

organizational behavior

A PRACTICAL, PROBLEM-SOLVING APPROACH

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ANGELO
KINICKI

MEL
FUGATE

DEVELOPING
EFFECTIVE PROBLEM
SOLVERS TODAY,
VALUED LEADERS
TOMORROW

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Organizational Behavior

A Practical, Problem-Solving Approach
Second Edition

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ORGANIZATIONAL BEHAVIOR: A PRACTICAL, PROBLEM-SOLVING APPROACH,
SECOND EDITION

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DEDICATION

To Dr. Doo-Sang Cho, a true friend, my favorite golf partner, and a great medical doctor.
I treasure our friendship.

— *Angelo*

I dedicate this work to the many outstanding students in my career who have made the teaching aspect of my job so rewarding. It is the high-caliber students and professionals, like many of you, who motivate me to always raise my own game. I also want to thank my sweet wife, Donna, and my wonderful family. They support me in all that I do.

— *Mel*

about the authors



Courtesy of Angelo Kinicki

Angelo Kinicki is an emeritus professor of management and held the Weatherup/Overby Chair in Leadership from 2005 to 2015 at the W.P. Carey School of Business at Arizona State University. He joined the faculty in 1982, the year he received his doctorate in business administration from Kent State University. He was inducted into the W.P. Carey Faculty Hall of Fame in 2016.

Angelo is the recipient of six teaching awards from Arizona State University, where he taught in its nationally ranked MBA and PhD programs. He also received several research awards and was selected to serve on the editorial review boards for four scholarly

journals. His current research interests focus on the dynamic relationships among leadership; organizational culture; organizational change; and individual, group, and organizational performance. Angelo has published over 95 articles in a variety of academic journals and proceedings and is co-author of eight textbooks (31 including revisions) that are used by hundreds of universities around the world. Several of his books have been translated into multiple languages, and two of his books were awarded revisions of the year by McGraw-Hill.

Angelo is a busy international consultant and is a principal at Kinicki and Associates, Inc., a management consulting firm that works with top management teams to create organizational change aimed at increasing organizational effectiveness and profitability. He has worked with many Fortune 500 firms as well as numerous entrepreneurial organizations in diverse industries. His expertise includes facilitating strategic/operational planning sessions, diagnosing the causes of organizational and work-unit problems, conducting organizational culture interventions, implementing performance management systems, designing and implementing performance appraisal systems, developing and administering surveys to assess employee attitudes, and leading management/executive education programs. He developed a 360° leadership feedback instrument called the Performance Management Leadership Survey (PMLS) that is used by companies throughout the world.

Angelo and his wife of 35 years, Joyce, have enjoyed living in the beautiful Arizona desert for 34 years. They are both natives of Cleveland, Ohio. They enjoy traveling, hiking, and spending time in the White Mountains with Gracie, their adorable golden retriever. Angelo also has a passion for golfing.



Courtesy of Mel Fugate

Mel Fugate is an associate professor of management in the Center for Workplace Excellence at the University of South Australia. He teaches executive, MBA, and postgraduate courses. He has won seven teaching awards across undergraduate and graduate levels. Prior to the University of South Australia he was on the faculty at the Cox School of Business at Southern Methodist University. He also has served as a visiting assistant professor of Organizational Behavior at Tulane University's A.B. Freeman College of Business and the EM Lyon School of Management in Lyon, France. Before earning his PhD in Management from Arizona State University, Mel performed consulting services in marketing and business development and was a sales representative and manager in the

pharmaceutical industry. He also has a BS in engineering and business administration from Michigan State University.

Mel's primary research interests involve employee reactions to organizational change and transitions at work. This includes but is not limited to downsizings, mergers and acquisitions, restructurings, and plant closings. Another research stream involves the development of a dispositional perspective of employability and its implications for employee careers and behavior. Current interests also include the influence of leadership, as well as the influence of emotions at work, and organizational culture on performance and the influence of emotions on behavior at work. He has published in a number of premier management and applied psychology journals. His current consulting work includes many industries (e.g., health care, legal, energy, aged care and social services, information technology, and financial services) and aims to enhance individual and organizational performance by utilizing a variety of practical, research-based tools.

Professor Fugate's research and comments have been featured in numerous media outlets: *The Wall Street Journal*, *The New York Times*, *Financial Times*, *FastCompany*, *Dallas Morning News*, CNN, Fox, ABC, and NBC.

Mel and his wife, Donna, are both very active and enjoy fitness, traveling, live music, and catering to their sweet and savage Jack Russell terrier, Mila.

NEW TO THE SECOND EDITION

We are pleased to share these exciting updates and new additions to the second edition of *Organizational Behavior*!

Features

In this new edition, we have better integrated the **3-Step Problem-Solving Approach** throughout, as well as clarified its relationship to the **Organizing Framework for Understanding and Applying OB**, (formerly called the Integrative Framework). You will also see new boxed features in every chapter:

- **OB in Action** illustrates OB concepts or theories *in action* in the real world, featuring well-known companies and individuals.
- **Applying OB** offers students “how-to” guidance on applying OB knowledge in professional and other arenas of their lives.
- **Implications for Me/Implications for Managers** explains in direct terms practical applications of chapter content from the student’s perspective as an employee and as a manager.

Connect

In our continuing efforts to help students move from comprehension to application, and to ensure they see the personal relevance of OB, we have added these new application exercises to our already robust Connect offering:

- **Problem-Solving Application Case Analyses:** All problem-solving application mini-cases and end-of-chapter cases are now assignable as case analyses in Connect. These exercises give students the opportunity to analyze a situation and to apply the 3-Step Problem-Solving Approach. Student knowledge and proficiency are assessed using high-level multiple-choice questions that focus on both the problem-solving approach and on the key topics of each chapter.
- **Self-Assessments:** Self-awareness is a fundamental aspect of professional and personal development. Our 90 researched-based self-assessments give students frequent opportunities to see how organizational behavioral concepts apply to them personally. New to this edition is structured feedback that explains how students should interpret their scores. This feedback is followed immediately by self-reflection quizzes that assess students’ understanding of the characteristics being measured and the action steps they may want to take for improvement.
- **Cumulative Case:** This capstone activity provides students the opportunity to apply the 3-Step Problem-Solving Approach on an actual situation affecting a specific firm (Volkswagen). Because the case examines issues at the individual, group, and organizational levels of analysis at Volkswagen, it can be used in parts or as a comprehensive assignment or exam. All told, this activity presents students with a rich and practical example to apply their OB knowledge and problem-solving skills.
- **iSeelt Videos:** Brief, contemporary introductions to key course concepts that often perplex students, this series will enhance your student-centered instruction by offering your students dynamic illustrations that guide them through the basics of core OB concepts such as motivation, leadership, socialization, and more. The idea behind the series is if a student came to your office and asked you to explain one of these topics in a few minutes, how might you explain it? Practical and applicable, consider using these resources before class as an introduction, during class to launch your lecture, or even after class as a summative assessment.

Chapters

In each chapter we have refreshed examples, research, figures, tables, statistics, and photos, as well as streamlined design to ease navigation and improved readability. We have also largely replaced the topics in such popular features as Winning at Work, Legal/Ethical Challenges, Problem-Solving Application Mini-Cases, and Problem-Solving Application Cases. While the following list does not encompass *all* the updates and revisions, it does highlight some of the more notable changes.

CHAPTER 1

- Clarified explanation of the problem-solving approach, more accurately framing it as a 3-step versus a 3-stop approach.
- Clarified the purpose and function of the Organizing Framework for Understanding and Applying OB, adding a new section that summarizes the framework. Included a comprehensive application of the framework focusing on how to solve the problem of employee turnover.
- Refined and increased focus on the career implications of OB and the importance of self-awareness.
- Expanded and updated coverage of cheating and the importance of ethics for employees and employers, as well as added a new section on the ethics of applying for jobs.
- Expanded and refined treatment of person–situation distinction (instead of person–environment).

CHAPTER 2

- Restructured content on Schwartz’s value theory.
- Created new applications for putting Ajzen’s theory of planned behavior into action.
- Included new research on outcomes associated with employee engagement.
- Provided new data on U.S. levels of job satisfaction.
- Updated statistics on telecommuting.
- Added a new section on accounting/financial performance and customer service/satisfaction as outcomes of job satisfaction.

CHAPTER 3

- Added new material related to proactivity and entrepreneurship, including multiple new examples.
- Added new section on introversion, its prevalence, and how to thrive as an introvert at work.

- Expanded discussion and new treatment of personality testing at work, including reasons, prevalence, performance, technology and methods, and advice.
- Revised section on emotional intelligence (EI), including new Figure 3.5 that summarizes the relationships between EI and various individual differences and outcomes, and a take-away application on EI.

CHAPTER 4

- Added a new Section 4.1, “Person Perception.”
- Updated research on stereotypes.
- Updated coverage of diversity, including new discussion of assumptions about diversity, demographic statistics regarding workforce diversity, barriers to managing diversity, and how companies are responding to diversity challenges.
- Updated research on affirmative action.
- Expanded discussion of LGBT to include LGBTQ.
- Provided new examples of how companies are managing millennials.
- Added a new subsection to Section 4.5 titled “Education Levels: Mismatch between Education and Organizational Needs.”

CHAPTER 5

- Provided a new illustration of extrinsic motivation.
- Added new examples to illustrate such key theories as Maslow’s theory, acquired-needs theory, self-determination theory, equity theory.
- Updated research on equity and justice theories.
- Added new discussion on the role of goal setting in VW emissions scandal.
- Included a new example to illustrate application of the job characteristics model.
- Updated research on job design, job crafting, and ideals.

CHAPTER 6

- Updated statistics related to negative perceptions and flaws associated with performance management practices.
- Dramatically revised section on feedback: new coverage of why we don't get and give more feedback, the value of feedback, who seeks it, who doesn't, and whether that matters, when to use positive versus negative feedback, and trends in feedback today.
- Expanded section on the practices and benefits of exit and stay interviews.
- Revised section on reward distribution criteria.
- Added new section on alternatives to money and promotions.
- Added new section pertaining to why rewards often fail to motivate, including a new Take-Away Application.
- Restructured section on pay for performance, including coverage of piece rate, commissions, aligning objectives and awards.
- Added new section on how to make pay for performance work.

CHAPTER 7

- New model in Section 7.1 to frame the entire chapter, titled "A Framework of Positive OB."
- Updated the section titled "Doing Well and Doing Good."
- Added a new section on "positive emotions are contagious."
- Added new material and research on mindfulness, including examples of applications of corporate mindfulness.
- Updated the section titled "Hope = Willpower + Waypower."
- Added a new section on signature strengths.
- Deepened coverage of positive climates and added new examples of practices that promote positive climates.

CHAPTER 8

- Significantly revised content related to roles and norms.
- Added new section and material related to punctuated equilibrium.
- Added and updated material related to different types of teams—projects teams,

work teams, cross-functional, self-managed, and virtual.

- Added a section on team interdependence.
- Revised content related to social loafing.
- Significantly revised introduction to trust.
- Completely revamped introduction to team effectiveness.
- Completely revised section related to collaboration and team rewards, including a new table and how to reward teams.
- Dramatically revised sections related to self-managed and cross-functional teams.
- Updated and expanded treatment of virtual teams.

CHAPTER 9

- Revised section on selecting the right communication medium, including new content related to media richness and situation complexity.
- Added a set of practical tips for improving nonverbal communication.
- Added a new brief explanation of the neuroscience explanation of defensiveness.
- Added a new section on empathy and its role in communication.
- Updated material on generational differences around the role of digital devices and communication expectations and norms.
- Completely revamped section on cost of social media with new statistics, implications, and examples.
- Added examples and figure related to crowdsourcing.
- Revised highly practical content related to use of e-mail and managing it productively.
- Expanded section and inserted new material related to social media and privacy at work.
- Added new material related to social media etiquette (cell-phone use) and videoconferencing.
- Substantially revised section related to crucial conversations, including a new Take-Away Application.

CHAPTER 10

- Added a new self-assessment opener related to interpersonal conflict tendencies.

- Completely restructured Section 10.1 addressing functional/dysfunctional conflict, causes, escalation, and why people avoid conflict.
- Rewrote the section on why people avoid conflict.
- Substantially revised section on personality conflicts.
- Enhanced and updated section on psychological safety climate.
- Added new material on conflict spillover effects.
- Updated section on bullying and cyber bullying and harassment.
- Significantly updated section on work–family conflict, including examples of Sheryl Sandberg (Facebook) and Anne-Marie Slaughter (formerly with US State Department).
- Added section on when to avoid conflict.
- Rewrote section on alternative dispute resolution, including the benefits of these approaches and a new table on various forms.
- Drastically changed the section on negotiation to reflect more current approaches—position versus interest-based, including a new table and “how to apply” section.

CHAPTER 11

- Added a new section on Kahneman’s two ways of thinking.
- Added new data on use of heuristics by physicians.
- Added new examples of bounded rationality, intuition, use of big data, analytical decision making, and creativity.
- Added new statistics about use of big data.
- Provided data on data analytic jobs and majors.
- Added new examples on group decision making.
- Added new and updated material on creativity, including examples on fostering creative behavior, discussion of person and situation factors affecting creativity, practical recommendations for increasing creativity, and the use of extrinsic rewards on creativity.

CHAPTER 12

- Revised and enhanced material related to positive and negative legitimate power.
- Updated nearly all examples related to bases of power.
- Revised section on psychological empowerment at the team and organizational levels.
- Added new section on influence in virtual teams, including influence tactics particular to this context.
- Substantially restructured section on political tactics, including opening with a self-assessment, new sections on “When Politics Are Good” and “When Politics Are Bad.”
- Expanded explanation of blame and politics to include the implications for entrepreneurs.
- Added new section on using politics to your advantage.
- Restructured and revised section on good impressions, including a new table for how to make a good first impression.
- Added new section on impression management and job interviews, including deception detection and interviewers impressing interviewees.
- Modified and refocused content related to apologies.
- Added new section on ethics and impression management.

CHAPTER 13

- Added new statistics on why leadership is critical in today’s organizations.
- Added new research and examples of leadership prototypes.
- Added new material on “global mind-set.”
- Updated research on leadership traits and task and relational leadership.
- Updated material on the four ways of creating psychological empowerment, using Jeff Bezos as the example.
- Added new section on ethical leadership.
- Added new list of suggestions for dealing with a passive leader.
- Added new key-term material on all components of Fiedler’s theory.

- Revised material on transformational leadership, including updated research and new illustrations of the four key behaviors associated with transformational leadership.
- Updated research on transformational leadership and leader-member exchange.
- Added new section on humility.

CHAPTER 14

- Added new illustrations on the importance of organizational culture.
- Added illustrations on the four cultural types in the competing values framework.
- Added new table summarizing meta-analytic research on organizational culture.
- Added practical lessons from organizational culture research.
- Added new section on subcultures.
- Added examples for the 12 ways to change organizational culture.
- Included examples for the three stages of socialization.
- Added sections on the phases and benefits of mentoring.
- Added new section on how human and social capital enhance the benefits of mentoring.

CHAPTER 15

- Added new tips for working virtually.
- Updated research on learning organizations.
- Added discussion of how to improve organizational learning.
- Added illustrations of the seven types of organizational structure.

- Added section on contingency design and internal alignment, which includes new material on contingency factors, the six organizational characteristics of internal alignment, and how to apply the material.
- Added new section on assessing organizational effectiveness, which includes new material on the balanced scorecard: a dashboard-based approach to measuring organizational effectiveness; strategy mapping: visual representation of the path to organizational effectiveness using Dr. Pepper Snapple Group as an example.
- Added a section on organizational innovation, which includes new material on approaches toward innovation, characteristics of an innovation system, four agility techniques, and office design.

CHAPTER 16

- Completely updated section on external and internal forces for change, using new content and examples.
- Revamped an OB in Action feature related to Cisco Systems.
- Restructured and rewrote section on resistance to change, including new table on common pitfalls of change agents and OB in Action feature—“Should a New Leader Clean House?”
- Revised material on stress, which includes a refocus on job stress and updated content related to good and bad stress.
- Updated content on fatigue along with statistics and the problems associated with presenteeism.
- Added new closing section that pulls together topics of change and stress.

- “I want a good job, one that I like and is fulfilling. How do I know which job and company are a good fit for me?”
- “I know that this job and company provide good opportunities for me, but what can I do to be sure I actually realize these opportunities?”
- “I can’t stand my job, but I need the money. Should I talk to my boss or just quit?”
- “I am taking a class with 50 percent of the grade due to teamwork. My team has four members and two of us are doing all the work. I’ve been talking to the team, but the two members still aren’t doing their share. I am at a loss for what to do.”
- “How do I negotiate a salary and benefits for my new job, or a raise for the one I have?”

Each of these scenarios presents a *problem*. We all are faced with problems every day, and our ability to solve problems can set us apart from others in our jobs and careers. In fact, surveys consistently show that problem solving is one of the skills most valued by employers. For this reason, we designed *Organizational Behavior*, 2e, to help students become more effective problem solvers. *Students who are effective problem solvers today become valued leaders tomorrow.*

The second edition of *Organizational Behavior* relies on three key strategies to help students use OB knowledge to solve problems:

- Consistent 3-Step Problem-Solving Approach.
- Applied, practical features.
- User-centric design.

3-Step Problem-Solving Approach

Given *problem solving* is one of the skills most sought by employers, we help students develop instead of hone this skill. We teach them to use a **3-Step Problem-Solving Approach**—(1) define the problem, (2) identify the causes, and (3) implement a solution. This approach is introduced in Chapter One and used multiple

times in each subsequent chapter. To complement the 3-Step Approach, we also developed the *new Organizing Framework for Understanding and Applying OB*. This framework is used in two ways. First, it provides students a means for organizing OB concepts into three categories (inputs, processes, and outcomes) as they learn them. This facilitates student learning and shows how concepts relate to each other. Second, it is an important and complementary tool for problem solving. Problems are often defined in terms of outcomes in the Organizing Framework, and the causes are commonly found in the inputs and processes elements. Students use this framework in every chapter to solve problems confronted by real organizations and employees.

We provide many opportunities for students to practice using the 3-Step Problem-Solving Approach. Problem-Solving Application Mini-Cases are inserted throughout each chapter. These provide numerous opportunities for students to apply their OB knowledge and practice their problem solving skills to real companies and people. The longer **Problem-Solving Application Case** at the end of each chapter presents more complex and current business cases containing one or more problems that illustrate OB concepts included in a particular chapter. A version of the Organizing Framework is presented in each chapter and is populated with relevant concepts from that chapter, which students then use to define and solve problems presented in the various features. This capstone **Cumulative Case** activity provides students the opportunity to apply the 3-Step Problem-Solving Approach on an actual situation affecting a specific firm (Volkswagen).

We carry the 3-Step Problem-Solving Approach into **Connect**, McGraw-Hill’s market-leading digital platform, and provide students with numerous opportunities to observe how different decisions can lead to different outcomes. We also offer *new* critical-thinking application exercises tied to the

“The text uses a problem-solving approach framework to demonstrate OB and help students apply OB theories to real-life issues.”

Jennifer Malarski
—Metropolitan State University

Problem-Solving Application boxes and Problem-Solving Application Cases, giving students additional practice with applying the 3-Step Approach. These activities are a combination of **case analyses, video cases, and click-and-drag exercises.**

Applied, Practical Approach

The second edition repeatedly demonstrates the practical value of OB concepts in solving real-world problems in students’ professional and personal lives. **New OB in Action** boxes illustrate OB concepts or theories *in action* in the real world, featuring well-known companies. **New Applying OB** boxes offer students “how-to” guidance on applying their knowledge in both their professional and personal lives. Appearing at the end of each chapter are **new Implications** boxes that explain to students the practical value of OB concepts—one for their personal use now (**Implications for Me**) and the other for managers (**Implications for Managers**).

Legal/Ethical Challenges ask students to choose from several proposed courses of action or invent their own to resolve a business situation that falls into a gray area of ethics at work.

Connect provides a multitude of opportunities for active practice and application of concepts learned during class or while completing assigned reading. For example, new to this edition are short problem-solving application mini cases that can be used as essay exam

“Focuses on the practical applications of OB versus only theory.”

Charla Fraley
—Columbus State Community College

questions. They provide an effective tool to assessing student’s ability to solve problems using OB concepts and theories. **SmartBook** is another key component. This adaptive and data-driven reading experience gives students ample opportunity to develop mastery of key learning objectives tied to core OB concepts, while also providing instructors real-time snapshots of student comprehension.

User-Centric Approach

It is important for us to offer *users*, whether students or instructors, a tool that is easy to navigate, easy to digest, and exceptionally practical. We therefore have taken great care to create content, craft our writing, and include features that focus on the needs and interests of the user. To that end, **Major Questions** open the main sections of each chapter and immediately place students in a personal, practical learning mode. These questions introduce key concepts by asking students to consider the practical value of the concepts for them personally.

We also present content in **digestible chunks** of text, with frequent opportunities to engage with or reflect on the material. The **Winning at Work** feature opens each chapter with a list of practical tips related to a highly relevant topic for work and/or school, such as negotiating a salary for a new job or a pay raise, or how to manage meetings more effectively. **Self-Assessments** in **Connect** allow students to evaluate personal characteristics related to OB concepts, as well as to reflect on their own characteristics and behavior. **Take-Away Applications** ask students to apply the material and concepts immediately after reading. **What Did I Learn** provides students with a review of the chapter’s key concepts, an invitation to answer the chapter’s opening Major Questions, and a summary of the Organizing Framework for a given chapter.

Connect Tabs give instructors the foundations for creating a **Connect course** that fits their individual teaching needs. A **new Teaching Resource Manual** offers a playbook for creating and delivering a discussion-based learning environment in which students practice and apply concepts in a more active manner. The extensively revised **Test Bank** now offers greater opportunity to assess students on OB concepts at a higher level. The updated Test Bank includes essay and scenario-based questions to engage students’ problem-solving skills.

“The method used by Kinicki/ Fugate allows students to think about the concepts presented in a way that is relevant to their lives. This allows them to understand how these concepts relate to the ‘real world.’”

**Gabriela Flores, University of Texas
—El Paso**

Developing Effective Problem Solvers Today, Valued Leaders Tomorrow

Organizational Behavior, 2e, explicitly addresses OB implications for students’ jobs and careers, showing how OB provides them with the higher-level soft skills employers seek, such as problem solving, critical thinking, leadership, and decision making. We strongly believe that applying OB theories and concepts provides tremendous value to students’ lives today and throughout their careers. The understanding and application of OB enhances student effectiveness at school and work, both today and tomorrow.



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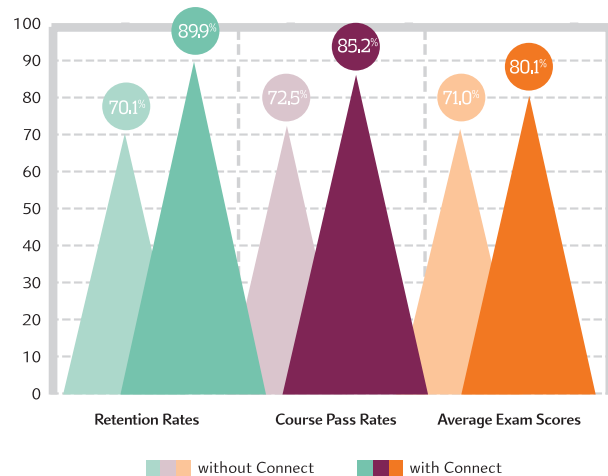
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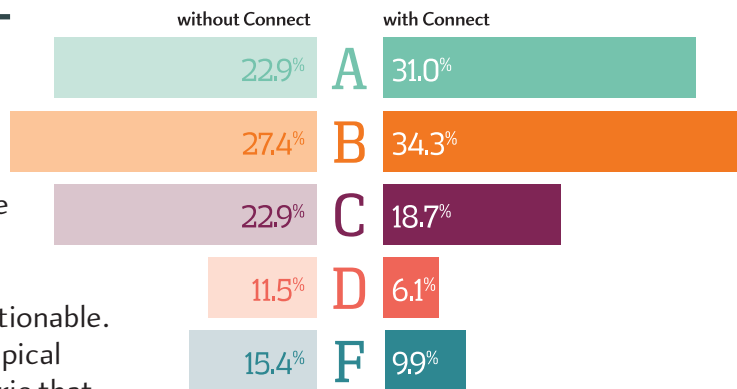
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Connect Insight is Connect's new one-of-a-kind visual analytics dashboard—now available for both instructors and students—that provides at-a-glance information regarding student performance, which is immediately actionable. By presenting assignment, assessment, and topical performance results together with a time metric that is easily visible for aggregate or individual results, Connect Insight gives the user the ability to take a just-in-time approach to teaching and learning, which was never before available. Connect Insight presents data that empowers students and helps instructors improve class performance in a way that is efficient and effective.

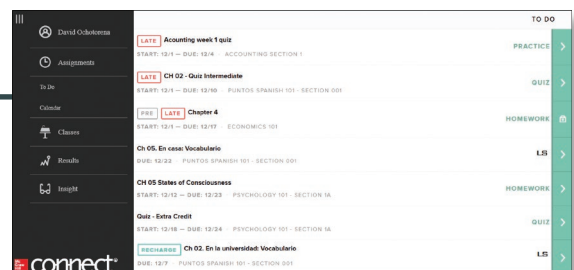
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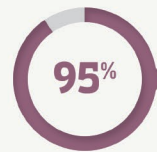
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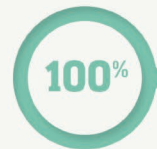
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*Findings based on 2015 focus group results administered by McGraw-Hill Education

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