years, Alaska and Virgin remained separate, with their own distinct cultures and practices; but the airlines are slowly being combined into one organization with an integrated culture



Ted S. Warren/AP Images

and a single brand. "Culture has been a real challenge in many mergers, so we're working to do things differently," explains Alaska Airlines president and chief operating officer Ben Minicucci.

"Alaska Airlines and Virgin America are different airlines, but we believe different works," says Tilden, using the merger's official "different works" catchphrase. Alaska Airlines executives say they want to integrate some of Virgin's "hip culture" in the combined airline. Many Virgin America fans are skeptical, but travel writers are already noticing aspects of Virgin's culture in the new Alaska Airlines.¹

effectively because the acquired firm's employees resist the cultural intrusions from the buying firm, thereby delaying or undermining the merger process.

Integration A third strategy is to combine the two or more cultures into a new composite culture that preserves the best features of the previous ones. Integration is slow and potentially risky because there are many forces preserving the existing cultures. Still, this strategy should be considered when the companies have relatively weak cultures or when their cultures include several overlapping values. Integration works best when the cultures of both merging companies could be improved, which motivates employees to adopt the best cultural elements of the separate entities. Incorporating the best cultural elements of the original companies signals that employees from both firms have meaningful values for the combined organization. "Find one thing in the organization that was good and use it as a cornerstone for a new culture," advises a respected executive who led several mergers and acquisitions. "People don't want to work for an organization for years and then be told its rubbish."⁴⁹

Separation A separation strategy occurs when the merging companies agree to remain distinct entities with minimal exchange of culture or organizational practices. This strategy is most appropriate when the two organizations are in unrelated industries or operate in different countries, because the most appropriate cultural values tend to differ by industry and national culture. This strategy is also relevant when applied to the corporate cultures of diversified conglomerates. The cultural separation strategy is rare, however. Executives in acquiring firms usually have difficulty keeping their hands off the acquired firm. According to one estimate, only 15 percent of mergers leave the acquired company as a stand-alone unit.⁵⁰

Changing and Strengthening Organizational Culture

LO 14-5

Is it possible to change an organization's culture? Yes, but doing so isn't easy, the change rarely occurs quickly, and often the culture ends up changing (or replacing) corporate leaders. A few experts argue that an organization's culture "cannot be managed," so attempting to change the company's values and assumptions is a waste of time.⁵¹ This may be an extreme view, but organizational culture experts generally agree that changing an organization's culture is a monumental challenge. At the same time, the external environment changes over time, so organizations need to shift their culture to maintain alignment with the emerging environment.

This section looks at five strategies that have had some success at altering and strengthening corporate cultures. These strategies, illustrated in Exhibit 14.6, are not exhaustive, but each seems to work well in most circumstances.

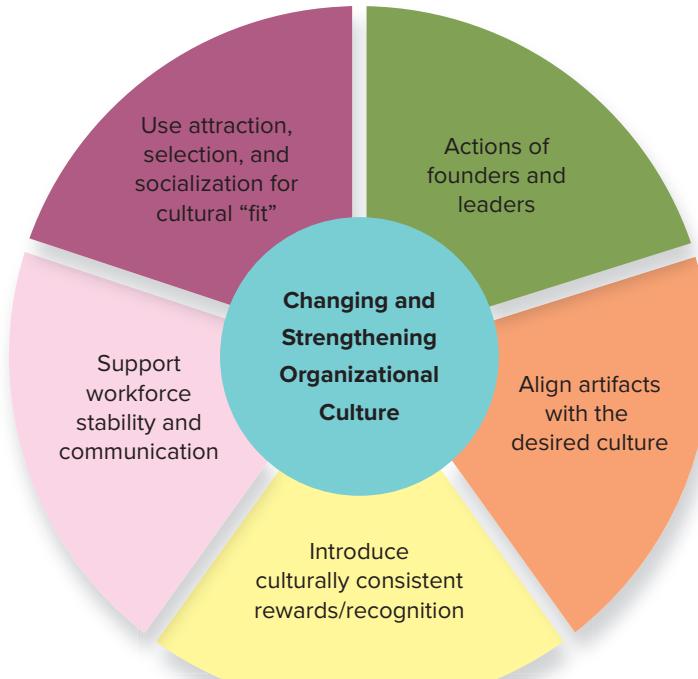
ACTIONS OF FOUNDERS AND LEADERS

Whether deliberately or haphazardly, the company's founder usually forms an organization's culture.⁵² The founder's personality, values, habits, and critical events all play a role in establishing the firm's core values and assumptions. The founder is often an inspiring visionary who provides a compelling role model for others to follow. In later years, organizational culture is reinforced through stories and legends about the founder that symbolize the core values. The influence of founders on organizational culture is evident at Chinese e-commerce giant Alibaba. Lead cofounder Jack Ma embraced kung fu values, which later became the core elements of Alibaba's culture. "Alibaba is, in many ways, an extension of Jack Ma's personality," suggests one visitor from a Shanghai university who recently toured and analyzed the company. "His beliefs and values are clearly apparent in the company."⁵³

Although founders usually establish an organization's culture, subsequent leaders need to actively guide, reinforce, and sometimes alter that culture.⁵⁴ This is evident in the

EXHIBIT 14.6

Strategies for Changing and Strengthening Organizational Culture





For many years, Microsoft's organizational culture encouraged acrimonious internal competition, office politics, and aloofness to innovation with external partners. It was a workplace that many claimed would inevitably lead the software giant into permanent decline. Most of Satya Nadella's career has been with Microsoft, yet after just a few years as CEO, he has successfully transformed the company's culture to one of team-oriented cooperation, continuous learning, and far-reaching innovation. Nadella explains that guiding the company's culture is a critical part of his job as a leader. "There is something only a CEO uniquely can do, which is set that tone, which can then capture the soul of the collective. And it's culture," he says.⁵⁴

Bryan Thomas/Getty Images

opening case study to this chapter. Uber's culture was strongly influenced by its cofounder Travis Kalanick long before he documented the company's 14 core values. When Dara Khosrowshahi took over the top leadership role, one of his main objectives was to change the dysfunctional elements of Uber's culture.

The process of leading cultural change is associated with both transformational leadership and authentic leadership (see Chapter 12). In each of those models, leaders base their words and actions on personal values, and those values potentially become a reflection of the organization's values. For instance, one study found that the preferred conflict-handling style of leaders influences the work unit's or organization's cultural expectations on how employees address conflict situations. Another study reported that work units or companies with strong servant leadership were more likely to have a culture that valued providing service to others.⁵⁵

ALIGN ARTIFACTS WITH THE DESIRED CULTURE

Artifacts represent more than just the visible indicators of a company's culture. They are also mechanisms that keep the culture in place or shift the culture to a new set of values and assumptions.⁵⁶ As we discuss in the next chapter on organizational change, systems and structures are important instruments to support the desired state of affairs. These systems and structures are artifacts, such as the workplace layout, reporting structure, office rituals, type of information distributed, and language that is reinforced or discouraged. Corporate cultures can also be strengthened through the artifacts of stories and behaviors. According to Max De Pree, former CEO of furniture manufacturer Herman Miller Inc., every organization needs "tribal storytellers" to keep the organization's history and culture alive.⁵⁷ Leaders play a role by creating memorable events that symbolize the cultural values they want to develop or maintain.

INTRODUCE CULTURALLY CONSISTENT REWARDS AND RECOGNITION

Reward systems and informal recognition practices are artifacts, but they deserve separate discussion because of their powerful effect on strengthening or reshaping an organization's culture.⁵⁸ Consider events at Uber, which reshaped its culture partly by revising how it evaluates and rewards employees. Until recently, Uber applied a rank-and-yank performance review and merit increase system. Managers rated employees on their best three and worst three performance dimensions, which were linked to the company's original 14 cultural values. These ratings were entered into a system that ranked employees across the full performance range. "It was like, 'this is what you're good at, this is what you're bad at, here's a score,'" complains one employee.⁵⁹

As part of its cultural transformation, Uber threw away its internally competitive and potentially biased performance review system. Based on employee focus groups, the company's new system no longer rates or ranks staff members. Instead, employees document



specific performance goals as well as one “citizenship goal” (e.g., helping coworkers, volunteering outside the company). The new reward system encourages cooperation, community involvement, and individual development without competing against coworkers. “We’re shifting the culture very significantly through this process,” says the Uber human resources executive who championed the new reward system.

SUPPORT WORKFORCE STABILITY AND COMMUNICATION

An organization’s culture is embedded in the minds of its employees. Organizational stories are rarely written down; rituals and ceremonies do not usually exist in procedure manuals; organizational metaphors are not found in corporate directories. Thus, a strong culture depends on a stable workforce. Workforce stability is important because it takes time for employees to fully understand the organization’s culture and how to enact it in their daily work lives. The organization’s culture can literally disintegrate during periods of high turnover and precipitous downsizing because the corporate memory leaves with these employees. A strong organizational culture also depends on a workplace where employees regularly interact with one another. This ongoing communication enables employees to develop shared language, stories, and other artifacts.

USE ATTRACTION, SELECTION, AND SOCIALIZATION FOR CULTURAL FIT

A valuable way to strengthen and possibly change an organization’s culture is to recruit and select job applicants whose values are compatible with the culture. More than one-third of the 230,000 employees surveyed across 31 countries say that corporate culture is an important factor that would drive their decision to accept one job/position over another. And a survey of 2,175 American hiring and human resource managers found that a job applicant’s fit with the company’s culture was the second most important factor in hiring that person (applicant skills was the top priority).⁶⁰

This process of recruiting, selecting, and retaining applicants whose values are congruent with the organization’s culture is explained by **attraction-selection-attrition (ASA) theory**.⁶¹ ASA theory states that organizations have a natural tendency to attract, select, and retain people with values and personality characteristics that are consistent with the organization’s character, resulting in a more homogeneous organization and a stronger culture.

- **Attraction.** Job applicants engage in self-selection by avoiding prospective employers whose values seem incompatible with their own values.⁶² They look for subtle artifacts during interviews and through public information that communicate the company’s culture. Some organizations often encourage this self-selection by actively describing their cultures.
- **Selection.** How well the person “fits in” with the company’s culture is often a factor in deciding which job applicants to hire.⁶³ Zappos carefully selects applicants whose personal values are aligned with the company’s values. The applicant is first assessed for technical skills and experience at the online shoe and clothing retailer, then the applicant receives “a separate set of interviews purely for culture fit,” says CEO Tony Hsieh. Unusual methods are sometimes applied to estimate an applicant’s cultural fit. For example, to determine an applicant’s humility (one of Zappos’ core values), staff ask the Zappos-hired driver how well he or she was treated by the applicant during the drive to the company’s headquarters in Las Vegas.
- **Attrition.** People are motivated to seek environments that are sufficiently congruent with their personal values and to leave environments that are a poor fit. This occurs because person–organization values congruence supports their social identity and minimizes internal role conflict. Even if employees aren’t forced out, many quit when values incongruence is sufficiently high.⁶⁴ Several companies (Zappos,

attraction-selection-attrition (ASA) theory
a theory stating that organizations have a natural tendency to attract, select, and retain people with values and personality characteristics consistent with the organization’s character, resulting in a more homogeneous organization and a stronger culture



global connections 14.4

Spinning the Wheel for Cultural Fit^k

G Adventures carefully hires people whose values are compatible with its own. “You can teach people the skills they need but you can’t teach culture,” explains G Adventures founder Bruce Poon Tip.

Short-listed job applicants participate in an unusual interview conducted by a random selection of three frontline staff members. Job interviews at Base Camp (the company’s headquarters in Toronto, Canada) occur in the “ball pit,” the small room shown in this photo filled about one-foot-high with plastic balls. The applicant answers several questions randomly chosen from the spin of a large prize wheel on the wall (left side of this photo).

The questions are unusual, such as: “If you had a tattoo on your forehead, what would it be?” Employees listen carefully to the answers to determine whether the applicant’s values are compatible with G Adventures’



G Adventures

culture. Applicants who fail the interview don’t get hired, even if they have exceptional skills.

G Adventures, etc.) will even pay newcomers to quit within the first few weeks of employment if the newcomers conclude that their personal values conflict with the company’s culture.

Organizational Socialization

LO 14-6

organizational socialization
the process by which individuals learn the values, expected behaviors, and social knowledge necessary to assume their roles in the organization

Organizational socialization is another process that companies rely on to maintain a strong corporate culture and, more generally, help newcomers adjust to new employment. **Organizational socialization** is the process by which individuals learn the values, expected behaviors, and social knowledge necessary to assume their roles in the organization.⁶⁵ This process can potentially change employee values to become more aligned with the company’s culture. However, changing an employee’s personal values is much more difficult than is often assumed, because values are fairly stable beyond early adulthood. More likely, effective socialization gives newcomers a clearer understanding about the company’s values and how they are translated into specific on-the-job behaviors.⁶⁶

Along with supporting the organization’s culture, socialization helps newcomers adjust to coworkers, work procedures, and other corporate realities. Research indicates that when evidence-based organizational socialization practices are applied, new hires tend to perform better, have higher job satisfaction, and remain longer with the organization.⁶⁷

LEARNING AND ADJUSTMENT PROCESS

Organizational socialization is a process of both learning and adjustment. It is a learning process because newcomers try to make sense of the company’s physical workplace, social dynamics, and strategic and cultural environment. They learn about the organization’s performance expectations, power dynamics, corporate culture, company history, and jargon. They also need to form successful and satisfying relationships with other people from whom they can learn the ropes.⁶⁸ In other words, effective socialization supports newcomers’ *organizational comprehension*. It accelerates development of an accurate cognitive map of the physical, social, strategic, and cultural dynamics of the organization. Ideally, this learning should be distributed over time to minimize information overload.



Steve Wu assumed that his new job as an investment analyst would involve long hours working on prestigious fast-paced deals. The recent UCLA graduate experienced the long hours, but much of the work was drudgery. The reality shock and psychological contract violation motivated Wu to quit for a mobile-gaming start-up just one month before his first year, forfeiting a five-figure bonus. Chris Martinez also expected long hours at the private equity firm that hired him, but admits the work involved “repetitive, simple work” on spreadsheets, little of which was ever seen by corporate clients. “It’s almost expected that an analyst, especially in their first year, is just going to be miserable,” says Martinez, who has since quit. Wu and Martinez aren’t alone feeling that their psychological contracts had been violated. One recent study found that new hires at a dozen investment banks stayed an average of only 17 months, down from 26 months a decade earlier and 30 months two decades ago.¹

Tetra Images/Getty Images

psychological contract

the individual's beliefs about the terms and conditions of a reciprocal exchange agreement between that person and another party (typically an employer)

Organizational socialization is also an adjustment process because individuals need to adapt to their new work environment. They develop new work roles that reconfigure their social identity, adopt new team norms, and practice new behaviors.⁶⁹ The adjustment process is fairly rapid for many people, usually occurring within a few months. However, newcomers with diverse work experience seem to adjust better than those with limited previous experience, possibly because they have a larger toolkit of knowledge and skills to make the adjustment possible.⁷⁰

PSYCHOLOGICAL CONTRACTS

The **psychological contract** refers to the individual's beliefs about the terms and conditions of a reciprocal exchange agreement between that person and another party (the employer in most work situations). The psychological contract is a perception formed during recruitment and throughout the organizational socialization process about what the employee is entitled to receive and is obliged to offer the employer in return.⁷¹

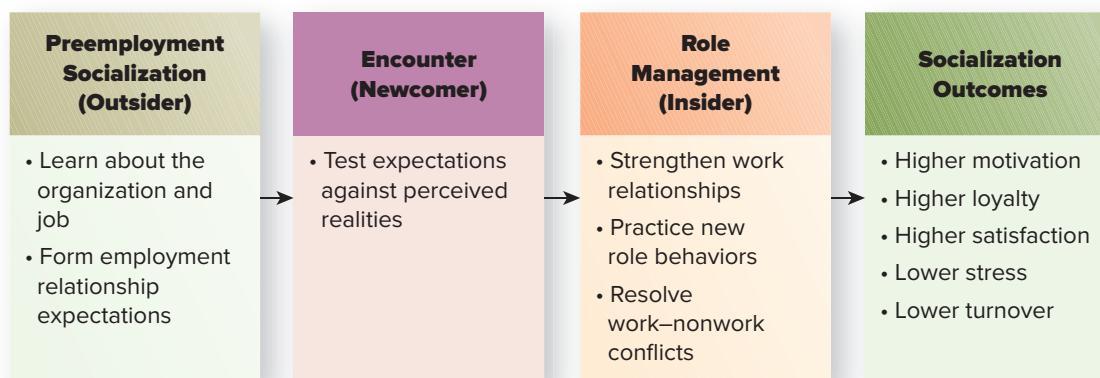
Job applicants form perceptions of what the company will offer them by way of career and learning opportunities, job resources, pay and benefits, quality of management, job security, and so forth. They also form perceptions about what the company expects from them, such as hours of work, continuous skill development, and demonstrated loyalty. The psychological contract continues to develop and evolve after job applicants become employees, but they are also continuously testing the employer's fulfillment of that exchange relationship.

Types of Psychological Contracts Some psychological contracts are more transactional whereas others are more relational.⁷² Transactional contracts are primarily short-term economic exchanges. Responsibilities are well defined around a fairly narrow set of obligations that do not change over the life of the contract. People hired in temporary positions and as consultants tend to have transactional contracts. To some extent, new employees also form transactional contracts until they develop a sense of continuity with the organization.⁷³

Relational contracts, on the other hand, are rather like marriages; they are long-term attachments that encompass a broad array of subjective mutual obligations. Employees with a relational psychological contract are more willing to contribute their time and effort without expecting the organization to pay back this debt in the short term. Relational contracts are also dynamic, meaning that the parties tolerate and expect that mutual obligations are not necessarily balanced in the short run. Not surprisingly, organizational citizenship behaviors are more likely to prevail under relational than transactional contracts. Permanent employees are more likely to believe they have a relational contract.

STAGES OF ORGANIZATIONAL SOCIALIZATION

Organizational socialization is a continuous process, beginning long before the first day of employment and continuing throughout one's career within the company. However, it is most intense when people move across organizational boundaries, such as when they first join a company or get transferred to an international assignment. Each of these transitions is a process that can be divided into three stages. Our focus here is on the

EXHIBIT 14.7 Stages of Organizational Socialization

socialization of new employees, so the three stages are called preemployment socialization, encounter, and role management (see Exhibit 14.7). These stages parallel the individual's transition from outsider to newcomer and then to insider.⁷⁴

Stage 1: Preemployment Socialization Think back to the months and weeks before you began working in a new job (or attending a new school). You actively searched for information about the company, formed expectations about working there, and felt some anticipation about fitting into that environment. The preemployment socialization stage encompasses all the learning and adjustment that occurs before the first day of work. In fact, a large part of the socialization adjustment process occurs during this stage.⁷⁵

The main problem with preemployment socialization is that outsiders rely on indirect information about what it is like to work in the organization. This information is often distorted by inherent conflicts during the mating dance between employer and applicant.⁷⁶ One conflict occurs between the employer's need to attract qualified applicants and the applicant's need for complete information to make accurate employment decisions. Many firms describe only positive aspects of the job and company, causing applicants to accept job offers with incomplete or false expectations.

Another conflict that prevents accurate exchange of information occurs when applicants avoid asking important questions about the company because they want to convey a favorable image to their prospective employer. For instance, applicants usually don't like to ask about starting salaries and promotion opportunities because it makes them seem greedy or aggressive. Yet, unless the employer provides this information, applicants might fill in the missing details with false assumptions that produce inaccurate expectations.

Two other types of conflict tend to distort preemployment information for employers. Applicants engage in impression management when seeking employment, and this tends to motivate them to hide negative information, act out of character, and occasionally embellish information about their past accomplishments. At the same time, employers are sometimes reluctant to ask some types of questions or use potentially valuable selection devices because they might scare off applicants. Unfortunately, employers form inaccurate expectations about job candidates because they receive exaggerated résumés and are often reluctant to ask for more delicate information from those applicants.

reality shock
the stress that results when employees perceive discrepancies between their preemployment expectations and on-the-job reality

Stage 2: Encounter The first day on the job typically marks the beginning of the encounter stage of organizational socialization. This is the stage in which newcomers test how well their preemployment expectations fit reality. Many companies fail that test, resulting in **reality shock**—the stress that results when employees perceive discrepancies between their preemployment expectations and on-the-job reality.⁷⁷ Reality shock doesn't necessarily occur on the first day; it might develop over several weeks or even months as newcomers form a better understanding of their new work environment.

Reality shock is common in many organizations.⁷⁸ Newcomers sometimes face *unmet expectations* whereby the employer doesn't deliver on its promises, such as failing to provide challenging projects or the resources to get the work done. However, new hires also experience reality shock due to *unrealistic expectations*, which are distorted work expectations formed from the information exchange conflicts described earlier. Whatever the cause, reality shock impedes the learning and adjustment process because the newcomer's energy is directed toward managing the resulting stress.⁷⁹

Stage 3: Role Management Role management, the third stage of organizational socialization, really begins during preemployment socialization, but it is most active as employees make the transition from newcomers to insiders. They strengthen relationships with coworkers and supervisors, practice new role behaviors, and adopt attitudes and values consistent with their new positions and the organization. Role management also involves resolving the conflicts between work and nonwork activities, including resolving discrepancies between their personal values and those emphasized by the organizational culture.

IMPROVING THE SOCIALIZATION PROCESS

Companies have a tendency to exaggerate positive features of the job and neglect to mention the undesirable elements. Their motivation is to attract as many job applicants as possible, which they assume will improve the selection choices. Unfortunately, this flypaper approach often ends badly. Those hired soon discover that the actual workplace is not as favorable as the employer's marketing hype (i.e., unmet expectations), resulting in reality shock and a broken psychological contract. In contrast, a **realistic job preview (RJP)** offers a balance of positive and negative information about the job and work context.⁸⁰ This balanced description of the company and work helps job applicants decide for themselves whether their skills, needs, and values are compatible with the job and organization.

RJPs scare away some applicants, but they also tend to reduce turnover and increase job performance.⁸¹ This occurs because RJPs help applicants develop more accurate preemployment expectations, which, in turn, minimize reality shock. RJPs represent a type of vaccination by preparing employees for the more challenging and troublesome aspects of work life. There is also some evidence that RJPs increase affective organizational commitment. One explanation is that companies providing candid information are easier to trust. Another explanation is that RJPs show respect for the psychological contract and concern for employee welfare.⁸²

realistic job preview (RJP)
a method of improving organizational socialization in which job applicants are given a balance of positive and negative information about the job and work context



Job applicants get a realistic job preview at HubShout by hearing about both the good and the not-so-good aspects of working at the search engine marketing firm in Rochester, NY, and Church Falls, VA. This balanced view of the company comes from a team—affectionately called the “doom squad”—among the 50 HubShout employees. “We insist that no supervisors or managers be there. We insist they be honest,” says HubShout CEO Adam Stetzer. Job applicants apparently appreciate the candid information from the doom squad’s realistic job preview. Stetzer points out that the company also benefits. “We’re getting better candidates, better fits.”^m

Eva-Katalin/Getty Images

Socialization Agents Ask new employees what most helped them adjust to their jobs and chances are they will mention helpful coworkers, bosses, or maybe even friends who work elsewhere in the organization. The fact is, socialization agents play a central role in this process.⁸³ Supervisors tend to provide technical information, performance feedback, and information about job duties. They also improve the socialization process by giving newcomers reasonably challenging first assignments, buffering them from excessive demands, helping them form social ties with coworkers, and generating positive emotions around their new work experience.⁸⁴

Coworkers are important socialization agents because they are easily accessible, can answer questions when problems arise, and serve as role models for appropriate behavior. New employees tend to receive this information and support when coworkers welcome them into the work team. Coworkers also aid the socialization process by being flexible and tolerant in their interactions with new hires.

Newcomer socialization is most successful when companies help to strengthen social bonds between the new hires and current employees. Cisco Systems is a role model in this regard. For example, one newcomer at the California-based Internet technology company recently described how during the first two weeks teammates helped her learn about the work context, took her out to restaurants, actively sought her ideas in team meetings, and held a game night so everyone could have fun socializing after work.⁸⁵

chapter summary

LO 14-1 **Describe the elements of organizational culture and discuss the importance of organizational subcultures.**

Organizational culture consists of the values and assumptions shared within an organization. Shared assumptions are non-conscious, taken-for-granted perceptions or beliefs that have worked so well in the past that they are considered the correct way to think and act toward problems and opportunities. Values are stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations.

Organizations differ in their cultural content, that is, the relative ordering of values. There are several classifications of organizational culture, but they tend to oversimplify the wide variety of cultures and completely ignore the underlying assumptions of culture. Organizations have subcultures as well as the dominant culture. Subcultures maintain the organization's standards of performance and ethical behavior. They are also the source of emerging values that replace misaligned core values.

LO 14-2 **Describe four categories of artifacts through which corporate culture is deciphered.**

Artifacts are the observable symbols and signs of an organization's culture. Four broad categories of artifacts include organizational stories and legends, rituals and ceremonies, language, and physical structures and symbols. Understanding an organization's culture requires the assessment of many artifacts because they are subtle and often ambiguous.

LO 14-3 **Discuss the importance of organizational culture and the conditions under which organizational culture strength improves organizational performance.**

Organizational culture has three main functions: as a form of social control, as the "social glue" that bonds people together, and as a way to help employees make sense of the workplace. Companies with strong cultures generally perform better than those with weak cultures, but only when the cultural content is appropriate for the organization's environment. Also, the culture should not be so strong that it drives out dissenting values, which may form emerging values for the future. Organizations should have adaptive cultures in which employees support ongoing change in the organization and their own roles.

LO 14-4 **Compare and contrast five strategies for merging organizational cultures.**

Organizational culture clashes are common in mergers and acquisitions. This problem can be minimized by performing a

bicultural audit to diagnose the compatibility of the organizational cultures. The four main strategies for merging different corporate cultures are assimilation, deculturation, integration, and separation.

LO 14-5 **Describe five strategies for changing and strengthening an organization's culture, including the application of attraction-selection-attrition theory.**

An organization's culture begins with its founders and leaders, because they use personal values to transform the organization. The founder's activities are later retold as organizational stories. Companies also introduce artifacts as mechanisms to maintain or change the culture. A related strategy is to introduce rewards and recognition practices that are consistent with the desired cultural values. A fourth method to change and strengthen an organization's culture is to support workforce stability and communication. Stability is necessary because culture exists in employees. Communication activities improve sharing of the culture. Finally, companies strengthen and change their culture by attracting and selecting applicants with personal values that fit the company's culture, by encouraging those with misaligned values to leave the company, and by engaging in organizational socialization—the process by which individuals learn the values, expected behaviors, and social knowledge necessary to assume their roles in the organization.

LO 14-6 **Describe the organizational socialization process and identify strategies to improve that process.**

Organizational socialization is the process by which individuals learn the values, expected behaviors, and social knowledge necessary to assume their roles in the organization. It is a process of both learning and adjustment. During this process, job applicants and newcomers develop and test their psychological contract—personal beliefs about the terms and conditions of a reciprocal exchange agreement between that person and another party (the employer).

Employees typically pass through three socialization stages: preemployment, encounter, and role management. To manage the socialization process, organizations should introduce realistic job previews (RJPs) and recognize the value of socialization agents in the process. These RJPs give job applicants a realistic balance of positive and negative information about the job and work context. Socialization agents provide information and social support during the socialization process.

key terms

adaptive culture, p. 519	ceremonies, p. 516	realistic job preview (RJP), p. 531
artifacts, p. 514	learning orientation, p. 520	reality shock, p. 530
attraction-selection-attrition (ASA) theory, p. 527	organizational culture, p. 520	rituals, p. 515
bicultural audit, p. 522	organizational socialization, p. 528	
	psychological contract, p. 529	

critical thinking questions

1. Superb Consultants has submitted a proposal to analyze your organization's culture. The proposal states that Superb has developed a revolutionary new survey to tap the company's true culture. The survey takes just 10 minutes to complete, and the consultants say results can be based on a small sample of employees. Discuss the merits and limitations of this proposal.
2. All members of the executive team at Claybuild, a national manufacturer of bricks and related building materials, strongly believe that quality control and efficiency are the two cornerstones of the company's future success. Every Claybuild executive meeting begins by discussing ways to improve product quality and operate more efficiently in the manufacturing process, distribution system, and administrative processes. The company's website proudly describes its dedication to quality and efficiency. The CEO has given speeches to several retail client events on Claybuild's quality-efficiency culture. However, an industry expert suggests that quality and efficiency represent Claybuild's espoused culture, but not so much its enacted culture. What does the industry expert mean by this, and what evidence might suggest that his or her opinion is correct?
3. The CEO of a manufacturing firm wants everyone to support the organization's dominant culture of lean efficiency and hard work. The CEO has introduced a new reward system to reinforce this culture and personally interviews all professional and managerial applicants to ensure that they bring similar values to the organization. Some employees who criticized these values had their careers sidelined until they left. Two midlevel managers were fired for supporting contrary values, such as work-life integration. Based on your knowledge of organizational subcultures, what potential problems is the CEO creating?
4. Identify at least two artifacts you have observed in your department or school from each of the four broad categories: (a) organizational stories and legends, (b) rituals and ceremonies, (c) language, and (d) physical structures and symbols.
5. "Organizations are more likely to succeed when they have an adaptive culture." What can an organization do to foster an adaptive culture?
6. Senior officers of a city government have assigned you the project of identifying ways to reinforce a new culture of teamwork and collaboration. The senior executives clearly support these values, but they want everyone in the organization to embrace them. Identify four types of activities that would strengthen these cultural values.
7. Suppose you are considering joining one of three accounting firms as your first full-time job in this career. One firm is located only within one large city but has a large portion of the small-business tax and audit business in that city. The second is a national firm with offices across the country, including the city where you intend to work. The third is one of the top three global accounting and professional services firms, and has offices in the city where you intend to work. Only the global firm has a detailed "careers" web page that describes the job expectations, culture, and career development opportunities. The other two firms have minimal information on their websites. All three firms have a standard interview process, including a brief tour of the local offices. All the firms will have booths at a career fair event that you will attend. As a job applicant, what methods and information would you seek out and apply to assess how well the organizational cultures at each of these three accounting firms are compatible with your personal values?
8. Socialization is most intense when people pass through organizational boundaries. One example is your entry into the college or university that you are now attending. What learning and adjustment occurred as you moved from outsider to newcomer to insider as a student here?



CASE STUDY: HILLTON'S TRANSFORMATION

By Steven L. McShane, University of Newcastle (Australia)

Twenty years ago, Hillton was a small city (about 70,000 residents) that served as an outer suburb to a large metropolitan city. Hillton's city government treated its employees like family and gave them a great deal of autonomy in their work. Everyone in the organization (including the two labor unions representing employees) implicitly agreed that the leaders and supervisors of the organization should rise through the ranks based on their experience. Few people were ever hired from the outside into middle or senior

positions. The rule of employment at Hillton was to learn the job skills, maintain a reasonably good work record, and wait your turn for promotion.

As Hillton's population grew, so did the city's workforce, to keep pace with the increasing demand for municipal services. This meant that employees were promoted fairly quickly and were almost assured lifetime employment. Until recently, Hillton had never laid off any employee. The organization's culture could be described as one of entitlement

and comfort. Neither the elected city council members nor the city manager bothered departmental managers about their work. There were few cost controls because the rapid growth placed more emphasis on keeping up with the population expansion. The public became somewhat more critical of the city's poor service, including road construction at inconvenient times and the apparent lack of respect some employees showed toward taxpayers.

During these expansion years, Hillton put most of its money into "outside" (also called "hard") municipal services. These included road building, utility construction and maintenance, fire and police protection, recreational facilities, and land use control. This emphasis occurred because an expanding population demanded more of these services, and most of Hillton's senior people came from the outside services group. For example, Hillton's city manager for many years was a road development engineer. The "inside" workers (taxation, community services, etc.) tended to have less seniority, and their departments were given less priority.

As commuter and road systems developed, Hillton attracted more upwardly mobile professionals into the community. Some infrastructure demands continued, but now these suburban dwellers wanted more of the "soft" services, such as libraries, social activities, and community services. They also began complaining about the way the municipality was being run. The population had more than tripled between the 1960s and 1990s, and it was increasingly apparent that the organization needed more corporate planning, information systems, organization development, and cost control systems. In various ways, residents voiced their concerns that the municipality was not providing the quality of management that they would expect from a city of its size.

A few years ago, a new mayor and council replaced most of the previous incumbents, mainly on the platform of improving the municipality's management structure. The new council gave the city manager, along with two other senior managers, an early retirement buyout package. Rather than promoting from the lower ranks, the council decided to fill all three positions with qualified candidates from large municipal corporations in the region. The following year, several long-term managers left Hillton, and at least half of those positions were filled by people from outside the organization.

In less than two years, Hillton had eight senior or departmental managers hired from other municipalities who played a key role in changing the organization's value system. These eight managers became known (often with negative connotations) as the "professionals." They worked closely with one another to change the way middle- and

lower-level managers had operated for many years. They brought in a new computer system and emphasized cost controls where managers previously had complete autonomy. Promotions were increasingly based more on merit than seniority.

The professionals frequently announced in meetings and newsletters that municipal employees must provide superlative customer service and that Hillton would become one of the most customer-friendly places for citizens and those who do business with the municipality. To this end, these managers were quick to support the public's increasing demand for more soft services, including expanded library services and recreational activities. And when population growth recently flattened out, the city manager and other professionals gained council support to lay off a few of the outside workers due to lack of demand for hard services.

One of the most significant changes was that the outside departments no longer held dominant positions in city management. Most of the professional managers had worked exclusively in administrative and related inside jobs. Two had master's of business administration degrees. This led to some tension between the professional managers and the older outside managers.

Even before the layoffs, managers of outside departments resisted the changes more than others. These managers complained that their employees with the highest seniority were turned down for promotions. They argued for more budget and warned that infrastructure problems would cause liability problems. Informally, these outside managers were supported by the labor union representing outside workers. The union leaders tried to bargain for more job guarantees, whereas the union representing inside workers focused more on improving wages and benefits. Leaders of the outside union made several statements in the local media that the city had "lost its heart" and that the public would suffer from the actions of the new professionals.

Discussion Questions

1. Contrast Hillton's earlier corporate culture with the emerging set of cultural values.
2. Considering the difficulty in changing organizational culture, why does Hillton's management seem to have been successful in this transformation?
3. Identify two other strategies that the city might consider to reinforce the new set of corporate values.

Copyright © 2000 Steven L. McShane. This case is a slightly fictionalized account of actual events.



TEAM EXERCISE: ORGANIZATIONAL CULTURE METAPHORS

By David L. Luechauer, Butler University; and Gary M. Shulman, Miami University

PURPOSE Both parts of this exercise are designed to help you understand, assess, and interpret organizational culture using metaphors.

PART A: ASSESSING YOUR SCHOOL'S CULTURE

Instructions A metaphor is a figure of speech that contains an implied comparison between a word or phrase

that is ordinarily used for one thing but can be applied to another. Metaphors also carry a great deal of hidden meaning; they say a lot about what we think and feel about that object. Therefore, this activity asks you to use several metaphors to define the organizational culture of your university, college, or institute. (Alternatively, the instructor might ask students to assess another organization that most students know about.)

Step 1: The class will be divided into teams of four to six members.

Step 2: Each team will reach consensus on which words or phrases should be inserted in the blanks of the statements presented next. This information should be recorded on a flip chart or overhead acetate for class presentation. The instructor will provide 15 to 20 minutes for teams to determine which words best describe the college's culture.

If our school was an animal, it would be a(n) _____ because _____.

If our school was a food, it would be _____ because _____.

If our school was a place, it would be _____ because _____.

If our school was a season, it would be _____ because _____.

If our school was a TV show or movie, it would be _____ because _____.

Step 3: The class will listen to each team present the metaphors that it believes symbolizes the school's culture. For example, a team that picks winter for a season might mean they are feeling cold or distant about the school and its people.

Step 4: The class will discuss the questions stated next.

Discussion Questions for Part A

- How easy was it for your group to reach consensus regarding these metaphors? What does that imply about the culture of your school?

Metaphor Results of Five Teams in a Cincinnati Organization

TEAM	ANIMAL	FOOD	PLACE	TV SHOW	SEASON
1	Rabbit	Big Mac	Casino	<i>Parks & Recreation</i>	Spring
2	Horse	Taco	Racetrack	<i>CSI</i>	Spring
3	Elephant	Ribs	Circus	<i>Big Bang Theory</i>	Summer
4	Eagle	Big Mac	Las Vegas	<i>Shark Tank (Dragon's Den)</i>	Spring
5	Panther	Chinese	New York	<i>Criminal Minds</i>	Racing

Note: The television shows listed here are current or recently broadcast programs whose characteristics are similar to those in the originally listed TV shows.

Source: Adapted from D.L. Luechauer and G.M. Shulman, "Using a Metaphor Exercise to Explore the Principles of Organizational Culture," *Journal of Management Education* 22 (December 1998), 736–44.

- How do you see these metaphors in action? In other words, what are some critical school behaviors or other artifacts that reveal the presence of your culture?
- Think of another organization to which you belong (e.g., work, religious congregation). What are its dominant cultural values, how do you see them in action, and how do they affect the effectiveness of that organization?

PART B: ANALYZING AND INTERPRETING CULTURAL METAPHORS

Instructions Previously, you completed a metaphor exercise to describe the corporate culture of your school. That exercise gave you a taste of how to administer such a diagnostic tool and draw inferences from the results generated. This activity builds on that experience and is designed to help refine your ability to analyze such data and make suggestions for improvement. Five work teams (four to seven members, mixed gender in all groups) of an organization located in Cincinnati completed the metaphor exercise similar to the exercise in which you participated in class (see Part A earlier). Their responses are shown in the following table. Working in teams, analyze the information in this table and answer these questions:

Discussion Questions for Part B

- In your opinion, what are the dominant cultural values in this organization? Explain your answer.
- What are the positive aspects of this type of culture?
- What are the negative aspects of this type of culture?
- What is this organization's main business, in your opinion? Explain your answer.
- These groups all reported to one manager. What advice would you give to her about this unit?



CLASS EXERCISE: DIAGNOSING CORPORATE CULTURE PROCLAMATIONS

PURPOSE This exercise is designed to help you understand the importance of and context in which corporate culture is identified and discussed in organizations.

INSTRUCTIONS This exercise is a take-home activity, although it can be completed in classes where digital devices and Internet connections are available. The instructor will divide the class into small teams (typically four or five people per team). Each team is assigned a specific industry—such as energy, biotechnology, or computer hardware.

The team's task is to search the websites of several companies in the selected industry for company statements about their corporate cultures. Use company website search engines (if they exist) to find documents with key phrases such as "corporate culture" or "company values."

In the next class, or at the end of the time allotted in the current class, students will report on their observations by answering the following three discussion questions.

Discussion Questions

1. What values seem to dominate the corporate cultures of the companies you searched? Are these values similar or diverse across companies in the industry?
2. What was the broader content of the web pages on which these companies described or mentioned their corporate cultures?
3. Do companies in this industry refer to their corporate cultures on their websites more or less than companies in other industries searched by teams in this class?

endnotes

1. R. Parry, "Uber Hosts Top Secret Sin City Extravaganza for 4,800 Employees," *Mail Online*, October 1, 2015; D. Brown, "3 Valuable Lessons From Uber Founder Travis Kalanick's TED Talk," *Inc.*, February 16, 2016; A. Griswold, "Uber Is Designed so That for One Employee to Get Ahead, Another Must Fail," *Quartz*, February 27, 2017; S. Levin, "Uber's Scandals, Blunders and PR Disasters: The Full List," *Guardian*, June 18, 2017; B. Edelman, "Uber Can't Be Fixed—It's Time for Regulators to Shut It Down," *Harvard Business Review*, June 21, 2017; E. Knight, "Uber Pays a \$26 Billion Price for Its Toxic Corporate Culture," *Sydney Morning Herald* (Australia), July 1, 2017; B. Stone, *The Upstarts: How Uber, Airbnb, and the Killer Companies of the New Silicon Valley Are Changing the World* (New York: Hachette, 2017); D. Khosrowshahi, "Uber's New Cultural Norms," *LinkedIn Blog* (blog), November 7, 2017, <https://www.linkedin.com/pulse/ubers-new-cultural-norms-dara-khosrowshahi>; S. Bond, "Uber Chief Admits Culture Needs Further Improvement," *Financial Times* (London), October 24, 2018, sec. Companies and Markets; S. Nicholls, "The Uber Story," transcript, *Four Corners* (Sydney: ABC Australia, March 13, 2019).
2. A. Williams, P. Dobson, and M. Walters, *Changing Culture: New Organizational Approaches* (London: Institute of Personnel Management, 1989); E.H. Schein, "What Is Culture?," in *Reframing Organizational Culture*, ed. P.J. Frost et al. (Newbury Park, CA: Sage, 1991), 243–53.
3. B.M. Meglino and E.C. Ravlin, "Individual Values in Organizations: Concepts, Controversies, and Research," *Journal of Management* 24, no. 3 (1998): 351–89; B.R. Agle and C.B. Caldwell, "Understanding Research on Values in Business," *Business and Society* 38, no. 3 (1999): 326–87; S. Hitlin and J.A. Pilavin, "Values: Reviving a Dormant Concept," *Annual Review of Sociology* 30 (2004): 359–93.
4. N.M. Ashkanasy, "The Case for Culture," in *Debating Organization*, ed. R. Westwood and S. Clegg (Malden, MA: Blackwell, 2003), 300–10.
5. K. Ladendorf, "For Facebook Workers, It's Not Just a Job," *Austin American-Statesman*, 1 May 2011, E1; R. Feloni, "The 5 Values Facebook Looks for in Every Employee," *Business Insider*, 10 February 2016; TrustPower, "What Drives Us," (Tauranga, NZ, 2018), <https://www.trustpower.co.nz/Getting-To-Know-Us/What-Drives-Us> (accessed 26 March 2018).
6. B. Kabanoff and J. Daly, "Espoused Values in Organizations," *Australian Journal of Management* 27, Special issue (2002): 89–104; H. Bourne and M. Jenkins, "Organizational Values: A Dynamic Perspective," *Organization Studies* 34, no. 4 (2013): 495–514, <https://doi.org/10.1177/0170840612467155>. Bourne and Jenkins note that organizational values may also be attributed and aspirational.
7. At least one study suggests that espoused values have a positive influence on organizational performance by motivating employees (emotional contagion), signaling desired behaviors, and enhancing public reputation. However, in many firms studied, these espoused values may also have been enacted values. See: K. Jonsen et al., "Evaluating Espoused Values: Does Articulating Values Pay Off?," *European Management Journal* 33, no. 5 (2015): 332–40, <https://doi.org/10.1016/j.emj.2015.03.005>.
8. C. Ostroff, A.J. Kinicki, and R.S. Muhammad, "Organizational Culture and Climate," in *Handbook of Psychology* (2nd ed.), ed. I.B. Weiner (New York: Wiley, 2012), 643–76.
9. Netflix recently updated its organizational culture statement, but the underlying values are similar to the 2009 document. R. Hastings and P. McCord, *Netflix Culture: Freedom and Responsibility* (Los Gatos, CA: Netflix, August 2009); T. Stenovec, "One Reason for Netflix's Success—It Treats Employees Like Grownups," *Huffington Post*, February, 28, 2015; V. Giang, "The Woman Who Created Netflix's Enviable Company Culture," *Fast Company*, February 2, 2016; R. Hastings, *Culture at Netflix* (Los Gatos, CA: Netflix, 21 June 2017), <https://jobs.netflix.com/culture> (accessed 11 July 2017); S. Rodriguez, "Pinterest: Overly 'Nice' Culture Has Hurt Growth, Ex-Employees Say," *CNBC News*, April 10, 2019.
10. C.A. O'Reilly III, J. Chatman, and D.F. Caldwell, "People and Organizational Culture: A Profile Comparison Approach to Assessing Person-Organization Fit," *Academy of*

- Management Journal* 34 (1991): 487–516; J.J. van Muijen, “Organizational Culture,” in *A Handbook of Work and Organizational Psychology: Organizational Psychology*, ed. P.J.D. Drenth, H. Thierry, and C.J. de Wolff (East Sussex, UK: Psychology Press, 1998), 113–32; P.A. Balthazard, R.A. Cooke, and R.E. Potter, “Dysfunctional Culture, Dysfunctional Organization: Capturing the Behavioral Norms That Form Organizational Culture and Drive Performance,” *Journal of Managerial Psychology* 21, no. 8 (2006): 709–32; C. Helfrich et al., “Assessing an Organizational Culture Instrument Based on the Competing Values Framework: Exploratory and Confirmatory Factor Analyses,” *Implementation Science* 2, no. 1 (2007): 13. For reviews of organizational culture survey instruments, see T. Scott et al., “The Quantitative Measurement of Organizational Culture in Health Care: A Review of the Available Instruments,” *Health Services Research* 38, no. 3 (2003): 923–45; D.E. Leidner and T. Kayworth, “A Review of Culture in Information Systems Research: Toward a Theory of Information Technology Culture Conflict,” *MIS Quarterly* 30, no. 2 (2006): 357–99; S. Scott-Findlay and C.A. Estabrooks, “Mapping the Organizational Culture Research in Nursing: A Literature Review,” *Journal of Advanced Nursing* 56, no. 5 (2006): 498–513.
11. L. Guiso, P. Sapienza, and L. Zingales, “The Value of Corporate Culture,” *Journal of Financial Economics* 117, no. 1 (2015): 60–76.
 12. J. Martin, P.J. Frost, and O.A. O’Neill, “Organizational Culture: Beyond Struggles for Intellectual Dominance,” in *Handbook of Organization Studies*, ed. S. Clegg et al. (London: Sage, 2006), 725–53; N.E. Fenton and S. Ingilis, “A Critical Perspective on Organizational Values,” *Nonprofit Management and Leadership* 17, no. 3 (2007): 335–47; K. Haukelid, “Theories of (Safety) Culture Revisited—an Anthropological Approach,” *Safety Science* 46, no. 3 (2008): 413–26.
 13. G. Hofstede, “Identifying Organizational Subcultures: An Empirical Approach,” *Journal of Management Studies* 35, no. 1 (1990): 1–12; J. Martin and C. Siehl, “Organizational Culture and Counterculture: An Uneasy Symbiosis,” *Organizational Dynamics* (1983): 52–64; E. Ogbonna and L.C. Harris, “Organisational Culture in the Age of the Internet: An Exploratory Study,” *New Technology, Work and Employment* 21, no. 2 (2006): 162–75.
 14. H. Silver, “Does a University Have a Culture?,” *Studies in Higher Education* 28, no. 2 (2003): 157–69.
 15. A. Sinclair, “Approaches to Organizational Culture and Ethics,” *Journal of Business Ethics* 12 (1993); T.E. Deal and A.A. Kennedy, *The New Corporate Cultures* (Cambridge, MA: Perseus Books, 1999), Chap. 10; A. Boisnier and J. Chatman, “The Role of Subcultures in Agile Organizations,” in *Leading and Managing People in Dynamic Organizations*, ed. R. Petersen and E. Mannix (Mahwah, NJ: Erlbaum, 2003), 87–112; C. Morrill, M.N. Zald, and H. Rao, “Covert Political Conflict in Organizations: Challenges from Below,” *Annual Review of Sociology* 29, no. 1 (2003): 391–415.
 16. J.S. Ott, *The Organizational Culture Perspective* (Pacific Grove, CA: Brooks/Cole, 1989), Chap. 2; J.S. Pederson and J.S. Sorensen, *Organizational Cultures in Theory and Practice* (Aldershot, UK: Gower, 1989), 27–29; M.O. Jones, *Studying Organizational Symbolism: What, How, Why?* (Thousand Oaks, CA: Sage, 1996).
 17. A. Furnham and B. Gunter, “Corporate Culture: Definition, Diagnosis, and Change,” *International Review of Industrial and Organizational Psychology* 8 (1993): 233–61; E.H. Schein, “Organizational Culture,” *American Psychologist* (1990): 109–19; E.H. Schein, *The Corporate Culture Survival Guide* (San Francisco: Jossey-Bass, 1999), Chap. 4.
 18. M. Doehrmann, “Anthropologists—Deep in the Corporate Bush,” *Daily Record* (Kansas City, MO), July 19, 2005, 1.
 19. T.E. Deal and A.A. Kennedy, *Corporate Cultures* (Reading, MA: Addison-Wesley, 1982), Chap. 5; C.J. Boudens, “The Story of Work: A Narrative Analysis of Workplace Emotion,” *Organization Studies* 26, no. 9 (2005): 1285–306; S. Denning, *The Leader’s Guide to Storytelling* (San Francisco: Jossey-Bass, 2005).
 20. J.C. Meyer, “Tell Me a Story: Eliciting Organizational Values from Narratives,” *Communication Quarterly* 43 (1995): 210–24; W. Swap et al., “Using Mentoring and Storytelling to Transfer Knowledge in the Workplace,” *Journal of Management Information Systems* 18 (2001): 95–114; A.L. Wilkins, “Organizational Stories as Symbols Which Control the Organization,” in *Organizational Symbolism*, ed. L.R. Pondy et al. (Greenwich, CT: JAI Press, 1984), 81–92; R. Zemke, “Storytelling: Back to a Basic,” *Training* 27, no. 3 (1990): 44–50.
 21. T. Kelley and D. Kelley, *Creative Confidence: Unleashing the Creative Potential within Us All* (New York: Random House, 2013), 198.
 22. S.B. Trends, “The Container Store Revs Up Employees By Telling Them To ‘Be Like Gumby,’ ” *Business Insider*, September 1, 2011; A. Taube, “Here’s What The Container Store Looks For In The Retail Employees It Pays \$50,000 A Year,” *Business Insider*, October 17, 2014.
 23. G. Smith, *Why I Left Goldman Sachs: A Wall Street Story* (New York: Grand Central Publishing, 2012); R. Blackden, “Goldman Sachs in Hunt for ‘Muppet’ Email,” *The Telegraph*, 22 March 2012; B. Tuttle, “16 Amazing Facts About the Muppets That’ll Make You Laugh, Cry & Sing Along,” *Money*, 22 September 2015. Goldman Sachs apparently found the word *muppets* in 0.3% of all emails over the previous year or two, but almost all of those messages referred to a staff outing to watch the latest muppet film. The word *muppet* is apparently widely used today by investors (when being gullible about investment advice) and others in the investment community.
 24. A.C.T. Smith and B. Stewart, “Organizational Rituals: Features, Functions and Mechanisms,” *International Journal of Management Reviews* 13 (2011): 113–33.
 25. “The Ultimate Chairman,” *Business Times Singapore*, September 3, 2005.
 26. Churchill apparently made this statement on October 28, 1943, in the British House of Commons, when London, damaged by bombings in World War II, was about to be rebuilt.
 27. G. Turner and J. Myerson, *New Workspace New Culture: Office Design as a Catalyst for Change* (Aldershot, UK: Gower, 1998); J.C. McElroy and P.C. Morrow, “Employee Reactions to Office Redesign: A Naturally Occurring Quasi-Field Experiment in a Multi-Generational Setting,” *Human Relations* 63, no. 5 (2010): 609–36, <https://doi.org/10.1177/001826709342932>; T.J. Kallio, K.-M. Kallio, and A.J. Blomberg, “Physical Space, Culture and Organisational Creativity—A Longitudinal Study,” *Facilities* 33, no. 5/6

- (2015): 389–411, <https://doi.org/10.1108/F-09-2013-0074>; S. Zerella, K. von Treuer, and S.L. Albrecht, "The Influence of Office Layout Features on Employee Perception of Organizational Culture," *Journal of Environmental Psychology* 54 (2017): 1–10, <https://doi.org/10.1016/j.jenvp.2017.08.004>.
28. A. Clark, "Life in Mars," *The Guardian* (London), May 3, 2008; D.A. Kaplan, "Mars Incorporated: A Pretty Sweet Place to Work," *Fortune*, January 17, 2013. Also based on a virtual Google street view tour of Mars' head offices in Maclean, Virginia; Slough, UK; and Bolton, Canada.
 29. K.D. Elsbach and B.A. Bechky, "It's More Than a Desk: Working Smarter through Leveraged Office Design," *California Management Review* 49, no. 2 (2007): 80–101.
 30. G. Forsythe, K. Kuhla, and D. Rice, "The CEO's Role in Shaping an Organization's Culture," *Chief Executive*, February 6, 2018; C. Brooks, "Successful Company Culture Tips from YouEarnedIt CEO," business.com, November 21, 2018, <https://www.business.com/articles/successful-company-culture/>.
 31. R. Barrett, *Building a Values-Driven Organization: A Whole System Approach to Cultural Transformation* (Burlington, MA: Butterworth-Heinemann, 2006); J.C. Collins and J.I. Porras, *Built to Last: Successful Habits of Visionary Companies* (London: Century, 1994); J.M. Kouzes and B.Z. Posner, *The Leadership Challenge*, 4th ed. (San Francisco: Jossey-Bass, 2007), Chap. 3; T.E. Deal and A.A. Kennedy, *The New Corporate Cultures* (Cambridge, MA: Perseus Books, 1999).
 32. C. Siehl and J. Martin, "Organizational Culture: A Key to Financial Performance?", in *Organizational Climate and Culture*, ed. B. Schneider (San Francisco: Jossey-Bass, 1990), 241–81; G.G. Gordon and N. Di-Tomaso, "Predicting Corporate Performance from Organizational Culture," *Journal of Management Studies* 29 (1992): 783–98; J.P. Kotter and J.L. Heskett, *Corporate Culture and Performance* (New York: Free Press, 1992); C.P.M. Wilderom, U. Glunk, and R. Maslowski, "Organizational Culture as a Predictor of Organizational Performance," in *Handbook of Organizational Culture and Climate*, ed. N.M. Ashkanasy, C.P.M. Wilderom, and M.F. Peterson (Thousand Oaks, CA: Sage, 2000), 193–210; A. Carmeli and A. Tishler, "The Relationships between Intangible Organizational Elements and Organizational Performance," *Strategic Management Journal* 25 (2004): 1257–78; S. Teerikangas and P. Very, "The Culture–Performance Relationship in M&A: From Yes/No to How," *British Journal of Management* 17, no. S1 (2006): S31–S48.
 33. Y. Wiener, "Forms of Value Systems: A Focus on Organizational Effectiveness and Cultural Change and Maintenance," *Academy of Management Review* 13, no. 4 (1988): 534–45; J.A. Chatman and S.E. Cha, "Leading by Leveraging Culture," *California Management Review* 45 (2003): 20–34; M. Alvesson, *Understanding Organizational Culture*, 2nd ed. (London: Sage, 2013).
 34. B. Ashforth and F. Mael, "Social Identity Theory and the Organization," *Academy of Management Review* 14 (1989): 20–39; M. Alvesson, *Understanding Organizational Culture*, 2nd ed. (London: Sage, 2013).
 35. Heidrick & Struggles, *Leadership Challenges Emerge as Asia Pacific Companies Go Global* (Melbourne: August 2008).
 36. M.R. Louis, "Surprise and Sensemaking: What Newcomers Experience in Entering Unfamiliar Organizational Settings," *Administrative Science Quarterly* 25 (1980): 226–51; S.G. Harris, "Organizational Culture and Individual Sensemaking: A Schema-Based Perspective," *Organization Science* 5 (1994): 309–21.
 37. J.W. Barnes et al., "The Role of Culture Strength in Shaping Sales Force Outcomes," *Journal of Personal Selling & Sales Management* 26, no. 3 (2006): 255–70.
 38. C.A. O'Reilly III and J.A. Chatman, "Culture as Social Control: Corporations, Cults, and Commitment," *Research in Organizational Behavior* 18 (1996): 157–200; B. Spector and H. Lane, "Exploring the Distinctions between a High Performance Culture and a Cult," *Strategy & Leadership* 35, no. 3 (2007): 18–24. Organizational cults are closely related high organizational identification, which have several known dysfunctional outcomes for companies and individuals. See: S. Conroy et al., "Where There Is Light, There Is Dark: A Review of the Detrimental Outcomes of High Organizational Identification," *Journal of Organizational Behavior* 38, no. 2 (2017): 184–203, <https://doi.org/10.1002/job.2164>.
 39. J.P. Kotter and J.L. Heskett, *Corporate Culture and Performance* (New York: Free Press, 1992), Chap. 4; B.M. Bass and R.E. Riggio, *Transformational Leadership*, 2nd ed. (New York: Routledge, 2006), Chap. 7; D.P. Costanza et al., "The Effect of Adaptive Organizational Culture on Long-Term Survival," *Journal of Business and Psychology* (2015): 1–21.
 40. T. Krisher and D.A. Durbin, "General Motors CEO Akerson Leads Comeback from Bankruptcy by Ruffling Company's Bureaucracy," *Associated Press Newswires*, December 17, 2011.
 41. W.E. Baker and J.M. Sinkula, "The Synergistic Effect of Market Orientation and Learning Orientation on Organizational Performance," *Journal of the Academy of Marketing Science* 27, no. 4 (1999): 411–27, <https://doi.org/10.1177/0092070399274002>; O. Pesämaa et al., "How a Learning Orientation Affects Drivers of Innovativeness and Performance in Service Delivery," *Journal of Engineering and Technology Management* 30, no. 2 (2013): 169–87, <https://doi.org/10.1016/j.jengtecman.2013.01.004>; J.C. Real, J.L. Roldán, and A. Leal, "From Entrepreneurial Orientation and Learning Orientation to Business Performance: Analysing the Mediating Role of Organizational Learning and the Moderating Effects of Organizational Size," *British Journal of Management* 25, no. 2 (2014): 186–208, <https://doi.org/10.1111/j.1467-8551.2012.00848.x>. *Excellence: Lessons from America's Best-Run Companies* (New York: Warner, 1982). However, this phrase did appear more than a decade earlier in N. Margulies, "Organizational Culture and Psychological Growth," *The Journal of Applied Behavioral Science* 5, no. 4 (1969): 491–508; S. Silverzweig and R.F. Allen, "Changing the Corporate Culture," *Sloan Management Review* 17, no. 3 (1976): 33–49.
 42. AIA Code of Conduct (Hong Kong: AIA Group Limited, April 30, 2015); K. Whitehead, "Case Study: AIA, Hong Kong," *People Management Asia*, January 21, 2016, 10–11.
 43. "Antony Jenkins to Staff: Adopt New Values or Leave Barclays," *The Telegraph (London)*, 17 January 2013. Also, original email to Barclays employees distributed in January 2013.
 44. M.L. Marks, "Adding Cultural Fit to Your Diligence Checklist," *Mergers & Acquisitions* 34, no. 3 (1999): 14–20; E. H. Schein, *The Corporate Culture Survival Guide* (San Francisco: Jossey-Bass, 1999), Chap. 8; S.

- Teerikangas and P. Very, "The Culture-Performance Relationship in M&A: From Yes/No to How," *British Journal of Management* 17, no. S1 (2006): S31-S48; G.K. Stahl and A. Voigt, "Do Cultural Differences Matter in Mergers and Acquisitions? A Tentative Model and Examination," *Organization Science* 19, no. 1 (2008): 160-76.
45. J.P. Daly et al., "The Effects of Initial Differences in Firms' Espoused Values on Their Postmerger Performance," *Journal of Applied Behavioral Science* 40, no. 3 (2004): 323-43; C. Cook and D. Spitzer, *World Class Transactions*, KPMG (London: 2001); J. Krug, *Mergers and Acquisitions: Turmoil in Top Management Teams* (Williston, VT: Business Expert Press, 2009).
 46. J. Chao et al., "The Role of Leadership in Merger Integration," *McKinsey Quarterly*, July 2018; O. Engert et al., "Organizational Culture in Mergers: Addressing the Unseen Forces," *McKinsey&Company*, March 2019.
 47. C.A. Schorg, C.A. Raiborn, and M.F. Massoud, "Using a 'Cultural Audit' to Pick M&A Winners," *Journal of Corporate Accounting & Finance* (2004): 47-55; W. Locke, "Higher Education Mergers: Integrating Organisational Cultures and Developing Appropriate Management Styles," *Higher Education Quarterly* 61, no. 1 (2007): 83-102.
 48. A.R. Malekazeh and A. Nahavandi, "Making Mergers Work by Managing Cultures," *Journal of Business Strategy* (1990): 55-57; K.W. Smith, "A Brand-New Culture for the Merged Firm," *Mergers and Acquisitions* 35 (2000): 45-50.
 49. A. Hyland, "Howzat? Wesfarmers and Boral Chairman Bob Every on Career and Overcoming Adversity," *Australian Financial Review*, July 6, 2015.
 50. Hewitt Associates, "Mergers and Acquisitions May Be Driven by Business Strategy—but Often Stumble over People and Culture Issues" (Lincolnshire, IL: PR Newswire, 1998).
 51. J. Martin, "Can Organizational Culture Be Managed?," in *Organizational Culture*, ed. P.J. Frost et al. (Beverly Hills, CA: Sage, 1985), 95-98.
 52. E.H. Schein, "The Role of the Founder in Creating Organizational Culture," *Organizational Dynamics* 12, no. 1 (1983): 13-28; A.S. Tsui et al., "Unpacking the Relationship between CEO Leadership Behavior and Organizational Culture," *Leadership Quarterly* 17 (2006): 113-37; Y. Berson, S. Oreg, and T. Dvir, "CEO Values, Organizational Culture and Firm Outcomes," *Journal of Organizational Behavior* 29, no. 5 (2008): 615-33; B. Schneider, M.G. Ehrhart, and W.H. Macey, "Organizational Climate and Culture," *Annual Review of Psychology* 64, no. 1 (2013): 361-88.
 53. WL1028 (Anon), "Trip to Alibaba," *Chinese Cyberculture* (Shanghai: Interactive Media Arts @NYU Shanghai, 2014), <http://ima.nyu.sh/chinese-cyberculture/2014/12/06/trip-to-alibaba/> (accessed February 9, 2015).
 54. Y. Berson, S. Oreg, and T. Dvir, "CEO Values, Organizational Culture and Firm Outcomes," *Journal of Organizational Behavior* 29, no. 5 (2008): 615-33; A.S. Klein, J. Wallis, and R.A. Cooke, "The Impact of Leadership Styles on Organizational Culture and Firm Effectiveness: An Empirical Study," *Journal of Management & Organization* 19 (2013): 241-54; D.V. Day, M.A. Griffin, and K.R. Louw, "The Climate and Culture of Leadership in Organizations," in *The Oxford Handbook of Organizational Climate and Culture*, ed. B. Schneider and K.M. Barbera (New York: Oxford University Press, 2014), 101-17.
 55. M.J. Gelfand et al., "Conflict Cultures in Organizations: How Leaders Shape Conflict Cultures and Their Organizational-Level Consequences," *Journal of Applied Psychology* 97, no. 6 (2012): 1131-47; R.C. Liden et al., "Servant Leadership and Serving Culture: Influence on Individual and Unit Performance," *Academy of Management Journal* 57, no. 5 (2014): 1434-52.
 56. J.C. McElroy and P.C. Morrow, "Employee Reactions to Office Redesign: A Naturally Occurring Quasi-Field Experiment in a Multi-Generational Setting," *Human Relations* 63, no. 5 (2010): 609-36, <https://doi.org/10.1177/0018726709342932>; S.J. Hogan and L.V. Coote, "Organizational Culture, Innovation, and Performance: A Test of Schein's Model," *Journal of Business Research* 67, no. 8 (2014): 1609-21, <https://doi.org/10.1016/j.jbusres.2013.09.007>; S. Zerella, K. von Treuer, and S.L. Albrecht, "The Influence of Office Layout Features on Employee Perception of Organizational Culture," *Journal of Environmental Psychology* 54 (2017): 1-10, <https://doi.org/10.1016/j.jenvp.2017.08.004>.
 57. M. De Pree, *Leadership Is an Art* (East Lansing: Michigan State University Press, 1987).
 58. J. Kerr and J.W. Slocum Jr., "Managing Corporate Culture through Reward Systems," *Academy of Management Executive* 1 (1987): 99-107; J.M. Higgins et al., "Using Cultural Artifacts to Change and Perpetuate Strategy," *Journal of Change Management* 6, no. 4 (2006): 397-415; H. Hofstetter and I. Harpaz, "Declared versus Actual Organizational Culture as Indicated by an Organization's Performance Appraisal," *International Journal of Human Resource Management* (2011): 1-22.
 59. A. Griswold, "Uber Is Designed so That for One Employee to Get Ahead, Another Must Fail," *Quartz*, February 27, 2017; M.R. Dickey, "Inside Uber's New Approach to Employee Performance Reviews," *TechCrunch*, August 1, 2017.
 60. Kelly Services, *Engaging Active and Passive Job Seekers*, Kelly Global Workforce Index (Troy, MI: Kelly Services, May 2014); "35 Percent of Employers Less Likely to Interview Applicants They Can't Find Online," news release (Chicago: CareerBuilder, May 14, 2015).
 61. B. Schneider, "The People Make the Place," *Personnel Psychology* 40, no. 3 (1987): 437-53; B. Schneider et al., "Personality and Organizations: A Test of the Homogeneity of Personality Hypothesis," *Journal of Applied Psychology* 83, no. 3 (1998): 462-70; T.R. Giberson, C.J. Resick, and M.W. Dickson, "Embedding Leader Characteristics: An Examination of Homogeneity of Personality and Values in Organizations," *Journal of Applied Psychology* 90, no. 5 (2005): 1002-10.
 62. T.A. Judge and D.M. Cable, "Applicant Personality, Organizational Culture, and Organization Attraction," *Personnel Psychology* 50, no. 2 (1997): 359-94; D.S. Chapman et al., "Applicant Attraction to Organizations and Job Choice: A Meta-Analytic Review of the Correlates of Recruiting Outcomes," *Journal of Applied Psychology* 90, no. 5 (2005): 928-44; A.L. Kristof-Brown, R.D. Zimmerman, and E.C. Johnson, "Consequences of Individuals' Fit at Work: A Meta-Analysis of Person-Job, Person-Organization, Person-Group, and Person-Supervisor Fit," *Personnel Psychology* 58, no. 2 (2005): 281-342; C. Hu, H.C. Su, and C.I.B. Chen, "The Effect of Person-Organization Fit Feedback via Recruitment Web Sites on Applicant Attraction," *Computers in Human Behavior* 23, no. 5 (2007): 2509-23.
 63. A. Kristof-Brown, "Perceived Applicant Fit: Distinguishing between Recruiters' Perceptions of Person-Job and

- Person–Organization Fit,” *Personnel Psychology* 53, no. 3 (2000): 643–71; A.E.M. Van Vianen, “Person–Organization Fit: The Match between Newcomers’ and Recruiters’ Preferences for Organizational Cultures,” *Personnel Psychology* 53 (2000): 113–49.
64. D.M. Cable and J.R. Edwards, “Complementary and Supplementary Fit: A Theoretical and Empirical Integration,” *Journal of Applied Psychology* 89, no. 5 (2004): 822–34.
 65. J. Van Maanen, “Breaking In: Socialization to Work,” in *Handbook of Work, Organization, and Society*, ed. R. Dubin (Chicago: Rand McNally, 1976).
 66. S.L. McShane, G. O’Neill, and T. Travaglione, “Managing Employee Values in Values-Driven Organizations: Contradiction, Façade, and Illusions” (paper presented at the 21st Annual ANZAM Conference, Sydney, Australia, December 2007); S.L. McShane, G. O’Neill, and T. Travaglione, “Rethinking the Values-Driven Organization Process: From Values Engineering to Behavioral Domain Training” (paper presented at the Academy of Management 2008 Annual Meeting, Anaheim, CA, 2008).
 67. D.G. Allen, “Do Organizational Socialization Tactics Influence Newcomer Embeddedness and Turnover?,” *Journal of Management* 32, no. 2 (2006): 237–56; A.M. Saks, K.L. Uggerslev, and N.E. Fassina, “Socialization Tactics and Newcomer Adjustment: A Meta-Analytic Review and Test of a Model,” *Journal of Vocational Behavior* 70, no. 3 (2007): 413–46.
 68. G.T. Chao et al., “Organizational Socialization: Its Content and Consequences,” *Journal of Applied Psychology* 79 (1994): 450–63; H.D. Cooper-Thomas and N. Anderson, “Organizational Socialization: A Field Study into Socialization Success and Rate,” *International Journal of Selection and Assessment* 13, no. 2 (2005): 116–28.
 69. N. Nicholson, “A Theory of Work Role Transitions,” *Administrative Science Quarterly* 29 (1984): 172–91; A. Elfering et al., “First Years in Job: A Three-Wave Analysis of Work Experiences,” *Journal of Vocational Behavior* 70, no. 1 (2007): 97–115; B.E. Ashforth, D.M. Sluss, and A.M. Saks, “Socialization Tactics, Proactive Behavior, and Newcomer Learning: Integrating Socialization Models,” *Journal of Vocational Behavior* 70, no. 3 (2007): 447–62; T.N. Bauer, “Newcomer Adjustment during Organizational Socialization: A Meta-Analytic Review of Antecedents, Outcomes, and Methods,” *Journal of Applied Psychology* 92, no. 3 (2007): 707–21.
 70. J.M. Beyer and D.R. Hannah, “Building on the Past: Enacting Established Personal Identities in a New Work Setting,” *Organization Science* 13 (2002): 636–52; H.D.C. Thomas and N. Anderson, “Newcomer Adjustment: The Relationship between Organizational Socialization Tactics, Information Acquisition and Attitudes,” *Journal of Occupational and Organizational Psychology* 75 (2002): 423–37.
 71. S.L. Robinson and E. Wolfe Morrison, “The Development of Psychological Contract Breach and Violation: A Longitudinal Study,” *Journal of Organizational Behavior* 21, no. 5 (2000): 525–46; K.J. McInnis, J.P. Meyer, and S. Feldman, “Psychological Contracts and Their Implications for Commitment: A Feature-Based Approach,” *Journal of Vocational Behavior* 74, no. 2 (2009): 165–80; C.-M. Alcover et al., “Understanding the Changing Nature of Psychological Contracts in 21st Century Organizations: A Multiple-Foci Exchange Relationships Approach and Proposed Framework,” *Organizational Psychology Review* 7, no. 1 (2017): 4–35, <https://doi.org/10.1177/2041386616628333>.
 72. S.L. Robinson and D.M. Rousseau, “Violating the Psychological Contract: Not the Exception but the Norm,” *Journal of Organizational Behavior* 15 (1994): 245–59; E.W. Morrison and S.L. Robinson, “When Employees Feel Betrayed: A Model of How Psychological Contract Violation Develops,” *Academy of Management Review* 22(1997): 226–56; S.D. Montes and P.G. Irving, “Disentangling the Effects of Promised and Delivered Inducements: Relational and Transactional Contract Elements and the Mediating Role of Trust,” *Journal of Applied Psychology* 93, no. 6 (2008): 1367–81.
 73. S. Persson and D. Wasieleski, “The Seasons of the Psychological Contract: Overcoming the Silent Transformations of the Employer-Employee Relationship,” *Human Resource Management Review* 25, no. 4 (2015): 368–83.
 74. L.W. Porter, E.E. Lawler III, and J.R. Hackman, *Behavior in Organizations* (New York: McGraw-Hill, 1975), 163–67; J. Van Maanen, “Breaking In: Socialization to Work,” in *Handbook of Work, Organization, and Society*, ed. R. Dubin (Chicago: Rand McNally, 1976), 67–130; D.C. Feldman, “The Multiple Socialization of Organization Members,” *Academy of Management Review* 6 (1981): 309–18.
 75. B.E. Ashforth and A.M. Saks, “Socialization Tactics: Longitudinal Effects on Newcomer Adjustment,” *Academy of Management Journal* 39 (1996): 149–78; J.D. Kammeyer-Mueller and C.R. Wanberg, “Unwrapping the Organizational Entry Process: Disentangling Multiple Antecedents and Their Pathways to Adjustment,” *Journal of Applied Psychology* 88, no. 5 (2003): 779–94.
 76. L.W. Porter, E.E. Lawler III, and J.R. Hackman, *Behavior in Organizations* (New York: McGraw-Hill, 1975), Chap. 5.
 77. M.R. Louis, “Surprise and Sensemaking: What Newcomers Experience in Entering Unfamiliar Organizational Settings,” *Administrative Science Quarterly* 25 (1980): 226–51.
 78. S.L. Robinson and D.M. Rousseau, “Violating the Psychological Contract: Not the Exception but the Norm,” *Journal of Organizational Behavior* 15 (1994): 245–59.
 79. D.L. Nelson, “Organizational Socialization: A Stress Perspective,” *Journal of Occupational Behavior* 8 (1987): 311–24; A. Elfering et al., “First Years in Job: A Three-Wave Analysis of Work Experiences,” *Journal of Vocational Behavior* 70, no. 1 (2007): 97–115; C.-M. Alcover et al., “Understanding the Changing Nature of Psychological Contracts in 21st Century Organizations: A Multiple-Foci Exchange Relationships Approach and Proposed Framework,” *Organizational Psychology Review* 7, no. 1 (2017): 4–35, <https://doi.org/10.1177/2041386616628333>.
 80. J.P. Wanous, *Organizational Entry* (Reading, MA: Addison-Wesley, 1992); J.A. Breaug and M. Starke, “Research on Employee Recruitment: So Many Studies, So Many Remaining Questions,” *Journal of Management* 26, no. 3 (2000): 405–34.
 81. J.M. Phillips, “Effects of Realistic Job Previews on Multiple Organizational Outcomes: A Meta-Analysis,” *Academy of Management Journal* 41 (1998): 673–90.

82. Y. Ganzach et al., "Social Exchange and Organizational Commitment: Decision-Making Training for Job Choice as an Alternative to the Realistic Job Preview," *Personnel Psychology* 55 (2002): 613–37.
83. C. Ostroff and S.W.J. Koslowski, "Organizational Socialization as a Learning Process: The Role of Information Acquisition," *Personnel Psychology* 45 (1992): 849–74; H.D. Cooper-Thomas and N. Anderson, "Organizational Socialization: A Field Study into Socialization Success and Rate," *International Journal of Selection and Assessment* 13, no. 2 (2005): 116–28; S. Nifadkar and T. Bauer, "Breach of Belongingness: Newcomer Relationship Conflict, Information, and Task-Related Outcomes during Organizational Socialization," *Journal of Applied Psychology* 101, no. 1 (2016): 1–13.
84. S. Nifadkar, A.S. Tsui, and B.E. Ashforth, "The Way You Make Me Feel and Behave: Supervisor-Triggered Newcomer Affect and Approach-Avoidance Behavior," *Academy of Management Journal* 55, no. 5 (2012): 1146–68.
85. K. Pike, "My First 30 Days at Cisco," *Life at Cisco*, Cisco Systems, Inc., March 29, 2016, <http://blogs.cisco.com/lifeatcisco/my-first-30-day-at-cisco>.
- a. S. Berfield et al., "Sixty Million Car Bombs: Inside Takata's Air Bag Crisis," *Bloomberg*, 2 June 2016; Independent Takata Corporation Quality Assurance Panel, *Ensuring Quality across the Board* (Chicago: February 2016); "Lax Corporate Culture Set up Takata's Fall," *Nikkei Asian Review*, 3 July 2017; H. Tabuchi and N.E. Boudette, "U.S. Charges Takata Officers in Airbag Case," *The New York Times*, 14 January 2017, A1; "Our Aspirations," *About Takata* (Tokyo: Takata Corporation, 2018), <http://www.takata.com/en/about/wish.html> (accessed 27 March 2018); "Death Toll from Takata Air Bag Inflators Rises to at Least 24," *Los Angeles Times*, March 29, 2019.
- b. J. Mossman, "Employee-Friendly Workplace Culture a Key to Company Success," *Denver Post*, April 21, 2013; Darden MBA, "Community First, Company Second": Javier Rodriguez, DaVita Kidney Care" (YouTube, November 18, 2015), www.youtube.com/watch?v=sdTYtXSEIFQ (accessed June 15, 2016); Stanford Graduate School of Business, "DaVita CEO Kent Thiry on Building a Signature Company Culture" (YouTube, November 23, 2015), www.youtube.com/watch?v=9CN85CFlIME (accessed June 15, 2016); D. Hoerman, "Inside DaVita's Corporate Culture: 'A Community First And A Company Second,'" *Chief Executive*, August 10, 2018.
- c. The terms *organizational culture* and *corporate culture* were popularized in 1982 in T.E. Deal and A.A. Kennedy, *Corporate Cultures* (Reading, MA: Addison-Wesley, 1982); T.J. Peters and R.H. Waterman, *In Search of Excellence: Lessons from America's Best-Run Companies* (New York: Warner, 1982). However, this phrase did appear more than a decade earlier in N. Margulies, "Organizational Culture and Psychological Growth," *The Journal of Applied Behavioral Science* 5, no. 4 (1969): 491–508; S. Silverzweig and R.F. Allen, "Changing the Corporate Culture," *Sloan Management Review* 17, no. 3 (1976): 33–49.
- d. P. Hewlin, T.L. Dumas, and M. Burnett, "To Thine Own Self Be True?: Facades of Conformity, Values Incongruence, and the Magnifying Impact of Leader Integrity," *Academy of Management Journal*, November 20, 2015.
- e. G.R. Maio and J.M. Olson, "Values as Truisms: Evidence and Implications," *Journal of Personality and Social Psychology* 74, no. 2 (1998): 294–311; S. Arieli, A.M. Grant, and L. Sagiv, "Convincing Yourself to Care about Others: An Intervention for Enhancing Benevolence Values," *Journal of Personality* 82, no. 1 (2014): 15–24; K.M. Sheldon and L.S. Krieger, "Walking the Talk: Value Importance, Value Enactment, and Well-Being," *Motivation and Emotion* 38 (2014): 609–19.
- f. J.W. Lorsch and E. McTague, "Culture Is Not the Culprit," *Harvard Business Review* 94, no. 4 (2016): 96–105.
- g. A. Ferguson and C. Vedelago, "Targets, Bonuses, Trips—Inside the CBA Boiler Room," *Sydney Morning Herald*, 22 June 2013; J. Eyers, "The Man Who Blew the Whistle on CBA," *Australian Financial Review*, 28 June 2014; T. Boyd, "CBA's Unfortunate Pattern of Poor Cultural Behaviour," *Australian Financial Review*, 4 August 2017; P. Williams, "How Criminal Gangs Ran Rings around Commonwealth Bank Culture," *The Australian*, 14 September 2017; J. Frost, "ASIC Hits CBA with BBSW Rate-Rigging Allegations," *Australian Financial Review*, 30 January 2018; S. Letts, "Banks Inquiry: APRA to Focus on CBA Culture and Pay in Studying Its 'Fall from Grace,'" *ABC News (Australia)*, 1 February 2018; P. Durkin, "ASIC Expands Bank Bill Swap Rate-Rigging Case against Commonwealth Bank," *Australian Financial Review*, 26 February 2018.
- h. *The Right Combination: Managing Integration for Deal Success* (London: EY, May 2014); *Integration Report 2015: Putting the Pieces Together* (New York: Deloitte M&A Institute, March 2015); KPMG, *U.S. Executives on M&A: Full Speed Ahead in 2016* (New York: Fortune Knowledge Group, January 2016).
- i. M. Krupnick, "Virgin America Fans Ask if Alaska Airlines Takeover Will Mean Loss of Cool," *The New York Times*, April 11, 2016; S. Mayerowitz, "Alaska Airlines CEO Says He Might Keep Virgin America Brand," Associated Press, June 15, 2016; H. Martin, "Virgin America Will Disappear into Alaska Airlines in 2019," *Los Angeles Times*, March 22, 2017; L. D. Redman, "The 'New' Alaska Airlines Looks a Lot Like Virgin America," *Condé Nast Traveler*, January 22, 2018.
- j. M. Weinberger, "Satya Nadella: 'Customer Love' Is a Better Sign of Success than Revenue or Profit," *Business Insider*, October 7, 2015; H. McCracken, "Transforming Culture at Microsoft: Satya Nadella Sets a New Tone," *InTheBlack*, June 1, 2018; J. Stillman, "The 1 Book That Transformed Microsoft's Culture From Cutthroat to Creative," *Inc.*, October 8, 2018.
- k. S. Wang, "What an Office Designed around Employee Happiness Looks Like," *Profit Magazine*, October 23, 2015; P. Hunter, "Joy to the Workforce," *Toronto Star*, June 6, 2015, IN1; M. Baran, "Beards and Ball Pits: Just a Typical Day at G Adventures Base Camp," *Travel Weekly*, November 18, 2015; H. Baker, "Happy Employees Are the Key to Success," *Director*, September 2015, 70–71.
- l. K. Tausche, "Wall Street Fights to Keep Young, Restless Analysts," *CNBC*, February 19, 2014; D. Huang and L. Gellman, "Millennial Employees Confound Wall Street," *The Wall Street Journal*, April 9, 2016, A1.
- m. J. Rosenberg, "Companies Transform Cultures as They Compete for Staffers," *AP News*, December 19, 2018.



15

Organizational Change



Learning Objectives ➤

After studying this chapter, you should be able to:

- LO 15-1** Describe the elements of Lewin's force field analysis model.
- LO 15-2** Discuss the reasons why people resist organizational change and how change agents should view this resistance.
- LO 15-3** Outline six strategies for minimizing resistance to change, and debate ways to effectively create an urgency to change.
- LO 15-4** Discuss how leadership, coalitions, social networks, and pilot projects assist organizational change.
- LO 15-5** Describe and compare action research, appreciative inquiry, large group interventions, and parallel learning structures as formal approaches to organizational change.
- LO 15-6** Discuss two cross-cultural and three ethical issues in organizational change.

Blueshore Financial was founded in the 1940s as North Shore Credit Union, mainly serving the needs of shipbuilding workers and deep sea fishermen living along Vancouver's north shore. North Vancouver has since become one of Canada's wealthiest areas, and its residents have much more sophisticated banking needs. However, the credit union had not evolved until recently. "We were a blue-collar credit union in a white-collar world," admits Blueshore CEO Chris Catliff. "We were little more than a paper-based savings and loan. . . . We had no differentiated brand, and the credit union was floundering."

Catliff explained to employees that the organization's survival depended on reinventing itself to better serve its clients through differentiated financial services. He also cautioned that the transformation would require considerable adaptability and commitment from "a dedicated team hungry for change."

A special task force of employees and managers worked with an external consultant to develop the new business model. "They worked in a boardroom for two weeks, fueled by pizza, the odd beer, and a desire to innovate," recalls Catliff, who challenged the team "not to come back until you've reinvented



PART 4: ORGANIZATIONAL PROCESSES

banking.” The task force proposed a list of dramatic innovations, including a much narrower focus on wealth-oriented services in a “financial spa” setting, rather like a luxury hotel. “You don’t have to be a big global organization to succeed in business, but sometimes you have to have big ideas,” Catliff suggests.

Blueshore marketing vice president Catharine Downes describes the credit union’s change process as “a massive project, touching all aspects of our business, culture, and operations. It demanded a highly orchestrated approach to ensure every single employee fully understood the scope of the change. From both a tactical and cultural standpoint, rebranding represented a major change management process for our associates and clients.”

Communication with employees was key to the success of Blueshore’s transformation. “The most practical piece of advice I can offer others is to recognize the critical importance of open communication in times of change. Be consistent, repetitive, and authentic,” Catliff advises. “Tell them [employees and others] why you are changing and what you hope to gain from the change.”

Catliff also emphasizes the power of employee involvement in organizational change. “Ask your staff for their input, actively listen to what they have to say, and show you value their perceptions and opinions. By doing this you will form a relationship based on mutual trust and respect, which will make it easier for you to initiate and integrate change together.”



Blueshore Financial

Blueshore Financial relied on communication, involvement, and other organizational change strategies to transform itself from a regular credit union into a successful “financial spa” business on Canada’s west coast.

Blueshore's transformation faced numerous challenges and required a lengthy time frame. "The tough part was that some staff didn't like the change, and self-selected out," says Catliff. But the results have exceeded expectations. BlueShore Financial's assets under administration have jumped from over \$700 million two decades ago to \$5.7 billion today. Blueshore's dozen branches have become leading financial planning centers from Vancouver to Whistler. Blueshore is also consistently rated as one of Canada's best employers (small and medium category).¹

Blueshore Financial's transformation from a floundering mass market credit union to one of Vancouver's leading financial services firms illustrates many of the strategies and practices necessary to successfully change organizations. Chris Catliff, like other leaders looking for organizational change, created an urgency for change, actively communicated the change process, and involved employees as partners in the process. Blueshore's transformation took several years and required difficult adjustments. Indeed, most organizational change is messy, requiring considerable leadership effort and vigilance.

As we will describe throughout this chapter, the challenge of change is not so much in deciding which way to go; the challenge is in the execution of this strategy. When leaders discover the need for change and identify some ideas about the preferred route to a better future, the change process involves navigating around the numerous obstacles and gaining organizationwide support for that change.

This chapter unfolds as follows. We begin by introducing Lewin's model of change and its component parts. This discussion includes sources of resistance to change, ways to minimize this resistance, and ways to stabilize desired behaviors. Next, the chapter examines four approaches to organizational change—action research, appreciative inquiry, large group interventions, and parallel learning structures. The last section of this chapter considers both cross-cultural and ethical issues in organizational change.

Lewin's Force Field Analysis Model

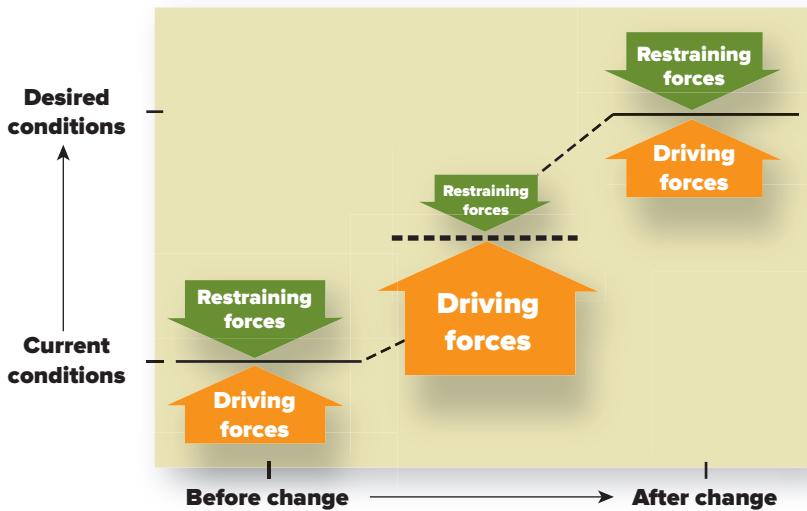
LO 15-1



"I've always believed that when the rate of change inside an institution becomes slower than the rate of change outside, the end is in sight. The only question is when."² This statement by former General Electric CEO Jack Welch highlights one of the messages throughout this book: organizations operate as open systems that need to keep pace with ongoing changes in their external environment, such as consumer trends, global competition, technology, community expectations, government (de)regulation, and environmental standards. Successful organizations monitor their environments and take

EXHIBIT 15.1

Lewin's Force Field Analysis Model



force field analysis
Kurt Lewin's model of systemwide change that helps change agents diagnose the forces that drive and restrain proposed organizational change

appropriate steps to maintain a compatible fit with new external conditions. Rather than resisting change, employees in successful companies embrace change as an integral part of organizational life.

It is easy to see environmental forces pushing companies to change. What is more difficult to see is the complex interplay of these forces on the internal dynamics of organizations. Social psychologist Kurt Lewin developed the force field analysis model to describe this process using the metaphor of a force field (see Exhibit 15.1).³ Although it was developed more than 50 years ago, recent reviews affirm that Lewin's **force field analysis** model remains one of the most widely respected ways of viewing the change process.⁴

One side of the force field model represents the *driving forces* that push organizations toward a new state of affairs. These might include new competitors or technologies, evolving workforce expectations, or a host of other environmental changes. Corporate leaders also produce driving forces even when external forces for change aren't apparent. For instance, some experts call for "divine discontent" as a key feature of successful organizations, meaning that leaders continually urge employees to strive for higher standards or better practices. Even when the company outshines the competition, employees believe they can do better. "We have a habit of divine discontent with our performance," says creative agency Ogilvy & Mather about its corporate culture. "It is an antidote to smugness."⁵

READY FOR ORGANIZATIONAL CHANGE?^a

84% of C-suite (CEO, COO, CFO, etc.) leaders feel confident that their industry is prepared for future workplace changes.

82% of 1,487 American employees/managers involved in a corporate transformation say their CEO communicates a compelling change story to the organization.



46% of 1,487 American employees/managers involved in a corporate transformation say that the CEO's visible engagement/commitment to the change has been most effective at engaging employees in the process.

43% of 1,000 American employees feel confident that their industry is prepared for future workplace changes.

26% of 1,713 American executives involved in a corporate transformation say the change initiative has been very or completely successful.

(photo): sarahdesign/Shutterstock

unfreezing

the first part of the change process, in which the change agent produces disequilibrium between the driving and restraining forces

refreezing

the latter part of the change process, in which systems and structures are introduced that reinforce and maintain the desired behaviors

The other side of Lewin's model represents the *restraining forces* that maintain the status quo. These restraining forces are commonly called "resistance to change" because they appear to block the change process. Stability occurs when the driving and restraining forces are roughly in equilibrium—that is, they are of approximately equal strength in opposite directions.

Lewin's force field model emphasizes that effective change occurs by **unfreezing** the current situation, moving to a desired condition, and then **refreezing** the system so it remains in the desired state. Unfreezing involves producing disequilibrium between the driving and restraining forces. As we will describe later, this may occur by increasing the driving forces, reducing the restraining forces, or a combination of both. Refreezing occurs when the organization's systems and structures are aligned with the desired behaviors. They must support and reinforce the new role patterns and prevent the organization from slipping back into the old way of doing things. Over the next few pages, we use Lewin's model to understand why change is blocked and how the process can evolve more smoothly.

Understanding Resistance to Change

LO 15-2

Advantage Solutions is undergoing significant change with Tanya Domier at the helm of the California-based provider of marketing and related services. Domier wants Advantage to have a performance-driven culture with a stronger global footprint. This transformation has redefined jobs, demanded new skills, and removed several senior managers. The changes have been highly successful, but they also triggered strong resistance from some long-serving managers and employees. "There were many people who did not believe in our strategy," acknowledges Domier, an award-winning executive who is also a board member at Nordstrom. "There were many people who undermined the strategy." The resistance has subsided with the company's achievements, but Domier says she learned valuable lessons about leading change. "Anybody can captain a ship on calm seas, but if you really want [to be] a leader, you have to learn to weather a storm," she advises.^b

Ana Venegas/Orange County Register

United Airlines struggled to resolve operational and customer service problems after its merger with Continental Airlines. United executives say the poor results are partly due to the challenges of combining complex reservation and operational systems. But they have

also been frustrated by subtle forms of employee resistance to change. Some Continental employees opposed United Airlines' operational practices, while some United Airlines employees failed to adopt Continental's customer service standards. "You know, the cultural change takes time," explained the former United Airlines CEO who orchestrated the merger. "And people resist change. People are sort of set in their ways."⁶

Executives at United Airlines experienced considerable *resistance to change* following the merger with Continental Airlines. Resistance to change takes many forms, ranging from overt work stoppages to subtle attempts to continue the old ways.⁷ A study of bank employees reported that subtle resistance is much more common than overt resistance. Some employees in that study avoided the desired changes by moving into different jobs. Others continued to perform tasks the old way as long as management didn't notice. Even when employees complied with the planned changes, they showed resistance by performing the new task while letting customers know that they disapproved of these changes forced on them!⁸

Most change agents are understandably frustrated by passive or active resistance to their planned change, but resistance is a common and natural human response. As economist John Kenneth Galbraith once quipped: "Faced with the choice between changing one's mind and proving that there is no need to do so, almost everyone gets busy on the proof."⁹ Even when people support change, they typically assume that it is others—not themselves—who need to do the changing.



Resistance is a form of conflict, but change agents unfortunately sometimes interpret that disagreement as relationship conflict (see Chapter 11). They describe the people opposing change as unreasonable, dysfunctional, and irrational reactionaries to a desirable initiative. This perspective shapes the change agent's response to resistance. Perversely, the change agent's conflict-oriented response to resistance tends to escalate the conflict, which often generates even stronger resistance to the change initiative.

A more productive approach is to view resistance to change as task conflict. From the task conflict perspective, resistance is a signal either that the change agent has not sufficiently prepared employees for change or that the change initiative should be altered or improved.¹⁰ Employees might not feel a sufficiently strong urgency to change, or they might feel the change strategy is ill-conceived. Even if they recognize the need for change and agree with the strategy, employees might resist because they lack confidence to change or believe the change will make them worse off than the current situation. Resistance takes many forms, and change agents need to decipher those different types of resistance to understand their underlying causes.¹¹

Resistance is also a form of voice, so discussion potentially improves procedural justice through voice (see Chapter 5) as well as decision making through involvement (see Chapter 7). By redirecting initial forms of resistance into constructive conversations, change agents can increase employee perceptions and feelings of fairness. Furthermore, resistance is motivated behavior; it potentially engages people to think about the change strategy and process. Change agents can harness that motivational force to ultimately strengthen commitment to the change initiative.

WHY EMPLOYEES RESIST CHANGE

Change management experts have developed a long list of reasons why people resist change.¹² Some people inherently oppose change because of their personality and values.¹³ Aside from these dispositional factors, employees typically oppose organizational change because they lack sufficient motivation, ability, role clarity, or situational support to change their attitudes, decisions, and behavior.¹⁴ In other words, an employee's readiness for change depends on all four elements of the MARS model. These MARS elements are the foundation of the six most commonly cited reasons why people resist change: (1) negative valence of change, (2) fear of the unknown, (3) not-invented-here syndrome, (4) breaking routines, (5) incongruent team dynamics, and (6) incongruent organizational systems and structures.



SELF-ASSESSMENT 15.1: Are You Ready for Change?

People seldom accept change quickly or easily. They have good reasons for opposing change or don't understand the urgency for change, particularly where it requires them to alter their own behavior. You can discover your level of readiness for change by locating this self-assessment in Connect if it is assigned by your instructor.

Negative Valence of Change Employees tend to resist change when they believe the new situation will have more negative than positive outcomes.¹⁵ In other words, they apply (although imperfectly) the rational choice decision-making model (Chapter 7) to estimate whether the change will make them better or worse off. This cost-benefit analysis mainly considers how the change will affect them personally. However, resistance also increases when employees believe the change will do more harm than good to the team, organization, or society.¹⁶

General Motors (GM) has insourced almost all of its information technology (IT) work, hired 10,000 IT employees to replace contractors, built new IT innovation centers, and reduced 23 data centers owned by suppliers to just two centers owned by GM. GM's chief information officer Randy Mott and his executive team faced many logistical challenges throughout the transformation. They were also challenged by resistance from GM line managers, many of whom were concerned that GM's IT staff would provide worse service than the external contractors had provided. "This supplier is doing a great job for me, so don't mess it up," some managers warned. Line managers' fear of the unknown and perceived negative outcomes about the IT changes led to "some really frank discussions," Mott acknowledges. "In the early days we were fighting the fact that the IT organization's credibility for building and creating and supporting things was not high."^c Kristoffer Tripplaar/Alamy Stock Photo



Fear of the Unknown Organizational change usually has a degree of uncertainty, and employees tend to assume the worst when they are unsure whether the change will have good or bad outcomes. Uncertainty is also associated with lack of personal control, which is another source of negative emotions. Consequently, the uncertainty of organizational change is usually considered less desirable than the relative certainty of the status quo. This "status quo bias" adds more negative valence to the cost-benefit calculation we described above.¹⁷

Not-Invented-Here Syndrome Employees sometimes oppose or even discreetly undermine organizational change initiatives that originate elsewhere. This "not-invented-here" syndrome is most apparent among employees who are usually responsible for the knowledge or initiative.¹⁸ For example, information technology staff are more likely to resist implementing new technology championed by marketing or finance employees. If the IT staff support the change, they are implicitly acknowledging another group's superiority within IT's own area of expertise. To protect their self-worth, some employees deliberately inflate problems with changes that they did not initiate, just to "prove" that those ideas were not superior to their own. As one consultant warned: "Unless they're scared enough to listen, they'll never forgive you for being right and for knowing something they don't."¹⁹

Breaking Routines People are creatures of habit. They typically resist initiatives that require them to break those automated routines and to learn new role patterns. And unless the new patterns of behavior are strongly supported and reinforced, employees tend to revert to their past routines and habits. "When you are leading for growth, you know you are going to disrupt comfortable routines and ask for new behavior, new priorities, new skills," says Ray Davis, who transformed Oregon-based Umpqua Bank into one of America's most innovative financial institutions. "Even when we want to change, and do change, we tend to relax and the rubber band snaps us back into our comfort zones."²⁰

Incongruent Team Dynamics Teams develop and enforce conformity to a set of norms that guide behavior (see Chapter 8). However, conformity to existing team norms may discourage employees from accepting organizational change. For instance, organizational initiatives to improve customer service may be thwarted by team norms that discourage the extra effort expected to serve customers at this higher standard.

Incongruent Organizational Systems Rewards, information systems, patterns of authority, career paths, selection criteria, and other systems and structures are both



friends and foes of organizational change. When properly aligned, they reinforce desired behaviors. When misaligned, they pull people back into their old attitudes and behavior. Even enthusiastic employees lose momentum after failing to overcome the structural confines of the past.

Unfreezing, Changing, and Refreezing

LO 15-3

According to Lewin's force field analysis model, effective change occurs by unfreezing the current situation, moving to a desired condition, and then refreezing the system so it remains in this desired state. Unfreezing occurs when the driving forces are stronger than the restraining forces. This happens by making the driving forces stronger, weakening or removing the restraining forces, or doing both.

The first option is to increase the driving forces, which motivates employees to change through fear or threats (real or contrived). This strategy rarely works, however, because the action of increasing the driving forces alone is usually met with an equal and opposing increase in the restraining forces. A useful metaphor is pushing against the coils of a mattress. The harder corporate leaders push for change, the stronger the restraining forces push back. This antagonism threatens the change effort by producing tension and conflict within the organization.

The second option is to weaken or remove the restraining forces. The problem with this change strategy is that it provides no motivation for change. To some extent, weakening the restraining forces is like clearing a pathway for change. An unobstructed road makes it easier to travel to the destination but does not motivate anyone to go there. The preferred option, therefore, is to both increase the driving forces and reduce or remove the restraining forces. Increasing the driving forces creates an urgency for change, while reducing the restraining forces lessens motivation to oppose the change and removes obstacles such as lack of ability and situational constraints.

CREATING AN URGENCY FOR CHANGE

A few months after he became CEO of Nokia Corporation, Stephen Elop sent employees a scorching email, warning them about the urgency for change. "I have learned that we are standing on a burning platform," wrote Elop. "And, we have more than one explosion—we have multiple points of scorching heat that are fueling a blazing fire around us." Elop specifically described strong competition from Apple and Google, Nokia's tumbling brand preference, and its falling credit rating.²¹

Nokia later sold its mobile phone division (which has since been repurchased by former Nokia employees), but this incident illustrates how executives recognize the need for a strong urgency for change.²² Developing an urgency for change typically occurs by informing or reminding employees about competitors and changing consumer trends, impending government regulations, and other forms of turbulence in the external environment. These are the main driving forces in Lewin's model. They push people out of their comfort zones, energizing them to face the risks that change creates. In many organizations, however, leaders buffer employees from the external environment to such an extent that these driving forces are hardly felt by anyone below the top executive level. The result is that employees don't understand why they need to change and leaders are surprised when their change initiatives do not have much effect.

Some companies increase the urgency for change by putting executives and employees in direct contact with customers. Dissatisfied customers and other stakeholders represent a compelling driving force for change because the organization's survival typically depends on having customers who are satisfied with the product or service. Personal interaction with customers also provides a human element that further energizes employees to change current behavior patterns.²³



global connections 15.1

Panasonic Generates an Urgency for Change by Revealing the Truth^d

One of Kazuhiro Tsuga's first actions as president of Panasonic Corporation was to shut down the company's plasma flat-panel television screen business. For several years, executives and engineers at the Japanese company had fiercely defended the company's heavy investment in plasma screens, which provide higher-quality images but are more expensive and much heavier than popular LCD TV screens.

Employees also lacked an urgency for change because Panasonic's previous executives hid the severity of declining sales. "Only a few members of the management team knew how deep the loss was [at the TV operation]," explains Tsuga (shown in this photo). "What I did was tell them, 'This is the loss, a huge loss.' I showed them the losses in detail at every stage. Once it's visible to them, people don't want to continue to make losses."



Kimimasa Mayama/EPA-EFE/Shutterstock

Creating an Urgency for Change without External Forces Exposing employees to external forces can strengthen the urgency for change, but leaders often need to begin the change process before problems come knocking at the company's door. The challenge is greatest when companies are successful in their markets. Studies have found that when the organization is performing well, decision makers become less vigilant about external threats and are more resistant to change. "We don't have any effective competitors," complains Slack cofounder Stewart Butterfield. "It's handy in one way, but it's also very motivating to have a real competitor. So it's up to me to instill the message that we have a year, maybe 18 months before we really have to lock horns with anyone."²⁴

Creating an urgency for change when the organization is ahead of the competition requires a lot of persuasive influence that helps employees visualize future competitive threats and environmental shifts. Experts warn, however, that employees may see this strategy as manipulative, which produces cynicism about change and undermines trust in the change agent.²⁵ Fortunately, the urgency for change doesn't need to originate from problems or threats to the company; this motivation can also develop through the leader's vision of a more appealing future. A future vision of a better organization effectively makes the current situation less appealing. When the vision connects to employee values and needs, it can be a motivating force for change even when external problems are insignificant.



SELF-ASSESSMENT 15.2: Are You Tolerant of Change?

Some people eagerly seek out novelty and new experiences. Others are keen to maintain the status quo and predictability. No matter how much communication, involvement, and other change management strategies are applied, people in the latter category continue to resist because they have little tolerance of change. You can discover your level of tolerance of change by locating this self-assessment in Connect if it is assigned by your instructor.



REDUCING THE RESTRAINING FORCES

Earlier, we used the mattress metaphor to explain that increasing the driving forces alone will not bring about change because employees often push back harder to offset the opposing forces. Instead, change agents need to address each of the sources of resistance. Six of the main strategies are outlined in Exhibit 15.2. If feasible, communication, learning, employee involvement, and stress management should be attempted first.²⁶ However, negotiation and coercion are necessary for people who will clearly lose something from the change and in cases where the speed of change is critical.

Communication Communication is the highest priority and first strategy required for any organizational change. According to one survey, communication (together with involvement) is considered the top strategy for engaging employees in the change process.²⁷ Communication improves the change process in at least two ways.²⁸ First, communication is necessary to generate the urgency for change that we described a few paragraphs ago. Leaders motivate employees to support the change by candidly telling them about the external threats and opportunities that make change so important.

This function of communication was illustrated in the opening case study for this chapter. When the future of North Shore Credit Union (now Blueshore Financial) became apparent, CEO Chris Catliff communicated directly to employees about the problems facing

EXHIBIT 15.2 Strategies for Minimizing Resistance to Change

STRATEGY	EXAMPLE	WHEN APPLIED	PROBLEMS
Communication	Customer complaint letters are shown to employees.	When employees don't feel an urgency for change, don't know how the change will affect them, or resist change due to a fear of the unknown.	Time-consuming and potentially costly.
Learning	Employees learn how to work in teams as company adopts a team-based structure.	When employees need to break old routines and adopt new role patterns.	Time-consuming, potentially costly, and some employees might not be able to learn the new skills.
Employee involvement	Company forms a task force to recommend new customer service practices.	When the change effort needs more employee commitment, some employees need to protect their self-worth, and/or employee ideas would improve decisions about the change strategy.	Very time-consuming. Might lead to conflict and poor decisions if employees' interests are incompatible with organizational needs.
Stress management	Employees attend sessions to discuss their worries about the change.	When communication, training, and involvement do not sufficiently ease employee worries.	Time-consuming and potentially expensive. Some methods may not reduce stress for all employees.
Negotiation	Employees agree to replace strict job categories with multiskilled job clusters in return for increased job security.	When employees will clearly lose something of value from the change and would not otherwise support the new conditions. Also necessary when the company must change quickly.	May be expensive, particularly if other employees want to negotiate their support. Also tends to produce compliance but not commitment to the change.
Coercion	Company president tells managers to "get on board" the change or leave.	When other strategies are ineffective and the company needs to change quickly.	Can lead to subtler forms of resistance, as well as long-term antagonism with the change agent.

Sources: Adapted from J.P. Kotter and L.A. Schlesinger, "Choosing Strategies for Change," *Harvard Business Review* 57 (1979): 106–14; P.R. Lawrence, "How to Deal with Resistance to Change," *Harvard Business Review* (May/June 1954): 49–57.



global connections 15.2

Supporting Change through Communication at EE^e

EE (“Everything Everywhere”), the United Kingdom’s largest mobile network, has come a long way over the past decade. It was born out of the merger of French-owned Orange and German-owned T-Mobile, who recently sold EE to BT, the United Kingdom’s largest Internet service provider.

Communication has been a key ingredient to successful change throughout EE’s turbulent transformation. “During change, employee engagement needs to link heavily to internal communications,” advises Linda Kennedy-McCarthy, who was EE’s Chief Change Officer during and after the merger. “We used every tool we could to keep our messages consistent and ever-present. We even put up posters in all our toilet cubicles! And we monitored closely whether the roadshow messages were being cascaded effectively.”

One important purpose of communicating during EE’s transformation was to build an urgency for change. “Senior management may jump up and down about burning platforms, but below the surface everyone could be sitting comfortably,” warns Kennedy-McCarthy. “If the front line doesn’t understand your message or—even worse—never hears it, you’ll never be able to deliver real, meaningful change.”



Barry Batchelor/PA Images/Alamy Stock Photo

EE also relied on ongoing communication to maintain momentum and reduce employee fear of the unknown. “You have to help people see that the change is real and that it applies to them,” says Kennedy-McCarthy. “And it’s your responsibility to make sure they understand how the change will benefit them or how not changing will cost them.”

the company and why significant change was urgently needed. “The most practical piece of advice I can offer others is to recognize the critical importance of open communication in times of change,” says Catliff. “Be consistent, repetitive, and authentic. Tell them [employees and others] why you are changing and what you hope to gain from the change.”²⁹

The second way that communication minimizes resistance to change is by illuminating the future and thereby reducing fear of the unknown. The more leaders communicate details about the vision as well as milestones already achieved, the more easily employees can understand their own roles in that future.

Learning Learning is an important process in most organizational change initiatives because employees need new knowledge and skills to fit the organization’s evolving requirements. Learning not only helps employees perform better following the change; it also increases their readiness for change by strengthening their belief about working successfully in the new situation (called *change self-efficacy*). And when employees develop stronger change self-efficacy, they develop a stronger acceptance of and commitment to the change.³⁰

Employee Involvement Employee involvement is almost essential in the change process, although a low level of involvement may be necessary when the change must occur quickly or employee interests are highly incompatible with the organization’s needs. The value of involvement is illustrated in the opening case study to this chapter. Blueshore Financial’s transformation began with a task force of employees and executives who generated creative ideas for the North Vancouver credit union’s future. As the change proceeded, employees discussed and made suggestions to the executive team about improved operational practices in the emerging financial spa model.



The potential benefits of employee involvement, which were discussed in (Chapter 7), are relevant to organizational change. Employees who participate in decisions about a change tend to feel more personal responsibility for its successful implementation, rather than being disinterested agents of someone else's decisions.³¹ This sense of ownership also minimizes the not-invented-here syndrome and fear of the unknown. Furthermore, the work environment is so complex that determining the best direction of the change effort requires ideas and knowledge of many employees. Employee involvement is such an important component of organizational change that special initiatives have been developed to allow participation in large groups. These large-scale change interventions are described later in the chapter.

Stress Management Organizational change is a stressful experience for many people because it threatens self-esteem and creates uncertainty about the future.³² Communication, learning, and employee involvement can reduce some of the stressors.³³ However, research indicates that companies also need to introduce stress management practices to help employees cope with changes.³⁴ In particular, stress management minimizes resistance by removing some of the negative valence and fear of the unknown about the change process. Stress also saps energy, so minimizing stress potentially increases employee motivation to support the change process.

Negotiation As long as people resist change, organizational change strategies will require a variety of influence tactics. Negotiation is a form of influence that involves the promise of benefits or resources in exchange for the target person's compliance with the influencer's request. This strategy potentially gains support from those who would otherwise lose out from the change. However, this support usually produces only compliance with the change effort. Negotiation rarely produces commitment to change, so it might not be effective in the long term.

Coercion If all else fails, leaders rely on coercion as part of the change process. Coercion includes a range of assertive influence behaviors (see Chapter 10), such as persistently reminding people of their obligations, frequently monitoring behavior to ensure compliance, confronting people who do not change, and using threats of punishment (including dismissal) to force compliance.

Replacing or threatening to replace staff who will not support the change is an extreme step, but it is fairly common in major organizational transformations. For example, Derrick Anderson has received awards for his successful transformation of the London borough of Lambeth. The former Lambeth chief executive says that "the most important principle of change is to communicate." He also relied heavily on consultation and other forms of involvement. But when these instruments of change don't work, Anderson recognizes that more severe actions are required. "We will support staff to do their job. But if they don't want to do it, they're letting our residents down," Anderson advises. "I have a simple motto: If you can't change your people, you've got to change your people."³⁵

Firing people is the least desirable way to change organizations. However, dismissals and other forms of coercion are sometimes necessary when speed is essential and other tactics are ineffective. In particular, it may be necessary to remove several members of an executive team who are unwilling or unable to change their existing mental models of the ideal organization. When executives leave, they remove knowledge of the organization's past routines that have become dysfunctional.³⁶ Even so, coercion is a risky strategy because survivors (employees who do not leave) may have less trust in corporate leaders and engage in more political tactics to protect their own job security.

REFREEZING THE DESIRED CONDITIONS

Unfreezing and changing behavior won't produce lasting change. People are creatures of habit, so they easily slip back into past patterns. Therefore, leaders need to refreeze the new behaviors by realigning organizational systems and team dynamics with the desired



global connections 15.3

Zenefits Urges Employees to Change or “Make Space” for Others^f

Zenefits provides cloud-based employee benefits software and earns revenue as a broker of health insurance sold through that software. However, the start-up firm developed a campus frat-house reputation and gave only casual attention to rules and regulations. It was this disregard for regulations that sailed Zenefits into turbulent waters and forced the departure of the company's founder.

On his first day as Zenefits' new (temporary) CEO, veteran Internet leader David Sacks created an urgency for change by emphasizing that in the insurance business “compliance is like oxygen. Without it, we die.” He also relied on more coercive change leadership strategies to ensure that future employees support the company's transformation. Several dozen employees were fired or laid off due to possible compliance violations. A voluntary separation package was offered to any employee who didn't want to give his or her full support to the company's future.

“The next few months are going to be an exciting time at Zenefits and we want everyone participating in that,”



Hero Images/Getty Images

Sacks wrote in an email to staff four months after becoming CEO. “But if you can't get excited about that, then frankly we need you to make space for someone who will. Because Zenefits is at a point where will matters as much as skill, and we need everyone committed and contributing to the push ahead.”

changes.³⁷ The desired patterns of behavior can be “nailed down” by changing the physical structure and situational conditions. Organizational rewards are also powerful systems that refreeze behaviors.³⁸ If the change process is supposed to encourage efficiency, then rewards should be realigned to motivate and reinforce efficient behavior.

Information systems play a complementary role in the change process, particularly as conduits for feedback.³⁹ Feedback mechanisms help employees learn how well they are moving toward the desired objectives, and they provide a permanent architecture to support the new behavior patterns in the long term. The adage “What gets measured, gets done” applies here. Employees concentrate on the new priorities when they receive a continuous flow of feedback about how well they are achieving those goals.

Leadership, Coalitions, and Pilot Projects

LO 15-4

Kurt Lewin's force field analysis model is a useful template to explain the dynamics of organizational change. But it overlooks four other ingredients in effective change processes: leadership, coalitions, social networks, and pilot projects.

TRANSFORMATIONAL LEADERSHIP AND CHANGE

The opening case study to this chapter described how Chris Catliff transformed North Shore Credit Union from a floundering undifferentiated savings and loan business into Blueshore Financial—a highly successful wealth management institution focused on clients with complex and sophisticated financial needs. Catliff and other Blueshore executives were transformational leaders in this change process (see Chapter 12). They developed a vision of the organization's desired future state, communicated that vision in ways that were meaningful to others, made decisions and acted in ways that were consistent with that vision, and encouraged employees to experiment with ways to align work activities more closely with the vision.⁴⁰



global connections 15.4

Trailblazing Viral Change at RSA Insurance⁴⁹

RSA Insurance Group launched a flexible benefits package that required employees to pick their preferred benefits options. But instead of just emailing reminders, the human resources group at the UK insurance firm relied on a viral change process that more effectively motivated employees to choose their options.

"We used people in the network to communicate what their favorite elements of the proposition were," explains RSA's director of internal communications. Specifically, RSA's HR staff carefully described the flexible benefits plan to 500 "trailblazers"—early adopters of the company's new internal collaborate communication network (Yammer) who had a large following of coworkers. Trailblazers were soon posting their views about the preferred flexible benefits offered. These posts were read by thousands of employees, many of whom would have ignored the email memos from HR.

Trailblazers are not only early adopters of internal social media; they are also role models whose ideas receive



franckreporter/Getty Images

considerable attention from other employees. Consequently, the actions of these trailblazers and the information they posted were far more effective at changing employee behavior (signing up for preferred benefits) than HR would have accomplished through impersonal emails.

A key element of leading change is a strategic vision.⁴¹ A leader's vision provides a sense of direction and establishes the critical success factors against which the real changes are evaluated. Furthermore, a vision provides an emotional foundation for the change because it links the individual's values and self-concept to the desired change.⁴² A strategic vision also minimizes employee fear of the unknown and provides a better understanding of what behaviors employees must learn for the desired future.

COALITIONS, SOCIAL NETWORKS, AND CHANGE

One of the great truths of organizational change is that change agents cannot lead the initiative alone. They need the assistance of several people with a similar degree of commitment to the change.⁴³ Indeed, some research suggests that this group—often called a *guiding coalition*—may be the most important factor in the success of public-sector organizational change programs.⁴⁴

Membership in the guiding coalition extends beyond the executive team. Ideally, it includes a diagonal swath of employees representing different functions and most levels of the organization. The guiding coalition is sometimes formed from a special task force that initially investigates the opportunities for change. Members of the guiding coalition should also be influence leaders; that is, they should be highly respected by peers in their area of the organization.

Social Networks and Viral Change The change process can be strengthened through social networks, which are structures of people connected to one another through one or more forms of interdependence (see Chapter 10). They have an important role in communication and influence, both of which are key ingredients for organizational change. To some extent, coalition members support the change process by feeding into these networks. But social networks contribute to organizational change whether or not the change agent has a formal coalition.



Social networks are not easily controlled, yet some change agents have tapped into them to build a groundswell of support for a change initiative. This *viral change* process adopts principles found in word-of-mouth and viral marketing, which occur when information seeded to a few people is transmitted to others through their friendship connections.⁴⁵ Within organizations, social networks represent the channels through which news and opinions about change initiatives are transmitted. Participants within a network have relatively high trust, so their information and views are more persuasive than from more formal channels. Social networks also provide opportunities for behavior observation—employees observe one another's behavior and often adopt that behavior themselves. As key people in the network change their behavior, that behavior is copied by others in the network.⁴⁶

PILOT PROJECTS AND DIFFUSION OF CHANGE

Many companies introduce change through a pilot project, which involves applying change to one work unit or section of the organization. This cautious approach tests the effectiveness of the change as well as the strategies to gain employee support for the change, yet is more flexible and less risky than companywide initiatives.⁴⁷ Pilot projects also make it easier to select organizational groups that are most ready for change, thus increasing the change initiative's likelihood of success.

How does change get diffused from the pilot project to other parts of the organization? Using the MARS model as a template (see Chapter 2), Exhibit 15.3 outlines several strategies. First, employees are more likely to adopt the practices of a pilot project when they are motivated to do so.⁴⁸ This occurs when the pilot project is successful and people in the pilot project receive recognition and rewards for changing their previous work practices. Diffusion also occurs more successfully when managers support and reinforce the desired behaviors. More generally, change agents need to minimize the sources of resistance to change that we discussed earlier in this chapter.

Second, employees must have the ability—the required skills and knowledge—to adopt the practices introduced in the pilot project. According to innovation diffusion studies, people adopt ideas more readily when they have an opportunity to interact with and learn from others who have already applied the new practices.⁴⁹

EXHIBIT 15.3

Strategies for Diffusing Change from a Pilot Project

Motivation

- Widely communicate and celebrate the pilot project's success.
- Reward and recognize pilot project employees as well as those who work at transferring that change to other parts of the organization.
- Ensure that managers support and reinforce the desired behaviors related to the pilot project's success.
- Identify and address potential sources of resistance to change.

Ability

- Give employees the opportunity to interact with and learn from pilot project team members.
- Reassign or temporarily transfer some pilot project employees to other work units, where they can coach and serve as role models.
- Give employees technical training to implement practices identified in the pilot project.

Role Perceptions

- Communicate and teach employees how the pilot project practices are relevant for their own functional areas.
- Ensure that the pilot project is described in a way that is neither too specific nor too general.

Situational Factors

Give staff sufficient time and resources to learn and implement the pilot project practices in their work units.



Third, pilot projects get diffused when employees have clear role perceptions—that is, when they understand how the practices in a pilot project apply to them even though they are in a completely different functional area. For instance, accounting department employees won't easily recognize how they can adopt quality improvement practices developed by employees in the production department. The challenge here is for change agents to provide guidance that is not too specific (not too narrowly defined around the pilot project environment) because it might not seem relevant to other areas of the organization. At the same time, the pilot project intervention should not be described too broadly or abstractly to other employees because this makes the information and role model too vague. Finally, employees require supportive situational factors, including the resources and time necessary to adopt the practices demonstrated in the pilot project.

Four Approaches to Organizational Change

LO 15-5

So far, this chapter has examined the dynamics of change that occur every day in organizations. However, organizational change agents and consultants also apply various structured approaches to organizational change. This section introduces four of the leading approaches: action research, appreciative inquiry, large group interventions, and parallel learning structures.

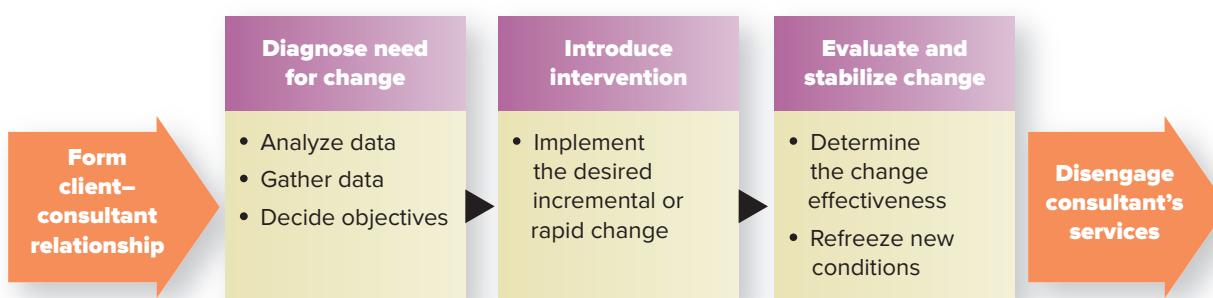
ACTION RESEARCH APPROACH

action research
a problem-focused change process that combines action orientation (changing attitudes and behavior) and research orientation (testing theory through data collection and analysis)

Along with introducing the force field model, Kurt Lewin recommended an **action research** approach to the change process. The philosophy of action research is that meaningful change is a combination of action orientation (changing attitudes and behavior) and research orientation (testing theory).⁵⁰ On one hand, the change process needs to be action-oriented because the ultimate goal is to change the workplace. An action orientation involves diagnosing current problems and applying interventions that resolve those problems. On the other hand, the change process is a research study because change agents apply a conceptual framework (such as team dynamics or organizational culture) to a real situation. As with any good research, the change process involves collecting data to diagnose problems more effectively and to systematically evaluate how well the theory works in practice.⁵¹

Within this dual framework of action and research, the action research approach adopts an open systems view. It recognizes that organizations have many interdependent parts, so change agents need to anticipate both the intended and the unintended consequences of their interventions. Action research is also a highly participative process because open systems change requires both the knowledge and the commitment of members within that system. Indeed, employees are essentially co-researchers as well as participants in the intervention. Overall, action research is a data-based, problem-oriented process that diagnoses the need for change, introduces the intervention, and then evaluates and stabilizes the desired changes. The main phases of action research are illustrated in Exhibit 15.4.⁵²

1. *Form client-consultant relationship.* Action research usually assumes that the change agent originates outside the system (such as a consultant), so the process begins by forming the client-consultant relationship. Consultants need to determine the client's readiness for change, including whether people are motivated to participate in the process, are open to meaningful change, and possess the abilities to complete the process.
2. *Diagnose the need for change.* Action research is a problem-oriented activity that carefully diagnoses the problem to determine the appropriate direction for the change effort. Organizational diagnosis relies on systematic analysis of the

EXHIBIT 15.4 The Action Research Process

situation. It involves gathering and analyzing data about an ongoing system, including interviews and surveys of employees and other stakeholders. Organizational diagnosis also involves employees so they improve, understand, and support the appropriate change method, the schedule for the actions involved, and the expected standards of successful change.

3. *Introduce intervention.* This stage in the action research model applies one or more actions to correct the problem. It may include any of the prescriptions mentioned in this book, such as building more effective teams, managing conflict, building a better organizational structure, or changing the corporate culture. An important issue is how quickly the changes should occur.⁵³ Some experts recommend *incremental change*, in which the organization fine-tunes the system and takes small steps toward a desired state. Others claim that *rapid change* is often required, in which the system is overhauled decisively and quickly.
4. *Evaluate and stabilize change.* Action research recommends evaluating the effectiveness of the intervention against the standards established in the diagnostic stage. Unfortunately, even when these standards are clearly stated, the effectiveness of an intervention might not be apparent for several years or might be difficult to separate from other factors. If the activity has the desired effect, the change agent and participants need to stabilize the new conditions. This refers to the refreezing process that was described earlier in this chapter. Rewards, information systems, team norms, and other conditions are redesigned so they support the new values and behaviors.

The action research approach has dominated organizational change thinking since it was introduced in the 1940s. However, some experts are concerned that the problem-oriented nature of action research—in which something is wrong that must be fixed—focuses on the negative dynamics of the group or system rather than its positive opportunities and potential. This concern with action research has led to the development of a more positive approach to organizational change, called *appreciative inquiry*.⁵⁴

APPRECIATIVE INQUIRY APPROACH

appreciative inquiry
an organizational change strategy that directs the group's attention away from its own problems and focuses participants on the group's potential and positive elements

positive organizational behavior
a perspective of organizational behavior that focuses on building positive qualities and traits within individuals or institutions as opposed to focusing on what is wrong with them

Appreciative inquiry tries to break out of the problem-solving mentality of traditional change management practices by reframing relationships around the positive and the possible. It searches for organizational (or team) strengths and capabilities and then applies that knowledge for further success and well-being. Appreciative inquiry is therefore deeply grounded in the emerging philosophy of **positive organizational behavior**, which



debating point

WHAT'S THE BEST SPEED FOR ORGANIZATIONAL CHANGE?

One of the great debates among organizational change experts is how quickly the change should occur. One view is that slow, incremental change is better because it gives employees more time to adjust to the new realities, to keep up with what needs to be learned, and to manage their stress in this process. Incremental change is also preferred because it gives change champions more time to alter course if the current direction seems to be more dysfunctional than ideal.

Ergon Energy discovered the importance of incremental change. Government legislation required companies to upgrade their record-keeping system, but the Australian energy provider decided to make the changes incrementally because employees had already experienced constant change over the previous couple of years. “Even resilient staff such as those employed at Ergon Energy have a change tolerance level,” explains a consultant who worked with Ergon staff during this transition. “Consequently this led deliberately to discounting a revolutionary ‘big bang’ approach to record-keeping improvements.” Changing incrementally significantly improved employee engagement in the process. “Staff are more willing to participate in the change journey as well as offering suggestions for improvements. They do so knowing that changes will take place gradually and allow for time to fully bed down new practices and that effective enterprise wide changes require their help.”^h

In spite of these apparent virtues of incremental change, some experts claim that rapid change is usually much better. They do not claim that change needs to be radical or even rapid all of the time. Rather, they suggest that most change initiatives need to be, on average, much

quicker than incremental. One argument is that companies operate in such a fast-paced environment that any speed less than “rapid” is risky; an incremental change initiative will put them further behind to the point that any change seems futile.

A second argument is that rapid change creates a collective sense of momentum, whereas inertia eventually catches up with incremental change.ⁱ In other words, employees feel the sense of progress when change occurs quickly. This forward movement generates its own energy that helps motivate employees toward the future objectives. Incremental change, by comparison, is sluggish and lethargic. A related argument is that any organizational change requires plenty of energy, particularly from the leaders who must continually communicate, role model, coach, and otherwise support and influence employees toward the new state of affairs.^j This energy is finite, and it is more likely to run out when the change is spread over a long rather than a short period of time.

Third, incremental change doesn’t necessarily give employees more time to adjust; instead, it typically gives them more time to dig in their heels! Rapid change, on the other hand, happens at such speed that employees don’t have the opportunity to find ways to hold back, retrench, or even think about strategies to oppose the change effort. Finally, proponents of incremental change point to its benefits for minimizing stress, yet there is reason to believe that it often has the opposite effect. Changing slowly can feel like a slow train wreck—the more you see it coming, the more painful it feels. Quicker change, particularly when there are support systems to help employees through the process, may be less painful than incremental change.

suggests that focusing on an individual’s positive qualities rather than on what is wrong with the person will improve organizational success and personal well-being. In other words, this approach emphasizes building on strengths rather than trying to directly correct problems.⁵⁵

Appreciative inquiry improves open dialogue by redirecting the group’s attention away from its own concerns. This is especially useful when participants are aware of their problems or already suffer from negativity in their relationships. The positive orientation of appreciative inquiry enables groups to overcome these negative tensions and build a more hopeful perspective of their future by focusing on what is possible.⁵⁶ This positive approach to change also suggests that change agents should adopt an optimistic view of possibilities, such as seeing a glass half full rather than half empty. Therefore, appreciative inquiry actively frames reality in a way that provides constructive value for future development.

Appreciative inquiry’s positive focus is illustrated by the intervention conducted a few years ago at Heidelberg USA. The American arm of the world’s largest printing press manufacturer (Heidelberger Druckmaschinen AG) experienced morale-busting product setbacks as well as downsizing due to the economic recession. To rebuild employee morale and motivation, Heidelberg held a two-day appreciative inquiry summit involving one-third of its staff. Organized into diverse groups from across the organization, participants envisioned what Heidelberg would ideally look like in the future. From these

**EXHIBIT 15.5 Five Principles of Appreciative Inquiry**

APPRECIATIVE INQUIRY PRINCIPLE	DESCRIPTION
Positive principle	Focusing on positive events and potential produces more positive, effective, and enduring change.
Constructionist principle	How we perceive and understand the change process depends on the questions we ask and language we use throughout that process.
Simultaneity principle	Inquiry and change are simultaneous, not sequential.
Poetic principle	Organizations are open books, so we have choices in how they may be perceived, framed, and described.
Anticipatory principle	People are motivated and guided by the vision they see and believe in for the future.

Sources: Based on D.L. Cooperrider and D.K. Whitney, *Appreciative Inquiry: A Positive Revolution in Change* (San Francisco: Berrett-Koehler, 2005), Chap. 7; D.K. Whitney and A. Trosten-Bloom, *The Power of Appreciative Inquiry: A Practical Guide to Positive Change*, 2nd ed. (San Francisco: Berrett-Koehler, 2010), Chap. 3.

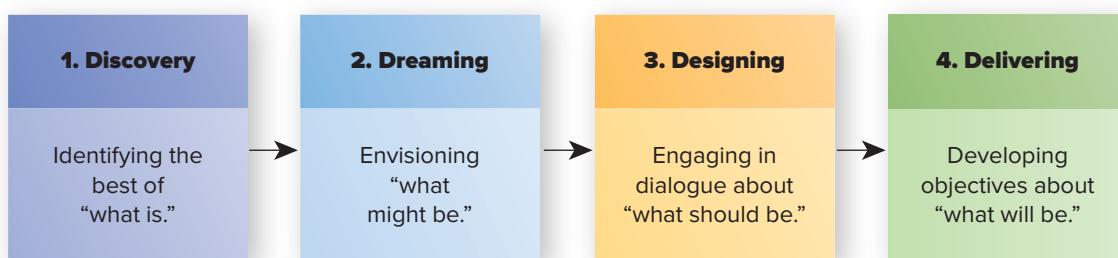
sessions emerged a new vision and greater autonomy for employees to serve customers. “Appreciative inquiry can energize an organization even in tough times because it begins the conversation with possibilities instead of problems,” says a senior executive at Heidelberg USA.⁵⁷

Appreciative Inquiry Principles Appreciative inquiry embraces five key principles (see Exhibit 15.5).⁵⁸ One of these is the positive principle, which we have just described. A second principle, called the *constructionist principle*, recognizes that the questions we ask and the language we use construct different realities. The questions we ask determine the information we receive, which in turn affects which change intervention we choose. A third principle, called the *simultaneity principle*, states that inquiry and change are simultaneous, not sequential. The moment we ask questions of others, we are changing those people. Consequently, change agents need to be mindful of effects that the inquiry has on the direction of the change process.

A fourth appreciative inquiry principle, called the *poetic principle*, states that organizations are open books, so we have choices in how they may be perceived, framed, and described. The poetic principle encourages change agents to actively frame reality in a way that provides constructive value for future development. The fifth principle, called the *anticipatory principle*, recognizes that people are motivated and guided by an abstract vision of the future that is aligned with their personal values. We noted the importance of visions earlier in this chapter (change agents) and in our discussion of transformational leadership (Chapter 12).

The Four-D Model of Appreciative Inquiry Appreciative inquiry follows the “Four-D” process shown in Exhibit 15.6. The model’s name refers to its four stages, which begins with *discovery*—identifying the positive elements of the observed events or organization.⁵⁹ This might involve documenting positive customer experiences elsewhere in the organization. Or it might include interviewing members of another organization to discover its fundamental strengths. As participants discuss their findings, they shift into the *dreaming* stage by envisioning what might be possible in an ideal organization. By pointing out a hypothetical ideal organization or situation, participants feel safer revealing their hopes and aspirations than they would if they were discussing their own organization or predicament.

As participants make their private thoughts public to the group, the process shifts into the third stage, called *designing*. Designing involves dialogue in which participants listen

EXHIBIT 15.6 The Four-D Model of Appreciative Inquiry

Sources: Based on F.J. Barrett and D.L. Cooperrider, “Generative Metaphor Intervention: A New Approach for Working with Systems Divided by Conflict and Caught in Defensive Perception,” *Journal of Applied Behavioral Science* 26 (1990): 229; D. Whitney and C. Schau, “Appreciative Inquiry: An Innovative Process for Organization Change,” *Employment Relations Today* 25 (Spring 1998): 11–21; D.L. Cooperrider and D.K. Whitney, *Appreciative Inquiry: A Positive Revolution in Change* (San Francisco: Berrett-Koehler, 2005), Chap. 3.

Lewis County General Hospital has adopted appreciative inquiry principles and practices for its long-term strategy development process. “I wanted to focus on what we can do, not on what we can’t,” says Gerald R. Cayer, CEO of the county-owned medical center in upstate New York. Instead of focusing on problems, Lewis County General Hospital began with “Discovery and Aspirations” discussion sessions, which reviewed the best practices of rural hospitals around the country. This was followed by the “designing” phase of strategy development. The hospital’s appreciative inquiry process involved numerous stakeholders, including hospital administration, employees, labor unions, service providers, the hospital foundation, and community members. “The point is to bring forward great minds, encourage dialogue, and to think about what can make the most sense for the community and for the hospital,” Cayer explains.^k Monkey Business Images/Shutterstock

with selfless receptivity to one another’s models and assumptions and eventually form a collective model for thinking within the team. In effect, they create a common image of what should be. As this model takes shape, group members shift the focus back to their own situation. In the final stage of appreciative inquiry, called *delivering* (also known as *destiny*), participants establish specific objectives and direction for their own organization on the basis of their model of what will be.

Appreciative inquiry has been successfully implemented in organizations across a range of industries, including Heidelberg USA, Toronto Western Hospital, British Broadcasting Corporation, the State of Massachusetts, several sites in a Canadian urban school district, and in hospital wards for dementia patients.⁶⁰ However, it is not always the best approach to organizational change. Appreciative inquiry depends on participants’ ability to set aside the problem-oriented approach, including the “blame game” of determining who may have been responsible for past failures. It also requires leaders who are willing to accept appreciative inquiry’s less structured process.⁶¹ Overall, appreciative inquiry can





be an effective approach to organizational change, but we are still discovering its potential and limitations.

LARGE GROUP INTERVENTION APPROACH

Appreciative inquiry can occur in small teams, but it is often designed to involve a large number of people, such as the hundreds of employees who participated in the process at Heidelberg USA. As such, appreciative inquiry is often identified as one of several large group organizational change interventions. Large group interventions adopt a “whole systems” perspective of the change process.⁶² This means that they view organizations as open systems (see Chapter 1) and assume that change will be more successful when as many employees and other stakeholders as possible associated with the organizational system are included in the process.⁶³ Large group interventions are highly participative events because participants discuss their experiences, expectations, and ideas with others, typically in small groups within the large collective setting.

Similar to appreciative inquiry, large group interventions adopt a future-oriented positive focus rather than a past-oriented problem focus. *Future search conferences*, for instance, are large group interventions typically held over a few days in which participants identify emerging trends and develop strategies for the organization to realize potential under those future conditions. In addition to this strategy development, large group interventions generate a collective vision or sense making about the organization and its future. This “meaning-making” process is important for the organization’s evolving identity and how participants relate to that identity.

Future search meetings and similar large group change events potentially minimize resistance to change and assist the quality of the change process, but they also have limitations.⁶⁴ One problem is that involving so many people invariably limits the opportunity to contribute and increases the risk that a few people will dominate the process. In addition, these events focus on finding common ground, and this may prevent the participants from discovering substantive differences that interfere with future progress. A third problem involves the high expectations generated from these events about an ideal future state that are difficult to satisfy in practice. Employees become even more cynical and resistant to change if they do not see meaningful decisions and actions resulting from these meetings.

PARALLEL LEARNING STRUCTURE APPROACH

parallel learning structure
a highly participative social structure developed alongside the formal hierarchy and composed of people across organizational levels who apply the action research model to produce meaningful organizational change

Parallel learning structures are highly participative arrangements composed of people across organizational levels who apply the action research model to produce meaningful organizational change. They are social structures developed alongside the formal hierarchy with the purpose of increasing the organization’s learning.⁶⁵ Ideally, participants in parallel learning structures are sufficiently free from the constraints of the larger organization that they can effectively solve organizational issues.

Royal Dutch/Shell relied on a parallel learning structure to introduce a more customer-focused organization.⁶⁶ Rather than try to change the entire organization at once, executives held weeklong “retail boot camps” with teams from six countries, consisting of frontline people (such as gas station managers, truck drivers, and marketing professionals). Participants learned about competitive trends in their regions and were taught powerful marketing tools to identify new opportunities. The teams then returned home to study their markets and develop proposals for improvement. Four months later, boot camp teams returned for a second workshop, at which each proposal was critiqued by Royal Dutch Shell executives. Each team had 60 days to put its ideas into action; then the teams returned for a third workshop to analyze what worked and what didn’t. This parallel learning process did much more than introduce new marketing ideas. It created enthusiasm in participants that spread contagiously to their coworkers, including managers above them, when they returned to their home countries.

Cross-Cultural and Ethical Issues in Organizational Change

LO 15-6

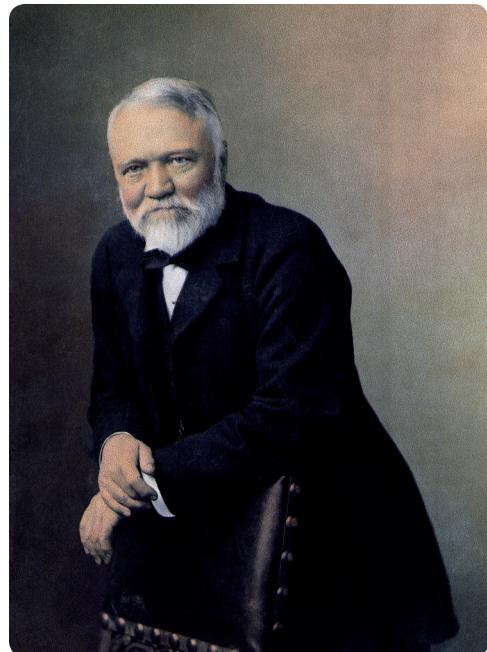
Throughout this chapter, we have emphasized that change is inevitable and often continuous because organizations need to remain aligned with the dynamic external environment. Yet, we also need to be aware of cross-cultural and ethical issues with any change process. Many organizational change practices are built around Western cultural assumptions and values, which may differ from and sometimes conflict with assumptions and values in other cultures.⁶⁷ One possible cross-cultural limitation is that Western organizational change models, such as Lewin's force field analysis, often assume change has a beginning and an ending in a logical linear sequence (that is, a straight line from point A to point B). Yet change is viewed more as a cyclical phenomenon in some cultures, such as the earth's revolution around the sun or a pendulum swinging back and forth. Other cultures have more of an interconnected view of change, whereby one change leads to another (often unplanned) change, which leads to another change, and so on until the change objective is ultimately achieved in a more circuitous way.

Another cross-cultural issue with some organizational change interventions is the assumption that effective organizational change is necessarily punctuated by tension and overt conflict. Indeed, some change interventions encourage such conflict. But this direct confrontation view is incompatible with cultures that emphasize harmony and equilibrium. These cross-cultural differences suggest that a more contingency-oriented perspective is required for organizational change to work effectively in this era of globalization.

Some organizational change practices also face ethical issues.⁶⁸ One ethical concern is the risk of violating individual privacy rights. The action research model is built on the idea of collecting information from organizational members, yet this assumes that employees will provide personal information and reveal emotions they would not normally divulge.⁶⁹ A second ethical concern is that some change activities potentially increase management's power by inducing compliance and conformity in organizational members.

For instance, action research is a systemwide activity that requires employee participation rather than allowing individuals to get involved voluntarily. A third concern is that some organizational change interventions undermine the individual's self-esteem. The unfreezing process requires that participants disconfirm their existing beliefs, sometimes including their own competence at certain tasks or interpersonal relations.

Organizational change is usually more difficult than it initially seems. Yet the dilemma is that most organizations operate in hyperfast environments that demand continuous and rapid adaptation. Organizations survive and gain competitive advantage by mastering the complex dynamics of moving people through the continuous process of change as quickly as the external environment is changing.



Andrew Carnegie
Bettmann/Getty Images

Organizational Behavior: The Journey Continues

More than a century ago, industrialist Andrew Carnegie said: "Take away my people, but leave my factories, and soon grass will grow on the factory floors. Take away my factories, but leave my people, and soon we will have a new and better factory."⁷⁰ Carnegie's statement reflects the message woven throughout this book: Organizations are not buildings or machinery or financial assets; rather, they are the people in them. Organizations are human entities—full of life, sometimes fragile, and always exciting.

chapter summary

LO 15-1 **Describe the elements of Lewin's force field analysis model.**

Lewin's force field analysis model states that all systems have driving and restraining forces. Change occurs through the process of unfreezing, changing, and refreezing. Unfreezing produces disequilibrium between the driving and restraining forces. Refreezing realigns the organization's systems and structures with the desired behaviors.

LO 15-2 **Discuss the reasons why people resist organizational change and how change agents should view this resistance.**

Restraining forces are manifested as employee resistance to change. The main reasons people resist change are the negative valence of change, fear of the unknown, not-invented-here syndrome, breaking routines, incongruent team dynamics, and incongruent organizational systems. Resistance to change should be viewed as a resource, not an inherent obstacle to change. Change agents need to view resistance as task conflict rather than relationship conflict. Resistance is a signal that the change agent has not sufficiently strengthened employee readiness for change. It is also a form of voice, so discussion potentially improves procedural justice.

LO 15-3 **Outline six strategies for minimizing resistance to change, and debate ways to effectively create an urgency to change.**

Organizational change requires employees to have an urgency for change. This typically occurs by informing them about driving forces in the external environment. Urgency to change also develops by putting employees in direct contact with customers. Leaders often need to create an urgency to change before the external pressures are felt, and this can occur through a vision of a more appealing future.

Resistance to change may be minimized by keeping employees informed about what to expect from the change effort (communicating); teaching employees valuable skills for the desired future (learning); involving them in the change process; helping employees cope with the stress of change; negotiating trade-offs with those who will clearly lose from the change effort; and using coercion (sparingly and as a last resort).

LO 15-4 **Discuss how leadership, coalitions, social networks, and pilot projects assist organizational change.**

Every successful change requires transformational leaders with a clear, well-articulated vision of the desired future state. They also need the assistance of several people (a guiding coalition) who are located throughout the organization. In

addition, change occurs more informally through social networks. Viral change operates through social networks using influencers.

Many organizational change initiatives begin with a pilot project. The success of the pilot project is then diffused to other parts of the organization. This occurs by motivating employees to adopt the pilot project's methods, training people to know how to adopt these practices, helping clarify how the pilot can be applied to different areas, and providing time and resources to support this diffusion.

LO 15-5 **Describe and compare action research, appreciative inquiry, large group interventions, and parallel learning structures as formal approaches to organizational change.**

Action research is a highly participative, open systems approach to change management that combines an action orientation (changing attitudes and behavior) with research orientation (testing theory). It is a data-based, problem-oriented process that diagnoses the need for change, introduces the intervention, and then evaluates and stabilizes the desired changes.

Appreciative inquiry embraces the positive organizational behavior principle by focusing participants on the positive and possible. This approach to change also applies the constructionist, simultaneity, poetic, and anticipatory principles. The four stages of appreciative inquiry include discovery, dreaming, designing, and delivering.

Large group interventions are highly participative events that view organizations as open systems (i.e., involve as many employees and other stakeholders as possible) and adopt a future and positive focus of change. Parallel learning structures rely on social structures developed alongside the formal hierarchy with the purpose of increasing the organization's learning. They are highly participative arrangements, composed of people from most levels of the organization who follow the action research model to produce meaningful organizational change.

LO 15-6 **Discuss two cross-cultural and three ethical issues in organizational change.**

One significant concern is that organizational change theories developed with a Western cultural orientation potentially conflict with cultural values in some other countries. Also, organizational change practices can raise one or more ethical concerns, including increasing management's power over employees, threatening individual privacy rights, and undermining individual self-esteem.

key terms

action research, 557

parallel learning structure, 562

unfreezing, 546

appreciative inquiry, 558

positive organizational behavior, 558

force field analysis, 545

refreezing, 546

critical thinking questions

1. Chances are that the school you are attending is currently undergoing some sort of change to adapt more closely to its environment. Discuss the external forces that are driving the change. What internal drivers for change also exist?
2. Use Lewin's force field analysis to describe the dynamics of organizational change at Blueshore Financial. The case study at the beginning of this chapter provides some information, but think about other forces for and against change beyond the information provided in this vignette.
3. Employee resistance is a symptom, not a problem, in the change process. What are some of the real problems that may underlie employee resistance?
4. Senior management of a large multinational corporation is planning to restructure the organization. Currently, the organization is decentralized around geographic areas so that the executive responsible for each area has considerable autonomy over manufacturing and sales. The new structure will transfer power to the executives responsible for different product groups; the executives responsible for each geographic area will no longer be responsible for manufacturing in their area but will retain control over sales activities. Describe two types of resistance senior management might encounter from this organizational change.
5. Discuss the role of reward systems in organizational change. Specifically, identify where reward systems relate to Lewin's force field model and where they undermine the organizational change process.
6. Web Circuits is a Malaysian-based custom manufacturer for high-technology companies. Senior management wants to introduce lean management practices to reduce production costs and remain competitive. A consultant has recommended that the company start with a pilot project in one department and, when successful, diffuse these practices to other areas of the organization. Discuss the advantages of this recommendation, and identify three ways (other than the pilot project's success) to make diffusion of the change effort more successful.
7. What is the role of formal and informal networks in organizations interested in undergoing change?
8. Suppose that you are vice president of branch services at the Bank of East Lansing. You notice that several branches have consistently low customer service ratings, even though there are no apparent differences in resources or staff characteristics. Describe an appreciative inquiry process in one of these branches that might help overcome this problem.



CASE STUDY: TRANSACT INSURANCE CORPORATION

By Steven L. McShane, University of Newcastle (Australia) and Terrance J. Bogyo

TransAct Insurance Corporation (TIC) provides automobile insurance throughout the southeastern United States. Last year, a new president was hired by TIC's board of directors to improve the company's competitiveness and customer service. After spending several months assessing the situation, the new president introduced a strategic plan to strengthen TIC's competitive position. He also replaced three vice presidents. Jim Leon was hired as vice president of claims, TIC's largest division with 1,500 employees, 50 claims center managers, and 5 regional directors.

Jim immediately met with all claims managers and directors and visited employees at TIC's 50 claims centers. As an outsider, this was a formidable task, but his strong interpersonal skills and uncanny ability to remember names and ideas helped him through the process. Through these visits and discussions, Jim discovered that the claims division had been managed in a relatively authoritarian, top-down manner. He could also see that morale was very low and employee-management relations were guarded. High workloads and isolation (adjusters work in tiny cubicles) were two other common complaints. Several managers acknowledged that the high turnover among claims adjusters was partly due to these conditions.

Following discussions with TIC's president, Jim decided to make morale and supervisory leadership his top priority. He initiated a divisional newsletter with a tear-off feedback form for employees to register their comments. He announced an open-door policy in which any claims division employee could speak to him directly and confidentially

without going first to the immediate supervisor. Jim also fought organizational barriers to initiate a flex-time program so that employees could design work schedules around their needs. This program later became a model for other areas of TIC.

One of Jim's most pronounced symbols of change was the "Claims Management Credo" outlining the philosophy that every claims manager would follow. At his first meeting with the complete claims management team, Jim presented a list of what he thought were important philosophies and actions of effective managers. The management group was asked to select and prioritize items from this list. They were told that the resulting list would be the division's management philosophy and all managers would be held accountable for abiding by its principles. Most claims managers were uneasy about this process, but they also understood that the organization was under competitive pressure and that Jim was using this exercise to demonstrate his leadership.

The claims managers developed a list of 10 items, such as encouraging teamwork, fostering a trusting work environment, setting clear and reasonable goals, and so on. The list was circulated to senior management in the organization for their comment and approval, and sent back to all claims managers for their endorsement. Once this was done, a copy of the final document was sent to every claims division employee. Jim also announced plans to follow up with an annual survey to evaluate each claims manager's performance. This concerned the managers, but most of them

believed that the credo exercise was a result of Jim's initial enthusiasm and that he would be too busy to introduce a survey after settling into the job.

One year after the credo had been distributed, Jim announced that the first annual survey would be conducted. All claims employees would complete the survey and return it confidentially to the human resources department, where the survey results would be compiled for each claims center manager. The survey asked about the extent to which the manager had lived up to each of the 10 items in the credo. Each form also provided space for comments.

Claims center managers were surprised that a survey would be conducted, but they were even more worried about Jim's statement that the results would be shared with employees. What "results" would employees see? Who would distribute these results? What happens if a manager gets poor ratings from his or her subordinates? "We'll work out the details later," said Jim in response to these questions. "Even if the survey results aren't great, the information will give us a good baseline for next year's survey."

The claims division survey had a high response rate. In some centers, every employee completed and returned a form. Each report showed the claim center manager's average score for each of the 10 items as well as how many employees rated the manager at each level of the five-point scale. The reports also included every comment made by employees at that center.

No one was prepared for the results of the first survey. Most managers received moderate or poor ratings on the 10 items. Very few managers averaged above 3.0 (out of a 5-point scale) on more than a couple of items. This suggested that, at best, employees were ambivalent about whether their claims center manager had abided by the 10 management philosophy items. The comments were even more devastating than the ratings. Comments ranged from mildly disappointed to extremely critical of their claims manager. Employees also described their long-standing frustration with TIC, high workloads, and isolated working conditions. Several people bluntly stated that they were skeptical about the changes that Jim had promised. "We've heard the promises before, but now we've lost faith," wrote one claims adjuster.

The survey results were sent to each claims manager, the regional director, and employees at the claims center. Jim instructed managers to discuss the survey data and comments with their regional manager and directly with employees. The claims center managers, who thought employees received only average scores, went into shock when they realized that the reports included individual comments. Some managers went to their regional director, complaining that revealing the personal comments would ruin their careers. Many directors sympathized, but the results were already available to employees.

When Jim heard about these concerns, he agreed that the results were lower than expected and that the comments should not have been shown to employees. After discussing the situation with his directors, he decided that the discussion meetings between claims managers and their employees should proceed as planned. To delay or withdraw the reports would undermine the credibility and trust that Jim was trying to develop with employees. However, the regional director attended the meeting in each claims center to minimize direct conflict between the claims center manager and employees.

Although many of these meetings went smoothly, a few created harsh feelings between managers and their employees. The source of some comments were easily identified by their content, and this created a few delicate moments in several sessions. A few months after these meetings, two claims center managers quit and three others asked for transfers back to nonmanagement positions in TIC. Meanwhile, Jim wondered how to manage this process more effectively, particularly since employees expected another survey the following year.

Discussion Questions

1. What symptoms exist in this case to suggest that something has gone wrong?
2. What are the main causes of these symptoms?
3. What actions should the company take to correct these problems?

Source: Steven L. McShane and Terrance J. Bogyo, 2000. This case is based on actual events, but names, industry, and some characteristics have been changed to maintain anonymity.



TEAM EXERCISE: STRATEGIC CHANGE INCIDENTS

PURPOSE This exercise is designed to help you identify strategies for facilitating organizational change in various situations.

INSTRUCTIONS

1. The instructor will place students into teams, and each team will be assigned one or both of the scenarios presented next.
2. Each team will diagnose the scenario to determine the most appropriate set of change management practices.

Where appropriate, these practices should (a) create an urgency to change, (b) minimize resistance to change, and (c) refreeze the situation to support the change initiative. Each of these scenarios is based on real events.

3. Each team will present and defend its change management strategy. Class discussion regarding the appropriateness and feasibility of each strategy will occur after all teams assigned the same scenario have presented. The instructor will then describe what the organizations actually did in these situations.

Scenario #1: Greener Telco

The board of directors at a large telephone company wants its executives to make the organization more environmentally friendly by encouraging employees to reduce waste in the workplace. Government and other stakeholders expect the company to take this action and be publicly successful. Consequently, the chief executive officer wants to significantly reduce paper usage, trash, and other waste throughout the company's many widespread offices. Unfortunately, a survey indicates that employees do not value environmental objectives and do not know how to "reduce, reuse, recycle." As the executive responsible for this change, you have been asked to develop a strategy that might bring about meaningful behavioral change toward this environmental goal. What would you do?

Scenario #2: Go Forward Airline

A major airline has experienced a decade of rough turbulence, including two bouts of bankruptcy protection, 10 managing directors, and morale so low that employees have removed the company's logo from their uniforms out of embarrassment. Service is terrible, and the airplanes rarely arrive or leave the terminal on time. This is costing the airline significant amounts of money in passenger layovers. Managers are paralyzed by anxiety, and many have been with the firm so long that they don't know how to set strategic goals that work. One-fifth of all flights are losing money, and the company overall is near financial collapse (just three months to defaulting on payroll obligations). You and the newly hired CEO must get employees to quickly improve operational efficiency and customer service. What actions would you take to bring about these changes?

endnotes

1. Jostle, "Culture Hero Series: Chris Catliff, Blueshore Financial," *The Jostle Blog*, 30 October 2013, blog.jostle.me/blog/culture-hero-series-chris-catliff-north-shore-credit-union; "Case Study: Blueshore Financial and its Epic Brand Transformation," (Seattle: Weber Marketing Group, March 19, 2014); J. O'Kane, "Should Bank Branches Be More Like Spas? This Man Thinks So," *Globe & Mail*, 12 April 2016; T. Wanless, "Credit Union Evolves to Meet Needs of Its Affluent Members," *Vancouver Sun*, 4 July 2016, N6; "Blueshore Financial Named One of Canada's Best Small and Medium Employers," News release (North Vancouver: Market Wired, 10 November 2016); J. Tobler, "BlueShore Financial," *MonteCristo Magazine*, October 2, 2017.
2. J. Welch, *Jack: Straight from the Gut* (New York: Warner Business books, 2001), 432.
3. K. Lewin, *Field Theory in Social Science* (New York: Harper & Row, 1951).
4. D. Coghlan and T. Brannick, "Kurt Lewin: The 'Practical Theorist' for the 21st Century," *Irish Journal of Management* 24, no. 2 (2003): 31–37; B. Burnes, "Kurt Lewin and the Planned Approach to Change: A Re-appraisal," *Journal of Management Studies* 41, no. 6 (2004): 977–1002.
5. "Ogilvy & Mather Corporate Culture" (New York, 2011), www.ogilvy.com/About/Our-History/Corporate-Culture.aspx (accessed May 17, 2011). For details about the likely origins of "divine discontent," see the annotation/reference near the end of the "Identifying Problems and Opportunities" section in Chapter 7 (Decision Making and Creativity) of this book.
6. J. Mouawad, "Largest Airline Has Bigger Troubles," *International Herald Tribune*, November 30, 2012, 14; M. Mecham, "Not Yet United," *Overhaul & Maintenance*, April 2012, 46; M. Brownell, "Here's Why United Was Just Named America's Worst Airline," *Daily Finance*, June 18, 2013; D. Bennett, "United's Quest to Be Less Awful," *Bloomberg Businessweek*, January 14, 2016.
7. Some experts suggest that resistance to change should be restated in a more positive way by its opposite: readiness for change. See M. Choi and W.E.A. Ruona, "Individual Readiness for Organizational Change and Its Implications for Human Resource and Organization Development," *Human Resource Development Review* 10, no. 1 (2011): 46–73.
8. S. Chreim, "Postscript to Change: Survivors' Retrospective Views of Organizational Changes," *Personnel Review* 35, no. 3 (2006): 315–35.
9. J.K. Galbraith, *Economics, Peace, and Laughter* (Boston: Houghton Mifflin, 1971), 50.
10. E.B. Dent and S.G. Goldberg, "Challenging 'Resistance to Change,'" *Journal of Applied Behavioral Science* 35 (1999): 25–41; D.B. Fedor, S. Caldwell, and D.M. Herold, "The Effects of Organizational Changes on Employee Commitment: A Multilevel Investigation," *Personnel Psychology* 59, no. 1 (2006): 1–29.
11. B.J. Tepper et al., "Subordinates' Resistance and Managers' Evaluations of Subordinates' Performance," *Journal of Management* 32, no. 2 (2006): 185–209; J.D. Ford, L.W. Ford, and A. D'Amelio, "Resistance to Change: The Rest of the Story," *Academy of Management Review* 33, no. 2 (2008): 362–77.
12. D.A. Nadler, "The Effective Management of Organizational Change," in *Handbook of Organizational Behavior*, ed. J.W. Lorsch (Englewood Cliffs, NJ: Prentice Hall, 1987), 358–69; R. Maurer, *Beyond the Wall of Resistance: Unconventional Strategies to Build Support for Change* (Austin, TX: Bard Books, 1996); P. Streb, "Why Do Employees Resist Change?," *Harvard Business Review* (1996): 86–92; D.A. Nadler, *Champions of Change* (San Francisco: Jossey-Bass, 1998).
13. S. Oreg et al., "Dispositional Resistance to Change: Measurement Equivalence and the Link to Personal Values across 17 Nations," *Journal of Applied Psychology* 93, no. 4 (2008): 935–44.

14. R.R. Sharma, *Change Management: Concepts and Applications* (New Delhi: Tata McGraw-Hill, 2007), Chap. 4; I. Cinite, L.E. Duxbury, and C. Higgins, "Measurement of Perceived Organizational Readiness for Change in the Public Sector," *British Journal of Management* 20, no. 2 (2009): 265–77; A.A. Armenakis and S.G. Harris, "Reflections: Our Journey in Organizational Change Research and Practice," *Journal of Change Management* 9, no. 2 (2009): 127–42; S. Jaros, "Commitment to Organizational Change: A Critical Review," *Journal of Change Management* 10, no. 1 (2010): 79–108.
15. D.T. Holt et al., "Readiness for Organizational Change: The Systematic Development of a Scale," *Journal of Applied Behavioral Science* 43, no. 2 (2007): 232–55; G. Bohner and N. Dickel, "Attitudes and Attitude Change," *Annual Review of Psychology* 62, no. 1 (2011): 391–417; A.M. García-Cabrera and F. García-Barba Hernández, "Differentiating the Three Components of Resistance to Change: The Moderating Effect of Organization-Based Self-Esteem on the Employee Involvement-Resistance Relation," *Human Resource Development Quarterly* 25, no. 4 (2014): 441–69.
16. R. de la Sablonnière et al., "Profound Organizational Change, Psychological Distress and Burnout Symptoms: The Mediator Role of Collective Relative Deprivation," *Group Processes & Intergroup Relations* 15, no. 6 (2012): 776–90.
17. W. Samuelson and R. Zeckhauser, "Status Quo Bias in Decision Making," *Journal of Risk and Uncertainty* 1, no. 1 (1988): 7–59; D. Proudfoot and A.C. Kay, "System Justification in Organizational Contexts: How a Motivated Preference for the Status Quo Can Affect Organizational Attitudes and Behaviors," *Research in Organizational Behavior* 34 (2014): 173–87, <https://doi.org/10.1016/j.riob.2014.03.001>; K. Lee and K. Joshi, "Examining the Use of Status Quo Bias Perspective in IS Research: Need for Re-Conceptualizing and Incorporating Biases," *Information Systems Journal* 27, no. 6 (2017): 733–52, <https://doi.org/10.1111/isj.12118>; B.H. Martin, "Unsticking the Status Quo: Strategic Framing Effects on Managerial Mindset, Status Quo Bias and Systematic Resistance to Change," *Management Research Review* 40, no. 2 (2017): 122–41, <https://doi.org/10.1108/MRR-08-2015-0183>; S. Nicholson-Crotty, J. Nicholson-Crotty, and S. Webeck, "Are Public Managers More Risk Averse? Framing Effects and Status Quo Bias across the Sectors," *Journal of Behavioral Public Administration* 2, no. 1 (2019), <https://doi.org/10.30636/jbpa.21.35>.
18. D. Grosse Kathoer and J. Leker, "Knowledge Transfer in Academia: An Exploratory Study on the Not-Invented-Here Syndrome," *Journal of Technology Transfer* 37, no. 5 (2012): 658–75; A.L.A. Burcharth, M.P. Knudsen, and H.A. Søndergaard, "Neither Invented nor Shared Here: The Impact and Management of Attitudes for the Adoption of Open Innovation Practices," *Technovation* 34, no. 3 (2014): 149–61.
19. V. Newman, "The Psychology of Managing for Innovation," *KM Review* 9, no. 6 (2007): 10–15.
20. R. Davis, *Leading for Growth: How Umpqua Bank Got Cool and Created a Culture of Greatness* (San Francisco: Jossey-Bass, 2007), 40.
21. C. Lawton and J. Lublin, "Nokia Names Microsoft's Stephen Elop as New CEO, Kallasvuo Ousted," *The Wall Street Journal*, September 11, 2010; C. Ziegler, "Nokia CEO Stephen Elop Rallies Troops in Brutally Honest 'Burning Platform' Memo? (Update: It's Real!)," *Engadget*, February 8, 2011.
22. J.P. Kotter, *A Sense of Urgency* (Boston: Harvard Business School Press, 2008); S.H. Appelbaum et al., "Back to the Future: Revisiting Kotter's 1996 Change Model," *Journal of Management Development* 31, no. 8 (2012): 764–82.
23. L.D. Goodstein and H.R. Butz, "Customer Value: The Linchpin of Organizational Change," *Organizational Dynamics* 27 (1998): 21–35.
24. A. Weckler, "You Don't Have Mail: How Slack Reinvented Chat," *Irish Independent*, January 26, 2017, 6.
25. T.F. Cawsey and G. Deszca, *Toolkit for Organizational Change* (Los Angeles: Sage, 2007), 104.
26. J.P. Kotter and L.A. Schlesinger, "Choosing Strategies for Change," *Harvard Business Review* (1979): 106–14.
27. M. Meaney and C. Pung, "Creating Organizational Transformations: McKinsey Global Survey Results," *McKinsey Quarterly*, July 2008, 1–7; A.E. Rafferty, N.L. Jimmieson, and A.A. Armenakis, "Change Readiness: A Multilevel Review," *Journal of Management* 39, no. 1 (2013): 110–35.
28. J.P. Kotter and D.S. Cohen, *The Heart of Change* (Boston: Harvard Business School Press, 2002), 83–98; J. Allen et al., "Uncertainty during Organizational Change: Managing Perceptions through Communication," *Journal of Change Management* 7, no. 2 (2007): 187–210; T.L. Russ, "Communicating Change: A Review and Critical Analysis of Programmatic and Participatory Implementation Approaches," *Journal of Change Management* 8, no. 3 (2008): 199–211; M. van den Heuvel et al., "Adapting to Change: The Value of Change Information and Meaning-Making," *Journal of Vocational Behavior* 83, no. 1 (2013): 11–21.
29. Jostle, "Culture Hero Series: Chris Catliff, Blueshore Financial," *The Jostle Blog*, October 30, 2013, <http://blog.jostle.me/blog/culture-hero-series-chris-catliff-north-shore-credit-union>.
30. D.M. Herold and S.D. Caldwell, "Beyond Change Management: A Multilevel Investigation of Contextual and Personal Influences on Employees' Commitment to Change," *Journal of Applied Psychology* 92, no. 4 (2007): 942–51; D.T. Holt and J.M. Vardaman, "Toward a Comprehensive Understanding of Readiness for Change: The Case for an Expanded Conceptualization," *Journal of Change Management* 13, no. 1 (2013): 9–18.
31. K.T. Dirks, L.L. Cummings, and J.L. Pierce, "Psychological Ownership in Organizations: Conditions under Which Individuals Promote and Resist Change," *Research in Organizational Change and Development* 9 (1996): 1–23; E.A. Lofquist, "Doomed to Fail: A Case Study of Change Implementation Collapse in the Norwegian Civil Aviation Industry," *Journal of Change Management* 11, no. 2 (2011): 223–43; L.K. Lewis and T.L. Russ, "Soliciting and Using Input during Organizational Change Initiatives: What Are Practitioners Doing," *Management Communication Quarterly* 26, no. 2 (2012): 267–94.

32. S.G. Bamberger et al., "Impact of Organisational Change on Mental Health: A Systematic Review," *Occupational and Environmental Medicine* 69, no. 8 (2012): 592–98.
33. N.T. Tan, "Maximising Human Resource Potential in the Midst of Organisational Change," *Singapore Management Review* 27, no. 2 (2005): 25–35; A.E. Rafferty and S.L.D. Restubog, "The Impact of Change Process and Context on Change Reactions and Turnover during a Merger," *Journal of Management* 36, no. 5 (2010): 1309–38.
34. M. McHugh, "The Stress Factor: Another Item for the Change Management Agenda?", *Journal of Organizational Change Management* 10 (1997): 345–62; D. Buchanan, T. Claydon, and M. Doyle, "Organisation Development and Change: The Legacy of the Nineties," *Human Resource Management Journal* 9 (1999): 20–37.
35. K. Dobinson, "Turning around London's 'Worst' Council," *The Guardian* (London), November 21, 2012, 42; "Lambeth Call for Shift in 'Power Relationship,'" *Local Government Chronicle*, November 12, 2012; K. Wiggins, "Resistance Lets Our Residents Down," *Local Government Chronicle*, February 28, 2013; Lambeth Council, "Derrick Anderson to Leave Lambeth Council," news release (London: Borough of Lambeth, September 2, 2014).
36. D. Nicolini and M.B. Meznar, "The Social Construction of Organizational Learning: Conceptual and Practical Issues in the Field," *Human Relations* 48 (1995): 727–46.
37. E.E. Lawler III, "Pay Can Be a Change Agent," *Compensation & Benefits Management* 16 (2000): 23–26; D.S. Cohen and J.P. Kotter, *The Heart of Change Field Guide* (Boston: Harvard Business School Press, 2005), 161–77; M.A. Roberto and L.C. Levesque, "The Art of Making Change Initiatives Stick," *MIT Sloan Management Review* 46, no. 4 (2005): 53–60.
38. E.E. Lawler III, "Pay Can Be a Change Agent," *Compensation & Benefits Management* 16 (2000): 23–26.
39. L.D. Goodstein and H.R. Butz, "Customer Value: The Linchpin of Organizational Change," *Organizational Dynamics* 27 (1998): 21–35; R.H. Miles, "Leading Corporate Transformation: Are You up to the Task?," in *The Leader's Change Handbook*, ed. J.A. Conger, G.M. Spreitzer, and E.E. Lawler III (San Francisco: Jossey-Bass, 1999), 221–67.
40. R.E. Quinn, *Building the Bridge as You Walk on It: A Guide for Leading Change* (San Francisco: Jossey-Bass, 2004), Chap. 11; S. Oreg and Y. Berson, "Leaders' Impact on Organizational Change: Bridging Theoretical and Methodological Chasms," *Academy of Management Annals* 13, no. 1 (2019): 272–307, <https://doi.org/10.5465/annals.2016.0138>.
41. M.S. Cole, S.G. Harris, and J.B. Bernerth, "Exploring the Implications of Vision, Appropriateness, and Execution of Organizational Change," *Leadership & Organization Development Journal* 27, no. 5 (2006): 352–67; S. Kirkpatrick, "Leading through Vision and Values," in *Handbook of Principles of Organizational Behavior: Indispensable Knowledge for Evidence-Based Management*, ed. E. Locke (Hoboken: Wiley, 2010), 367–87; V. Lundy and P.P. Morin, "Project Leadership Influences Resistance to Change: The Case of the Canadian Public Service," *Project Management Journal* 44, no. 4 (2013): 45–64.
42. J.P. Kotter and D.S. Cohen, *The Heart of Change* (Boston: Harvard Business School Press, 2002), 61–82; D.S. Cohen and J.P. Kotter, *The Heart of Change Field Guide* (Boston: Harvard Business School Press, 2005).
43. J.P. Kotter, "Leading Change: Why Transformation Efforts Fail," *Harvard Business Review* (1995): 59–67.
44. J.B. Cunningham and S.K. James, "Implementing Change in Public Sector Organizations," *Management Decision* 47, no. 2 (2009): 330.
45. A. De Bruyn and G.L. Lilien, "A Multi-Stage Model of Word-of-Mouth Influence through Viral Marketing," *International Journal of Research in Marketing* 25, no. 3 (2008): 151–63; J.Y.C. Ho and M. Dempsey, "Viral Marketing: Motivations to Forward Online Content," *Journal of Business Research* 63, no. 9/10 (2010): 1000–06; M. Williams and F. Buttelle, "The Eight Pillars of WOM Management: Lessons from a Multiple Case Study," *Australasian Marketing Journal* 19, no. 2 (2011): 85–92.
46. L. Herrero, *Homo Imitans* (Beaconsfield Bucks, UK: meetingminds, 2011).
47. M. Beer, R.A. Eisenstat, and B. Spector, *The Critical Path to Corporate Renewal* (Boston: Harvard Business School Press, 1990).
48. M. Beer, R.A. Eisenstat, and B. Spector, *The Critical Path to Corporate Renewal* (Boston: Harvard Business School Press, 1990), Chap. 5; R.E. Walton, "Successful Strategies for Diffusing Work Innovations," *Journal of Contemporary Business* (1977): 1–22; R.E. Walton, *Innovating to Compete: Lessons for Diffusing and Managing Change in the Workplace* (San Francisco: Jossey-Bass, 1987).
49. E.M. Rogers, *Diffusion of Innovations*, 4th ed. (New York: Free Press, 1995).
50. P. Reason and H. Bradbury, *Handbook of Action Research* (London: Sage, 2001); D. Coghlan and T. Brannick, "Kurt Lewin: The 'Practical Theorist' for the 21st Century," *Irish Journal of Management* 24, no. 2 (2003): 31–37; C. Huxham and S. Vangen, "Researching Organizational Practice through Action Research: Case Studies and Design Choices," *Organizational Research Methods* 6 (2003): 383–403.
51. V.J. Marsick and M.A. Gephart, "Action Research: Building the Capacity for Learning and Change," *Human Resource Planning* 26 (2003): 14–18.
52. L. Dickens and K. Watkins, "Action Research: Rethinking Lewin," *Management Learning* 30 (1999): 127–40; J. Heron and P. Reason, "The Practice of Co-operative Inquiry: Research 'with' Rather Than 'on' People," in *Handbook of Action Research*, ed. P. Reason and H. Bradbury (Thousand Oaks, CA: Sage, 2001), 179–88.
53. D.A. Nadler, "Organizational Frame Bending: Types of Change in the Complex Organization," in *Corporate Transformation: Revitalizing Organizations for a Competitive World*, ed. R.H. Kilmann, T.J. Covin, and Associates (San Francisco: Jossey-Bass, 1988), 66–83; K.E. Weick and R.E. Quinn, "Organizational Change and Development," *Annual Review of Psychology* 50 (1999): 361–86.
54. T.M. Egan and C.M. Lancaster, "Comparing Appreciative Inquiry to Action Research: OD Practitioner Perspectives," *Organization Development Journal* 23, no. 2 (2005): 29–49.

55. N. Turner, J. Barling, and A. Zacharatos, "Positive Psychology at Work," in *Handbook of Positive Psychology*, ed. C.R. Snyder and S. Lopez (Oxford, UK: Oxford University Press, 2002), 715–30; K. Cameron, J.E. Dutton, and R.E. Quinn, eds., *Positive Organizational Scholarship: Foundation of a New Discipline* (San Francisco: Berrett-Koehler, 2003); S.L. Gable and J. Haidt, "What (and Why) Is Positive Psychology?," *Review of General Psychology* 9, no. 2 (2005): 103–10; M.E.P. Seligman et al., "Positive Psychology Progress: Empirical Validation of Interventions," *American Psychologist* 60, no. 5 (2005): 410–21. On the origins of appreciative inquiry, see: G.R. Bushe, "Foundations of Appreciative Inquiry: History, Criticism and Potential," *AI Practitioner* 14, no. 1 (February 2012): 8–20.
56. D.K. Whitney and D.L. Cooperrider, "The Appreciative Inquiry Summit: Overview and Applications," *Employment Relations Today* 25 (1998): 17–28; J.M. Watkins and B.J. Mohr, *Appreciative Inquiry: Change at the Speed of Imagination* (San Francisco: Jossey-Bass, 2001).
57. D. Meinert, "Positive Momentum," *HR Magazine* 58, no. 6 (2013): 68–74.
58. D.L. Cooperrider and D.K. Whitney, *Appreciative Inquiry: A Positive Revolution in Change* (San Francisco: Berrett-Koehler, 2005). Recent writing has extended this list to eight principles. See D.K. Whitney and A. Trosten-Bloom, *The Power of Appreciative Inquiry: A Practical Guide to Positive Change*, 2nd ed. (San Francisco: Berrett-Koehler, 2010).
59. F.J. Barrett and D.L. Cooperrider, "Generative Metaphor Intervention: A New Approach for Working with Systems Divided by Conflict and Caught in Defensive Perception," *Journal of Applied Behavioral Science* 26 (1990): 219–39; D.K. Whitney and D.L. Cooperrider, "The Appreciative Inquiry Summit: Overview and Applications," *Employment Relations Today* 25 (1998): 17–28; J.M. Watkins and B.J. Mohr, *Appreciative Inquiry: Change at the Speed of Imagination* (San Francisco: Jossey-Bass, 2001), 15–21.
60. S. Berrisford, "Using Appreciative Inquiry to Drive Change at the BBC," *Strategic Communication Management* 9 (2005): 22–25; G.R. Bushe, "A Comparative Case Study of Appreciative Inquiries in One Organization: Implications for Practice," *Review of Research and Social Intervention* 29 (2010): 7–24; "2013–2015 Massachusetts Joint Statewide Three-Year Electric & Gas Energy Efficiency Plan" (State of Massachusetts, July 2, 2012); T. Wall, J. Russell, and N. Moore, "Positive Emotion in Workplace Impact: The Case of a Work-Based Learning Project Utilising Appreciative Inquiry," *Journal of Work-Applied Management* 9, no. 2 (2017): 129–46, <https://doi.org/10.1108/JWAM-07-2017-0017>; L. Hung et al., "Appreciative Inquiry: Bridging Research and Practice in a Hospital Setting," *International Journal of Qualitative Methods* 17, no. 1 (2018): 1–17, <https://doi.org/10.1177/1609406918769444>; A. Scerri, A. Innes, and C. Scerri, "Using Appreciative Inquiry to Implement Person-Centred Dementia Care in Hospital Wards," *Dementia* 18, no. 1 (2019): 190–209, <https://doi.org/10.1177/1471301216663953>.
61. T. F. Yaeger, P. F. Sorensen, and U. Bengtsson, "Assessment of the State of Appreciative Inquiry: Past, Present, and Future," *Research in Organizational Change and Development* 15 (2004): 297–319; G. R. Bushe and A. F. Kassam, "When Is Appreciative Inquiry Transformational? A Meta-Case Analysis," *Journal of Applied Behavioral Science* 41, no. 2 (2005): 161–81.
62. J.M. Bartunek, J. Balogun, and B. Do, "Considering Planned Change Anew: Stretching Large Group Interventions Strategically, Emotionally, and Meaningfully," *Academy of Management Annals* 5, no. 1 (2011): 1–52.
63. M. Weisbord and S. Janoff, *Future Search: An Action Guide to Finding Common Ground in Organizations and Communities* (San Francisco: Berrett-Koehler, 2000); R.M. Lent, M.T. McCormick, and D.S. Pearce, "Combining Future Search and Open Space to Address Special Situations," *Journal of Applied Behavioral Science* 41, no. 1 (2005): 61–69; S. Janoff and M. Weisbord, "Future Search as 'Real-Time' Action Research," *Futures* 38, no. 6 (2006): 716–22.
64. For a critique of future search conferences and similar whole system events, see A. Oels, "Investigating the Emotional Roller-Coaster Ride: A Case Study-Based Assessment of the Future Search Conference Design," *Systems Research and Behavioral Science* 19 (2002): 347–55; M.F.D. Polanyi, "Communicative Action in Practice: Future Search and the Pursuit of an Open, Critical and Non-Coercive Large-Group Process," *Systems Research and Behavioral Science* 19 (2002): 357–66; A. De Grassi, "Envisioning Futures of African Agriculture: Representation, Power, and Socially Constituted Time," *Progress in Development Studies* 7, no. 2 (2007): 79–98.
65. G.R. Bushe and A.B. Shani, *Parallel Learning Structures* (Reading, MA: Addison-Wesley, 1991); E.M. Van Aken, D.J. Monetta, and D.S. Sink, "Affinity Groups: The Missing Link in Employee Involvement," *Organization Dynamics* 22 (1994): 38–54.
66. D.J. Knight, "Strategy in Practice: Making It Happen," *Strategy & Leadership* 26 (1998): 29–33; R.T. Pascale, "Grassroots Leadership—Royal Dutch/Shell," *Fast Company*, no. 14 (1998): 110–20; R.T. Pascale, "Leading from a Different Place," in *The Leader's Change Handbook*, ed. J.A. Conger, G.M. Spreitzer, and E.E. Lawler III (San Francisco: Jossey-Bass, 1999), 301–20; R. Pascale, M. Millemann, and L. Gioja, *Surfing on the Edge of Chaos* (London: Texere, 2000).
67. T.C. Head and P.F. Sorenson, "Cultural Values and Organizational Development: A Seven-Country Study," *Leadership and Organization Development Journal* 14 (1993): 3–7; R.J. Marshak, "Lewin Meets Confucius: A Review of the OD Model of Change," *Journal of Applied Behavioral Science* 29 (1993): 395–415; C.M. Lau, "A Culture-Based Perspective of Organization Development Implementation," *Research in Organizational Change and Development* 9 (1996): 49–79; C.M. Lau and H.Y. Ngo, "Organization Development and Firm Performance: A Comparison of Multinational and Local Firms," *Journal of International Business Studies* 32, no. 1 (2001): 95–114.
68. M. McK Kendall, "The Tyranny of Change: Organizational Development Revisited," *Journal of Business Ethics* 12 (1993): 93–104; C.M.D. Deaner, "A Model of Organization Development Ethics," *Public Administration Quarterly* 17 (1994): 435–46.

69. G.A. Walter, "Organization Development and Individual Rights," *Journal of Applied Behavioral Science* 20 (1984): 423-39.
70. The source of this often-cited quotation was not found. It does not appear, even in other variations, in the books that Andrew Carnegie wrote (such as *Gospel of Wealth*, 1900; *Empire of Business*, 1902; and *Autobiography*, 1920). However, Carnegie may have stated these words (or similar ones) elsewhere. He gave many speeches and wrote numerous articles, parts of which have been reported by other authors.
- a. D. Jacquemont, D. Maor, and A. Reich, *How to Beat the Transformation Odds* (New York: McKinsey & Company, April 2015); D. Maor, A. Reich, and L. Yocarini, *The People Power of Transformations* (New York: McKinsey & Company, February 2017); Addison Group, "Addison Group Survey Finds Nearly Half of Staff Level Employees Don't Feel Confident Their Industry," news release (Chicago: Addison Group, June 5, 2017).
 - b. "Our Annual Inventory of Influence," *Orange County Business Journal* 39, no. 9 (2016): 1-2, 4-15; J.L. Jones, "Head of a small class: Tanya Domier, a rare female CEO in Orange County, talks diversity, corporate gender gap," *Orange County Register* (CA), March 20, 2016; "Tanya Domier," *CEO Connection: Mid-Market Rankings*, 2016, www.midmarketrankings.com/executive/tanya-domier/ (accessed June 24, 2016).
 - c. A. Bongard, "GM CIO Mott Is Confident IT Transformation Making Progress," *automotiveIT International*, June 4, 2014; R. Preston, "General Motors' IT Transformation: Building Downturn-Resistant Profitability," *Forbes*, April 14, 2016; P. High, "After Five Years Of Transformation, GM CIO Randy Mott Has The Company Primed For Innovation," *Forbes*, June 18, 2018.
 - d. Based on information in M. Schuman, "Saving Panasonic: Kazuhiro Tsuga Plans More For The Consumer Electronics Giant," *Forbes Asia*, June 21, 2016, 1.
 - e. O. Blackwell, "How Employee Engagement Helped To Create EE And Turn It Into The Number One 'Best Big Company To Work For,'" *Engage for Success* (blog), May 20, 2018, <https://engageforsuccess.org/ee-best-big-company-to-work-for>.
 - f. W. Alden, "Startup Zenefits under Scrutiny for Flouting Insurance Laws," *BuzzFeed*, November 25, 2015; C. Suddath and E. Newcomer, "The HR Startup Has an HR Problem," *Bloomberg Businessweek*, May 9-15, 2016, 62; D. Sacks, "The New Zenefits—Becoming the Compliance Company," *Zenefits Blog*, Zenefits, 2016, <http://www.zenefits.com/blog/new-zenefits-becoming-compliance-company/>; K. Kokalitcheva, "Zenefits' Investigation Leaves Some Questions Unanswered," *Fortune*, May 9, 2016; A. Hesseldahl, "Zenefits Is Firing 106 People and Offering Buyouts to More as It Restructures," *recode*, June 14, 2016.
 - g. V. Arnstein, "RSA Group Engages Staff with Social Media Network," *Employee Benefits*, September 1, 2015; S. Shah, "Why RSA Insurance Picked BT Global Services over Atos Origin to Host Microsoft Collaboration Products in the Cloud," *Computing*, October 21, 2015.
 - h. P.K. Sweeney, "Corporate Compliance without Burdening the End User: Change Management Lessons from Ergon Energy," *iQ* (2006): 24-26.
 - i. D. Miller and P.H. Friesen, "Momentum and Revolution in Organizational Adaptation," *Academy of Management Journal* 23, no. 4 (1980): 591-614; D. Miller and M.-J. Chen, "Sources and Consequences of Competitive Inertia: A Study of the U.S. Airline Industry," *Administrative Science Quarterly* 39, no. 1 (1994): 1-23.
 - j. J. Isern and C. Pung, "Driving Radical Change," *McKinsey Quarterly*, no. 4 (2007): 24-35.
 - k. J. Abbass, "Lewis County Hospital Takes a Positive Approach to Planning," *Watertown Daily Times*, February 25, 2019.

additional CASES

- Case 1 Arctic Mining Consultants
- Case 2 Going to the X-Stream
- Case 3 Keeping Suzanne Chalmers
- Case 4 The Regency Grand Hotel
- Case 5 Simmons Laboratories

- Case 6 Tamarack Industries
- Case 7 The Outstanding Faculty Award
- Case 8 The Shipping Industry Accounting Team
- Case 9 Verberg Kansen N.V.

CASE 1: ARCTIC MINING CONSULTANTS

By Steven L. McShane, University of Newcastle (Australia); and Tim Neale

Tom Parker enjoyed working outdoors. At various times in the past, he worked as a ranch hand, high steel rigger, headstone installer, prospector, and geological field technician. Now 43, Parker is a geological field technician and field coordinator with Arctic Mining Consultants. He has specialized knowledge and experience in all nontechnical aspects of mineral exploration, including claim staking, line cutting and grid installation, soil sampling, prospecting, and trenching. He is responsible for hiring, training, and supervising field assistants for all of Arctic Mining Consultants' programs. Field assistants are paid a fairly low daily wage (no matter how long they work, which may be up to 12 hours or more) and are provided meals and accommodation. Many of the programs are operated by a project manager who reports to Parker.

Parker sometimes acts as a project manager, as he did on a job that involved staking 15 claims near Eagle Lake, Alaska. He selected John Talbot, Greg Boyce, and Brian Millar, all of whom had previously worked with Parker, as the field assistants. To stake a claim, the project team marks a line with flagging tape and blazes along the perimeter of the claim, cutting a claim post every 500 yards (called a *length*). The 15 claims would require almost 60 miles of line in total. Parker had budgeted seven days (plus mobilization and demobilization) to complete the job. This meant that each of the four stakers (Parker, Talbot, Boyce, and Millar) would have to complete a little over seven "lengths" each day. The following is a chronology of the project.

DAY 1

The Arctic Mining Consultants crew assembled in the morning and drove to Eagle Lake, from there they were flown by helicopter to the claim site. On arrival, they set up tents at the edge of the area to be staked, and agreed on a schedule for cooking duties. After supper, they pulled out

the maps and discussed the job—how long it would take, the order in which the areas were to be staked, possible helicopter landing spots, and areas that might be more difficult to stake.

Parker pointed out that with only a week to complete the job, everyone would have to average seven and a half lengths per day. "I know that is a lot," he said, "but you've all staked claims before and I'm confident that each of you is capable of it. And it's only for a week. If we get the job done in time, there's a \$300 bonus for each man." Two hours later, Parker and his crew members had developed what seemed to be a workable plan.

DAY 2

Millar completed six lengths, Boyce six lengths, Talbot eight, and Parker eight. Parker was not pleased with Millar's or Boyce's production. However, he didn't make an issue of it, thinking that they would develop their "rhythm" quickly.

DAY 3

Millar completed five and a half lengths, Boyce four, and Talbot seven. Parker, who was nearly twice as old as the other three, completed eight lengths. He also had enough time remaining to walk over and check the quality of stakes that Millar and Boyce had completed, then walk back to his own area for helicopter pickup back to the tent site.

That night Parker exploded with anger. "I thought I told you that I wanted seven and a half lengths a day!" he shouted at Boyce and Millar. Boyce said that he was slowed down by unusually thick underbrush in his assigned area. Millar said that he had done his best and would try to pick up the pace. Parker did not mention that he had inspected their work. He explained that as far as he was concerned, the field assistants were supposed to finish their assigned area for the day, no matter what.

Talbot, who was sharing a tent with Parker, talked to him later. "I think that you're being a bit hard on them, you know. I know that it has been more by luck than anything else that I've been able to do my quota. Yesterday I only had five lengths done after the first seven hours and there was only an hour before I was supposed to be picked up. Then I hit a patch of really open bush, and was able to do three lengths in 70 minutes. Why don't I take Millar's area tomorrow and he can have mine? Maybe that will help."

"Conditions are the same in all of the areas," replied Parker, rejecting Talbot's suggestion. "Millar just has to try harder."

DAY 4

Millar did seven lengths and Boyce completed six and a half. When they reported their production that evening, Parker grunted uncommunicatively. Parker and Talbot did eight lengths each.

DAY 5

Millar completed six lengths, Boyce six, Talbot seven and a half, and Parker eight. Once again Parker blew up, but he concentrated his diatribe on Millar. "Why don't you do what you say you are going to do? You know that you have to do seven and a half lengths a day. We went over that when we first got here, so why don't you do it? If you aren't willing to do the job then you never should have taken it in the first place!"

Millar replied by saying that he was doing his best, that he hadn't even stopped for lunch, and that he didn't know how he could possibly do any better. Parker launched into him again: "You have got to work harder! If you put enough effort into it, you will get the area done!"

Later Millar commented to Boyce, "I hate getting dumped on all the time! I'd quit if it didn't mean that I'd have to walk 50 miles to the highway. And besides, I need the bonus money. Why doesn't he pick on you? You don't get any more done than me; in fact, you usually get less. Maybe if you did a bit more he wouldn't be so bothered about me."

"I only work as hard as I have to," Boyce replied.

DAY 6

Millar raced through breakfast, was the first one to be dropped off by the helicopter, and arranged to be the last one picked up. That evening the production figures were Millar eight and a quarter lengths, Boyce seven, and Talbot and Parker eight each. Parker remained silent when the field assistants reported their performance for the day.

DAY 7

Millar was again the first out and last in. That night, he collapsed in an exhausted heap at the table, too tired to eat. After a few moments, he announced in an abject tone, "Six lengths. I worked like a dog all day and I only got a lousy six lengths!" Boyce completed five lengths, Talbot seven, and Parker seven and a quarter.

Parker was furious. "That means we have to do a total of 34 lengths tomorrow if we are to finish this job on time!" With his eyes directed at Millar, he added: "Why is it that you never finish the job? Don't you realize that you are part of a team, and that you are letting the rest of the team down? I've been checking your lines and you're doing too much blazing and wasting too much time making picture-perfect claim posts! If you worked smarter, you'd get a lot more done!"

DAY 8

Parker cooked breakfast in the dark. The helicopter drop-offs began as soon as morning light appeared on the horizon. Parker instructed each assistant to complete eight lengths and, if they finished early, to help the others. Parker said that he would finish the other 10 lengths. Helicopter pickups were arranged for one hour before dark.

By noon, after working as hard as he could, Millar had only completed three lengths. "Why bother," he thought to himself, "I'll never be able to do another five lengths before the helicopter comes, and I'll catch the same amount of abuse from Parker for doing six lengths as for seven and a half." So he sat down and had lunch and a rest. "Boyce won't finish his eight lengths either, so even if I did finish mine, I still wouldn't get the bonus. At least I'll get one more day's pay this way."

That night, Parker was livid when Millar reported that he had completed five and a half lengths. Parker had done ten and a quarter lengths, and Talbot had completed eight. Boyce proudly announced that he finished seven and a half lengths, but sheepishly added that Talbot had helped him with some of it. All that remained were the two and a half lengths that Millar had not completed.

The job was finished the next morning and the crew demobilized. Millar has never worked for Arctic Mining Consultants again, despite being offered work several times by Parker. Boyce sometimes does staking for Arctic, and Talbot works full time with the company.

This case is based on actual events, but names and some characteristics have been changed to maintain anonymity.

CASE 2: GOING TO THE X-STREAM

By Roy Smollan, Auckland University of Technology, New Zealand

Gil Reihana was the chief executive officer of X-Stream, a company he launched in Auckland, New Zealand, six years ago at the age of 25, after graduating with a bachelor's

degree in information technology and management. He had inherited \$300,000 and had persuaded various family members to invest additional money. X-Stream assembled

personal computers for the New Zealand and Australian markets and sold them through a number of chain stores and independent retailers. The company had soon established a reputation for quality hardware, customized products, excellent delivery times and after-sales service. Six months ago it had started a software division, specializing in webpage design and consulting on various applications for the development of electronic business.

Gil was driven by a desire to succeed. He had started working part-time at an electronics retailer at age 16 and in his spare time took apart old computers in his garage to see how they were made. He was extroverted, energetic, and enthusiastic, often arriving at work by 5 a.m. and seldom leaving before 7 p.m. He felt that work should be challenging but fun too. He had initially picked a young senior management team that he thought shared his outlook. A casual, almost irreverent atmosphere developed. However, a poorly organized accounting department led to the replacement of the first accountant after two years. Gil believed that major decisions should be made by consensus and that individuals should then be empowered to implement these decisions in their own way. In the beginning he had met with each staff member in January to discuss with them how happy they were in their jobs, what their ambitions were, and what plans they would like to make for the coming year in terms of their own professional development. These one-on-one meetings became more difficult as the company grew, so senior management team members were eventually delegated the task of conducting reviews with their own staff. However, Gil was unsure whether every manager was actually performing the reviews or how well they were working. Now he tried to keep in touch with staff by having lunch with them in the cafeteria occasionally.

Denise Commins (affectionately known to all staff as Dot Com) was the chief financial officer. She and Gil could not be more different. Denise was quiet, methodical, and very patient. Her superb interpersonal skills complemented a highly analytical mind. At 55, she was considerably older than most of the employees and often showed a strong maternal side. Many of her team (and several from other departments as well) frequently consulted her on work issues and personal problems too. She enjoyed the informal relationships she had built up but found that the technical aspects of her role were becoming less rewarding.

Don Head, the marketing manager, was considered to be a rather ruthless operator, often undercutting the competition in terms of price, and, on more than one occasion, by circulating false rumors of defects in their products. He deemed himself "a ladies' man" and was known to flirt with a number of the staff. A case of sexual harassment had been dropped after a 22-year-old secretary had been paid a sizeable sum of money. Gil and the members of the senior management team had been furious but Don had denied any wrongdoing, claiming that she had "led him on." Don had

been at university with Gil and they spent many hours after work at a pub around the corner from the factory. With sales rising year after year, his marketing expertise and cunning were regarded as essential to the company's continuing growth. He had a department of eight whom he had carefully screened as ambitious self-starters. They were required to set and achieve their own targets, as long as they were "big hairy ambitious goals," a phrase he had heard at a seminar.

Jason Palu, the production manager, was a soft spoken man who had started as a supervisor and who had quickly worked his way to the top position. He set extremely high standards for the production staff and was considered to be a perfectionist. He was highly regarded by his colleagues for his efficiency and reliability. There were very few occasions when an order could not be fulfilled on time and his goal was zero defects. He tended to be autocratic and some people complained that he never listened to them, allocated work hours that did not suit people, and often required staff to work (paid) overtime on very short notice. When one production worker complained, he tersely remarked that "we have a job to do and we just have to get on with it. The company depends on us."

Heather Berkowitz was the chief webpage designer. She had blue hair, a ring through her nose, and she dressed in exotic clothes that had been sourced from a number of secondhand stores. She seldom arrived at work much before 11 a.m. and often left before 4 p.m. She said she did her best work at home, often at night, so why should she "punch the clock like the drones on the assembly line"? Gil and others had often received e-mails from her that had been sent at all hours of the night. She had established a reputation as a top webpage designer, and although her physical appearance did not go down too well with some of the company's clients (or staff) the quality and quantity of her work was extremely high.

On Tuesdays at 9 a.m. the senior staff met to discuss weekly plans and any significant issues that had arisen. All employees were invited to the meeting, and some accepted this opportunity to attend. Gil trusted all staff to keep confidential matters within the company. He believed that if the organization shared information with employees they would be more likely to support management decisions. The meetings lacked formality and usually started with some jokes, usually at the expense of some members of staff. By and large the jokes were meant to be inoffensive, but were not always taken that way. Nicknames were often assigned to staff, mostly by Don Head, some quite derogatory. You were thought to be a "wet blanket" if you objected. Don seemed oblivious to the unflattering nickname he had been given, preferring to call himself Braveheart, sometimes even signing memos in this fashion.

Although employment agreements referred to a 40-hour week there was an expectation that staff would put in substantially more than that. Only the assembly line workers

had to clock in and out, but this, Jason had explained, was due to the overtime that assembly staff were required to work to meet deadlines. The overtime pay was welcomed by some production staff and resented by some employees in other departments who believed they should be entitled to the same benefits.

Recently a conflict had arisen between Jason and Don. The company had been developing for some time a top-of-the-range laptop which was scheduled for launching in two weeks' time. Jason had been urging senior management to delay the introduction of the new X-MH until some glitches had been sorted out. A batch of chips acquired from abroad had contained some defective features. Jason wanted to postpone the new model until these problems had been completely sorted out, a process which he believed would take another month. Don found this to be unacceptable. A former New Zealand rugby team (All Blacks) captain had been contracted to attend the launch and market the new model on a roadshow that would travel to New Zealand and Australia's main cities. He would not be available at the time Jason was prepared to release the X-MH. At a heated staff meeting, some of the senior staff backed Don, while others agreed with Jason. Don had urged all of his department to attend the meeting, to present a united front and convey an image of power.

Heather Berkowitz had arrived halfway through the meeting and with a mouthful of muffin proclaimed that there was no rush to get out the "new toy." The company had plenty of other issues to which it could devote its energy. She said she had met the head of information technology of a chain of fast-food restaurants that wanted to revitalize its website. She maintained she needed three extra staff to get this up and running. She left the meeting five minutes later. Don was fuming at the interruption and demanded that Gil should stick to the original launch date of the X-MH. Gil calmly replied that he understood Don's frustration but that more consultation was necessary. He said that it would be discussed by the parties concerned during the week and a final decision would be made at the following Tuesday's staff meeting.

Don spent the rest of the day lobbying other members of the senior staff. He offered Dorothy the use of his beach cottage if she backed him and promised to support her on the acquisition of expensive new accounting software. She just laughed and said that she was convinced the senior management team would approve the new software. She also informed Don that a member of her staff had seen one of his sales representatives entering a strip joint the previous week at a time when the sales force had been engaged in a staff meeting.

Other problems had arisen in recent months. Ramesh Patel, the newly recruited head of e-business applications had, with help from a personal contact, developed a software program that would help hotels and restaurants source products and services over the Internet. It was beginning to

generate useful revenue. His contact had now billed X-Stream for \$25,000 in consultancy fees and development costs. Ramesh claimed that his contact had owed him a favor and that no mention of money had ever been made. X-Stream had referred the matter to its legal counsel.

Les Kong, the research and development manager (hardware), had complained to Gil that he could no longer work under Jason Palu. While he considered him a very pleasant man, and a very capable production manager, he could no longer tolerate his strict control style. "You can't do creative work on command!" was his lament. He loved his job and had spent hours over several weekends developing and refining a new product.

There was considerable resentment from Jason and Don about the resources that had been invested in the software division, partly because they did not see the need for the company to diversify and partly because they claimed that money was being diverted from their departments to fund the new ventures. Ramesh claimed that "a good e-business starts at home—we should open up all our procurement via the Internet." His suggestion did not go down well with Jason and Don.

Gil had been pondering the structure of X-Stream for some time. The old functional structure no longer seemed appropriate. "Silo" mentality and departmental interests seemed to predominate and turf wars took place. The company had grown to 64 staff in New Zealand and 8 in Australia. The ongoing development of new hardware and the introduction of the software side of the business had made management tasks somewhat complicated. He missed the old days when he knew every member of staff. The informal decision-making that was characteristic of the business might have to give way to more formal processes. Yet he did not want to lose the creativity that underpinned its success. Despite the open invitation to attend the management meetings, many staff complained that they never knew what was going on. He expected all senior managers to keep their departmental staff informed of developments. Some had done this admirably, while others had virtually ignored his wishes.

A human resources manager, Alkina Bennelong, had been appointed a month previously and reported to Denise Commins. She had been reviewing the company's loosely worded job descriptions and person specifications and the recruitment and selection systems and had suggested more professional but more elaborate approaches. She had also suggested the introduction of a performance management system, including feedback from peers, direct reports and outsiders, such as suppliers and customers. "Over my dead body!" was the retort of Don Head. "How can you allow subordinates to tell you how to do your job?" queried Jason Palu. "Can't see what the fuss is all about," said Heather Berkowitz. "Everybody keeps telling me what to do anyway, even though they don't understand the first thing about my job! But it doesn't worry me."

CASE 3: KEEPING SUZANNE CHALMERS

By Steven L. McShane, University of Newcastle (Australia)

Thomas Chan hung up the telephone and sighed. The vice president of software engineering at Advanced Photonics Inc. (API) had just spoken to Suzanne Chalmers, who called to arrange a meeting with Chan later that day. She didn't say what the meeting was about, but Chan almost instinctively knew that Suzanne was going to quit after working at API for the past four years. Chalmers is a software engineer in Internet Protocol (IP), the software that directs fiber-optic light through API's routers. It is very specialized work, and Suzanne is one of API's top talents in that area.

Thomas Chan had been through this before. A valued employee would arrange a private meeting. The meeting would begin with a few pleasantries, then the employee announces that he or she wants to quit. Some employees say they are leaving because of the long hours and stressful deadlines. They say they need to decompress, get to know the kids again, or whatever. But that's not usually the real reason. Almost every organization in this industry is scrambling to keep up with technological advances and the competition. Employees would just leave one stressful job for another one.

Also, many of the people who leave API join a start-up company a few months later. These start-up firms can be pressure cookers where everyone works 16 hours each day and has to perform a variety of tasks. For example, engineers in these small firms might have to meet customers or work on venture capital proposals rather than focus on specialized tasks related to their knowledge. API now has over 6,000 employees, so it is easier to assign people to work that matches their technical competencies.

No, the problem isn't the stress or long hours, Chan thought. The problem is money—too much money. Most of the people who leave are millionaires. Suzanne Chalmers is one of them. Thanks to generous stock options that have skyrocketed on the stock markets, many employees at API have more money than they can use. Most are under 40 years old, so it's too early for them to retire. But their financial independence gives them less reason to remain with API.

THE MEETING

The meeting with Suzanne Chalmers took place a few hours after the telephone call. It began like the others, with the initial pleasantries and brief discussion about progress on the latest fiber-optic router project. Then, Suzanne made her well-rehearsed statement: "Thomas, I've really enjoyed working here, but I'm going to leave Advanced Photonics."

Suzanne took a breath, then looked at Chan. When he didn't reply after a few seconds, she continued: "I need to take time off. You know, get away to recharge my batteries. The project's nearly done and the team can complete it without me. Well, anyway, I'm thinking of leaving."

Chan spoke in a calm voice. He suggested that Suzanne should take an unpaid leave for two or maybe three months, complete with paid benefits, then return refreshed. Suzanne politely rejected that offer, saying that she needs to get away from work for a while. Thomas then asked Suzanne whether she was unhappy with her work environment—whether she was getting the latest computer technology to do her work and whether there were problems with coworkers. The workplace was fine, Susanne replied. The job was getting a bit routine, but she had a comfortable workplace with excellent coworkers.

Chan then apologized for the cramped workspace, due mainly to the rapid increase in the number of people hired over the past year. He suggested that if Suzanne took a couple of months off, API would give her special treatment with a larger work space with a better view of the park behind the campus-like building when she returned. She politely thanked Chan for that offer, but it wasn't what she needed. Besides, it wouldn't be fair to have a large work space when other team members work in smaller quarters.

Chan was running out of tactics, so he tried his last hope: money. He asked whether Suzanne had higher offers. Suzanne replied that she regularly received calls from other companies, and some of them offered more money. Most were start-up firms that offered a lower salary but higher potential gains in stock options. Chan knew from market surveys that Suzanne was already paid well in the industry. He also knew that API couldn't compete on stock option potential. Employees working in start-up firms sometimes saw the value of their stocks increase by five or ten times their initial value, whereas shares at API and other large firms increased more slowly. However, Chan promised Suzanne that he would recommend that she receive a significant raise—maybe 25 percent more—and more stock options. Chan added that Chalmers was one of API's most valuable employees and that the company would suffer if she left the firm.

The meeting ended with Chalmers promising to consider Chan's offer of higher pay and more stock options. Two days later, Chan received her resignation in writing. Five months later, Chan learned that after a few months traveling with her husband, Chalmers joined a start-up software firm in the area.

CASE 4: THE REGENCY GRAND HOTEL

By Elizabeth Ho, Gucci Group, under the supervision of Steven L. McShane, University of Newcastle (Australia)

The Regency Grand Hotel is a five-star hotel in Bangkok, Thailand. The hotel was established 15 years ago by a local consortium of investors and has been operated by a Thai general manager throughout this time. The hotel is one of Bangkok's most prestigious hotels and its 700 employees enjoyed the prestige associated with the hotel. The hotel provides good welfare benefits, above market rate salary, and job security. In addition, a good year-end bonus amounting to 4 months' salary was rewarded to employees regardless of the hotel's overall performance during the year.

Recently, the Regency was sold to a large American hotel chain that was very keen to expand its operations into Thailand. When the acquisition was announced, the General Manager decided to take early retirement when the hotel changed ownership. The American hotel chain kept all of the Regency employees, although a few were transferred to other positions. John Becker, an American with 10 years of management experience with the hotel chain, was appointed as the new General Manager of Regency Palace Hotel. Becker was selected as the new General Manager because of his previous successes in integrating newly acquired hotels in the United States. In most of the previous acquisitions, Becker took over operations with poor profitability and low morale.

Becker is a strong believer in empowerment. He expects employees to go beyond guidelines/standards to consider guest needs on a case-to-case basis. That is, employees must be guest-oriented at all times so as to provide excellent customer service. From his U.S. experience, Becker has found that empowerment increases employee motivation, performance, and job satisfaction, all of which contribute to the hotel's profitability and customer service ratings. Soon after becoming General Manager in Regency Palace, Becker introduced the practice of empowerment so as to replicate the successes he had achieved back home.

The Regency Grand hotel has been very profitable since it opened 15 years ago. The employees have always worked according to management's instructions. Their responsibility was to ensure that the instructions from their managers were carried out diligently and conscientiously. Innovation and creativity were discouraged under the previous management. Indeed, employees were punished for their mistakes and discouraged from trying out ideas that had not been approved by management. As a result, employees were afraid to be innovative and to take risks.

Becker met with Regency's managers and department heads to explain that empowerment would be introduced in the hotel. He told them that employees must be empowered

with decision-making authority so that they can use their initiative, creativity, and judgment to satisfy guest needs or handle problems effectively and efficiently. However, he stressed that the more complex issues and decisions were to be referred to superiors, who were to coach and assist rather than provide direct orders. Furthermore, Becker stressed that mistakes were allowed but there was no justification for making the same mistake more than twice. He advised his managers and department heads not to discuss with him minor issues/problems and not to consult minor decisions with him. Nevertheless, he told them that they are to discuss important/major issues and decisions with him. He concluded the meeting by asking for feedback. Several managers and department heads told him that they liked the idea and would support it, while others simply nodded their heads. Becker was pleased with the response, and was eager to have his plan implemented.

In the past, the Regency had emphasized administrative control, resulting in many bureaucratic procedures throughout the organization. For example, the front counter employees needed to seek approval from their manager before they could upgrade guests to another category of room. The front counter manager would then have to write and submit a report to the General Manager justifying the upgrade. Soon after his meeting with managers, Becker reduced the number of bureaucratic rules at the Regency and allocated more decision-making authority to front-line employees. This action upset those who previously had decision-making power over these issues. As a result, several of these employees left the hotel.

Becker also began spending a large portion of his time observing and interacting with the employees at the front desk, lobby, restaurants, and various departments. This direct interaction with Becker helped many employees to understand what he wanted and expected of them. However, the employees had much difficulty trying to distinguish between a major and minor issue/decision. More often than not, supervisors would reverse employee decisions by stating that they were major issues requiring management approval. Employees who displayed initiative and made good decisions in satisfying the needs of the guests rarely received any positive feedback from their supervisors. Eventually, most of these employees lost confidence in making decisions, and reverted to relying on their superiors for decision making.

Not long after the implementation of the practice of empowerment, Becker realized that his subordinates were consulting him more frequently than before. Most of them came to him with minor issues and consulted with him on

minor decisions. He had to spend most of his time attending to his subordinates. Soon Becker began to feel highly frustrated and exhausted, and very often would tell his secretary that "unless the hotel is on fire, don't let anyone disturb me."

Becker thought that the practice of empowerment would benefit the overall performance of the hotel. However, contrary to his expectation, the business and overall performance of the hotel began to deteriorate. There had been an increasing number of guest complaints. In the past, the hotel had minimal guest complaints. Now a significant number of formal written complaints were turned in every month. Many other guests voiced their dissatisfaction verbally to hotel employees. The number of mistakes made by employees had been on the increase. Becker was very upset when he realized that two of the local newspapers and an

overseas newspaper had published negative feedback on the hotel in terms of service standards. He was most distressed when an international travel magazine had voted the hotel as "one of Asia's nightmare hotels."

The stress levels of the employees were continuously mounting since the introduction of the practice of empowerment. Absenteeism due to illness was increasing at an alarming rate. In addition, the employee turnover rate had reached an all-time high. The good working relationships that were established under the old management had been severely strained. The employees were no longer united and supportive of each other. They were quick to point fingers or backstab one another when mistakes were made and when problems occurred.

Note: This case is based on true events, but the industry and names have been changed.

CASE 5: SIMMONS LABORATORIES

Adapted by William Starbuck from a case written by Alex Bavelas

Brandon Newbridge was sitting alone in the conference room of the laboratory. The rest of the group had gone. One of the secretaries had stopped and talked for a while about her husband's coming enrollment in graduate school and had finally left. Brandon, alone in the laboratory, slid a little farther down in his chair, looking with satisfaction at the results of the first test run of the new photon unit.

He liked to stay after the others had gone. His appointment as project head was still new enough to give him a deep sense of pleasure. His eyes were on the graphs before him, but in his mind he could hear Dr. William Goh, the project head, saying again, "There's one thing about this place you can bank on. The sky is the limit for anyone who can produce!" Newbridge felt again the tingle of happiness and embarrassment. Well, dammit, he said to himself, he had produced. He wasn't kidding anybody. He had come to the Simmons Laboratories two years ago. During a routine testing of some rejected Clanson components, he had stumbled on the idea of the photon correlator, and the rest just happened. Goh had been enthusiastic: A separate project had been set up for further research and development of the device, and he had gotten the job of running it. The whole sequence of events still seemed a little miraculous to Newbridge.

He shrugged out of the reverie and bent determinedly over the sheets when he heard someone come into the room behind him. He looked up expectantly; Goh often stayed late himself and now and then dropped in for a chat. This always made the day's end especially pleasant for Brandon. The man who had entered wasn't Goh. He was a tall, thin stranger who wore steel-rimmed glasses and had a very wide

leather belt with a large brass buckle. Lucy, a member of Brandon's team, later remarked that it was the kind of belt the Pilgrims must have worn.

The stranger smiled and introduced himself. "I'm Lester Zapf. Are you Brandon Newbridge?" Brandon said yes, and they shook hands. "Doctor Goh said I might find you in. We were talking about your work, and I'm very much interested in what you are doing." Brandon gestured for him to sit.

Zapf didn't seem to belong in any of the standard categories of visitors: customer, visiting fireman, stockholder. Brandon pointed to the sheets on the table. "There are the preliminary results of a test we're running. We have a new gadget by the tail and we're trying to understand it. It's not finished, but I can show you the section we're testing."

He stood up, but Zapf was deep in the graphs. After a moment, he looked up with an odd grin. "These look like plots of a Jennings surface. I've been playing around with some autocorrelation functions of surfaces—you know that stuff." Brandon, who had no idea what he was referring to, grinned and nodded, and immediately felt uncomfortable. "Let me show you the monster," he said, and led the way to the workroom.

After Zapf left, Newbridge slowly put the graphs away, feeling vaguely annoyed. Then, as if he had made a decision, he quickly locked up and took the long way out so that he would pass Goh's office. But the office was locked. Newbridge wondered whether Goh and Zapf had left together.

The next morning, Newbridge dropped into Goh's office, mentioned that he had talked with Zapf, and asked who he was.

"Sit down for a minute," Goh said. "I want to talk to you about him. What do you think of him?" Newbridge replied truthfully that he thought Zapf was very bright and probably very competent. Goh looked pleased.

"We're taking him on," he said. "He's had a very good background in a number of laboratories, and he seems to have ideas about the problems we're tackling here." Newbridge nodded in agreement, instantly wishing that Zapf would not be placed with him.

"I don't know yet where he will finally land," Goh continued, "but he seems interested in what you are doing. I thought he might spend a little time with you by way of getting started." Newbridge nodded thoughtfully. "If his interest in your work continues, you can add him to your group."

"Well, he seemed to have some good ideas even without knowing exactly what we are doing," Newbridge answered. "I hope he stays; we'd be glad to have him."

Newbridge walked back to the lab with mixed feelings. He told himself that Zapf would be good for the group. He was no dunce; he'd produce. Newbridge thought again of Goh's promise when he had promoted him—"the man who produces gets ahead in this outfit." The words seemed to carry the overtones of a threat now.

That day, Zapf didn't appear until midafternoon. He explained that he had had a long lunch with Goh, discussing his place in the lab. "Yes," said Newbridge, "I talked with Jerry this morning about it, and we both thought you might work with us for a while."

Zapf smiled in the same knowing way that he had smiled when he mentioned the Jennings surfaces. "I'd like to," he said.

Newbridge introduced Zapf to the other members of the lab. Zapf and Link, the group's mathematician, hit it off well and spent the rest of the afternoon discussing a method for analyzing patterns that Link had been worrying over the last month.

It was 6:30 when Newbridge finally left the lab that night. He had waited almost eagerly for the end of the day to come—when they would all be gone and he could sit in the quiet rooms, relax, and think it over. "Think what over?" he asked himself. He didn't know. Shortly after 5 p.m., they had almost all gone except Zapf, and what followed was almost a duel. Newbridge was annoyed that he was being cheated out of his quiet period and finally resentfully determined that Zapf should leave first.

Zapf was sitting at the conference table reading, and Newbridge was sitting at his desk in the little glass-enclosed cubby he used during the day when he needed to be undisturbed. Zapf had gotten the last year's progress reports out and was studying them carefully. The time dragged. Newbridge doodled on a pad, the tension growing inside him. What the hell did Zapf think he was going to find in the reports?

Newbridge finally gave up and they left the lab together. Zapf took several of the reports with him to study in the

evening. Newbridge asked him if he thought the reports gave a clear picture of the lab's activities.

"They're excellent," Zapf answered with obvious sincerity. "They're not only good reports; what they report is damn good, too!" Newbridge was surprised at the relief he felt and grew almost jovial as he said goodnight.

Driving home, Newbridge felt more optimistic about Zapf's presence in the lab. He had never fully understood the analysis that Link was attempting. If there was anything wrong with Link's approach, Zapf would probably spot it. "And if I'm any judge," he murmured, "he won't be especially diplomatic about it."

He described Zapf to his wife, who was amused by the broad leather belt and brass buckle.

"It's the kind of belt that Pilgrims must have worn," she laughed.

"I'm not worried about how he holds his pants up," he laughed with her. "I'm afraid that he's the kind that just has to make like a genius twice each day. And that can be pretty rough on the group."

Newbridge had been asleep for several hours when he was jerked awake by the telephone. He realized it had rung several times. He swung off the bed muttering about damn fools and telephones. It was Zapf. Without any excuses, apparently oblivious of the time, he plunged into an excited recital of how Link's patterning problem could be solved.

Newbridge covered the mouthpiece to answer his wife's stage-whispered "Who is it?" "It's the genius," replied Newbridge.

Zapf, completely ignoring the fact that it was 2:00 in the morning, went on in a very excited way to start in the middle of an explanation about a completely new approach to certain photon lab problems, an approach he had stumbled on while analyzing past experiments. Newbridge managed to put some enthusiasm in his own voice and stood there, half-dazed and very uncomfortable, listening to Zapf talk endlessly about what he had discovered. It was probably not only a new approach but also an analysis that showed the inherent weakness of the previous experiment and how experimentation along that line would certainly have been inconclusive. The following day, Newbridge spent the entire morning with Zapf and Link, the mathematician, the customary morning meeting of Brandon's group having been called off so that Zapf's work of the previous night could be gone over intensively. Zapf was very anxious that this be done, and Newbridge was not too unhappy to call the meeting off for reasons of his own.

For the next several days Zapf sat in the back office that had been turned over to him and did nothing but read the progress reports of the work that had been done in the last six months. Newbridge caught himself feeling apprehensive about the reaction that Zapf might have to some of his work. He was a little surprised at his own feelings. He had always been proud—although he had put on a convincingly modest face—of the way in which new ground in the study

of photon measuring devices had been broken in his group. Now he wasn't sure, and it seemed to him that Zapf might easily show that the line of research they had been following was unsound or even unimaginative.

The next morning (as was the custom) the members of the lab, including the secretaries, sat around a conference table. Brandon always prided himself on the fact that the work of the lab was guided and evaluated by the group as a whole, and he was fond of repeating that it was not a waste of time to include secretaries in such meetings. Often, what started out as a boring recital of fundamental assumptions to a naive listener, uncovered new ways of regarding these assumptions that would not have occurred to the researcher who had long ago accepted them as a necessary basis for his work.

These group meetings also served Brandon in another sense. He admitted to himself that he would have felt far less secure if he had had to direct the work out of his own mind, so to speak. With the group meeting as the principle of leadership, it was always possible to justify the exploration of blind alleys because of the general educative effect on the team. Zapf was there; Lucy and Martha were there; Link was sitting next to Zapf, their conversation concerning Link's mathematical study apparently continuing from yesterday. The other members, Bob Davenport, Georgia Thurlow, and Arthur Oliver, were waiting quietly.

Newbridge, for reasons that he didn't quite understand, proposed for discussion this morning a problem that all of them had spent a great deal of time on previously with the conclusion that a solution was impossible, that there was no feasible way of treating it in an experimental fashion. When Newbridge proposed the problem, Davenport remarked that there was hardly any use of going over it again, that he was satisfied that there was no way of approaching the problem with the equipment and the physical capacities of the lab.

This statement had the effect of a shot of adrenaline on Zapf. He said he would like to know what the problem was in detail and, walking to the blackboard, began setting down the "factors" as various members of the group began discussing the problem and simultaneously listing the reasons why it had been abandoned.

Very early in the description of the problem it was evident that Zapf was going to disagree about the impossibility of attacking it. The group realized this, and finally the descriptive materials and their recounting of the reasoning that had led to its abandonment dwindled away. Zapf began his statement, which, as it proceeded, might well have been prepared the previous night, although Newbridge knew this was impossible. He couldn't help being impressed with the organized and logical way that Zapf was presenting ideas that must have occurred to him only a few minutes before.

Zapf had some things to say, however, which left Newbridge with a mixture of annoyance, irritation, and at the same time, a rather smug feeling of superiority over Zapf in at least one area. Zapf held the opinion that the way that

the problem had been analyzed was very typical of group thinking. With an air of sophistication that made it difficult for a listener to dissent, he proceeded to comment on the American emphasis on team ideas, satirically describing the ways in which they led to a "high level of mediocrity."

During this time, Newbridge observed that Link stared studiously at the floor, and he was very conscious of Georgia Thurlow's and Bob Davenport's glances toward him at several points of Zapf's little speech. Inwardly, Newbridge couldn't help feeling that this was one point at least in which Zapf was off on the wrong foot. The whole lab, following Jerry's lead, talked if not practiced the theory of small research teams as the basic organization for effective research. Zapf insisted that the problem could be approached and that he would like to study it for a while himself.

Newbridge ended the morning session by remarking that the meetings would continue and that the very fact that a supposedly insoluble experimental problem was now going to get another chance was another indication of the value of such meetings. Zapf immediately remarked that he was not at all averse to meetings to inform the group about the progress of its members. The point he wanted to make was that creative advances were seldom accomplished in such meetings, that they were made by an individual "living with" a problem closely and continuously, in a rather personal relationship to it.

Newbridge went on to say to Zapf that he was very glad that Zapf had raised these points and that he was sure the group would profit by reexamining the basis on which they had been operating. Newbridge agreed that individual effort was probably the basis for making major advances. He considered the group meetings useful primarily because they kept the group together and they helped the weaker members of the group keep up with the ones who were able to advance more easily and quickly in the analysis of problems.

It was clear as days went by and meetings continued that Zapf came to enjoy them because of the pattern that the meetings assumed. It became typical for Zapf to hold forth, and it was unquestionably clear that he was more brilliant, better prepared on the various subjects that were germane to the problem being studied, and more capable of going ahead than anyone there. Newbridge grew increasingly disturbed as he realized that his leadership of the group had been, in fact, taken over.

Whenever the subject of Zapf was mentioned in occasional meetings with Dr. Goh, Newbridge would comment only on the ability and obvious capacity for work that Zapf had. Somehow he never felt that he could mention his own discomforts, not only because they revealed a weakness on his part but also because it was quite clear that Goh himself was considerably impressed with Zapf's work and with the contacts he had with him outside the photon laboratory.

Newbridge now began to feel that perhaps the intellectual advantages that Zapf had brought to the group did not quite

compensate for what he felt were evidences of a breakdown in the cooperative spirit he had seen in the group before Zapf's coming. More and more of the morning meetings were skipped. Zapf's opinion concerning the abilities of others of the group, except for Link, was obviously low. At times during morning meetings or in smaller discussions his conversation bordered on rudeness, refusing to pursue an argument when he claimed it was based on another person's ignorance of the facts involved. His impatience of others led him to also make similar remarks to Dr. Goh. Newbridge inferred this from a conversation with Goh in which Goh asked whether Davenport and Oliver were going to be continued on; and his failure to mention Link, the mathematician, led Newbridge to feel that this was the result of private conversations between Zapf and Goh.

It was not difficult for Newbridge to make a quite convincing case on whether the brilliance of Zapf was sufficient recompense for the beginning of this breaking up of the group. He spoke privately with Davenport and with Oliver, and it was quite clear that both of them were uncomfortable because of Zapf. Newbridge didn't press the discussion beyond the point of hearing them say that they did feel awkward and that it was sometimes difficult to understand the arguments Zapf advanced, but often embarrassing to ask him to fill in the basis for his arguments. Newbridge did not interview Link in this manner.

About six months after Zapf's coming into the photon lab, a meeting was scheduled in which the sponsors of the research were coming to get some idea of the work and its progress. It was customary at these meetings for project heads to present the research being conducted in their groups. The members of each group were invited to other meetings that were held later in the day and open to all, but the special meetings were usually made up only of project heads, the head of the laboratory, and the sponsors.

As the time for the special meeting approached, it seemed to Newbridge that he must avoid the presentation at all cost. His reasons for this were that he could not trust himself to present the ideas and work that Zapf had advanced because of his apprehension about whether he could present them in sufficient detail and answer such questions about them as might be asked. On the other hand, he did not feel he could ignore these newer lines of work and present only the material that he had done or that had been started before Zapf's arrival. He felt also that it would not be beyond Zapf at all, in his blunt and undiplomatic way—if he were at the meeting, that is—to comment on his [Newbridge's] presentation and reveal Newbridge's inadequacy. It also seemed quite clear that it would not be easy to keep Zapf from attending the meeting, even though he was not on the administrative level of those invited.

Newbridge found an opportunity to speak to Goh and raised the question. He told Goh that, with the meetings coming up and with the interest in the work and with Zapf's contributions to the work, Zapf would probably like to

come to the meetings, but there was a question of how the others in the group would feel if only Zapf were invited. Goh passed this over very lightly by saying that he didn't think the group would fail to understand Zapf's rather different position and that Zapf certainly should be invited. Newbridge immediately said he agreed: Zapf should present the work because much of it was work he had done, and this would be a nice way to recognize Zapf's contributions and to reward him, because he was eager to be recognized as a productive member of the lab. Goh agreed, and so the matter was decided.

Zapf's presentation was very successful and in some ways dominated the meeting. He attracted the interest and attention of many of those who had come, and a long discussion followed his presentation. Later in the evening—with the entire laboratory staff present—in the cocktail period before the dinner, a little circle of people formed about Zapf. One of them was Goh himself, and a lively discussion took place concerning the application of Zapf's theory. All of this disturbed Newbridge, and his reaction and behavior were characteristic. He joined the circle, praised Zapf to Goh and to others, and remarked on the brilliance of the work.

Newbridge, without consulting anyone, began at this time to take some interest in the possibility of a job elsewhere. After a few weeks he found that a new laboratory of considerable size was being organized in a nearby city and that the kind of training he had would enable him to get a project-head job equivalent to the one he had at the lab, but with slightly more money.

He immediately accepted it and notified Goh by letter, which he mailed on a Friday night to Goh's home. The letter was quite brief, and Goh was stunned. The letter merely said that he had found a better position, that he didn't want to appear at the lab any more for personal reasons; that he would be glad to come back at a later time to assist if there was any mix-up in the past work; that he felt sure Zapf could supply any leadership that the group required; and that his decision to leave so suddenly was based on personal problems—he hinted at problems of health in his family, his mother and father. All of this was fictitious, of course. Goh took it at face value but still felt that this was very strange behavior and quite unaccountable, for he had always felt his relationship with Newbridge had been warm and that Newbridge was satisfied and, in fact, quite happy and productive.

Goh was considerably disturbed, because he had already decided to place Zapf in charge of another project that was going to be set up very soon. He had been wondering how to explain this to Newbridge, in view of the obvious help Newbridge was getting from Zapf and the high regard that Newbridge must have felt toward Zapf. Goh had, indeed, considered the possibility that Newbridge could add to his staff another person with the kind of background and training that had been unique in Zapf and had proved so valuable.

Goh did not make any attempt to meet Newbridge. In a way, he felt aggrieved about the whole thing. Zapf, too, was surprised at the suddenness of Newbridge's departure. When Goh asked Zapf whether he preferred to stay with the photon group instead of the new project for the Air

Force, he chose the Air Force project and went on to that job the following week. The photon lab was hard hit. The leadership of the lab was given to Link with the understanding that this would be temporary until someone could come in to take over.

CASE 6: TAMARACK INDUSTRIES

By David J. Cherrington, Brigham Young University

Tamarack Industries manufactures motorboats primarily used for water skiing. Students are hired during summer months to fill in for permanent employees on vacation. In past years, students worked alongside permanent employees, but a few staff complained that the students were inexperienced, slow, and arrogant. In general, permanent staff disliked the students' behavior, such as listening to music with earphones while working. This summer, the company reorganized all permanent employees into three production teams (they usually have four teams, but 25 percent are on vacation at any given time) and assigned the 16 summer students to their own team on the fourth production line.

The supervisor, Dan Jensen, decided to try a different strategy this summer and have all the college students work on the new line. He asked Mark Allen to supervise the new crew because Mark claimed that he knew everything about boats and could perform every job "with my eyes closed." Mark was happy to accept the new job and participated in selecting the student hires. Mark's crew was called "the Geek Team" because all the college students were savvy with computers, unlike most of the permanent employees.

Mark spent many hours training his student team to get the line running at full production. The college students learned quickly, and by the end of June their production rate was up to standard, with an error rate that was only slightly above normal. To simplify the learning process, Dan Jensen assigned the Geek Team long production runs that generally consisted of 30 to 40 identical units. Thus, the training period was shortened and errors were reduced. Shorter production runs were assigned to the experienced teams.

By the middle of July, a substantial rivalry had been created between the Geek Team and the older workers. At first, the rivalry was good-natured. But after a few weeks, the older workers became resentful of the remarks made by

the college students. The Geek Team often met its production schedules, with time to spare at the end of the day for goofing around. It wasn't uncommon for someone from the Geek Team to go to another line pretending to look for materials just to make demeaning comments. The experienced workers resented having to perform all the shorter production runs and began to retaliate with sabotage. They would sneak over during breaks and hide tools, dent materials, install something crooked, and in other small ways do something that would slow production for the Geek Team.

Dan felt good about his decision to form a separate crew of college students, but when he heard reports of sabotage and rivalry, he became very concerned. Because of complaints from the experienced workers, Dan equalized the production so that all of the crews had similar production runs. The rivalry, however, did not stop. The Geek Team continued to finish early and flaunt their performance in front of the other crews.

One day, the Geek Team suspected that one of their assemblies was going to be sabotaged during the lunch break by one of the experienced crews. By skillful deception, they were able to substitute an assembly from the other experienced line for theirs. By the end of the lunch period, the Geek Team was laughing wildly because of their deception, while one experienced crew was very angry with the other one.

Dan Jensen decided that the situation had to be changed and announced that the job assignments between the different crews would be shuffled. The employees were told that when they appeared for work the next morning, the names of the workers assigned to each crew would be posted on the bulletin board. The announcement was not greeted with much enthusiasm, and Mark Allen decided to talk Dan out of his idea. Mark suspected that many of the college students would quit if their team was broken up.

CASE 7: THE OUTSTANDING FACULTY AWARD

By David J. Cherrington, Brigham Young University; revised by Steven L. McShane,
University of Newcastle (Australia)

I recently served on the Outstanding Faculty Award committee for the College of Business. This award is our college's highest honor for a faculty member, which is bestowed

at a special reception ceremony. At the first meeting, our committee discussed the nomination process and decided to follow our traditional practice of inviting nominations

from both the faculty and students. During the next month, we received six completed files with supporting documentation. Three of the nominations came from department chairs, two from faculty who recommended their colleagues, and one from a group of 16 graduate students.

At the second meeting, we agreed that we didn't know the six applicants well enough to make a decision that day, so we decided that we would read the applications on our own and rank them. There was no discussion about ranking criteria; I think we assumed that we shared a common definition of the word "outstanding."

During the third meeting, it quickly became apparent that each committee member had a different interpretation of what constitutes an "outstanding" faculty member. The discussion was polite, but we debated the extent to which this was an award for teaching, or research, or service to the college, or scholarly textbook writing, or consulting, or service to society, or some other factor. After three hours, we agreed on five criteria that we would apply to independently rate each candidate using a five-point scale.

When we reconvened the next day, our discussion was much more focused as we tried to achieve a consensus regarding how we judged each candidate on each criterion. After a lengthy discussion, we finally completed the task and averaged the ratings. The top three scores had an average rating (out of a maximum of 25) of 21, 19.5, and 18.75. I assumed the person with the highest total would receive the award. Instead, my colleagues began debating over the relevance of the five criteria that we had agreed on the previous day. Some committee members felt, in hindsight, that the criteria were incorrectly weighted or that other criteria should be considered.

Although they did not actually say this, I sensed that at least two colleagues on the committee wanted the criteria or weights changed because their preferred candidate didn't

get the highest score using the existing formula. When we changed the weights in various ways, a different candidate among the top three received the top score. The remaining three candidates received lower ratings every time. Dr. H always received the lowest score, usually around 12 on the 25-point range.

After almost two hours of discussion, the Associate Dean turned to one committee member and said, "Dolan, I sure would like to see Dr. H in your department receive this honor. He retires next year and this would be a great honor for him and no one has received this honor in your department recently."

Dolan agreed, "Yes, this is Dr. H's last year with us and it would be a great way for him to go out. I'm sure he would feel very honored by this award."

I sat there stunned at the suggestion, while Dolan retold how Dr. H had been active in public service, his only real strength on our criteria. I was even more stunned when another committee member, who I think was keen to finish the meeting, said, "Well, I so move" and Dolan seconded it.

The Associate Dean, who was conducting the meeting, said, "Well, if the rest of you think this is a good idea, all in favor say aye." A few members said "Aye," and, without calling for nays, the Associate Dean quickly proceeded to explain what we needed to do to advertise the winner and arrange the ceremony.

During my conversations with other committee members over the next two weeks, I learned that everyone—including the two who said "Aye"—were as shocked as I was at our committee's decision. I thought we made a terrible decision, and I was embarrassed to be a member of the committee. A few weeks later, we were appropriately punished when Dr. H gave a 45-minute acceptance speech that started poorly and only got worse.

CASE 8: THE SHIPPING INDUSTRY ACCOUNTING TEAM

By Steven L. McShane, University of Newcastle (Australia)

For the past five years, I have been working at McKay, Sanderson, and Smith Associates, a mid-sized accounting firm in Boston that specializes in commercial accounting and audits. My particular specialty is accounting practices for shipping companies, ranging from small fishing fleets to a couple of the big firms with ships along the East Coast.

About 18 months ago, McKay, Sanderson, and Smith Associates became part of a large merger involving two other accounting firms. These firms have offices in Miami, Seattle, Baton Rouge, and Los Angeles. Although the other two accounting firms were much larger than McKay, all three firms agreed to avoid centralizing the business around one office in Los Angeles. Instead, the new firm—called

Goldberg, Choo, and McKay Associates—would rely on teams across the country to “leverage the synergies of our collective knowledge” (an often-cited statement from the managing partner soon after the merger).

The effect of the merger affected me a year ago when my boss (a senior partner and vice president of the merged firm) announced that I would be working more closely with three people from the other two firms to become the firm’s new shipping industry accounting team. The other “team members” were Elias in Miami, Susan in Seattle, and Brad in Los Angeles. I had met Elias briefly at a meeting in New York City during the merger, but have never met Susan or Brad, although knew that they were shipping accounting professionals at the other firms.

Initially, the shipping “team” activities involved emailing each other about new contracts and prospective clients. Later, we were asked to submit joint monthly reports on accounting statements and issues. Normally, I submitted my own monthly reports which summarize activities involving my own clients. Coordinating the monthly report with three other people took much more time, particularly since different accounting documentation procedures across the three firms were still being resolved. It took numerous emails and a few telephone calls to work out a reasonable monthly report style.

During this aggravating process, it became apparent—to me at least—that this “teams” business was costing me more time than it was worth. Moreover, Brad in Los Angeles didn’t have a clue as to how to communicate with the rest of us. He rarely replied to emails. Instead, he often used the telephone voice mail system, which resulted in numerous irritating episodes of telephone tag. Brad arrives at work at 9:30 a.m. in Los Angeles (and is often late!), which is early afternoon in Boston. I typically have a flexible work schedule from 7:30 a.m. to 3:30 p.m. so I can chauffeur my kids after school to sports and music lessons. So Brad and I have a window of less than three hours to share information.

The biggest nuisance with the shipping specialist accounting team started two weeks ago when the firm asked the four of us to develop a new strategy for attracting more shipping firm business. This new strategic plan is a messy business. Somehow, we have to share our thoughts on various approaches, agree on a new plan, and write a unified submission to the managing partner. Already, the project is taking most of my time just writing and responding to emails, and talking in conference calls (which none of us did much before the team formed).

Susan and Brad have already had two or three “misunderstandings” via email about their different perspectives on delicate matters in the strategic plan. The worst of these disagreements required a conference call with all of us to resolve. Except for the most basic matters, it seems that we can’t understand each other, let alone agree on key issues. I have come to the conclusion that I would never want Brad to work in my Boston office (thank goodness, he’s on the other side of the country). While Elias and I seem to agree on most points, the overall team can’t form a common vision or strategy. I don’t know how Elias, Susan, or Brad feel, but I would be quite happy to work somewhere that did not require any of these long-distance team headaches.



CASE 9: VERBERG KANSEN N.V.

By Steven L. McShane, University of Newcastle (Australia), based on an earlier case
by Steven Palesy and David A. Nadler

Verberg Kansen N.V. (Verkan) is one of the leading European food manufacturers. Headquartered in Amsterdam, the Netherlands, the company manufactures or imports a full range of grocery foods, such as cereals, dairy products, baby foods, and canned foods. Verkan's products are widely respected for their quality, although the product lines are not considered as innovative as from other large competitors and small start-up boutique-style food manufacturers in the region. The company owns production operations within Europe but also imports a small percentage of its products from outside Europe. It has a well-developed distribution network and warehousing facilities, providing direct delivery of products from the warehouses to food retailers, restaurants, institutions, and other client groups across Europe.

Verkan's baby foods division is a relatively small part of the overall business but, until recently, has provided steady revenue growth with good profit margins. Its baby foods brand is well-known to consumers, and is premium-priced with an overall market share across Europe of approximately 25 percent in a fragmented market of almost a dozen brands. Within the past decade, Verkan expanded sales of several food products, including its full range of

baby foods, into Asia. Asian sales of Verkan's baby foods enjoy approximately 15 percent growth per year, compared to 3 or 4 percent growth in recent years for its baby foods in Europe.

The baby foods division was formed more than two decades ago and grew rapidly as it introduced a broad range of foods for the infant market, including strained vegetables, fruits, meats, and combined variations of these foods. Baby food sales growth ranged from 10 and 20 percent per year during the first decade, then growth slowed about 10 years ago. During those early years, the number of different types of infant food products increased tremendously to keep up with increasing demand for a greater number of foods and a greater variety of products. The product line includes foods that are pureed or strained (for babies about 5 months and older) as well as partially strained or chopped (for infants about 10 months and older).

The European market for baby foods has changed considerably in recent years. The growth rate in sales for this market has slowed considerably, which is partly due to decreasing birth rates throughout many European countries. The industry also faces increasing scrutiny from consumers and government regulators regarding product content and

food additives, such as food dyes and preservatives. Some online influencers even urge parents to make their own baby food rather than buy products from food manufacturers. Competition in the baby food industry has also increased, particularly from start-up boutique brands with premium pricing as well as from grocery store private label brands competing on the basis of price. Verkan faces similar competition and consumer challenges in several product groups beyond its baby foods division.

Verkan's senior executive team has been highly concerned about these threats to the company's infant products and, ultimately, the company's financial health. Baby food sales growth barely reached 3 percent in the most recent year, which has resulted in less efficient production and unused warehouse capacity. Verkan's executives have made it a priority to seek out new revenue streams, including innovative alternative markets for the company's products as well as the development of new products.

Verberg Kansen's Organizational Structure

Verkan is organized into six divisions, each of which is led by a vice president who reports to the chief executive officer (Exhibit 1). Four divisions represent product groups, specifically dairy, cereals, baby, and canned foods. These food groups have somewhat or very distinct customers and marketing practices. A fifth division is responsible for international (mostly Asian) marketing and sales. The sixth division oversees the company's European production operations and warehouse facilities. Also reporting to the

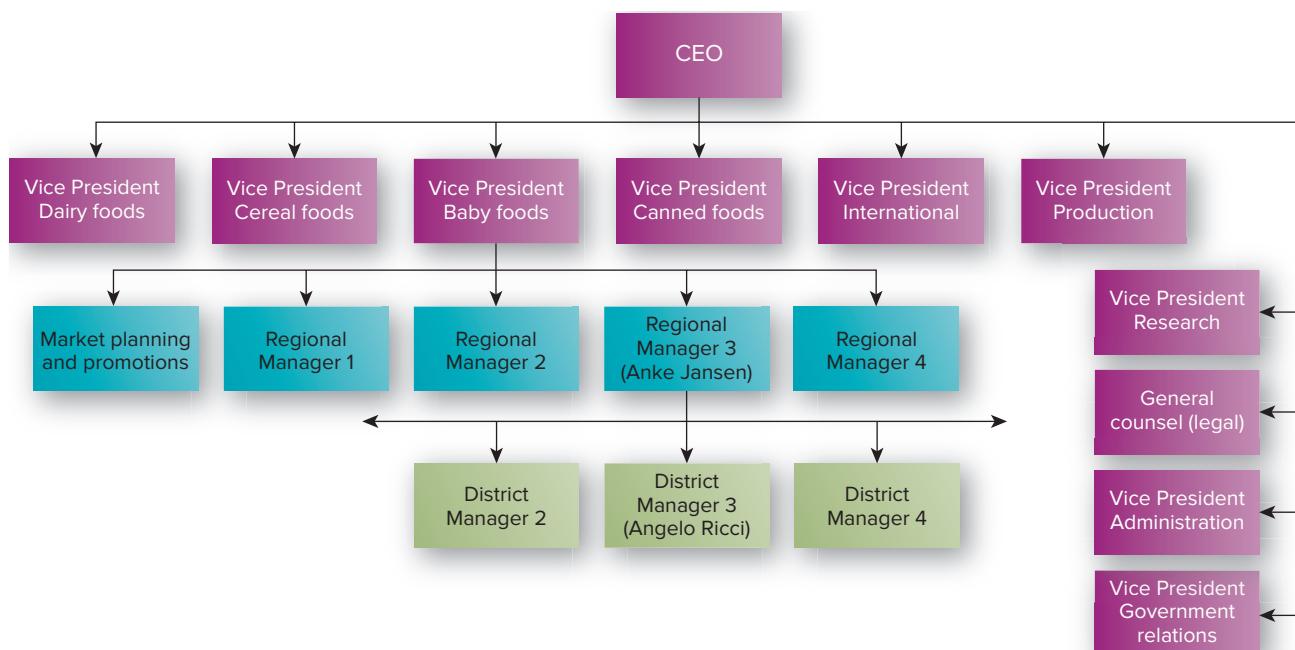
CEO are the heads of product research, legal, government relations, and administration.

Each product group is primarily a marketing and sales organization, so most direct reports to the vice president are sales managers for each of the four European regions. The vice president's office is responsible for overall market planning, sales promotion, advertising, and sales within that food group, as well as liaison with the company's centralized product research center.

Exhibit 1 also shows the baby foods group structure beneath the top reporting level. Europe is divided into four regions, so each food group has four regional sales managers. Regions are further divided into several districts. Each district may represent part of a country, or one very large metropolitan area. A food group district manager leads the Verkan sales teams in one district. The food group's sales team is responsible for selling Verkan products to retailers, negotiating shelf space with those customers, addressing delivery issues, and managing promotions developed by the food group's market planning and promotion team.

District managers report to the regional sales manager responsible for that group in a specific area of Europe. The regional sales manager position has been an entry position for graduates of well-regarded MBA programs, who subsequently are promoted to high-level positions within the company. Verkan's current CEO, the vice presidents of three out of the four food groups, and a few marketing specialists, began their careers at Verkan as regional sales managers.

EXHIBIT 1 Partial Organizational Structure of Verberg Kansen (Verkan) N.V.



Verberg Kansen's Yearly Sales Plan

Verkan's regional managers focus much of their attention on the yearly sales plan, which includes projections of sales, expenses, and profit. The yearly sales plan consists of the key goals against which regional manager's performance is measured. The annual sales plan is developed through a multistage process.

In the first stage, the technical market planning team within a food group projects sales for the coming year for that division. Concurrently, regional managers develop sales projections for that food group in their area. These sales manager estimates are typically extrapolations of the previous year's sales figures, adjusting for any expected market changes. The regional managers' projections are submitted to the divisional vice president and market planning team.

Invariably, the market planning team's projections are higher than the regional manager projections. So, in the second stage, the product group's regional managers negotiate with that food group's market planning team to resolve those differences and agree on a sales plan. Along with stating projected sales volume for the division and each region, the sales plan identifies the division's promotion and advertising budgets, other expenditures, and expected profits.

Next, Verkan's vice president for each product group communicates formal sales targets to each regional manager. These targets are then cascaded down to the district managers and their sales teams. This information includes both each district's formal sales targets and expense budget for the next financial year.

Each district manager receives a relatively low base salary and a large yearly bonus calculated by his or her sales team's performance against the sales plan. The district manager also receives a pool of bonus money, the amount of which varies with the district's success compared to the sales plan. The district manager distributes these funds to individual salespeople. Sales staff also receive a relatively low base salary, so the yearly bonus is their major source of income.

Anke Jansen, Southern European Regional Manager, Baby Foods

Anke Jansen is the regional sales manager responsible for baby foods in Southern Europe. Anke completed an MBA program from one of Europe's top universities, majoring in marketing and graduating near the top of her class. Anke's first job following graduation was as an assistant product manager at a large consumer products company. Over her four years employed at that firm, she demonstrated her ability to manage current products and assist the launch of new offerings.

Seeing no opportunities for quick advancement at the consumer products firm, last year Anke accepted the position of regional sales manager at Verkan's baby food group. Her starting salary at Verkan was higher, and she would receive a potentially large bonus based on the baby food

group's performance and the entire company's profits. Verkan also offered good career progress opportunities. She learned that many of Verkan's senior executives had started in the regional manager position.

Currently beginning her second year at Verkan, Anke remains eager to perform her job well, particularly working with her eight district managers. She encourages them to identify new markets and other innovations to improve sales of the company's various baby food products.

A Researcher Studies Verberg Kansen

A researcher from a major European business school was recently given permission by Verkan to study the company's operations and management practices. After developing an initial understanding of the company, the researcher decided to more closely study the European sales groups and issues that were being experienced there. One of his earliest interviews was with Anke Jansen, the baby foods regional sales manager for southern Europe, who he visited in her Amsterdam office. After introductions, Anke described the variety of baby food products that Verkan offered the market and how they related to sales in her southern Europe region. After this preliminary discussion, Anke revealed her thoughts and concerns:

"I was hired by Verberg Kansen a little more than a year ago. There has been some growth during that time, but it has been uneven. To some extent, I believe that we are starting to get back on track toward our sales plan. But it has been a much more challenging journey than I ever thought. Our approach to selling baby food is too traditional, too old school. We need more innovative selling methods and ideas for new markets. Unfortunately, the frontline sales staff—even the district managers—don't seem to be fully on board. Everyone is content to continue their current sales routines just to meet the sales goals. Very few of them have mentioned any new ideas to increase market share and profitability."

"Verkan's baby foods is a very mature product line. The vice president of baby foods recognizes that as well as our critical need to diversify. In other words, we need to reduce our dependence on a steadily increasing population as the main source of growth. The product development people have some exciting ideas in the works, but it will be a few years of refinement and testing before these products are on the market. Until then, it is up to us in the field to generate new ideas that will boost sales of our existing product line."

"I'm sure there must be better ways to market our products—new practices we can apply or clients that we can serve to boost sales volume and profits for our region and the entire division. It's a known truth that the best ideas come from the field—from our district salespeople. But as I've said, there has been no more than a trickle of suggestions from them. They literally expect the products to continue to sell themselves without any special initiative from frontline sales staff. The districts just think their job is to assist with promotions developed at division headquarters, maintain good relations with our larger



customers, and keep the shelves stocked. That's all they have done for years and, in their minds, that's all they need to do for years to come.

At this juncture of the interview, Anke brought out some sales plan data for the current year in her region, including the sales volumes of the districts and individual salespeople. With a touch of emotion, Anke pointed to data from sales staff in the district covering Northern Italy:

"Look here at Angelo Ricci (pronounced Rik-Chee) and his team in [the northern Italy district]. This illustrates the difficulties I am facing. Our regional and divisional sales growth in baby foods continues to slow down—sales increased by only 3 percent last year across the division! Sales actually contracted from last year in some districts. Yet Angelo's group consistently delivers sales volumes that are 10 percent above the sales plan.

"Of course, I've been down to their district office numerous times and spent time talking with Angelo, but he can't seem to explain why they are doing so well. And I can't figure out how they do it, either. Surely they are doing something that would benefit everyone selling Verkan baby foods. Yet whenever I ask Angelo, I get vague answers. He'll often reply: 'Well, my salespeople work very hard to get those sales' or 'Teamwork! Just plain teamwork is why we succeed.' I'm sure there is a reason—maybe a few reasons—beyond these explanations, but I can't seem to get Angelo to open up."

The Researcher Visits Northern Italy

The situation in the northern Italy district sparked the researcher's curiosity, so he arranged a six-week visit with district manager Angelo Ricci and his team. The researcher was given a letter of introduction from the vice president of the baby foods division. The letter asked the sales teams to assist the researcher, who was collecting data for a research study that potentially might help the company. The letter emphasized that any information collected by the researcher would be confidential.

During the first week or more, it was evident to the researcher that Angelo Ricci and his district salespeople were suspicious of his visit. But the researcher spent numerous days traveling along the northern Italian roads with each of the sales staff, visiting a variety of grocery stores and other clients. Slowly, as the researcher gained their trust, the sales staff revealed more of their true feelings about their jobs and the company. (See Exhibit 2 for a listing of Angelo Ricci's Northern Italy sales team members).

Davide Pascutti, the unofficial assistant district manager, gave a heartfelt explanation about why he enjoyed his work as a district salesperson:

"It's the freedom! Really, I'm my own boss in this job most of the time. I couldn't imagine being in an office day in-day out with some supervisor breathing down my neck and checking through all of my work. In sales, you get to drive through the wonderful countryside, colorful city streets, and generally be out in the real world. I'm doing what I like most—talking to people, being out and about, and making the sale."

Raffaele Anzil has worked at Verkan for 30 years, more than anyone else in Angelo Ricci's sales team. Along with discussing his job, he particularly described the unique qualities of the sales group in this district:

"You couldn't ask for a greater bunch of people to work with. Over the years, I've been with a few different teams, and these guys are the best. I've worked with Davide and Angelo for almost 15 years, so I know them well. We are true friends—I wouldn't trade this group for anything. That goes for Angelo, too. He may be the district manager, but Angelo is really one of us. He lets us do our jobs without micromanaging because he knows that we are good at sales. We just continue to do our work as we know best, and that's just fine with Angelo."

"What makes these guys special is that they help you out when you need it. I was sick last year, which meant that I couldn't keep up with store checks and other fieldwork for a while. They [the other district salespeople] all took turns

EXHIBIT 2 Northern Italy District Sales Team

NAME	POSITION	AGE	YEARS WITH VERKAN	EDUCATION
Angelo Ricci	District sales manager	52	24	Upper secondary school
Davide Pascutti	Salesperson (assistant manager)	50	24	Upper secondary school
Raffaele Anzil	Salesperson	56	30	Upper secondary school
Francesco Orbel	Salesperson	49	18	1 year university
Alessandro Volpe	Salesperson	35	12	2 years university
Mattia Costa	Salesperson	28	4	Laurea (undergrad degree)
Pietro Bianci	Salesperson	30	3	Laurea (undergrad degree)

covering my territory. We made our plan plus 10 percent, yet didn't report my illness to the company.

"I'll tell you, too, that we can be a bit hard on a coworker who doesn't go along with how we do things around here. One of the young guys, Pietro, joined the team a few years back. My, oh my! He was so fired up about the job! He was going to sell baby food to half the mothers in Italy, personally! It took some, er, gentle coaxing to let Pietro realize that selling at Verkan means that you, uh [hesitates] . . . have to pace yourself and not waste your effort for this firm. Because of his over-eagerness when he got hired, Pietro experienced a few, er, setbacks that slowed him down. Some of his sales orders got lost, a couple of shipments were misdirected, things like that. Yeah, some of the guys were making his life a little bit difficult by creating these mix-ups. But when he finally realized what we were expecting from each other, everyone treated Pietro great and showed him how to work better rather than harder."

The researcher then asked Raffaele about his views on Verkan as a place to work. The salesperson's reply was blunt:

"It doesn't take much brainpower to see that the company is out to screw us [district sales staff]. Up in Netherlands, they are concerned about one thing—the numbers, meeting the plan, no matter what. But it's a no-win situation. Let's say you work hard and meet the plan, and then increase sales so you can earn some decent money. What happens? Head office just raises the sales target next year based on how hard you worked this year! Then, next year, you have to work even harder just to meet the minimum sales quota and make the same money, or more likely less money. It just doesn't pay to bust your ass for this company.

"Also, Verkan's people in Amsterdam love paperwork and digital reports. They expect us to file sales reports, call reports, all kinds of reports. If you got online and filled out all of the information that they want, you'd have no time left to do any selling, meeting clients, looking for new accounts, or anything else that a salesperson needs to do to keep ahead of the game."

The researcher soon discovered that Raffaele's views on the company were similar to those held by other Verkan baby food salespeople in Northern Italy. For example, this is what Francesco Orbel said to the researcher as they were driving around Milan meeting clients:

"Have you heard about Verkan's suggestion plan? What a joke! We're supposed to come up with some brilliant ideas about how to increase baby food sales for the company. So, you think up an idea that makes our division a million dollars in profit across the continent. What do they generously give you in return? €3,000, that's all. That's the top figure, €3,000 for your idea. What a joke . . . no, what an insult!"

"Keep this in mind: we're basically in this for the money. Don't get any fancy ideas that this is a comfortable or glamorous job. It's not! You're out on the road all of the time, staying in mid-standard hotels, and constantly fighting the competition. But these hassles are worth it because I can earn more money than doing any other job available to someone like me.

I can live better than most 'professionals' with all their Laurea [completed university degrees].

"That's what's so great about Angelo, too. He understands that this is all about making good money. He makes sure that we not only make our plan, but that we get a healthy bonus every year, without fail. And frankly, he is very good at keeping the people in Amsterdam from taking those bonuses away from us. He's not management; he's one of us.

"You can see Angelo's commitment to us when the entire district sales team meets. Once every two or three months we all get together, usually in Brescia, Bergamo, or sometimes Verona—someplace small enough that we can get good accommodation at a decent price. We spend a day going over our sales figures, promotions expenses, and things we noticed about selling. We spend the entire day working on these things in this hotel meeting room. Then everyone goes out and has a fun night on the town, usually drinking. Angelo is one of us. More than a few nights I've had to help carry him back to the hotel."

Almost one month after arriving in Northern Italy, the researcher was invited to attend the team's next meeting, in Brescia. Angelo Ricci drew the researcher aside during the luncheon break and said the following:

"Listen, before we start the afternoon part of the meeting, I need to talk to you about something. The guys trust you enough to let you in on this. You have probably noticed that we have been fairly successful with our sales targets and bonuses. You're right, we have been, and for a good reason.

"About three years ago, Francesco made a great discovery. While checking shelf space in one of the stores, he noticed that it wasn't just moms and dads buying our baby food products for their babies. Many customers were elderly people! Well, the others here starting looking more closely in their areas and found the same thing. In fact, a lot of old folks are buying Verkan baby foods for themselves, particularly the chopped and partially strained varieties. We talked with some of them. They like our stuff, but they buy it mainly because they have all kinds of teeth problems so they can't chew food very well.

"So, now we have grown a very lucrative trade with a number of the seniors' homes. But to keep it quiet from Amsterdam, we've arranged to sell our products to these seniors residences through supermarkets located nearby where there is a large elderly population. It's a great new market. More to the point: it takes the pressure off us to make plan. In fact, since our discovery, we haven't had to push very hard to keep making plan plus about 10 percent increase in district sales volume.

"We've been very careful—and so far quite successful—at keeping Amsterdam from finding out. It would be 'game over' if they knew. They would up our plan, which leaves us no time to sell, to develop new customers, to develop new accounts, to do anything necessary these days to keep our pay at a decent level. This elderly market is our 'cushion.' It adds enough of an annual sales volume increase that we can focus our time on staying on top of our territory. I'm telling you this now because the seniors market is on our agenda this afternoon.

Everyone here believes you are OK, so I'm trusting you to keep this to yourself. That letter you showed me when you first showed up said you'd keep everything confidential, right? I hope I'm not making a mistake telling you this."

A week after the Brescia meeting, the researcher bid farewell to Angelo Ricci and his sales team and returned to his university in [another European country]. But on his way back, he arranged a final visit with Anke Jansen in Amsterdam. It was immediately evident that Anke was even more stressed about baby food sales in her region.

"The regional managers met the other day with the VP (vice president of the baby foods division). Verkan is putting even more pressure on all of us to lift sales. Somehow, I get the sense that my job is on the line. Maybe it's because a couple of

my districts are lagging behind most others, but every region has districts that can't make the plan. Even if I'm not fired, the market planning team has made it clear that they will demand a larger sales increase in next year's plan. My future with Verkan doesn't look good unless I can find some way to improve this situation.

"What's worse is that I'm getting pressure from both sides. My district managers push back that they are working harder than ever. They claim they have squeezed out all the new sales they can. Even Angelo Ricci objected that he will fall short of the plan if next year's sales targets are increased. Yet his district always seems to pull a rabbit out of their hat and increase sales by an extra 10 percent. I'd love to be a fly on their wall to know what they're really doing there [in the Northern Italy district]."

appendix A

Theory Building and Systematic Research Methods

THEORY BUILDING

People need to make sense of their world, so they form theories about the way the world operates. A **theory** is a general set of propositions that describes interrelationships among several concepts. We form theories for the purpose of predicting and explaining the world around us.¹ What does a good theory look like? First, it should be stated as clearly and simply as possible so that the concepts can be measured and there is no ambiguity regarding the theory's propositions. Second, the elements of the theory must be logically consistent with each other, because we cannot test anything that doesn't make sense. Third, a good theory provides value to society; it helps people understand their world better than they would without the theory.²

Theory building is a continuous process that typically includes the inductive and deductive stages shown in Exhibit A.1.³ The inductive stage draws on personal experience to form a preliminary theory, whereas the deductive stage uses the scientific method to test the theory.

The inductive stage of theory building involves observing the world around us, identifying a pattern of relationships, and then forming a theory from these personal observations. For example, you might casually notice that new employees want their supervisor to give direction, whereas this leadership style irritates long-service employees. From these observations, you form a theory about the effectiveness of directive leadership. (See Chapter 12 for a discussion of this leadership style.)

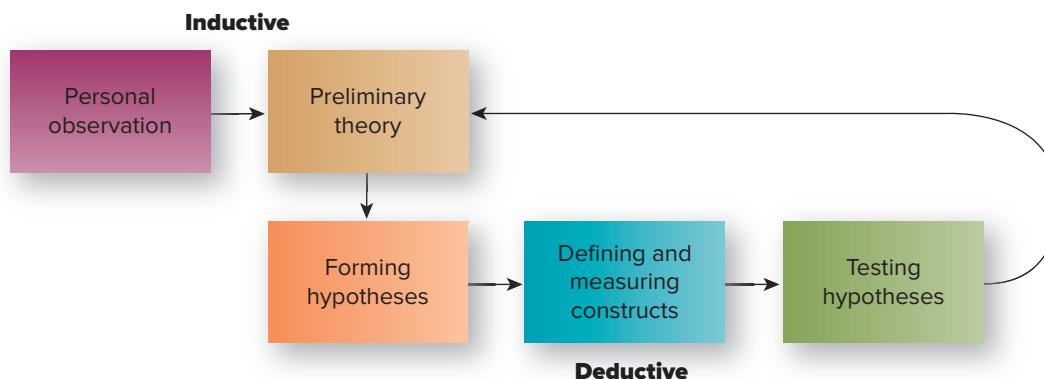
POSITIVISM VERSUS INTERPRETIVISM

Research requires an interpretation of reality, and researchers tend to perceive reality in one of two ways. A common view, called **positivism**, is that reality exists independent of people. It is "out there" to be discovered and tested. Positivism is the foundation for most quantitative research (statistical analysis). It assumes that we can measure variables and those variables have fixed relationships with other variables. For example, the positivist perspective says that we could study whether a supportive style of leadership reduces stress. If we find evidence that it does, then someone else studying leadership and stress would "discover" the same relationship.

Interpretivism takes a different view of reality. It suggests that reality comes from shared meaning among people in a particular environment. For example, supportive leadership is a personal interpretation of reality, not something that can be measured across time and people. Interpretivists rely mainly on qualitative data, such as observation and nondirective interviews. They particularly listen to the language people use to understand the common meaning that people assign to various events or phenomena. For example, they might argue that you need to experience and observe supportive leadership to effectively study it. Moreover, you can't really predict relationships because the specific situation shapes reality.⁴

Most OB scholars identify themselves somewhere between the extreme views of positivism and interpretivism.

EXHIBIT A.1 Theory Building and Theory Testing



Many believe that inductive research should begin with an interpretivist angle. We should consider a new topic with an open mind and search for shared meaning among people in the situation being studied. In other words, researchers should let the participants define reality rather than let the researcher's preconceived notions shape that reality. This process involves gathering qualitative information and letting this information shape their theory.⁵ After the theory emerges, researchers shift to the positivist perspective by quantitatively testing relationships in that theory.

THEORY TESTING: THE DEDUCTIVE PROCESS

Once a theory has been formed, we shift into the deductive stage of theory building. This process includes forming hypotheses, defining and measuring constructs, and testing hypotheses (see Exhibit A.1). **Hypotheses** make empirically testable declarations that certain variables and their corresponding measures are related in a specific way proposed by the theory. For instance, to find support for directive leadership theory, we need to form and then test a specific hypothesis from that theory. One such hypothesis might be: "New employees are more satisfied with supervisors who exhibit a directive rather than nondirective leadership style." Hypotheses are indispensable tools of scientific research because they provide the vital link between the theory and empirical verification.

Defining and Measuring Constructs Hypotheses are testable only if we can define and then form measurable indicators of the concepts stated in those hypotheses. Consider the hypothesis in the previous paragraph about new employees and directive leadership. To test this hypothesis, we first need to define the concepts such as "new employees," "directive leadership," and "supervisor." These are known as **constructs** because they are abstract ideas constructed by the researcher that can be linked to observable information. Organizational behavior researchers developed the construct called *directive leadership* to help them understand the different effects that leaders have on followers. We can't directly see, taste, or smell directive leadership; instead, we rely on indirect indicators of its existence, such as observing someone giving directions, maintaining clear performance standards, and ensuring that procedures and practices are followed.

As you can see, defining constructs well is very important, because these definitions become the foundation for finding or developing acceptable measures of those constructs. We can't measure directive leadership if we have only a vague idea about what this concept means. The better the construct is defined, the better our chances of finding or developing a good measure of that construct. However, even with a good definition, constructs can be difficult to measure, because the empirical representation must capture several elements in the definition. A measure

of directive leadership must be able to identify not only people who give directions but also those who maintain performance standards and ensure that procedures are followed.

Testing Hypotheses The third step in the deductive process is to collect data for the empirical measures of the variables. Following our directive leadership example, we might conduct a formal survey in which new employees indicate the behavior of their supervisors and their attitudes toward their supervisors. Alternatively, we might design an experiment in which people work with someone who applies either a directive or a nondirective leadership style. When the data have been collected, we can use various procedures to statistically test our hypotheses.

A major concern in theory building is that some researchers might inadvertently find support for their theory simply because they use the same information used to form the theory during the inductive stage. Consequently, the deductive stage must collect new data that are completely independent of the data used during the inductive stage. For instance, you might decide to test your theory of directive leadership by studying employees in another organization. Moreover, the inductive process may have relied mainly on personal observation, whereas the deductive process might use survey questionnaires. By studying different samples and using different measurement tools, we minimize the risk of conducting circular research.

USING THE SCIENTIFIC METHOD

Earlier, we said that the deductive stage of theory building follows the scientific method. The **scientific method** is a systematic, controlled, empirical, and critical investigation of hypothetical propositions about the presumed relationships among natural phenomena.⁶ There are several elements to this definition, so let's look at each one. First, scientific research is *systematic and controlled* because researchers want to rule out all but one explanation for a set of interrelated events. To rule out alternative explanations, we need to control them in some way, such as by keeping them constant or removing them entirely from the environment.

Second, we say that scientific research is *empirical* because researchers need to use objective reality—or as close as we can get to it—to test a theory. They measure observable elements of the environment, such as what a person says or does, rather than relying on their own subjective opinion to draw conclusions. Moreover, scientific research analyzes these data using acceptable principles of mathematics and logic.

Third, scientific research involves *critical investigation*. This means that the study's hypotheses, data, methods, and results are openly described so that other experts in the field can properly evaluate the research. It also means that scholars are encouraged to critique and build on previous research. The scientific method encourages the refinement

and eventually the replacement of a particular theory with one that better suits our understanding of the world.

GROUNDED THEORY: AN ALTERNATIVE APPROACH

The scientific method dominates the quantitative approach to systematic research, but another approach, called **grounded theory**, dominates research using qualitative methods.⁷ Grounded theory is a process of developing knowledge through the constant interplay of data collection, analysis, and theory development. It relies mainly on qualitative methods to form categories and variables, analyze relationships among these concepts, and form a model based on the observations and analysis. Grounded theory combines the inductive stages of theory development by cycling back and forth between data collection and analysis to converge on a robust explanatory model. This ongoing reciprocal process results in theory that is grounded in the data (hence the name grounded theory).

Like the scientific method, grounded theory is a systematic and rigorous process of data collection and analysis. It requires specific steps and documentation and adopts a positivist view by assuming that the results are generalizable to other settings. However, grounded theory also takes an interpretivist view by building categories and variables from the perceived realities of the subjects rather than from an assumed universal truth.⁸ It also recognizes that personal biases are not easily removed from the research process.

SELECTED ISSUES IN ORGANIZATIONAL BEHAVIOR RESEARCH

There are many issues to consider in theory building, particularly when we use the deductive process to test hypotheses. Some of the more important issues are sampling, causation, and ethical practices in organizational research.

SAMPLING IN ORGANIZATIONAL RESEARCH

To find out why things happen in organizations, we typically gather information from a few sources and then draw conclusions about the larger population. If we survey several employees and determine that older employees are more loyal to their company, then we would like to generalize this statement to all older employees in our population, not just those whom we surveyed. Scientific inquiry generally requires that researchers engage in **representative sampling**—that is, sampling a population in such a way that we can extrapolate the results of the sample to the larger population.

One factor that influences representativeness is whether the sample is selected in an unbiased way from the larger population. Let's suppose that you want to study organizational commitment among employees in your organization. A casual procedure might result in sampling too few

employees from the head office and too many located elsewhere in the country. If head office employees actually have higher loyalty than employees located elsewhere, the biased sampling would cause the results to underestimate the true level of loyalty among employees in the company. If you repeat the process again next year but somehow overweight employees from the head office, the results might wrongly suggest that employees have increased their organizational commitment over the past year. In reality, the only change may be the direction of sampling bias.

How do we minimize sampling bias? The answer is to randomly select the sample. A randomly drawn sample gives each member of the population an equal probability of being chosen, so there is less likelihood that a subgroup within that population will dominate the study's results.

The same principle applies to the random assignment of participants to groups in experimental designs. If we want to test the effects of a team development training program, we need to randomly place some employees in the training group and randomly place others in a group that does not receive training. Without this random selection, each group might have different types of employees, so we wouldn't know whether the training explains the differences between the two groups. Moreover, if employees respond differently to the training program, we couldn't be sure that the training program results are representative of the larger population. Of course, random sampling does not necessarily produce a perfectly representative sample, but we do know that it is the best approach to ensure unbiased selection.

The other factor that influences representativeness is sample size. Whenever we select a portion of the population, there will be some error in our estimate of the population values. The larger the sample, the less error will occur in our estimate. Let's suppose that you want to find out how employees in a 500-person firm feel about smoking in the workplace. If you asked 400 of those employees, the information would provide a very good estimate of how the entire workforce in that organization feels. If you survey only 100 employees, the estimate might deviate more from the true population. If you ask only 10 people, the estimate could be quite different from what all 500 employees feel.

Notice that sample size goes hand in hand with random selection. You must have a sufficiently large sample size for the principle of randomization to work effectively. In our example of attitudes toward smoking, we would do a poor job of random selection if our sample consisted of only 10 employees from the 500-person organization. The reason is that these 10 people probably wouldn't capture the diversity of employees throughout the organization. In fact, the more diverse the population, the larger the sample size should be to provide adequate representation through random selection.

CAUSATION IN ORGANIZATIONAL RESEARCH

Theories present notions about relationships among constructs. Often, these propositions suggest a causal relationship, namely, that one variable has an effect on another variable. When discussing causation, we refer to variables as being independent or dependent. *Independent variables* are the presumed causes of *dependent variables*, which are the presumed effects. In our earlier example of directive leadership, the main independent variable (there might be others) would be the supervisor's directive or nondirective leadership style because we presume that it causes the dependent variable (satisfaction with supervision).

In laboratory experiments (described later) the independent variable is always manipulated by the experimenter. In our research on directive leadership, we might have subjects (new employees) work with supervisors who exhibit directive or nondirective leadership behaviors. If subjects are more satisfied under the directive leaders, we would be able to infer an association between the independent and dependent variables.

Researchers must satisfy three conditions to provide sufficient evidence of causality between two variables.⁹ The first condition of causality is that the variables are empirically associated with each other. An association exists whenever one measure of a variable changes systematically with a measure of another variable. This condition of causality is the easiest to satisfy, because there are several well-known statistical measures of association. A research study might find, for instance, that heterogeneous groups (in which members come from diverse backgrounds) produce more creative solutions to problems. This might be apparent because the measure of creativity (such as number of creative solutions produced within a fixed time) is higher for teams that have a high score on the measure of group heterogeneity. They are statistically associated or correlated.

The second condition of causality is that the independent variable precedes the dependent variable in time. Sometimes, this condition is satisfied through simple logic. In our group heterogeneity example, it doesn't make sense to say that the number of creative solutions caused the group's heterogeneity, because the group's heterogeneity existed before the group produced the creative solutions. In other situations, however, the temporal relationship among variables is less clear. One example is the ongoing debate about job satisfaction and organizational commitment. Do companies develop more loyal employees by increasing their job satisfaction, or do changes in organizational loyalty cause changes in job satisfaction? Simple logic does not answer these questions; instead, researchers must use sophisticated longitudinal studies to build up evidence of a temporal relationship between the two variables.

The third requirement for evidence of a causal relationship is that the statistical association between two variables cannot be explained by a third variable. There are many associations that we quickly dismiss as causally related. For example, there is a statistical association between the number of storks in an area and the birthrate in that area. We know that storks don't bring babies, so something else must cause the association between these two variables. The real explanation is that both storks and birthrates have a higher incidence in rural areas.

In other studies, the third variable effect is less apparent. Many years ago, before polio vaccines were available, a study in the United States reported a surprisingly strong association between consumption of a certain soft drink and the incidence of polio. Was polio caused by drinking this soda, or did people with polio have an unusual craving for this beverage? Neither. Both polio and consumption of the soft drink were caused by a third variable: climate. There was a higher incidence of polio in the summer months and in warmer climates, and people drink more liquids in these climates.¹⁰ As you can see from this example, researchers have a difficult time supporting causal inferences because third-variable effects are sometimes difficult to detect.

ETHICS IN ORGANIZATIONAL RESEARCH

Organizational behavior researchers need to abide by the ethical standards of the society in which the research is conducted. One of the most important ethical considerations is the individual respondent's freedom to participate in the study. For example, it is inappropriate to force employees to fill out a questionnaire or attend an experimental intervention for research purposes only. Moreover, researchers have an obligation to tell potential subjects about any possible risks inherent in the study so that participants can make an informed choice about whether to be involved.

Finally, researchers must be careful to protect the privacy of those who participate in the study. This usually includes letting people know when they are being studied as well as guaranteeing that their individual information will remain confidential (unless publication of identities is otherwise granted). Researchers maintain anonymity through careful security of data. The research results usually aggregate data in numbers large enough that they do not reveal the opinions or characteristics of any specific individual. For example, we would report the average absenteeism of employees in a department rather than state the absence rates of each person. When researchers are sharing data with other researchers, it is usually necessary to code each case so that individual identities are not known.

RESEARCH DESIGN STRATEGIES

So far, we have described how to build a theory, including the specific elements of empirically testing the theory within the standards of scientific inquiry. But what are the different ways to design a research study so that we get the data necessary to achieve our research objectives? There are many strategies, but they mainly fall under three headings: laboratory experiments, field surveys, and observational research.

LABORATORY EXPERIMENTS

A **laboratory experiment** is any research study in which independent variables and variables outside the researcher's main focus of inquiry can be controlled to some extent. Laboratory experiments are usually located outside the everyday work environment, such as in a classroom, simulation lab, or any other artificial setting in which the researcher can manipulate the environment. Organizational behavior researchers sometimes conduct experiments in the workplace (called *field experiments*) in which the independent variable is manipulated. However, researchers have less control over the effects of extraneous factors in field experiments than they have in laboratory situations.

Advantages of Laboratory Experiments There are many advantages of laboratory experiments. By definition, this research method offers a high degree of control over extraneous variables that would otherwise confound the relationships being studied. Suppose we wanted to test the effects of directive leadership on the satisfaction of new employees. One concern might be that employees are influenced by how much leadership is provided, not just the type of leadership style. An experimental design would allow us to control how often the supervisor exhibited this style so that this extraneous variable does not confound the results.

A second advantage of lab studies is that the independent and dependent variables can be developed more precisely than is possible in a field setting. For example, the researcher can ensure that supervisors in a lab study apply specific directive or nondirective behaviors, whereas real-life supervisors would use a more complex mixture of leadership behaviors. By using more precise measures, we are more certain that we are measuring the intended construct. Thus, if new employees are more satisfied with supervisors in the directive leadership condition, we are more confident that the independent variable was directive leadership rather than some other leadership style.

A third benefit of laboratory experiments is that the independent variable can be distributed more evenly among participants. In our directive leadership study, we can ensure that approximately half of the subjects have a directive supervisor, whereas the other half have a nondirective supervisor. In natural settings, we might have trouble finding people who have worked with a nondirective leader and, consequently, we couldn't determine the effects of this condition.

Disadvantages of Laboratory Experiments

With these powerful advantages, you might wonder why laboratory experiments are the least appreciated form of organizational behavior research.¹¹ One obvious limitation of this research method is that it lacks realism, and thus the results might be different in the real world. One argument is that laboratory experiment subjects are less involved than their counterparts in an actual work situation. This is sometimes true, though many lab studies have highly motivated participants. Another criticism is that the extraneous variables controlled in the lab setting might produce a different effect of the independent variable on the dependent variables. This might also be true, but remember that the experimental design controls variables in accordance with the theory and its hypotheses. Consequently, this concern is really a critique of the theory, not the lab study.

Finally, there is the well-known problem that participants are aware they are being studied, which causes them to act differently than they normally would. Some participants try to figure out how the researcher wants them to behave and then deliberately try to act that way. Other participants try to upset the experiment by doing just the opposite of what they believe the researcher expects. Still others might act unnaturally simply because they know they are being observed. Fortunately, experimenters are well aware of these potential problems and are usually (though not always) successful at disguising the study's true intent.

FIELD SURVEYS

Field surveys collect and analyze information in a natural environment—an office, a factory, or some other existing location. The researcher takes a snapshot of reality and tries to determine whether elements of that situation (including the attitudes and behaviors of people in that situation) are associated as hypothesized. Everyone does some sort of field research. You might think that people from some states are better drivers than others, so you "test" your theory by looking at the way people with out-of-state license plates drive. Although your methods of data collection might not satisfy scientific standards, this is a form of field research because it takes information from a naturally occurring situation.

One advantage of field surveys is that the variables often have a more powerful effect than they would in a laboratory experiment. Consider the effect of peer pressure on the behavior of members within the team. In a natural environment, team members would form very strong cohesive bonds over time, whereas a researcher would have difficulty replicating this level of cohesiveness and corresponding peer pressure in a lab setting.

Another advantage of field surveys is that the researcher can study many variables simultaneously, thereby permitting a fuller test of more complex theories. Ironically, this is also a disadvantage of field surveys, because it is difficult for the researcher to contain his or her scientific inquiry. There is a

tendency to shift from deductive hypothesis testing to more inductive exploratory browsing through the data. If these two activities become mixed together, the researcher can lose sight of the strict covenants of scientific inquiry.

The main weakness with field surveys is that it is very difficult to satisfy the conditions for causal conclusions. One reason is that the data are usually collected at one point in time, so the researcher must rely on logic to decide whether the independent variable really preceded the dependent variable. Contrast this with the lab study in which the researcher can usually be confident that the independent variable was applied before the dependent variable occurred. Increasingly, organizational behavior studies use longitudinal research to provide a better indicator of temporal relations among variables, but it is still not as precise as the lab setting. Another reason causal analysis is difficult in field surveys is that extraneous variables are not controlled as they are in lab studies. Without this control, there is a higher chance that a third variable might explain the relationship between the hypothesized independent and dependent variables.

OBSERVATIONAL RESEARCH

In their study of brainstorming and creativity, Robert Sutton and Andrew Hargadon observed 24 brainstorming sessions at IDEO, a product design firm in Palo Alto, California. They also attended a dozen “Monday morning meetings,” conducted 60 semi-structured interviews with IDEO executives and designers, held hundreds of informal discussions with these people, and read through several dozen magazine articles about the company.¹²

Sutton and Hargadon’s use of observational research and other qualitative methods was quite appropriate for their research objective, which was to reexamine the effectiveness of brainstorming beyond the number of ideas generated. Observational research generates a wealth of descriptive accounts about the drama of human existence in

organizations. It is a useful vehicle for learning about the complex dynamics of people and their activities, such as brainstorming. (Sutton and Hargadon’s study is cited in Chapter 7 on team decision making.)

Participant observation takes the observation method one step further by having the observer take part in the organization’s activities. This experience gives the researcher a fuller understanding of the activities compared with just watching others participate in those activities.

Despite its intuitive appeal, observational research has a number of weaknesses. The main problem is that the observer is subject to the perceptual screening and organizing biases that we discuss in Chapter 3 of this textbook. There is a tendency to overlook the routine aspects of organizational life, even though they may prove to be the most important data for research purposes. Instead, observers tend to focus on unusual information, such as activities that deviate from what the observer expects. Because observational research usually records only what the observer notices, valuable information is often lost.

Another concern with the observation method is that the researcher’s presence and involvement may influence the people whom he or she is studying. This can be a problem in short-term observations, but in the long term people tend to return to their usual behavior patterns. With ongoing observations, such as Sutton and Hargadon’s study of brainstorming sessions at IDEO, employees eventually forget that they are being studied.

Finally, observation is usually a qualitative process, so it is more difficult to empirically test hypotheses with the data. Instead, observational research provides rich information for the inductive stages of theory building. It helps us form ideas about the way things work in organizations. We begin to see relationships that lay the foundation for new perspectives and theory. We must not confuse this inductive process of theory building with the deductive process of theory testing.

key terms

constructs, p. 591

field survey, p. 594

grounded theory, p. 592

hypotheses, p. 591

interpretivism, p. 590

laboratory experiment, p. 594

positivism, p. 590

representative sampling, p. 592

scientific method, p. 591

theory, p. 590

endnotes

1. F.N. Kerlinger, *Foundations of Behavioral Research* (New York: Holt, Rinehart & Winston, 1964), 11.
2. J.B. Miner, *Theories of Organizational Behavior* (Hinsdale, IL: Dryden, 1980), 7–9.
3. J.B. Miner, *Theories of Organizational Behavior* (Hinsdale, IL: Dryden, 1980), 6–7.
4. J. Mason, *Qualitative Researching* (London: Sage, 1996).
5. A. Strauss and J. Corbin (eds.), *Grounded Theory in Practice* (London: Sage Publications, 1997); B.G. Glaser and A. Strauss, *The Discovery of Grounded Theory: Strategies for Qualitative Research* (Chicago, IL: Aldine Publishing Co, 1967).



6. F.N. Kerlinger, *Foundations of Behavioral Research* (New York: Holt, Rinehart & Winston, 1964), 13.
7. A. Strauss and J. Corbin (eds.), *Grounded Theory in Practice* (London: Sage Publications, 1997); B.G. Glaser and A. Strauss, *The Discovery of Grounded Theory: Strategies for Qualitative Research* (Chicago, IL: Aldine Publishing Co, 1967).
8. W.A. Hall and P. Callery, "Enhancing the Rigor of Grounded Theory: Incorporating Reflexivity and Relationality," *Qualitative Health Research* 11 (March 2001): 257-72.
9. P. Lazarsfeld, *Survey Design and Analysis* (New York: Free Press, 1955).
10. This example is cited by D.W. Organ and T.S. Bateman, *Organizational Behavior*, 4th ed. (Homewood, IL: Irwin, 1991), 42.
11. This example is cited by D.W. Organ and T.S. Bateman, *Organizational Behavior*, 4th ed. (Homewood, IL: Irwin, 1991), 45.
12. R. I. Sutton and A. Hargadon, "Brainstorming Groups in Context: Effectiveness in a Product Design Firm," *Administrative Science Quarterly* 41 (1996): 685-718.

name INDEX

A

Aaker, D., 503n11
 Aarts, H., 235n4, 235n6
 Aarvig, M.K., 398n75k
 Abbate, J., 360n13
 Abel, M.H., 160n106
 Abel, S.E., 239n69
 Abessolo, M., 241n93h
 Abhayawansa, S., 36n15
 Abraham, C., 198n22
 Abramson, E., 37n35
 Abusah, D., 325n103
 Acar, S., 280n70
 Adam, H., 112n8
 Adams, J.S., 203n93
 Adams, M., 78n71
 Adams, R.B., 37n26
 Adams, R.M., 236n20
 Adams, S., 319n12
 Adeleke, D.I., 235n1
 Aditya, R.N., 470n36
 Adkins, A., 39n61
 Adler, J.E., 115n44
 Adler, P.S., 395n31
 Adler, S., 202n76
 Adomdza, G.K., 280n67
 Aghina, W., 327n115d
 Agle, B.R., 76n38, 536n3
 Aguinis H., 37n28, 202n79, 202n81
 Aiello, J.R., 320n15
 Aizu, Miho, 348
 Ajzen, I., 151n10
 Akerson, Dan, 519
 Akrout, H., 324n82
 Alam, K., 473n85
 Alarcon, G., 159n99
 Alarcon, G.M., 158n88
 Albarracín, D., 151n10, 152n13
 Albrecht, S.L., 397n68, 397n69, 538n27, 539n56
 Alcover, C.-M., 540n71, 540n79
 Alderson, R., 118n89a
 Alderson, Richard, 84
 Aleksanyan, M., 36n15
 Alewell, D., 36n14
 Alexander, P.A., 74n9
 Ali, M., 39n51
 Alicke, M.D., 113n15, 113n20, 116n58, 279n55
 Allen, B., 41n83
 Allen, D.G., 152n20, 241n92, 540n67
 Allen, L.A., 158n81
 Allen, M., 439n51, 441n90
 Allen, N., 115n4, 154n42
 Allen, N.J., 320n16, 321n37, 435n11
 Allen, R.F., 538n41, 541n85c
 Allen, R.W., 398n72
 Allen, T.D., 39n59, 40n64, 159n103, 160n103
 Allen, T.J., 363n70
 Allport, G.W., 115n45
 Aloisi, A., 40n71
 Al-Samarraie, H., 327n113
 Álvares, A.C.T., 282n86
 Alvesson, M., 538n33, 538n34

Amabile, T.M., 281n74
 Amazon, A.C., 278n43, 435n14, 435n15,
 436n18, 442n105f
 Ambady, N., 114n41, 154n43
 Ambrose, M.L., 189, 203n91, 203n94, 204n100,
 204n102, 204n105, 440n72
 Ames, D., 437n36, 437n39
 Amichai-Hamburger, Y., 118n82
 Amir, O., 77n45, 323n65
 Amirkhanyan, A.A., 36n18
 Anders, G., 442n105a
 Anderson, A.J., 474n89
 Anderson, C.J., 43n100f
 Anderson, D.M., 503n12
 Anderson, J., 396n57
 Anderson, N., 158n78, 281n71, 320n21, 540n68,
 540n70, 541n83
 Anderson, N.R., 324n82
 Andreassen, C.S., 159n101
 Andrews, M.C., 398n74
 Andrzejewski, S.A., 155n49
 Angle, H.L., 398n72
 Anglim, J., 73n4, 74n18
 Anixter, J., 282n94e
 Anseel, F., 202n75
 Anthony, Todd, 430
 Antonakis, J., 472n69, 472n71
 Aquino, K., 77n55, 204n104
 Arando, M., 38n41
 Arazy, O., 374n74
 Archibald, D., 319n11, 360n11, 395n35
 Arendt, L.A., 160n109d
 Argyris, C., 239n61, 282n89, 434n4
 Arieli, S., 76n44, 541n85e
 Ariely, D., 77n45, 237n33
 Arizeta, A., 322n51
 Armstrong, M., 236n12
 Armstrong, M.B., 201n59
 Armstrong, Rachel, 2-3
 Armstrong, S.J., 76n35
 Arndt, M., 236n22
 Arnelllos, A., 114n37
 Aronson, E., 323n69
 Arrow, H., 320n25
 Arthur-Kelly, M., 201n68
 Aryee, S., 41n75
 Ashford, S.J., 40n73, 202n73, 203n85, 473n73
 Ashforth, B., 538n34
 Ashforth, B.E., 114n30, 154n40, 395n27,
 540n69, 540n75, 541n84
 Ashkanasy, N.M., 114n33, 152n14, 434n5,
 435n14, 536n4, 538n32
 Ashkenas, R., 469n14
 Asimow, M., 440n71
 Asmus, S., 203n86
 Assael, H., 435n10
 Åsterbro, T., 280n67
 Atai, M.R., 363n66
 Atamanik, C., 112n13
 Atasayi, S., 159n92
 Athos, A.G., 319n13
 Atkin, R.S., 42n97

Atuahene-Gima, K., 396n50
 Atwater, L.E., 203n84
 Au, A.K.C., 361n40
 Aubé, C., 295, 321n34, 321n39, 322n49
 Augusto, M., 281n73
 Auh, S., 156n67
 Austerlitz, S., 282n94a
 Avolio, B.J., 116n68, 159n100, 474n89j
 Avugos, S., 115n42
 Axtell, R.E., 363n65
 Ayoko, O.B., 434n5, 435n14
 Ayres, I., 442n104

B

Baard, S.K., 41n88
 Baba, V.V., 471n41
 Baccarella, C.V., 361n26
 Bachrach, D.G., 41n83, 42n90
 Bacon, N., 116n59
 Bader, P., 472n69, 472n71
 Badham, R., 397n68, 397n69
 Baer, M., 442n100
 Bagger, J., 39n56
 Baggetta P., 74n9
 Baglay, S., 440n71
 Bahtsevanoglou, J., 36n15
 Baik, K., 157n74
 Bailenson, J.N., 361n35
 Bailey, C., 197n4
 Bain, P.G., 78n64
 Baker, A., 202n74
 Baker, C., 160n109e
 Baker, S., 439n60
 Baker, W.E., 281n72, 470n24, 538n41
 Baker-McClearn, D., 42n100
 Bakker, A.B., 39n56, 201n56, 202n79, 435n11
 Baldwin, C., 505n57
 Ballard, T., 201n64
 Baltazar, R., 323n59
 Baltes, P., 363n55
 Balthazard, P.A., 198n22, 469n16, 537n10
 Baltzley, D., 118n88
 Baltzly, D., 275n3
 Bandechechi, M., 481506n72a
 Bandura, A., 113n25, 201n61, 201n64
 Banerjee, M., 40n72
 Banga, Ajay, 17
 Banks, G.C., 43n100f
 Baran, M., 541n85k
 Baranek, S., 327n115a
 Barbalas, Michael, 494
 Barbalet, J., 395n30
 Barbera, K.M., 539n54
 Barbieri, C., 153n29
 Barbieri, J.C., 282n86
 Barbuto, J.E., Jr., 438n41, 470n27
 Bardi, A., 76n40, 76n41, 76n43, 199n27
 Barger, P.B., 156n67
 Bargh, J.A., 115n54, 152n15, 201n60, 276n13
 Barker, B.A., 322n53
 Barker, V.L., 395n27
 Barki, H., 327n115

- 
- Barley, S.R., 35n3, 360n23
 Barling, J., 470n31
 Barman, E., 37n26
 Barnard, C., 359n3, 394n8, 469n11
 Barnard, Chester, 6, 36n19, 331
 Barnes, J.W., 538n37
 Barnett, R.C., 112n1
 Barnett, T., 77n52
 Barney, J., 36n22
 Barnlund, D.C., 363n64
 Baron, J., 439n59
 Baron, R.A., 435n14
 Barrett, A.K., 361n40
 Barrett, D., 392
 Barrett, L.F., 151n4, 151n8
 Barrett, R., 538n31
 Barrick, M.R., 74n11, 325n89
 Barron, L.A., 236n9
 Barry, A.E., 159n97
 Barsade, S.G., 197n10, 280n60, 361n33
 Bartel, A.P., 237n41
 Bartel, C.A., 40n66
 Bartholow, B.D., 240n88
 Bartiromo, M., 434n1
 Bartley, M., 73n5
 Bartol, J., 200n45
 Bartol, K., 237n36
 Bartol, K.M., 236n24, 239n71
 Bartram, D., 41n80
 Bartunek, J.M., 35n9, 37n35, 43n100d
 Baruah, J., 326n10, 327n113
 Baruch, Y., 36n12, 473n76
 Bashshur, M.R., 155n57, 204n101, 397n65
 Bass, B.M., 469n10, 470n23, 538n39
 Bastianutti, L.M., 326n113
 Bate, Mike, 32
 Bateman, T.S., 116n59, 596n10, 596n11
 Bateta, A., 42n100b
 Battista Dagnino, G., 113n17
 Bauer, K.N., 200n48
 Bauer, T., 541n83
 Bauer, T.N., 158n78, 540n69
 Baum, A., 158n81, 158n82
 Bauman, C.W., 116n64
 Bauman, J., 241n91
 Baumann, C., 235n8
 Baumeister, R.E., 198n15, 320n15, 359n7
 Baumeister, R.F., 74n9, 151n9, 198n19
 Baur, J.E., 469n19
 Bavelas, Alex, 578-582
 Baxter, M., 35n1
 Baysinger, M.A., 75n30
 Bazerman, M.H., 77n57, 440n70, 440n73, 442n101
 Beach, L.R., 276n9
 Beal, D.J., 323n66, 324n72
 Bear, J.B., 435n13, 436n24, 438n45
 Bearden, J.N., 278n35
 Beatson, M., 160n103
 Beatson, M., 39n58
 Beatty, C.A., 322n53, 469n7
 Beauchamp, M.R., 322n54
 Beauport, Rochelle, 109
 Bebbington, K., 151n9
 Bebeau, M.J., 77n54
 Bechara, A., 114n36, 152n14, 198n18, 198n18,
 200n45, 278n40, 278n41
 Bechky, B.A., 326n109, 538n29
 Beck, A.P., 322n45
 Beck, J.W., 197n2
 Beck, S.J., 322n52, 442n105f
 Becker, B., 326n112
 Becker, G.S., 503n5
 Becker, W.J., 152n12, 361n31
 Becker, W.S., 158n83
 Beckerle, C.A., 374n80
 Bedeian, A.G., 474n89l, 474n89n, 503n17
 Bedell, K.E., 281n71
 Bedi, A., 397n67, 397n70, 398n71
 Beecham, M., 505n56
 Beechler, S., 118n88
 Beehr, T.A., 77n46
 Beeler, L., 154n46
 Beemsterboer, W., 42n98
 Beer, J.S., 197n12
 Beer, M., 237n33
 Beersma, B., 319n5, 374n81, 412
 Behling, O., 279n45
 Behring, N., 442n105g
 Belausteguigoitia, I., 434n5, 442n105e
 Bell, S.J., 156n67
 Bell, S.T., 39n52
 Belletier, C., 362n51
 Benbow, C.P., 76n39
 Bendersky, C., 434n7
 Ben-Hur, S., 79n77a
 Bennis, W., 359n5, 363n59, 469n10, 469n12,
 469n20, 470n37, 474n89m
 Bennis, W.G., 283n94j, 322n45, 473n81
 Benzing, C.D., 438n42
 BeomCheol, K., 239n73
 Berdahl, J.L., 320n25
 Berdicchia, D., 239n62
 Berend, D., 282n92
 Berfield, S., 541n85a
 Bergman, M.E., 157n75
 Bergman, T.J., 436n26
 Bergmann, V., 278n42
 Berkman, E.T., 153n25
 Berkowitz, H., 37n35
 Berlew, D.E., 469n20
 Bernthal, P., 473n72
 Berridge, K., 198n18
 Berridge, K.C., 151n7, 152n15, 197n10,
 197n8, 361n30
 Berry, C.M., 42n98
 Berry, G.R., 325n95
 Bersin, J., 503n2
 Berson, Y., 539n52, 539n54
 Berthon, Pierre, 204n98
 Bertrand, Stephen, 165
 Beshears, J., 282n94b
 Bettis, R., 504n42
 Betz, E.L., 199n26
 Beyer, F., 198n17
 Beyer, J.M., 540n70
 Beyerlein, M.M., 325n99
 Bezemer, K., 435n11
 Bhardwaj, G., 276n16
 Bhatia, S., 278n40
 Bhattacharyya, S., 361n32
 Bhave, D., 199n34, 238n55
 Bhave, D.P., 41n75, 153n34
 Bies, Robert J., 204n100, 204n102
 Bigley, G.A., 200n52
 Bijleveld, E., 235n4, 235n6
 Bijlsma-Frankema, K.M., 323n61, 323n65
 Bingham, L.B., 440n76, 440n77
 Binkert, J., M., 202n79
 Binkert, Jacqueline, 149
 Binnewies, C., 39n59
 Birkinshaw, J., 505n63
 Black, D., 159n95
 Black, L., 469n18
 Black, S.J., 118n88
 Blackden, R., 537n23
 Blagg, H., 363n65
 Blair, C.A., 442n105b
 Blake, A.M., 35n7
 Blake, R.R., 434n4, 437n38, 439n63
 Blakely, K., 117n70
 Blanchard, A.L., 397n65
 Blanch-Hartigan, D., 155n49
 Blanco, L., 398n75c
 Blasi, A., 197n8
 Blasi, J.R., 236n26
 Blatný, M., 73n5
 Blau, J.R., 396n39
 Blazejewski, S., 398n75
 Bleidorn, W., 73n7, 74n8
 Bickle, G., 74n17
 Bliss, M.A., 398n75f
 Blok, J.D., 327n115g
 Blomberg, A.J., 537n27
 Bloodworth, J., 506n72e
 Bloom, M.C., 235n2
 Bloom, N., 40n64
 Blossom, D., 502
 Blum, T.C., 238n56
 Blumberg, Dan, 133
 Blumenthal-Barby, J.S., 277n30
 Blyton, P., 116n59
 Boal, K., 276n12
 Bobocel, D.R., 204n100
 Böckenhold, U., 278n37
 Boddy, C.R., 75n28
 Bodenhausen, G.V., 114n41, 115n47, 319n9
 Boegershausen, J., 77n55
 Boehnke, K., 57, 76n41
 Boer, D., 199n27
 Boerner, S., 321n27
 Böhmk, R., 437n37, 439n59
 Bohner, G., 151n10
 Boismier, A., 537n15
 Boland, M.J., 441n98
 Bolch, M., 394n15
 Bolden, R., 473n83
 Bolino, M., 397n59
 Bolino, M.C., 42n92
 Bolisani, E., 374n74
 Bolland, E., 38n48
 Bollen, K., 440n72, 440n76
 Bonanno, G.A., 159n100
 Bonaparte, Napoleon, 483
 Bond, S., 536n1
 Bondarouk, T., 325n90
 Book, A., 75n21
 Boos, M., 362n52
 Boothby, K., 468n1
 Bopp, M.I., 240n87
 Bordia, P., 158n78, 325n103
 Borg, I., 76n41

Name Index

I-7

- Borghans, L., 503n5, 503n9
 Bornstein, G., 115n49, 437n37
 Boros, S., 436n20
 Borrill, C.S., 320n25
 Bort, J., 39n63, 442n105g
 Bos-Nehles, A., 325n90
 Boss, J.A., 77n48
 Bosse, T., 152n11
 Bossidy, L., 279n51
 Botti, S., 278n36
 Bottom, W.P., 440n79
 Boudens, C.J., 537n19
 Boudette, N.E., 541n85a
 Boulding, K.E., 434n4
 Boulding, W., 280n60
 Bourdeau, S., 39n57
 Boureau, Y.-L., 276n9
 Bourgeois, L.J., III, 435n12, 439n54
 Bourne, H., 536n6
 Bouvin, Anders, 226
 Bowen, D., 118n88
 Bowen, D.D., 434, 434n9
 Bowen, D.E., 203n93
 Bowen, H.J., 114n37
 Bowling, N.A., 41n84, 42n93, 113n28,
 159n94, 159n99
 Bowman, G., 279n50
 Boyatzis, R., 154n42, 363n58, 473n79
 Boyce, C.J., 79n77d
 Boyd, L., 442n105b
 Boyd, T., 541n85g
 Boyle, M., 43n100l
 Boyraz, M., 325n97
 Bradfield, R., 279n50
 Bradley, B.H., 74n13, 436n19
 Brady, L.M., 119n89g
 Bragger, J.D., 280n59
 Brandtstadter, J., 276n18
 Brantmeier, C., 440n78
 Brass, D.J., 395n24, 395n28, 396n38, 396n43
 Bratko, D., 73n7
 Bratslavsky, E., 151n9
 Brazier, F., 323n66
 Brebaugh, J.A., 540n80
 Brechu, M.B., 473n86
 Breeze, J.D., 503n17
 Brett, J., 438n50
 Brett, J.F., 203n84
 Brett, J.M., 440n65, 440n74, 441n87, 441n98
 Brettel, M., 279n54
 Brew, F.P., 438n50
 Brewer, M.B., 113n29, 114n33
 Bridgett, D., 74n9
 Bridwell, L.G., 199n26
 Brief, A.P., 151n10, 396n56
 Brigham, J.C., 115n45
 Briner, R.B., 37n32
 Brinsfield, C.T., 157n68
 Bristow, J., 38n48
 Brockman, R., 154n39
 Brockner, J., 279n53
 Brodbeck, F.C., 473n86
 Brodie, Jim, 216
 Brook, A.T., 112n10
 Brooks, C., 538n30
 Brooks, F.P., 320n19
 Brotheridge, C.M., 360n16, 360n17
 Brown, C.M., 112n6
 Brown, D., 236n12, 536n1
 Brown, D.J., 472n63, 473n83
 Brown, F.W., 76n34
 Brown, G., 201n68, 442n100
 Brown, G.D.A., 79n77d
 Brown, L., 236n16
 Brown, S., 281n79
 Brown, S.P., 137, 156n66
 Brown, Zak, 495
 Brownstein, A.L., 277n29
 Bryant, A., 395n23
 Bryant, D.U., 474n89k
 Bryman, A., 470n26, 470n32
 Buch, R., 158n80, 202n75, 202n81
 Buchanan, D., 397n68, 397n69
 Buchanan, L., 319n12
 Buck, R., 396n57
 Buckingham, M., 202n79
 Buckingham, Marcus, 149
 Buckley, M.R., 158n88
 Buehner, M.J., 114n36, 278n41
 Buelens, M., 503n8
 Buell, R.W., 238n54
 Bunderson, J.S., 362n43
 Burch, T.C., 42n96
 Burgers, J., 327n115g
 Burigo, M., 277n26
 Burke, C., 279n51
 Burke, C.S., 470n22
 Burke, Dave, 227
 Burke, R.J., 39n54
 Burke, S.M., 323n57
 Burkhardt, M.E., 395n24
 Burlingame, G., 323n66
 Burne, K., 392
 Burnett, M., 541n85d
 Burnham, D., 199n37
 Burns, M.D., 115n54
 Burns, T., 504n30, 505n65
 Burrell, N.A., 439n51, 441n90
 Burt, R.S., 395n33, 396n43
 Burton, M., 281n82
 Burton, Pierre, 188
 Burton, R.M., 36n21, 504n33, 504n34, 504n40
 Bury, Robert, 277n20
 Bushe, G.R., 322n47
 Busse, R., 35n8
 Bussel, D.J., 440n71
 Bussel, R., 283n94k
 Butenko, T., 76n42
 Butler, A., 39n56
 Butler, N., 35n9
 Butler, P., 201n68
 Butterfield, Stewart, 328
 Buttle, F., 365n81i
 Byham, W.C., 201n63
 Byrnes, N., 236n22
 Byron, K., 360n20, 360n21
 Byza, O.A.U., 157n75
- C**
- Cable, D., 238n54
 Cable, D.M., 113n18, 113n22, 539n62, 540n64
 Cacioppo, J., 396n57
 Cacioppo, J.T., 198n18
 Cai, D.A., 437n40
 Cain, Á., 152n21
 Cairns, D.R., 438n50
 Calabrese, G., 505n52
 Caldara, M., 436n24
 Caldwell, C.B., 76n38 , 536n3
 Caldwell, D.F., 279n52, 513, 536n10
 Calitri, R., 118n86
 Callanan, G.A., 433, 438n42
 Callery, P., 596n8
 Callister, R.R., 434n2
 Cameron, A.F., 362n47, 362n48
 Cameron, K., 36n17, 200n56
 Cameron, L., 40n72
 Camgoz, S.M., 438n47
 Campbell, A., 504n38, 505n54
 Campbell, J.D., 112n7, 112n11
 Campbell, J.L., 434n6, 436n20
 Campbell, J.P., 40n74, 41n77, 41n86, 200n44
 Campbell, W.K., 79n77a, 113n16
 Campion, E.D., 203n84
 Campion, M.A., 238n44, 238n47, 239n63,
 321n29, 321n39, 503n4
 Campion, M.C., 203n84
 Camps, J., 37n24
 Cannan, E., 238n48
 Canning, K., 156n65
 Cannon, M.D., 237n33
 Cantal, C., 203n89
 Cantril, H., 197n7
 Canziani, B.F., 153n29
 Capa, R.L., 235n4
 Capobianco, S., 38n47, 438n51
 Cappelen, A.W., 203n96
 Cappelli, P., 40n69
 Cappetta, R., 440n67
 Capraro, M.M., 76n34
 Capraro, R.M., 76n34
 Caputo, A., 441n81
 Caputo, I., 443n105m
 Cardador, M.T., 201n59
 Cardinal, L.B., 323n61, 323n65
 Carlgren, L., 281n84
 Carlisle, J., 425
 Carlson, J.R., 362n49
 Carmeli, A., 538n32
 Carmichael, I., 36n15
 Carnegie, D., 113n14
 Carnes, A., 240n90
 Carnevale, P.J., 435n11, 441n94, 441n99
 Carpenter, N.C., 42n93
 Carpini, J.A., 41n88
 Carr, A.E., 160n104
 Carr, C.T., 360n17, 361n25
 Carroll, A.B., 37n29
 Carroll, B., 471n55, 473n74
 Carron, A.V., 323n57, 324n72, 324n75
 Carson, K.D., 394n6
 Carson, P.P., 394n6
 Carson, Ryan, 485
 Carter, E., 363n68
 Carton, A.M., 363n56, 439n57, 469n16
 Carton, G., 37n35
 Cartwright, D., 394n2, 394n6
 Caruso, D.R., 154n45
 Carver, C.S., 73n3
 Case, C., 200n41, 473n75
 Case, J., 236n26

- 
- Casey-Campbell, M., 324n75
 Casper, W.J., 38n44
 Caspi, A., 73n5
 Castaldo, J., 70
 Castellanos, S., 282n94e
 Castiello D'Antonio, A., M., 202n79
 Cavanagh, M., 392
 Cavusgil, S.T., 470n24
 Caza, A., 395n26
 Caza, B.B., 112n12
 Čehajic-Claney, S., 436n24
 Cerasoli, C.P., 199n33, 199n35, 236n9
 Cervone, D., 73n3
 Cha, S.E., 538n33
 Chabris, C.F., 114n38
 Chada, D.M., 279n47
 Chadee, D., 116n56
 Chadwick, C., 437n28
 Chahkandi, F., 363n66
 Chaiken, S., 151n10
 Chamorro-Premuzic, T., 79n77a
 Champagne, M.V., 441n94
 Champoux, J.E., 238n57
 Chan, A.H., 77n54
 Chan, D.K.S., 361n40
 Chan, D.W.L., 201n63
 Chan, L.S., 395n32
 Chan, L.Y., 505n44
 Chan, M.S., 152n13
 Chan, R., 43n100i
 Chandler, A.D., 506n71
 Chandra, S., 361n36
 Chandra, Y., 278n39
 Chaney, J.D., 159n97
 Chang, A., 158n80
 Chang, C.-H., 113n23, 397n70, 398n71
 Chang-Schneider, C., 113n24
 Chao, G.T., 540n68
 Chao, J., 539n46
 Chapman, D.S., 539n62
 Chapman, David, 488
 Chapman, Penny, 488
 Chappe, V.-A., 236n13
 Charan, R., 279n51
 Charbonneau, D., 157n72
 Charles, A.C., 203n84
 Chartrand, T.L., 115n54, 276n13, 361n33
 Chase, S., 434n4
 Chase, W.G., 279n47
 Chatellier, G.S., 40n68, 325n96
 Chatman, J., 513, 536n10, 537n15
 Chatman, J.A., 79n77a, 538n33, 538n38
 Chatterjee, A., 398n75d
 Chavez, Denny, 120
 Checa, P., 154n47
 Chelius, J., 237n29
 Chemers, M.M., 472n57
 Chemiss, C., 131
 Chen, C.I.B., 539n62
 Chen, C.J., 504n29
 Chen, F., 241n93i
 Chen, G., 113n17, 113n26
 Chen, J., 235n6
 Chen, M.-Y., 237n30
 Chen, N.Y.F., 434n2, 435n14, 436n22, 437n38
 Chen, Y.-J., 235n6
 Chen, Z.J., 322n48
 Chen, Z.X., 157n73
 Chenevert, D., 439n54
 Cheng, C.-Y., 439n57
 Chermack, T.J., 115n44, 279n50
 Chernev, A., 278n37
 Cherniss, C., 473n82
 Cherrington, David J., 582-583
 Cherry, M.A., 40n71
 Cherry, S., 502
 Chesbrough, H., 505n62
 Cheshin, A., 361n37
 Cheung, F., 153n35
 Cheung, H., 77n54
 Cheung, M.W.-L., 153n35
 Cheyne, J.A., 240n79
 Chhetri, P., 38n46
 Chiaburu, D.S., 74n12, 74n12
 Chiang, H.-H., 158n80
 Childs, M., 392
 Chiocchio, F., 321n27, 321n37, 321n41
 Chirkov, V.I., 199n34., 238n55
 Chisholm, R.F., 395n32
 Chmiel, N., 159n96
 Cho, B., 436n18
 Cho, E., 39n59, 159n103
 Choi, D., 205n105g
 Choi, D.W., 441n97
 Choi, I., 116n63
 Choi, J.N., 237n34, 237n36
 Choi, K., 436n18
 Choi, M., 37n23, 41n81
 Choi, Y., 76n35
 Choi, Y.H., 326n110
 Chow, W.S., 395n32
 Christensen, C.M., 38n38
 Christian, J., 436n20
 Christian, J.S., 322n44
 Christian, V., 239n72
 Christiansen, N.D., 237n29
 Christie, P.M.J., 505n62
 Christie, R., 75n22, 398n73
 Christman, S.D., 278n31, 441n82
 Chung, K.H., 239n61
 Chung-Yan, G.A., 438n44
 Chunyan Peng, A., 438n45
 Church, A.T., 112n9, 112n10
 Churchill, G.A.J., 41n77
 Churchill, Winston, 516
 Cialdini, R.B., 395n18, 396n52
 Ciampa, D., 505n55
 Ciamprone, D., 474n89b
 Cianciolo, A.T., 472n69, 472n71
 Cieciuch, J., 75n20
 Cillo, P., 440n67
 Ciriacks, T., 440n78
 Ciubotariu, N., 442n105a
 Claggett, J.L., 36n21
 Clancy, A.L., 202n79
 Clancy, Ann L., 149
 Clarey, Katie, 39n55
 Clark, A., 538n28
 Clark, J.R., 363n56, 469n16
 Clark, K., 505n57
 Clark, M.A., 42n98, 159n101, 204n101
 Clark, Marilyn, 187
 Clarke, N., 197n4
 Clegg, C.W., 363n70, 504n23
 Clegg, J., 439n57
 Clegg, S., 35n2, 536n4, 537n12
 Clegg, S.R., 374n79., 470n32
 Cleveland, J.N., 38n43
 Clifford, C., 443n105l
 Cloke, K., 283n94i
 Cobb, A.T., 396n55, 436n17, 439n55
 Cobb-Clark, D.A., 113n27
 Coelho, A.F.M., 157n72
 Coelho, F., 281n73
 Coetzer, G.H., 322n47
 Coffman, C., 149
 Coffman, Joe, 362n53
 Coffman, Joseph W., 345
 Cohen, A., 75n26
 Cohen, D., 78n73
 Cohen, George, 449
 Cohen, M.D., 277n23
 Cohen, S., 319n10, 360n9
 Cohen, S.G., 319n4, 324n87
 Cohen-Charash, Y., 203n97
 Cohn, D., 38n45
 Colan, L., 79n77h
 Coleman, P.T., 435n11, 437n32
 Coll, Sarah, 228
 Collins, A.M., 42n99
 Collins, D., 283n94j, 283n94k
 Collins, J.C., 538n31
 Collinson, D.L., 160n109c
 Colloff, P., 118n89c
 Colquitt, J.A., 189, 203n91
 Combs, J., 36n23
 Combs, J.G., 398n75g
 Comeault, J.T., 36n15
 Comer, L.B., 363n69
 Condorcet (Marquis de), 265
 Confucius, 5
 Conger, J.A., 469n6, 469n15, 470n26, 473n82
 Conlon, D.E., 440n69, 440n78
 Connellan, T.K., 176, 200n53
 Connelly, B.L., 473n76
 Connelly, B.S., 79n77g
 Connelly, C.E., 204n97, 394n13
 Connolly, Sean, 485
 Connolly, T., 436n25
 Conroy, S., 538n38
 Conroy, S.A., 205n105g, 321n27
 Conti, A., 39n52
 Conway, P., 38n47
 Cook, C., 539n45
 Cooke, N.J., 319n3
 Cooke, R.A., 537n10, 539n54
 Cools, E., 76n35
 Coombs, T., 200n52
 Coon, H.M., 64, 78n62, 78n64, 78n72
 Cooper, C., 201n70
 Cooper, C.L., 159n89, 204n101, 235n2,
 320n24, 38n40
 Cooper, J., 114n31, 152n24
 Cooper, J.T., 202n72
 Cooper, W.H., 41n84, 73n6, 117n71,
 155n55, 326n113
 Cooper-Thomas, H., 160n109c
 Cooper-Thomas, H.D., 158n78, 540n68, 541n83

Name Index

I-9

- Coote, L.V., 539n56
 Copper, C., 240n82, 323n70
 Corbin, J., 595n5, 596n7
 Cordery, J.L., 325n90, 325n96, 504n23
 Coren, M.J., 79n77a
 Corning, P.A., 199n26
 Coser, L.A., 435n10
 Cosmides, L., 114n35, 439n64
 Cossette, M., 154n36
 Costa, A.C., 324n82
 Costa, P.T., 74n8, 202n83
 Costache, Octavian, 330, 342
 Costanza, D.P., 538n39
 Costello, T.W., 117n76
 Côté, S., 154n36, 154n46, 436n24
 Courteau, Bob, 353
 Courtright, S.H., 240n76, 241n93, 321n30, 325n89
 Covey, S.R., 441n88
 Covey, Stephen, 424
 Cowan, K., 394n5
 Cowell, E., 362n45, 362n50
 Cox, Vivienne, 366-367
 Craig, T., 363n63
 Cramer, J., 280n57
 Cramlet, Erin, 183
 Crano, W.D., 397n57
 Crant, J.M., 116n59
 Crawford, J.T., 115n46
 Creary, S.J., 112n12
 Crilly, D., 37n26
 Crisp, C.B., 324n83
 Cristofaro, M., 277n21
 Cronin, M.A., 43n100c
 Cronshaw, S.F., 472n64
 Croon, M.A., 472n65
 Cropanzana, R., 203n93, 204n97
 Cropanzano, R., 152n12, 152n14, 152n23, 158n81, 203n91, 204n102, 361n31, 440n72
 Cropanzano, R.S., 189, 203n91, 204n100
 Crosby, D., 506n72f
 Cross, R., 319n2, 319n11, 360n11, 395n35, 505n45
 Crossland, C., 113n17, 398n75h
 Crossley, A.C., 201n70
 Crossley, C., 43n100e
 Crowley, C., 113n24
 Crumley, B., 398n75a
 Cruthirds, K.W., 160n106
 Cucina, J.M., 38n49
 Cullinane, S.-J., 238n44
 Culpepper, R.A., 157n70
 Cummings, A., 281n73, 322n49
 Cummings, L.L., 156n62, 159n102, 275n2, 279n53, 282n93
 Cunningham, W.A., 151n10, 152n12
 Curcio, A.A., 320n22
 Curseu, P.L., 436n20
 Curseu, P.L., 74n17
 Curtis, M., 204n105c
 Custers, R., 235n4
 Cyr, L.A., 77n46
- D**
 Da, M.V.S.P., 152n22
 Daft, R.L., 343, 362n42
 Dahl, R.A., 394n3
 Daimler, George, 342
 Dalal, R.S., 41n75, 42n93, 151n10, 155n54
 Dalbert, C., 79n77d
 Dalgleish, T., 152n16
 Dalio, R., 73n1
 Dalio, Ray, 44
 Dallnera, M., 505n45
 Dalsky, D., 78n65
 Daly, J., 536n6
 Daly, J.P., 539n45
 Damasio, A.R., 114n36, 151n7, 151n11, 152n16, 197n11, 198n18, 200n45, 278n41
 Dane, E., 278n42, 279n47, 280n69
 Daniels, Mitch, 449
 Danielson, W., 119n89h
 Danielson, C.B., 442n105h
 D'Annunzio, L.S., 505n52
 Darzentas, J., 114n37
 Dastmalchian, A., 473n85
 Datta, D.K., 158n77
 Davenport, T.H., 504n39
 David, E., 74n11
 David, Larry, 248
 David, P., 362n48
 Davidson, J.E., 280n65
 Davidson, O.B., 160n104
 Davidson, R.J., 151n4
 Davies, I., 281n82
 Davis, D.M., 362n53
 Davis, G.M.-T., 235n8
 Davis, K., 374n78
 Davis, L.E., 239n62
 Davis, M., 365n81h, 438n51
 Davis, M.C., 363n70
 Davis, M.H., 38n47
 Davis, R.C., 241n93d
 Davis, S.M., 505n46
 Davis, W.L., 374n78
 Davison, B., 503n16
 Daw, N.D., 276n9
 Dawes, P.L., 394n13
 Dawkins, R., 198n14
 Day, D.V., 473n73, 474n89k, 474n89l, 474n89n, 539n54
 Day, T.A., 158n81
 Deal, T.E., 537n15, 537n19, 538n31, 541n85c
 Dean, John, 55
 DeAndrea, D.C., 360n17
 Deaux, K., 152n13
 DeBlok, J., 327n115g
 De Bruyn, A., 365n81i
 DeCelles, K.A., 204n104
 Decety, J., 77n53, 198n18
 DeChurch, L.A., 322n49, 324n72, 438n43
 Deci, E.L., 199n33, 199n34
 De Clercq, D., 434n5, 442n105e
 De Dear, R., 363n70
 De Dreu, C.K.W., 321n41, 323n68, 412, 434n5, 435n13, 436n18, 437n38, 440n74, 441n94
 DeFrancesco, D., 474n89d
 DeFrank, R.S., 158n81
 DeGennaro, D., 240n85
 De Geus, A., 36n19
 Deinert, A., 472n72
 De Janasz, S.C., 396n41
 De Jong, B.A., 323n61, 323n65
 De Jong, G., 283n94h
 De Jong, J.P., 40n72
 De Jonge, J., 276n10
 De Jonge, K.M.M., 40n68
 De Jonge, S., 361n37
 DeKay, M.L., 277n29
 De Kort, Y.A.W., 160n109a
 Delaney, H., 35n9
 Delaney-Klinger, K., 40n64
 De La Rupelle, G., 360n16
 Delbecq, A.L., 275n2, 327n114, 359n2, 503n13
 Delbridge, R., 374n80
 Deller, J., 321n27
 Dell'Orto, G., 235n8
 Delpachitre, D., 154n46
 De Mestral, Georges, 259
 DeMatteo, J.S., 237n38
 De Meuse, K., 322n54
 Dempsey, M., 365n81i
 Demsey, John, 261
 Den Hartog, D.N., 324n77, 473n86
 DeNisi, A.S., 202n76, 203n95
 Denning, S., 319n12, 469n16, 537n19
 Dennis, A.R., 324n83, 361n34, 362n51
 Depledge, G., 280n56
 De Pree, M., 539n57
 De Pree, Max, 526
 Derksen, M., 238n49
 Der Stoep, J.V., 202n81
 DeRue, D.S., 201n63, 471n40, 472n72, 473n73
 DeSanctis, G., 504n33, 504n34, 504n40
 Descartes, 244
 DeShong, H.L., 75n27
 Deshpande, M., 205n105f
 Desjarlais, Hans, 329
 Desplaces, D.E., 442n105b
 Dessein, W., 504n29
 Deutsch, M., 203n92, 435n11
 Deutsch, Y., 37n26
 Devanna, M.A., 469n10
 Devece, C., 157n72
 Devine, D.J., 324n72, 324n74
 DeVore, C.J., 438n51
 De Vries, R.E., 470n28
 Dewey, J., 434n9
 Dewey, John, 85, 403-404
 De Wit, F.R.C., 434n6, 435n15, 436n21
 De Wolff, C.J., 537n10
 Dey, Caroline, 182
 Diallo, M.F., 324n82
 Díaz-Fernández, M., 236n18
 Díaz-Fernández, M.C., 36n14
 Dibbits, Taco, 297
 DiBenigno, J., 439n54, 439n58
 Di Blasio, P., 362n52
 DiCiccio, T., 40n72
 Dickel, N., 151n10
 Dickey, M.R., 539n59
 Dickinson, H.O., 160n108
 Dickson, M.W., 319n7, 539n61
 Di Domenico, S.I., 199n34
 Diefendorff, J.M., 154n37, 154n40
 Dierdorff, E.C., 41n83
 Diehl, M., 325n102
 Diener, E., 151n8
 Dierdorff, E.C., 36n12, 42n90, 236n18

- 
- Dietz, G., 505n55
 Digman, J.M., 74n10
 Dinh, J.E., 472n63
 D'Innocenzo, L., 321n27
 Dionysiou, D.D., 281n79
 Dirks, K.T., 282n93, 324n84
 Dirsmith, M., 283n94k
 Ditlev-Simonsen, C.D., 157n75
 Di-Tomaso, N., 538n32
 Dittrich, J.E., 192
 D'Lauro, C.J., 326n110
 Do, M.H., 199n40
 Dobbin, F., 117n75, 119n89g
 Dobson, P., 536n2
 Doctoroff, S., 441n83
 Dodd, N.G., 239n63
 Doehrman, M., 537n18
 Doering, S., 321n27
 Doerr, B., 79n77a
 Dollinger, S.J., 280n70
 Donahue, J., 114n37
 Donahue, J.J., 79n77a
 Donahue, L.M., 323n68
 Donaldson, C., 205n105f
 Donaldson, L., 505n51, 505n63
 Dong, P., 160n109a
 Donker, H., 77n58
 Donohue, R., 326n106, 436n22
 Donovan, Eric, 143
 Donovan, J.J., 79n77f
 Dooley, K.J., 281n81
 Dorfman, P., 469n4, 473n84
 Dormann, C., 153n27
 Dorow, W., 398n75
 Dorsey, J., 363n57
 Dorsey, Jack, 346
 Dose, J.J., 323n64
 Doucet, O., 439n54
 Dougall, A.L., 158n81, 158n82
 Douglas, C., 505n45
 Dovidio, J.F., 115n47, 118n82, 439n59, 439n64
 Dowling, G.R., 394n13
 Downes, P.E., 205n105g
 Doyle, K.O., 235n8
 Drach-Zahavy, A., 396n50
 Drago, R., 159n95
 Dreezens, E., 76n44
 Drenth, P.J.D., 537n10
 Drescher, S., 323n66
 Drickhamer, D., 503n18
 Driscoll, J.E., 240n82, 320n26
 Driskell, T., 320n26, 322n52
 Driver, M., 197n12
 Drollingen, T., 363n69
 Drory, A., 158n81, 397n67
 Drössler, S., 360n23, 363n60
 Drucker, P., 202n78
 Drucker, P.F., 276n8, 471n37
 Drucker, Peter, 452
 Druckman, D., 441n98
 Drummond, H., 280n59
 Drzensky, F., 158n77
 Dubé, L., 325n100, 325n99
 Dubin, R., 540n74
 Ducheneaut, N.B., 360n15
 Duckworth, A.L., 240n88
 Dufner, M., 113n17., 118n81
 Duguid, M.M., 117n75, 119n89g
 Duhigg, C., 327n115l
 Duke, K.E., 323n65
 Dulaney, M., 241n93l
 Dumaisnil, A., 153n31
 Dumas, T.L., 541n85d
 Dumez, H., 37n35
 Duncan, R.M., 240n79
 Dunckel, H., 325n89
 Dunford, R., 504n25
 Duniewicz, K., 204n103
 Dunlap, S., 396n40
 Dunn, D.S., 117n70
 Dunn, Sarah, 163
 Dunne, T.C., 440n72
 Dunnette, M.D., 41n77, 436n23
 Dunning, D., 113n16
 Durbin, D.A., 538n40
 Durham, C.C., 153n26
 Durkin, P., 541n85g
 Dutton, J.E., 240n85
 Dutton, J.M., 436n27
 Duxbury, L., 325n93
 Dvir, T., 539n52, 539n54
 Dvorak, N., 507n72i
 Dwight, S.A., 79n77f
 Dwyer, J., 505n59
 Dyck, B., 360n16, 360n17
 Dye, K., 199n29
 Dyer, B., 438n43
 Dyer, J.H., 322n53
 Dyer, K., 365n81j
 Dyer, W.G., 322n53
 Dyson, Pamela, 453
 Dysvik, A., 202n75, 202n81
 Dziewczynski, J.L., 79n77c
- E**
- Eaglesham, J., 392
 Eagly, A.H., 151n10, 474n88, 474n89
 Earley, C.P., 78n63
 Earley, P.C., 437n32
 Eastman, K.K., 470n34
 Eastman, M.T., 119n89e
 Eaves, M.H., 361n28
 Eby, L.T., 39n58, 113n28, 160n103, 237n38
 Eccles, J., 117n69
 Eckel, N.L., 279n45
 Edelman, B., 536n1
 Eden, D., 113n26, 116n65, 116n67, 116n68
 Edmond, M.B., 43n100m
 Edmond, Michael, 29
 Edmondson, A.C., 321n29, 326n106, 436n22
 Edmunds, A., 363n61
 Edwards, J.R., 540n64
 Edwards, M.R., 114n32
 Efron, L., 468n1
 Egelhoff, W.G., 505n52
 Egleston, D.O., 323n70
 Egri, C.P., 470n34
 Ehrhart, K.H., 277n25
 Ehrhart, M.G., 539n52
 Einstein, Albert, 13, 247
 Eisenbarth, H., 76n32
 Eisenberg, J., 152n14
- Eisenberger, R., 157n74
 Eisenhardt, K.M., 435n12, 439n54
 Ekman, P., 151n4, 152n16, 361n30
 Elangovan, A.R., 440n69, 440n75
 Eleumunor, Isioma, 206
 Elfleinbein, H.A., 154n43, 440n79
 Elfering, A., 540n69, 540n79
 Ellemers, N., 114n31, 319n9, 323n62
 Ellingson, J.E., 201n63
 Elliott, R., 118n85
 Ellis, M., 119n89e
 Ellis, R., 323n65
 Ellison, C.N., 240n90
 Ellison, N.B., 396n37
 Elloy, D.F., 472n59
 Elmes, M., 439n63
 Elmquist, M., 281n84
 Elsbach, K.D., 281n83, 538n29
 Elving, W.J.L., 359n6
 Ely, R.J., 282n91
 Emden, Z., 470n24
 Emerson, R.M., 394n3
 Emery, C.R., 319n14
 Emery, L.F., 112n5
 Enge, R.S., 323n69
 Engel Small, E., 469n6
 Engen, J.R., 320n23
 Engert, O., 539n46
 Englebienne, Guibert, 2-3
 English, A., 154n41
 Engster, D., 77n50
 Ensari, N., 436n20, 472n67
 Ensign, P.C., 504n43
 Epitropaki, O., 472n62
 Epstein, S., 279n45
 Erb, H.-P., 114n33
 Erdem, I., 474n89k
 Erez, A., 42n89
 Ergeneli, A., 438n47
 Ergin, C., 440n73
 Erickson, T.J., 321n33
 Erwin, L., 239n73
 Eschleman, K.J., 113n28, 159n99
 Estabrooks, C.A., 537n10
 Estabrooks, P.A., 324n75
 Euwema, M., 440n72
 Euwema, M.C., 440n76
 Eva, N., 326n106, 436n22
 Evans, G., 363n71
 Evans, M.G., 471n48
 Evanschitzky, H., 156n66
 Evers, A., 412
 Eyers, J., 541n85g
 Ezzamel, M., 204n99
- F**
- Fabi, B., 37n24
 Fair, O., 275n1
 Fair, Owen, 242-243
 Fairhurst, G.T., 472n62
 Fajimi, Abiola, 206-207
 Falbe, C.M., 394n12, 397n64
 Falconer, J., 271
 Fanelli, A., 470n27
 Fang, H., 237n30
 Fang, M., 237n36



Name Index



I-11

- Fannin, Kris, 39n57
Fanning, M.M., 504n44
Faragher, J., 469n13
Farh, C.I.C., 204n103, 435n13
Farh, J.L., 322n48, 435n13
Farley, S.D., 79n77a
Farrell, D., 155n55
Farry, O., 118n89b
Farzaneh, P., 363n60
Fassina, N.E., 359n8, 540n67
Faust, K., 395n28
Fayol, H., 238n47, 503n17
Fayol, Henri, 483
Fazio, R.H., 151n9
Feather, N.T., 76n42
Fehr, E., 323n61
Feinberg, J.M., 320n15
Feintzeig, R., 241n93e
Feist, G.J., 280n67, 280n70
Feldman, D.C., 153n29, 323n61, 540n74
Feldman, G., 76n40, 199n27
Feldman, S., 540n71
Felfe, J., 157n72, 472n65
Fells, R., 441n86, 441n87, 441n89
Feloni, R., 73n1, 536n5
Fenton, N.E., 537n12
Fenton-O'Creevy, M., 152n12, 235n7,
 282n87, 505n45
Ferdman, B.M., 38n43
Ferguson, A., 541n85g
Ferguson, M., 117n74, 443n105m
Ferguson, M.J., 117n74, 152n15, 201n60
Ferguson, N., 235n2
Ferguson, R.B., 282n94c
Fernandez, J.A., 35n7
Fernández-Berrocal, P., 154n47
Ferrer, R.A., 277n23
Ferrin, D.L., 324n84
Ferris, D.L., 113n15, 114n34
Ferris, G.R., 322n52, 396n43, 397n62, 397n68,
 397n70, 398n74
Festinger, L., 152n24
Fiedler, F.E., 472n57
Field, R.H.G., 116n65, 276n7
Figueiro, M.G., 160n109a
Filipowicz, A., 278n35
Finegan, J.E., 157n74, 158n82
Fink, A., 326n111
Fink, E.L., 437n40
Finkelstein, S., 152n19, 277n22
Finkenauer, C., 151n9
Finley, R.E., 276n11
Fischbacher, U., 323n61
Fischer, B., 506n72h
Fischer, R., 199n27
Fiset, J., 41n75
Fish, N., 506n72c
Fishbach, A., 199n36
Fisher, A., 204n105d
Fisher, C.D., 155n50, 156n64
Fisher, J., 160n109
Fisher, L.M., 472n68
Fisher, R., 434, 434n9, 435n14, 442n105b
Fisher, R.J., 323n71
Fiske, S.T., 115n52, 151n6
Fitzpatrick, D., 392
Fitzpatrick, S., 235n6
Fizel, J., 204n99
Fleeson, W., 73n3
Fleishman, E.A., 471n39, 471n40
Fleming P., 396n54
Fleming, M.A., 112n10
Fleming, P., 38n37
Flinchbaugh, C., 156n60
Flitter, E., 392
Flood, R., 434n1
Flores, H.R., 436n20
Flowers, P., 361n27
Flynn, F.J., 117n72
Fock, H., 240n74
Foggin, S., 35n1
Foley, J.R., 282n94g
Folger, J., 436n25
Folkman, S., 159n98
Follett, M.P., 434n9, 437n38
Follett, Mary Parker, 5, 403, 411
Fonseca, X., 323n66
Fontaine, J., 153n31
Ford, B.Q., 151n7, 153n31
Ford, M.T., 199n33, 199n35, 236n9
Ford, R.C., 505n49
Foreman, A.M., 39n57
Forgas, J.P., 278n42
Foroux, Darius, 329
Forrester, R., 239n68
Forret, M.L., 396n41
Forsyth, D.R., 472n64
Forsythe, G., 538n30
Fortin, M., 203n91, 204n102
Foster, C., 395n20
Foster, E.K., 374n81
Foster, M.K., 325n93
Fox, C.R., 320n19
Fox, K.E., 154n42
Foy, R., 359n2
Fraccaroli, F., 239n62
Fragale, A.R., 361n29
Francesco, A.M., 157n73
Francis, S., 434n1
Franco, A., 43n100f
Franco, M., 116n61
Frank, R.H., 198n14
Frankel, S., 327n115
Frauenheim, E., 239n65
Freda, Fabrizio, 261
Fredenhall, L.D., 319n14
Freeman, R.B., 236n26
Freeman, R.E., 37n25
French, J.R., 394n2, 394n6
French, J.R.P., Jr., 202n76
Frese, M., 199n39, 200n49
Fretwell, S., 282n94d
Fridner, A., 43n100m
Fried, D.D., 155n56
Fried, Jason, 328
Fried, Y., 238n57, 238n58
Friedman, A., 43n100k
Friedman, S.D., 39n57, 159n103
Friesdorf, R., 38n47
Frijda, N.H., 151n4
Fritz, C., 160n104
Fronza, I., 320n22
- Frost, J., 541n85g
Frost, P.J., 536n2, 537n12, 539n51
Fry, R., 43n100g
Frynas, J.G., 506n72h
Fu, P.P., 397n66
Fuhriman, A., 323n66
Fujio, M., 363n64
Fulk, J., 361n37, 434n7
Fullagar, C.J., 323n70
Fuller, R.M., 361n34
Fulmer, C.A., 324n82
Fulmer, I.S., 36n14
Funder, D.C., 73n3
Furnham, A., 235n3, 235n7, 235n8, 537n17
Furtner, M., 240n89
Furukawa, M.F., 236n23
Fussell, S.R., 360n10
Futrell, D., 322n54
- G**
- Gaddafi, Saadi, 70
Gaertner, L., 112n4, 198n14
Gagné, M., 159n98, 199n33, 199n34, 238n55
Gaines, J.F., 74n10
Gajendran, R.S., 40n64
Galbraith, J.R., 440n66, 503n6, 503n11, 504n34,
 504n36, 504n39, 504n42, 505n46, 506n68
Gale, C.R., 73n5
Galimba, M., 240n77
Galinsky, A.D., 280n60, 396n49
Gallagher, M., 158n82
Gallani, S., 394n14
Gallie, D., 158n80
Gallrein, A.-M.B., 118n80, 118n81
Gallupe, R.B., 326n113
Galvin, B.M., 113n27, 471n42, 471n46
Gammage, K.L., 324n75
Ganco, M., 36n20
Gander, K., 153n33
Ganguly, D., 505n51, 505n53
Ganster, D.C., 153n27, 158n86, 239n63
Ganzach, Y., 279n49, 541n82
Gao, J.H., 395n30
Garbers, Y., 199n35
Garcia, J., 112n10
Garda, G., 505n45
Gardner, D.G., 113n24
Gardner, H., 319n6
Gardner, J., 114n33
Gardner, J.W., 470n28
Gardner, L., 151n6
Gardner, W.L., 117n77, 473n80, 505n45
Garland, E.L., 112n9
Garman, A.N., 437n28
Garmhausen, S., 322n42
Garrett, L., 40n72
Gary, M.S., 277n19
Gass, R.H., 396n56
Gawronski, B., 115n54, 117n75, 38n47
Gayle, B.M., 439n51
Gazzoli, G., 239n73
Geal, 507n72i
Geis, F., 75n22, 398n73
Geister, S., 325n92, 360n22, 506n68
Gelfand, M.J., 79n76, 440n74, 539n55
Gellatly, I.R., 156n60, 157n73

- Geller, E.S., 240n89
 Gellman, L., 541n851
 Gemmell, J.M., 440n77
 Gemmill, G., 439n63
 Gendler, T.S., 240n88
 Gentile, B., 113n16
 George, B., 236n16, 473n80
 George, J.M., 156n59, 278n42, 473n79
 Gerber, E.M., 359n6
 Gerber, M., 160n107
 Gergen, K.J., 189
 Gerhart, B., 237n36
 Gerpott, T.J., 156n66
 Gersick, C.J.G., 322n45
 Gerwin, D., 506n69
 Ghadially, R., 397n69
 Ghosh, D., 280n60
 Giang, V., 536n9
 Gibbs, J.L., 325n97
 Giberson, T.R., 539n61
 Gibson, C., 322n50
 Gibson, C.B., 36n16, 37n36, 78n63, 239n72
 Gibson, D.E., 197n10
 Gibson, K.R., 118n81
 Gielnik, M.M., 199n39
 Gifford, J., 443n105i
 Gilbert, D.T., 115n52, 116n62, 151n6
 Gilbert, K., 236n12
 Gilbey, A., 114n39
 Giles, S., 77n47, 473n77
 Gill, A.J., 360n20
 Gill, H., 157n73
 Gill, R., 469n12
 Gillespie, J.Z., 197n2
 Gillespie, N., 324n79, 324n80, 505n55
 Gillespie, T.L., 441n94
 Gilliland, S.W., 203n93
 Gilman, Syd, 109
 Gilovich, T., 277n22, 277n30
 Gilson, L.L., 238n56, 239n69, 239n70, 325n94
 Gino, F., 113n22
 Gino, F., 77n57
 Gittell, J.H., 359n2, 504n21
 Glaser, B.G., 595n5, 596n7
 Glass, J.L., 40n64
 Glavas, A., 37n28
 Glazer, E., 276n14
 Glen, R., 281n84
 Glew, D.J., 152n22
 Glikson, E., 439n55
 Glimcher, P.W., 276n4
 Glomb, T.M., 153n34, 238n46, 241n93g
 Glunk, U., 538n32
 Glynn, S.J., 240n87
 Goh, J., 158n86
 Göhring, M., 374n81d
 Gold, R., 282n94d
 Goldberg, C.B., 204n101
 Golden, T.D., 40n64, 159n103
 Goldin, K., 39n57
 Goldman, B.M., 440n74
 Goldsberry, C., 327n115a
 Goldsmith, J., 283n94i
 Goldstein, N.J., 395n18, 396n52
 Goleman, D., 131, 154n42, 363n58,
 473n79, 473n82
 Golightly, D., 279n48
- Gomez, P., 37n28
 Gomez-Mejia, L.R., 236n24
 Goncalo, J.A., 280n67
 González-Morales, M.G., 158n83
 González-Rodríguez, M.R., 36n14
 Gonzalo-Angulo, J.A., 117n73
 Gooch, D., 361n35
 Gooderham, P., 241n93b
 Goodman, J., 278n37
 Goodman, P.S., 42n97
 Goold, M., 504n38, 505n54
 Gopinath, A., 398n75b
 Gordon, G.G., 538n32
 Gordon, H.J., 240n85
 Gordon, W., 154n47
 Gorman, J.C., 322n50
 Gosling, J., 473n83
 Gosse, L., 204n100
 Gosselin, D., 113n17
 Goto, S.G., 116n63
 Gottfredson, R.K., 202n81, 202n79
 Goulding, S.C., 506n72d
 Gouldner, A.W., 394n11
 Gouws, A., 112n1
 Govindarajan, V., 118n89
 Graham, A., 79n77j
 Graham, J., 199n31
 Graham, K.A., 435n16
 Graham, P., 35n8
 Grandey, A.A., 153n28, 153n30, 153n35, 156n67
 Granovetter, M.S., 396n39
 Grant, A., 282n94a, 319n2
 Grant, A.M., 76n44, 238n58, 320n15, 541n85e
 Grant, D., 472n62
 Grant, D.M., 75n27
 Gratton, L., 283n94i, 321n33
 Gravina, N., 202n77
 Gray, B., 327n115g
 Gray, Dave, 359
 Gray, Jerry, 56
 Green, D.P., 119n89g
 Green, N., 398n75k
 Green, W., 117n73
 Green,A., 442n105h
 Greenaway, K.H., 359n7
 Greenberg, J., 43n100e, 204n101
 Greenberg, M.S., 189
 Greene, L., 442n105h
 Greenhaus, J.H., 39n56
 Greenhaus, Jeffrey H., 39n54
 Greenleaf, R.K., 471n43
 Greenwald, A.G., 117n78
 Greenwald, J., 503n20
 Greenwood, R., 503n2
 Greer, L.L., 434n6, 434n8, 434n8, 435n15,
 436n21, 437n28
 Gregg, A.P., 114n31
 Greguras, G.J., 156n63
 Greiner, L.E., 35n4
 Greitemeyer, T., 435n12
 Gretton, M., 507n72i
 Griffeth, R.W., 155n56
 Griffin, D., 277n22, 277n30
 Griffin, M.A., 41n88, 539n54
 Griffin, R.W., 239n64
 Griffiths, K., 362n41
 Grimaldi, E.M., 75n20
- Griswold, A., 442n105g, 536n1, 539n59
 Grodal, S., 360n23
 Gronn, P., 282n94g
 Groot, J., 361n37
 Gross, J.J., 151n7, 154n37, 240n88
 Grosser, T.J., 374n79
 Grossetti, M., 395n29
 Grossmann, T., 151n9
 Grover, S.L., 78n60
 Groysberg, B., 197n9, 197n13, 198n17
 Grubb, W.L., 79n77f
 Gruber, M., 39n52
 Gruenfeld, D., 474n89o
 Gruman, J.A., 197n3
 Grund, C., 205n105g
 Gruys, M.L., 42n93
 Guadalupe, M., 503n15
 Guay, R.P., 76n40, 199n27
 Gudykunst, W.B., 363n64
 Guenther, C.L., 113n15, 279n55
 Guenzi, P., 156n67
 Guest, R.H., 238n50
 Guglielmi, D., 197n6
 Guillaume, Y.R.F., 39n51
 Guillén, L., 473n73
 Guinn, J.S., 113n18
 Guinote, A., 394n2
 Guiral-Contreras, A., 117n73
 Guiso, L., 537n11
 Gulati, R., 35n9
 Gulati, R.R., 503n8
 Gullekson, N., 153n31
 Gully, S.M., 113n26, 324n72, 324n74, 326n105
 Gunia, B.C., 280n60, 441n84
 Gunkel, M., 438n41, 438n49
 Gunter, B., 537n17
 Gupta, A.K., 118n89
 Gupta, M., 442n105b
 Gupta, N., 236n17, 236n9, 237n34, 321n27
 Gustafson, A., 77n48
 Gustafson, D.H., 327n114
 Güth, W., 441n95
 Guthrie, C., 360n16
 Guthrie, J., 36n15
 Gutsche, Jeremy, 373
 Guynn, J., 112n1
 Guzzi, Tony, 517
 Guzzo, R.A., 319n7, 320n24
- H**
- Haas, C., 438n43
 Haase, H., 116n61
 Hackett, R.D., 41n86
 Hacki, R., 505n58
 Hackman, J.D., 395n24
 Hackman, J.R., 220, 200n44, 200n46, 234,
 238n53, 238n58, 239n64, 239n67, 320n24,
 321n34, 540n74, 540n76
 Hackwill, R., 39n59
 Hadley, L., 204n99
 Haenlein, M., 360n25
 Hafenbrack, A.C., 280n60
 Hagège, J., 152n24
 Hagel, J., III, 505n58
 Hagemeister, A., 442n105d
 Hägg, G.M., 238n45
 Hagmayer, Y., 277n29

Name Index

I-13

- Haidinger, Z., 507n72i
 Halbesleben, J.R.B., 158n88
 Halevy, N., 115n49, 437n37
 Hall, D.T., 198n26, 434, 434n9
 Hall, F.S., 434, 434n9
 Hall, J., 118n80
 Hall, J.A., 437n38
 Hall, M., 37n26
 Hall, N.C., 153n28, 153n30
 Hall, R.H., 36n17
 Hall, R.J., 472n62, 473n79
 Hall, W.A., 596n8
 Hall, W.M., 115n50
 Halperin, E., 436n24, 436n25
 Halpin, S.M., 473n73
 Hamari, J., 201n59
 Hambley, L.A., 40n68, 325n96
 Hambrick, D.C., 398n75d, 398n75h
 Hamburger, E., 359n1
 Hamel, G., 443n105k
 Hamet, J., 37n33, 37n35
 Hamilton, K., 279n46
 Hamilton, K.L., 438n43
 Hamilton, R.A., 241n91
 Hamilton, R.T., 203n97
 Hamington, M., 77n49, 77n50
 Hammarström, O., 237n28
 Hämmelmann, A., 323n56
 Hammer, Allen L., 54
 Hammer, W.C., 237n33
 Hampden-Turner, C., 153n32
 Han, J., 237n36
 Han, T.-S., 158n80
 Hancer, M., 239n73
 Hancock, J.I., 42n94
 Hancock, A.B., 363n66
 Hancock, J.I., 42n96
 Hancock, R., 112n1
 Hand, Ann, 366–367, 374
 Hand, M.W., 239n69
 Handke, L., 325n98
 Hanel, P.H.P., 76n41
 Haner, U.E., 280n62
 Hanley, A.W., 112n9
 Hanlon, G., 38n37
 Hannah, D.R., 540n70
 Hannah, S., 112n12
 Hannah, S.T., 471n38
 Hansen, F., 152n11
 Hansen, M.T., 359n4
 Hansen, N.K., 36n14
 Hara, N., 360n12
 Harari, D., 118n81
 Hardy, C., 398n74, 470n32
 Hardy, J., 241n91
 Hare, A.P., 322n45, 322n51
 Hargadon, A., 281n81, 326n109, 596n12
 Hargadon, A.B., 326n109
 Hargadon, Andrew, 595
 Hargrave, T.J., 438n42
 Hargrove, D.F., 158n83
 Hargrove, M.B., 158n83
 Harkin, B., 240n86
 Harkins, S., 241n93i, 320n21
 Harlow, T., 434n1
 Harmon-Jones, E., 197n10, 278n42
 Harold, C.M., 204n97
- Harpaz, I., 539n58
 Harper, C., 392
 Harrington, S.D., 395n25
 Harrington, J.R., 79n76
 Harris, J.G., 504n39
 Harris, L.C., 537n13
 Harris, P., 363n65
 Harris, S., 474n89c
 Harris, S.G., 538n36
 Harris, T.B., 395n30
 Harrison, A., 75n26
 Harrison, D.A., 38n44, 40n64, 42n97, 77n51, 155n50, 156n63
 Harrison, J.S., 37n25
 Harrison, M., 374n81f
 Harrison, M.M., 473n73
 Harrison, Marc, 344
 Hart, C.M., 76n32
 Hart, W., 75n31
 Härtel, C.E.J., 38n38, 41n85, 152n14
 Hartell, J., 197n5
 Harter, J., 43n100j
 Hartman, N.S., 79n77f
 Hartung, P.J., 241n93f
 Harush, R., 439n55
 Harwood, G.G., 325n99
 Hasan, H., 374n74
 Hasegawa, T., 363n64
 Hashimoto, K., 396n53
 Haslam, S.A., 114n31, 115n48, 319n9
 Hasler, B.S., 118n82
 Hassard, J., 504n25
 Hassell, Jim, 294
 Hastings, R., 536n9
 Hastings, S.E., 435n11
 Hatzigeorgiadis, A., 240n80
 Hauben, M., 360n13
 Hauben, R., 360n13
 Hauff, S., 36n14
 Haukelid, K., 537n12
 Hausdorf, P.A., 79n77e
 Häusser, J.A., 239n62
 Hautaluoma, J.E., 323n69
 Haviland-Jones, J.M., 151n4
 Hawk, T.F., 77n49
 Hayashi, A.M., 279n49
 Hayden, B.Y., 36n10, 198n16
 Hayes, L., 275n1
 Hayes, R.A., 361n25
 Haynie, J.M., 278n39
 Hayward, A., 394n1
 Hayward, M.L.A., 472n67
 Heath, C., 113n16
 Hecht, T.D., 320n16
 Heckhausen, H., 197n8, 198n22
 Heckhausen, J., 197n8, 198n22
 Hedlund, J., 473n78
 Heerdink, M., 151n4
 Heffernan, V., 359n1
 Heffner, T.S., 158n79
 Heidl, R., 396n42
 Heidrick, ?, 538n35
 Heike, B., 239n72
 Heilman, M.E., 474n89
 Heinemann, P., 394n6
 Heinz, J., 374n81d
 Heinz, M., 158n77
- Helfrich, C., 537n10
 Henderson, R., 474n89c
 Henley, A.B., 204n101
 Hennekam, S., 115n53
 Henning, R.A., 240n87
 Henningsen, D.D., 325n102
 Henningsen, M.L.M., 325n102
 Henriksen, D., 282n85
 Herbst, D., 320n15
 Herman, S., 470n34
 Hermkens, K., 338
 Herrman, A.R., 441n90
 Hershcovis, M.S., 158n87
 Hertel, G., 325n92, 360n22, 506n68
 Heskett, J.I., 137, 156n66
 Heskett, J.L., 538n32, 538n39
 Heslin, P.A., 326n112
 Hewlin, P., 541n85d
 Hewstone, M., 437n37
 Hiam, A., 281n77
 Hibarger, H., 35n8
 Hibbard, J.D., 156n59
 Hickerson, K., 469n12
 Hickman, J.S., 240n89
 Hicks, J., 327n115f
 Hickson, D.J., 395n22, 395n24
 Hideg, I., 154n36
 Higgins, C., 327n115d
 Higgins, C.A., 397n62
 Higgins, E.T., 74n9, 152n17, 279n44, 360n10
 Higgins, J.M., 539n58
 Higginson, T.W., 363n68
 Hilbig, B.E., 75n21
 Hill, E.J., 40n64
 Hill, K.M., 155n49
 Hill, M., 327n115a
 Hill, N.S., 439n56
 Hill, S., 114n39
 Hillman, D.R., 437n29
 Hilton, M.L., 319n3
 Himpler, Christine, 121
 Hinings, C.R., 36n20, 395n17, 395n22, 506n67
 Hinings, R., 503n2
 Hinkin, T.R., 200n55
 Hirschi, A., 241n93h
 Hirschman, A.O., 155n58
 Hirsh, J.B., 240n88
 Hirst, G., 281n73
 Hitlin, S., 37n27, 197n12, 536n3, 76n38
 Hitt, M., 281n79, 504n42
 Hitt, M.A., 36n17
 Ho Lee, J., 237n31
 Ho, Elizabeth, 577–578
 Ho, J., 240n90, 241n93
 Ho, J.Y.C., 365n81i
 Hoar, R., 394n1
 Hobbs, B., 321n27, 321n37, 321n41
 Hochwarter, W.A., 397n68
 Hock, M., 276n18
 Hodgkinson, G.P., 279n45
 Hodo, Chikamoto, 348
 Hodson, G., 75n21
 Hodzic, S., 155n49
 Hoe, S.L., 359n4
 Hoerman, D., 541n85b
 Hoffman, J., 117n70
 Hofling, C.K., 395n19

- 
- Hofstede, G., 64, 78n66, 78n67, 537n13
 Hofstetter, H., 539n58
 Hogan, D.E., 117n75
 Hogan, J., 198n14
 Hogan, S.J., 539n56
 Hogarth, R.M., 279n45
 Hogg, M.A., 114n31, 115n48, 319n9,
 396n55, 439n55
 Hoisl, K., 39n52
 Holahan, P.J., 436n18, 442n105f
 Holden, Jeff, 508
 Holland, B., 198n14
 Holland, R.W., 199n28
 Hollenbeck, J.R., 319n5
 Hollingshead, A., 323n56
 Hollingworth, D., 77n52
 Holmberg, I., 471n55
 Holmes, L., 237n28, 241n93k
 Holmes, O., 38n51
 Holt, J.L., 438n51
 Holtbrügge, D., 361n38
 Holtom, B.C., 42n96
 Holton, M.K., 159n97
 Holtz, B.C., 117n74, 204n97
 Holub, Carla, 20
 Hom, P.W., 155n56
 Homan, A.C., 321n41, 323n68
 Homburg, C., 504n39
 Honeycutt, Matthew, 213
 Hong, Y., 156n66
 Hooghiemstra, R., 116n61
 Hook, L., 442n105a
 Hopkins, S., 236n23
 Hopwood, C.J., 74n8
 Horowitz, L.M., 75n21
 Horpestad, S., 78n62
 Horstmann, G., 151n5
 Horton, R.S., 323n67
 Horvitz, T., 324n71
 Horwitz, S.K., 321n41
 Hough, L.M., 436n23
 Houghton, J., 241n92
 Houghton, J.D., 240n90, 471n52
 Houlfort, A.N., 39n57
 House, R., 469n4, 473n84
 House, R.J., 38n40, 398n72, 470n26, 470n36,
 471n39, 471n48, 471n50
 Howell, J.M., 469n7
 Howington, J., 399n751
 Hradecky, S., 434n1
 Hrycaiko, D.W., 241n91
 Hsieh, A.T., 503n14
 Hsieh, Tony, 527
 Hsieh, Y.M., 503n14
 Hu, C., 539n62
 Huai, M.-Y., 38n50
 Huang, J.L., 74n13
 Huang, D., 541n851
 Huang, J., 74n11
 Huang, J.L., 41n88, 74n15, 74n8
 Huang, J.W., 504n29
 Huang, L., 35n9, 324n83
 Huang, X., 160n109a, 470n30
 Huang, Y.-M., 156n67
 Huber, V.L., 201n58
 Huettemann, H., 321n27
 Hüffmeier, J., 441n90
 Hugenberg, K., 115n48
 Hughes, D.J., 281n76
 Huguet, P., 362n51
 Humiston, G.B., 116n54
 Hummel, M., 360n23
 Humphrey, R.H., 154n40, 154n46
 Humphrey, S.E., 322n52
 Hung, Y.T.C., 324n83
 Hunger, J.D., 439n53
 Huning, T.M., 241n92
 Hunt, J.C., 471n40
 Hunt, J.G., 470n26, 471n47
 Hunter, L.W., 158n82
 Hunter, P., 541n85k
 Hunter, S.T., 281n71
 Huo, Y.J., 394n9
 Huppert, J.D., 154n38
 Hurd, Mark, 496
 Hurley, R.F., 74n13
 Hormuzan, S., 327n113
 Hussain, I., 156n61
 Huszczo, G.E., 323n60
 Hutchinson, B., 70
 Huwaë, S., 153n33
 Huy, Q.N., 504n25
 Huyghebaert, T., 153n34
 Hwang, H.C., 153n32
 Hwang, H.S., 155n49
 Hyde, M., 440n77
 Hyland, A., 539n49
 Hyten, C., 324n87
- I**
- Ibarra, H., 473n73
 Ilies, R., 471n40
 Imhoff, R., 114n33
 Indvik, J., 471n51
 Inge, S., 118n89a
 Inglis, S., 537n12
 Ingram, Harry, 102
 Inkson, K., 363n62
 Inman, R., 327n115e
 Inzlicht, M., 240n88
 Irmer, B.E., 325n103
 Irving, P.G., 440n77, 540n72
 Isaac, M., 442n105g
 Isaac, R.G., 471n49
 Isen, A.M., 441n99
 Ittner, H., 440n76
 Ivancevich, J.M., 158n81
 Ivry, B., 395n25
 Iyengar, S., 278n37, 282n94b
 Iyengar, S.S., 278n36
- J**
- Jack, A.I., 151n3
 Jackson, J.J., 79n77g
 Jackson, C.L., 78n63
 Jackson, D.N., 75n19
 Jackson, T.W., 363n60
 Jacob, N., 78n70
 Jacobs, L., 440n71
 Jacobs, R., 473n82
 Jaeger, G.J., 280n61
 Jaeger, J., 78n60
- Jago, A.G., 273, 282n87, 282n88, 282n94, 325n101
 Jain, K., 278n35
 James, J.B., 197n6
 James, M.O., 115n42
 James, T.A., 280n70
 Jang, D., 440n79
 Janis, I.L., 276n9
 Janoff-Bulman, R., 115n49
 Jansen, W.S., 319n7
 Janssen, O., 320n14
 Jarcho, J.M., 153n25
 Jaros, S., 157n70, 157n71
 Jarvenpaa, S.L., 324n83
 Jasper, J.D., 277n31, 278n31, 441n82
 Javidan, M., 118n88, 469n4, 473n84, 473n85
 Jayawickreme, E., 73n3
 Jeffrey, S.A., 280n67
 Jehn, K., 437n32
 Jehn, K.A., 113n19, 113n21, 323n68, 434n5,
 434n6, 435n14, 435n14, 435n15,
 436n21, 437n28
 Jenkins, M., 536n6
 Jenner, S., 78n73
 Jensen, B., 118n89a
 Jensen, M.A.C., 322n46
 Jensen, O., 504n39
 Jeong, D.Y., 37n23
 Jermier, J.M., 458
 Jesuino, J.C., 473n85
 Jetten, J., 115n48
 Jevons, W.S., 200n43
 Jex, S.M., 239n66
 Jia, M., 202n71
 Jia, S., 235n4
 Jiang, D., 152n13
 Jiang, X., 436n20
 Jiang, Y., 157n72
 Jie Cao, 270
 Jimmieson, N.L., 434n6, 436n20
 Jin, J., 199n28
 Jobs, S., 42n100a
 Jobs, Steve, 5
 Johannesen-Schmidt, M.C., 474n88
 Johar, O., 75n23
 John, O.P., 74n10
 John, P., 155n58
 Johns, G., 41n85, 42n99, 42n100
 Johns, T.L., 39n60
 Johnson, B., 507n72i
 Johnson, B.R., 326n110
 Johnson, B.T., 151n10
 Johnson, C., 326n108
 Johnson, D., 77n57, 363n71
 Johnson, D.E., 42n89
 Johnson, D.W., 438n42
 Johnson, Donna, 17
 Johnson, E.C., 157n75, 539n62
 Johnson, E.M., 42n95
 Johnson, I.R., 115n54
 Johnson, K.E., 437n38
 Johnson, M.D., 395n23
 Johnson, R.E., 113n15, 113n23, 114n34,
 153n35, 200n49
 Johnson, R.M., 241n93c
 Johnson, S., 43n100d
 Johnson, S.K., 116n66, 361n32

Name Index

I-15

- Johnson-Laird, P.N., 115n44
 Jokela, M., 74n7
 Jones, B.F., 319n3
 Jones, D., 503n19
 Jones, D.N., 75n21, 75n29
 Jones, G., 200n45, 238n60
 Jones, J.M., 237n35
 Jones, M.O., 537n16
 Jones, T.M., 77n52
 Jonker, C.M., 152n11
 Jonsen, K., 536n7
 Jonsson, P., 361n32
 Joo, H., 202n81, 202n79
 Joost, N., 277n22
 Jooste, Markus, 451
 Jordan, Dermot, 226
 Jordan, J., 78n60
 Jordan, Peter J., 131
 Joseph, A., 506n72f
 Joseph, D., 154n47
 Joseph, D.L., 154n42
 Joseph, J., 437n30
 Josephson, S.A., 277n30
 Joshi, P.D., 363n56
 Jost, J.T., 117n79
 Joyce, A., 240n84
 Judge, T., 74n11
 Judge, T.A., 41n84, 73n6, 153n26, 155n53,
 397n62, 471n40, 472n72, 539n62
 Juillerat, T., 238n58
 Jundt, D.K., 41n88
 Jung, C.G., 76n33
 Jung, Carl, 54–55
 Jung, M.H., 278n31
 JungKun, P., 363n69
 Jussim, L., 115n46, 117n69
 Justin, J.E., 471n54
- K**
- Kabanoff, B., 536n6
 Kable, J.W., 276n4
 Kacmar, K.M., 398n74
 Kador, J., 39n62
 Kahn, R.L., 35n3, 36n20
 Kahneman, D., 115n43, 152n12, 277n22, 277n30,
 277n31, 278n32, 278n33, 280n57, 441n82
 Kahneman, Daniel, 251
 Kahwajy, J.L., 435n12, 439n54
 Kalanick, Travis, 508–509, 526
 Kalev, A., 117n75, 119n89g
 Kalika, M., 360n16
 Kalkhoff, W., 151n3
 Kallio, K.-M., 537n27
 Kallio, T.J., 537n27
 Kammerer-Mueller, J.D., 154n40, 540n75
 Kanahara, S., 115n45
 Kanfer, R., 151n8, 200n49
 Kang, S.-C., 237n34, 237n36
 Kang, S.K., 319n9
 Kang, S.Y., 160n109a
 Kaniigel, R., 238n49
 Kantabutra, S., 469n14
 Kanter, R.M., 395n22
 Kantor, J., 442n105a
 Kanungo, R.N., 469n15
 Kaplan, A.M., 360n25
 Kaplan, D.A., 538n28
 Kaplan, K., 40n67
 Kaplan, S., 276n17
 Kaplan, S.R., 322n45
 Karahanna, E., 36n21
 Karambayya, R., 440n74
 Karapinar, P.B., 438n47
 Karasek, R., 159n96
 Karau, S.J., 320n20, 474n89
 Karimi, H., 276n6
 Karis, D., 40n68
 Kark, S.M., 114n37
 Karr, A., 505n56
 Kashima, Y., 78n64
 Kasriel, S., 39n62
 Kast, F.E., 36n19
 Katanuma, M., 161n109k
 Katayama, H., 205n105g
 Kates, A., 505n46
 Kato, T., 237n31, 237n32
 Katz, D., 35n3, 36n20
 Katz, L.F., 40n70
 Kauffeld, S., 320n21, 322n52
 Kauhanen, A., 237n32
 Kauppila, O.-P., 41n76
 Kay, A.C., 442n105e
 Kay, E., 202n76
 Kay, V.S., 113n18
 Kayworth, T., 537n10
 Kazar, B., 241n93a
 Ke, W., 240n74
 Kearney, A.T., 112n2
 Keeley, J.W., 117n71
 Keesee, Tracie, 84
 Kefalidou, G., 279n48
 Kehoe, R., 37n24
 Keil, M., 280n56, 280n60
 Keller A.C., 153n27
 Keller, J., 40n69
 Keller, M., 238n52
 Keller, R.T., 471n53
 Kellett, P.M., 203n90
 Kelley, D., 537n21
 Kelley, D.P., 202n77
 Kelley, David, 515
 Kelley, H.H., 116n56, 116n57
 Kelley, J.G., 504n27
 Kelley, T., 281n81, 326n109, 537n21
 Kelley, Tom, 515
 Kelloway, E.K., 321n27, 321n37, 321n41, 470n31
 Kelly, J.R., 361n33
 Keltner, D., 75n29
 Kemmelmeier, M., 64, 78n62, 78n64, 78n72
 Kemmerer, B., 153n27
 Kemp, C., 472n69, 472n71
 Kendall, J.M., 503n19
 Kennedy, A.A., 537n15, 537n19, 538n31, 541n85c
 Kennedy, D.A., 76n35
 Kennedy, J.A., 442n103, 442n104
 Kennedy, J.K., 472n62
 Kennedy, J.T., 79n77j
 Kennedy, K.A., 436n26
 Kennedy, R.B., 76n35
 Kenrick, D.T., 199n26
 Kensinger, E.A., 114n37
 Kenworthy, J.B., 326n109
 Keogh, Kyron, 182
 Keogh, O., 240n75, 507n72i
 Kepes, S., 43n100f
 Keren, G., 441n81
 Kerlinger, F.N., 595n1, 596n6
 Kerr, E., 434n1
 Kerr, J., 539n58
 Kerr, N.L., 320n15, 320n17
 Kerr, S., 35n4, 203n87, 237n41, 458,
 471n39, 471n47
 Kesebir, S., 199n31
 Kesler, G., 505n46
 Kessler, R.C., 158n87
 Kessler, S., 324n86
 Kessler, S.R., 75n22, 398n73
 Ketcham, J.D., 236n23
 Kettunen, O., 160n107
 Keyton, J., 442n105f
 Khan, Adrian, 32
 Khosrowshahi, D., 536n1
 Khosrowshahi, Dara, 509–510, 517, 526
 Khurana, R., 470n28
 Kidd, C., 36n10, 198n16
 Kietzmann, J.H., 361n26
 Kihlstedt, A., 238n45
 Kilbridge, M.D., 239n62
 Kilduff, M., 74n8, 396n36
 Killgore, W.D.S., 154n44
 Kilmann, R.H., 506n70
 Kim, E., 156n67
 Kim, H.J., 36n18
 Kim, J., 37n29, 363n70
 Kim, K., 236n15
 Kim, K.Y., 157n74
 Kim, M.S., 326n105
 Kim, P.H., 37n36
 Kim, S., 237n36
 Kim, S.Y., 152n20
 Kim, T., 238n54
 Kim, Tyler, 476
 Kim, Y., 41n81
 Kim, Y.-c., 503n1
 Kim, Y.-H., 153n33
 Kim, Y.J., 112n3
 King, R.C., 361n39
 Kinias, Z., 280n60
 Kinicki, A.J., 536n8
 Kinzler, K.D., 77n53
 Kipnis, D., 396n51
 Kirchmaier, T., 398n75f
 Kirchner, J., 323n67
 Kirk, J.F., 203n91, 204n102
 Kirkcaldy, B.D., 235n8
 Kirkman, B.L., 78n70, 239n72
 Kirkpatrick, D., 443n105k
 Kirkpatrick, S.A., 472n71
 Kirn, S.P., 137
 Kiron, D., 282n94c
 Kirsch, D.A., 504n31
 Kirsch, I., 201n60
 Kish, A., 75n29
 Kish-Gephart, J.J., 77n51
 Kivity, Y., 154n38
 Klayman, N., 279n49
 Klehe, U.-C., 320n21
 Klein, C., 322n54

- Klein, A.S., 539n54
 Klein, C., 323n57
 Klein, G., 279n47, 279n48
 Klein, H., 202n72
 Klein, H.J., 157n68
 Kletzmann, J.H., 338
 Klimoski, R., 43n100c
 Klimoski, R.J., 151n8, 323n64
 Kline, A., 156n65
 Klocke, U., 435n12
 Klotz, A.C., 42n92
 Kluger, A.H., 279n49
 Kluger, A.N., 202n81
 Kluwer, E.S., 412
 Kneeland, Michael, 215
 Kniffin, K.M., 327n115f
 Knight, E., 536n1
 Knoll, M., 77n57
 Knowles, E., 438n46
 Knudsen, E.I., 114n35
 Koch, A.S., 278n42
 Koch, E.J., 112n5, 112n9
 Kochan T., 39n52
 Kochan, T.A., 40n72, 40n73, 436n27
 Kocher, M.G., 441n95
 Kock, N., 362n49
 Koenig, R., Jr., 359n2
 Koenig, R.J., Jr., 503n13
 Kohli, A.K., 504n39
 Kohn, N.W., 326n110, 326n111
 Kolesnikov-Jessop, S., 469n21
 Kolko, J., 282n85
 Köllner, M.G., 199n37
 Kolstad, A., 78n62
 Komaki, J., 200n52
 Kong, Gladys, 80
 Konovalov, A., 151n3
 Konradt, U., 199n35, 325n92, 360n22, 506n68
 Koo, B., 114n32
 Kooij-de Bode, H.J.M., 326n105
 Koole, S.L., 160n109a
 Kopp, B.M., 115n54
 Köppen, E., 281n83
 Koput, K.W., 280n60
 Korman, A.K., 471n40
 Korotov, K., 473n73
 Kortowska, M., 327n115b
 Koslowski, S.W.J., 541n83
 Koslowsky, M., 394n11
 Kossek, E.E., 39n58, 40n66, 159n103
 Kostopoulou, O., 277n29
 Kotov, R., 159n99
 Kotter, J.P., 470n35, 538n32, 538n39
 Kouchaki, M., 235n6, 320n26
 Kouzes, J.M., 117n76, 469n10, 470n23, 470n25,
 473n77, 538n31
 Kozan, M.K., 440n73
 Kozlowski, S.W.J., 41n88
 Krach, Keith, 449
 Krackhardt, D., 396n36
 Krackhardt, D.M., 396n43
 Kraiger, K., 41n80
 Krajbich, I., 151n3
 Kraus, L., 438n51
 Kraus, L.A., 38n47
 Krause, A., 325n89
- Krauss, R.M., 360n10, 362n55
 Krautman, A.C., 204n99
 Kray, L., 117n74
 Kray, L.J., 441n81, 442n103, 442n104
 Kreindler, S.A., 279n51
 Kreitner, R., 176, 200n53
 Kreyenberg, A., 327n115b
 Kreyenberg, Annemarie, 292
 Krieger, H., 277n30
 Krieger, L.S., 76n43, 541n85e
 Krisher, T., 538n40
 Kristensen, T., 278n62
 Kristof-Brown, A., 539n63
 Kristof-Brown, A.L., 157n75, 539n62
 Kriwaczek, P., 236n20
 Krizan, Z., 75n23
 Krohne, H.W., 276n18
 Krueger, A.B., 40n70
 Krueger, D.W., 235n5
 Krug, J., 539n45
 Kruger, J., 360n19, 362n54
 Kruglanski, A., 152n17, 202n70, 279n44, 360n10
 Kruglanski, A.W., 74n9
 Krumm, S., 325n97
 Krupnick, M., 541n85i
 Kruse, D., 237n30
 Kruse, D.L., 236n26
 Krys, K., 160n109e
 Kubota, Y., 506n72g
 Kudisch, J.D., 395n21
 Kudryavtsev, A., 278n32
 Kuechler, B., 374n74
 Kugler, T., 436n25
 Kuhla, K., 538n30
 Kuhn, K.M., 40n71
 Kuiper, N.A., 160n106
 Kuipers, B.S., 76n34
 Kukenberge, M.R., 321n27
 Kulik, C.T., 203n94
 Kulkarni, S.S., 278n33
 Kumar, A., 374n81d
 Kumar, N., 156n59
 Kumar, P., 397n69
 Kupritz, V.W., 362n45
 Kupritz, V.W., 362n50
 Kuron, L., 38n49, 437n29
 Kurtessis, J.N., 157n74
 Kurucz, E., 77n50
 Kuvaas, B., 158n80, 202n75, 202n81
 Kuzmits, F., 442n105b
 Kwang, T., 113n20
 Kwon, S., 441n89
 Kwon, S.W., 395n31
 Kwun, S.K., 239n66
- L**
- Labianca, G., 203n94
 Labroo, A.A., 160n109a
 Lacerenza, C.N., 325n98
 Lachman, M.E., 78n74
 Lackman, C.L., 321n29
 Lacoursière, R., 37n24
 Lacy, A., 282n94d
 Ladendorf, K., 536n5
 Ladkin, D., 395n21
 Lagnado, D., 116n58
- Lago, P.P., 327n115
 Lago, U., 506n72h
 Lakin, J.L., 361n33
 Lalicker, Greg, 213
 Lam, C., 320n22
 Lam, C.F., 202n77
 Lam, S.K., 137, 156n66
 Lamba, C., 79n77i
 Lambert, P., 236n25
 Lambright, K.T., 36n18
 Lamm, E., 160n109d
 Lammers, J., 396n47, 396n48
 Lampe, C., 396n37
 Lance, C.E., 43n100f
 Landells, E.M., 397n68, 397n69
 Landers, R.N., 201n59
 Landis, B., 74n8
 Landry, M., 398n71
 Lane, H., 538n38
 Lane, H.W., 473n86
 Lane, R.D., 114n36, 151n4, 152n16
 Lange, D., 116n58, 471n42, 471n46
 Langfred, C., 324n75
 Langner, C.A., 200n41
 Lanza, S.T., 473n72
 Lapointe, É., 156n60
 LaReau, J., 236n11
 Larson, L.L., 470n26, 471n47
 Larson, R.J., 151n8
 Latane, B., 241n93i, 320n21
 Latham, G., 240n89
 Latham, G.P., 41n79, 200n50, 201n58,
 201n67, 202n72, 202n73, 202n74,
 203n87, 203n88
 Latimer, J., 241n93i
 Lau, N., 441n95
 Lau, D.C., 322n43
 Lau, R.S., 436n17, 439n55
 Laurence, B., 392
 Lauritsen, J., 319n12
 Lautsch, B.A., 40n66
 Lavi-Steiner, O., 36n12
 Lawler, E.E., 200n46, 325n87
 Lawler, E.E., III, 41n76, 200n44, 200n46,
 238n47, 238n50, 503n4, 504n35, 504n42,
 540n74, 540n76
 Lawrence, P.R., 35n6, 168, 197n9, 197n13, 198n19,
 198n20, 440n67, 505n46, 505n64, 505n65
 Lawrence, Sandra A., 131
 Lawson, T., 35n5
 Lazarsfeld, P., 596n9
 Lazazzara, A., 240n85
 Le, H., 74n17, 155n50
 Lea, S.E.G., 235n6
 Leach, D.C., 437n28
 Leach, D.J., 363n70
 Leal, A., 281n72, 538n41
 Leana, C.R., 235n4
 Leaper, C., 363n67
 Learmonth, M., 43n100c
 Leary, M.R., 113n18, 113n21, 198n15,
 320n15, 359n7
 Leathers, D.G., 361n28
 Leavitt, H.J., 504n25
 Lebeter, David, 315-316
 LeBlanc, D.E., 438n43

Name Index

I-17

- Leblanc, P., 237n29
 LeBreton, J.M., 75n20
 LeBreton, J.M., 75n30
 Lechner, C.M., 199n28
 Ledford, G., 237n29
 LeDoux, J.E., 152n16, 198n18
 Lee, A., 437n36, 437n39
 Lee, C., 322n48, 435n13
 Lee, D., 152n20, 326n104
 Lee, D.-J., 39n54, 160n103
 Lee, D.Y., 394n13
 Lee, E.S., 114n32
 Lee, F., 439n57
 Lee, H., 360n22
 Lee, K.-H., 76n35
 Lee, L.-E., 197n9, 197n13, 198n17
 Lee, M., 79n77
 Lee, M.T., 198n22
 Lee, R., 395n31
 Lee, S., 442n105g
 Lee, S.G., 160n109, 319n10, 324n73, 360n9
 Lee, S.W.S., 279n52
 Lee, S.-Y., 155n55
 Lee, W., 199n34
 Lee, Y., 197n6, 361n38
 Lee, Y.-N., 321n34
 Lee, Z., 361n38
 Legere, J., 374n81h
 Legere, John, 352
 Lehmann-Willebrock, N., 322n52
 Lehrer, P.M., 158n81
 Lei, Z., 326n106, 436n22
 Leibowitz, G., 39n63
 Leidner, D.E., 537n10
 Leifer, L., 264, 281n83
 Leiner, B.M., 360n13
 Leising, D., 118n81
 Leiter, M.P., 158n88, 438n43
 Leitman, I.M., 236n23
 Lelchook, A.M., 42n98
 Lengel, R.H., 343, 362n42
 Lennard, A.C., 153n35
 Leonard, C., 201n68
 Leonardelli, G.J., 113n29
 Leonardi, P.M., 359n6, 361n26
 Leon-Perez, J.M., 435n16
 LePellec, D., 203n87
 LePine, J.A., 42n89
 Lepsinger, R., 470n35, 471n38
 Lerner, J.S., 200n45, 278n40
 Leroy, S., 199n40, 238n46, 241n93g
 Leslie, L.M., 117n75
 Letts, S., 541n85g
 Leung, K., 438n48, 439n62
 Levary, R., 505n62
 Levenson, A., 43n100e
 Leventhal, G.S., 189
 Levin, S., 205n105h, 536n1
 Levine, J.M., 326n110
 Levy, L., 471n55, 473n74
 Levy, O., 118n88
 Levy, P.E., 113n23, 397n67, 397n70, 398n71
 Lewicki, R.J., 324n79, 324n80, 434, 434n9,
 440n69, 440n70, 440n73, 441n93, 442n102
 Lewin, K., 439n52
 Lewis, C.C., 397n66
 Lewis, L., 161n109k
 Lewis, M., 151n4
 Leyer, M., 239n72
 Li, A., 39n56, 158n81
 Li, C.-Y., 363n61
 Li, H., 396n50, 503n15
 Li, J., 153n29
 Li, N., 395n30
 Li, X., 438n50, 440n65
 Li, Z., 238n59
 Licht, A.N., 37n26
 Liden, R.C., 320n20, 471n44, 539n55
 Lieberman, A., 323n65
 Lieberman, M.D., 151n5, 152n12, 153n25
 Liebowitz, S.J., 321n29
 Lieske, J., 79n75
 Lighton, J., 505n58
 Likert, R., 282n89
 Liley, H.G., 323n57
 Lilien, G.L., 365n81i
 Lilienfeld, S.O., 75n25, 75n26, 75n28, 76n32
 Lim, V.K.G., 235n8
 Lim, W.M., 151n3
 Limayem, M., 77n52
 Lin, H., 151n3
 Lin, W.-F., 438n48
 Lind, E.A., 117n74, 204n101
 Lindell, C., 118n89c
 Linder, C., 281n80
 Lindholm, T., 277n28
 Lindsay, G., 282n94f, 439n60
 Lindstrom, K., 505n45
 Lindzey, G., 115n52
 Linebaugh, K., 506n72g
 Lines, R., 279n54
 Linhares, A., 279n47
 Linquist, S., 200n45
 Linsey, J.S., 326n112
 Lipman-Blumen, J., 470n29
 Lipnick, J., 325n92
 Lisak, A., 439n55
 Liska, L.Z., 471n51
 Litcanu, M., 326n112
 Litman, J., 198n16
 Litterer, J.A., 434n3, 435n10, 440n69
 Little, B.R., 73n3
 Littler, C.R., 504n25
 Litzellachner, L.F., 76n41
 Liu, A., 359n1
 Liu, Alicia, 329
 Liu, F., 506n72h
 Liu, M., 74n8
 Liu, N.-C., 237n30
 Liu, P., 238n59
 Liu, Y., 154n42
 Livingstone, Catherine, 521
 Livio, M., 36n10
 Lloyd, J.B., 74n16, 76n36
 Lo, M.-T., 74n7
 Loan-Clarke, J., 155n56
 Locke, E.A., 153n26, 155n51, 201n67, 202n72,
 202n73, 203n87, 204n101, 320n16, 320n24,
 469n6, 469n14, 470n35, 472n71
 Locke, J.L., 38n47, 363n66
 Locke, W., 539n47
 Löckenhoff, C.E., 74n8
- Lockwood, K., 39n57
 Lodewijkx, H.F.M., 325n102
 Lodi-Smith, J., 112n8
 Loewenstein, G., 198n16, 278n40, 36n10
 Lofquist, E.A., 279n54
 Lohmann, K., 360n20
 Lombardi, L., 271
 London, M., 203n84
 Long, D., 397n59
 Lönnqvist, J., 119n89i
 Lönnqvist, Jessica, 106
 Lopes, C., 38n48
 López-Cabralles, A., 236n18
 Lord, R.G., 151n8, 472n62, 472n63, 472n64,
 473n79, 473n83
 Loris, G., 237n32
 Lorsch, J.W., 398n75e, 440n67, 505n64,
 505n65, 541n85f
 Loschelder, D.D., 441n81
 Lotia, Nuzhat, 356–358
 Lotz, C., 33
 Loughnan, S., 113n15, 279n55
 Loughry, M.L., 295, 321n39, 435n15, 472n60
 Louis, M.R., 538n36, 540n76
 Louis, R.S., 198n22
 Lount, R.B., 241n93i, 320n21
 Louw, K.R., 539n54
 Louwhoff, Roel, 292
 Løvås, B., 359n4
 Lovric, D., 79n77a
 Lowry, Frank, 426
 Lu, C.-M., 38n50
 Luan, K., 435n11
 Luanglath, N., 39n51
 Lubinski, D., 76n39
 Lublin, J.S., 276n14
 Lucas, R.E., 74n8, 151n8
 Lucas, W., 360n16
 Luchak, A.A., 157n73
 Lucifora, C., 237n31
 Lucke, G., 240n89
 Lucy, M., 237n29
 Ludwin, Rick, 248
 Luechauer, David L., 534–535
 Luft, J., 118n80, 439n61
 Luft, Joseph, 102
 Lukosch, S., 323n66
 Lun, J., 78n73
 Lun, V.M.C., 153n35
 Luna-Arcas, R., 37n24
 Luo, S., 113n17
 Luse, A., 76n34
 Luthans, F., 159n99, 159n100, 176, 200n53, 200n56
 Luyckx, K., 112n4, 114n31, 319n9
 Lynch, M.A., 320n22
 Lynn, B.E., 505n44
 Lynn, R., 235n7, 235n8
 Lyons, S., 38n49, 437n29
- M**
- Ma, Jack, 515, 525
 MacDonald, I., 119n89h
 MacDonnell, R., 40n64
 MacDougall, M.P., 241n91
 MacDowell, Harold, 455, 474n89e
 Macey, W.H., 197n3, 539n52

- Machiavelli, Niccolò, 51–52, 54
 Macariello, J.A., 470n29
 Mackenzie, S.B., 42n91, 42n92, 42n93, 74n12, 458, 472n61
 Mackey, A., 470n30
 Mackey, J.D., 159n92
 Macky, K.A., 442n105h
 Macleod, D., 197n4
 MacNab, B., 78n73
 Macrae, C.N., 114n41, 115n47
 Madison, D.L., 397n69
 Madon, S., 117n69
 Maeda, Y., 77n54
 Mael, F., 538n34
 Maellaro, Rosemary, 148
 Magee, J.C., 200n41
 Magee, K., 474n89h
 Magnolfi, J., 282n94f, 439n60
 Magoun, F.A., 198n24
 Magpili, N.C., 325n90
 Mahajan, N., 506n72h
 Mahlendorf, M.D., 279n54
 Mahometta, M.J., 361n40
 Mahoney, D., 442n105
 Maidique, M.A., 112n13
 Maier, G.W., 199n40
 Maier, N.R.F., 40n74
 Mainemelis, C., 281n79
 Maio, G.R., 76n41, 76n43, 541n85e
 Mairoll, Christian, 19
 Maitlis, S., 396n54
 Majia, B., 398n75k
 Major, D.A., 39n54
 Makhijani, M.G., 474n89
 Malekzadeh, A.R., 539n48
 Maleki, A., 40n71
 Malekzadeh, A.R., 523
 Malhotra, D., 324n78, 441n92
 Malhotra, N., 43n100f
 Malle, B.F., 116n56, 116n64
 Mallott, M., 117n75
 Malone, P.S., 116n62
 Malone, W., 116n60
 Malouff, J., 118n85, 201n62
 Maltin, E.R., 157n72
 Mané, A., 40n68
 Manegold, J.G., 38n44
 Maner, J., 200n41
 Maner, J., 473n75
 Manktelow, K., 275n4
 Mann, A., 39n61
 Mann, T., 117n74
 Mann, T.C., 117n74
 Manning, Autumn, 517
 Mannix, E., 282n91, 321n41, 537n15
 Mannix, E.A., 396n55
 Mano, R.S., 360n15
 Måansson, Anna Carin, 60
 Manville, B., 469n14
 Manz, C.C., 240n76, 240n78, 240n82, 241n93, 436n20, 472n59
 March, J.G., 275n4, 277n23, 437n33, 440n68
 Marchionne, S., 469n8, 504n22
 Marchionne, Sergio, 447, 484
 Marcus, B., 42n93
 Marcus, D.K., 75n31
 Marcus, E.C., 435n11
 Margo, J., 442n101
 Margulies, N., 538n41
 Marie Gustafsson, S., 43n100m
 Marinova, S.V., 74n12
 Mark, P.Z., 115n42
 Marks, M.A., 320n25
 Marks, M.L., 439n63, 538n44
 Marling, S., 504n27
 Marlow, S.L., 325n98
 Marowitz, R., 40n64, 70
 Marr, J.C., 118n81
 Marshall, J., 159n89
 Marshall, V., 282n93
 Martela, F., 198n14
 Martens, M.L., 324n75
 Martin, A.W., 437n34
 Martin, B.H., 40n64
 Martin, G., 361n27
 Martin, G.E., 436n26
 Martin, G.L., 240n91
 Martin, H., 541n85i
 Martin, J., 537n12, 537n13, 538n32, 539n51
 Martin, L.J., 323n57
 Martin, R., 472n62
 Martinez, Chris, 529
 Martins, L.L., 325n97
 Martocchio, J.J., 42n97
 Marx, P., 79n77a
 Mas, A., 320n15
 Mas, C., 38n42
 Masicampo, E.J., 198n19
 Masino, G., 239n62
 Maslach, C., 158n88
 Maslow, A.H., 198n23, 198n25, 199n27, 199n30, 199n32, 276n15
 Maslow, Abraham, 169–171, 247
 Maslowski, R., 538n32
 Mason, J., 595n4
 Massoud, M.F., 539n47
 Mathieu, J., 324n76
 Mathieu, J.E., 38n44, 239n69, 239n70, 320n24, 320n25, 321n27, 321n28, 321n37, 322n52
 Mathieu, P., 327n115f
 Mathieu, Patrick, 304
 Matsumoto, D., 153n31, 155n49
 Mattioli, D., 276n14
 Mattioli, D., 276n14
 Mattis, J., 319n1
 Mattis, James, 284
 Matyók, T., 203n90
 Maurer, F., 37n33
 Maurer, Rick, 308
 Maurits, E.E.M., 325n89
 Mauss, I.B., 153n31
 Maxwell, J.C., 470n22
 Mayer, M., 236n17
 Mayerowitz, S., 541n85i
 Mayfield, J., 241n93, 469n15
 Mayfield, M., 241n93, 469n15
 Mayhew, M., 158n80
 Mayhew, M.G., 114n33
 Maynard, M.T., 239n69, 239n70
 Mayo, Elton, 5
 Mayo, M., 473n73
 Mazar, N., 77n45
 Mazei, J., 442n103
 Mazy, C., 204n105e
 Mazza, S., 398n75k
 Mazziotta, A., 118n82
 McAllister, D.J., 324n78
 McBride, M., 235n7, 394n1
 McCabe, S., 119n89i
 McCain, J.L., 79n77a
 McCall, Carolyn, 462
 McCann, J., 36n20
 McCann, L., 504n25
 McCarter, M.W., 320n18
 McCarthy, I.P., 338
 McCarthy, Ryan, 183
 McCarthy, S., 37n32, 395n25
 McChrystal, G.S., 319n1, 504n41
 McChrystal, Stanley (General), 284–285, 491
 McClarty, K.L., 113n24
 McClelland, C.L., 239n63
 McClelland, D.C., 199n37, 199n38, 200n42
 McClelland, David, 171–172
 McComb, S., 321n40
 McConnell, A.R., 112n5
 McCord, P., 536n9
 McCracken, D.M., 396n46
 McCracken, H., 541n85j
 McCrae, R.R., 74n8, 74n10, 202n83
 McCray, G.E., 200n48
 McCreadie, M., 160n106
 McCullough, N., 319n2, 360n14, 374n81b
 McCurry, J., 161n109k
 McDaniel, M.A., 43n100f
 McDaniel, S.H., 320n25
 McDermott, R., 319n11, 360n11, 395n35
 McDonald, P., 159n92
 McDonald, S., 396n44
 McElroy, J.C., 537n27, 539n56
 McEwan, D., 322n54
 McGrath, A., 153n25
 McGrath, J.E., 320n25
 McGrath, L., 325n103
 McGregor, D., 282n89
 McGregor, J., 236n22
 McInnis, K.J., 540n71
 McKechnie, S., 197n6
 McKee, A., 154n42, 363n58, 473n79
 McKelvie, A., 278n39
 McKenzie, J., 37n35
 McKersie, R.B., 440n80
 McLarnon, M.J.W., 436n21
 McLaughlin, M., 160n109d
 McMahon, T., 70
 McMorrow, C., 474n89a
 McNabb, R., 236n14
 McNulty, L., 392
 McQuigge, M., 40n65
 McShane, Steven L., 41n77, 155n55, 200n45, 359n4, 540n66
 McTague, E., 541n85f
 Mead, M., 277n20
 Mealiea, L., 323n59
 Means, S.P., 374n72
 Meckler, M., 276n12
 Medsker, G.J., 321n29
 Meeks, M.D., 160n109d
 Meglino, B.M., 37n27, 76n38, 536n3

Name Index



I-19

- Mehaffey-Kultgen, C., 236n16
 Mehl, M.R., 118n81
 Mehta, R., 282n85
 Менджерицкая, Ю., 153n32
 Meier, L.L., 39n59, 159n103, 434n6
 Meindl, J.R., 472n62
 Meindl, R., 472n65
 Meinel, C., 264, 281n83
 Meinert, D., 40n65
 Meister, A., 113n19, 113n21
 Mejia, Z., 397n67, 399n751
 Melamed, D., 396n38
 Melamed, Yulia, 129
 Melhem, Y., 239n70
 Melia, J.L., 394n16
 Mellahi, K., 506n72h
 Melloy, R.C., 153n30, 153n35
 Melwani, S., 152n18, 280n67
 Mencius, 217
 Meng, J., 434n7
 Meng, R., 237n30
 Mennecke, B., 75n26
 Menon, S.T., 239n68
 Merriman, K.K., 203n92
 Mesch, G.S., 360n15
 Mesmer-Magnus, J., 152n22
 Mesmer-Magnus, J.R., 322n49, 324n72
 Mesquita, B., 78n73
 Messersmith, J.G., 42n96
 Metcalf, H.C., 434n9, 437n38
 Meuris, J., 235n4
 Meyer, B., 320n21
 Meyer, H.H., 202n76, 202n82
 Meyer, J.C., 537n20
 Meyer, J.P., 156n68, 157n71, 157n72, 157n73,
 440n77, 540n71
 Meyer, R.M., 503n16
 Meyer, Tiana, 25
 Meyerding, S.G.H., 241n93f
 Meyers, R.A., 323n56
 Meyerson, D.E., 360n23
 Meymandpour, R., 200n48
 Meynhardt, T., 37n28
 Miao, C., 154n46
 Miao, Q., 41n83
 Michael, J., 76n34
 Michalska, K.J., 77n53
 Michel, J.S., 204n103
 Michel, J.W., 152n20, 470n33
 Michel, S., 37n35
 Michele Kacmar, K., 397n70
 Michinov, N., 326n112
 Mickel, A.E., 235n6, 236n9
 Micklenthwait, J., 35n4
 Mifune, N., 115n49, 437n37
 Mikitani, H., 118n87
 Mikitani, Hiroshi, 104
 Milani, L., 362n52
 Miles, J.R., 474n89b
 Miles, R.F., 505n57
 Milgram, Stanley, 371
 Milkman, K.L., 320n19
 Milkovich, C., 238n42
 Milkovich, G.T., 235n2, 238n42
 Mill, J.S., 236n10
 Mill, John Stuart, 209, 277n20
 Miller, C.C., 437n36, 506n69
 Miller, C.J., 323n58
 Miller, D., 278n43, 326n105, 506n72
 Miller, D.T., 116n60, 204n104
 Miller, J.A., 77n54
 Millo, Y., 37n26
 Mills, A.J., 199n29
 Mills, C., 374n79
 Mills, J., 323n69
 Milne, A.B., 115n47
 Milne, R., 241n93k
 Miltenberger, R.G., 200n52, 200n54
 Milton, John, 277n20
 Milyavskaya, M., 201n66
 Minâ, A., 113n17
 Minbashian, A., 199n40
 Miner, J.B., 203n86, 473n76, 595n2, 595n3
 Miner, Tom, 148
 Ming, S., 240n91
 Minicucci, Ben, 524
 Minji, Y., 78n61
 Minnelli, Liza, 464, 474n89i
 Mintzberg, H., 276n7, 277n22, 394n2, 397n70,
 480, 503n3, 503n6, 504n28, 504n32,
 504n33, 505n64, 506n66, 506n67
 Miron, D., 200n42
 Mischel, W., 73n6
 Mitcham, C., 77n53
 Mitchell, T.R., 471n48, 235n6, 276n9
 Mitchell, Terence R., 33
 Mitjans, Rita, 374
 Mitra, A., 236n17
 Mitra, M., 505n51
 Mitsuhashi, H., 504n31
 Mittal, B., 112n13
 Mittus, R., 74n8, 202n83
 Miyahara, K., 395n21
 Moberg, P.J., 438n41
 Mobley, W.H., 118n88
 Moeller, C., 438n44
 Moensted, M.L., 236n21
 Mohammed, S., 279n46
 Mohannak, K., 39n51
 Mohrman, A.M., Jr., 36n16, 319n4, 324n87
 Mohrman, S.A., 36n16, 319n4, 324n87, 504n39
 Mol, M.J., 506n72h
 Moldaschl, M., 319n13
 Molendijk, M.L., 159n92
 Moliner, C., 204n97
 Molla, R., 359n1, 374n81c
 Molloy, J.C., 157n68
 Monahan, C.A., 202n72
 Monin, B., 197n12
 Monroe, A.D.H., 154n41
 Monsen, K., 327n115g
 Monteith, M.J., 115n54
 Montes, S.D., 540n72
 Montoya, R.M., 323n67
 Mooney, A.C., 278n43, 436n18, 442n105f
 Moore, C., 37n23, 41n81
 Moore, D.A., 113n16
 Moore, D.D., 295, 321n39
 Moore, T., 282n94d
 Moores, T.T., 77n52
 Moorhead, R., 238n51
 Moors, A., 152n15, 278n41
 Moran, A., 240n82
 Moran, R., 363n65
 Morand, D.A., 203n92
 Morgan, G., 36n19, 505n61
 Morgan, H.R., 474n89b
 Morgan, R., 280n60
 Morgeson, F.P., 79n77c, 321n39
 Morin, D., 154n36
 Morin, L., 240n89
 Moreneau, Shepell, 6
 Morrell, K., 43n100c, 155n56
 Morrill, C., 537n15
 Morris, A., 363n61
 Morris, D., 196n1
 Morris, Donna, 163
 Morris, J., 504n25
 Morris, J.A., 153n29
 Morrison, E.W., 42n90, 155n57, 540n72
 Morrison, K.R., 114n33
 Morrison, R., 160n109c, 203n93
 Morrison, R.L., 442n105h
 Morrow, P.C., 537n27, 539n56
 Mors, M.L., 359n4
 Morse, J., 77n53
 Mortensen, M., 319n6
 Morton, Michael, 91
 Moseley, J.L., 35n7
 Moser, K., 323n62
 Moses, B., 200n47, 237n39
 Moses, J.F., 116n66
 Moses, S., 150n1
 Moshagen, M., 75n21
 Moskowitz, J.T., 159n98
 Mossholder, K.W., 436n19
 Mossman, J., 541n85b
 Moss-Racusin, C.A., 115n51
 Motro, D., 436n25
 Motyl, M., 79n77
 Moultrie, J., 281n75
 Mount, H., 398n75a
 Mount, M.K., 74n11
 Mouricou, P., 37n35
 Mouton, J.S., 434n4, 437n38, 439n63
 Mowbray, P.K., 155n57
 Mowday, R.T., 156n68
 Mueller, J.S., 280n67, 321n34, 321n36
 Muenjohn, N., 38n46
 Muhammad, R.S., 536n8
 Mulac, A., 363n67
 Mullen, B., 117n72, 323n70, 326n108
 Muller, J., 506n72g
 Mullins-Sweatt, S.N., 75n27
 Mumford, M., 281n70
 Mumford, M.D., 281n71, 469n14, 470n27
 Muñoz, J.C., 241n93c
 Murdock, C., 241n93f
 Murdock, K., 74n9
 Murdock, M.T., 503n20
 Murnighan, J.K., 201n57, 322n43
 Murphy, C., 363n56, 469n16
 Murphy, K., 79n77c
 Murphy, K.M., 503n5
 Murphy, K.R., 202n76
 Murphy, S.E., 472n67
 Murray, P., 200n45
 Murray, S.R., 359n4

Musk, Elon, 53
 Muthusamy, S.K., 325n88
 Muzyka, R., 505n50
 Myers, C.G., 201n63
 Myers, M.S., 36n13
 Myerson, J., 537n27

N

Nabatchi, T., 440n76
 Nadella, Satya, 526
 Nadisic, T., 78n60
 Nadler, D.A., 200n44, 200n46, 480,
 503n6, 505n54
 Nadler, David A., 584-589
 Nadler, I., 323n57
 Nagai, Y., 326n112
 Nahavandi, A., 523, 539n48
 Nam, Y., 153n33
 Nancy, Sagnik, 311
 Nanus, B., 469n10, 469n12, 469n20, 470n37
 Nash, Larry, 106
 Nassif, A.G., 75n30
 Nasurdin, A.A.M., 504n29
 Nathaniel, Toluyemi, 207
 Nauta, A., 412
 Neal, A., 41n88, 74n14, 201n64
 Neale, M.A., 282n91, 321n41, 323n68
 Nebenzahl, D., 439n62
 Neck, C.P., 240n76, 240n78, 240n82, 241n93
 Neeley, T.B., 359n6
 Neider, L.L., 394n8, 470n33, 471n48, 472n56
 Neilson, G.L., 503n15
 Nelson, D.L., 540n79
 Nelson, G.M., 35n8
 Nelson, L.D., 278n31
 Nelson, R.J., 158n82
 Nelson, Todd D., 115n52
 Nemiro, J., 325n99
 Nesbit, P.L., 240n90, 241n93
 Nesbit, R., 440n76
 Neufeld, D.J., 360n16, 360n17
 Neves, P., 158n83
 Newheiser, A.-K., 115n47, 439n64
 Newman, A., 41n83, 117n70, 326n106, 436n22
 Newman, D.A., 154n42, 155n50, 156n63
 Newman, J.M., 238n42
 Newness, K., 204n103
 Ng, C., 119n89i
 Ng, Cathy, 106
 Ng, T.W.H., 113n28, 153n26
 Nicholls, C.E., 473n86
 Nicholls, S., 536n1
 Nicholson, J., 77n50
 Nicholson, N., 374n81, 472n57, 540n69
 Nicholson-Crotty, S., 503n16
 Nickerson, R.S., 114n39, 277n28, 280n63
 Nicklin, J.M., 199n33, 199n35, 236n9
 Nicol, J., 70
 Nicoll, F., 239n62
 Niehaves, B., 361n36
 Nielsen, K., 156n63
 Nieves, J., 319n11, 360n11
 Nifadkar, S., 541n83, 541n84
 Nigro, N.J., 282n94a
 Niinami, Takeshi, 66
 Nijstad, B.A., 325n102, 326n109

Nilekani, Nandan, 518
 Niles, F.S., 78n63
 Nink, M., 161n109i
 Nir, D., 202n81
 Nisbett, R.E., 116n63
 Nixon, A.E., 159n90, 159n91
 Nobel, R., 505n63
 Noe, R.A., 201n63
 Nofsinger, J.R., 237n30
 Nohria, N., 168, 197n13, 197n9, 198n17, 198n19,
 198n20, 398n75e
 Noon, M., 374n80
 Noonan, M.C., 40n64
 Nord, W.R., 470n32
 Nordlo, B., 160n109b
 Norenzayan, A., 116n63
 Normand, A., 362n51
 Northcraft, G.B., 201n59, 203n85, 323n68, 437n32
 Nosek, B.A., 117n78, 117n79
 Nougaim, K.E., 198n26
 Novick, S., 506n72c
 Nuch, H., 205n105g
 Nukman, Y., 503n12
 Nur, Y.A., 470n27
 Nurek, M., 277n29
 Nutt, P.C., 152n19, 276n16, 276n17,
 278n38, 279n49
 Nyberg, A.J., 237n34, 237n38, 326n104
 Nyberg, D., 474n89m
 Nye, J.L., 472n64

O

Oakes, E., 280n64
 Obama, Barack (President), 345
 Obel, B., 36n21, 504n33, 504n34, 504n40
 O'Boyle, E., 75n22, 374n81a, 398n73
 O'Brien, M., 327n115i
 Oc, B., 155n57, 397n65
 Ock, T.K., 506n72b
 O'Connell, D., 469n12
 O'Connell, V., 238n45
 O'Connor, E.J., 41n85
 O'Connor, J.M., 38n38, 41n85
 O'Connor, J.R., 374n78
 O'Connor, P., 73n4, 74n18
 O'Connell, R.G., 276n4
 Oddi, K., 74n9
 O'Donnell, C., 240n83
 O'Donoghue, T., 278n40
 Oerlemans, L.A.G., 436n20
 Offerman, L.R., 319n7
 Offermann, L.R., 472n62
 Ogbonna, E., 537n13
 Ogihara, Y., 78n65
 Ogilvie, J., 240n89
 Ogunlami, Y., 235n1
 Oh, C.S., 361n35
 Oh, I.-S., 74n12
 Oh, J.K., 204n103
 O'Hara, L.A., 280n66
 Ohland, M.W., 295, 321n39
 Oishi, S., 79n77, 199n31
 O'Keefe, D.J., 396n56
 Oldham, G., 220, 234, 238n53, 239n67
 Oldham, G.R., 238n58, 280n70, 281n71,
 281n73, 281n76

O'Leary, B., 76n37
 Olekalns, M., 441n93, 441n96, 441n98
 Oliver, J.J., 279n50
 Ollier-Malaterre, A., 39n57, 39n59
 Olsen, J.P., 277n23
 Olson, J.M., 114n29, 116n61, 151n9, 541n85e
 Olson, K.M., 116n56
 O'Neil, J., 397n63
 O'Neill, G., 540n66
 O'Neill, O.A., 537n12
 O'Neill, T., 321n37
 O'Neill, T.A., 40n68, 325n96, 435n11, 435n14,
 436n21, 442n105c
 Ones, D.S., 79n77g
 Ong, M., 37n29
 Oore, D.G., 438n43
 Opp, K.D., 323n63
 Oppenheimer, Robert J., 193-194
 Ordóñez, L.D., 202n71
 Oreg, S., 539n52, 539n54
 Orehek, E., 277n23
 O'Reilly, C.A., 75n31, 79n77a, 279n52
 O'Reilly, C.A., III, 513, 536n10, 538n38
 O'Reilly, J., 394n14
 Orem, Sara L., 149
 Orengo, V., 320n22
 Organ, D.W., 42n89, 596n10, 596n11
 Origo, F., 237n31
 Ormiston, M., 114n29
 O'Rourke, B., 79n77j
 O'Rourke, William, 62
 Orr, K., 43n100d
 Ortbach, K., 361n36
 Ortiz de Guinea, A., 325n96
 Osborn, A.F., 326n107
 Osborn, R.N., 471n47
 Osman, M.R., 503n12
 Osorio, J., 319n11, 360n11
 Ossip, D., 468n1
 Ossip, David, 444-446, 448, 450
 Osterman, P., 239n66
 Ostroff, C., 536n8, 541n83
 Oswick, C., 38n37
 Otundo, R.F., 362n46
 O'Toole, J., 321n35, 359n5, 363n59
 Ott, J.S., 537n16
 Ötting, S.K., 199n40
 Otto, K., 79n77d
 Otto, Nicholas, 342
 Ouchi, W., 319n13, 374n75
 Overman, S., 160n104
 Ovsey, D., 474n89a
 Owen, G., 398n75f
 Owler, K., 160n109c
 Oxenbridge, S., 236n21
 Oyserman, D., 64, 78n62, 78n64, 78n72
 Ozer, M., 42n91
 Ozgen, C., 39n52

P

Padgett, L.S., 277n23
 Paget, S., 506n72e
 Palacios-Marqués, D., 157n72
 Palanski, M.E., 473n80
 Palesy, Steven, 584-589
 Paluck, E.L., 119n89g

Name Index

I-21

- Panaccio, A., 157n69
 Panagopoulos, N.G., 240n89
 Panait, M., 505n56
 Panchak, P., 325n88
 Panteli, N., 360n17
 Papaioannou, A., 241n91
 Papper, E.M., 321n29
 Paquin, A.R., 470n28
 Parfyonova, N.M., 157n71
 Parise, M., 112n9
 Parisot, F., 327n115b
 Park, N., 199n32
 Park, T.Y., 114n32
 Park, T.-Y., 42n96
 Park, W.-W., 326n105
 Park, Y., 239n73
 Parke, M., 154n46
 Parker, L.R., 115n54
 Parker, M., 115n49
 Parker, S.K., 41n88
 Parkers, C.P., 237n29
 Parks, L., 76n40, 199n27
 Parks-Leduc, L., 76n40, 199n27
 Parmar, B.L., 37n25
 Parmer, L., 438n41
 Paroush, J., 282n92
 Parr, A.D., 473n72
 Parrett, E., 279n50
 Parry, E., 361n27
 Parry, R., 536n1
 Pasa, S.F., 396n53
 Pascale, R.T., 319n13
 Passmore, J., M., 202n79
 Paswan, A.K., 394n5
 Patel, P.C., 322n43
 Patel, P.C., 39n52
 Paterson, J., 237n35
 Pathak, R.D., 470n28
 Patient, D.L., 78n60
 Patrick, C.J., 75n24
 Patterson, S., 392
 Paukert, M., 156n66
 Paul, G.D., 203n90
 Paulhus, D.L., 75n20, 75n21
 Paulus, P.B., 326n109, 326n110, 327n113
 Paunonen, S.V., 74n19
 Paustian-Underdahl, S., 474n88
 Pawar, B.S., 470n34
 Pawar, P., 200n48
 Pazos, P., 325n90
 Peach, E.B., 236n20
 Pearce, C.L., 469n6, 470n29, 471n54
 Pearce, J., 35n9
 Pearson, J., 240n81
 Peck, M., 237n29
 Pedersen, L.J.T., 77n53
 Pederson, J.S., 537n16
 Peed, Kristen, 428
 Peeters, M.A.G., 74n13
 Peffers, K., 374n74
 Peiró, J., 156n63
 Peiro, J.M., 394n16
 Pekaar, K.A., 154n42, 154n45
 Pellegrini, C., 504n24
 Pelloni, O., 156n67
 Pelton, L.E., 397n61, 397n63
 Peñarroja, V., 320n22
 Pendleton, A., 237n32
 Peng, A.C., 112n3
 Peng, A.C-Y., 438n50
 Penke, L., 74n7
 Penney, L.M., 74n11
 Pennington, C.R., 115n50
 Pentareddy, S., 239n71
 Perfecto, H., 278n31
 Perfors, A., 78n64
 Perkel, C., 395n20
 Perlis, Mike, 450
 Perlow, L.A., 39n59
 Perrewé, P.L., 397n68, 397n69
 Perri, D.F., 433, 438n42
 Perrow, C., 238n59, 506n69
 Perry, J.L., 38n51
 Perschke, K., 374n81d
 Persson, S., 540n73
 Pervin L.A., 74n10
 Pesämaa, O., 281n72, 538n41
 Pescuric, A., 201n63
 Pessoa, L., 150n2
 Petelczyc, C.A., 152n20
 Peters, L.H., 41n85
 Peters, R.S., 197n7
 Peters, T., 374n75, 397n60
 Peters, T.J., 506n72i, 541n85c
 Petersen, L.E., 472n65
 Petersen, R., 537n15
 Peterson, C., 199n32
 Peterson, M.F., 538n32
 Peterson, S.J., 469n16, 471n42, 471n46
 Peterson, Tim, 289
 Petriglieri, G., 40n73
 Petrou, P., 435n11
 Pettigrew, A.M., 394n3, 394n13
 Pettigrew, T.F., 118n82
 Petty, R., 396n57
 Petty, R.E., 115n77
 Peus, C., 112n13, 117n77
 Pexman, P.M., 360n20
 Peyrefitte, J., 359n4
 Pfaff, C.C., 374n74
 Pfaff, D.W., 197n8
 Pfau, B.N., 241n93e
 Pfau, M., 396n57
 Pfau, N., 319n1
 Pfeffer, J., 158n86, 197n7, 279n51, 37n32, 37n34,
 394n2, 394n5, 395n20, 398n75c, 472n66
 Pfeffer, Jeffrey, 374
 Phadnis, S., 279n50
 Pham, M.T., 152n17, 278n42, 279n44
 Phelps, C., 396n42
 Phillips, J.M., 540n81
 Phillips, L.T., 114n41
 Phipps, K.A., 438n41
 Picard, K., 154n36
 Piccolo, R.F., 471n40
 Pickering, Andrew, 481
 Pickett, C.L., 113n29
 Picone, P.M., 113n17
 Piekkari, R., 363n62
 Pierce, J.L., 113n24, 282n93
 Pierson, D., 239n65
 Pietroni, D., 441n98
 Pike, A., 503n11
 Pike, K., 541n85
 Pilar Alguacil, M., 157n72
 Pilavin, J.A., 37n27, 536n3, 76n38
 Pillutla, A., 469n12
 Pindek, S., 159n91
 Pinder, C.C., 41n79, 196n2, 202n73
 Pinkley, R.L., 441n85
 Pinsonneault, A., 327n115
 Piper, W., 324n73
 Pirson, M., 197n9, 197n13, 324n78
 Pitcher, Mike, 127
 Pitt, D.C., 471n49
 Pitt, S., 161n109j
 Pizarro, D.A., 197n12
 Place, Doug, 94
 Plank, R.E., 41n77
 Plato, 5, 114n37, 217, 244, 277n20
 Platow, M.J., 470n27
 Plattner, H., 264, 281n83
 Plaut, V.C., 78n74
 Plester, B., 160n109c
 Plimmer, G., 203n89
 Ployhart, R.E., 36n14, 37n36, 41n81
 Pluess, M., 73n5
 Pochic, S., 236n13
 Podskoff, N., 42n90
 Podskoff, N.P., 42n89, 42n91, 42n92,
 42n93, 74n12
 Podskoff, P.M., 42n91, 42n92, 42n93, 74n12,
 394n6, 458, 472n61
 Poff, D., 77n58
 Pohling, R., 42n100
 Poitras, J., 439n54
 Polanyi, M., 282n94g
 Polderman, T.J.C., 74n7
 Pollock, J., 151n3
 Pollock, T.G., 472n67
 Polson, Mark, 261
 Pondy, L., 436n23
 Pondy, L.R., 537n20
 Poole, D., 200n45
 Poole, M.S., 323n56, 436n25
 Poon, T.S.-C., 40n69
 Pope, Alexander, 277n20
 Poppa, T., 198n18, 278n40, 278n41
 Porath, C., 239n72
 Porras, J.I., 538n31
 Porter, L.W., 35n6, 41n76, 156n68, 200n44,
 200n46, 200n52, 398n72, 540n74, 540n76
 Porter, M.E., 398n75e
 Porter, S., 155n49
 Portes, A., 395n31
 Portillo, M., 398n75a
 Posen, H.E., 276n8
 Posner, B.Z., 117n76, 469n10, 470n23, 470n25,
 473n77, 538n31
 Posthuma, R.A., 237n34
 Postmes, T., 115n48
 Poteet, M.L., 395n21
 Potočnik, K., 281n71
 Potter, R.E., 537n10
 Powell, G.N., 474n87
 Powell, S., 281n76
 Power, M., 152n16
 Poynter, K., 506n72i

- 
- Pratt, M.G., 279n47
 Preiss, R.W., 439n51
 Prentice, K., 282n94c
 Pressey, D., 398n75i
 Preszler, J., 75n31
 Preuss, G.S., 113n20
 Preuss, L., 77n58
 Priem, R.L., 36n11
 Prinz, A., 278n42
 Prislin, R., 397n57
 Pritchard, R.D., 41n77
 Pronin, E., 436n26
 Prosser, D'neale, 60
 Proudfoot, D., 442n105e
 Pugh, D.S., 506n67
 Pulakos, E.D., 41n88
 Pullins, E.B., 159n95
 Purl, J.D., 113n25
 Purvis, R.L., 200n48
 Putnam, L.L., 203n90
 Pyka, S.S., 360n20
- Q**
- Qian, S., 154n46
 Qin, J., 38n46
 Qiu, J.X.J., 505n51
 Quan, J., 237n30
 Quarter, J., 36n15
 Quarto, T., 154n43
 Quick, J.C., 158n81
 Quinn, K.A., 114n41
 Quinn, R.E., 239n68, 469n12
 Quinn, R.T., 137
 Quinn, R.W., 362n43
- R**
- Rabung, S., 362n52
 Rackham, N., 425
 Raelin, J.A., 469n6, 469n9
 Ragins, B.R., 396n44
 Ragu-Nathan, T.S., 159n95
 Rahim, M.A., 434n2, 434n3, 437n32
 Rai, A., 280n56
 Raiborn, C.A., 539n47
 Rain, J.S., 117n73
 Raisinghani, D., 276n7, 277n22
 Ramarajan, L., 114n34
 Ramoglu, S., 278n39
 Randel, A.E., 38n43
 Randolph, A., 472n59
 Randolph, W.A., 239n68, 505n49
 Ranson, S., 503n2
 Rao, A., 396n53
 Rao, H., 537n15
 Rapp, T.L., 326n105
 Raschke, R.L., 198n22, 198n22
 Rast, D.E., 439n55
 Ratanjee, V., 507n72i
 Rauth, I., 281n84
 Rauthmann, J.F., 41n84
 Raven, B., 394n2, B., 394n6
 Raven, B.H., 394n10, 394n12
 Ravlin, E.C., 37n27, 76n38, 536n3
 Raymond, L., 37n24
 Raynor, M.E., 38n38
 Raz, T., 443n105l
- Read, S., 277n29
 Ready, D.A., 473n82
 Real, J.C., 281n72, 538n41
 Reall, J., 327n115a
 Rebele, R., 319n2
 Rector, K., 160n109f
 Redman, L.D., 541n85i
 Reeburgh, P., 236n21
 Reed, A., II, 77n55
 Reeskens, T., 203n92
 Reeve, J., 199n34
 Reid, D.A., 41n77
 Reid, E., 159n95
 Reid, R., 442n105h
 Reider, M.H., 321n39
 Reif, W.E., 239n62
 Reiley, D.H., 241n93c
 Reilly, M.D., 76n34
 Reilly, R.R., 203n84
 Reimann, M., 198n18
 Reinsch, N.L., Jr., 362n47
 Reisenzein, R., 151n5
 Reiss, R., 468n1
 Rempel, M., 323n71
 Rench, T.A., 41n88
 Renkema, M., 325n90
 Renn, R.W., 241n92
 Renner, F., 240n83
 Renshon, J., 280n57
 Rentfrow, P.J., 78n73, 79n74, 79n75, 113n18
 Rentsch, J.R., 158n79, 469n6
 Repetti, R.L., 158n85
 Résibois, M., 151n4
 Resick, C.J., 539n61
 Reyes, D.L., 320n25
 Reyna, V.F., 277n25
 Reynolds, B.W., 39n53
 Reynolds, M., 502
 Reynolds, S.J., 77n54
 Rezaeinia, A., 276n6
 Rhodes, N., 397n58
 Ribeiro, N.M.P., 157n72
 Riccomini, B., 374n77
 Rice, D., 538n30
 Rice, R.E., 361n35, 362n44
 Richardson, C., 282n85
 Richardson, J., 118n89d
 Richardson, K., 75n31
 Richie, M., 277n30
 Richter, A., 239n72
 Rico, R., 321n31, 322n50
 Ridderstråle, J., 505n63
 Ridinger, G., 235n7
 Riektki, T.J.J., 198n14
 Rietzschel, E.F., 40n68
 Riggio, R.E., 469n10, 470n23, 538n39
 Rigney, B., 161n109h
 Riketta, M., 157n72
 Rindova, V.P., 472n67
 Rinella, M.J., 114n31
 Rink, F., 323n62
 Rips, L.J., 115n44
 Risavy, S.D., 79n77e
 Risberg, A., 437n35
 Rispens, S., 434n5
 Ritchey, S., 396n45
- Ritchey, Sharon, 380
 Ritchey, T., 281n80
 Ritov, I., 277n31
 Rivera, M.T., 323n67, 395n34
 Rivers, A.M., 116n55
 Rivers, C., 112n1
 Roberge, M.-E., 38n50
 Roberson, Q., 38n51
 Robert, C., 152n22
 Robert, L.P., 324n83, 362n51
 Roberto, M.A., 276n12
 Roberts, B.W., 73n5, 112n8
 Roberts, L.M., 112n12
 Robey, D., 280n60, 325n99, 325n100
 Robey, Daniel, 430
 Robinson, A., 237n32
 Robinson, A.G., 282n90
 Robinson, M.D., 278n42
 Robinson, S.L., 394n14, 540n71, 540n72, 540n78
 Robles, Adriana, 15
 Robnett, R.D., 363n67
 Rockmann, K.W., 279n47
 Rodell, J.B., 189, 203n91
 Roderick, L., 474n89h
 Rodgers, W., 117n73
 Rodriguez, H., 362n43
 Rodriguez, S., 536n9
 Roe, D., 359n1
 Roe, R.A., 41n80, 157n68, 470n28
 Roese, N.J., 116n61
 Roets, A., 115n42
 Roewekamp, R., 374n81d
 Rogelberg, S.G., 240n80
 Rogers, H., 361n38
 Rogers, K.H., 79n74
 Rogers, K.M., 114n30
 Rogers, William, 448
 Rogerson, L.J., 241n91
 Roglio, K.D.D., 75n27
 Rogoway, M., 504n26
 Rogoza, R., 75n20
 Roh, H., 322n44
 Rokeach, M., 277n27
 Roldán, J.L., 281n72, 538n41
 Roma, Ilaria, 481
 Roman, M., 322n45
 Romero, E.J., 160n106, 160n109d
 Romm, T., 397n67
 Ronay, R., 280n56
 Rong, K., 319n12
 Roose, K., 73n1
 Roose, K.M., 202n70
 Rose Markus, H., 78n74
 Rosen, C., 236n26
 Rosen, C.C., 113n23, 158n86, 159n90, 397n67, 397n68, 397n69, 397n70, 398n71
 Rosen, H., 440n80
 Rosenband, L.N., 241n93d
 Rosenberg, E., 361n30
 Rosenberg, J., 506n72c, 541n85m
 Rosenberg, S., 160n109e
 Rosengren, A., 158n86
 Rosenstein, J., 36n11
 Rosenthal, H.E.S., 114n41
 Rosenthal, P., 282n94a
 Rosenzweig, J.E., 36n19

Name Index



I-23

- Rosenzweig, P., 117n71
 Rosnow, R.L., 374n80
 Ross, J., 279n53
 Ross, M., 116n60
 Ross, M.F., 239n61
 Ross, S., 115n44
 Ross, W.H., 440n78, 441n98
 Rossier, J., 241n93h
 Rossmo, D.K., 114n40, 118n89c
 Rossouw, J., 474n89c
 Roth, B., 117n72
 Roth, P.L., 155n50, 156n63
 Rothbard, Nancy P., 39n59
 Rothenberger, M., 374n74
 Rothermund, K., 276n18
 Rothman, N.B., 152n18
 Rotter, J.B., 113n27
 Rotundo, M., 42n93
 Rounds, J., 41n87, 199n28, 241n93f
 Rousos, R., 374n77
 Rousseau, D.M., 37n32, 38n40, 158n76, 235n2,
 324n77, 540n72, 540n78
 Rousseau, V., 295, 321n34, 321n39, 322n49
 Rovio, E., 322n55
 Rowney, J., 78n68
 Rubenstein, A.L., 155n56
 Rubery, J., 236n13
 Rubin, B.A., 363n66
 Rubin, J.Z., 442n100
 Rubin, M., 437n37
 Rubin, R.S., 36n12, 41n83, 42n90
 Rubino, C., 40n72
 Rubinstein, H., 439n57
 Rubinstein, R.S., 115n46
 Ruble, T., 437n38
 Rublin, L.R., 282n94e
 Rucci, A.J., 137
 Ruedin, D., 115n53
 Ruedy, N., 77n56
 Rufer, Chris, 420
 Rühli, E., 37n25
 Ruimin, Zhang, 492
 Rumbaugh, A., 43n100k
 Runco, M.A., 280n61, 280n70
 Rupp, D.E., 203n90, 203n93
 Rus, D., 200n41
 Rusch, H., 439n59
 Russ-Eft, D.F., 201n63
 Russell, B., 152n14
 Russell, J.A., 123, 151n8
 Russell, J.D., 283n94k
 Russo, J.E., 277n25
 Ryan, A.M., 74n13
 Ryan, J., 397n66
 Ryan, M.R., 199n34
 Ryan, R.M., 199n34, 238n55
 Ryan, S., 36n15
 Rylander, P., 394n7
 Rynes, S.L., 35n9, 43n100d
 Ryu, J.-S., 237n31
- S**
 Saad, L., 155n52
 Saari, L., 155n53
 Saavedra, R., 239n66
 Sabbagh, C., 204n104
 Sacchi, S., 277n26
 Sacco, D.F., 115n48
 Sachs, S., 37n25
 Sackett, P., 42n93
 Sackett, P.R., 74n11
 Sadler-Smith, E., 76n35, 279n45
 Safley, T.M., 241n93d
 Sagiv, L., 37n26, 37n27, 76n38, 76n42, 76n43,
 76n44, 115n49, 541n85e
 Sahadi, S., 474n89f
 Saks, A.M., 37n23, 41n81, 197n3, 197n4, 359n8,
 540n67, 540n69, 540n75
 Salacuse, J.W., 442n100
 Salancik, G.R., 153n25, 197n7, 394n5
 Salas, E., 295, 320n25, 320n26, 321n39,
 325n98, 326n108
 Salo, I., 277n28
 Salovey, P., 154n45
 Salzberg, Barry, 374
 Samba, C., 437n36
 Samuel, S., 283n94k
 Samuelson, W., 442n105e
 Sanchez, D., 38n43
 Sanchez, J.I., 160n109
 Sanchez-Burks, J., 439n57
 Sánchez-Manzanares, M., 322n50
 Sandberg, P.K., 236n14
 Sanderson, P.M., 323n57
 Sander-Staudt, M., 77n49, 77n50
 Santana, A., 37n26
 Santora, J.C., 471n44
 Santos, T., 504n29
 Santosuosso, E., 474n89i
 Sapegina, A., 198n21
 Sapienza, P., 537n11
 Sapuan, S.M., 503n12
 Sarala, R.M., 437n30
 Sarnak, D.O., 327n115g
 Sarros, J.C., 469n16, 471n44
 Sassenberg, K., 362n52
 Sasser, W.E., 137, 156n66
 Satpute, A.B., 151n4
 Saunders, Anthony, 25
 Saunders, C.S., 395n17
 Saunders, D., 440n69
 Saunders, T.S., 114n36, 278n41
 Savickas, M.L., 241n93f
 Savoie, A., 295, 321n39
 Sawhney, V., 79n77i
 Sawyer, K., 326n109
 Sayre, G.M., 153n28
 Scarantino, A., 151n4
 Scarborough, H., 503n8
 Scarso, E., 374n74
 Schaafsma, J., 153n33
 Schaefer, M., 441n81
 Schat, A., 397n67, 397n70, 398n71
 Schatzker, E., 392
 Schaubroeck, J., 112n3, 153n27
 Schaubroeck, J.M., 325n93
 Schaufeli, W.B., 158n88
 Scheffer, D., 197n8, 198n22
 Scheier, M.F., 73n3
 Schein, E.H., 241n93h, 439n61, 536n2, 537n17,
 538n44, 539n52
 Schenck-Gustafsson, K., 43n100m
 Schepers, J., 326n104
 Schepker, D.J., 395n27
 Schepman, S., 200n52
 Scherer, A.M., 114n39, 277n28
 Scherer, K.T., 75n30
 Schermuly, C.C., 320n21, 321n27
 Schilke, O., 324n83
 Schilling, M.A., 505n60
 Schilpzand, M.C., 325n97
 Schinoff, B.S., 114n30
 Schippers, M.C., 320n21
 Schlaegel, C., 438n41, 438n49
 Schlaerth, A., 436n20
 Schleicher, D.J., 156n63
 Schlender, B., 42n100a
 Schlesinger, L.A., 137, 156n66
 Schlossberg, M., 276n14
 Schmader, T., 115n50
 Schmeichel, B.J., 74n9
 Schmid, B.E., 283n94j
 Schmidt, A.M., 196n2, 197n2
 Schmidt, D.B., 76n39
 Schmidt, E., 506n72c
 Schmidt, J., 159n99
 Schmidt, S.M., 396n51, 436n27
 Schmidtke, J.M., 322n49
 Schminke, M., 204n105
 Schmitt, M., 204n104
 Schmitt, N., 79n77c
 Schmutz, J., 322n50
 Schnake, M.E., 201n62
 Schneider, B., 35n6, 197n3, 538n32, 539n52,
 539n54, 539n61
 Schneider, D., 79n77f
 Schneider, D.J., 115n45
 Schneider, I.K., 152n18
 Schoderbek, P.P., 239n62
 Schölmerich, F., 321n27
 Schorg, C.A., 539n47
 Schouten, M.E., 319n5
 Schraeder, M., 203n93
 Schreier, J., 505n50
 Schreisheim, C., 394n6
 Schreisheim, C.A., 200n55, 394n8, 470n33,
 471n39, 471n48, 472n56, 472n58
 Schröder, M., 38n49
 Schroeder, D.M., 282n90
 Schroeder, J., 199n36
 Schultheiss, O.C., 199n37
 Schultz, L.H., 202n83
 Schumann, P.L., 77n48
 Schuster, J.R., 236n15, 236n19
 Schuyler, Matt, 121
 Schwab, D.P., 156n62
 Schwartz, B., 278n34
 Schwartz, J.S., 112n4, 114n31, 319n9
 Schwartz, S.H., 57-58, 76n41, 76n42, 76n43,
 197n12
 Schwartz, S.J., 112n4, 319n9
 Schwarz, N., 76n42, 76n43, 152n17, 152n18,
 279n44, 279n52
 Schwarzwald, J., 394n11
 Schweitzer, L., 325n93
 Schweitzer, M., 77n56
 Schweizer, T.S., 280n70
 Schyns, B., 472n65

- 
- Scior, K., 117n78
 Scobie, C., 204n105f
 Scopelliti, I., 116n64
 Scott, B.A., 153n35, 160n109, 360n9
 Scott, D., 241n91
 Scott, K., 327n115e
 Scott, K.A., 472n63
 Scott, T., 537n10
 Scott-Findlay, S., 537n10
 Scott-Ladd, B., 282n93
 Seabright, M.A., 204n105
 Searcy, D., 506n72g
 Searle, R., 324n77
 Sebenius, J.K., 441n84
 Seddigh, A., 363n71
 Sedikides, C., 76n32, 112n3, 113n15, 114n31, 114n34
 Seeger, John A., 390
 Seeman, T., 158n85
 Seery, M.D., 442n105d
 Seglins, D., 70
 Seibold, D.R., 323n56
 Seidenstricker, S., 281n80
 Seidner, R., 359n2
 Seijts, G., 201n67
 Seinfeld, Jerry, 248
 Seiter, J.S., 396n56
 Selenko, E., 40n73
 Selye, H., 158n84
 Selye, Hans, 141
 Semedo, A.S.D., 157n72
 Semler, R., 283n94h
 Semler, Ricardo, 460
 Semmer, N.K., 153n27
 Sendjaya, S., 471n44
 Senge, P.M., 36n19, 115n44
 Senior, B., 322n51
 Seo, M.-G., 154n46, 439n56
 Seok, D.H., 320n15
 Shabana, K.M., 37n29
 Shachaf, P., 360n12
 Shackelford, T.K., 112n3
 Shahin, A.I., 394n9
 Shalley, C., 281n79
 Shalley, C.E., 238n56, 280n70, 281n71, 281n76
 Shamir, B., 470n28
 Shammas, J., 434n1
 Shamo-Nir, L., 439n61
 Shani-Sherman, T., 118n82
 Shannon, C.E., 360n10
 Shapiro, D.L., 440n65, 440n72
 Shapiro, J., 474n89c
 Sharbrough, W.C., 469n15
 Sharma, P.N., 239n72
 Sharples, S., 279n48
 Shaw, George Bernard, 362n53
 Shaw, J., 42n96, 155n49
 Shaw, J.D., 237n34, 236n9, 236n17
 Shaw, M.E., 319n4
 Shea, C.M., 469n7
 Shea, G.P., 320n24
 Sheffield, H., 363n57
 Sheldon, K.M., 76n43, 199n34, 238n55, 541n85e
 Sheldon, S., 114n37
 Shemla, M., 322n43
 Shen, W., 280n65
 Shepard, H.A., 322n45, 434n4, 437n38
 Sheppard, B.H., 440n70, 440n73
 Sheppard, H.L., 434n4
 Shepperd, J., 116n60
 Shepperd, J.A., 112n5, 112n9
 Sher, S., 198n18
 Sheremeta, R.M., 320n18
 Sherf, E., 154n46
 Sherf, E.N., 440n72
 Sherif, M., 439n53
 Sherman, J.W., 115n47
 Sherman, R.A., 41n84
 Sherwood, J.J., 323n58
 Shi, J., 154n36
 Shiao, V., 196n1
 Shih, S.-L., 279n46
 Shin, J., 203n94
 Shin, S.Y., 160n109, 319n10, 324n73, 360n9
 Shinnar, A., 238n45
 Shirouzu, N., 506n72g
 Shiverdecker, L.K., 75n20
 Shockley, K.M., 40n64, 159n103
 Shondrick, S.J., 472n63
 Shook, R., 469n17
 Shore, L.M., 38n43, 321n41
 Shoss, M.K., 41n88
 Shuffler, M.L., 322n44
 Shull, F.A., Jr., 275n2
 Shulman, Gary M., 534-535
 Shultz, J., 159n99
 Shweiki, E., 200n48
 Sidel, R., 392
 Sieg, Andy, 296
 Siegall, M., 159n102
 Siegel, P.H., 203n93
 Siegelman, P., 442n104
 Siehl, C., 537n13, 538n32
 Silbey, S.S., 112n1
 Silliker, A., 33
 Silva, Renan, 386
 Silver, H., 537n14
 Silverzweig, S., 538n41, 541n85c
 Silvestre, B.S., 338
 Sime, W.E., 158n81
 Simmons, B.L., 325n88
 Simms, L.J., 75n19
 Simon, D., 277n29
 Simon, H.A., 275n4, 276n7, 277n21, 277n24, 278n34, 279n47, 437n33, 440n68
 Simon, Herbert, 249, 253
 Simon, M., 239n73
 Simonet, D.V., 470n35
 Simonetti, B., 36n14
 Simonoff, G., 241n93a
 Simonovits, G., 43n100f
 Simons, D.J., 114n38
 Simons, T., 324n81, 469n20
 Simonson, I., 280n60
 Simpson, B., 396n38
 Sims, H., Jr., 472n59
 Sinclair, A., 113n19, 537n15
 Sinclair, S.A., 118n86
 Sine, W.D., 504n31
 Singal, M., 38n50
 Singer, J.A., 78n65
 Singer, M., 505n58
 Singh, N., 196n1
 Singh, S., 79n77a
 Sinha, S., 434n1
 Sinkula, J.M., 281n72
 Sinkula, J.M., 470n24
 Sinkula, J.M., 538n41
 Sirgy, M.J., 160n103
 Sirgy, M.J., 39n54
 Sitbon, B., 443n105j
 Sitbon, Benny, 417
 Sitkin, S.B., 470n32
 Sivanathan, N., 280n60
 Sivasubramaniam, N., 321n29
 Sivunen, A., 325n97
 Sjöberg, L., 279n46
 Skagen, R.K., 42n99
 Skilton, P.F., 281n81
 Skinner, B.F., 200n52, 200n54
 Skinner, C., 473n79
 Skitka, L.J., 116n64
 Skorinko, J.L., 118n86
 Skowronski, J.J., 112n3
 Slater, P.E., 283n94j
 Sleesman, D.J., 279n53, 280n58
 Sleeth, J.E., 161n109j
 Sloan, P., 37n26
 Slocum, J., 201n67
 Slocum, J.W., Jr., 38n39, 539n58
 Sloman, S.A., 116n58
 Slotter, E.B., 112n5
 Slovak, J., 150n1
 Sluss, D.M., 540n69
 Smalley, K., 156n67
 Smelser, N., 363n55
 Smith, A., 238n48
 Smith, A.C.T., 537n24
 Smith, A.E., 117n69
 Smith, A.N., 397n66
 Smith, A.R., 114n39, 277n28
 Smith, Adam, 5, 217-218
 Smith, B., 78n73
 Smith, G., 537n23
 Smith, Geoff, 447
 Smith, H.J., 77n52
 Smith, J., 33
 Smith, J.H., 35n8
 Smith, K.G., 36n17, 434n5
 Smith, K.W., 523, 539n48
 Smith, P., 443n105m
 Smith, P.L., 441n93, 441n96
 Smith, R., 114n36, 151n4, 152n16
 Smith, R.S., 237n29
 Smith, Rick, 449
 Smith, S.F., 75n25, 75n26, 75n28
 Smith, S.M., 326n111
 Smith, Sarah, 226
 Smither, J.W., 203n84
 Smolders, K.C.H.J., 160n109a
 Smollan, Roy, 573-575
 Smyth, F.L., 117n79
 Smyth, L.F., 436n26
 Snow, C.C., 505n57
 Snow, C.E., 35n8
 Snyder, A.I., 152n18
 Snyder, M., 116n66, 152n13
 Snyder, S., 276n14

Name Index

- 
- I-25
- Sobotta, N., 360n23
 Socrates, 277n20
 Soderberg, C.K., 115n47, 118n84
 Soderstrom, S.B., 323n67, 395n34
 Soelberg, P.O., 277n25
 Sogon, S., 78n65
 Sohn, Y.W., 203n94
 Soko, M., 474n89c
 Sokol-Hessner, P., 276n9
 Solinger, O.N., 157n68
 Somech, A., 396n50
 Song, X.M., 438n43
 Sonnby-Borgstrom, M., 361n32
 Soo, C., 325n96
 Sorensen, C., 70
 Sorensen, J.S., 537n16
 Sorensen, K.L., 113n28, 153n26
 Spain, S.M., 75n20
 Spalding, J.L., 277n20
 Spanier, G., 474n89h
 Sparks, J.R., 77n54
 Sparre, C., 398n75c
 Sparre, Curtis, 374
 Spears, R., 115n48
 Spector, B., 538n38
 Spector, N., 437n28
 Spector, P.E., 159n91, 203n97, 239n66, 43n100c
 Spence, R., 398n75b
 Spencer, D.M., 327n115
 Spencer, Julie, 148
 Spencer, L.M., 41n80
 Spencer, S.M., 41n80
 Spicer, A., 396n54
 Spiros, R.K., 319n7
 Spitzer, D., 539n45
 Spoelstra, S., 35n9
 Spreitzer, G.M., 40n72, 239n68
 Spurgeon, P., 473n79
 Srivastava, A., 236n24
 Srivastava, S., 74n10
 Srivastava, S.C., 361n36
 Staats, B., 113n22
 Staats, B.R., 320n19
 Staelin, R., 280n60
 Stagner, R., 440n80
 Stahl, G.K., 539n44
 Stajkovic, A.D., 326n104
 Staley, O., 150n1, 327n115k
 Stalker, G., 504n30, 505n65
 Stam, D., 469n15
 Stamps, J., 325n92
 Stangor, C., 115n52
 Stanowski, A., 236n23
 Stapel, D.A., 396n47
 Staples, D.S., 325n96
 Starbuck, William, 578-582
 Starke, M., 540n80
 Staubus, M., 236n26
 Stauffer, J., 112n1
 Staw, B.M., 38n37, 153n25, 279n53, 279n54,
 280n60
 Steel, P., 78n68, 78n70, 159n99
 Steensma, H., 204n104
 Steensma, H.K., 505n60
 Steers, R.M., 156n68, 200n52
 Stefaniak, C., 360n17
 Steiger, J.H., 123, 151n8
 Stein, E.W., 361n37
 Stein, M.I., 280n61
 Steiner, D.D., 117n73
 Steiner, I.D., 320n17
 Steinfield, C., 396n37
 Steinbuser, M., 239n72
 Steinkuhler, D., 279n54
 Steinmann, B., 199n40
 Stenovec, T., 536n9
 Stenstrom, D., 277n29
 Stephan, A.B., 239n72
 Stephens, K.K., 361n40
 Stephenson, J., Jr., 503n7
 Sterling, C.M., 203n94
 Sterling, Lisa, 18
 Stern, L.W., 156n59, 439n53
 Stern, R.N., 35n3
 Sternberg, R.J., 280n65, 280n66, 280n68,
 280n70, 472n69, 472n71, 473n78
 Stewart, Adam, 531
 Steverink, N., 359n7
 Stewart, B., 537n24
 Stewart, G.L., 240n76, 240n82, 241n93,
 321n27, 325n89
 Stewart, J.B., 392
 Stiglian, I., 281n83
 Stillman, J., 541n85j
 Stobbelier, K.E.M., 202n73
 Stockburger, Aileen, 522
 Stoeber, J., 79n77d
 Stogdill, R.M., 472n70
 Stoker, J.I., 396n47
 Stoll, S., 506n72c
 Stoltz, P.G., 474n89b
 Stone, B., 321n33, 536n1
 Stonier, D.J., 76n35
 Storrs, C., 238n47, 503n17
 Strack, S., 75n21
 Strange, J.M., 469n14
 Strauss, A., 595n5, 596n7
 Straw, E., 507n72i
 Streitfeld, D., 442n105a
 Strickland, O.J., 240n77
 Stroebbe, W., 325n102
 Struggles, ?, 538n35
 Strutton, D., 397n61, 397n63
 Studtmann, M., 151n5
 Stuhlmacher, A.F., 441n83, 441n94
 Stumm, S., 235n7
 Stutje, J.W., 35n7
 Stutman, R.K., 436n25
 Styani, J., 474n89c
 Styani, J.-B., 474n89c
 Su, H.C., 539n62
 Su, R., 41n87, 241n93f
 Suganthi, L., 239n71
 Sugimoto, A., 118n87
 Suls, J.M., 113n16
 Summers, J., 75n26
 Summers, J.K., 322n52
 Summers, T.P., 203n95
 Sumpster, D.M., 239n72
 Sun, S., 200n43
 Sun, X., 506n72h
 Sundberg, R., 76n39
 Sundstrom, E., 237n38, 319n4, 321n27,
 322n54, 396n44
 Sung, S.Y., 237n34, 237n36
 Surface, E.A., 236n18
 Surpin, J., 236n23
 Sussman, N.M., 363n67
 Sutton, R.I., 37n32, 37n34, 279n51, 280n69,
 281n81, 326n109, 395n20, 596n12
 Sutton, Robert, 595
 Sveningsson, S., 474n89m
 Svensson, O., 277n28
 Svensson, G., 77n58, 77n59
 Svensson, O., 361n32
 Sverdlik, N., 76n42, 76n43
 Swaab, R.I., 441n81
 Swailes, S., 322n51
 Swanberg, J., 197n6
 Swann, W.B., 113n20
 Swann, W.B., Jr., 113n18, 113n24
 Swap, W., 537n20
 Swart, Marcel, 21
 Sweeny, K., 116n60
 Sweigars, Giam, 244
 Sweis, B.M., 280n58
 Sy, T., 116n66, 116n68, 505n52
 Szabo, E., 473n86
 Szabo, E.A., 396n57
 Szymczak, J.E., 43n100m

T

- Tabuchi, H., 541n85a
 Taggar, S., 280n66, 323n65
 Tagney, J., 113n18
 Taillieu, T.C.B., 470n28
 Takala, T., 35n7
 Takano, Y., 78n65
 Taking, M., 157n69, 157n73
 Talhelm, T., 79n77
 Tam, K.K.-P., 153n33
 Tan, S.-L., 374n76
 Tanaka, Satoshi, 348
 Tang, N., 235n6
 Tang, T., 235n6
 Tang, T.L.-P., 160n104, 235n6, 235n8
 Tangirala, S., 156n61
 Tannen, D., 363n66
 Tannenbaum, S.I., 319n6, 324n84
 Tanner, J.F., 397n63
 Taormina, R.J., 395n30
 Tarafdar, M., 159n95
 Taras, V., 78n68, 78n70, 438n41, 438n49
 Tarrant, M., 118n86
 Tasa, K., 326n105
 Tasselli, S., 74n8
 Tate, P., 374n81d
 Taube, A., 537n22
 Taura, T., 326n112
 Tausche, K., 541n85l
 Taxer, J.L., 153n28, 153n30
 Tay, L., 41n87
 Taylor, Ben, 330
 Taylor, F.W., 238n49
 Taylor, Frederick Winslow, 5, 218-219
 Taylor, N., 36n14
 Taylor, P., 38n48
 Taylor, P.J., 201n63

- 
- Taylor, S.E., 158n85, 159n99, 160n109
 Taylor, T., 437n31
 Teding van Berkhout, E., 118n85
 Teece, D.J., 505n62
 Teerikangas, S., 538n32, 539n44
 Templer, K.J., 75n31
 Ten Brinke, L., 75n29, 155n49
 Ten Brummelhuis, L.L., 39n54, 39n56
 Tenbrunsel, A., 77n57
 Tennant, J., 118n89d
 Terracciano, A., 202n83
 Terry, D.J., 396n55
 Tetrick, L.E., 238n57
 Tett, R.P., 154n42, 470n35
 Tewfik, B.A., 439n57
 Tews, M.J., 152n20
 Tharenou, P., 37n23, 41n81
 Thatcher, S.M.B., 39n52, 113n21, 158n82,
 322n43, 437n28
 Theobald, N.A., 503n16
 Theobald, S., 474n89c
 Theorell, T., 159n96
 Théorét, A., 276n7, 277n22
 Thibaut, J.W., 440n70
 Thierry, H., 537n10
 Thimm, A.L., 277n22
 Thomas, D.A., 282n91
 Thomas, D.C., 363n62
 Thomas, H.D.C., 540n70
 Thomas, J., 77n57
 Thomas, K.W., 436n23
 Thomas, O., 204n105c
 Thomas, R.J., 319n11, 360n11, 395n35, 473n81
 Thomas, Z., 152n21
 Thomas-Hunt, M.C., 117n75, 119n89g
 Thompson, C.A., 159n98
 Thompson, D., 506n72c
 Thompson, G., 158n80
 Thompson, J.D., 37n30, 37n31, 321n31, 321n32
 Thompson, L., 117n74, 441n80, 442n99
 Thompson, L.L., 441n84, 441n86
 Thompson, R.J., 39n58, 40n66, 159n103
 Thrall, T., 280n57
 Thuderoz, C., 441n91
 Thurstone, L.L., 40n74
 Thye, S.R., 151n3
 Tiba, A.I., 279n44
 Tichy, N., 276n14
 Tichy, N.M., 469n10
 Tiedens, L.Z., 361n29
 Tiegs, R.B., 238n57
 Tilden, Brad, 524
 Tims, M., 240n85
 Tindale, S.R., 320n17
 Tinsley, C.H., 362n47, 438n49
 Tip, Bruce Poon, 528
 Tishler, A., 538n32
 Tiznado, I., 241n93c
 Tjosvold, D., 394n11, 396n51, 434n2, 434n5,
 435n14, 436n22, 437n38, 438n45, 438n50
 Todorov, A., 115n43
 Todorova, G., 435n13, 438n45
 Todorovic, William, 108-109
 Tolbert, P.S., 40n72
 Tomlin, P., 442n105h
 Tomlinson, E.C., 43n100e, 324n79, 324n80
 Tooby, J., 114n35, 440n64
 Torgan, A., 271
 Torgler, B., 198n22
 Tormala, Z.L., 152n18
 Torraco, R.J., 325n87
 Tortoriello, G.K., 75n31
 Tosi, H.L., 38n39
 Townsend, M., 398n75j
 Townsend, Maya, 377
 Toyoda, Akio, 491
 Tracey, J., 397n65
 Tracy, L., 471n39
 Travaglione, T., 540n66
 Treadway, D.C., 396n43, 397n68
 Treem, J.W., 361n26
 Tremblay, S., 321n34, 322n49
 Trends, S.B., 537n22
 Treur, J., 152n11
 Treviño, L.K., 77n51, 201n57, 201n62, 361n37
 Trigwell, J., 43n100i
 Trompenaars, F., 153n32
 Tronto, J.C., 77n49
 Tropp, L.R., 118n82
 Trosten-Bloom, A., 202n78
 Trouilloud, D.O., 116n65
 Trujillo, C.A., 278n40
 Trump, Donald (President), 345
 Tsai, M.-H., 434n7
 Tsai, W.-C., 156n67
 Tsang, E.W.K., 116n61, 278n39
 Tsay, C.-J., 238n54
 Tse, H.H.M., 155n57
 Tseng, S.F., 282n93
 Tsui, A.S., 539n52, 541n84
 Tucker, D.A., 359n6
 Tucker, M.K., 434n6, 436n20
 Tuckey, M., 160n105
 Tuckman, B.W., 322n46
 Tueretgen, I.O., 474n89k
 Tung, R.L., 78n69
 Tung, R., 235n8
 Turco, C.J., 374n73
 Turiano, N.A., 73n5
 Turner, G., 537n27
 Turner, J.C., 115n48
 Turner, J.W., 361n37, 362n47
 Turner, M.E., 115n48, 320n16, 324n71
 Turner, N., 159n96
 Turnley, W., 397n59
 Turnley, W.H., 42n92
 Tushman, M.L., 480, 503n6, 505n54
 Tuttle, B., 537n23
 Tuuli, M.M., 240n74
 Tversky, A., 277n31, 278n32, 278n33, 441n82
 Tversky, Amos, 251
 Twenge, J.M., 113n16
 Tyrstrup, M., 471n55
 Tyson, D.H., 363n67
- U**
- Uggerslev, K.L., 359n8, 540n67
 Ulich, E., 325n91
 Unger, M., 112n1
 Unger, Michelle, 81
 Unsal, P., 474n89k
 Unsworth, K.L., 320n25
- Unterrainer, C., 283n94j
 Urban, K.K., 280n70
 Urick, M.J., 437n29
 Urwick, L., 434n4, 434n9, 437n38
 Ury, W., 434, 434n9, 435n14, 442n105b
 Uskul, A.K., 155n53
 Uzzi, B., 319n3, 323n67, 395n34, 396n40
- V**
- Vaill, P.B., 36n16
 Vaish, A., 151n9
 Valacich, J.S., 361n34
 Valentine, M.A., 321n29
 Valentine, S., 77n52
 Valle-Cabrera, R., 236n18
 Van Alphen, T., 503n10
 Van Bunderen, L., 434n8
 Vancouver, J.B., 113n25, 200n43, 201n64
 Vandello, J.A., 78n73
 Vandenberg, R.J., 43n100f
 Vandenbergh, C., 156n60
 Vandenbergh, C., 157n69
 Van de Ven, A.H., 36n20, 327n114, 359n2,
 438n42, 503n13
 Van de Vliert, E., 321n30
 Van de Vliet, V., 283n94l
 Van den Berg, H., 151n4
 Van den Hooff, B., 361n37
 Van der Meer, T.G.L.A., 361n27
 Van der Vegt, G., 321n30
 Van der Vegt, G.S., 319n14, 320n14
 Van Dick, R., 38n50, 158n77, 323n56
 Van Dierendonck, D., 471n44
 Van Doorn, J.R., 470n27
 Van Engen, M.L., 474n87, 474n88
 Van Fleet, D.D., 503n17
 Van Ginkel, W.P., 326n105
 Van Gorder, C., 119n89h
 Van Gorder, Chris, 104
 Vanhonacker, W.R., 395n30
 Van Iterson, A., 374n79
 Van Kleef, G., 151n4
 Van Kleef, G.A., 154n36, 374n81,
 394n4, 436n24
 Van Knippenberg, D., 200n41, 321n41,
 323n68, 326n105, 434n8, 437n36,
 439n55, 469n15, 470n32
 Van Lange, P., 152n17, 279n44
 Van Maanen, J., 241n93h, 540n65, 540n74
 Van Marrewijk, M., 37n28
 Van Meter, R., 471n44, 471n45
 Van Muijen, J.J., 537n10
 Van Olffen, W., 157n68
 Van Oorschot, W., 203n92
 Van Praet, N., 324n86
 Van Scotter, J.R., 75n27
 Van Seters, D.A., 116n65
 Van Steenburg, E., 394n5
 Van Vianen, A.E.M., 540n63
 Van Witteloostuijn, A., 283n94h
 Van Woerkom, M., 201n56, 202n79
 Van Yperen, N.W., 40n68
 Van Zant, A.B., 442n104
 Van Zoonen, W., 361n27
 Vardi, Y., 473n76
 Vargas, H., 78n64

Name Index



I-27

- Vargas, J.H., 78n72
 Varoglu, K., 440n73
 Vartanian, O., 151n3
 Vazire, S., 118n81
 Vecchio, R.P., 471n54
 Vedelago, C., 541n85g
 Veenstra, L., 160n109a
 Venkataramani, V., 156n61
 Venus, M., 469n15
 Verbeke, A., 78n69
 Verhoeven, J.W.M., 361n27
 Verkuil, B., 159n92
 Vermeulen, F., 238n54
 Vermunt, R., 204n104
 Verplanken, B., 199n28
 Verquer, M.L., 77n46
 Very, P., 538n32, 539n44
 Vescio, T.K., 394n2
 Vetterli, C., 282n85
 Vignoles, L.V., 112n4, 114n31, 319n9
 Vignoles, V.L., 112n4, 319n9
 Vigoda, E., 398n71
 Vigoda-Gadot, E., 158n81
 Vijayalakshmi, V., 361n32
 Viki, G.T., 359n6
 Villa, J.R., 472n61
 Vinkenburg, C.J., 473n76
 Viswanatha, A., 392
 Viswesvaran, C., 152n22, 160n109
 Vliegenthart, R., 361n27
 Vohs, K.D., 74n9, 198n19, 278n36
 Voigt, A., 539n44
 Volmer, J., 442n105d
 Von Glinow, M.A., 440n65
 Von Helmholtz, Hermann, 258
 Von Lim, Ee, 338
 Von Treuer, K., 538n27, 539n56
 Vonk, R., 397n61
 Voronov, M., 78n65
 Voskort, A., 117n72
 Voss, A., 276n18
 Voss, C., 443n1051
 Voss, Chris, 424
 Vrieze, J., 43n100f
 Vroom, V.H., 200n44, 273, 282n87, 282n88,
 282n94, 325n101
 Vukasović, T., 73n7
- W**
 Waber, B., 282n94f, 439n60
 Wadhwa, A., 396n42
 Wadhwa, Manu Narang, 162
 Wadsworth, M.B., 397n65
 Wageman, R., 319n6, 323n70
 Wagner, S.H., 77n46, 237n29
 Wahba, M.A., 199n26
 Waldhauser, K.J., 322n54
 Waldman, D.A., 198n22, 469n16
 Walker, B., 203n97
 Walker, C.J., 374n80
 Walker, C.R., 238n50
 Walker, L., 440n70, 474n88
 Wall, J.A., 434n2, 440n72
 Wall, T.D., 504n23
 Wallas, G., 280n62
 Wallas, Graham, 258
 Waller, N.G., 74n19
 Wallis, J., 539n54
 Walls, M., 159n96
 Walmsley, P.T., 74n11
 Walsh, C., 112n5
 Walsh, J.P., 35n9 , 36n16, 282n93, 321n34
 Walsh, K., 503n2
 Walsh, P., 237n29
 Walsh, W.B., 241n93f
 Walter, N., 361n36
 Walters, M., 536n2
 Walther, J.B., 360n18
 Walton, R.E., 436n27, 440n80
 Walumbwa, F.O., 112n13, 473n80
 Wamsley, E.J., 116n54
 Wanberg, C.R., 540n75
 Wang, H., 153n28, 153n30
 Wang, J., 321n34, 441n84
 Wang, L., 201n57
 Wang, M., 154n36
 Wang, M.-L., 237n30
 Wang, Q., 113n28, 157n72, 437n40
 Wang, S., 541n85k
 Wang, Tony, 229
 Wang, W., 394n14
 Wang, W.-L., 435n11
 Wang, X., 320n22
 Wang, Y., 279n46
 Wang, Z., 362n48
 Wangenheim, F.V., 156n66
 Wangrow, D.B., 395n27
 Wanous, J.P., 540n80
 Warner, M., 35n2, 35n8
 Warr, P., 156n63
 Warren, M., 201n65
 Warrington, P.T., 363n69
 Washburn, N.T., 116n58
 Wasileski, D., 540n73
 Wasserman, S., 395n28
 Wastell, C., 114n40
 Waterman, R., 374n75
 Waterman, R.H., 541n85c
 Watkins, E.R., 278n42
 Watkins, M., 505n55
 Watson, J., 119n89g
 Watson, J.B., 200n51
 Watson, R., 204n99
 Watt, J.D., 156n63
 Watts, L., 361n35
 Watts, L.A., 360n15
 Wayne, J.H., 38n44
 Wazlawek, A., 437n36, 437n39
 Weatherbee, T.G., 199n29
 Weaver, J., 116n66
 Weaver, K., 77n53
 Weaver, W., 360n10
 Webb, A., 327n15d
 Webber, S.S., 323n68
 Webel, C.P., 275n3
 Weber, J., 321n38
 Weber, L., 73n2
 Weber, Max, 5
 Weber, R., 472n67
 Weber, T., 470n31
 Weber, W., 319n13
 Weber, W.G., 283n94j, 325n91
 Webley, P., 235n6
 Webster, J., 325n96, 361n37, 362n47, 394n13
 Weckler, A., 359n1
 Wedell-Wedellsborg, T., 271
 Wedley, W.C., 276n7
 Weekes-Shackelford, V.A., 112n3
 Weel, B., 503n5, 503n9
 Wegman, Danny, 136
 Wei, T., 439n57
 Wei, X., 154n42, 438n45
 Weibel, A., 198n21, 238n41, 324n77
 Weick, K.E., 36n21
 Weil, N., 327n115h
 Weinberger, M., 541n85j
 Weiner, B., 116n59
 Weiner, I.B., 74n10, 155n54, 536n8
 Weingart, L.R., 434n5, 435n13, 435n14,
 436n18, 436n24, 437n36, 438n45,
 441n89, 442n105f
 Weinhardt, J.M., 200n43
 Weinstein, D., 237n27
 Weisberg, R.W., 280n68
 Weisbuch, M., 114n41
 Weisel, O., 115n49, 437n37
 Weiss, H.M., 152n14, 152n23, 155n51
 Weiss, M., 156n61
 Weitzner, D., 37n26
 Welbourne, T.M., 236n24
 Welch, D., 363n62
 Welch, G., 361n35
 Welch, L., 363n62
 Weldon, A., 361n38
 Weldon, E., 118n88
 Wellington, M.A., 74n10
 Welsh, D.T., 202n71
 Weng, Q., 157n72
 Werner, K.M., 201n66
 Wernimont, P.F., 235n6
 Wernsing, T., 201n70
 West, M.A., 36n14, 281n78, 320n25, 434n5
 Westergaard-Nielsen, N., 205n105g
 Westerman, J.W., 77n46
 Weston, D., 118n86
 Westwood, R., 35n2, 536n4
 Whalen, J.M., 360n20
 Wharton, A.S., 153n28
 Wheeler, D., 36n15
 Wheeler, J.V., 325n88
 Wheeler, S.C., 114n33
 Whicker, J., 201n59
 Whipp, G., 374n72
 White, K.M., 396n55
 Whitehead, K., 538n42
 Whiteley, P., 116n66, 116n68
 Whitener, E.M., 324n81
 Whitfield, K., 236n14
 Whitford A.B., 155n55
 Whitney, D.J., 324n72, 324n74
 Whitney, D.K., 202n78
 Whitworth, B., 374n77
 Whyte, G., 280n57, 326n105
 Whyte, W.H., 362n53
 Wicks, A.C., 37n25
 Wiener, Y., 538n33
 Wiernik, B.M., 41n86
 Wiesenfeld, B.M., 40n66

- 
- Wiesner, R., 504n25
 Wiggins, S., 160n106
 Wilderom, C.P.M., 538n32
 Wildman, D., 40n68
 Wilhelms, E.A., 277n25
 Wilk, S.L., 241n93i, 320n21
 Wilkin, C.L., 40n72, 204n97
 Wilkins, A.L., 537n20
 Wilkinson, A., 155n56, 155n57
 Wilkinson, I., 396n51
 Wilks, A.G., 282n94d
 Willem, A., 503n8
 Willemse, T.M., 474n87
 Williams, A., 536n2
 Williams, B.A., 201n58
 Williams, J.R., 203n85
 Williams, K., 241n93i, 320n21
 Williams, K.D., 320n20
 Williams, K.M., 75n20
 Williams, M., 324n78, 365n81i
 Williams, P., 541n85g
 Williams, W.L., 202n70
 Willis, H., 437n37
 Willis, J., 115n43
 Willis, R.H., 189
 Wilson, E.V., 362n52
 Wilson, M.C., 117n78
 Wiltermuth, S.S., 117n72
 Wimbush, J., 359n2
 Windschitl, P.D., 114n39, 277n28
 Wingerden, J.V., 202n81
 Winkelman, P., 151n6, 152n15, 198n18,
 278n40, 361n30
 Winkley, L., 161n109f
 Winquist, J., 160n109c
 Wirsky, B., 118n89c
 Wirtz, P.W., 472n62
 Wirtz, R.A., 236n26
 Wiseman, R.M., 236n24
 Wisse, B., 200n41, 394n11, 396n51
 Withey, M.J., 41n84, 73n6, 155n55, 156n60
 Witt, E.A., 75n32
 Witt, L.A., 74n11
 Witte, E., 276n13, 277n22
 Wittwer, J., 278n42
 Woehr, D., 474n88
 Wofford, J.C., 471n51
 Wolf, J., 505n52
 Wolfe Morrison, E., 540n71
 Wolter, Jakob, 354
 Wombacher, J.C., 157n72
 Wong, A.S.H., 434n2, 435n14, 436n22, 437n38
 Wood, A.M., 79n77d
 Wood, D., 79n74
 Wood, Edward, 438n46
 Wood, M.S., 278n39, 278n39
 Wood, R.C., 198n22
 Wood, R.E., 277n19
 Wood, V.M., 157n72
 Wood, W., 397n58
 Woodard, A., 238n43
 Wooden, M., 159n95
 Woodman, R.W., 323n58
 Woods, P.A., 282n94g
 Woodward, A., 151n9
- Woodworth, R.S., 197n8
 Wooldridge, A., 35n4
 Woolfolk, R.L., 158n81
 Workman, J.P., Jr., 504n39
 Worm, V., 438n50, 440n65
 Worthley, R., 78n73
 Wrege, C.D., 35n8
 Wren, D.A., 236n20, 503n17
 Wright, L., 319n2, 360n14, 374n81b
 Wright, P.L., 394n9
 Wright, P.M., 37n24, 203n87
 Wright, S.C., 118n82
 Wrzesniewski, A., 40n66, 40n73, 240n85
 Wu, G., 441n81
 Wu, Steve, 529
 Wuchty, S., 319n3
 Wuestner, C., 241n93k
 Wulf, J., 503n15
 Wunderlich, N.V., 156n66
- X**
- Ханзен, М., 153n32
 Xenakis, I., 114n37
 Xie, P., 438n50, 440n65
 Xie, X.-Y., 435n11
 Xile, J., 438n43
 Xopi, X., 153n32
 Xu, S., 362n48
 Xu, Y., 438n41
- Y**
- Yadav, M., 363n71, 442n105h
 Yamada, H., 363n64
 Yamagishi, T., 115n49, 437n37
 Yamawaki, H., 470n29
 Yammarino, F.J., 473n80
 Yang, I., 324n77, 324n84
 Yang, I., 438n45
 Yang, J.X., 436n19
 Yaprak, A., 470n24
 Yazhhi, N., 79n77i
 Yeatts, D.E., 324n87
 Yeo, M.L., 374n74
 Yeow, P., 359n6
 Yerema, R., 439n62
 Yi, Y.J., 323n57
 Yih, J., 154n37
 Yik, M., 123, 151n8
 Yildiz, H.E., 437n30, 439n56
 Yoho, S.K., 471n52
 Yoo, J., 474n89e
 Yoo, S.H., 153n31
 Yoon, D.J., 156n67
 Yoon, H.C., 160n109a
 Yoon, H.J., 41n81
 You, D., 77n54
 Youn, N., 160n109a
 Youssef, C.M., 159n99, 159n100
 Youssef-Morgan, C.M., 200n56
 Yu, A., 325n93
 Yu, S., 434n8
 Yuan, Y.C., 434n7
 Yukl, G., 394n12, 396n51, 397n64, 397n65,
 470n33, 470n35, 471n38
 Yukl, G.A., 469n3, 471n40, 472n71
- Z**
- Zabel, K.L., 38n49
 Zaccaro, S.J., 320n25, 472n69, 472n71
 Zachry, C.E., 73n3
 Zagenczyk, T.J., 200n48
 Zahir, S., 77n58
 Zahn, M., 506n72e
 Zajonc, R.B., 151n6
 Zaki, J., 118n85
 Zakkour, M., 118n89b
 Zald, M.N., 37n37, 537n15
 Zaleznik, A., 470n35
 Zalkind, S.S., 117n76
 Zander, 474n89o
 Zanger, C., 360n20
 Zanna, M.P., 114n29, 116n56, 151n9, 151n10
 Zant, A.B.V., 441n81
 Zapata, C.P., 41n84, 73n6
 Zapf, D., 153n27
 Zare, M., 156n60
 Zavala, J.D., 74n19
 Zawacki, R.A., 192
 Zebro, David, 290
 Zeckhauser, R., 442n105e
 Zedeck, S., 238n58
 Zeigler-Hill, V., 75n31
 Zelazo, P.D., 151n10, 152n12
 Zemke, R., 537n20
 Zenios, S.A., 158n86
 Zenou, Y., 396n41
 Zerbe, W.J., 152n14, 471n49
 Zerella, S., 538n27, 539n56
 Zeschuk, G., 505n50
 Zetik, D.C., 441n83
 Zettler, I., 75n21
 Zhan, Y., 154n36
 Zhang, L., 241n93i
 Zhang, M., 155n56
 Zhang, P., 240n74
 Zhang, W., 281n73
 Zhang, W., 43n100e
 Zhang, X., 239n71, 440n69, 437n28
 Zhang, X.-A., 395n30
 Zhang, Y., 38n50
 Zhang, Z., 202n71
 Zhang, Z.-X., 438n45
 Zhao, N., 324n80
 Zhongtuo, W., 276n9
 Zhou, J., 156n59, 280n70, 281n71,
 281n76, 281n79
 Zhou, Y., 79n77a
 Ziegert, J.C., 277n25
 Zijlmans, L.J.M., 155n49
 Zillman, C., 474n89h
 Zimmerman, R.D., 156n60, 157n75, 539n62
 Zingales, L., 537n11
 Zingheim, P.K., 236n15, 236n19
 Ziobro, H.R., 276n11
 Zmud, R.W., 362n49
 Zornoza, A., 320n22
 Zschirnt, E., 115n53
 Zuckerman, G., 392
 Zuckerman, M., 159n98
 Zugasti, I., 237n29



organization INDEX

A

ABB Group, 493
 ACC; *see* Animal Care Centers (ACC)
 Accenture, 182
 Accenture Japan, 348
 Adidas, 373
 Admiral Group, 126
 Adobe Systems, 163
 Advanced Research Projects Agency Network (ARPANET), 334
 Advantage Solutions, 546
 Advertising agencies, 32, 545
 Aetna, 20
 Afghanistan, 492
 Africa, 10, 69–70, 128
 African Development Bank, 69–70
 AIA Group, 520
 Airbnb, 22, 171
 AirBus Industrie, 446
 Alaska Air, 524
 Alcoa Russia, 62
 Alcoa (United States), 62
 Alibaba Group Holding Limited, 515, 525
 Altus Group, 353
 Amazon, 294, 405
 Amazon Prime, 28
 AMEA, 493
 American Express, 224
 American Society for the Prevention of Cruelty to Animals (ASPCA), 271
 America's Joint Special Operations Command, 492
 Amoco, 366
 Animal Care Centers (ACC), 271
 Apple, 5, 247, 390, 549
 Argentina, 2
 Ariba (SAP), 448
 ARPANET; *see* Advanced Research Projects Agency Network (ARPANET)
 Arsenal of Venice, 218
 Asia, 69, 128
 ASIC; *see* Australian Securities and Investments Commission (ASIC)
 ASPCA; *see* American Society for the Prevention of Cruelty to Animals (ASPCA)
 Aurecon Group, 242–244, 247, 258
 Austrac, 521
 Australia
 Australian Institute of Management, 6
 Australian Securities and Investments Commission (ASIC), 521
 Ergon Energy, 559
 Freedom, 451
 IKEA Australia, 60
 meaning of money, 209
 workplace conflict and, 414
 Australian Institute of Management, 6
 Australian Securities and Investments Commission (ASIC), 521
 Austria, 64, 67, 129

B

Auto industry
 BMW AG, 496, 515–516
 Cummins Inc., 494
 Daimler AG, 496
 Ford Motor Company, 183
 General Motors, 519, 548
 Jaguar Land Rover, 497
 Magna International, 496
 PSA Peugeot Citroën, 292
 Rolls-Royce Engine Services
 Takata Corporation, 512
 Toyota Motor Company, 292, 480, 491
 Automatic, 20, 309

Bahamas, 70
 BAI Communications, 294
 Balentine, 416
 Baltimore, 133
 Banks; *see also* Financial service companies
 African Development Bank, 69–70
 Bank of America, 20
 Barclays Bank PLC, 521–522
 Central Pacific Bank, 55
 Commonwealth Bank of Australia (CBA), 521
 Federal Reserve Bank of New York, 453
 Hana Financial Group, 495
 JPMorgan Chase, 391–392
 North Shore Credit Union, 542, 551, 554
 Svenska Handelsbanken AB, 214, 226
 Wells Fargo, 129
 World Bank, 69
 Bank of America, 20
 Barclays Bank PLC, 521–522
 Basecamp, 328–329, 335
 BCE, 485
 Belgium, 64
 Best Buy, 25
 Beverage producers, 66, 165
 BioWare, 494
 BlogHer, 337
 Bloomberg Skills Report (United States), 6
 Blueshore Financial, 542–544, 551–552, 554
 BMW AG, 496, 515–516
 Boeing, 27, 306
 Boring Company, 53
 Boston, MA, 427
 Boston Consulting Group, 19
 Bowling Green University, 483
 BP, 366–367, 374
 Brazil, 348
 cultural values, 64
 employee engagement in, 165
 Semco SA, 266, 447, 460, 492
 Serasa Experian, 386
 Bridgewater Associates, 44–46
 British Broadcasting Corporation (BBC), 561
 Buffer, 20
 Build-All Products, Inc., 467–468

Business Council of Canada, 6
 Buurtzorg Nederland, 307

C

Cake Box, The, 501
 California, 187
 Campbell Soup, 215
 Canada, 69–70
 BioWare, 494
 Business Council of Canada, 6
 Chapman's Ice Cream Limited, 488
 Cirque du Soleil, 25
 EllisDon Corporation, 447
 Fire Rescue Department, 304
 G Adventures, 528
 High Liner Foods, 211
 individualism, 64–65
 links to employee performance, 215
 Magna International, 479–480
 Prince Edward Island (PEI), 143
 stressful work environments in, 140
 Telus, 225
 Toronto Western Hospital, 179
 Carson, California, 382
 CBA; *see* Commonwealth Bank of Australia (CBA)
 CBIZ Insurance Services Inc., 428
 Central Pacific Bank, 55
 CenturyLink, 409
 Ceridian, 18, 444–446, 450
 Chapman's Ice Cream Limited, 488
 Cheap Monday, 494
 Chile, 64, 216
 China, 4, 494
 Alibaba Group Holding Limited, 515, 525
 cross-cultural values, 64
 eBay, 515
 emotional expression in, 129
 employee engagement in, 165
 Haier Group, 492
 job satisfaction in, 134
 leadership report card, 459
 meaning of money, 209
 reports of corporate misconduct, 63
 Cincinnati Super Subs, 192
 Cirque du Soleil, 25
 Cisco Systems, 532
 Club Ed, 502
 Cobalt, 301
 Cobb Street Grille, 148
 Coca-Cola India, 165
 Columbia Business School, 374
 Commonwealth Bank of Australia (CBA), 521
 Concurrent Design Facility (CDF), 481
 Conforama, 451
 Conglomerates
 General Electric Company, 163, 306, 431, 492, 544
 3M, 371
 Conifer Corp., 315

Construction services, 447
 Container Store, The, 515
 Continental Airlines; *see* United Airlines
 Continental Europe, 63
 Convenience stores, 485
 Cosmetics companies, 417
 Crazy Inc., 145
 Cuba, 129
 Cummins Inc., 494

D

Danone, 489, 491
 DaVita HealthCare Partners, Inc., 449, 516
 Dayforce, 444
 Delaware North Companies, 48, 50
 Deloitte Touche Tohmatsu, 374, 380
 Delta Air Lines, 401
 Denmark
 collectivism, 64
 individualism, 64
 meaning of money, 208–209, 2209
 Novo Nordisk, 354
 power sharing, 65
 uncertainty avoidance, 66
 Department stores, 247
 Design firms, 595
 Discord Investments, 430–431
 DocuSign, 448
 DoL; *see* U.S. Department of Labor (DoL)
 Dollar Shave Club, 224
 Downtown Dog Rescue, 271
 Duke University, 334

E

Earls Restaurants Ltd., 136
 easyJet, 400–401, 462
 eBay (China), 515
 E-commerce companies
 Alibaba Group Holding Limited, 515, 525
 Amazon, 294, 405
 eBay (China), 515
 Jet.com
 Rakuten Inc., 104
 Zappos, 224, 527
 EE; *see* Everything Everywhere (EE)
 Egypt, 129
 Electronic game industry
 BioWare, 494
 Nintendo Wii, 126
 Super League Gaming, 366
 Valve Corporation, 447, 492
 Electronics
 Apple, 5, 247, 390, 549
 Best Buy, 25
 Microsoft, 329, 335, 337, 526
 Nokia Corporation, 549
 Panasonic Corporation, 550
 Philips, 495, 531
 Samsung Electronics, 373, 476–482,
 486–487, 501
 7-Eleven, 485
 EllisDon Corporation, 447
 EMCOR Group, 517
 Emergency services, 304

Emsisoft, 19–20
 Engineering firms
 Cirque du Soleil, 25
 Netflix, 512
 Pixar Animation Studios, 5, 352, 531
 Equifax, 449
 Ergon Energy, 559
 ESA; *see* European Space Agency (ESA)
 Estée Lauder, 261
 Ethiopia, 129
 Europe, 15, 493
 emotional expression in, 129
 pressure to compromise organization's ethical
 standards, 53
 European Space Agency (ESA), 481
 Everything Everywhere (EE), 552
 EYE Lighting International, 222–223

F

Facebook, 53, 329, 337–338, 353, 370,
 378, 510–511
 FBI; *see* Federal Bureau of Investigation (FBI)
 Federal Bureau of Investigation (FBI), 424
 Federal Reserve Bank of New York, 453
 FedEx Corporation, 483
 Fiat Chrysler, 447, 485
 Fidelity Canada, 133
 Financial service companies
 Aetna, 20
 AIA Group, 520
 American Express, 224
 Balentine, 416
 Blueshore Financial, 542–544,
 551–552, 554
 Bridgewater Associates, 44–46
 CBIZ Insurance Services Inc., 428
 Deloitte Touche Tohmatsu, 374, 380
 Discord Investment, 430–431
 Equifax, 449
 Fidelity Canada, 133
 Goldman Sachs, 515
 Hana Financial Group, 495
 ING Bank, 292
 KPMG, 178, 221, 347
 MasterCard Incorporated, 17
 Merrill Lynch Wealth Management, 296
 Morgan Stanley, 25
 Serasa Experian, 386
 SmartBiz Loans, 301
 Westfield Group, 426
 Fire Rescue Department (Waterloo, Ontario,
 Canada), 304
 Flickr, 328–329
 Flightlist, 329
 Food processors and manufacturers
 beverage producers, 66, 165
 Campbell Soup, 215
 Coca-Cola India, 165
 Danone, 489, 491
 High Liner Foods, 211
 Mars, Inc., 65, 129, 216, 517
 Morning Star Company, 420, 447, 492
 Nestlé, 517
 Suntory Holdings, 66
 Wonderful Company, 211

Food service
 Cake Box, The, 501

Chapman's Ice Cream Limited, 515, 525
 Cincinnati Super Subs, 192
 Cobb Street Grille, 148
 Convenience stores, 485
 Earls Restaurants Ltd., 136
 McDonald's, 366, 449, 485, 489
 Merritt's Bakery, 501–502
 Mother Parkers Tea & Coffee Inc., 32
 Poundland, 451
 7-Eleven, 485
 Uber Eats, 22
 Wegmans, 136
 Forbes Media, 450
 Ford Motor Company, 183
 FOX network, 248
 France, 348

Conforama, 451
 emotional expression in, 129
 job satisfaction in, 134
 leadership report card, 459
 Freedom (Australia), 451

G

G Adventures, 528
 Gatwick Airport, 400
 General Electric Company, 163, 306, 431,
 492, 544
 General Motors, 519, 548
 Germany, 16, 496
 BMW AG, 496, 515–516
 Bosch GmbH, 338
 collectivism, 64–65
 emotional expression in, 129
 Heidelberg USA, 559
 leadership report card, 459
 reports of corporate misconduct, 63
 Siemens AG, 431
 stressful work environments in, 140
 Glassdoor, 445
 Globant, 2–5, 15
 Goldman Sachs, 515
 Google Inc., 126, 227, 262, 311, 337, 446,
 483, 549
 Government and government agencies
 Carson, California, 382
 U.S. Internal Revenue Service,
 489–491
 U.S. Securities and Exchange Commission
 (SEC), 453
 Government and government services
 America's Joint Special Operations
 Command, 492
 Australian Securities and Investments
 Commission (ASIC), 521
 Business Council of Canada, 6
 Carson, California, 382
 Federal Bureau of Investigation (FBI), 424
 HM Revenue & Customers, 495
 NASA, 373
 NATO, 373
 Prince Edward Island (PEI), 143
 Royal Canadian Mounted Police, 69
 United States Air Force (USAF), 133

Organization Index

I-3

U.S. Army, 284–286, 288, 293, 298, 492
 U.S. Department of Defense, 334
 U.S. Department of Labor (DoL), 187
 U.S. federal government, 15–16
 U.S. Internal Revenue Service, 489–491
 U.S. Postal Service, 483
 U.S. Securities and Exchange Commission (SEC), 53, 453
 Grand Meetup, 309
 Greece, 64, 66
 GSK, 206
 Guardian Media Group, 462

H

Haier Group, 492
 Hana Financial Group, 495
 Harvard University, 5, 123
 Heidelberger Druckmaschinen AG, 559
 Heidelberg USA, 559–562
 Herman Miller Inc., 526
 Hewlett-Packard, 353
 High Liner Foods, 211
 Hilcorp Energy Company, 213
 Hilton Hotels and Resorts, 120–122, 125–126, 136
 H&M, 494
 HM Revenue & Customers (HMRC), 495
 HomeWorkingClub.com, 330
 Hong Kong, 385
 AIA Group, 520
 BAI Communications, 294
 job satisfaction in, 133–134
 McDonald's, 489
 HP Enterprise Business, 497
 HubShout, 531
 Hungary, 133–134

I

IBM, 20, 67, 267
 IBM India, 495
 IDEO, 595
 IKEA Australia, 60
 IKEA India, 60
 India, 15, 494
 collectivism, 64
 employee engagement in, 165
 IBM, 495
 IKEA, 60
 job satisfaction in, 133–134
 leadership report card, 459
 nonverbal communications in, 348
 power sharing, 65
 reports of corporate misconduct, 63
 Industrial Molds Group, 289
 ING Bank, 292
 Intermountain Healthcare, 344
 Iowa State, 483
 Iran, 129
 Iraq, 212
 Ireland, 400
 Israel, 64–65, 209
 Italy, 4, 129, 134
 ITV, 462
 Iwasaki Electric, 223

J

Jaguar Land Rover, 497
 Japan
 achievement-nurturing orientation, 67
 cross-cultural hiccups, 66
 cultural values, 64
 emotional expression in, 129
 employee engagement in, 165
 individualism, 64–65
 Iwasaki Electric, 223
 job satisfaction in, 133–134
 meaning of money, 209
 Rakuten, 104
 reports of corporate misconduct, 63
 silence as symbol of respect, 347–348
 workplace stress in, 145
 JCPenney, 247
 Jet Airways, 402
 Johnson & Johnson (J&J), 522
 JPMorgan Chase, 391–392

K

KazooHR, 517
 Kgame, 270
 Kone, 489–490
 Korea, 129, 342, 476–478
 KPMG, 178, 221, 347
 Kremlin, 517
 Kuala Lumpur, 168
 Kuwait, 60

L

LaCrosse Industries, Inc., 467–468
 Lambeth, 553
 Lehigh Valley Health Network, 131
 Lewis County General Hospital, 561
 Libya, 70
 LinkedIn, 337, 378
 L'Oréal Canada, 417
 Lumiar Schools, 460

M

Maelstrom Communications, 430
 Magna Corporation, 496
 Magna International, 479–480
 Malaysia
 cultural values, 64
 emotional expression in, 129
 power sharing, 65
 Mars, Inc., 517
 Mars Incorporated Australia, 216
 Massachusetts, 561
 MasterCard Incorporated, 17
 Mattress Firm, 451
 Mayo Clinic, 514–515
 McDonald's Corp., 366, 449, 485, 489
 McLaren Racing, 495
 Medium (blog community), 337
 Menlo Innovations, 288
 Merrill Lynch Wealth Management, 296
 Merritt's Bakery, 501–502
 Metropolitan Transit Authority, 375
 Mexico, 63, 70, 133–134

Microsoft, 329, 335, 337, 526
 Middle East
 emotional expression in, 129
 IKEA, 60
 MTN Group, 10
 silence in conversations and, 348
 MIT, 123
 Mobil, 366
 Mobisol, 10
 Morgan Stanley, 25
 Morning Star Company, 420, 447, 492
 Mother Parkers Tea & Coffee Inc., 32
 MTN Group, 10

N

NASA, 373
 National Association of Colleges and Employers (United States), 6
 NATO, 492
 NBC network, 248
 Nestlé, 517
 Netflix, 512
 Netherlands, 64, 67, 133
 New Zealand, 19, 29, 184
 Nicor Gas, 301
 Nigeria, 206
 Nike, 292
 Nintendo Wii, 126
 Nokia Corporation, 549
 Nordstrom, 546
 North Africa, 70
 North America, 15; *see also entries for specific countries in North America*
 emotional expression in, 129
 nonverbal communications in, 348–349
 silence in conversations and, 348
 North Shore Credit Union, 542, 551, 554;
 see also Blueshore Financial
 North Vancouver, Canada, 542
 Norway, 64, 67, 263
 Novo Nordisk, 354
 Nucor Inc., 212, 215
 Nurse Next Door, 227

O

Ogilvy & Mather, 545
 Online retailers; *see* E-commerce companies
 Oracle Corporation, 187
 Oracle Redwood Shores, 187

P

Panasonic Corporation, 550
 Petroliam Nasional Bhd (Petronas), 168
 Philippines, 349
 Philips, 431, 495
 Pinterest, 337, 512
 Pixar Animation Studios, 5, 351–352
 Portland, Oregon, 485
 Portsea, 451
 Poundland, 451
 Prince Edward Island (PEI), 143
 Procter & Gamble, 494–495
 PSA Peugeot Citroën, 292
 Purdue University, 449

**Q**

Qwest, 409; *see also* CenturyLink

R

RCMP; *see* Royal Canadian Mounted Police (RCMP)
Reddit, 337
Resonus Corporation, 390
Rijksmuseum, 297
Robert Bosch GmbH, 338
Rox Ltd., 182
Royal Canadian Mounted Police (RCMP), 69
Royal Dutch/Shell, 494, 562
RSA Insurance Group, 555
Russia, 63, 129, 449, 494

S

Samsung Electronics, 373, 476–482, 486–487, 501
San Diego, 133
SAP, 448
Scotland, 182
SEC; *see* U.S. Securities and Exchange Commission (SEC)
Semco Partners, 460, 492
Semco SA, 266, 447
Serasa Experian, 386
Shiseido, 494
Siemens AG, 431
Silver Lines, 356–357
Singapore, 64, 66
Skype, 341, 343, 357–358
Slack, 328–330, 335, 337, 342
Sloan Electromechanical Service & Sales, 56
SmartBiz Loans, 301
SNC-Lavalin (SNCL), 69–70
Softcom Ltd., 206
Sonatype, 20
South Africa, 64–65
South America, 15, 348; *see also* Globant
South Asia, 187
South Korea, 165
SpaceX, 53
Spain, 63, 129
Steelfab Corp., 193
Steinhoff International Holdings, 451
Stellar Health, 330, 342
Stellenbosch University, 451
Stryker, 183
Suntory Holdings Ltd., 66
Super League Gaming, 366
Svenska Handelsbanken AB, 214, 226
Sweden, 64, 67
Switzerland, 70, 129, 493

T

Taiwan, 64–65, 165
Takata Corporation, 512

Taobao

, 515
Tata Consultancy Services (TCS), 163
TDIndustries, 455
Telenor, 263, 416
Telus Communications, 225
Tesla, 53
Texas State, 483
Third Dynasty of Ur, 212
36th Contingency Response Group (CRG)
3M, 371
311 Toronto, 179
TIC; *see* TransAct Insurance Corporation (TIC)
T-Mobile, 351, 552
TNW Corporation, 59
Toronto, Canada, 179
Toronto Transit, 483
Toronto Western Hospital, 561
Toshiba, 431
Toyota Motor Company, 292, 480, 491
TransAct Insurance Corporation (TIC), 565–566
Treatwell, 301
Treehouse, 485
TrustPower, 511
Twitter, 53, 337–338, 341–342, 346
Tyson Foods, 28

U

Uber, 22, 409, 508–510, 517, 521, 526–527
Uber Eats, 22
UKRD radio, 448
United Airlines, 215–216, 546
United Kingdom, 27, 226
Admiral Group in, 126
job satisfaction in, 134
leadership report card, 459
and organizational change, 552
Poundland, 451
pressure to compromise organization's ethical standards, 63
RSA Insurance Group, 555
supporting ethical behavior, 63
workplace conflict and, 414
United Rentals, 215
United States, 385
achievement-nurturing orientation, 67
collectivism, 64
email as communication preference, 342
emotional expression in, 129
employee engagement in, 165
Hilton Hotels and Resorts, 121
individualism, 64
job satisfaction in, 133–134
leadership report card, 459
Mattress Firm, 451
merging companies, 409
and multiculturalism, 67
open-plan offices, 410
organizational change and, 545

reports of corporate misconduct

, 63
“romance of leadership,” 459
stressful work environments in, 140
supporting ethical behavior, 63
workplace conflict and, 414
workplace interaction and, 330
United States Air Force (USAF), 133
University of Florida Health Morsani College of Medicine, 131
University of Iowa Hospitals & Clinics, 29
U.S. Army, 284–286, 288, 293, 298, 492
U.S. Department of Defense, 334
U.S. Department of Labor (DoL), 187
U.S. federal government, 15–16
U.S. Golf Association, 380
U.S. Internal Revenue Service, 489–491
U.S. Military Academy (West Point), 284
U.S. Postal Service, 483
U.S. Securities and Exchange Commission (SEC), 53, 453
USAF; *see* United States Air Force (USAF)
Usenet, 334

V

Valve Corporation, 447, 492
Venezuela, 64–65
Video games; *see* Electronic game industry
Virgin America, 524

W

Wegmans, 136
Wells Fargo, 129
Westboard, Inc., 315
Westfield Group, 426
Westinghouse, 257
WestJet, 20
West Point; *see* U.S. Military Academy (West Point)
WeWork, 417
Whirlpool, 337
Wikipedia, 337, 352
W. L. Gore & Associates, 266, 447, 492
Women's Foundation of Montana, 427
Women's Success Network (WSN), 377
Wonderful Company, 211
World Bank, 69
WSN; *see* Women's Success Network (WSN)

Y

Yahoo, 20
YouEarnedIt, 517
YouTube, 337

Z

Zappos, 224, 527
Zenefits, 554
Zoom Video Communications, 126



glossary/subject INDEX

A

Ability *The natural aptitudes and learned capabilities required to successfully complete a task,* 22–24

Ability-motivation-opportunity (AMO) model, 22
Absenteeism, 28, 85
Absorption, 372
Accounting subsystem, 8
Achievable goal, 179–180
Achievement, 57–58, 171–172

Achievement-nurturing orientation *Cross-cultural value describing the degree to which people in a culture emphasize competitive versus cooperative relations with other people,* 64, 66–67

Achievement-oriented leadership, 456–457
Acquire, drive to, 167–168
Acquisitions, 522–524

Action research *A problem-focused change process that combines action orientation (changing attitudes and behavior) and research orientation (testing theory through data collection and analysis),* 557–558

Action scripts, 254
Activation, of stereotypes, 96
Active listening, 350–351

Adaptive culture *An organizational culture in which employees are receptive to change, including the ongoing alignment of the organization to its environment and continuous improvement of internal processes,* 519–520

Adaptive task performance, 26, 49

Affective organizational commitment *An individual's emotional attachment to, involvement in, and identification with an organization,* 137–139

Affiliation, 171–172
Aggressiveness, 513

Agreeableness *A personality dimension describing people who are trusting, helpful, good-natured, considerate, tolerant, selfless, generous, and flexible,* 47–48, 53

Alarm reaction, 141
Altruism, 172
Ambiguous rule
conflict and, 407–408, 410–411
in design thinking, 264
AMO; *see Ability-motivation-opportunity (AMO)*

Anchoring and adjustment heuristic *A natural tendency for people to be influenced by an initial anchor point such that they do not*

sufficiently move away from that point as new information is provided, 251

Anger, 123
Antecedents, 176–177
Anticipatory principle, 560
Apple polishing, 384
Application, of stereotypic information, 96
Appreciative coaching, 182; *see also Strengths-based coaching*

Appreciative inquiry *An organizational change strategy that directs the group's attention away from its own problems and focuses participants on the group's potential and positive elements,* 558–562

Aptitude, 24
Arbitration, 419–420
changing, with desired culture, 525–527
deciphering organizational culture through, 514–517

Artifacts *The observable symbols and signs of an organization's culture,* 511, 515

Assertiveness (vocal authority), 381–382, 386, 412; *see also Extraversion*
Assimilation, of organizational cultures, 523
Associative play, 262
Asymmetric (unequal) dependence, 368–369
Asynchronous communication channel, 340–342
Attendance, maintaining work, 25–26, 28
Attention-seeking behavior, 52
Attention to detail, 513
Attitude–behavior contingency, 125
Attitude object, 123

Attitudes *The cluster of beliefs, assessed feelings, and behavioral intentions toward a person, object, or event (called an attitude object),* 10, 123–126

Attraction–selection–attrition (ASA) theory *A theory stating that organizations have a natural tendency to attract, select, and retain people with values and personality characteristics consistent with the organization's character, resulting in a more homogeneous organization and a stronger culture,* 525, 527–528

Attribution error, 98

Attribution process *The perceptual process of deciding whether an observed behavior or event is caused largely by internal or external factors,* 96–98

Authentic leadership *The view that effective leaders need to be aware of, feel comfortable with, and act consistently with their values, personality, and self-concept,* 462–463, 525–526

Authority dispersion, 286–287
Autonomy, 220–221

Availability heuristic *A natural tendency to assign higher probabilities to objects or events that are easier to recall from memory; even though ease of recall is also affected by nonprobability factors (e.g., emotional response, recent events),* 251

Avoiding, in conflict-handling styles, 412, 418
Awareness, 122

B

Baby Boomer, 16, 333

Barriers (noise), communication, 345–347

Behavior, 124; *see also Organizational behavior knowledge; Organizational behavior modification (OB Mod)*
employee motivation and, 137
how emotions influence, 125–126

Behavioral change, 332

Behavioral intention, 124–125

Behavior modeling, 178

Behavior modification, organizational, 176–178

Belief, 124

Belongingness/love need, 169

Benevolence, 57–58

Best alternative to a negotiated settlement (BATNA) *The best outcome you might achieve through some other course of action if you abandon the current negotiation,* 423

“Betweenness,” 378–379

Bicultural audit *A process of diagnosing cultural relations between companies and determining the extent to which cultural clashes will likely occur,* 522–523

Big Five; *see Five-factor (Big Five) model*

Blind area, of Johari Window, 102–103

Body language, 339; *see also Nonverbal communication*

Bond, drive to, 167–168

Bonding, 340

Boundary management, 18

Bounded rationality *The view that people are bounded in their decision-making capabilities, including access to limited information, limited information processing, and tendency toward satisficing rather than maximizing when making choices,* 249

Brainstorming *A freewheeling, face-to-face meeting where team members aren't allowed to criticize but are encouraged to speak freely, generate as many ideas as possible, and build on the ideas of others,* 312

Brainwriting *A variation of brainstorming whereby participants write (rather than speak about) and share their ideas,* 312

Brooks's law *The principle that adding more people to a late software project only makes it later,* 289



- Brown-nosing, 384
 Buffer, 418
Buffering; see Filtering
Built to Last, 517
 Bullying, in workplace, 142–143, 382
Business ethics; see Ethics
 Business knowledge, of leadership, 461
- C**
 Calculus-based trust, 305
 CANOE, 47–48
 Carbon dioxide emissions, 20
 Career development, 15
 intervention in, 416
 through self-concept clarity, 84
- Categorical thinking** *Organizing people and objects into preconceived categories that are stored in our long-term memory*, 92
- Causation, in organizational research, 593
 in negotiation, 423
 in social networks, 378–379
- Centrality** *A contingency of power pertaining to the degree and nature of interdependence between the power holder and others*, 370, 373–375
- Centralization** *The degree to which formal decision authority is held by a small group of people, typically those at the top of the organizational hierarchy*, 485–486
- Ceremonies** *Planned displays of organizational culture, conducted specifically for the benefit of an audience*, 511, 516
- Change
 action research approach, 557–558
 appreciative inquiry approach, 558–562
 approaches to, 557–562
 breaking routines, 548
 coalitions, social networks, and, 555–556
 coercion, 551, 553
 communication and, 551–552
 cross-cultural and ethical issues in, 563
 employee involvement, 551–553
 fear of unknown, 548
 incongruent organizational systems, 548–549
 incongruent team dynamics, 548
 large group intervention approach, 562
 learning, 551–552
 Lewin's force field analysis model, 544–546, 549, 554, 557, 563
 negative valence of, 548
 negotiation, 551, 553
 not-invented-here syndrome, 548
 parallel learning structure approach, 562
 pilot projects and diffusion of, 556–557
 reducing restraining forces, 551–554
 refreezing desired conditions, 553–554
 resistance to, 546–549
- stress management, 551, 553
 transformational leadership and, 554
 urgency for, 549–550
- Channel; see Communication channel**
- Charisma** *A personal characteristic or special "gift" that serves as a form of interpersonal attraction and referent power over others*, 373, 451–452
- Charismatic visionary, 465
 Chief executive office, 375
 Circumplex Model of Emotions, 123
 Clarity, 83–86
 Closed system, 8
 "Closeness," 379
 Coaching-style feedback, 180
 as influence tactic, 381–382, 386
 organizational change and, 555–556
- Coalition** *A group that attempts to influence people outside the group by pooling the resources and power of its members*, 288
- Codebook, 333–334
 Coding-decoding; *see Encoding-decoding process*
 Coercion, and change, 551, 553
 Coercive power, 370, 372–373, 375, 380
 Cognition (logical thinking), 122, 165
- Cognitive dissonance** *An emotional experience caused by a perception that our beliefs, feelings, and behavior are incongruent with one another*, 127, 251
- Cognitive intelligence, 461
 Cognitive process, 124
 Cohesion; *see Team cohesion*
 Collaboration, through social media, 338
 Collective self, 82
 Collective sense of purpose, 5
- Collectivism** *A cross-cultural value describing the degree to which people in a culture emphasize duty to groups to which they belong and to group harmony*, 64–65, 67, 215
- Collectivist culture, 418
 Comforting, in Five Cs model, 295
 Command and control, to motivate employees, 165
 Commission, 210, 212
 Commitment, 384–385
- Communication** *The process by which information is transmitted and understood between two or more people*, 330; *see also entries for specific communication types and channels*
- Communication channel, 383
 Communication process model, 332–334
 Communication proficiency, 343–344
 barriers (noise), 345–347
 change and, 551–552
 channels of, 14
- digital written, 334–337
 media richness, 342–344
 nonverbal communication, 339–340
 persuasion and, 344–345
 social acceptance, 341–342
 social media in workplace communication, 337–338
 social presence, 341
 synchronicity, 340–341
 use of computer-mediated, 335
- cross-cultural and gender, 347–349
 digitally-based organizational, 352–353
 direct, 351–353
 in Five Cs model, 295–296
 importance of, 331–332
 improving, 349–351
 Internet-based, 351–352
 interpersonal, 349–351
 model of, 332–334
 problems in, 407–408, 411
 through grapevine, 353–355
 workforce stability and, 525, 527
- workplace design, 351–352
- Competency, employee, 24, 225
 Competency-based rewards, 210–211, 214
 Competitive advantage, diversity as, 15
 Complex environment, 498
 Complexity, 82–85
 Compliance, 384–385
 Comprehend, drive to, 166–168
 Compromising, in conflict-handling styles, 412–415, 418
 Concurrent engineering, 480–481
- Confirmation bias** *The processing of screening out information that is contrary to our values and assumptions, and to more readily accept confirming information*, 91, 250, 256
- Conflict** *The process in which one party perceives that its interests are being opposed or negatively affected by another party*, 402
- Conflict episode, 407–408
 Conflict escalation, 408–409
 Conflict-handling styles, 16, 295–296
 choosing best, 413
 interpersonal, 411–415, 418
 in model of conflict process, 407–408
 "Conflict-is-bad" perspective, 403
 Conflict management, 415–418
 Conflict outcomes, 407
 Conflict process model, 407–408
 benefits of, 403–404
 consequences of, 403–404
 employee stress and, 403, 410
 interpersonal conflict-handling styles, 411–415
 managing, 415–418
 meaning and consequences, 402–404
 process model, 407–408
 relationship, 404–407
 resolving, through negotiation, 421–428
 sources of, 407–411
 structural approaches to managing, 415–418

Glossary/Subject Index



I-31

- structural sources of, in organizations, 408–411
task, 404–407
third-party conflict resolution, 419–420
- Conformity**, 57–58
- Conformity effect**, 312
- Conformity pressure**, 310
- Conscientiousness** *A personality dimension describing people who are organized, dependable, goal-focused, thorough, disciplined, methodical, and industrious*, 47–51, 53
- Consensus, 97
 - Consequences, 176
 - learning behavior, 178
 - of power, 380
 - unintended, 215–216
- Conservation, 57–58
- Consistency, 83–85, 96–97
- Constructionist principle, 560
- Constructive conflict, 5–6, 404; *see also Task conflict*
- Constructive thought strategies, 227–229
- Constructs** *Abstract ideas constructed by the researcher that can be linked to observable information*, 590–591
- Contact hypothesis** *A theory stating that the more we interact with someone, the less prejudiced or perceptually biased we will be against that person*, 103
- Contingencies
 - in conflict-handling styles, 411–414
 - in negotiation, 423
 - of organizational culture, 518–520
 - of organizational design, 497–500
 - of power, 373–376, 378
 - of reinforcement, 177
 - in social networks, 378
 - Contingency anchor, 12–14
 - Contingency theory, 456; *see also Path-goal leadership theory*
- Continuance commitment** *An individual's calculative attachment to an organization*, 137–139
- Continuous feedback, 340
 - Continuous reinforcement, 177
 - Contract work, 21–22
 - Control system, 518–519
 - Convergent thinking, 259
 - Cooperating, in Five Cs model, 295
 - Cooperativeness, in conflict-handling styles, 412
 - Coordinating routines, 299
 - Coordination
 - communication for, 479–480
 - Five Cs model, 295
 - formal hierarchy, 481–482
 - micromanagement and, 481
 - organizational structures, 479–482
 - standardization, 480, 482
 - Core affect, 123
 - Core competency, 496
 - Corporate cult, 60
- Corporate culture, 14, 519–520
- Corporate merger**; *see Merger*
- Corporate social responsibility (CSR)** *Organizational activities intended to benefit society and the environment beyond the firm's immediate financial interests or legal obligations*, 10
- Correspondence bias, 98
 - Counterculture, 514
- Counter-productive work behaviors (CWBS)** *Voluntary behaviors that have the potential to directly or indirectly harm the organization*, 25–27, 49, 52
- Countervailing power** *The capacity of a person, team, or organization to keep a more powerful person or group in the exchange relationship*, 369
- Craftspeople, 4
 - activities that encourage, 262–264
 - characteristics of creative people, 260–261
 - organizational conditions supporting, 261–262
 - process model, 258–259
- Creativity** *The development of original ideas that make a socially recognized contribution*, 258
- Credible feedback, 180–181
 - Critical investigation, 591
 - Critical psychological states, 220–221
 - Cross-cultural communication, 347–349
 - Cross-cultural issues, 465–466, 563
 - Cross-cultural study, 13
 - Cross-cultural value, 45
 - Cross-functional team, 287; *see also Task force (project team)*
 - Cross-pollination, 263
 - Cross-sectional survey, 13
 - Cultural fit, 527–528
 - Cultural subsystem, 8
 - Cultural tightness, 67
 - Cultural value, 57
 - Culture(s); *see also Cross-cultural communication; Organizational culture*
 - differentiation and, 409
 - emotional display norms across, 128–129
 - social acceptance and, 341–342
 - values across, 64–67
 - Customer satisfaction, employee job satisfaction and, 136–137
 - Cycle time, 217, 219, 222
 - Cynicism, 141–142
- D**
- Dark triad** *A cluster of three socially undesirable (dark) personality traits: Machiavellianism, narcissism, and psychopathy*, 51–54
- Decentralization, 485, 498
 - Decision, 407
 - Decision heuristics, 251
 - Decision maker, 12
 - constraints on team, 310–311
 - emotional influences, 253
- employee involvement in, 265–268
- evaluating decisions, 255–258
- evaluating opportunities, 252–253
- as function of communication, 331
- imperfect rationality, 249–250
- implementing, 256
- intuition in, 253–255
- as management skill, 243
- rational choice paradigm
 - assumptions *versus* organizational behavior findings, 250
 - bounded rationality, 249
 - example, 244–246
 - history of, 244
 - problems with, 246, 249–252
 - process of, 245–247, 249
 - rational choice paradigm, 251
 - satisficing and, 252
 - sunk cost effect, 256
 - searching for, evaluating, and choosing alternatives, 249–253

Decision making *The conscious process of making choices among alternatives with the intention of moving toward some desired state of affairs*, 244

 - Decisive leadership, 247
 - Decoded message; *see Encoding-decoding process*
 - Decoupling, 418
 - Deculturation, of organizational cultures, 523–524
 - Deductive hypothesis testing, 595
 - Deductive process, 591
 - Deductive stage, of theory building, 590
 - Deep acting, 131

Deep-level diversity *Differences in the psychological characteristics of employees, including personalities, beliefs, values, and attitudes*, 16

 - Defend, drive to, 166–168
 - Deference, 372
 - Deficiency need, 169–170
 - Degree centrality, 379
 - Delivering (destiny) stage, of Four-D model, 561
 - Departmentalization
 - divisional structure, 487, 489–493
 - functional structure, 487–489
 - influences, 487
 - matrix structure, 487, 493–496
 - network structure, 487, 496–497
 - simple structure, 487–488
 - team-based, 487, 491–493
 - types of, 487–497
 - Departmental team, 287
 - Dependence model of power, 368–369
 - Dependent variable, 593–595
 - Depersonalization, 142
 - Descriptive, 350
 - Designing stage, of Four-D model, 560–562
 - Design strategies, in research, 594
 - as creativity-building activity, 262–264
 - history of, 244
 - importance of, 243
 - rules in, 263–264



Design thinking *A human-centered, solution-focused creative process that applies both intuition and analytical thinking to clarify problems and generate innovative solutions,* 243–246

Differentiation
intergenerational, 409, 417
reducing, 416
as source of conflict, 407–409, 411

Digital communication
changes in, 335
emerging channels and products, 328–329
“flaming,” 336
for workplace “push” communication, 337

Digital written communication
for decision making, 335–336
problems with, 336–337
reduction of stereotyping and prejudice and, 336

Direct communication
in informal communications, 480–481
with top management, 352–353

Direct employment, 21

Direction, 23, 164

Directive leadership, 455–456, 590–591, 594; *see also* Task-oriented leadership

Direct supervision
formal hierarchy and, 480, 483–484
functional structure and, 489
simple structure and, 488

Discovery stage, of Four-D model, 560–562

Discretion, 370, 373, 375–376

Discrimination, 81, 95

Dishonesty, 52

Display rules, 128

Distinctiveness, 97

Distress, 140–142

Distributed team; *see* Remote teams

Distributive approach, to negotiation, 421, 426

Distributive justice *The perception that appropriate decision criteria rules were applied to calculate how various benefits and burdens are distributed,* 61, 167, 184–186, 188

Divergent thinking *Reframing a problem in a unique way and generating different approaches to the issue,* 259

Diverse environment, 498

Diversity
consequences of, 16–17

deep-level, 16

generational, 408–409

inclusive workplace, 15–17

skill, 286–287

team, 292, 296–297

training programs about, 102

Divine discontent, 249, 545

Divisional structure *An organizational structure in which employees are organized around geographic areas, outputs (products or services), or clients,* 487, 491–493

Division of labor, 479, 482
Doctor-nurse study, 372
Dollar Shave Club, 225
Dominant culture, 514
Dreaming stage, of Four-D model, 560–562

Drives *Hardwired characteristics of the brain that correct deficiencies or maintain an internal equilibrium by producing emotions to energize individuals,* 165–169, 461

Driving forces, 545
Dynamic environment, 498

E

EAP; *see* Employee assistance program (EAP)
Effort-to-performance (E-to-P) expectancy, 173–174, 178–179

Electronic brainstorming *A form of brainstorming that relies on networked digital devices for submitting and sharing creative ideas,* 312–313

Email
dislike for, 328–329
first, 334
online chat versus, 334
reduction of stereotyping and prejudice, 336
software for, 335
synchronous versus asynchronous, 340–342
waning popularity of, 334–335
Emoji, 336

Emotional contagion *The nonconscious process of “catching” or sharing another person’s emotions by mimicking that person’s facial expressions and other nonverbal behavior,* 340

Emotional display norms, 128–129
Emotional episode, 124
Emotional exhaustion, 141
dimensions of, 131–132
feedback and, 462
outcomes and development, 132–133

Emotional intelligence (EI) *A set of abilities to perceive and express emotion, assimilate emotion in thought, understand and reason with emotion, and regulate emotion in oneself and others,* 406, 426, 461

Emotional labor *The effort, planning, and control needed to express organizationally desired emotions during interpersonal transactions,* 128–130

Emotional process, 124
Emotional stability, 49–50, 128

Emotions *Physiological, behavioral, and psychological episodes experienced toward an object, person, or event that create a state of readiness,* 10

Emotions performance, 128
attitudes, behavior, and, 123–126
cognitive components, 124

cognitive dissonance, 127
in decision making, 253
displaying expected, 130–131
emotional intelligence, 131–133
generating positivity at work
personality and, 128
poor communication of, 336
regulating, 130–131
types of, 122–123
in workplace, 122–133

Empathy *A person’s understanding of and sensitivity to the feelings, thoughts, and situations of others,* 104–105, 350

Empirical correlational research, 13, 591
Empirical research, 591
Employee assistance program (EAP), 146
Employee attitude, 6
benefits of, 139, 265–266
contingencies of, 265–268
in decision making, 265–268
model of, 266–267
in organizational changes, 551–553

Employee engagement *Individual emotional and cognitive motivation, particularly a focused, intense, persistent, and purposeful effort toward work-related goals,* 164

Employee involvement *The degree to which employees influence how their work is organized and carried out,* 265

Employee motivation; *see* Motivation
Employee productivity, 20
Employee retention, 136–137
Employee satisfaction, 136–137
Employee skills and knowledge; *see* Human capital

Employee stock ownership plan (ESOP)
A reward system that encourages employees to buy company stock, 213–214

Employee turnover, 20, 46, 60, 85
Employee well-being, as function of communication, 332
Employment relationships, 21–22
Empowerment, 380; *see also* Psychological empowerment
branch-level, 226
psychological practices of, 225–227
Enacted cultural values, 512
Enacted values, 510–512
Encoding-decoding process, 332–334
Encounter stage, in organizational socialization, 530–531
Engineering subsystem, 8
Environmental contingencies, 456
Environmental stimuli, 90
Equality principle, 184

Equity theory *A theory explaining how people develop perceptions of fairness in the distribution and exchange of resources,* 167, 184–186, 188–189



Glossary/Subject Index



I-33

Escalation of commitment *The tendency to repeat an apparently bad decision or allocate more resources to a failing course of action,* 256–257

ESOP; *see* Employee stock ownership plan (ESOP)
Espoused cultural values, 510–512
Esteem need, 169
Ethical principal, 16, 61
Ethical sensitivity, 62; *see also* Moral sensitivity
Ethic of care, 61
integrity, 60
job satisfaction and, 137
in organizational change, 563
organizational culture and business, 520–522
in organizational research, 593–594
values and behavior, 60–64

Ethics *The study of moral principles or values that determine whether actions are right or wrong and outcomes are good or bad,* 45, 60

E-to-P expectancies; *see* Effort-to-performance (E-to-P) expectancy
Evaluating, 350–351

Evaluation apprehension *Occurs when individuals are reluctant to mention ideas that seem silly because they believe (often correctly) that others in the decision-making group are silently evaluating them,* 310

Evidence-based management *The practice of making decisions and taking actions based on research evidence,* 12–13

Exchange, 381, 384
Exchange credits, 384
Exciting goal, 180
Executive function, 47
Exhaustion, 141
Exhibitionism, 52

Exit–voice–loyalty–neglect (EVLN) model *The four ways, as indicated in the name, that employees respond to job dissatisfaction,* 134–136

Expectancy theory *A motivation theory based on the idea that work effort is directed toward behaviors that people believe will lead to desired outcomes,* 167, 173–175, 455

Experience, 123
Experienced meaningfulness, 221
Experienced responsibility, 221
Experimentation, in transformational leadership, 448, 450
Expert power, 370, 372, 375, 377
External attribution, 96–97
External environment, 8
culture content aligned with, 518–519
in organizational design, 497–498
External factor, 96
External locus of control, 87
External self-concept, 88
Extinction, 177
Extranet, 496

Extraversion *A personality dimension describing people who are outgoing, talkative, sociable, and assertive,* 48–50, 144

Extraverted personality, 128

Extrinsic motivation *Occurs when people are motivated to engage in an activity for instrumental reasons, that is, to receive something that is beyond their personal control,* 170–171

F

Face-to-face communication; *see also* Nonverbal communication
benefits of, 330
email and, 335
media richness of, 342–345
nonverbal communication during, 339–345
open-space work arrangement and, 351
persuasion during, 383
preferences for, 333–337
Fairness; *see* Justice

False-consensus effect *A perceptual error in which we overestimate the extent to which others have beliefs and characteristics similar to our own,* 100

Fear, 123
Fearless dominance, 54
Fear of unknown, change and, 548
Feedback, 8
characteristics of effective, 180–182
in communication process model, 332–334
continuous, 340
defined, 180
digital written communication and, 337
emotional intelligence and, 462
evaluating goal setting and, 183
during face-to-face communication, 383
job, 220
nonverbal communication and, 339
persuasive communication and, 345
sources of, 182–183
through strengths-based coaching, 182–184
Feeling, 54, 124; *see also* Emotions
Field experiment, 594

Field survey *Collects and analyzes information in a natural environment, an office, a factory, or some other existing location,* 594–595

Fight-or-flight response, 167
Filtering, 346, 353
Financial rewards, 208, 216; *see also* Money; Rewards
competency-based rewards, 210–211
global variations in individual performance-based pay, 212
job-status rewards, 210
membership- and seniority-based rewards, 209–210
performance-based rewards, 212–214

First impression, in job application, 101

Five Cs model, 295–296

issues when applying, 50–51

work performance and, 49–50

Five-factor (Big Five) model *The five broad dimensions representing most personality traits: conscientiousness, emotional stability, openness to experience, agreeableness, and extraversion,* 47–48, 56, 260

Fixation, in teams, 312

Fixed-pay rewards, 210

Flat structure, 478, 484–485

Flexible work arrangement, 15, 18

Force field analysis *Kurt Lewin's model of systemwide change that helps change agents diagnose the forces that drive and restrain proposed organizational change,* 545

Forcing, in conflict-handling styles, 411–414

Forecasting, 372

Formal communication channel, 480

Formal hierarchy, 480, 483–484

Formalization *The degree to which organizations standardize behavior through rules, procedures, formal training, and related mechanisms,* 482, 486–487

Formal team dynamics, 6

Four-D model, of appreciative inquiry, 560–562

Four-drive theory *A motivation theory based on the innate drives to acquire, bond, learn, and defend that incorporates both emotions and rationality,* 167–169

Frequent job rotation, 222–223

Functional structure *An organizational structure in which employees are organized around specific knowledge or other resources,* 487–489

Fundamental attribution error *The tendency to see the person rather than the situation as the main cause of that person's behavior,* 98

Future Festival, 373

Future search conference, 562

G

Gainsharing plan *A team-based reward that calculates bonuses from the work unit's cost savings and productivity improvement,* 210, 213

Gamification, 177–178

Gender(s)

communication conflicts between, 349

issues in leadership, 465–466

negotiation and, 427–428

value of money and, 209



- Gender communication, 347–349
Gendered network, 379–380
- General adaptation syndrome** *A model of the stress experience, consisting of three stages: alarm reaction, resistance, and exhaustion,* 141
- Generational diversity, 408–409
Generation X, 16
Generation Z, 16, 333–334
Global competition, 15
Globalization
and remote teams, 309
and work-life integration, 17
and work overload, 142
incompatible, 407–408
in negotiations, 421–423
problems with, in decision making, 249–250
- Global mindset** *An individual's ability to perceive, appreciate, and empathize with people from other cultures, and to process complex cross-cultural information,* 104–106
- Goal** *A cognitive representation of a desired end state that a person is committed to attain,* 179
- Goal setting
employee motivation and, 179–183
as self-leadership practice, 227–228
as team-building intervention, 300
team development through, 300–301
Golden handcuffs, 209
“Good evidence,” 13
- Grapevine** *An unstructured and informal communication network founded on social relationships rather than organizational charts or job descriptions,* 353–355
- Greenhouse gas emissions, 20
- Grounded theory** *A process of developing knowledge through the constant interplay of data collection, analysis, and theory development,* 592
- Groups; *see* Teams
Growth need, 169
Growth need strength, 220–221
Guanxi, 376
Guiding coalition, 555
- H**
- Halo effect** *A perceptual error whereby our general impression of a person, usually based on one prominent characteristic, colors our perception of other characteristics of that person,* 100
- Harassment, workplace, 142–143
Hedonism, 57–58
Heuristic biases, 251
Hidden area, of Johari Window, 102–103
- Hierarchy
as coordination mechanism, 480–482
improving communication throughout, 351–353
- High-activation emotion (positive and negative), 123
- High-expectancy employee, 99
- Homogenization, 94
- Hot desking, 410
- Human capital** *The knowledge, skills, abilities, creative thinking, and other valued resources that employees bring to the organization,* 9, 309
- Human relations, 5–6
- Human rule, in design thinking, 263–264
- Hypotheses** *Empirically testable declarations that certain variables and their corresponding measures are related in a specific way proposed by the theory,* 590–591
- I**
- IAT; *see* Implicit Association Test (IAT)
Identification-based trust, 305–306
Illumination (insight) stage, of creative process, 258–259
Impact, 225
Imperfect rationality, 244, 246, 249, 252
Implicit Association Test (IAT), 102
- Implicit favorite** *A preferred alternative that the decision maker uses repeatedly as a comparison with other choices,* 250
- Implicit leadership theory** *A theory stating that people evaluate a leader's effectiveness in terms of how well that person fits preconceived beliefs about the features and behaviors of effective leaders (leadership prototypes) and that people tend to inflate the influence of leaders on organizational events,* 458–460
- Impression management** *Actively shaping through self-presentation and other means the perceptions and attitudes that others have of us,* 381, 383–384
- Inclusive workplace** *A workplace that values people of all identities and allows them to be fully themselves while contributing to the organization,* 15–17
- Incompatible goal, 407–408
Incongruent organizational systems, 548–549
Incongruent team dynamics, 548
Incubation stage, of creative process, 258–259
Independent variable, 593–595
Indirect employment (outsourced/agency), 21–22
- Individual behavior
counter-productive work behaviors, 25–27
joining and staying with organization, 25–28
- maintaining work attendance, 25–26, 28
organizational citizenship, 25–27
task performance, 25–26
types of, 26–29
values and, 58–59
- Individual inputs and processes, 11
- Individualism** *A cross-cultural value describing the degree to which people in a culture emphasize independence and personal uniqueness,* 64–65, 67
- Individual outcome, 11
Individual performance-based pay, 212
Individual rewards, 212
Individual rights, 61
Inductive hypothesis testing, 595
Inductive stage, of theory building, 590
Inequity, and employee motivation, 185–188
Inequity tension, 185–186
assertiveness, 381–382
coalition formation, 381–382
exchange, 381, 384
impression management, 381, 383–384
information control, 381–382
persuasion, 381–383
silent authority, 381
tactics, 381–385
upward appeal, 381–382
- Influence** *Any behavior that attempts to alter someone's attitudes or behavior,* 380, 386
- Informal communication, 478, 498
coordination through, 479–480
departmentalization and, 487
and self-directed teams, 483
Informal groups, 6, 287–288
Informal norm, 371
Information, 377
controlling, 371, 381–382
gathering, for negotiation, 423–425
processing of
biased decision heuristics, 251
problems with, 249–251
- Information overload** *A condition in which the volume of information received exceeds the person's capacity to process it,* 346
- as communication barrier (noise), 346–347
digital communication and, 337
Information-processing capacity, 346–347
Ingratiation, 384–386
Innovation, 510, 513, 526
- Inoculation effect** *A persuasive communication strategy of warning listeners that others will try to influence them in the future and that they should be wary of the opponent's arguments,* 383
- Input ratio, 185–186
Inquisition, 419–420
Instant messaging, 334; *see also* Communication channel
Integrated environment, 498
Integration, of organizational cultures, 523–524



- Integrative approach** to negotiation, 421, 423
- Integrative Model of Organizational Behavior**, 10–11
- Integrator role**, 418, 480
- Integrity**, of leadership, 461
- Intelligence**, 38
- Intensity**, 23, 164
- Intentional discrimination (prejudice)**, 95
- Interactional justice** *The perception that appropriate rules were applied in the way the people involved were treated throughout the decision process*, 184, 189
- Interdependence, 376, 407–410, 484; *see also Task interdependence*
 - Intergenerational differentiation, 409, 417
 - Intergroup mirroring, 417
 - Internal attribution, 96–97
 - Internal communication, 331
 - Internal factor, 96
 - Internal locus of control, 87
 - Internet, birth of, 334
 - Interpersonal conflict, 142, 182, 403, 411–415
 - Interpersonal relations, as team-building intervention, 301
 - Interpretation, perceptual organization and, 91–93
- Interpretivism** *The view held in many qualitative studies that reality comes from shared meaning among people in a particular environment*, 590
- Intervention
 - team-building, 300–301
 - third-party, 419–420
 - Intranet, 182
 - Intrapersonal conflict, 403
- Intrinsic motivation** *Occurs when people fulfill their needs for competence and autonomy by engaging in the activity itself, rather than from an externally controlled outcome of that activity*, 170–171, 216, 219, 458
- Introversion, 48, 128, 144
- Intuition** *The ability to know when a problem or opportunity exists and to select the best course of action without conscious reasoning*, 253–255
- Intuitive, 54–55
 - Iron, 4
- J**
- Jargon, 346
 - Job application, 101
 - Job burnout, 141
- Job characteristics model** *A job design model that relates the motivational properties of jobs to specific personal and organizational consequences of those properties*, 219–222, 226–227
- Job design
 - job enlargement, 222–224
 - job enrichment, 22, 224–225
 - job rotation, 222–223
 - job specialization, 219
 - motivation and, 219–222
 - scientific management, 218
 - work efficiency and, 217–218
- Job diagnostic survey**, 234–235
- Job enlargement** *The practice of increasing the number and variety of related tasks assigned to a job*, 222–224
- Job enrichment** *The practice of giving employees more responsibility for scheduling, coordinating, and planning their own work*, 22, 222–224
- Job evaluation** *Systematically rating the worth of jobs within an organization by measuring the required skill, effort, responsibility, and working conditions*, 210
- Job feedback, 220
 - Job rotation, 222–223
 - business ethics, 137
 - customer satisfaction and, 136–137
 - importance of, 133
 - performance and, 135–136
 - problems with, 219
 - scientific management and, 218
 - in selected countries, 133–134
 - work behavior and, 134–135
- Job satisfaction** *A person's evaluation of his or her job and work context*, 133, 219
- Job specialization** *The result of a division of labor, in which work is subdivided into separate jobs assigned to different people*, 217
- Job-status rewards, 210
- Johari Window** *A model of mutual understanding that encourages disclosure and feedback to increase our own open area and reduce the blind, hidden, and unknown areas*, 102–103, 417
- Judging, 55
 - Judgment, 123
 - Jungian personality theory, 54–55
 - Justice, 187, 189
 - distributive, 167, 184–186, 188
 - interactional, 184
 - procedural, 184
 - support and, 139
- K**
- Knowledge-based trust, 305–306
 - Knowledge-based work, 309
 - Knowledge of results, 220–221
- L**
- Labelling, 51
- Laboratory experiment** *Any research study in which independent variables and variables outside the researcher's main focus of inquiry can be controlled to some extent*, 593–594
- Labor union, 374–375
 - Language, 511
 - as communication barrier (noise), 345–346
 - as cross-cultural communication barrier, 347
- Large group interventions** *Highly participative events that view organizations as open systems (i.e., involve as many employees and other stakeholders as possible) and adopt a future and positive focus of change*, 562
- Lateness, employee, 28
 - cross-cultural issues in, 464–465
 - decisive, 247
 - gender and, 465
 - implicit, 458–460
 - managerial, 452–455
 - path-goal, 455–457
 - personal attributes perspective, 460–464
 - prototypes of, 458–459
 - romance of, 458–459
 - shared, 446–447
 - transformational, 447–452
 - trust in, 227
- Leadership** *Influencing, motivating, and enabling others to contribute toward the effectiveness and success of the organizations of which they are members*, 5–6
- Leadership substitutes theory** *A theory identifying conditions that either limit a leader's ability to influence subordinates or make a particular leadership style unnecessary*, 457–458
- Learned capabilities, 24
 - Learned needs theory, 171–172
 - Learning
 - change and, 551–552
 - in organizational socialization, 529–530
- Learning orientation** *A set of beliefs and norms in which people are encouraged to question past practices, learn new ideas, experiment putting ideas into practice, and view mistakes as part of the learning process*, 261–262, 450, 520
- Legitimate power** *An agreement among organizational members that people in specific roles can request a set of behaviors from others*, 370–373, 380
- Lewin's force field analysis model, 544–546
 - action research approach, 557
 - cross-cultural and ethical issues in change, 563
 - leadership, coalitions, social networks, and pilot projects, 554
 - unfreezing and refreezing, 549
 - Liaison role, 480
 - Life experience, 47
 - authentic leadership, 463
 - path-goal theory of contingencies, 457
 - self-evaluation, 86–87, 144
 - self-leadership, 230



Locus of control *A person's general belief about the amount of control he or she has over personal life events,* 87

Low-activation emotion (positive and negative), 123
Loyalty, 134–136
“Lunch and learn” session, 416

M

Machiavellianism *A personality trait of people who demonstrate a strong motivation to achieve their own goals at the expense of others, who believe that deceit is a natural and acceptable way to achieve their goals, who take pleasure in outwitting and misleading others using crude influence tactics, and who have a cynical disregard for morality,* 45, 51–52, 387

Maintaining work attendance, 25–26, 28
interdependence of, and transformational leadership, 453
leadership substitutes theory, 457–458
path-goal leadership, 455–457
servant leadership, 454–455
task- and people-oriented leadership, 453–454
transformational leadership *versus,* 452–453

Management by wandering around (MBWA) *A communication practice in which executives get out of their offices and learn from others in the organization through face-to-face dialogue,* 353

Managerial leadership *A leadership perspective stating that effective leaders help employees improve their performance and well-being toward current objectives and practices,* 452–455

Managerial subsystem, 8
Manifest conflict, 407–408
Marketing/sales subsystem, 8
ability, 23–24, 556
employee motivation, 23
role perceptions, 24–25
situational factors, 25
strategies for diffusing of change, 556

MARS model *A model depicting the four variables—motivation, ability, role perceptions, and situational factors—that directly influence an individual's voluntary behavior and performance,* 22, 86, 142, 164, 295

Maslow's needs hierarchy theory *A motivation theory of needs arranged in a hierarchy, whereby people are motivated to fulfill a higher need as a lower one becomes gratified,* 169–170, 247

Matrix structure *An organizational structure that overlays two structures (such as a geographic divisional and a product structure) in order to leverage the benefits of both,* 187, 493–496

Maturity, 133
MBTI; *see* Myers–Briggs type indicator (MBTI)
Meaningful interaction, 103–104, 225
Meaningfulness, 220–221
Measurable goal, 179–180

Mechanistic structure *An organizational structure with a narrow span of control and a high degree of formalization and centralization,* 486–487, 498, 500

Media richness *A communication channel's data-carrying capacity—that is, the volume and variety of information that can be transmitted during a specific time,* 342–344, 383

Mediation, 419–420
Membership- and seniority-based rewards, 209–210
Member similarity, 302–303
in communication, 334
of decision makers, 248
multilevel, 105
of team members, 298–299

Mental imagery *The process of mentally practicing a task and visualizing its successful completion,* 228–230

Mental models *Knowledge structures that we develop to describe, explain, and predict the world around us,* 92–93

Mental skill set, 167–168
Merchants, in ancient Rome, 4
Merger, 522–524
Meritocracy, principle of, 185
Merit pay, 210
Micromanagement, coordination through, 481
Millennial (Gen Y), 16, 20, 333

Mindfulness *A person's receptive and impartial attention to and awareness of the present situation as well as to one's own thoughts and emotions in that moment,* 62

Misperceptions, 81
Mission statement; *see* Vision and mission statements
Model of Emotions, Attitudes, and Behavior, 124
Money, 208–209
Mood, 122; *see also* Emotions
Moral identity, 62

Moral intensity *The degree to which an issue demands the application of ethical principles,* 61

Moral sensitivity *A person's ability to recognize the presence of an ethical issue and determine its relative importance,* 62

Morphological analysis, 262
ability-motivation-opportunity (AMO) model and, 22
attributional theory, 96–98
drive-based theories
four-drive theory, 167–169

intrinsic and extrinsic motivation, 170–171

learned needs theory, 171–172
Maslow's needs hierarchy theory, 169–170

drives and needs, 165–172
expectancy theory, 173–175
four-drive theory, 167–169
goal setting and feedback, 164, 179–183
for inclusion and assimilation with others, 88

inequity and, 185–188
intrinsic versus extrinsic, 170–171

of leadership, 460–461
learned needs theory, 171–172
and legitimate power, 370

MARS model and; *see* MARS model
Maslow's needs hierarchy theory, 169–170

organizational behavior modification, 176–178

organizational justice, 184–189
self-concept and organizational behavior, 89

self-enhancement and, 85
self-fulfilling prophecy, 99
in service profit chain model, 136–137
social cognitive theory, 178–179
social self and, 87–89

Motivation *The forces within a person that affect his or her direction, intensity, and persistence of effort for voluntary behavior,* 10, 23, 556

Multicomunicate, ability to, 343
Multidisciplinary anchor, 12–14
Multigenerational workforce, 16
Multilevel mental model, 105
Multiple levels of analysis anchor, 12–14

Multisource (360-degree) feedback *Information about an employee's performance collected from a full circle of people, including subordinates, peers, supervisors, and customers,* 182

Mutual gains approach, to negotiation, 421
Mutual understanding intervention, 416–418

Myers–Briggs type indicator (MBTI) *An instrument designed to measure the elements of Jungian personality theory, particularly preferences regarding perceiving and judging information,* 45, 54–55

N

Narcissism *A personality trait of people with a grandiose, obsessive belief in their superiority and entitlement, a propensity to aggressively engage in attention-seeking behaviors, an intense envy of others, and tendency to exhibit arrogance, callousness, and exploitation of others for personal aggrandizement,* 45, 52

Natural grouping, 225; *see also* Job enrichment
Natural rewards, 227, 229
Nature versus nurture, 46–47

Glossary/Subject Index

I-37

Need for achievement (nAch) *A learned need in which people want to accomplish reasonably challenging goals and desire unambiguous feedback and recognition for their success,* 172

Need for affiliation (nAff) *A learned need in which people seek approval from others, conform to their wishes and expectations, and avoid conflict and confrontation,* 172

 Need for beauty (aesthetic need), 169

Need for power (nPow) *A learned need in which people want to control their environment, including people and material resources, to benefit either themselves (personalized power) or others (socialized power),* 172

 Need principle, 184
 Need to know, 169

Needs *Goal-directed forces that people experience,* 166–167

 Need to know, 169
 Negative emotion, 123, 128, 185–186
 Negative reinforcement, 177
 Negative self-talk, 227–228
 Negative valence, of change, 548
 Neglect, 134–136
 audience for, 426–427
 change and, 551, 553
 distributive *versus* integrative approaches to, 421
 as exchange influence activity, 384
 gender and, 427–428
 location and physical setting for, 426–427
 preparing to, 421–423
 process of, 423–426
 resolving conflict through, 421–428

Negotiation *The process whereby two or more conflicting parties attempt to resolve their divergent goals by redefining the terms of their interdependence,* 421

 Networking, 386

Network structure *An alliance of several organizations for the purpose of creating a product or serving a client,* 487, 496–497

Neuroticism *A personality dimension describing people who tend to be anxious, insecure, self-conscious, depressed, and temperamental,* 47–48, 50, 128, 144

 Newcomer socialization, 531–532

Nominal group technique *A variation of brainwriting consisting of three stages in which participants (1) silently and independently document their ideas, (2) collectively describe these ideas to the other team members without critique, and then (3) silently and independently evaluate the ideas presented,* 312–313

 Nondirective leadership style, 591, 593
 Nonprogrammed decision, 246
 Nonsocial source, of feedback, 182

Nonsubstitutability, 370, 373–374

Non-territorial office, 410

Nonverbal communication, 334

 body language mistakes in job interview, 339

 difference across cultures, 348

 emotional contagion and, 340

 persuasion and, 344–345

 sensitivity between genders, 349

 verbal *versus*, 339

Normative commitment, 138

Norming, 298–299

 performance-oriented, 457

 psychological safety and, 407

 social acceptance and, 341

Norm of reciprocity *A felt obligation and social expectation of helping or otherwise giving something of value to someone who has already helped or given something of value to you,* 138, 371, 384

Norms *The informal rules and shared expectations that groups establish to regulate the behavior of their members,* 298, 302, 458

Not-invented-here syndrome, 548

Nurture, 46–47

O

OB; *see* Organizational behavior (OB)
Observational research, 595
Office expense, 20
Omitting; *see* Filtering
On-call direct employee, 21
On-demand contract, 21–22
Online chat, 334
Open area, of Johari Window, 102–103
Openness to change, 57–58

Openness to experience *A personality dimension describing people who are imaginative, creative, unconventional, curious, nonconforming, autonomous, and aesthetically perceptive,* 47–50

Open office, 410

Open systems *The view that organizations depend on the external environment for resources, affect that environment through their output, and consist of internal subsystems that transform inputs to outputs,* 8–9

 Opportunity, in decision making, 245, 249, 252
 “Optimal conflict” perspective, 403

Organic structure *An organizational structure with a wide span of control, low formalization, and decentralized decision making,* 486–487, 498

 Organizational behavior knowledge, 12–14, 250

Organizational behavior (OB) *The study of what people think, feel, and do in and around organizations,* 4

 corporate social responsibility (CSR), 10

 guiding organizations through continuous turbulence, 15

historical foundations of, 5–6

importance for organizations, 7–10

importance for you, 6

integrative model, 10–11

organizations as open systems, 8–9

overview, 4–6, 29

personal theories to predict and influence, 7

self-concept and, 89

stakeholders, 9–10

values, 9–10

Organizational behavior modification (OB Mod) *A theory that explains employee behavior in terms of the antecedent conditions and consequences of that behavior,* 176–178

Organizational behavior research, 592

Organizational change; *see* Change

Organizational citizenship behaviors

(OCBS) *Various forms of cooperation and helpfulness to others that support the organization's social and psychological context,* 25–27, 49, 458

Organizational commitment, 133

 affective, 137–138

 building, 139

 continuance, 137–138

Organizational comprehension, 139, 528

Organizational constraint, 142

 artifacts of, 511

 benefits of, 518–519

 business ethics and, 520–522

 changing and strengthening, 525–528

 content of, 512–513

 contingencies of, 518–520

 in corporate mergers, 522–524

 deciphering, through artifacts,

 514–517

 elements of, 510–514

 espoused *versus* enacted values,

 510–512

 importance of, 517–522

 organizational socialization, 528–532

 subcultures, 514

Organizational culture *The values and assumptions shared within an organization,* 510

Organizational design

 contingencies of, 497–500

 external environment, 498–499

 organization size, 498–499

 strategy, 499–500

 technology, 499

Organizational effectiveness *An ideal state in which an organization has a good fit with its external environment, effectively transforms inputs to outputs through human capital, and satisfies the needs of key stakeholders,* 7–8

Organizational efficiency *The amount of outputs relative to inputs in the organization's transformation process,* 486

Organizational justice; *see* Justice

Organizational-level rewards, 214



- Organizational outcomes** (effectiveness), 11
- Organizational output and processes**, 11
- adverse consequences of, 386
 - individual differences in, 386–387
 - Machiavellianism and, 387
 - minimizing, 387–388
- Organizational politics** *The use of influence tactics for personal gain at the perceived expense of others and the organization*, 52
- Organizational power**, 14
- Organizational research**
- causation in, 593
 - design strategies, 594
 - ethics in, 593–594
 - sampling in, 592
- Organizational rewards**, 213–214
- Organizational size**, 498–499
- centralization, 482, 485
 - departmentalism, 482
 - elements of, 482–487, 578
 - division of labor, 479, 482
 - flat structure, 478
 - in team effectiveness model, 291
 - work activities, 479–482
- formal hierarchy**, 480
- formalization**, 482, 486–487
- improving**, 531–532
- informal communication**, 479–481
- learning and adjustment process**, 528–529
- mechanistic versus organic**, 486–487
- psychological contracts**, 529
- span of control**, 482–487
- stages of**, 529–531
- standardization**, 480
- Organizational socialization** *The process by which individuals learn the values, expected behaviors, and social knowledge necessary to assume their roles in the organization*, 14
- Organizational strategy** *The way the organization positions itself in its environment in relation to its stakeholders, given the organization's resources, capabilities, and mission*, 499–500
- Organizational structure** *The division of labor as well as the patterns of coordination, communication, workflow, and formal power that direct organizational activities*, 478
- Organizational value**, 57
- Organizations** *Groups of people who work interdependently toward some purpose*, 4–5
- Outcome–input ratio**, 185–186
 - Outcome orientation**, 513
 - Outcome valences**, 173–175, 245, 455
 - Overconfidence (inflated team efficacy)**, 310–311
 - Overreward inequity**, 185, 188
 - Overt behavior**, 407
- P**
- Paid time off**, 210
- Parallel learning structure** *A highly participative arrangement composed of people from most levels of the organization who follow the action research model to produce meaningful organizational change*, 562
- Participative leadership**, 456–457, 465
- Past experience**, 166–167, 169
- contingencies, 456–457
 - evaluating, 457
 - leadership styles, 455–456
- Path–goal leadership theory** *A leadership theory stating that effective leaders choose the most appropriate leadership style(s), depending on the employee and situation, to influence employee expectations about desired results and their positive outcomes*, 455
- Pay**, skill-based, 210–211
- People-oriented leadership**, 453–454, 456–458, 465
- Perceived environment**, 124
- Perceived inequity**, 186
- Perceived value**, of service, 136
- attribution theory, 96–98
 - awareness of biases, 101
 - as communication barrier (noise), 345
 - confirmation bias, 91
 - conflict as, 408
 - false-consensus effect, 100
 - halo effect, 100
 - improving, 101–104
 - meaningful interaction, 103–104
 - mental models, 92–93
 - model of Perceptual process, 89–90
 - perceptual organization and interpretation, 91–93
 - primacy effect, 100–101
 - processing and problems, 93–101
 - recency effect, 100
 - selective attention, 90
 - self-awareness, 102–103
 - self-fulfilling prophecy, 98
- Perception** *The process of receiving information about and making sense of the world around us*, 10, 368, 411
- Perceptual bias**, 101
 - Perceptual defense**, 248
 - Perceptual organization**, and interpretation, 91–93
 - Performance**
 - job satisfaction and, 135–136
 - linking rewards to, 214–215
 - work, 49–50, 85 - Performance appraisal**, 164
 - Performance-based rewards**, 87, 212–214, 458
 - Performance-oriented norms**, 457
 - Performance review**, 182
 - Performance-to-outcome (P-to-O)**
 - expectancy, 173
 - evaluating organizational-level rewards, 214
- Positive organizational behavior** *A perspective of organizational behavior that focuses on building positive qualities and traits within individuals or institutions as opposed to focusing on what is wrong with them*, 99, 149, 548
- Positive politics**, 386
- Positive principle**, 560
- Positive reinforcement**, 177
- Positive self-talk**, 227–228
- Positivism** *A view held in quantitative research that reality exists independent of the perceptions and interpretation of people*, 590



Glossary/Subject Index



I-39

- Postdecisional justification, 255, 257
- Potential, 368
- consequences of, 380
 - contingencies of, 373–376
 - meaning of, 368–370
 - of social networks, 376–380
 - sources of, 370–373
- Power distance** *A cross-cultural value describing the degree to which people in a culture accept unequal distribution of power in a society,* 64–65
- Power** *The capacity of a person, team, or organization to influence others,* 5–6, 57–58, 171–172
- Practical intelligence, 461
 - Practical orientation anchor, 12–14
 - Preemployment socialization, 530
 - Preferred path, 455
 - Prejudice; *see* Stereotyping; Discrimination
 - Preliminary theory, 590
 - Preparation stage of creative process, 258–259
 - Presenteeism, 28–29
 - Prevention, 372
- Primacy effect** *A perceptual error in which we quickly form an opinion of people based on the first information we receive about them,* 100–101
- Primary needs; *see* Drives; Maslow's needs hierarchy theory
- Principle of meritocracy, 185
- Principle of randomization, 592
- Privacy, in organizational research, 593
- Proactive task performance, 26, 49–50
- Probability
- expectancy theory, 173, 175, 245
 - four-drive theory, 168
 - goal setting, 179, 183
 - organizational behavior modification, 177
 - rational choice decision making, 244–245
 - social cognitive theory, 178
- Problem identification, in decision making, 245–248
- Problem solving
- as conflict-handling style, 411–413
 - as team-building intervention, 301
- Procedural justice** *The perception that appropriate procedural rules were applied throughout the decision process,* 184, 189
- Process losses** *Resources (including time and energy) expended toward team development and maintenance rather than the task,* 289
- Production blocking** *A time constraint in team decision making due to the procedural requirement that only one person may speak at a time,* 310
- Production subsystem, 8
 - Proficient task performance, 26, 49
- Profit-sharing plan** *A reward system that pays bonuses to employees on the basis of the previous year's level of corporate profits,* 210, 213–214
- Programmed decision, 246
- Promotion-based pay increase, 210
- Prospect theory** *An innate tendency to feel stronger negative emotion from losing a particular amount than positive emotion from gaining an equal amount,* 256
- Psychological contract** *The individual's beliefs about the terms and conditions of a reciprocal exchange agreement between that person and another party (typically an employer),* 529
- Psychological empowerment** *A perceptual and emotional state in which people experience more self-determination, meaning, competence, and impact regarding their role in the organization,* 225–227
- Psychological ownership, 139
 - Psychological research, 14
- Psychological safety** *A shared belief that it is safe to engage in interpersonal risk-taking; specifically, that presenting unusual ideas, constructively disagreeing with the majority, and experimenting with new work behaviors will not result in coworkers posing a threat to their self-concept, status, or career,* 311, 407
- Psychological state, 122, 220–221
- Psychopathy** *A personality trait of people who ruthlessly dominate and manipulate others without empathy or any feelings of remorse or anxiety; use superficial charm, yet are social predators who engage in antisocial, impulsive, and often fraudulent thrill-seeking behavior,* 45, 52
- P-to-O expectancies; *see* Performance-to-outcome (P-to-O) expectancy
- Punishment, 177
- Purchasing system, 8
- Q**
- Qualitative information, 590–591
 - Quantitative research (statistical analysis), 590–591
- R**
- Randomization, principle of, 592
 - Random sample, 592
 - "Rapport talk," 349
 - biased decision heuristics, 251
 - bounded rationality and, 249
 - evaluating decisions and, 249, 255
 - example, 244–246
 - history of, 244
 - human emotions and, 253
 - imperfect rationality, 249–250
 - problems with, 246, 249–251
 - process of, 245–246
 - satisficing and, 252
 - sunk cost effect, 256
- Remote work, 19–21
- Rephrase, 350–351
- "Report talk," 349
- Representativeness heuristic** *A natural tendency to evaluate probabilities of events or objects by the degree to which they resemble (are representative of) other events or objects rather than on objective probability information,* 251
- Representative sampling** *Sampling a population in such a way that we can extrapolate the results of the sample to the larger population,* 592
- Research design strategy, 594
 - Resistance, 141, 384–385
 - Resistance point, in negotiation, 422–423



- Resistance to change, 546
breaking routines, 548
fear of unknown, 548
incongruent organizational systems, 548–549
incongruent team dynamics, 548
negative valence of change, 547
not-invented-here syndrome, 548
reasons for, 547–549
- Resource scarcity; *see* Scarce resources
- Respect, 513
- Responding, 350–351; *see also* Feedback
- Responsibility, 220–221
- Restraining forces, reducing, 546, 551–554
- Résumé, 101
- Reviewing goal, 180
- Reward inflation, 178
- Reward power, 370–371, 380
- Rewards
and culture, 525–527
improving effectiveness of performance-based, 214–216
performance-based, 87, 212–214, 458
team-based, 302
in team effectiveness model, 291
- Rituals** *The programmed routines of daily organizational life that dramatize the organization's culture*, 511, 515–516
- RJP; *see* Realistic job preview (RJP)
- Role ambiguity, 24–25
- Role** *A set of behaviors that people are expected to repeatedly perform because they hold formal or informal positions in a team and organization*, 299–300
- Role clarity, 24–25, 301
- Role management, 530–531
- Role perceptions** *The degree to which a person understands the job duties assigned to or expected of him or her*, 22–24, 556
- Roundtable forum, 352
- Routines, breaking, 548
- S**
- Safety need, 169
- Sampling, in organizational research, 592
- Satisficing** *Selecting an alternative that is satisfactory or "good enough," rather than the alternative with the highest value (maximization)*, 252
- Scandal, 521
- Scarce resources, 407–408, 410, 415, 418
- Scenario planning** *A systematic process of thinking about alternative futures and what the organization should do to anticipate and react to those environments*, 255
- Schadenfreude, 52
- Schedules of reinforcement, 177
- Scientific management** *The practice of systematically partitioning work into its smallest elements and standardizing tasks to achieve maximum efficiency*, 218
- Scientific method** *Systematic, controlled, empirical, and critical investigation of hypothetical propositions about the presumed relationships among natural phenomena*, 590–592
- SDTs; *see* Self-directed teams (SDTS)
- Security, 57–58
- Seinfeld, 248
- Selective attention** *The process of attending to some information received by our senses and ignoring other information*, 90
- Self-actualization need, 169–170
- Self-awareness, 102–103
characteristics on well-being and behavior, 84–85
complexity, consistency, and clarity, 82–86
as leader identity, 460–461
locus of control, 86–87
motivation process and, 166–167, 170
and organizational behavior, 89
self-enhancement, 85–86
self-evaluation, 85–87
self-verification, 85–86
social self, 85, 87–89
- Self-concept** *An individual's self-beliefs and self-evaluations*, 10, 82, 462
- Self-determination, 225
- Self-directed teams (SDTS)** *Cross-functional work groups that are organized around work processes, complete an entire piece of work requiring several interdependent tasks, and have substantial autonomy over the execution of those tasks*, 287, 306–307, 483
- Self-direction, 57–58
and explanation for stereotyping, 94
positive and negative consequences, 85–86
- Self-efficacy** *A person's belief that he or she has the ability, motivation, correct role perceptions, and favorable situation to complete a task successfully*, 87, 178, 180, 230
- Self-enhancement** *A person's inherent motivation to have a positive self-concept (and to have others perceive him or her favorably), such as being competent, attractive, lucky, ethical, and important*, 57–58, 88, 256, 405
- Self-esteem, 87, 230, 383, 405
- Self-evaluation, 85–87
- Self-expansion, 82–83
- Self-fulfilling prophecy** *The perceptual process in which our expectations about another person cause that person to act more consistently with those expectations*, 98–99
- Self-justification effect, 256
constructive thought strategies, 227–229
effectiveness of, 230
- natural rewards, 227, 229
- personal and situational predictors of, 230
- personal goal setting, 227–228
- practices of, 227–230
- self-monitoring, 227, 229
- self-reinforcement, 227, 229–230
- Self-leadership** *Specific cognitive and behavioral strategies to achieve personal goals and standards through self-direction and self-motivation*, 10, 458
- Self-monitoring, 227, 229
- Self-perception, 82
- Self-promotion, 52
- Self-reflection, 84
- Self-regulation, 178
- Self-reinforcement** *Reinforcement that occurs when an employee has control over a reinforcer but doesn't "take" it until completing a self-set goal*, 178, 227, 229–230
- Self-serving bias** *The tendency to attribute our favorable outcomes to internal factors and our failures to external factors*, 98
- Self-talk** *The process of talking to ourselves about our own thoughts or actions*, 228–229
- Self-transcendence, 57–58
- Self-verification, 405
- Self-verification** *A person's inherent motivation to confirm and maintain his or her existing self-concept*, 83, 85–86
- Self-view, 83
- Sense making, 518–519
- Sensing, 54–55, 350–351
- Separation, of organizational cultures, 523–524
- Sequential interdependence, 293–294, 409
- Servant leadership** *The view that leaders serve followers, rather than vice versa; leaders help employees fulfill their needs and are coaches, stewards, and facilitators of employee development*, 454–455
- Service profit chain model** *A theory explaining how employee's job satisfaction influences company profitability indirectly through service quality, customer loyalty, and related factors*, 136
- Service quality, 136–137
- Sexual harassment, 142
- Share assumptions, 510–511
- Shared leadership** *The view that leadership is a role, not a position assigned to one person; consequently, people within the team and organization lead each other*, 446–447
- Shared values, 57, 139, 510–512
- Silence, as cross-cultural communication barrier, 347–348



- Silent authority, 381
 Silents, 16
 Similarity-attraction effect, 302–303
 Simple environment, 498
 Simple structure, 487–488
 Simultaneity principle, 560
 Situational factors, 22–25, 63, 556
 Skill-based pay, 210–211
 Skill diversity; *see* Diversity
- Skill variety** *The extent to which employees must use different skills and talents to perform tasks within their jobs,* 219–221
- Smiley, 336
 Social acceptance, 341–342
- Social capital** *The knowledge, opportunities, and other resources available to members of a social network, along with the mutual support, trust, reciprocity, and coordination that facilitate sharing of those resources,* 377–378
- Social cognitive theory** *A theory that explains how learning and motivation occur by observing and modeling others as well as by anticipating the consequences of our behavior,* 178–179, 227
- Social glue, 518–519
 Social identity, 139
 in China, 89
 false-consensus effect, 100
 and stereotyping, 94
- Social identity theory** *A theory stating that people define themselves by the groups to which they belong or have an emotional attachment,* 88, 288
- Social isolation, 20
 Socialization, 166, 527; *see also* Organizational socialization
 Socialization agent, 531–532
 Socialization subsystem, 8
 Socialized power, 172
 centrality in, 378–379
 dark side of, 379–380
 power through, 378–380
 and viral change, 555–556
- Social loafing** *The problem that occurs when people exert less effort (and usually perform at a lower level) when working in teams than when working alone,* 223, 290–291, 312
- Social media** *Digital communication channels that enable people to collaborate in the creation and exchange of user-generated content,* 337–338, 354
- Social networks** *Social structures of individuals or social units that are connected to one another through one or more forms of interdependence,* 288, 337, 376
- Social norms, 166–167, 169
- Social presence** *The extent to which a communication channel creates psychological closeness to others, awareness of their humanness, and appreciation of the interpersonal relationship,* 341, 344
- Social responsibility, 172
 Social self (social identity), 83, 85
 Social source, of feedback, 182
 Social system, 14
 Social vitality, 47
 Sociologist, 14
 Solution-focused problem, 247
 Specific feedback, 180–181
 Specific traits, 51
 Spoken communication, 344–345; *see also* Verbal communication
 Stability, 513, 525, 527
 Stable environment, 498
- Stakeholders** *Individuals, groups, and other entities that affect, or are affected by, the organization's objectives and actions,* 9–10, 247–248
- Standardization, 480, 482–484
 Standard of performance, 185
 State of readiness, 122
 Status-based benefits, 210
 Stereotypes, 81
 explanations for, 93–95
 exposing, in South Africa, 94
 problems with, 95–96
- Stereotype threat** *An individual's concern about confirming a negative stereotype about his or her group,* 95, 405
- Stereotyping** *The process of assigning traits to people based on their membership in a social category,* 93
- Stimulation, 57–58
- Stock options** *A reward system that gives employees the right to purchase company stock at a future date at a predetermined price,* 210, 213
- Stories and legends, 511, 515
 Storming, 298–299
 Strategic vision; *see* Vision
 causes of, 142–143
 general adaptation syndrome, 141
 individual differences, 143–144
 management strategies, 140–146
 at work, 140
- Strengths-based coaching** *A positive organizational behavior approach to coaching and feedback that focuses on building and leveraging the employee's strengths rather than trying to correct his or her weaknesses,* 181–184
- Stress** *An adaptive response to a situation that is perceived as challenging or threatening to the person's well-being,* 140, 143, 403, 458
- Stress management, change and, 551, 553
 change perceptions of, 145
 control consequences of, 145–146
 receive social support, 146
 removing, 144
 types of, 142–143
 withdraw from, 145
- Stressors** *Any environmental conditions that place a physical or emotional demand on the person,* 142
- Structural empowerment, 226
- Structural hole** *A gap between two or more social networks that lack network ties,* 379
- “Structure follows strategy,” 499
 Subculture, 514
- Substitutability** *A contingency of power pertaining to the availability of alternatives,* 370, 373–375, 423
- Subsystem, 8
 Sufficiently frequent feedback, 181
 Summarizing; *see* Filtering
 Sunk cost effect, 256
- Superordinate goals** *Goals that the conflicting parties value and whose attainment requires the joint resources and effort of those parties,* 415–416
- Supervisor leadership style, 6
 Supportive leadership, 456–457, 590
 Surface acting, 130
- Surface-level diversity** *The observable demographic or physiological differences in people, such as their race, ethnicity, gender, age, and physical disabilities,* 15–16
- Swift trust, 306
 Symbol, 516
- Synchronicity** *The extent to which the channel requires or allows both sender and receiver to be actively involved in the conversation at the same time (synchronous) or at different times (asynchronous),* 3
 40–342
- Systematic and controlled research, 591
 Systematic research anchor, 12
- T**
- Tall structure, 484–485
 Tangible rule, in design thinking, 264
 Target point, in negotiation, 422–423
 Task analyzability, 222, 293, 499
- Task conflict** *A type of conflict in which people focus their discussion around the issue (i.e., the task) in which different viewpoints occur while showing respect for people involved in that disagreement,* 404–407



- Task control**, and stress, 143
- Task force** (project team), 287
- conflict source, 409–410, 415
 - reducing, 418
- Task identity** *The degree to which a job requires completion of a whole or an identifiable piece of work*, 219–221
- Task interdependence** *The extent to which team members must share materials, information, or expertise in order to perform their jobs*, 222, 293–294
- Task-oriented leadership, 454; *see also* Directive leadership
 - evaluating path-goal theory, 457–458
 - gender and, 465
 - interdependence of, 453
- Task performance** *The individual's voluntary goal-directed behaviors that contribute to organizational objectives*, 25–26, 289, 304
- Task significance** *The degree to which a job has a substantial impact on the organization and/or larger society*, 220–221
- Task structure, 457
 - Task variability, 222, 293, 499
- Team-based organizational structure** *An organizational structure built around self-directed teams that complete an entire piece of work*, 288–289, 487, 491–493
- Team building** *Formal activities designed to improve the development and functioning of a work team*, 300–301
- Team cohesion** *The degree of attraction people feel toward the team and their motivation to remain members*, 302–305, 403, 457
- Team development, 406–407
 - Team diversity, 292
 - cohesion, 303
 - decision making and, 311
 - effects on teams, 296–297
 - Team dynamics, 5–6, 457, 548, 557
 - Team effectiveness, model of, 291–292
- Team efficacy** *The collective belief among team members in the team's capability to successfully complete a task*, 310–311
- Team identification, developing, 299
 - Team/interpersonal inputs and processes, 11
 - Team orientation, 513
 - Team performance, 303–305, 403
 - Team permanence, 286–287
 - Team processes
 - cohesion, 302–305
 - development, 298–301
 - norms, 302
 - trust, 305–306 - Team rewards, 212–213, 215
 - advantages and disadvantages of, 288–291
 - challenges of, 289–291
 - characteristics of, 286–287
- cohesion, 302–305
- composition of, 295–297
- decision making, 310–313
- design elements, 293–297
- development of, 298–301
- diversity, 296–297
- model of effectiveness, 291–292
- norms, 298, 302
- organizational and team environment, 291–292
- processes, 291, 298–306
- remote (virtual), 307–309
- self-directed, 306–307
- size of, 294
- task characteristics, 293–294
- team development
- accelerating, through team building, 300–301
 - identifies and mental models, 298–299
 - roles, 299–300
 - stages of, 298–299
 - trust among members of, 305–306
- Teams** *Groups of two or more people who interact with and influence each other, are mutually accountable for achieving common goals associated with organizational objectives, and perceive themselves as a social entity within an organization*, 286
- Team trust; *see* Trust
 - Technological change, 15
 - Technological subsystem, 8
 - Technology
 - and organizational design, 499
 - and remote teams, 309
 - and work overload, 142 - Telecommuting, 19; *see also* Remote work
 - Telephone communication, 335
 - Teleworking, 20; *see also* Remote work
 - Temporary team, 480
 - Temporary work assignment, 416
 - Text messaging, 335–336, 340
- Theory** *A general set of propositions that describes interrelationships among several concepts*, 590
- Theory building, 590–592
 - Theory testing, 590–591
 - Thinking, 54
- Third-party conflict resolution** *Any attempt by a relatively neutral person to help conflicting parties resolve their differences*, 419–420
- Time constraints, on teams, 310
 - Time-framed goal, 180
 - Timely feedback, 180–181
 - Time management, 346–347
 - Town hall meeting, 352
 - Tradition, 57–58
 - Training program, 102, 173
 - Trait; *see* Personality trait
 - Transactional contract, 529
 - change and, 554
 - charisma and, 451–452
 - cultural change and, 525–526
 - elements of, 448–450
- evaluating, 452
- interdependence of managerial and, 453
- managerial leadership *versus*, 452–453
- vision, 448–450
- Transformational leadership** *A leadership perspective that explains how leaders change teams or organizations by creating, communicating, and modeling a vision for the organization or work unit and inspiring employees to strive for that vision*, 448, 457
- Triple-bottom-line philosophy, 10
 - dynamics of, 306
 - foundations of, 305
 - in negotiation, 426
- Trust** *Positive expectations one person has toward another person in situations involving risk*, 139, 227, 369
- Turnover**; *see* Employee turnover
- U**
- Ultimate dependent variable, 7; *see also* Organizational effectiveness
- Uncertainty avoidance** *A cross-cultural value describing the degree to which people in a culture tolerate ambiguity (low uncertainty avoidance) or feel threatened by ambiguity and uncertainty (high uncertainty avoidance)*, 64, 66
- Underreward inequity, 185, 187
- Unfreezing** *The first part of the change process, in which the change agent produces disequilibrium between the driving and restraining forces*, 546
- Unintended consequences, 215–216
 - Unintentional (systematic) discrimination, 95
 - Universalism, 57–58
 - Unknown area, of Johari Window, 102–103
 - Unmet expectations, 531
- Upward appeal** *A type of influence in which someone with higher authority or expertise is called on in reality or symbolically to support the influencer's position*, 381–382
- User-generated content, 337
 - Utilitarianism, 61
- V**
- Valence, 123, 173–175
 - across cultures, 64–67
 - congruence in, 59–60
 - cultural, 57
 - ethical, and behavior, 60–64
 - and individual behavior, 58–59
 - organizational, 57
 - personal, 56–57
 - shared, 57
 - types of, 57–58
- Values** *Relatively stable, evaluative beliefs that guide a person's preferences for outcomes or courses of action in a variety of situations*, 9–10, 56, 510–512

Glossary/Subject Index



I-43

- Values awareness, 59
 Value system, 56
 Variable ratio schedule, 177
 Verbal communication, 334
 Verification stage, of creative process, 258–259
 Video chat, 335
 Video conferencing, 341
 Video journalism, 225–226
 Viral change, 555–556
 Viral marketing, 354, 556
 Virtual team; *see* Remote teams
 Virtual whiteboard, 334
 Visibility, 370, 373, 375–377
 Vision, in transformational leadership, 448–450
 Vision and mission statements, 5
 Voice, 134–136
 Voice intonation, 347
 Voice-only communication, 335

W

- Wage dispersion, 185
 Wikis, 337–338, 352

Win–lose orientation *The belief that conflicting parties are drawing from a fixed pie, so the more one party receives, the less the other party will receive,* 411, 413, 421, 426

Win–win orientation *The belief that conflicting parties will find a mutually beneficial solution to their disagreement,* 421, 426

Women; *see also Gender*
 as engineers, 82
 in global workforce, 96
 in negotiations, 427–428
 conflict-handling styles of, 16
 stereotyping and, 95
 in technology through equal opportunities, 15
 view of money by, 209
Word-of-mouth marketing, 354
Work activities, coordination of, 479–482
Workaholism, 144
Work effectiveness, 219
Workforce stability, 525, 527

Work–life integration *The degree that people are effectively engaged in their various work and*

nonwork roles and have a low degree of role conflict across those life domains, 18–19, 144

Work overload, 142–143
 Work performance, 49–50, 85
 Workplace design, 351–352
 Workplace emotions; *see* Emotions
 Workplace landscape
 diversity and inclusive workplace, 15–17
 employment relationships, 21–22
 remote work, 19–21
 work-life integration, 17–19
Workplace value; *see* Values
Written communication
 digital, 335–337
 persuasion and, 345

Y

Yielding, in conflict-handling styles, 412–414

Z

Zone of indifference, 370–371