

Tenth Edition

Human Relations *in* Organizations

APPLICATIONS AND SKILL BUILDING



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Education

Robert N. Lussier

HUMAN RELATIONS IN ORGANIZATIONS

APPLICATIONS AND SKILL BUILDING

TENTH EDITION

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HUMAN RELATIONS IN ORGANIZATIONS: APPLICATIONS AND SKILL BUILDING,
TENTH EDITION

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I would like to dedicate this book to my wife, Marie, and our children, Jesse, Justin, Danielle, Nicole, Brian, and Renee, for their loving support.

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In his book *Power Tools*, John Nirenberg asks: “Why are so many well-intended students learning so much and yet able to apply so little in their personal and professional lives?” Is it surprising that students can neither apply what they read nor develop skills when most textbooks continue to focus on reading about concepts and examples, rather than taking the next step and teaching them how to apply what they read and develop the skills required for using the concepts? *I wrote this book to give students the opportunity to apply the concepts and develop skills used in their personal and professional lives.*

I wrote the first edition back in 1988, prior to AACSB calls for skill development and outcomes assessment, to help professors develop their students’ ability to apply the concepts and develop organizational behavior/human relations skills. Unlike competitors, I don’t just tell you about the concepts. With networking, for instance—the way most people get jobs and promotions today—I tell you step-by-step how to network and provide you with self-assessment exercises, application exercises, skill development exercises, and often, videos. So rather than simply knowing the concepts, you can actually develop skills.

But is the skills approach any good? John Bigelow compared skills texts in his article, “Managerial Skills Texts: How Do They Stack Up?” in the *Journal of Management Education*, and he gave *Human Relations in Organizations* a top rating for a general OB course. *Reviewers continue to say it is the best “how to work with people” textbook on the market.* Although competing texts now include exercises, reviewers continue to say that no competitor offers the quality and quantity of application and skill-building material.

ENGAGING NETGEN STUDENTS

Today’s traditional students are being called the Digital Millennial or NetGen learners. Being brought up on the Internet, they have different preferred learning styles than students in prior generations. NetGens prefer active, collaborative, and team-based learning. *Human Relations in Organizations*, Tenth Edition, is designed to be flexible enough to be used with the traditional lecture method, while offering a wide range of engaging activities to select from that best meet students’ and professors’ educational goals and preferred teaching/learning styles. Below is a list of learning preferences of NetGens and how this text can be used to engage them both in and out of the classroom.

INTEGRATION WITH FLEXIBILITY

This book continues to have a balanced three-pronged approach:

- A clear, concise understanding of human relations/organizational behavior (HR/OB) concepts (second to none);
- The application of HR/OB concepts for critical thinking in the business world (there are nine types of applications, including videos and the Test Bank and Instructor’s Manual);
- The development of HR/OB skills (there are eight types of skills-activities, including videos and the Test Bank and Instructor’s Manual).

In addition to this text and its supporting ancillary package to support these distinct but integrated

NetGen Learning Preference	How <i>Human Relations in Organizations</i> Engages NetGens
<p>Reading: Students prefer active learning to reading.</p> <p>Attention and variety through applications and skill-building exercises: Breaking reading and class time into “chunks” helps keep their attention and improve learning.</p> <p>Directions: Students benefit from checklists, formulas, and recipes for learning and for life.</p> <p>Internet: NetGens are comfortable with online environments.</p>	<p>Students find the text easy to read and understand.</p> <p>The text is broken into “chunks,” with concepts, followed by interactive applications and skill-building exercises (see below). Each section consists of a major heading with concepts and application material. Unlike many books with exercises that are simply discussion-based, <i>Human Relations</i> develops actual skills that can be used immediately.</p> <p><i>Human Relations</i> is the most “how to” textbook available, including behavioral model steps for handling common human relations issues, such as conflict, and exercises to develop skills. An Online Learning Center (www.mhhe.com/lussier9e) provides chapter review material as well as interactive exercises and videos.</p>

Source: Erika Matulich, Raymond Papp, and Diana Haytko, “Continuous Improvement Through Teaching Innovations: A Requirement for Today’s Learners,” *Marketing Education Review* 18(1) 2008: 1–7.

parts, includes tests to assess student performance in all three areas. I wrote almost every application and skill exercise in this text and the Instructor's Manual to ensure complete integration and a seamless course experience.

The concepts, applications, and skill-building material are clearly identified and delineated in this preface, text, and IM/test bank. Our package offers more quality and quantity of application and skill-building material to allow professors to create their unique courses using only the features that will achieve their objectives in the classroom or online. Thus, it is the most flexible package on the market. Next is an explanation of features to choose from for concepts, applications, and skill building.

CONCEPTS

- *Research-based and current.* The book is based on research, not opinion. The tenth edition has been completely updated. There are more than 950 new references (94 percent), for an average of 75 new references per chapter. This is from 30 to 50 percent more references per chapter than major competitors. Earlier references are primarily classics, such as the motivation (Maslow) and leadership (Fiedler) theories.
- *Comprehensive coverage.* The text includes more topics than most competing texts.
- *Systems orientation.* The text is organized in two ways. First, the parts of the book are based on the competency model of managerial education, building from intrapersonal skills, to interpersonal skills, to leadership skills. Second, it also follows the levels of behavior approach, going from individual, to group, to organizational levels of behavior. The systems effect is discussed throughout the book. Cases from Chapters 2 through 13 have questions based on previous chapters to integrate the concepts of multiple chapters.
- *Recurring themes.* Chapters 2 through 13 begin with a discussion of how the chapter concepts affect behavior, human relations, and performance. Most chapters include a discussion of how the concepts differ globally.
- *Pedagogy.* Each chapter contains the following: (1) Learning outcomes at the beginning and in the body of the chapter where the objective can be met. A summary of each learning outcome is given in the Review section at the end of the chapter. (2) Key terms at the beginning of each chapter and again at the end of the Review. The key terms appear in **boldface** and are defined within the

chapter in italic so they are easy to find. (3) Exhibits, some of which contain multiple concepts or theories. See Exhibits 7.7, 8.7, and 11.7, for example. (4) Review. The unique feature of the Review is that it is active in two ways. Students first answer true/false questions. Then they must fill in the blanks with the appropriate key terms in one of three ways: from memory, from a list of key terms at the end of the review, or from the key terms at the beginning of the chapter.

- *Test Bank Assessment of Concepts.* The test bank includes true/false and multiple-choice questions for the concepts, including the key terms, presented in each chapter. The test bank also includes the learning outcomes from each chapter, which can be used as short-answer questions to test concept understanding. A summary of the learning outcomes appears in the Review, the Instructor's Manual, and the test bank.

APPLICATIONS

1. *Opening Case.* Each chapter opens with a case. Throughout the chapter, the ways the text concepts apply to the case are presented so that students can understand the application of the concepts to actual people in organizations.
2. *Work Applications.* Throughout each chapter there are approximately 11 questions (more than 140 total) that require the students to apply the concepts to their own work experience. Work experience can be present or past and may include part-time, summer, or full-time employment. Work applications require the students to think critically and bridge the gap between the concepts and their world.
3. *Application Situations.* Each chapter contains two to six boxes, each with 5 to 10 questions (325 total) that require students to apply the concept illustrated in a specific, short example. The questions develop critical thinking skills through the application process.
4. *Cases—with Internet video and cumulative questions; plus role-play exercises.* Each chapter has a case study from a real-world organization. At the end of the case, the organization's Web site is given so that students can visit the Web to get updated information on the case. Some of the cases also include Web sites to view case manager interviews/talks. Chapters 2 through 13 include cumulative questions. Cumulative questions include concepts from previous chapters. For example, the case for Chapter 13 has four questions

related to Chapter 11, followed by four questions relating to concepts from Chapters 2, 3, 6, 11, and 12. Thus, students continually review and integrate concepts from earlier chapters. Following each case is a role-play exercise to develop skills based on the concepts illustrated in the case.

5. *Objective Cases.* At the end of each chapter there is a short objective case. The unique feature is the “objective” part, with 10 multiple-choice questions, followed by one or more open-ended questions. These cases require students to apply the concepts to people and organizations.
6. *Internet Exercises.* Online at mhhe.com/lussier10e, (which also has self testing and other features).
7. *Communication Skills Questions.* There are more than 125 communication skills questions, an average of approximately nine per chapter, which can be used for class discussion and/or written assignments.
8. *Test Bank Assessment of Applications and Instructor’s Manual.* The test bank includes the work applications from the text as well as multiple-choice questions, similar to the Application Situations and case questions, to evaluate critical thinking skills. The Instructor’s Manual includes the recommended answers for all the application features above, except the opening case, which is illustrated throughout the chapter text.

SKILL BUILDING

1. *Self-Assessment Exercises.* Each chapter has between one and five (more than 45 total, an average of three per chapter) self-assessment exercises to enable students to gain personal knowledge. Some of the exercises are tied to skill-building exercises to enhance the impact of the self-assessment. All information for completing and scoring, and self-assessment, is contained within each exercise. A unique new feature includes determining a personality profile (in Chapter 3); in all other chapters, students find out how their personality relates to their use of the chapter concepts.
2. *Group Skill-Building Exercises.* Around 30 percent of the skill-building exercises focus primarily on small group (2 to 6 members) activities. Thus, breaking into small groups is required.
3. *Role-Play Skill-Building Exercises.* Around 10 percent of the skill-building exercises focus primarily on developing skills through behavior modeling, as discussed next. Thus, breaking into groups and role-playing is required. Again, all 13 cases include a role-play exercise.
4. *Models, Behavior Model Videos, and Skill-Building Exercises.* Throughout the book are more than 25 models with step-by-step instructions for handling day-to-day human relations situations. How to use several of the models is illustrated in the behavior-modeling videos. For example, students read the model in the book and watch people send messages, give praise, resolve conflicts, handle complaints, and coach an employee, following the steps in the model. After viewing the video, students role-play how they would handle these human relations situations. Students may also give each other feedback on the effectiveness of their role-plays. Videos can also be used as stand-alone activities. The lecture may stop and skill-building begin in class to break up the lecture.
5. *Behavior Model Videos.* There are one or more behavior model videos (20 total) for most chapters. Behavior model videos 2 through 20 show people successfully handling day-to-day human relations situations. Videos can be followed by class discussion. Also, many videos are used in conjunction with skill-building exercises.
6. *Test Bank Assessment of Skill-Building and Instructor’s Manual.* The test bank includes skill-building questions to assess skill building. The Instructor’s Manual gives detailed instructions on using all skill-building exercises and answers to skill-building exercises. It also states how students can be tested on the exercises and provides instructions to give to students.
7. *Skill-Building Objectives and AACSB Competencies.* Each skill-building exercise begins by listing its objective. The objective is followed by listing the Association to Advance Collegiate Schools of Business (AACSB) competencies developed through the exercise.

8. *Individual and Group Skill-Building Exercises.* Around 60 percent of the skill-building exercises focus primarily on individual skill building, most of which is done outside class as preparation for the exercise. However, in-class work in groups using the concepts and sharing answers can enhance skill building. Thus, the instructor has the flexibility to (1) simply have students complete the preparations outside class and during class, and then go over the answers, giving concluding remarks and/or leading a class discussion without using any small-group time, or (2) spend group class time as directed in the exercise.

SUMMARY OF INNOVATIONS

- The three-pronged approach to the text: concepts, applications, skills.
- The three-pronged test bank: concepts, applications, skills.
- Eight types of applications, clearly marked in the text, for developing critical thinking skills.
- Eight types of skill-building exercises, clearly marked in the text, that truly develop skills that can be used in one's personal and professional lives.
- Flexibility—use all or only some of the features; select the ones that work for you.

OVERALL REVISIONS

- The book is completely updated with around 975 new references; over 93 percent of the references are new to this edition. References include a balance of scholarly journals (including the *Academy of Management Journal*, *Academy of Management Review*, *Academy of Management Perspectives*, and *Academy of Management Learning & Education*) to provide research support for the text concepts and business publications (including *BusinessWeek*, *Forbes*, *Fortune*, and *The Wall Street Journal*) to provide advice and examples of how the concepts are used in all types of organizations.
- Some minor changes were made to the writing style to make the chapters even more personal. For example, the use of the word “we” has been changed in many places to “you” for a more personal writing style.
- Some text was cut to shorten each chapter of the book.
- One hundred percent of the Applying the Concept box applications have been changed.
- When the text refers back to the opening case to illustrate the application of the text to the case, it is now identified by ///, making them easier to find.
- Five (40 percent) of the end-of-chapter cases are new to this edition, and the other cases have been updated.
- Most of the new cases, and some of the updated cases, now have suggested video links and new questions related to the case (60 percent of the cases now have video links).
- AACSB standards have been updated using the 2013 AACSB Business Accreditation Standards, General Skills Areas. The listing of AACSB skills developed in each of the Skill Building Exercises throughout the book has also been updated.

- There is less of a management focus so that everyone can clearly understand how to improve human relations regardless of their position in the organization.
- The coverage of digital human relations has been expanded.
- Some of the chapter sections have been rewritten, as described below.

CHANGES BY CHAPTER

Chapter 1

- The entire chapter has been updated with 56 (89 percent) new references for this edition; keeping only the 7 classic historic references.
- The section, What's in It for Me? has been updated with all new references.
- The section, Myth 1: Technical Skills Are More Important Than Human Relations Skills, has been rewritten with all new references.
- The section title, Objectives and Organization of the Book, has been changed to What's in the Book. Plus, the objectives section introduction has been rewritten with all new references.
- The Case has been updated with a Web address to watch a video of CEO Terri Kelly discussing management at W.L. Gore & Associates. There is also a new question related to the video.

Chapter 2

- The entire chapter has been updated with 83 (97 percent) new references for this edition. The chapter has 33 more references than the previous edition to support the use of evidence-based management.
- There are only minor changes throughout the chapter to improve the content and provide new references to support the continuing use of prior topics.
- In the Personality section, it now states that employers are visiting social media sites to get a feel for job candidates' personalities.
- In the Perception section, projection has been eliminated as a bias.
- In the Developing Positive First Impressions section, it now states that employers are visiting social media sites to get a first impression of job candidates and emphasizes the importance of a professional presence online.
- The case information has been updated.

Chapter 3

- The entire chapter has been updated with 82 (97 percent) new references for this edition.
- There are only minor changes throughout the chapter to improve the content and provide new references to support the continuing use of prior topics.
- In the Changing Attitudes section, point 4 has been changed. It now states not to have a negative attitude toward people because they look or act differently than you do.
- The details of the discussion of Determinants of Job Satisfaction have been shortened and the section on job security has been rewritten.
- The key term *attribution* has been redefined to make it easier to understand, and the section has been rewritten.
- The Building a Positive Self-Concept section now includes a discussion of why so many people don't keep their New Year's resolutions.
- The General Guidelines to Building a Positive Self-Concept number 3 now includes the use of self-talk to improve self-concept.
- The subsection Guidelines for Leading from a Spiritual Perspective still includes the five guidelines, but with less detail.
- The section Does Ethical Behavior Pay? has been rewritten and expanded with all new references.
- For easier understanding, the list of the seven types of justifications for unethical behavior has been taken out and, instead, examples of each type are included.
- The Global Ethics section now includes a brief mention of the Foreign Corrupt Practices Act, including the Web site where students can get more information.
- The short discussion of corporate social responsibility and Figure 3.5 have been cut because this is not the same topic as ethics.
- The North Face case is new. It also includes two role-play exercises, and Question 7 includes watching North Face CEO Eric Wiseman delivering a speech to college graduates.

Chapter 4

- The entire chapter has been updated with 60 (94 percent) new references for this edition.
- The Time Management section has been reorganized and topics have been added. Multitasking has been moved to the last subsection with the title Multitasking, Interruptions, and Procrastination.

Interruptions and procrastination are new topics with these headings.

- There is more discussion of using electronic devices in time management. The time management exhibits are now online so that students can fill out electronic time logs and to-do lists, plan their week and schedule it, and keep a daily schedule.
- The section Analyzing Time Use has been changed to Analyzing Time Use with a Time Log to emphasize the need to use a time log to analyze time use.
- The introduction to the Priority Determination section has been rewritten with all new references.
- The section on writing a Resume no longer has details of writing each section on the resume, but the example resume is still Exhibit 4.8. It now refers students to their college career center or online for more details.
- The section on Getting Raises and Promotions now has less detail on preparation for getting a raise or promotion and deletes details about asking for it and includes details about changing organizations.
- The case has been updated and now includes a new case question with a source of a video to watch and discuss three parts of Jay-Z's career.

Chapter 5

- The entire chapter has been updated with 78 (96 percent) new references for this edition.
- The section on Digital Information Technology has been shortened while maintaining the same content while adding to new information and references. Exhibit 5.3 E-Commerce has been deleted.
- The section on Digital Information Technology has two new topic heading "Confidentiality and Security" and "The Downside of Information Technology."
- The section on The Communication Process explains the steps in less detail, and while maintaining the 13 listening tips, the discussion is shorter.
- The discussion of Getting Criticism has been placed in Exhibit 5.9 to make it easier to understand what and what not to do when being criticized.
- The Pixar case is new and includes a video link to watch and hear President Ed Catmull's ideas on communication. You can watch short videos on the roles that different creative employees play in making their famous movies on the Pixar Web site.

Chapter 6

- The entire chapter has been updated with 53 (98 percent) new references for this edition.
- The opening section has been shortened a bit and has all new references to support the value of the chapter topics.
- The section on Anger and Violence in the Workplace has been shortened.
- The Resolving Conflicts with the Collaborating Conflict Style has been shortened.
- There is a new end-of-chapter case about conflict at HP.

Chapter 7

- The entire chapter has been updated with 60 (88 percent) new references for this edition. Only the references to the classic leadership theories have been retained to provide the original source of the theories for further information.
- Throughout the chapter, minor changes have been made to shorten the text.
- The major section Substitutes for Leadership has been deleted, resulting in Learning Outcome 7-6, Work Application 7-11, and Communications skills 6 being deleted.
- The opening section, How Leadership Affects Behavior, Human Relations, and Performance, has been rewritten with all new references supporting the importance of leadership.
- The introduction to the Trust section has been rewritten with all new references.
- The case, Tony Hsieh and Zappos.com, is new.

Chapter 8

- The entire chapter has been updated with 79 (86 percent) new references for this edition. Only the references to the classic motivation theories have been retained to provide the original source for further information.
- The subsection Why Knowing How to Motivate Employees Is Important has been deleted and the reasons now appear in the section How Motivation Affects Behavior, Human Relations, and Performance. Also, this section has been rewritten with all new references to support the need for motivation. A new term *employee engagement* has also been added to this section.
- A new section, Your Motivation, has been added to help students relate motivation to themselves.
- A couple of company examples were added to illustrate incentive programs.
- SMART goals were added to the Objectives section.

- There is a new introduction to the section Self-Motivation.
- There is a new introduction to the section Do Motivation Theories Apply Globally?
- The case has been updated including providing a Web address to watch Kevin Plank give a 20-minute talk about entrepreneurship. Also, a new question, related to the video, has been added.

Chapter 9

- The entire chapter has been updated with 75 (94 percent) new references for this edition.
- Throughout the chapter, minor changes have been made to shorten the text.
- The introduction to the Power section has been rewritten with all new references.
- The introduction to the Business Etiquette section has been shortened, while adding new content and references.
- The case is the same, but the title and names have been changed.

Chapter 10

- The entire chapter has been updated with 75 (94 percent) new references for this edition.
- The introduction section How Networking and Negotiating Affect Behavior, Human Relations, and Performance has been rewritten with all new references.
- The first half of the Digital Networking section has been rewritten with all new references.
- The introduction to the Negotiating section has been rewritten with all new references to better help students realize that we all negotiate to help us meet our objectives with the help of others.
- The section Negotiating Strategies has been deleted, as this material is less relevant, thereby placing more focus on the more important negotiation process. This also results in the elimination of two key terms: distributive and integrative bargaining strategies, Work Application 10-7, and Communication Skills question 6.
- The case, Negotiating Women, has been updated and states that the work of Kolb and Frohlinger is supported by Sheryl Sandberg (Facebook) in her book, *Lean In*.

Chapter 11

- The entire chapter has been updated with 111 (97 percent) new references for this edition.
- The opening section has all new references.

- The subsection, Factors Influencing Cohesiveness has been deleted because it is less relevant. Also, Work Application 11-4 no longer includes the six factors.
- The Conducting Meetings section now tells readers they can follow Robert's Rules of Order and gives the URLs to find them on the Internet.
- The introduction to the Creativity and Group Problem Solving and Decision Making has been changed with new references and shortened.
- Consensus mapping is now just discussed as consensus.
- The chapter case has been updated, and the last question has been changed.

Chapter 12

- The entire chapter has been updated with 40 (93 percent) new references for this edition.
- Learning Outcomes 12-7 and 12-8 have been deleted, and coverage of Training and Development and Performance Appraisals has been decreased, as these topics are less relevant to organizational change. Application Situation 12-4, The Training Cycle has also been eliminated.
- Learning Outcome (coaching model) 12-9 is now 12-7, but the dialog of the coaching session has been deleted, as students can watch Behavior Model video 12-1 to view a coaching session, and they can conduct Skill Building Exercise 12-1 to experience coaching.
- The opening section How Change Affects Behavior, Human Relations, and Performance has been rewritten with all new references and is shorter.
- The introduction to the Managing Change section has been rewritten with two new references.
- A new subsection, Forms of Change, has been added to the Managing Change section, adding a discussion of incremental and discontinuous change.
- The introduction to the Organizational Culture section has been updated with new references and has been shortened.
- The OD technique Survey Feedback section has been shortened.
- The Xerox case has a new video link of CEO Burns discussing her career with a new first question. The case has also been updated and shortened by cutting the paragraph listing all of Xerox's awards.

Chapter 13

- The entire chapter has been updated, with much of it rewritten and with 133 new reference citations. As a result, there are 134 citations; 99 percent are new for this edition.
- Learning Outcomes 5 and 8 are no longer listed at the beginning of the chapter, within the chapter, or in the summary.
- The opening section with world population information and statistics has been updated with all new references.
- The section Valuing-Diversity Training is now Valuing-Diversity/Inclusion Training, and it now states that the term *diversity* is commonly called *inclusion* today. Likewise, the heading From Affirmative Action to Valuing Diversity and been changed to From Affirmative Action to Valuing Diversity to Inclusion.
- The section discussing minority groups has been shortened.
- The section Sexual Orientation has been completely rewritten with new references.
- The six areas of sexual harassment have been deleted in this edition to keep the focus on the three areas of the EEOC, which includes eliminating Learning Outcome 13-5, which required listing the six areas.
- The subsection How Women are Progressing in Management and the Glass Ceiling has been rewritten with new references and it is now shorter.
- The subsection How Minorities are Progressing in Management has been rewritten and expanded with new references.
- There is a new subsection providing Ways to Overcome Sexism and Racism at Work.
- The subsection How Family Sex Roles are Changing has been changed to How Families and Sex Roles are Changing. The opening paragraph now includes updated statistics describing the changing American family.
- The subsection Fathers' Roles are Changing has been rewritten with all new references and is shorter.
- Self-Assessment 13-4 has four new examples (33 percent).
- A few of the Cross-Cultural Relations have been shortened.
- The end-of-chapter case has been replaced with a case about Google's Lack of Diversity, and there are two related videos that can be viewed as part of the case discussion.

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Organizational Behavior Video DVD

This collection of videos features interesting and timely issues, companies, and people related to organizational behavior and interpersonal skills.

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CONTACT ME WITH FEEDBACK

I wrote this book for you. Let me know what you think of it. Write to me and tell me what you did and/or didn't like about it. More specifically, how could it be improved? I will be responsive to your feedback. If I use your

suggestion for improvement, your name and college will be listed in the acknowledgment section of the next edition. I sincerely hope that you will develop your human relations skills through this book.

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Intrapersonal Skills: Behavior, Human Relations, and Performance Begin with You

- 1** Understanding Behavior, Human Relations, and Performance
- 2** Personality, Stress, Learning, and Perception
- 3** Attitudes, Self-Concept, Values, and Ethics
- 4** Time and Career Management

Understanding Behavior, Human Relations, and Performance



LEARNING OUTCOMES

After completing this chapter, you should be able to:

- LO 1-1** Explain why human relations skills are important.
- LO 1-2** Discuss the goal of human relations.
- LO 1-3** Describe the relationship between individual and group behavior and organizational performance.
- LO 1-4** Briefly describe the history of the study of human relations.
- LO 1-5** State some of the trends and challenges in the field of human relations.
- LO 1-6** List 10 guidelines for effective human relations.
- LO 1-7** Identify your personal low and high human relations ability and skill levels.
- LO 1-8** Identify five personal human relations goals for the course.
- LO 1-9** Define the following 17 key terms (in order of appearance in the chapter):

human relations (HR)	performance
goal of human relations	systems effect
win-win situation	Elton Mayo
total person approach	Hawthorne effect
behavior	Theory Z
levels of behavior	intrapersonal skills
group behavior	interpersonal skill
organization	leadership skill
organizational behavior (OB)	

/// When Olin Ready graduated from college, he accepted his first full-time job with IBM. As he drove to work on his first day, he thought: How will I fit in? Will my peers and new boss Nancy Westwood like me? Will I be challenged by my job? Will I be able to get raises and promotions?

At about the same time, Nancy was also driving to work thinking about Olin: Will Olin fit in with his peers?

Will he be open to my suggestions and leadership? Will Olin work hard and be a high performer?

What would you do to ensure success if you were Olin? What would you do to ensure Olin's success if you were Nancy? Meeting employees' needs while achieving the organization's objectives is the goal of positive human relations in any organization. ///

Learning Outcome 1-1

Explain why human relations skills are important.

WHY HUMAN RELATIONS SKILLS ARE SO IMPORTANT

We begin by discussing what's in this book for you, followed by a look at some of the major myths about human relations and the realities of why human relations skills are so important. We then discuss the goal of human relations and the total person approach to human relations.

What's in It for Me?

It's natural to be thinking, What can I get from this book, or What's in it for me?¹ This is a common question in all human relations, although it is seldom directly asked and answered.² Here is the short, bottom-line answer: The better you can work with people—and that is what the course is all about—the more successful you will be in your personal and professional lives.³ Life is about relationships⁴; it's all people, people, people. This may be one of the few courses you take in which you can actually use what you learn during the course in your personal life. You don't need to wait until you graduate to apply what you learn, and you can develop your human relations skills.⁵ Now let's expand on what's in it for you by exploring some of the myths and realities surrounding human relations.

Myths and Reality about Human Relations

Three myths about human relations are: (1) Technical skills are more important than human relations skills; (2) it's just common sense; and (3) leaders are born, not made.

Myth 1: Technical Skills Are More Important Than Human Relations Skills Some people believe that a human relations or organizational behavior (OB) course is less important than more technical courses, such as computer science and accounting. However, the reality is that people develop and use technology, and people are really every company's most valuable asset.⁶ The importance of people to business success is undisputed.⁷ People, human capital, provide sustained competitive advantage.⁸ **/// in the opening case**, by studying human relations, you will learn soft skills that will help you in situations like Nancy's and Olin's. **///**

Myth 2: Human Relations Is Just Common Sense Some people believe that human relations is simple and just common sense. Do all the people in organizations get along and work well together? If human relations is just common sense, then why are people issues some of the most prominent concerns of business owners and managers? It's because high-quality relationships are so important to success.⁹ Think about the jobs you've had. Did everyone get along and work well together? How did human relations affect your personal and job satisfaction?

Myth 3: Leaders Are Born, Not Made Leadership is an important topic,¹⁰ because leaders influence employee performance.¹¹ The question "Are leaders born or made?" has been researched over the years. Leadership experts generally agree that leadership skills can be developed. Regardless of your natural ability to get along and work well with people, using the material in this book, you can develop your human relations skills.



Communication Skills
Refer to CS Question 1.

WORK APPLICATION 1-1

In your own words, explain why human relations skills are important to you. How will they help you in your career?

Learning Outcome 1-2

Discuss the goal of human relations.

Throughout this book we use many important, or key, terms. To ensure that you have a clear understanding of these terms, when a key term first appears, we present it in **bold letters** with its definition *italicized*.

Goal of Human Relations

The term **human relations** means *interactions among people*. It's the manager's job to understand people and to motivate them to work together.¹² **/// In the opening case**, when Olin Ready arrives at IBM on his first day of work, he will interact

with his new boss, Nancy. /// Next, a variety of people will help orient and train Olin. Later, as he performs his daily tasks, Olin will interact with Nancy and his coworkers, as well as with people from other departments and with customers. Olin's success at IBM will be based on human relations, and his job satisfaction will affect his personal life.

The **goal of human relations** is to create a win-win situation by satisfying employee needs while achieving organizational objectives. A **win-win situation** occurs when the organization and the employees both get what they want. When an employee wonders, What's in it for me?, that employee is expressing his or her needs. When employees' and organizational goals align, performance tends to follow.¹³

Creating a win-win situation applies to human relations at all levels. Conflicts usually arise because of a lack of a win-win situation.¹⁴ In Chapter 6, you will learn how to create win-win situations when facing conflicts.

This book discusses the goal of human relations as it applies to various topics. One goal of this book is to develop your ability to create win-win situations in a variety of settings, including your professional and personal lives.

WORK APPLICATION 1-2

Give an example, personal if possible, of a situation in which the goal of human relations was met. Explain how the individual's needs were met and how the organizational objectives were achieved.

WORK APPLICATION 1-3

Give a specific example, personal if possible, that supports the total person approach. Explain how an individual's job performance was affected by off-the-job problems.

The Total Person Approach

The **total person approach** realizes that an organization employs the whole person, not just his or her job skills. So it is important to understand the whole person. People play many roles throughout their lives, indeed, throughout each day.¹⁵ /// In the **opening case**, Olin, therefore, is more than just an employee; he is also a father, a member of the PTA, a scout leader, a jogger, a student, and a fisherman. /// At work, Olin will not completely discard all his other roles to be a worker only. His off-the-job life will affect his job performance at IBM. Thus, if Olin has a bad day at work, it may not be related to his job, but to another of his life's roles. Also, a bad day at work can affect personal life satisfaction.

BEHAVIOR, HUMAN RELATIONS, AND ORGANIZATIONAL PERFORMANCE

Levels of Behavior

The study of human relations looks closely at the way people behave, why people behave the way they do, or what makes them and the people around them tick.¹⁶ **Behavior** is what people do and say. Human relations fuel behavior. The three **levels of behavior** are individual, group, and organizational. Human relations take place at the group and organizational levels.¹⁷

Individual- and Group-Level Behavior As Olin types a letter on the computer or fills out requisition forms, he is engaged in individual behavior. **Group behavior** consists of the things two or more people do and say as they interact. Individual behavior influences group behavior.¹⁸ For example, as Olin and Mary work on a project together or attend department meetings, their actions are considered group behavior. Studying the chapters in this book, particularly Chapters 1 through 4, should help you understand and predict your own behavior, and that of others, in an organizational setting. In addition, Chapter 11 will help you gain a better understanding of how your behavior affects others, and how their behavior affects you in teams.

Organizational-Level Behavior An **organization** is a group of people working to achieve one or more objectives. This book focuses on human relations in both profit and nonprofit organizations in which people work to make a living. Organizations are created to produce goods and services for the larger society. If you have ever worked, you have been a part of an organization. You also come into contact with organizations

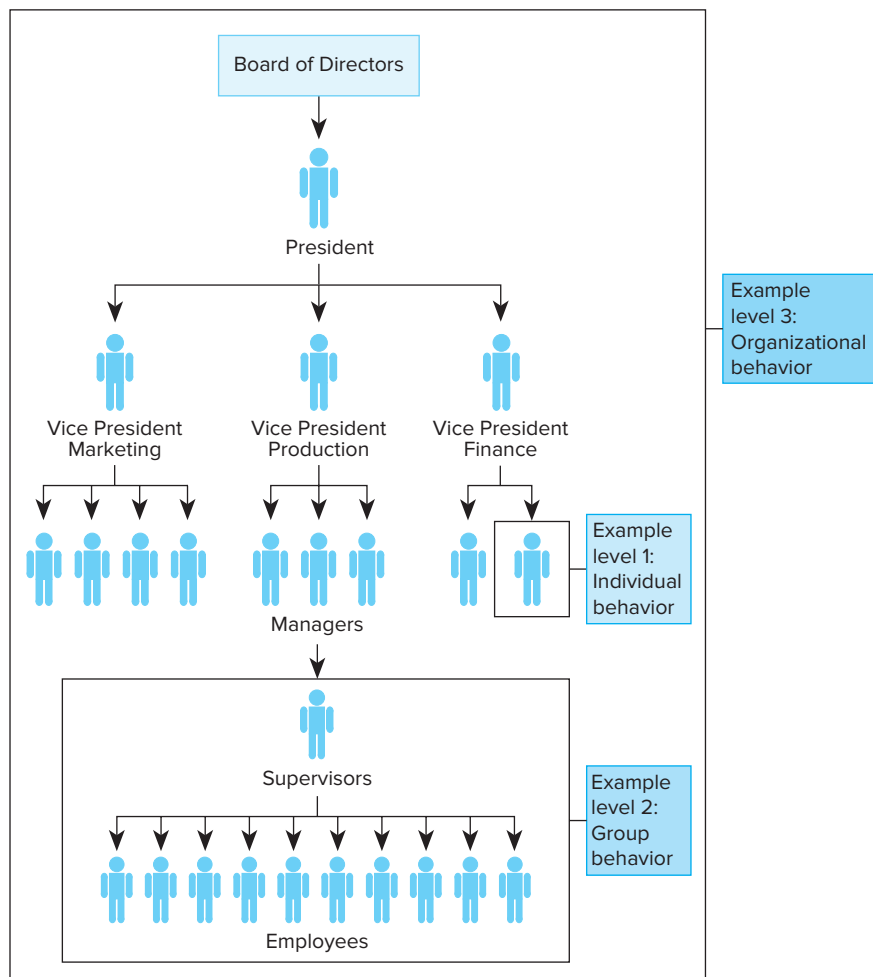
on a regular basis, such as when you go into a store, school, church, post office, or health club.

As individuals and groups interact, their collective behavior constitutes the organization's behavior.¹⁹ Thus, **organizational behavior (OB)** is the collective behavior of an organization's individuals and groups. /// In the opening case, IBM is an organization, and its collective behavior is based on Olin's behavior, the behavior of Nancy's department, and the behavior of all other departments combined. ///

This book explores all three levels of behavior. Chapters 2 through 4 focus primarily on individual behavior, Chapters 5 through 10 examine the skills influencing all three levels of behavior, and Chapters 11 through 13 focus on group and organizational behavior.

Exhibit 1.1 illustrates the three levels of behavior. The focus of level three is on the organization as a whole. At this level, the responsibility of the board of directors and the president is to focus on the entire organization. The focus of level two is on the behavior and human relations within and between groups such as the marketing, production, and finance departments. The focus of level one is on the behavior of any one person in the organization.²⁰

EXHIBIT 1.1 | Levels of Behavior



Each manager would have one or more supervisors reporting to him or her, and each supervisor would have several employees reporting to him or her.

WORK APPLICATION 1-4

Give two specific examples of your involvement in human relations—one positive and one negative. Also identify the level of behavior for each example.

Learning Outcome 1-3

Describe the relationship between individual and group behavior and organizational performance.

Exhibit 1.1 is a formal organization structure showing authority and reporting relationships. However, it does not show the multiple possible human relations that exist outside the formal structure. For example, the president could interact with any employee, an employee could interact with a manager, and a supervisor could interact with a vice president's administrative assistant.

The Relationship between Individual and Group Behavior and Organizational Performance

Throughout this course you will learn how human relations affects individual and group behavior, and the resulting effects on organizational performance. **Performance** is the extent to which expectations or objectives have been met. Performance is a relative term. Performance levels are more meaningful when compared to past performance or the performance of others within and/or outside the organization. Since relationships are the lifeblood of organizations, poor relations impede individual, group, and organizational performance.²¹

APPLICATION SITUATIONS / / /

Understanding Important Terms AS1-1

Identify each statement by its key term.

- | | | |
|----------------------------|--------------------|--------------------------|
| A. Behavior | C. Human relations | E. Performance |
| B. Goal of human relations | D. Organization | F. Total person approach |

- _____ 1. It's near quitting time and Karl boxed up the last package to be sent out today.
- _____ 2. "I've been working hard to do a good job. I got a raise; now I can buy that new iPhone I've been saving for."
- _____ 3. Jack and Jill are discussing how to complete a project they are working on together.
- _____ 4. Julio is quietly working alone on a report.
- _____ 5. All the people listed above are members of a(n).

WORK APPLICATION 1-5

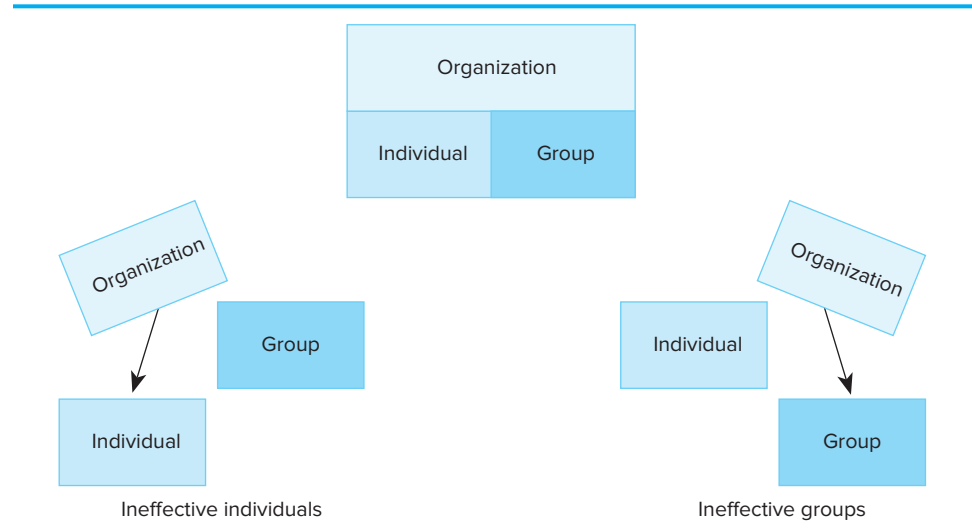
Give two specific examples of how human relations affected your performance—one positive and the other negative. Be specific in explaining the effects of human relations in both cases.

The Systems Effect A system is a set of two or more interactive elements. The systems approach, developed by Russell Ackoff, focuses on the whole system with an emphasis on the relationships between its parts. For our purposes, under the **systems effect** all people in the organization are affected by at least one other person, and each person affects the whole group or organization. The organization's performance is based on the combined performance of each individual and group. To have high levels of performance, the organization must have high-performing individuals and groups. Groups are the building blocks of the organization. As a result of the systems effect, the destructive behavior of one individual hurts that group and other departments as well.²² In addition, the destructive behavior of one department affects other departments and the organization's performance.

The challenge to management is to develop high-performing individuals and groups. In a sense, individuals and groups are the foundation of an organization. If either is ineffective, the organization cannot stand. See Exhibit 1.2 for a graphic illustration.

Just as people are the foundation of the organization, behavior and human relations are the foundation supporting performance. If either is ineffective, performance will fall.²³ Exhibit 1.3 gives a graphic illustration.

EXHIBIT 1.2 | The Relationship between Individual and Group Behavior and Organizational Performance



APPLICATION SITUATIONS / / /

Focus of Study AS 1-2

Identify the focus of study in each statement below by selecting two answers. First select the level of behavior:

A. Individual

B. Group

C. Organizational

Then select the scope of study:

A. Behavior

B. Human relations

C. Performance

_____ 6. Apple has just completed its income statement for the year.

_____ 7. The sales department exceeded its sales quota for the year.

_____ 8. Juan and Peg are working on a project together.

_____ 9. The organization chart shows the management hierarchy from the president down to the functional departments to the employee level.

_____ 10. Latoya is writing a letter to a customer regarding a complaint.

HUMAN RELATIONS: PAST, PRESENT, AND FUTURE

Human Relations Is a Multidisciplined Science

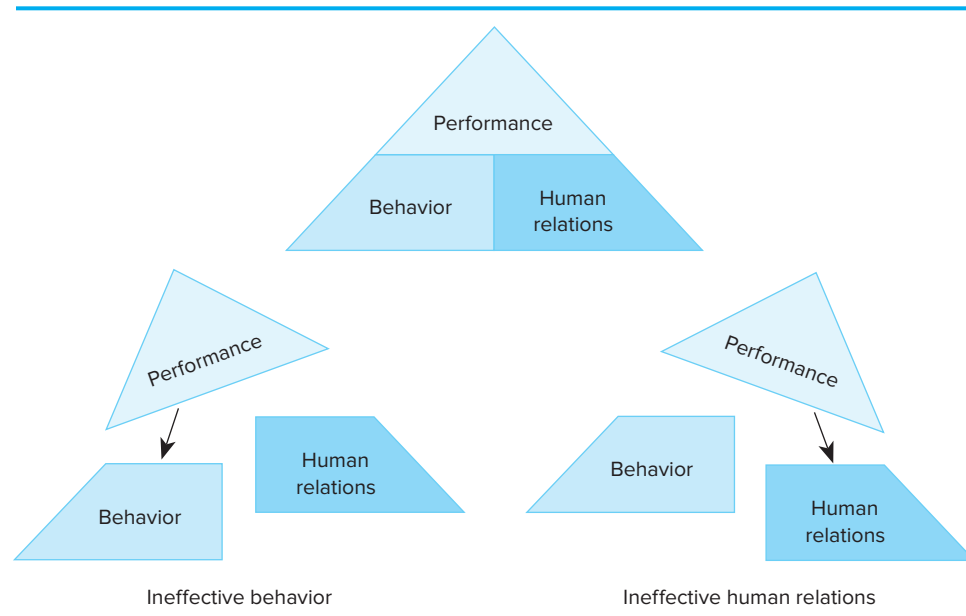
Popularly called *organizational behavior* and rooted in the behavioral sciences, the science of human relations was developed in the late 1940s. It is based primarily on psychology (which attempts to determine why individuals behave the way they do) and sociology (which attempts to determine how group dynamics affect organizational performance); social psychology, economics, and political science have also contributed to organizational behavior.

During the 1950s, research in human behavior was conducted in large organizations. By the late 1970s, organizational behavior was recognized as a discipline in its own right, with teachers, researchers, and practitioners being trained in organizational behavior itself. Organizational behavior is a social science that has built its

Learning Outcome 1-4

Briefly describe the history of the study of human relations.

EXHIBIT 1.3 | The Relationship between Behavior, Human Relations, and Performance



knowledge base on a sound foundation of scientific theory and research. Human relations takes a practical, applied approach. It attempts to anticipate and prevent problems before they occur and to solve existing problems of interpersonal relations in organizations.

The Early Years: Frederick Taylor and Robert Owen

In early America, most people worked on farms or were self-employed tailors, carpenters, shoemakers, or blacksmiths. Then, during the Industrial Revolution people left the farms to work in factories that were all privately owned. These businesses were concerned with profits, not employees, and managers viewed people only as a source of production. Most of the early owner-managers gave little thought to the working conditions, health, or safety of their employees. Working conditions were very poor—people worked from dawn until dusk under intolerable conditions of disease, filth, danger, and scarcity of resources. They had to work this way just to survive; there was no welfare system—you worked or you starved.

Frederick Taylor Frederick Taylor, an engineer known as the “father of scientific management,” focused on analyzing and redesigning jobs more efficiently in the late 1800s and early 1900s, which led to the idea of mass production. Scientific managers focused on production, not people.²⁴ They assumed that workers always acted rationally and were motivated simply by money. Also, Taylor failed to recognize the social needs of employees, and placed them in isolated jobs.

Robert Owen In 1800, Robert Owen was considered the first manager-entrepreneur to understand the need to improve the work environment and the employee’s overall situation. In 1920, Owen was called “the real father” of personnel administration.²⁵ He believed that profit would be increased if employees worked shorter hours, were paid adequately, and were provided with sufficient food and housing. He refused to employ children under the age of 11. (In the early 1800s, children went to work full-time at the age of 9.) Owen taught his employees cleanliness and temperance and improved their working conditions. Other entrepreneurs of that time did not follow his ideas.

Elton Mayo and the Hawthorne Studies

From the mid-1920s to the early 1930s, Elton Mayo and his associates from *Harvard University* conducted research at the Western Electric Hawthorne Plant near Chicago. The research conducted through the Hawthorne Studies has become a landmark in the human relations field. In fact, **Elton Mayo** is called the “father of human relations.” As a consequence of these studies, the Hawthorne effect was discovered.²⁶

WORK APPLICATION 1-6

Give a specific example, personal if possible, of the Hawthorne effect. It could be when a teacher, coach, or boss gave you special attention that resulted in your increased performance.

The **Hawthorne effect** refers to an increase in performance caused by the special attention given to employees, rather than tangible changes in the work. During the research, Mayo changed the lighting and ventilation. To his surprise, performance went up regardless of the working conditions. Through interviews, Mayo realized that the control group during the research felt important because of all the attention it got; therefore performance increased because of the special attention given to employees. With the knowledge of the results of the Hawthorne Studies, some managers used human relations as a means of manipulating employees, while others took the attitude that a happy worker is a productive worker. Studies have shown that happy workers are usually, but not always, more productive than unhappy workers.

The 1930s to the 1990s

During the depression of the 1930s, unions gained strength and in many cases literally forced management to look more closely at the human side of the organization and meet employees’ needs for better working conditions, higher pay, and shorter hours.

During the 1940s and 1950s, other major research projects were conducted in a number of organizations. Some of the research was conducted by the *University of Michigan*, which conducted studies in leadership and motivation; *Ohio State University*, which also studied leadership and motivation; the *Tavistock Institute of Human Relations* in London, which studied various subjects; and the *National Training Laboratories* in Bethel, Maine, which studied group dynamics. *Peter Drucker’s management by objectives* was popular in the 1950s and is still used today.

During the 1960s, *Douglas McGregor* published *Theory X and Theory Y*.²⁷ A discussion of his theories, which contrast the way managers view employees, appears in Chapter 3. In the same time period, *Eric Berne* introduced *transactional analysis (TA)*. (See Chapter 6 for a detailed discussion of TA.) Sensitivity training was popular in the 1960s.

During the 1970s, interest in human relations probably peaked. Quality circles were popular. By the late 1970s, the term *human relations* was primarily replaced with the more commonly used term *organizational behavior*.

In the 1980s, the U.S. rate of productivity was much lower than that of Japan. William Ouchi discovered that a few particularly successful firms did not follow the typical U.S. model. After years of research and investigation, Ouchi developed *Theory Z*.²⁸ **Theory Z** integrates common business practices in the United States and Japan into one middle-ground framework appropriate for use in the United States.

In their book *In Search of Excellence*, Thomas Peters and Robert Waterman conducted research to determine the characteristics of successful organizations.²⁹ During the 1980s, their work was criticized as companies identified as excellent began to have problems. Total quality management was popular in the 1980s.

In the 1990s, the trend toward increased participation of employees as a means of improving human relations and organizational performance continued. This trend included greater levels of participation at the lowest level of the organization. As a result, employees have more input into management decisions and how they perform their jobs. The use of groups and teams also became popular in the 1990s and continues to be today.



Communication Skills
Refer to CS Question 2.