

Fourth Edition

Organizational **BEHAVIOR**



Improving Performance and Commitment in the Workplace

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Michael J. **WESSON**

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ORGANIZATIONAL BEHAVIOR: IMPROVING PERFORMANCE AND COMMITMENT IN THE WORKPLACE, FOURTH EDITION

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This book is printed on acid-free paper.

1 2 3 4 5 6 7 8 9 0 DOW/DOW 1 0 9 8 7 6 5 4

ISBN 978-0-07-786256-5

MHID 0-07-786256-2

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Design: *Matt Diamond*

Cover Image:

Senior Content Licensing Specialist: *Jeremy Cheshareck*

Typeface: *10/12 Times LT*

Compositor: *Laserwords Private Limited*

Printer: *R. R. Donnelley*

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Library of Congress Cataloging-in-Publication Data

Colquitt, Jason.

Organizational behavior : improving performance and commitment in the workplace / Jason A. Colquitt, University of Georgia, Jeffery A. LePine, Arizona State University, Michael J. Wesson, Texas A&M University.—Fourth edition.

pages cm

Includes bibliographical references and index.

ISBN 978-0-07-786256-5 (alk. paper)—ISBN 0-07-786256-2 (alk. paper)

1. Organizational behavior. 2. Personnel management. 3. Strategic planning. 4. Consumer satisfaction. 5. Job satisfaction. I. LePine, Jeffery A. II. Wesson, Michael J. III. Title.

HD58.7.C6255 2015

658.3—dc23

2013038908

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.

Dedication

To Catherine, Cameron, Riley, and Connor, and also to Mom, Dad, Alan, and Shawn. The most wonderful family I could imagine, two times over.

-J.A.C.

To my parents who made me, and to Marcie, Izzy, and Eli, who made my life complete.

-J.A.L.

To Liesl and Dylan: Their support in all I do is incomparable. They are my life and I love them both. To my parents: They provide a foundation that never wavers.

-M.J.W.

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Jason A. Colquitt is the William H. Willson Distinguished Chair in the Department of Management at the University of Georgia's Terry College of Business. He received his PhD from Michigan State University's Eli Broad Graduate School of Management, and earned his BS in psychology from Indiana University. He has taught organizational behavior and human resource management at the undergraduate, masters, and executive levels and has also taught research methods at the doctoral level. He has received awards for teaching excellence at both the undergraduate and executive levels.

Jason's research interests include organizational justice, trust, team effectiveness, and personality influences on task and learning performance. He has published more than 30 articles on these and other topics in *Academy of Management Journal*, *Academy of Management Review*, *Journal of Applied Psychology*, *Organizational Behavior and Human Decision Processes*, and *Personnel Psychology*. He recently served as editor-in-chief for *Academy of Management Journal* and has served on a number of editorial boards, including *Academy of Management Journal*, *Journal of Applied Psychology*, *Organizational Behavior and Human Decision Processes*, *Personnel Psychology*, *Journal of Management*, and *International Journal of Conflict Management*. He is a recipient of the Society for Industrial and Organizational Psychology's Distinguished Early Career Contributions Award and the Cummings Scholar Award for early to mid-career achievement, sponsored by the Organizational Behavior division of the Academy of Management. He was also elected to be a representative-at-large for the Organizational Behavior division.

Jason enjoys spending time with his wife, Catherine, and three sons, Cameron, Riley, and Connor. His hobbies include playing basketball, playing the trumpet, watching movies, and rooting on (in no particular order) the Pacers, Colts, Cubs, Hoosiers, Spartans, Gators, and Bulldogs.



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Jeffery A. LePine is the PetSmart Chair in Leadership in the Department of Management at Arizona State University's W.P. Carey School of Business. He received his PhD in organizational behavior from the Eli Broad Graduate School of Management at Michigan State University. He also earned an MS in Management from Florida State University and a BS in finance from the University of Connecticut. He has taught organizational behavior, human resource management, and management of groups and teams at undergraduate and graduate levels.

Jeff's research interests include team functioning and effectiveness, individual and team adaptation, citizenship behavior, voice, engagement, and occupational stress. He has published more than 25 articles on these and other topics in *Academy of Management Journal*, *Academy of Management Review*, *Journal of Applied Psychology*, *Organizational Behavior and Human Decision Processes*, and *Personnel Psychology*. He has served as associate editor of *Academy of Management Review*, and has served (or is currently serving) on the editorial boards of *Academy of Management Journal*, *Journal of Applied Psychology*, *Organizational Behavior and Human Decision Processes*, *Personnel Psychology*, *Journal of Management*, *Journal of Organizational Behavior*, and *Journal of Occupational and Organizational*

Psychology. He is a recipient of the Society for Industrial and Organizational Psychology's Distinguished Early Career Contributions Award and the Cummings Scholar Award for early to mid-career achievement, sponsored by the Organizational Behavior division of the Academy of Management. He was also elected to the Executive Committee of the Human Resource Division of the Academy of Management. Prior to earning his PhD, Jeff was an officer in the U.S. Air Force.

Jeff spends most of his free time with his wife, Marcie, daughter, Izzy, and son, Eli. He also enjoys playing guitar, hiking in the desert, and restoring his GTO.

MICHAEL J. WESSON

Michael J. Wesson is an associate professor in the Management Department at Texas A&M University's Mays Business School. He received his PhD from Michigan State University's Eli Broad Graduate School of Management. He also holds an MS in human resource management from Texas A&M University and a BBA from Baylor University. He has taught organizational behavior and human resource management-based classes at all levels but currently spends most of his time teaching Mays MBAs, EMBA's, and executive development at Texas A&M. He was awarded Texas A&M's Montague Center for Teaching Excellence Award.

Michael's research interests include organizational justice, goal-setting, organizational entry (employee recruitment, selection, and socialization), person-organization fit, and compensation and benefits. His articles have been published in journals such as *Journal of Applied Psychology*, *Personnel Psychology*, *Academy of Management Review*, and *Organizational Behavior and Human Decision Processes*. He currently serves on the editorial boards of the *Journal of Applied Psychology* and the *Journal of Organizational Behavior* and is an ad hoc reviewer for many others. He is active in the Academy of Management and the Society for Industrial and Organizational Psychology. Prior to returning to school, Michael worked as a human resources manager for a *Fortune* 500 firm. He has served as a consultant to the automotive supplier, healthcare, oil and gas, and technology industries in areas dealing with recruiting, selection, onboarding, compensation, and turnover.

Michael spends most of his time trying to keep up with his wife, Liesl, and son, Dylan. He is a self-admitted food and wine snob, home theater aficionado, and college sports addict. (Gig 'em Aggies!)



Preface

Why did we decide to write this textbook? Well, for starters, organizational behavior (OB) remains a fascinating topic that everyone can relate to (because everyone either has worked or is going to work in the future). What makes people effective at their job? What makes them want to stay with their employer? What makes work enjoyable? Those are all fundamental questions that organizational behavior research can help answer. However, our desire to write this book also grew out of our own experiences (and frustrations) teaching OB courses using other textbooks. We found that students would end the semester with a common set of questions that we felt we could answer if given the chance to write our own book. With that in mind, *Organizational Behavior: Improving Performance and Commitment in the Workplace* was written to answer the following questions.

DOES ANY OF THIS STUFF REALLY MATTER?

Organizational behavior might be the most relevant class any student ever takes, but that doesn't always shine through in OB texts. The introductory section of our book contains two chapters not included in other books: *Job Performance* and *Organizational Commitment*. Being good at one's job and wanting to stay with one's employer are obviously critical concerns for employees and managers alike. After describing these topics in detail, every remaining chapter in the book links that chapter's content to performance and commitment. Students can then better appreciate the practical relevance of organizational behavior concepts.

IF THAT THEORY DOESN'T WORK, THEN WHY IS IT IN THE BOOK?

In putting together this book, we were guided by the question, "What would OB texts look like if all of them were first written now, rather than decades ago?" We found that many of the organizational behavior texts on the market include outdated (and indeed, scientifically disproven!) models or theories, presenting them sometimes as fact or possibly for the sake of completeness or historical context. Our students were always frustrated by the fact that they had to read about, learn, and potentially be tested on material that we knew to be wrong. Although historical context can be important at times, we believe that focusing on so-called evidence-based management is paramount in today's fast-paced classes. Thus, this textbook includes new and emerging topics that others leave out and excludes flawed and outdated topics that some other books leave in.

HOW DOES ALL THIS STUFF FIT TOGETHER?

Organizational behavior is a diverse and multidisciplinary field, and it's not always easy to see how all its topics fit together. Our book deals with this issue in two ways. First, all of the chapters in our book are organized around an integrative model that opens each chapter (see the back of the book). That model provides students with a road map of the course, showing them where they've been and where they're going. Second, our chapters are tightly focused around specific topics and aren't "grab bag-ish" in nature. Our hope is that students (and

instructors) won't ever come across a topic and think, "Why is this topic being discussed in this chapter?"

DOES THIS STUFF HAVE TO BE SO DRY?

Research on motivation to learn shows that students learn more when they have an intrinsic interest in the topic, but many OB texts do little to stimulate that interest. Put simply, we wanted to create a book that students enjoy reading. To do that, we used a more informal, conversational style when writing the book. We also tried to use company examples that students will be familiar with and find compelling. Finally, we included insert boxes, self-assessments, and exercises that students should find engaging (and sometimes even entertaining!).

NEW AND IMPROVED COVERAGE

- *Chapter 1: What Is OB?*—This chapter now opens with a wraparound case on Patagonia. The case describes how Patagonia became an employer of choice in the apparel industry, routinely attracting the best and brightest. The case also reviews the “responsible company checklist” created by Patagonia founder Yvon Chouinard. The OB on Screen feature has been revised to focus on *Moneyball*, illustrating how scientific data can be used to more effectively manage human capital. The OB at the Bookstore selection centers on *The Advantage*, where the author explains why so few firms prioritize OB concepts. Specifically, he argues that most CEOs focus only on acquiring talent, being dismissive of policies and practices that could help maximize that talent.
- *Chapter 2: Job Performance*—This chapter features a new wraparound case on General Motors, which overviews how the company's postbankruptcy vision and core principles have impacted what job performance means to its employees. The case describes some steps General Motors has taken to create alignment of employees' performance with this new vision and set of core principles. The OB on Screen feature now centers on the movie *Flight* to vividly illustrate how dimensions of job performance may be related in ways that are unexpected. Our OB at the Bookstore feature has been changed to *The Power of Habit*. This bestselling book overviews how people can improve their performance by understanding the nature of habits and routines.
- *Chapter 3: Organizational Commitment*—Costco serves as the wraparound case in this edition, spotlighting all the things the discount retailer does to keep its employees loyal, even during tough financial times. The case also raises questions about whether Costco's turnover rate could conceivably be too low, given the need for fresh faces as it enters new markets with new competitors. Such markets might trigger a need for change on Costco's part, which ties into our revised OB at the Bookstore selection. *Switch* lays out a sequence of steps that anyone can follow to make organizational change occur more smoothly and effectively. Those steps include providing clear instruction, fueling change by celebrating milestones, and shaping the situation to remove triggers for old habits.
- *Chapter 4: Job Satisfaction*—This chapter's wraparound case now highlights Mars, the makers of M&M's, Snickers, and Twix. “Martians” derive satisfaction from making such popular products, but the company also actively promotes the happiness of its workforce. Compensation is above-market, employees are encouraged to experiment in their jobs, and some divisions even allow employees to bring pets to work. The OB on Screen feature focuses on a very different job—being a Detroit firefighter. The documentary *Burn* follows an engine company in the city with the most fires each year, illustrating how people can derive satisfaction from such a dangerous calling. The OB at the Bookstore selection is *The Happiness Project*, where an author spends a year studying and applying scientific and popular writings on life satisfaction.

- *Chapter 5: Stress*—Best Buy is now the feature wraparound case in this chapter. The chapter opening describes how changes in the consumer electronics industry have caused problems for Best Buy, and high levels of stress for the company's employees. The case describes how Best Buy terminated its innovative workplace flexibility practice in response to its problems. The OB on Screen now features the movie *Argo*, which provides insight into why people do work that's highly stressful. The bestselling book *The One Thing* is now our OB at the Bookstore feature. This book describes how things we do at work, for example, multitasking and maintaining balance in our lives, can actually be counterproductive and highly stressful.
- *Chapter 6: Motivation*—This chapter now opens with a wraparound case on Netflix, the company that accounts for a third of all Internet traffic on a typical weeknight in North America. The case describes Netflix's "freedom and responsibility" philosophy, where employees have control over how they are rewarded while being held to high standards of accountability. The OB on Screen feature focuses on engagement using *Dark Knight Rises*, where Bruce Wayne begins the film in a disengaged, unmotivated state because Gotham City no longer needs the Batman. It takes a new threat to give the Dark Knight a sense of purpose, with the only question being whether Bruce possesses the competence to reclaim the mantle of the Bat.
- *Chapter 7: Trust, Justice, and Ethics*—Apple serves as the wraparound case for the revised chapter. As the company has risen to become one of the most admired and valuable companies in the world, its product competition with Samsung, Google, and Microsoft has been supplemented with ethical challenges centering on its suppliers, the sustainability of its products, its handling of taxes, and why it doesn't manufacture more products in the United States. In particular, the case focuses on Apple's attempts to better monitor the working conditions at Foxconn, which manufactures iPhones, iPads, and iPods. *Man of Steel* is the OB on Screen selection for the chapter, with the focus being on Clark Kent's concerns about trusting humankind with his identity and the world's concerns about the trustworthiness of a superpowered alien being who is living among them.
- *Chapter 8: Learning and Decision Making*—Verizon serves as the wraparound case in this edition, highlighting the company's excellent track record with formal training and the informal learning that happens between employees through different methods. The case also describes how Verizon's employees utilized their decision-making abilities and crisis management to outperform the competition and continue to provide much needed service to those in need during the landfall of Hurricane Sandy in the northeastern United States. The OB at the Bookstore feature has been changed to highlight Daniel Kahneman's brilliant new *Thinking, Fast and Slow*. This bestseller helps highlight whether or not we should focus on reducing our decision-making errors. The OB on Screen feature now focuses on *Star Trek Into Darkness*, highlighting the differences between Kirk (instinctual) and Spock (logical) to bring out a discussion of the types of decision making. The chapter also includes a number of research updates as well as several new company examples including Ernst & Young's expatriate training.
- *Chapter 9: Personality and Cultural Values*—This chapter's wraparound case is now Teach for America. The case describes the traits and qualities that one of the largest hirers of college seniors looks for in new recruits, as well as the personality needed to be an effective instructor in the classroom. The OB at the Bookstore selection, *Quiet*, seeks to help readers understand introverts—the half of the population who are a bit more calm, risk-averse, and shy than their extroverted brethren. Such individuals often find themselves on the wrong side of society's "Extrovert Ideal," but are actually well-suited to a number of critical work contexts. *White House Down* represents the OB on Screen selection, where John Cale tries to get hired onto the president's Secret Service detail. Unfortunately, John has demonstrated precious little of the most predictive personality trait when it comes to job performance: conscientiousness.

- *Chapter 10: Ability*—The award-winning global design firm, IDEO, serves as the company featured in the new wraparound case for this chapter. The chapter opening describes how the nature of work at the company requires a wide range of abilities. The case illustrates the importance of emotional intelligence at IDEO and how the company tries to promote it. The new movie for our OB on Screen feature is *Admission*, which provides a great example of the advantages and disadvantages of using standardized test scores to make administrative decisions. *Positive Intelligence* is now our OB at the Bookstore feature. This book describes a potentially important form of intelligence that allows cognitive and emotional abilities to become realized.
- *Chapter 11: Teams: Characteristics and Diversity*—Ford Motor Company serves as the wraparound case for this chapter. The chapter opens with a discussion of how Ford values diversity as a means to achieve innovation in its products, services, and operations. The case focuses on policies and practices that are intended to promote diversity and inclusion among Ford employees. The OB on Screen now discusses the movie *42*, which provides an excellent example of how diversity impacts team dynamics. *Engines of Change* is now featured in our OB at the Bookstore insert box. This book provides vivid examples of how the development of groundbreaking new cars has been the result of teams and teamwork.
- *Chapter 12: Teams: Processes and Communication*—This chapter features a new wraparound case on NASA, which describes how astronauts work together in crews to accomplish missions. The case describes a planned mission to Mars and some of the unique challenges that the astronaut crew will likely face. The OB on Screen feature now centers on the movie *The Avengers* to illustrate the concepts of process loss and synergy. Our OB at the Bookstore feature has been changed to *Team of Rivals*. This bestselling book overviews how Abraham Lincoln managed conflict in his cabinet, which was composed of his harshest critics and political rivals.
- *Chapter 13: Leadership: Power and Negotiation*—This chapter features a new wrap-around case on Xerox’s CEO Ursula Burns—a leader who is consistently mentioned as one of the most powerful women in business. The case highlights her struggles with learning to use power effectively, and sharing power, and her push to redefine Xerox through a major acquisition. The chapter has been updated with new research, tie-ins with other chapters, as well as a number of new company examples including Charlie Ergen (Dish Network) and his notorious bargaining style. A new OB at the Bookstore feature focuses on Sheryl Sandberg’s *Lean In*, which highlights the Facebook COO’s views on why more women aren’t in positions of leadership. A best-seller, Sandberg’s book has been controversial to say the least, but it offers a contrasting viewpoint and one that always generates good discussions. The new OB on Screen feature uses *Skyfall* to illustrate forms of power and the varying approaches to conflict management and when to use them.
- *Chapter 14: Leadership: Styles and Behaviors*—The chapter begins with a new wrap-around case featuring Hamdi Ulukaya, the CEO and sole owner of Chobani. The case highlights how Chobani’s rise from nothing to a \$5 billion company in the span of five years is due partly to Ulukaya’s transformational leadership, but it also brings up issues of an organization relying so heavily on one person—especially when he is the sole owner of the company. The OB on Screen feature now centers on the movie *Lincoln* and focuses on the specific transformational leadership behaviors exhibited by Abraham Lincoln in the movie. The feature helps tie in to the chapter’s discussion on not only transformational leadership but also leadership in politics. *The Charisma Myth* is highlighted in the chapter’s new OB at the Bookstore feature. The book allows for a discussion of how something that most people assume to be fixed (charisma) can be changed through leadership development. The chapter includes a number of new research findings, including new research on *guanxi* in the OB Internationally feature box, as well as updated company examples including organizations such as Walmart and Farmer’s Insurance.

- *Chapter 15: Organizational Structure*—The Cheesecake Factory is the focus of this chapter's new wraparound case which highlights the company's hierarchical and efficient organizational structure—something that isn't always apparent to customers. The case illustrates some of the pros and cons with any structure choice a company makes, along with bringing out some of the effective methods by which the Cheesecake Factory has maintained consistency across all of its restaurants. A number of new company examples such as Airbus and Sheetz Convenience Stores have been added as well as the most current research on the effects of organizational structure choices including decentralization, formalization, and restructuring. A new OB at the Bookstore feature on *The Idea Factory* illustrates the importance of the iconic organic structure of Bell Labs on many of the things we take for granted today. As an example of how a change in structure can matter, the decision by leaders to create the labs and then to organize workers in a way that maximized their creativity paid off for over 30 years.
- *Chapter 16: Organizational Culture*—This chapter has a new wraparound case that focuses on Yahoo! and the efforts that new CEO Marissa Mayer has gone to in order to change certain aspects of its organizational culture. The case illustrates the public (no more telecommuting) and private (Mayer must approve every new hire) things the company is doing to create a shift as well as the power that a CEO can have when it comes to the creation of a culture. The chapter has been updated with new research and has a slew of new company examples including Whole Foods, Netflix, GM, JCPenney, and Mars. The OB at the Bookstore feature now highlights *Turn the Ship Around!*, a memorable new book on how creating a culture of empowerment allowed for a submarine commander to turn the lowest-ranking nuclear submarine in the U.S. Navy into one of the best. *Price Check* is a movie presented in a new OB on Screen feature. The scene in question helps highlight how difficult it is as a leader to come in as an outsider and make changes to a culture as well as how small things can make a huge impact (positively and negatively!).

Acknowledgements

An enormous number of persons played a role in helping us put this textbook together. Truth be told, we had no idea that we would have to rely on and put our success in the hands of so many different people! Each of them had unique and useful contributions to make toward the publication of this book, and they deserve and thus receive our sincere gratitude.

We thank Michael Ablassmeir, our executive editor, for his suggestions and guidance on the third and fourth editions, and John Weimeister for filling that same role with earlier editions. We are thankful to both for allowing us to write the book that we wanted to write. Thanks also go out to Trina Hauger, our development editor, for keeping us on track and being such a pleasure to work with during this revision. We also owe much gratitude to our marketing manager, Elizabeth Trepkowski. We also would like to thank Pat Frederickson, Matt Diamond, Jeremy Cheshareck, and Susan Lombardi at Irwin/McGraw Hill, as they are the masterminds of much of how the book actually looks as it sits in students' hands; their work and effort were spectacular. A special thanks also goes out to Jessica Rodell (University of Georgia) and Megan Endres (Eastern Michigan University) for their assistance with our CONNECT content.

We would also like to thank all of the faculty members from colleges and universities around the country who provided feedback on various aspects of the fourth edition of this textbook. Whether by providing feedback on chapters or attending focus groups, their input made this book substantially better:

Kristen Bell DeTienne, *Brigham Young University*
Kendra Ingram, *Texas A&M University*
Frances Kubicek, *Kalamazoo Valley Community College*
Loren Kuzuhara, *University of Wisconsin–Madison*
Paula C. Morrow, *Iowa State University*
Farrokh Moshiri, *University of California, Riverside*
Josh Plaskoff, *Indiana University–Purdue University, Indianapolis*
S. Douglas Pugh, *Virginia Commonwealth University*
Gregory Quinet, *Southern Polytechnic State University*
Amy Randel, *San Diego State University*
Jude A. Rathburn, *University of Wisconsin–Milwaukee*
Golnaz Sadri, *California State University, Fullerton*
Darren C. Treadway, *State University of New York at Buffalo*
Shuhong Wang, *Radford University*

We would also like to thank our students at the undergraduate, masters, and executive levels who were taught with this book for their constructive feedback toward making it more effective in the classroom. Thanks also to our PhD students for allowing us to take time out from research projects to focus on this book.

Finally, we thank our families, who gave up substantial amounts of time with us and put up with the stress that necessarily comes at times during an endeavor such as this.

Jason Colquitt

Jeff LePine

Michael Wesson

Text Features: OB Insert Boxes

OB ON SCREEN

This feature uses memorable scenes from recent films to bring OB concepts to life. Films like *Skyfall*, *Moneyball*, *Lincoln*, *Argo*, *42*, and *The Avengers* offer rich, vivid examples that grab the attention of students.



“**Very comprehensive.** Well laid-out. **Interesting.** Good mix of theoretical material and practical insights.”

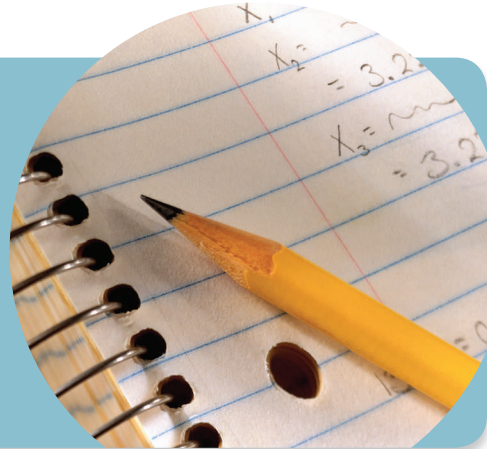
OB AT THE BOOKSTORE

This feature links the content in each chapter to a mainstream, popular business book. Books like *Thinking, Fast and Slow*; *Quiet*; *Lean In*; and *The One Thing* represent the gateway to OB for many students. This feature helps them put those books in a larger context.

THINKING,
FAST AND SLOW
DANIEL
KAHNEMAN
WINNER OF THE NOBEL PRIZE IN ECONOMICS

OB ASSESSMENTS

This feature helps students see where they stand on key OB concepts in each chapter. Students gain insights into their personality, their emotional intelligence, their style of leadership, and their ability to cope with stress, which can help them understand their reactions to the working world.



*“The material presented in this chapter is **well balanced**. Again, the **tables, charts, and figures** help to organize the material for students.”*

OB INTERNATIONALLY

Changes in technology, communications, and economic forces have made business more global and international than ever. This feature spotlights the impact of globalization on the organizational behavior concepts described in this book. It describes cross-cultural differences in OB theories, how to apply them in international corporations, and how to use OB to manage cultural diversity in the workplace.



End-of-Chapter Sections

TAKEAWAYS

- 7.1 Trust is the willingness to be vulnerable to an authority based on positive expectations about the authority's actions and intentions. Justice reflects the perceived fairness of an authority's decision making and can be used to explain why employees judge some authorities as more trustworthy than others. Ethics reflects the degree to which the behaviors of an authority are in accordance with generally accepted moral norms and can be used to explain why authorities choose to act in a trustworthy manner.
- 7.2 Trust can be disposition-based, meaning that one's personality includes a general propensity to trust others. Trust can also be cognition-based, meaning that it's rooted in a rational assessment of the authority's trustworthiness. Finally, trust can be affect-based, meaning that it's rooted in feelings toward the authority that go beyond any rational assessment of trustworthiness.
- 7.3 Trustworthiness is judged along three dimensions. Ability reflects the skills, competencies, and areas of expertise that an authority possesses. Benevolence is the degree to which an authority wants to do good for the trustor, apart from any selfish or profit-centered motives. Integrity is the degree to which an authority adheres to a set of values and principles that the trustor finds acceptable.

TAKEAWAYS

Students are always asking, "What are the most important 'takeaways' from this chapter?" This section gives a point-by-point review of the Learning Goals found at the beginning of each chapter.

KEY TERMS

- | | | | |
|---------------------------|--------|-----------------------------------|--------|
| • Reputation | p. 198 | • Informational justice | p. 209 |
| • Trust | p. 198 | • Whistle-blowing | p. 211 |
| • Justice | p. 199 | • Four-component model | p. 211 |
| • Ethics | p. 199 | • Moral awareness | p. 211 |
| • Disposition-based trust | p. 199 | • Moral intensity | p. 212 |
| • Cognition-based trust | p. 199 | • Moral attentiveness | p. 212 |
| • Affect-based trust | p. 199 | • Moral judgment | p. 215 |
| • Trust propensity | p. 199 | • Cognitive moral development | p. 215 |
| • Trustworthiness | p. 202 | • Moral principles | p. 216 |
| • Ability | p. 202 | • Moral intent | p. 217 |
| • Benevolence | p. 203 | • Moral identity | p. 217 |
| • Integrity | p. 203 | • Ability to focus | p. 220 |
| • Distributive justice | p. 204 | • Economic exchange | p. 220 |
| • Procedural justice | p. 206 | • Social exchange | p. 220 |
| • Interpersonal justice | p. 208 | • Corporate social responsibility | p. 221 |
| • Abusive supervision | p. 208 | | |

KEY TERMS

Summarizes the most critical terms covered in the chapter, with definitions of all terms available in the Glossary.

"Great attention-getting opening section, makes a good case for why students should care about OB, and how the topics have wide-ranging real-world applicability."

DISCUSSION QUESTIONS

Not only for review purposes, our Discussion Questions ask students to apply concepts in the chapter to their own lives and experiences.

DISCUSSION QUESTIONS

- 7.1 Which would be more damaging in organizational life—being too trusting or not being trusting enough? Why do you feel that way?
- 7.2 Consider the three dimensions of trustworthiness (ability, benevolence, and integrity). Which of those dimensions would be most important when deciding whether to trust your boss? What about when deciding whether to trust a friend? If your two answers differ, why do they?
- 7.3 Putting yourself in the shoes of a manager, which of the four justice dimensions (distributive, procedural, interpersonal, informational) would you find most difficult to maximize? Which would be the easiest to maximize?
- 7.4 Which component of ethical decision making do you believe best explains student cheating: moral awareness, moral judgment, or moral intent? Why do you feel that way?
- 7.5 Assume you were applying for a job at a company known for its corporate social responsibility. How important would that be to you when deciding whether to accept a job offer?

CASES

To help bring students full circle, a case appears at the end of every chapter that provides a follow-up to the company highlighted in the opening vignette.

CASE: APPLE

One of the biggest challenges of Tim Cook's tenure as Apple's CEO was brought to a head by a Pulitzer Prize-winning exposé in *The New York Times*.¹³⁹ The story detailed violations in factories owned by Foxconn Technology, one of China's largest employers and a critical supplier to Apple, Samsung, Amazon, Dell, and Hewlett-Packard. The story noted that the factory that manufactures the iPad allowed employees to exceed the limit of 60 hours and/or 6 days worked per week. Insufficient safety precautions were also cataloged, as were failures to compensate overtime, overcrowded dormitories, and poor ventilation. Worst of all, an explosion resulting from excessive aluminum dust—a byproduct of polishing iPad cases—killed 4 Foxconn employees while injuring 18 others.

Such practices violate Apple's supplier code of conduct, which was established in 2005.¹⁴⁰ But critics contend that Apple didn't go far enough in auditing compliance and was not punitive enough when punishing violations. Unfortunately, experts suggest that Foxconn may be the only company in the world capable of manufacturing the annually refreshed iterations of the iPad, iPhone, and iPod. For his part, Cook has pushed Apple to do more. It has increased its auditing while enlisting the aid of the Fair Labor Association, which publishes its own independent inspections of suppliers.¹⁴¹ Apple has published the working hours for a million supplier

EXERCISES

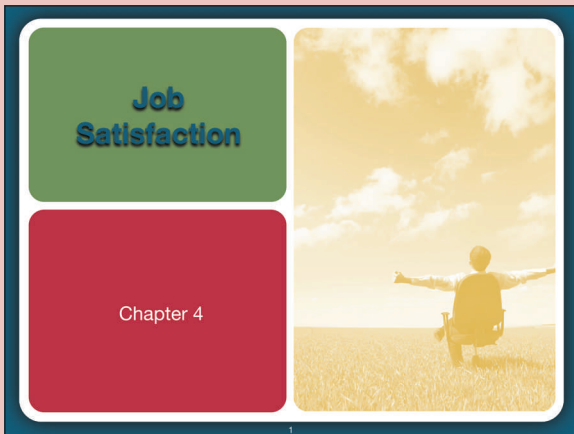
In addition to the self-assessments within the chapter, we have included exercises at the end of each chapter. Some of them we have created ourselves over the years, but we also feature some "classics" that are tried and true and that nearly everyone we know uses in class.

EXERCISE: JOB SATISFACTION ACROSS JOBS

The purpose of this exercise is to examine satisfaction with the work itself across jobs. This exercise uses groups, so your instructor will either assign you to a group or ask you to create your own group. The exercise has the following steps:

- 4.1 Use the OB Assessments for Chapter 4 to calculate the Satisfaction Potential Score (SPS) for the following four jobs:
 - a. A third-grade public school teacher.
 - b. A standup comedian.
 - c. A computer programmer whose job is to replace "15" with "2015" in thousands of lines of computer code.
 - d. A president of the United States.
- 4.2 Which job has the highest SPS? Which core job characteristics best explain why some jobs have high scores and other jobs have low scores? Write down the scores for the four jobs in an Excel file on the classroom computer or on the board.

Supplement Features



PowerPoint® Presentation Slides

Prepared by Jason Colquitt, the PowerPoint Presentation Slides are designed to help instructors deliver course content in a way that maintains students' engagement and attention. The slides include a Notes section where Jason speaks to the instructor, offering specific tips for using the slides (and the book). The Notes also provide bridges to many of the resources in the Instructor's Manual, including innovative teaching tips and suggestions for using OB on Screen. Finally, the PowerPoints also include bonus OB Assessments for instructors who want additional assessments for their teaching.

Instructor's Manual

Prepared by Jason Colquitt, this manual was developed to help you get the most out of the text in your own teaching. It contains an outline of the chapters, innovative teaching tips to use with your students, and notes and answers for the end-of-chapter materials. It also provides a guide for the assessments in the book, and suggestions for using the OB on Screen feature. The manual also contains additional cases, exercises, and OB on Screen selections from earlier editions of the book, giving you extra content to use in your teaching.

Testbank and EZ Test Online

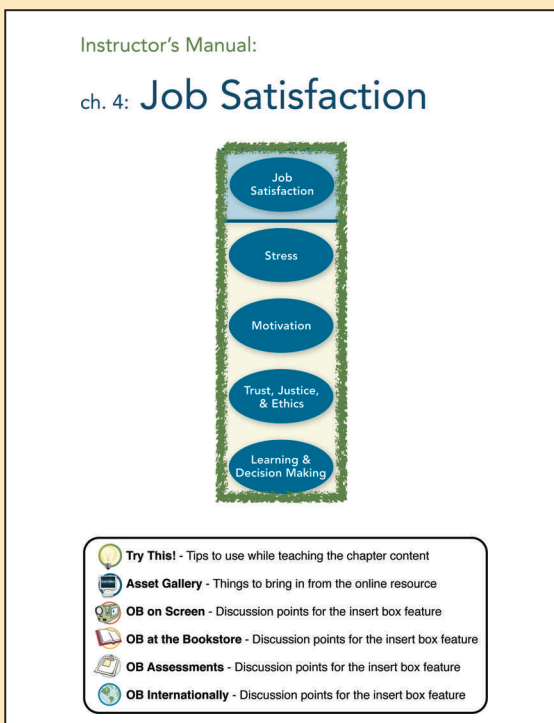
TESTBANK: Our Testbank contains a variety of true/false, multiple choice, and short and long essay questions, as well as "scenario-based" questions, which are application based and use a situation described in a narrative, with 3–5 multiple-choice test questions based on the situation described in the narrative. We've aligned our Testbank questions with Bloom's Taxonomy and AACSB guidelines, tagging each question according to its knowledge and skills areas. We have also tagged our questions according to Learning Objective, Level of Difficulty, and Topic.

EZ TEST ONLINE: McGraw-Hill's EZ Test Online is a flexible and easy-to-use electronic testing program. The program



allows instructors to create tests from book-specific items, accommodates a wide range of question

types, and enables instructors to add their own questions. Multiple versions of the test can be created, and any test can be exported for use with course management systems such as WebCT, Blackboard, or any other course management system.



EZ Test Online is accessible to busy instructors virtually anywhere via the web, and the program eliminates the need to install test software. For more information about EZ Test Online, please see the website at www.eztestonline.com.

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MCGRAW-HILL CONNECT MANAGEMENT FEATURES *Connect Management* offers a number of powerful tools and features to make managing assignments easier, so faculty can spend more time teaching. With *Connect Management* students can engage with their coursework anytime and anywhere, making the learning process more accessible and efficient. *Connect Management* offers you the features described below.

Diagnostic and Adaptive Learning of Concepts: LearnSmart Students want to make the best use of their study time. The LearnSmart adaptive self-study technology within *Connect Management* provides students with a seamless combination of practice, assessment, and remediation for every concept in the textbook. LearnSmart's intelligent software adapts to every student response and automatically delivers concepts that advance the student's understanding while reducing time devoted to the concepts already mastered. The result for every student is the fastest path to mastery of the chapter concepts. LearnSmart

- Applies an intelligent concept engine to identify the relationships between concepts and to serve new concepts to each student only when he or she is ready.
- Adapts automatically to each student, so students spend less time on the topics they understand and practice more those they have yet to master.
- Provides continual reinforcement and remediation, but gives only as much guidance as students need.
- Integrates diagnostics as part of the learning experience.
- Enables you to assess which concepts students have efficiently learned on their own, thus freeing class time for more applications and discussion.

Online Interactives Online Interactives are engaging tools that teach students to apply key concepts in practice. These Interactives provide them with immersive, experiential learning opportunities. Students will engage in a variety of interactive scenarios to deepen critical knowledge on key course topics. They receive immediate feedback at intermediate steps throughout each exercise, as well as comprehensive feedback at the end of the assignment. All Interactives are automatically scored and entered into the instructor gradebook.

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- View scored work immediately and track individual or group performance with assignment and grade reports.
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- Streamline lesson planning, student progress reporting, and assignment grading to make classroom management more efficient than ever.
- Go paperless with the eBook and online submission and grading of student assignments.

Instructor Library The *Connect Management* Instructor Library is your repository for additional resources to improve student engagement in and out of class. You can select and use any asset that enhances your lecture. The *Connect Management* Instructor Library includes:

- Instructor Manual
- PowerPoint files
- Testbank
- Management Asset Gallery
- eBook

Student Study Center The *Connect Management* Student Study Center is the place for students to access additional resources. The Student Study Center:

- Offers students quick access to lectures, practice materials, eBooks, and more.
- Provides instant practice material and study questions, easily accessible on the go.
- Gives students access to the Personalized Learning Plan described below.

Lecture Capture via Tegrity Campus Increase the attention paid to lecture discussion by decreasing the attention paid to note taking. For an additional charge Lecture Capture offers new ways for students to focus on the in-class discussion, knowing they can revisit important topics later. See below for further information.

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For more information about Connect, go to <http://connect.mcgrawhill.com>, or contact your local McGraw-Hill sales representative.

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Educators know that the more students can see, hear, and experience class resources, the better they learn. In fact, studies prove it. With Tegrity Campus, students quickly recall key moments by using Tegrity Campus's unique search feature. This search helps students efficiently find what they need, when they need it, across an entire semester of class recordings. Help turn all your students' study time into learning moments immediately supported by your lecture.

Lecture Capture enables you to

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- Record and index PowerPoint presentations and anything shown on your computer so it is easily searchable, frame by frame.
- Offer access to lectures anytime and anywhere by computer, iPod, or mobile device.
- Increase intent listening and class participation by easing students' concerns about note taking. Lecture Capture will make it more likely you will see students' faces, not the tops of their heads.

To learn more about Tegrity watch a 2-minute Flash demo at <http://tegritycampus.mhhe.com>.

Assurance of Learning Ready

Many educational institutions today are focused on the notion of *assurance of learning*, an important element of some accreditation standards. *Organizational Behavior* is designed specifically to support your assurance of learning initiatives with a simple, yet powerful solution.

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The statements contained in *Organizational Behavior, 4e*, are provided only as a guide for the users of this textbook. The AACSB leaves content coverage and assessment within the purview of individual schools, the mission of the school, and the faculty. While *Organizational Behavior, 4e*, and the teaching package make no claim of any specific AACSB qualification or evaluation, we have within *Organizational Behavior, 4e*, labeled selected questions according to the six general knowledge and skills areas.

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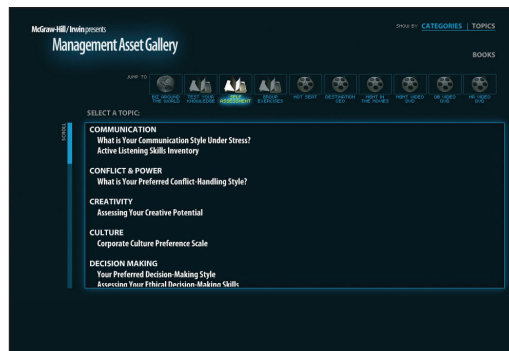
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McGraw-Hill/Irwin is excited to now provide a one-stop shop for our wealth of assets, making it quick and easy for instructors to locate specific materials to enhance their courses.



All of the following can be accessed within the Management Asset Gallery:



MANAGER'S HOT SEAT This interactive, video-based application puts students in the manager's hot seat, builds critical thinking and decision-making skills, and allows students to apply concepts to real managerial challenges. Students watch as 15 real managers apply their years of experience when confronting unscripted issues such as bullying in the workplace,

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Every self-assessment is supported with PowerPoints and an instructor manual in the Management Asset Gallery, making it easy for the instructor to create an engaging classroom discussion surrounding the assessments.

Test Your Knowledge To help reinforce students' understanding of key management concepts, Test Your Knowledge activities give students a review of the conceptual materials followed by application-based questions to work through. Students can choose practice mode, which gives

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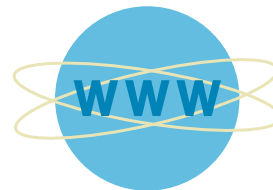
Video Library DVDs McGraw-Hill/Irwin offers the most comprehensive video support for the Organizational Behavior classroom through course library video DVDs. This discipline has library volume DVDs tailored to integrate and visually reinforce chapter concepts. The library volume DVDs contain more than 40 clips! The rich video material, organized by topic, comes from sources such as PBS, NBC, BBC, SHRM, and McGraw-Hill. Video cases and video guides are provided for some clips.

DESTINATION CEO VIDEOS Video clips featuring CEOs on a variety of topics. Accompanying each clip are multiple-choice questions and discussion questions to use in the classroom or assign as a quiz.

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ORGANIZATIONAL BEHAVIOR

Improving Performance and Commitment
in the Workplace

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PART

1

INTRODUCTION TO ORGANIZATIONAL BEHAVIOR

CHAPTER 1:

What Is Organizational Behavior?

CHAPTER 2:

Job Performance

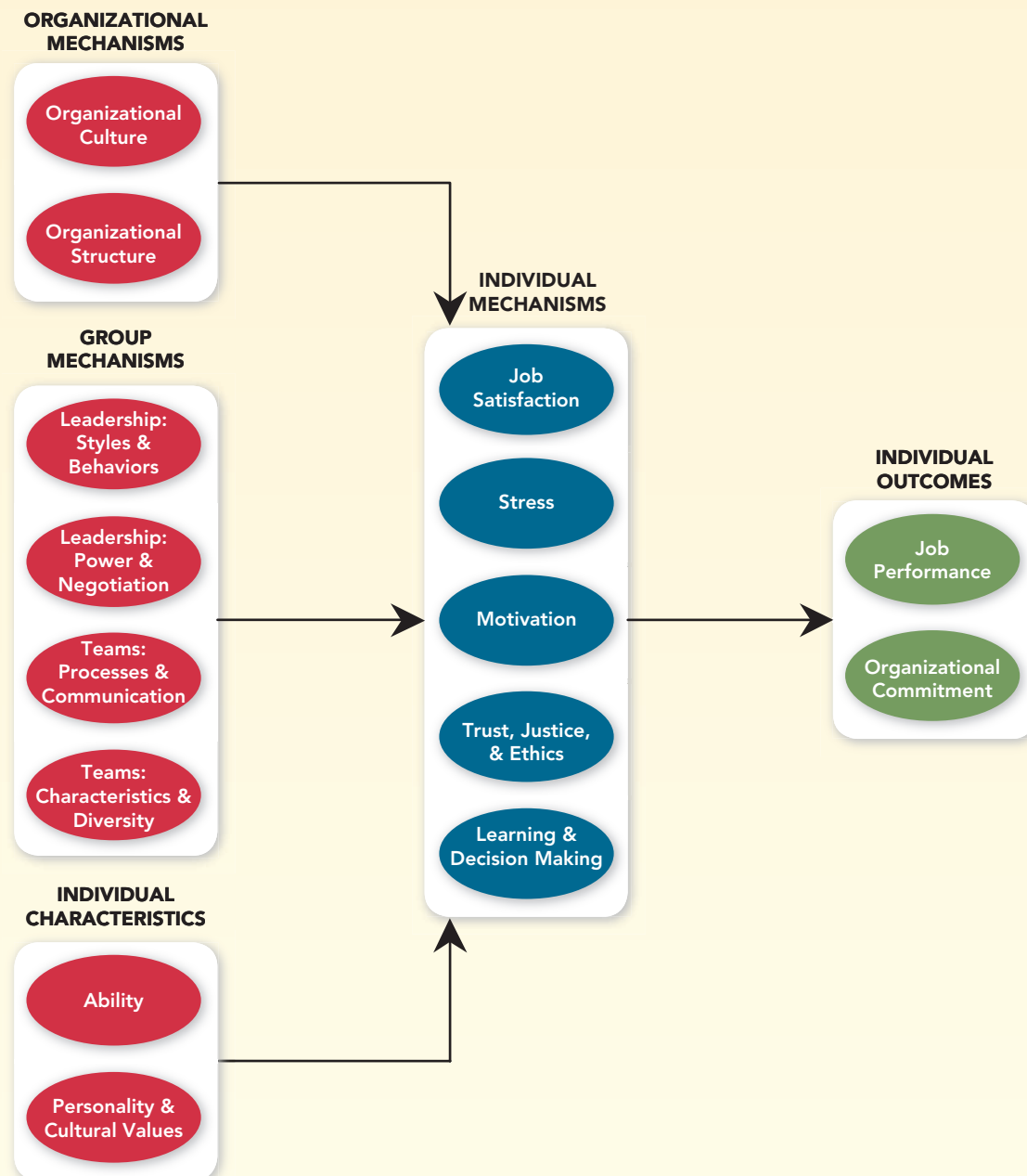
CHAPTER 3:

Organizational Commitment

chapter

1

What Is Organizational Behavior?





LEARNING GOALS

After reading this chapter, you should be able to answer the following questions:

- 1.1 What is the definition of “organizational behavior” (OB)?
- 1.2 What are the two primary outcomes in studies of OB?
- 1.3 What factors affect the two primary OB outcomes?
- 1.4 Why might firms that are good at OB tend to be more profitable?
- 1.5 What is the role of theory in the scientific method?
- 1.6 How are correlations interpreted?

PATAGONIA



Let's say your company makes fleece jackets and other forms of outerwear. Why should someone buy your jackets and not someone else's? Well, maybe you could become a cost leader in the manufacturing and logistics behind the jackets, allowing you to sell them at a cheaper price. But what if your competitors just copy those strategies? Another approach might be to differentiate your jackets from everyone else's. Maybe they're more comfortable or durable, maybe they're more cutting edge in terms of look and features, or maybe they represent a brand that people admire. But how could you attain such sources of differentiation and—just as importantly—how could you stay “one step ahead” of other firms?

Patagonia, the Ventura, California-based maker of outdoor clothing and equipment, has a clear set of answers to those questions. When its founder and owner, Yvon Chouinard, transitioned from making climbing tools to launching an apparel company, he created his own vision

for how a business should be run.¹ One pillar of that vision was work being enjoyable on a daily basis, with Chouinard noting, “We all had to come to work on the balls of our feet and go up the stairs two steps at a time.”² Today's employees benefit from that vision in a number of ways, including flextime based on a “let my people go surfing” mantra.³ A whiteboard in the lobby of the beachside corporate headquarters gives the surfing conditions, with employees encouraged to gain first-hand experience with Patagonia's clothing and equipment whenever the waves are breaking. Employees also enjoy on-site childcare, profit

sharing, free yoga and aerobics classes, and an outdoor organic café.⁴ Another pillar of that vision was the company doing what it could to support environmental causes and maximize its own sustainability.⁵ Today the company donates 1 percent of its sales to environmental charities and makes much of its clothing with recycled wool, cotton, and polyester.⁶

What do such initiatives do for Patagonia? Well, for starters, the company receives an average of 900 résumés per job opening, allowing Patagonia to select the cream of the crop for open positions.⁷ It also routinely attracts top executives from rival firms. Having better people, in turn, helps Patagonia push the envelope when it comes to the quality, innovativeness, and sustainability of its products. Indeed, the initiatives have created a “brand” embraced by employees and customers alike, allowing Patagonia to differentiate itself from competitors.

WHAT IS ORGANIZATIONAL BEHAVIOR?

Before we define exactly what the field of organizational behavior represents, take a moment to ponder the following question: Who was the single *worst* coworker you've ever had? Picture fellow students who collaborated with you on class projects; colleagues from part-time or summer jobs; or peers, subordinates, or supervisors working in your current organization. What did this coworker do that earned him or her "worst coworker" status? Was it some of the behaviors shown in the right column of Table 1-1 (or perhaps all of them)? Now take a moment to consider the single *best* coworker you've ever had. Again, what did this coworker do to earn "best coworker" status—some or most of the behaviors shown in the left column of Table 1-1?

If you ever found yourself working alongside the two people profiled in the table, two questions probably would be foremost on your mind: "Why does the worst coworker act that way?" and "Why does the best coworker act that way?" Once you understand why the two coworkers act so differently, you might be able to figure out ways to interact with the worst coworker more effectively (thereby making your working life a bit more pleasant). If you happen to be a manager, you might formulate plans for how to improve attitudes and behaviors in the unit. Such plans could include how to screen applicants, train and socialize new organizational members, manage evaluations and rewards for performance, and deal with conflicts that arise between employees. Without understanding why employees act the way they do, it's extremely hard to find a way to change their attitudes and behaviors at work.

1.1

What is the definition of "organizational behavior" (OB)?

ORGANIZATIONAL BEHAVIOR DEFINED

Organizational behavior (OB) is a field of study devoted to understanding, explaining, and ultimately improving the attitudes and behaviors of individuals and groups in organizations. Scholars in management departments of universities and scientists in business organizations conduct

TABLE 1-1 The Best of Coworkers, the Worst of Coworkers

THE BEST	THE WORST
<i>Have you ever had a coworker who usually acted this way?</i>	<i>Have you ever had a coworker who usually acted this way?</i>
Got the job done, without having to be managed or reminded	Did not get the job done, even with a great deal of hand-holding
Adapted when something needed to be changed or done differently	Was resistant to any and every form of change, even when changes were beneficial
Was always a "good sport," even when bad things happened at work	Whined and complained, no matter what was happening
Attended optional meetings or functions to support colleagues	Optional meetings? Was too lazy to make it to some required meetings and functions!
Helped new coworkers or people who seemed to need a hand	Made fun of new coworkers or people who seemed to need a hand
Felt an attachment and obligation to the employer for the long haul	Seemed to always be looking for something else, even if it wasn't better
Was first to arrive, last to leave	Was first to leave for lunch, last to return

The Million-Dollar Question:

Why do these two employees act so differently?

research on OB. The findings from those research studies are then applied by managers or consultants to see whether they help meet “real-world” challenges. OB can be contrasted with two other courses commonly offered in management departments: human resource management and strategic management. **Human resource management** takes the theories and principles studied in OB and explores the “nuts-and-bolts” applications of those principles in organizations. An OB study might explore the relationship between learning and job performance, whereas a human resource management study might examine the best ways to structure training programs to promote employee learning. **Strategic management** focuses on the product choices and industry characteristics that affect an organization’s profitability. A strategic management study might examine the relationship between firm diversification (when a firm expands into a new product segment) and firm profitability.

The theories and concepts found in OB are actually drawn from a wide variety of disciplines. For example, research on job performance and individual characteristics draws primarily from studies in industrial and organizational psychology. Research on satisfaction, emotions, and team processes draws heavily from social psychology. Sociology research is vital to research on team characteristics and organizational structure, and anthropology research helps inform the study of organizational culture. Finally, models from economics are used to understand motivation, learning, and decision making. This diversity brings a unique quality to the study of OB, as most students will be able to find a particular topic that’s intrinsically interesting and thought provoking to them.

AN INTEGRATIVE MODEL OF OB

Because of the diversity in its topics and disciplinary roots, it’s common for students in an organizational behavior class to wonder, “How does all this stuff fit together?” How does what gets covered in Chapter 3 relate to what gets covered in Chapter 13? To clarify such issues, this textbook is structured around an integrative model of OB, shown in Figure 1-1, that’s designed to provide a roadmap for the field of organizational behavior. The model shows how the topics in the next 15 chapters—represented by the 15 ovals in the model—all fit together. We should stress that there are other potential ways of combining the 15 topics, and Figure 1-1 likely oversimplifies the connections among the topics. Still, we believe the model provides a helpful guide as you move through this course. Figure 1-1 includes five different kinds of topics.

INDIVIDUAL OUTCOMES. The right-most portion of the model contains the two primary outcomes of interest to organizational behavior researchers (and employees and managers in organizations): *job performance* and *organizational commitment*. Most employees have two primary goals for their working lives: to perform their jobs well and to remain a member of an organization that they respect. Likewise, most managers have two primary goals for their employees: to maximize their job performance and to ensure that they stay with the firm for a significant length of time. As described in Chapter 2, there are several specific behaviors that, when taken together, constitute good job performance. Similarly, as described in Chapter 3, there are a number of beliefs, attitudes, and emotions that cause an employee to remain committed to an employer.

This book starts by covering job performance and organizational commitment so that you can better understand the two primary organizational behavior goals. Our hope is that by using performance and commitment as starting points, we can highlight the practical importance of OB topics. After all, what could be more important than having employees who perform well and want to stay with the company? This structure also enables us to conclude the other chapters in the book with sections that describe the relationships between each chapter’s topic and performance and commitment. For example, the chapter on motivation concludes by describing the relationships between motivation and performance and motivation and commitment. In this way, you’ll learn which of the topics in the model are most useful for understanding your own attitudes and behaviors.

INDIVIDUAL MECHANISMS. Our integrative model also illustrates a number of individual mechanisms that directly affect job performance and organizational commitment. These include *job satisfaction*, which captures what employees feel when thinking about their jobs and doing their day-to-day work (Chapter 4). Another individual mechanism is *stress*, which



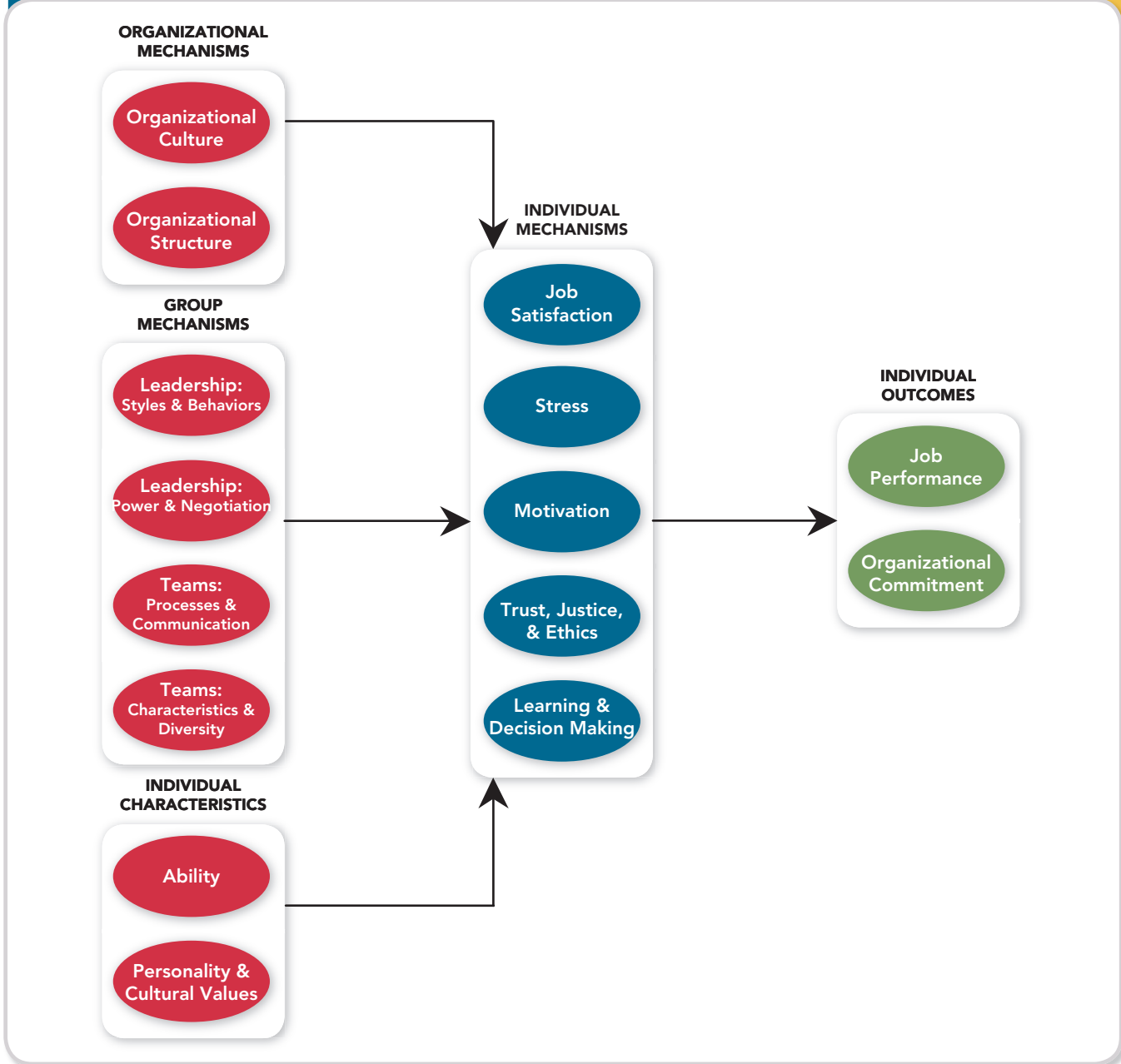
1.2

What are the two primary outcomes in studies of OB?



1.3

What factors affect the two primary OB outcomes?

FIGURE 1-1 Integrative Model of Organizational Behavior

reflects employees' psychological responses to job demands that tax or exceed their capacities (Chapter 5). The model also includes *motivation*, which captures the energetic forces that drive employees' work effort (Chapter 6). *Trust, justice, and ethics* reflect the degree to which employees feel that their company does business with fairness, honesty, and integrity (Chapter 7). The final individual mechanism shown in the model is *learning and decision making*, which deals with how employees gain job knowledge and how they use that knowledge to make accurate judgments on the job (Chapter 8).

INDIVIDUAL CHARACTERISTICS. Of course, if satisfaction, stress, motivation, and so forth are key drivers of job performance and organizational commitment, it becomes important to understand what factors improve those individual mechanisms. Two such factors reflect the

characteristics of individual employees. *Personality and cultural values* reflect the various traits and tendencies that describe how people act, with commonly studied traits including extraversion, conscientiousness, and collectivism. As described in Chapter 9, personality and cultural values affect the way people behave at work, the kinds of tasks they're interested in, and how they react to events that happen on the job. The model also examines *ability*, which describes the cognitive abilities (verbal, quantitative, etc.), emotional skills (other awareness, emotion regulation, etc.), and physical abilities (strength, endurance, etc.) that employees bring to a job. As described in Chapter 10, ability influences the kinds of tasks an employee is good at (and not so good at).

GROUP MECHANISMS. Our integrative model also acknowledges that employees don't work alone. Instead, they typically work in one or more work teams led by some formal (or sometimes informal) leader. Like the individual characteristics, these group mechanisms shape satisfaction, stress, motivation, trust, and learning. Chapter 11 covers *team characteristics and diversity*—describing how teams are formed, staffed, and composed, and how team members come to rely on one another as they do their work. Chapter 12 then covers *team processes and communication*—how teams behave, including their coordination, conflict, and cohesion. The next two chapters focus on the leaders of those teams. We first describe how individuals become leaders in the first place, covering *leader power and negotiation* to summarize how individuals attain authority over others (Chapter 13). We then describe how leaders behave in their leadership roles, as *leader styles and behaviors* capture the specific actions that leaders take to influence others at work (Chapter 14).

ORGANIZATIONAL MECHANISMS. Finally, our integrative model acknowledges that the teams described in the prior section are grouped into larger organizations that themselves affect satisfaction, stress, motivation, and so forth. For example, every company has an *organizational structure* that dictates how the units within the firm link to (and communicate with) other units (Chapter 15). Sometimes structures are centralized around a decision-making authority, whereas other times, structures are decentralized, affording each unit some autonomy. Every company also has an *organizational culture* that captures “the way things are” in the organization—shared knowledge about the values and beliefs that shape employee attitudes and behaviors (Chapter 16).

SUMMARY. Each of the chapters in this textbook will open with a depiction of this integrative model, with the subject of each chapter highlighted. We hope that this opening will serve as a roadmap for the course—showing you where you are, where you've been, and where you're going. We also hope that the model will give you a feel for the “big picture” of OB—showing you how all the OB topics are connected.

DOES ORGANIZATIONAL BEHAVIOR MATTER?

Having described exactly what OB is, it's time to discuss another fundamental question: Does it really matter? Is there any value in taking a class on this subject, other than fulfilling some requirement of your program? (You might guess that we're biased in our answers to these questions, given that we wrote a book on the subject!) Few would disagree that organizations need to know principles of accounting and finance to be successful; it would be impossible to conduct business without such knowledge. Similarly, few would disagree that organizations need to know principles of marketing, as consumers need to know about the firm's products and what makes those products unique or noteworthy.

However, people sometimes wonder whether a firm's ability to manage OB has any bearing on its bottom-line profitability. After all, if a firm has a good-enough product, won't people buy it regardless of how happy, motivated, or committed its workforce is? Perhaps for a time, but effective OB can help keep a product good over the long term. This same argument can be made