GLOBAL EDITION

Essentials of Organizational Behavior

FIFTEENTH EDITION

Stephen P. Robbins • Timothy A. Judge

ESSENTIALS OF ORGANIZATIONAL BEHAVIOR

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This book is dedicated to our friends and colleagues in
The Management & Organizational Behavior Teaching Society,
who, through their commitment to enhancing the quality of learning
through education and research, have significantly improved the ability
of students to understand and apply OB concepts.

BRIEF CONTENTS

CONTENTS

PREFACE

This brief text was created as an alternative to the 600- or 700-page comprehensive textbook in organizational behavior (OB). *Essentials of Organizational Behavior* attempts to provide balanced coverage of all the key elements comprising the discipline of OB in a style that readers will find both informative and interesting. We're pleased to say that this text has achieved a wide following in short courses and executive programs, as well as in traditional courses as a companion volume to experiential, skill development, case, and reading resources. It is currently used at hundreds of colleges and universities in the United States, Canada, Latin America, Europe, Australia, and Asia. It has also been translated into Spanish, Portuguese, Japanese, Chinese, Dutch, Polish, Turkish, Danish, and Bahasa Indonesian.

SOLVING LEARNING AND TEACHING CHALLENGES

Students and instructors alike have expressed a need for a text on organizational behavior that is concise, clear, and focused on what matters: *the Essentials*. Since its first publication in 1984, we have tried diligently to keep this book in the range of 325 to 450 pages to meet this need.

Essentials of Organizational Behavior provides a brief overview of the core concepts and theories within the field of OB. Our current text users rave about this approach because it gives them flexibility to include other kinds of learning experiences and content in their OB courses. As a result, this text is currently used in a wide variety of courses and programs—ranging from community colleges to graduate schools, and in both in-person and online courses.

Part of the reason we have been able to keep this book short in length is that it does not include review questions, cases, exercises, or other components. It continues to provide the basic core of OB knowledge, allowing instructors the maximum flexibility in designing and shaping their courses.

In addition, *Essentials of Organizational Behavior* focuses on translating state-of-the art theory and research on OB into actionable practices that can be directly applied by students in the world of work. (See the Implications for Managers section at the end of each chapter.) By focusing on *why* OB matters in the workplace, students can apply what they learn to their own working experiences, regardless of their field of study. In the next section, we describe another facet of the practicality of this book: employability skills.

EMPLOYABILITY SKILLS

As a new feature in this edition, we spotlight five specific skills that research studies have identified as critical competencies that employers look for in job applicants. The competencies have been grouped together to form a broad set of "employability skills." These skills include **critical thinking, communication, collaboration, knowledge**

application/analysis, and social responsibility. We have included a new section in Chapter 1 that introduces employability skills, along with a matrix that identifies which employability skills are targeted by each part of the book. Explicit examples of how OB is relevant for business functions (e.g., marketing, sales) and outcomes are also highlighted in each subsequent chapter.

NEW TO THIS EDITION

State-of-the-Art Research and Examples

In total, nearly 1,000 new examples, research studies, and other forms of content were added to this edition. Content coverage was expanded to include updated research, discussion, and examples of current issues related to all aspects of organizational behavior. Overall, 538 contemporary examples were added to this edition.

OB in Times of Crisis

Given the unprecedented effect of the global COVID-19 pandemic on organizational behavior, new sections were added on OB topics in times of crisis. Four new "crisis" sections were added to the chapters on Decision Making, Teams, Communication, and Leadership. A discussion of COVID-19 and its effects on telecommuting was also included in the Motivation (Application) chapter.

Business Ethics

Events such as the BP Deepwater Horizon Oil spill, the Wells Fargo account fraud scandal, and the now infamous Enron scandal have cemented business ethics as an incredibly important topic area relevant to the study of OB. In this new edition, we have broadly increased our coverage of business ethics topics, including a new standalone section on organizational justice in the Motivation Concepts chapter, as well as new content on (un)ethical behavior (e.g., deviance) in the sections on organizations, behavioral ethics, corporate social responsibility, counterproductive work behaviors, moral emotions, the Dark Triad personality traits, (un)ethical leadership (e.g., abusive supervision), prejudice and discrimination, as well as ethical cultures and climate.

Artificial Intelligence and Machine Learning

Artificial intelligence (AI) and its applications, such as machine learning, have completely revolutionized the field of OB. Given the prevalence of AI applications in organizations and its status as a cutting-edge method in OB, we have included new examples of AI research and application throughout the text. In total, 40 applications of artificial intelligence and machine learning were incorporated across the chapters.

Increased Coverage on Diversity and Globalization

Diversity and globalization topics continue to be hot topics within the study of OB. Increased integration of contemporary globalization and diversity issues were added into topic discussions. Ninety-seven examples relevant to global issues, cross-cultural differences, and globalization were added as well as 129 examples of how OB affects diversity in organizations.

CHAPTER-BY-CHAPTER CHANGES

Chapter 1: What Is Organizational Behavior?

- **New content:** New Trends and Limitations in "Building on Big Data With Artificial Intelligence," Employability Skills
- **Newly revised sections:** *Learning Objectives,* What Is Organizational Behavior?, Management and Organizational Behavior, Complementing Intuition With Systematic Study, *Implications for Managers*
- **New research incorporated in the following areas:** *Introduction*, Complementing Intuition With Systematic Study, Building on Big Data With Artificial Intelligence, Globalization, Workforce Diversity, Social Media, Productivity, Employability Skills

Chapter 2: Diversity in Organizations

- **New content:** Stereotype Threat, Diversity in Groups, Diversity Programs, Gender (the Glass Ceiling and Glass Cliff), Cultural Intelligence, Bias Against Mothers, Work-Life Balance Issues Tied to Diversity
- **Newly revised sections:** Diversity, Discrimination and Stereotyping, Biographical Characteristics, Other Differentiating Characteristics, Implementing Diversity Management Strategies, *Summary, Implications for Managers*
- **New research incorporated in the following areas:** Demographic Characteristics, Age, Gender, Race and Ethnicity, Hidden Disabilities, Religion, Sexual Orientation and Gender Identity, Cultural Identity, Intellectual Abilities, Physical Abilities, Diversity in Groups, Diversity Programs

Chapter 3: Attitudes and Job Satisfaction

- **New content:** Employee Engagement, updated Global Job Satisfaction Exhibits
- **Newly revised sections:** Attitudes, Attitudes and Behavior, Job Attitudes, Job Satisfaction, What Causes Job Satisfaction?
- **New research incorporated in the following areas:** Attitudes, Attitudes and Behavior, Job Attitudes, Employee Engagement, How Satisfied Are People in Their Jobs?, Job Conditions, Turnover, The Impact of Job Dissatisfaction, Managers Often "Don't Get It"

Chapter 4: Emotions and Moods

- **New content:** Positive and Negative Affect, Moral Emotions, Emotional Intelligence
- **Newly revised sections:** What Are Emotions and Moods?, Sources of Emotions and Moods, Emotional Labor, Emotional Intelligence, Emotion Regulation Techniques
- **New research incorporated in the following areas:** The Basic Emotions, Experiencing Moods and Emotions, The Function of Emotions, Personality, Weather, Sleep, Sex, Controlling Emotional Displays, Affective Events Theory, Emotional Intelligence, Emotion Regulation, Emotion Regulation Techniques, Selection and Leadership, OB Applications of Emotions and Moods

Chapter 5: Personality and Values

- **New content:** Other Frameworks includes research on the HEXACO model, Cultural Values, New Exhibit (5.5), Comparison of Hofstede's Framework and the GLOBE Framework
- **Newly revised sections:** Linking Individuals to the Workplace (moved to introductory section), Personality, Agreeableness at Work, Other Personality Attributes Relevant to OB, Personality and Situations, Values, Cultural Values, *Summary, Implications for Managers*
- **New research incorporated in the following areas:** What Is Personality?, Person–Job Fit, Person–Organization Fit, The Myers–Briggs Type Indicator, How Do the Big Five Traits Predict Behavior at Work?, The Dark Triad, Other Frameworks, Core Self-Evaluation, Self-Monitoring, Proactive Personality, Personality and Situations, Situation Strength Theory, Trait Activation Theory, Values, Terminal Versus Instrumental Values, Generational Values, Hofstede's Framework

Chapter 6: Perception and Individual Decision Making

- **New content:** The Threat of Technological Unemployment, Decision Making in Times of Crisis, Deonance Theory
- **Newly revised sections:** What Is Perception?, Person Perception: Making Judgments About Others, Common Shortcuts in Judging Others, Decision Making in Organizations, Influences on Decision Making, Choosing Between Criteria, Causes of Creative Behavior, *Summary, Implications for Managers*
- **New research incorporated in the following areas:** Factors That Influence Perception, Attribution Theory, Stereotyping, The Link Between Perception and Individual Decision Making, Intuition, Overconfidence Bias, Confirmation Bias, Availability Bias, Risk Aversion, Hindsight Bias, Personality, Gender, Reward Systems, Behavioral Ethics, Lying, Causes of Creative Behavior

Chapter 7: Motivation Concepts

- **New content:** Basic Psychological Needs in Self-Determination Theory, Expectancy Theory, Organizational Justice
- **Newly revised sections:** *Learning Objectives*, Motivation, Early Theories of Motivation, Contemporary Theories of Motivation, Other Contemporary Theories of Motivation, Job Engagement, *Summary, Implications for Managers*
- **New research incorporated in the following areas:** Motivation; Two-Factor Theory; McClelland's Theory of Needs; Cognitive Evaluation Theory; Self-Concordance; Basic Psychological Needs; Goal Commitment, Task Characteristics, and National Culture; Goal Setting and Ethics; Individual and Promotion Foci; Equity Theory; Distributive Justice; Interpersonal Justice; Justice Outcomes; Job Engagement; Integrating Contemporary Theories of Motivation

Chapter 8: Motivation: From Concepts to Applications

- **New content:** Job Enrichment
- **Newly revised sections:** *Learning Objectives*, Motivating by Job Design, Job Redesign, Alternative Work Arrangements, Telecommuting, Employee Involve-

ment, Using Extrinsic Rewards to Motivate Employees, Using Intrinsic Rewards to Motivate Employees
- **New research incorporated in the following areas:** Motivating by Job Design, Efficacy of the JCM, Job Redesign, Job Rotation, Relational Job Design, Telecommuting, Employee Involvement and Participation, Participative Management, Using Extrinsic Rewards to Motivate Employees, What to Pay: Establishing a Pay Structure, How to Pay: Rewarding Individual Employees Through Variable-Pay Programs, Piece-Rate Pay, Merit-Based Pay, Employee Stock Ownership Plan, Employee Recognition Programs

Chapter 9: Foundations of Group Behavior
- **New content:** Groupshift, Research on Hidden Profiles and Information Sharing
- **Newly revised sections:** Defining and Classifying Groups, Stages of Group Development, Group Roles, Group Norms, Group Size and Dynamics, Group Cohesiveness, Group Diversity
- **New research incorporated in the following areas:** Social Identity, Ingroups and Outgroups, Role Perception, Role Expectations, Role Conflict, Norms and Emotions, Norms and Conformity, Positive Norms and Group Outcomes, Negative Norms and Group Outcomes, Norms and Culture, Status and Group Interaction, Status Inequity, Status and Stigmatization, Group Size and Dynamics, Types of Group Diversity, Challenges of Group Diversity, Strengths and Weaknesses of Group Decision Making, Effectiveness and Efficiency, Groupthink

Chapter 10: Understanding Work Teams
- **New content:** Crises and Extreme Contexts, Team Trust, Teaming
- **Newly revised sections:** *Learning Objectives, Introduction*, Differences Between Groups and Teams, Updated Exhibit 10-3, Team Context, Team Processes and States (Motivation and Mental Models), Creating Effective Teams, Turning Individuals Into Team Players
- **New research incorporated in the following areas:** Self-Managed Work Teams, Virtual Teams, Multiteam Systems, Creating Effective Teams, Team Context (including resources, leadership, structure, culture, climate, performance evaluation, and reward systems), Team Composition (member abilities, personality, and team size), Team Processes and States (including a common plan, motivation, team identity, team cohesion, and mental models), Turning Individuals Into Team Players

Chapter 11: Communication
- **New content:** Communicating in Times of Crisis
- **Newly revised sections:** *Introduction*, Direction of Communication, Functions of Communication, Modes of Communication, Persuasive Communication, Barriers to Effective Communication, Cultural Factors, *Summary*
- **New research incorporated in the following areas:** The Communication Process, Feedback, Downward and Upward Communication, Lateral Communication, The Grapevine, Written and Nonverbal Communication, Choosing Communication Methods, Information Security, Persuasive Communication (Automatic

and Controlled Processing, Importance/Interest Level, Message Characteristics), Barriers to Effective Communication (such as Emotions, Language, and Silence), Cultural Barriers

Chapter 12: Leadership

- **New content:** Leading in Times of Crisis, Gender and Leadership
- **Newly revised sections:** Trait Theories of Leadership, Contingency Theories, Contemporary Theories of Leadership, Trust, Substitutes for and Neutralizers of Leadership
- **New research incorporated in the following areas:** Personality Traits and Leadership (such as the Big Five Traits and Dark Triad Traits); Emotional Intelligence (EI) and Leadership; Leader Consideration Behaviors,;Cultural Differences; Path–Goal Theory; Leader–Member Exchange (LMX) Theory; Charismatic, Transformational, and Transactional Leadership Styles; Charismatic Leadership's Situational Contingencies; Transactional and Transformational Leadership; Full Range of Leadership Model; (Un)ethical Leadership; Servant Leadership; Trust (including Trust Propensity, The Role of Time, and Regaining Trust); Mentoring; Leadership as an Attribution

Chapter 13: Power and Politics

- **New content:** How Power Affects People and What We Can Do About It, Sexual Harassment: Unequal Power in the Workplace
- **Newly revised sections:** Power and Leadership, Which Bases of Power Are Most Effective?, Social Network Analysis: A Tool for Assessing Resources, Influence Tactics, updated Exhibit 13-2, How Power Affects People, *Implications for Managers*
- **New research incorporated in the following areas:** Power and Leadership, Which Bases of Power Are Most Effective?, Nonsubstitutability, Social Network Analysis: A Tool for Assessing Resources, Using and Applying Influence Tactics, How Power Affects People, How Power Affects People and What We Can Do About It, Sexual Harassment: Unequal Power in the Workplace, The Reality of Politics, Organizational Factors, How Do People Respond to Organizational Politics?, Impression Management

Chapter 14: Conflict and Negotiation

- **New content:** Complicating Conflict
- **Newly revised sections:** A Definition of Conflict, Cognition and Personalization, Managing Conflict, Negotiation, Individual Differences in Negotiation Effectiveness
- **New research incorporated in the following areas:** Types of Conflict (including Relationship, Task, Process, and Complicating Conflict); Potential Opposition or Incompatibility (such as Structure and Personal Variables); Cognition and Personalization; Intentions (Competing and Collaborating); Managing Conflict; Functional Outcomes; Distributive and Integrative Bargaining; Preparation and Planning (for a negotiation); Clarification and Justification (during a negotiation); Personality, Moods/Emotions, Culture and Race, and Gender in Negotiations; Third-Party Negotiations

Chapter 15: Foundations of Organization Structure

- **Newly revised sections:** What Is Organizational Structure?, Common Organizational Frameworks and Structures, Alternate Design Options, The Leaner Organization: Downsizing, Why Do Structures Differ?, *Implications for Managers*
- **New research incorporated in the following areas:** Organizational Structure, Departmentalization, Chain of Command, Centralization and Decentralization, Formalization, The Bureaucracy, The Virtual Structure, The Team Structure, The Leaner Organization: Downsizing, Mechanistic and Organic Models, Volatility

Chapter 16: Organizational Culture

- **New content:** A Definition of Organizational Culture, New Exhibit (16-2) on the effect of culture on organizational outcomes, updated Exhibit 16-6, Culture Creates Climate
- **Newly revised sections:** *Learning Objectives,* What Is Organizational Culture?, Reorganized chapter so that "How Employees Learn Culture" and "Creating and Sustaining Culture" are covered earlier, What Do Cultures Do?, *Summary, Implication for Managers*
- **New research incorporated in the following areas:** Do Organizations Have Uniform Cultures?, Strong Versus Weak Cultures, Rituals, Language, Keeping a Culture Alive (Selection and Top Management's Role), Encounter Stage (of Socialization), Hangover Phases in Socialization, The Functions of Culture, Culture Creates Climate, The Ethical Dimension of Culture, Culture and Sustainability, Culture and Innovation, Culture as an Asset, Barriers to (cultural) Diversity, Toxicity and Dysfunctions, Barriers to Acquisitions and Mergers, Developing an Ethical Culture, Criticism of Spirituality

Chapter 17: Organizational Change and Stress Management

- **New content:** Criticisms of Lewin's Three-Step Model
- **Newly revised sections:** *Learning Objectives*, Change, Creating a Culture for Change, Stress at Work, *Summary*
- **New research incorporated in the following areas:** Forces for Change, Resistance to Change, Overcoming Resistance to Change (including Communication, Participation, Building Support, and Developing Positive Relationships), Action Research, Process Consultation, Managing Paradox, Sources of Innovation, Context and Innovation, Idea Champions and Innovation, Organizational Change and Stress, What Is Stress?, Stressors, Potential Sources of Stress at Work (including Environmental, Organizational, and Personal Factors), Stressors Are Additive, Perception (of Stress), Workaholism, Physiological and Behavioral Symptoms (of Stress), Individual Approaches (to Managing Stress) (including Time-Management Techniques, Relaxation Techniques, and Social Support Networks), Goal-Setting (to Reduce Stress), Employee Sabbaticals, Wellness Programs

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Stephen P. Robbins previously worked for the Shell Oil Company and Reynolds Metals Company and has taught at the University of Nebraska at Omaha, Concordia University in Montreal, the University of Baltimore, Southern Illinois University at Edwardsville, and San Diego State University. He is currently professor emeritus in management at San Diego State. A full bio is available at stephenprobbins.com. Dr. Robbins's research interests have focused on conflict, power, and politics in organizations; behavioral decision making; and the development of effective interpersonal skills. His articles on these and other topics have appeared in such journals as *Business Horizons,* the *California Management Review, Business and Economic Perspectives, International Management, Management Review, Canadian Personnel and Industrial Relations,* and *The Journal of Management Education.* Dr. Robbins is the world's best-selling textbook author in the areas of management and organizational behavior. His books have sold more than 12 million copies and have been translated into 20 languages. His books are currently used at more than 1,500 U.S. colleges and universities, as well as hundreds of schools throughout Canada, Latin America, Australia, New Zealand, Asia, Europe, and the Arab World. Dr. Robbins also participates in masters' track competition. Since turning 50 in 1993, he's won 23 national sprint championships and 14 world sprint titles. He was inducted into the U.S. Masters Track & Field Hall of Fame in 2005.

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Timothy A. Judge is the Joseph A. Alutto Chair in Leadership Effectiveness, and Executive Director of the Fisher Leadership Initiative, Fisher College of Business, The Ohio State University. In the past, Dr. Judge has been a Fellow of the Cambridge Judge Business School, University of Cambridge, and Visiting Professor, Division of Psychology & Language Sciences, University College London. He has held academic positions at the University of Notre Dame, University of Florida, University of Iowa, Cornell University, and Charles University in the Czech Republic. Dr. Judge's primary research interests are in (1) personality, moods, and emotions; (2) job attitudes; (3) leadership; and (4) careers. Dr. Judge has published more than 155 articles in these and other major topics in refereed journals. He is a fellow of several professional societies, including the American Psychological Association, the Academy of Management, and the International Association of Applied Psychology. Among the many professional acknowledgments of his work, Dr. Judge has received the Heneman Career Achievement Award, the Mahoney Doctoral Mentoring Award, and the Scholarly Achievement Award, all from the Human Resources Division of the Academy of Management. In addition, a 2017 study identified him as the most cited out of more than 8,000 scholars in applied psychology. Dr. Judge is a co-author of *Organizational Behavior* with Stephen P. Robbins and *Staffing Organizations* with John Kammeyer-Mueller. Judge's primary nonwork passion revolves around rock climbing and mountaineering. He has climbed the three highest peaks in the United Kingdom and nearly half of the highest peaks in the lower forty-eight states. He and his wife Jill are the parents of three children.

1
What Is Organizational Behavior?

LEARNING OBJECTIVES

After studying this chapter, you should be able to:

1.1 Define **organizational behavior** (referred to as **OB** throughout the text).

1.2 Show the value of systematic study to OB.

1.3 Identify the major behavioral science disciplines that contribute to OB.

1.4 Demonstrate why few absolutes apply to OB.

1.5 Identify managers' challenges and opportunities in applying OB concepts.

1.6 Compare the three levels of analysis in this text's OB model.

1.7 Describe the key employability skills gained from studying OB that are applicable to other majors or future careers.

Right now, you might be wondering, "What is organizational behavior and why does it matter to me?" We will define organizational behavior (OB) very shortly, but first let us begin with the end in mind—why OB matters, and what the study of OB offers you.

Historically, business school coursework on human behavior in organizations has received relatively little attention. This might be surprising to you, because you might be thinking, but "the people make the place";[1] organizations are only as effective as the people who comprise them. Should we not try to understand people in the workplace, as well as how we make decisions, communicate, and interact with one another? Over the last several decades, business schools and organizations have realized the significant role interpersonal skills play in determining a manager's effectiveness. Understanding OB is important to you now, more than ever. We are in the midst of an OB revolution, of sorts, that is gaining traction year by year. As noted in the 2016 Deloitte Global Business Trends report, organizations have figured out that they need to understand "what makes people join, perform well in, and stay with an organization; who will likely be successful; who will make the best leaders; and what is required to deliver the highest-quality customer service and innovation."[2]

A knowledge of OB and interpersonal skills is critical for your success and advancement in the modern workplace. According to Jeff Weiner, chief executive officer (CEO) of LinkedIn, "communications is the No. 1 skills gap across. . . major cities in the

United States."[3] It is also relevant to nearly every job: One study by Monster (a global employment company) mined nearly one million market-wide job postings to determine the most frequently desired skills in applicants.[4] Communication skills was at the top of the list, followed by other OB-relevant skills, including problem-solving and influence skills. Furthermore, these skills are also necessary for your career advancement. A survey of over 2,100 chief financial officers across twenty industries indicated that a lack of interpersonal skills is the top reason why some employees fail to advance.[5] Ultimately, OB can equip you with tools that are critical to success and advancement in the workplace. In this text, we pay special attention to how the knowledge and practice of OB can help you (1) think analytically and critically, (2) make better decisions, (3) communicate and collaborate more effectively with others, and (4) act with a sense of social responsibility in the workplace. Research has demonstrated that these types of "employability skills" are highly valued and desired by employers, and a lack of these skills can lead to problems in the workplace.[6]

Telefónica
This Spanish multinational broadband and telecommunications provider is one of the best places to work because of their "people" focus. Telefónica's concerted efforts to keep its employees happy and productive includes putting in place a confidential help channel, which allows employees to clarify queries regarding operational matters and raise instances of noncompliance.

From the organizational standpoint, incorporating OB principles can help transform a workplace from good to great, with a positive impact on the bottom line. Companies known as good places to work—such as Lululemon, LinkedIn, Zoom Video, Southwest Airlines, Bain & Company, Google, the Boston Consulting Group, and Facebook[7]—have been found to generate superior financial performance as a result of their attention to OB.[8] Second, developing managers' interpersonal skills helps organizations attract and keep high-performing employees, which is important because outstanding employees are always in short supply and costly to replace. Third, the quality of workplace relationships is strongly linked with employee job satisfaction, stress, and turnover. One study of hundreds of workplaces and more than 200,000 respondents showed that positive social relationships among coworkers and supervisors were strongly related to overall job satisfaction, lower stress at work, and lower intentions to quit.[9] Positive work relationships help employees to flourish, leading to improvements in job and life satisfaction, positive emotions at work, and perceptions that one's work has meaning.[10] Fourth, an emphasis on OB in organizations can foster awareness of social responsibility. Universities have started to incorporate social entrepreneurship education into their curriculum in order to train future leaders in addressing social issues within their organizations.[11] This is especially important because there is a growing need for understanding the means and outcomes of corporate social responsibility (CSR).[12]

In today's competitive and demanding workplace, employees and managers alike cannot succeed by virtue of their technical skills alone. They also must exhibit good people skills. This text has been written to help people in organizations develop those skills along with the knowledge that understanding human behavior provides. In so doing, we believe you will obtain lasting skills and insight about yourself and others.

MANAGEMENT AND ORGANIZATIONAL BEHAVIOR

More than ever, individuals are placed into management positions without sufficient management training or informed experience. According to the US Bureau of Labor Statistics, employers with 100–500 employees provide less than one hour of management training per six-month period, on average.[13] Furthermore, according to a large-scale survey, more

than 58 percent of managers reported they had not received any training and 25 percent admitted they were not ready to lead others when they were given the role.[14] Added to that challenge, the demands of the job have increased: The average manager has seven direct reports (five was once the norm) and spends less time supervising them than managers of the past.[15] Considering that a Gallup poll found organizations chose the wrong candidate for management positions 82 percent of the time,[16] we conclude that the more you can learn about people and how to manage them, the better prepared you will be to *be* that right candidate. OB will help you get there.

Effective Versus Successful Managerial Activities

What makes one manager more effective than another? To answer this question, Fred Luthans, a prominent OB researcher, and associates looked at what managers do from a unique perspective.[17] They asked, "Do managers who move up most quickly in an organization do the same activities and with the same emphasis as managers who do the best job?" You might think the answer is yes, but that is not always the case.

Luthans and associates studied more than 450 managers. All engaged in four managerial activities:

1. **Traditional management.** Decision making, planning, and controlling.
2. **Communication.** Exchanging routine information and processing paperwork.
3. **Human resources (HR) management.** Motivating, disciplining, managing conflict, staffing, and training.
4. **Networking.** Socializing, politicking, and interacting with outsiders.

The "average" manager spent 32 percent of their time in traditional management activities, 29 percent communicating, 20 percent in HR management activities, and 19 percent networking. However, the time and effort different *individual* managers spent on those activities varied a great deal. Among managers who were *successful* (defined in terms of speed of promotion within their organizations), networking made the largest relative contribution to success and HR management activities made the least relative contribution. Indeed, other studies in Australia, Israel, Italy, Japan, and the United States confirm the link between networking, social relationships, and success within an organization.[18] However, Luthans and associates found that among *effective* managers (defined in terms of quantity and quality of their performance and the satisfaction and commitment of their employees), communication made the largest relative contribution and networking the least. The connection between communication and effective managers is also clear. Managers who explain their decisions and seek information from colleagues and employees—even if the information turns out to be negative—are the most effective.[19]

Organizational Behavior (OB) Defined

Now that we have established what managers do and why this is important for OB, we turn our focus more broadly toward how people behave in organizations.

Organizational behavior (OB) is a field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations for the purpose

Organizational behavior
A field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness.

of applying such knowledge toward improving an organization's effectiveness. That is a mouthful, so let us break it down.

OB is a field of study, meaning that it is a distinct area of expertise with a common body of knowledge. It focuses on three determinants of behavior in organizations: individuals, groups, and structure. In addition, OB applies the knowledge gained about individuals, groups, and the effect of structure on behavior in order to make organizations work more effectively.

To sum up our definition, OB is the study of what people do in an organization and the way their behavior affects the organization's performance. Because OB is concerned specifically with employment-related situations, it examines behavior in the context of job satisfaction, absenteeism, employment turnover, productivity, human performance, and management. Although debate exists about the relative importance of each, OB includes these core topics:[20]

- Motivation
- Leader behavior and power
- Interpersonal communication
- Group structure and processes
- Attitude development and perception
- Change processes
- Conflict and negotiation
- Work design

COMPLEMENTING INTUITION WITH SYSTEMATIC STUDY

Whether you have explicitly thought about it before or not, you have been "reading" people almost all your life by watching their actions and interpreting what you see, or by trying to predict what people might do under different conditions. The casual approach to reading others can often lead to erroneous predictions, but using a systematic approach can improve your accuracy.

Underlying the systematic approach is the belief that behavior is not random. Rather, we can identify consistencies underlying people's behavior and modify them to reflect individual differences.

Systematic study
Looking at relationships, attempting to attribute causes and effects, and drawing conclusions based on scientific evidence.

These fundamental consistencies are very important. Why? Because they allow predictability. Behavior is generally predictable, and the **systematic study** of behavior is a way to make reasonably accurate predictions. When we use the term *systematic study*, we mean looking at relationships, attempting to attribute causes and effects, and basing our conclusions on scientific evidence—that is, on data gathered under controlled conditions and measured, and interpreted, in a rigorous manner.

Evidence-based management (EBM)
The basing of managerial decisions on the best available scientific evidence.

Evidence-based management (EBM) complements systematic study by basing managerial decisions on the best available scientific evidence. For example, we want doctors to make decisions about patient care based on the latest available evidence, and EBM argues that managers should do the same, thinking more scientifically about management problems. You might wonder what manager would not base decisions on evidence, but most management decisions are still made "on the fly," with little to no systematic study of available evidence.[21]

Intuition
An instinctive feeling not necessarily supported by research.

Systematic study and EBM add to **intuition**, or those "gut feelings" about what makes others (and ourselves) "tick." Of course, the things you have come to believe in