

Gary Johns • Alan M. Saks



TWELFTH EDITION

ORGANIZATIONAL BEHAVIOUR

Understanding and Managing Life at Work



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UNDERSTANDING AND MANAGING LIFE AT WORK

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Instructor's Edition: ISBN 978-0-13-731839-1

Print Offer: ISBN 978-0-13-731832-2

ScoutAutomatedPrintCode

Library and Archives Canada Cataloguing in Publication

Title: Organizational behaviour : understanding and managing life at work / Gary Johns, Concordia University and University of British Columbia, Alan M. Saks, University of Toronto.

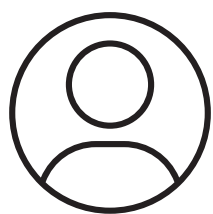
Names: Johns, Gary, author. | Saks, Alan M. (Alan Michael), author.

Description: Twelfth edition. | Includes bibliographical references and index.

Identifiers: Canadiana 20210300779 | ISBN 9780137318391 (instructor's review copy) | ISBN 9780137318322 (loose-leaf)

Subjects: LCSH: Organizational behavior—Textbooks. | LCSH: Management—Textbooks. | LCGFT: Textbooks.

Classification: LCC HD58.7 .J64 2021 | DDC 302.3/5—dc23



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For Jean Johns and Monika Joerg

Gary Johns

For Kelly, Justin, and Brooke

Alan M. Saks

This edition is dedicated to the memory of William Grant Johns.

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PREFACE

ABOUT *ORGANIZATIONAL BEHAVIOUR: UNDERSTANDING AND MANAGING LIFE AT WORK*, TWELFTH EDITION

Our Approach

Welcome to the twelfth edition of *Organizational Behaviour: Understanding and Managing Life at Work!* This edition marks the 40th anniversary of the text, which has been rigorously updated over the years to present students with the latest knowledge and research on both the science and practice of organizational behaviour. First published in 1983, *Organizational Behaviour* is the longest-running, continuously published, and regularly revised organizational behaviour textbook authored in Canada.

In writing the twelfth edition, we have been guided by three goals. First, we wish to convey the genuine excitement inherent in the subject of organizational behaviour by sharing our enthusiasm about the subject with students who are reading and learning about it for the first time.

Second, we want the presentation of the material to have both academic and practical integrity, acknowledging the debt of the field to both behavioural science research and organizational practice. To put it another way, we want this text to be useful and enjoyable to read without oversimplifying key subjects on the premise that this somehow makes them easier to understand. This requires striking a balance between research and theory on the one hand, and practice and application on the other hand. The twelfth edition of *Organizational Behaviour* includes the most recent research and theory in the field (e.g., thriving at work and organizational care, Chapter 1; dirty work and counterproductive work behaviour, Chapter 4; job crafting, Chapter 6; ethical, authentic, and servant leadership, Chapter 9; employer branding, Chapter 10; evidence-based management, big data, and crowdsourcing, Chapter 11; knowledge hiding, Chapter 12; technostress and cyberbullying, Chapter 13) as well as many examples of the application and practice of organizational behaviour throughout the text and showcased in the chapter-opening vignettes, the “Applied Focus” features, and the “You Be the Manager” features.

Third, we want students to not only learn about organizational behaviour but also to understand the connections and linkages across topics and how to integrate theory, principles, and concepts across chapters rather than see them as separate or isolated topics. Special features designed to enhance this skill include an integrative case that runs through each section of the text and integrative discussion questions at the end of every chapter. We sincerely hope these goals have resulted in a text that is interesting and enjoyable to read and also conveys the importance of organizational behaviour to individuals, groups, organizations, and society.

GENERAL CONTENT AND WRITING STYLE *Organizational Behaviour*, Twelfth Edition, is comprehensive—the material is authoritative and up to date and reflects current research and practical concerns. Both traditional subjects (such as expectancy theory) and newer topics (like workplace spirituality, positive organizational behaviour, dirty work, job crafting, cyberbullying, technostress, positive leadership, virtual teams, collective efficacy, emotional intelligence, creative deviance, mindfulness, crowdsourcing, knowledge hiding, and platforms) are addressed. Balanced treatment is provided to micro topics (covered in the earlier chapters) and macro topics (covered in the later chapters).

Although *Organizational Behaviour* is comprehensive, we have avoided the temptation to include too many concepts, theories, and ideas. Rather than composing a long laundry list of marginally related concepts, each chapter is organized in interlocked topics. The topics are actively interrelated and are treated in enough detail to ensure understanding. Special attention has been devoted to the flow and sequencing of the topics.

The writing style is personal and conversational. Excessive use of jargon is avoided, and important ideas are well defined and illustrated. Special attention has been paid to consistency of terminology throughout the book. We have tried to foster critical thinking about the concepts under discussion by using devices like asking the reader questions in the body of the text.

Believing that a well-tailored example can illuminate the most complex concept, we have used examples liberally throughout the text to clarify the points under consideration. The reader is not left wondering how a key idea applies to the world of organizations. The text is illustrated with exhibits, cartoons, and excerpts from the business press, such as *Report on Business*, *Canadian Business*, and *Canadian HR Reporter*, to enhance the flow of the material and reinforce the relevance of the examples for students.

We have treated the subject matter generically, recognizing that organizational behaviour occurs in all organizations. The reader will find vignettes, cases, “Focus” selections, “You Be the Manager” features, and examples drawn from a variety of settings, including large and small businesses, high-tech firms, manufacturing firms, hospitals, schools, and the military. In addition, care has been taken to demonstrate that the material covered is relevant to various levels and jobs within these organizations.

ORGANIZATION *Organizational Behaviour* is organized in a simple but effective building-block manner. Part One: An Introduction defines organizational behaviour, discusses the nature of organizations, introduces the concept of management, and reviews contemporary management concerns. Part Two: Individual Behaviour covers the topics of personality, learning, perception, attribution, diversity, attitudes, job satisfaction, organizational commitment, theories of motivation, and motivation in practice. Part Three: Social Behaviour and Organizational Processes discusses groups, teamwork, socialization, culture, leadership, communication, decision making, power, politics, ethics, conflict, negotiation, and stress. Part Four: The Total Organization considers the environment, strategy, organizational structure, change, and innovation.

Some instructors may prefer to revise the order in which students read particular chapters, and they can accomplish this easily. However, Chapter 5, Theories of Work Motivation, should be read before Chapter 6, Motivation in Practice. The text has been designed to be used in either a quarter or semester course.

MAJOR THEMES AND CONTENT In preparing the twelfth edition of *Organizational Behaviour*, we concentrated on developing several themes that are current in contemporary organizational life. This development included adding new content, expanding previous coverage, and addressing the themes throughout the text to enhance integration.

The **global aspects of organizational life** continue to receive strong treatment in this edition to enable students to become more comfortable and competent in dealing with people from other cultures. Major sections on this theme appear in Chapters 4, 5, 9, and 10, which deal respectively with values, motivation, leadership, and communication. Pedagogical support for the global theme includes “Global Focus” features (Chapters 4, and 10), a case incident (Chapter 10), two case studies (Chapters 2 and 6), and the integrative case.

The changing nature of workplace demographics and a need to provide a welcoming work environment for all organizational members has led to explicit coverage of **workforce diversity**. The major treatment of this topic occurs in Chapter 3 in the context of perception and attribution. Additional treatment occurs in the context of contemporary management concerns (Chapter 1), motivation (Chapter 5), teams (Chapter 7), and communication (Chapter 10). Pedagogical support for the diversity theme can be found in the “Diversity Focus” features (Chapters 1, 2, 3, 8, and 9) and the “You Be the Manager” feature in Chapter 3. We also see it in a chapter-opening vignette (Chapter 3), a case incident (Chapter 3), a case study (Chapter 3), and an experiential exercise (Chapter 3).

Contemporary organizations are focusing more and more on **teamwork**. This has led to expanded coverage of teams (such as virtual teams), and the most recent research findings on team characteristics and group effectiveness can be found in Chapter 7. Coverage of group decision making is included in Chapter 11. Pedagogical backup for the teamwork theme includes a chapter-opening vignette, “You Be the Manager” feature, “Research Focus” feature, a case study, a case incident, and an experiential exercise (all in Chapter 7).

Many organizations continue to undergo major **change and transformation**. Inter-related topics involving organizational change, such as reengineering and the use of technology, continue to receive detailed coverage and are the focus of another theme highlighted in this edition. Coverage of organizational change can be found in Chapter 15. The role of technology in communication and decision making can be found in Chapters 10 and 11, where computer-mediated communication and social media are covered. Other relevant topics include telecommuting (Chapter 6) as well as sections on virtual, modular, and ambidextrous organizational structures (Chapter 14). Several passages portray the use and abuse of advanced technology, such as the discussion of cyberloafing in Chapter 10 and techno-stress in Chapter 13. Pedagogical backup for the change theme includes two chapter-opening vignettes (Chapters 14 and 15), three “You Be the Manager” features (Chapters 8, 14, and 15), an experiential exercise (Chapter 10), a case incident (Chapter 15), a case study (Chapter 15), and the Integrative Case.

Finally, the twelfth edition of *Organizational Behaviour* reflects the continuing issue of **ethics** in organizations. The major formal coverage of ethics is included in Chapter 12 along with a discussion of power and politics. In addition, coverage of ethical leadership and an ethical organizational climate can be found in Chapter 9. Pedagogical support for the ethics theme can be found in a chapter-opening vignette and the “Ethical Focus” feature in Chapter 12. Case studies are particularly good vehicles for examining the complexity surrounding ethical issues, and the case incidents in Chapters 9 and 12 and the case studies in Chapters 10, 11, and 12 deal with explicit ethical dilemmas. One of the experiential exercises in Chapter 9 deals with ethical leadership.

ABOUT THE COVER The cover of the twelfth edition of *Organizational Behaviour: Understanding and Managing Life at Work*, features musicians from a performing jazz band. What does a jazz band have to do with organizational behaviour? A great deal! Jazz has been used as a metaphor for organizations and organizational behaviour for many years.

In 1998, the journal *Organizational Science* published a special issue on jazz improvisation as a metaphor for organizations (vol. 9, no. 5), a result of a symposium called “Jazz as a Metaphor for Organizing in the Twenty-First Century” that was held at the 1995 Academy of Management Conference in Vancouver, British Columbia. The idea was to think about the twenty-first-century organization in the context of the jazz metaphor for organizing. The jazz metaphor has also been adopted by some organizations. In its 1996 annual report, the LEGO Corporation featured its top-management team as a jazz ensemble, with the CEO playing the saxophone—the CEO wanted to highlight the importance of improvisation at all levels of management.

Organizations and organizational behaviour are like jazz in many ways. Jazz involves improvisation, innovation, and flexibility, all of which are important attributes of individuals and groups in organizations as well as organizations themselves. Organizations and the people in them must be flexible and capable of innovation and improvisation to survive and adapt to change. Innovation and flexibility are especially important for contemporary organizations.

In his book *Leadership Jazz*, Max De Pree argues that leadership in organizations is like a jazz band: “Jazz-band leaders must choose the music, find the right musicians, and perform—in public. But the effect of the performance depends on so many things—the environment, the volunteers playing in the band, the need for everybody to perform as individuals and as a group, the absolute dependence of the leader on the members of the band, the need of the leader for the followers to play well. What a summary of an organization!”

In a recent article in *Academy of Management Perspectives*, Fisher and Barrett (2019) discuss the importance and experience of improvising in organizations. They begin their paper by stating, “People in organizations often encounter unforeseen obstacles at work, fumble through

potential solutions extemporaneously, work with the materials at hand, and come upon new insights, alternative courses of action, or product innovations. Organizational scholars have described such activities as *improvisation*” (p. 148). They note that improvisation is an important source of creativity and it can generate novel and useful solutions in organizations that can have lasting consequences.

Finally, as noted by Mary Jo Hatch, one of the chairs of the jazz symposium, the characteristics that are associated with the twenty-first-century organization are very similar to those of a jazz band: It is flexible, adaptable, and responsive to the environment, and it has loose boundaries and minimal hierarchy. Organizational behaviour is very much like a jazz band—individuals working together in the spirit of innovation, improvisation, and inspiration.

Content Features

The twelfth edition’s pedagogical features are designed to complement, supplement, and reinforce the textual material. More specifically, they are designed to promote self-awareness, critical thinking, and an appreciation of how the subject matter applies in actual organizations. The twelfth edition of *Organizational Behaviour* includes all of the features found in the previous edition, including three different kinds of cases (case studies, case incidents, and an integrative case), five types of “Focus” boxes (“Applied Focus,” “Research Focus,” “Ethical Focus,” “Diversity Focus” and “Global Focus”), “You Be the Manager” features, “Experiential Exercises,” and “On-the-Job Challenge” questions, which can be found at the end of each chapter, along with discussion questions for each chapter and integrative discussion questions.

- All chapters begin with an **Opening Vignette** chosen to stimulate interest in the chapter’s subject matter. All of these vignettes concern real people in real organizations. Each vignette is carefully analyzed at several points in the chapter to illustrate the ideas under consideration. For example, Chapter 3 begins with a discussion of diversity at Cogeco Connexion, and Chapter 11 describes the Canadian government’s Phoenix payroll fiasco. The twelfth edition of *Organizational Behaviour* includes nine new vignettes and several updated ones.
- Each chapter opens with **Learning Objectives** to help focus the student’s attention on the chapter’s subject matter. The Learning Objectives also appear within the chapter, in the margin, beside content relevant to each objective.
- In each chapter, students encounter a **You Be the Manager** feature that invites them to stop and reflect on the relevance of the material they are studying to a real problem in a real organization. Venues range from Tim Horton’s (Chapter 1) and Sun Life Financial (Chapter 2) to Forever 21 (Chapter 14). Problems range from dealing with a minimum wage hike (Chapter 1), racial bias and managing diversity (Chapter 3), and changing an organization’s culture (Chapter 8) to bullying at work (Chapter 13). At the end of each chapter, **The Manager’s Notebook** offers some observations about the problem and reveals what the organization actually did or should do. The twelfth edition of *Organizational Behaviour* includes seven new “You Be the Manager” features.
- All chapters contain some combination of the following “Focus” features: **Research Focus, Applied Focus, Diversity Focus, Global Focus, and Ethical Focus**. These features illustrate or supplement the textual material with material from the practising management literature (e.g., *Canadian HR Reporter*), the research literature (e.g., *Academy of Management Journal*), and the popular press (e.g., *Toronto Star*). They are chosen to exemplify real-world problems and practices as they relate to organizational behaviour. The “Research Focus” feature provides examples of organizational behaviour research, such as the importance of cognitive ability and motivation for job performance (Chapter 5) and the impact of informal communication on life at work (Chapter 10). The “Applied Focus” features provide practical examples of the application of the text material in organizations. For example, the “Applied Focus” box in Chapter 1 describes how to make work meaningful, and the box in Chapter 11

describes how to use an experiment to generate adequate information to make a good decision. These two features help to reinforce the importance of both the research and practice of organizational behaviour. The “Ethical Focus” feature provides examples of ethics in organizational behaviour, such as the grounding of Boeing’s 737 Max (Chapter 12). This feature reinforces the importance of ethics in management and organizational behaviour. The “Global Focus” feature provides examples of organizational behaviour around the globe, such as illustrating the toll taken by work centrality in Japan (Chapter 4). This feature reinforces the importance of cross-cultural issues in management and organizational behaviour. The “Diversity Focus” feature provides examples of diversity in organizations, such as illustrating how an organization has an initiative to empower and inspire women and increase their numbers in leadership positions throughout the organization (Chapter 9). This feature reinforces the importance of diversity issues in management and organizational behaviour. The twelfth edition of *Organizational Behaviour* includes 21 new Focus features.

- **Key terms** in each chapter are set in boldface type when they are discussed in the body of the text. They are also restated with their definitions in the margins or as pop-ups in Revel.
- Each chapter concludes with a **Learning Objectives Checklist** (keyed to the chapter **Learning Objectives**) and **Discussion Questions**. In addition, each chapter includes at least two **Integrative Discussion Questions**. While the traditional discussion questions deal with issues within each chapter, the integrative discussion questions require students to relate and integrate the material in a current chapter with concepts and theories from previous chapters. For example, one of the questions in Chapter 12 (“Power, Politics, and Ethics”) requires students to use the material on organizational learning practices (Chapter 2) and contributors to organizational culture (Chapter 8) to understand how an organization can create an ethical workplace. This feature is designed to facilitate student integration of various concepts and theories throughout the text.
- **On-the-Job Challenge Questions** appear after the Integrative Discussion Questions in each chapter. These questions differ from the other discussion questions in several respects. First, they are based on real issues and problems facing organizations. Second, they are more complex and challenging in that they require students to use their knowledge of all the material in the chapter. Third, these questions are very practical and require students to apply the text material to an actual organization. For example, the question in Chapter 8 asks students to consider the toxic culture at the York Region Children’s Aid Society. The answers to these questions are not simple or straightforward as they require the student to apply the text material to a real issue in an organization. We hope that these questions provide students with an interesting and engaging opportunity to use their knowledge of organizational behaviour to address real problems in organizations today. The twelfth edition of *Organizational Behaviour* includes five new on-the-job challenge questions.
- Each chapter includes at least one **Experiential Exercise**. These exercises span individual self-assessment, role-playing, and group activities. In addition, to enhance student understanding and encourage discussion and interaction, most of the exercises include a group component in which groups of students work together on an exercise or discuss the results of a self-assessment and answer a series of questions. To ensure confidence in the feedback students receive, the self-assessments generally have a research base. The twelfth edition of *Organizational Behaviour* includes four new experiential exercises.
- **Case Incidents** are included in every chapter. Case incidents are shorter than the case studies and are designed to focus on a particular topic within a chapter. Because they are short (one or two paragraphs) and deal with realistic scenarios of organizational life, they enable an instructor to quickly generate class discussion on a key theme within each

chapter. They can be used at the beginning of a class to introduce a topic and to stimulate student thinking and interest, during the class when a particular topic is being discussed, or at the end of a class when the focus turns to applying the text material. The twelfth edition of *Organizational Behaviour* includes one new case incident.

- A **Case Study** is found in each chapter. The cases are of medium length, allowing great flexibility in tailoring their use to an instructor's personal style. We have selected cases that require active analysis and decision making, not simply passive description. Cases span important topics in contemporary organizations, such as systemic racism and discrimination (Chapter 3), introducing teams (Chapter 7), and corporate culture (Chapter 8). The twelfth edition of *Organizational Behaviour* includes five new case studies.
- The **Integrative Case** is presented at the end of Part One of the text. Unlike the case studies, which focus only on the material in each chapter, the integrative case requires students to use the material throughout the text to understand the case material. Integrative case questions can be found at the end of each of the four parts of the text. The questions deal with the main issues and themes of the chapters within each part. This enables students to gain an increasing awareness and understanding of the case material upon completion of each part of the text. Answering the case questions requires the integration of material from the chapters within each part as well as preceding parts of the text. Therefore, upon completion of the text and the integrative case questions, the student will have acquired a comprehensive understanding of the case through the integration of issues pertaining to individual behaviour, social behaviour and organizational processes, and the total organization. The twelfth edition of *Organizational Behaviour* includes the integrative case: Ken Private Limited: Digitization Project.

WHAT'S NEW

The twelfth edition of *Organizational Behaviour* adds substantial new content, features, and pedagogy while remaining faithful to the general format and structure of the eleventh edition. While the major topics of the eleventh edition remain in this edition, we have added new content to reflect recent research as well as new and emerging themes in the organizational behaviour literature in every chapter of the text. Examples of new vignettes, focus boxes, topics, You Be the Manager, case studies, case incidents, exercises, on-the-job challenge questions, and definitions that can be found in the twelfth edition include:

Chapter 1:

- Alternative work arrangements
- Mindfulness
- Organizational care
- Precarious work
- Thriving at work
- *Chapter-Opening Vignette*: Klick Health
- *Diversity Focus box*: EY Embraces Neurodiverse Talent
- *Experiential Exercise*: Are You Thriving at Work?

Chapter 2:

- *Chapter-Opening Vignette*: Dr. Bonnie Henry—Provincial Health Officer for British Columbia
- *Diversity Focus box*: Training Indigenous Workers at Agnico Eagle Mines
- *On-the-Job Challenge Question*: Caught on Camera

Chapter 3:

- Black Lives Matter
- Diversity climate
- Norm of reciprocity
- Organizational climate
- Organizational climate perceptions
- Safety climate
- *Diversity Focus* box: Marriott International's Culture Day Program
- *Experiential Exercise*: Diversity Climate Perceptions
- *Case Study*: Putting a Lid on Systemic Racism and Discrimination in the Peel Regional Police Service

Chapter 4:

- Counterproductive work behaviour
- Commitment profiles
- Dirty work
- *Chapter-Opening Vignette*: Maplewave
- *You Be the Manager*: Performance Management at Patagonia
- *On-the-Job Challenge Question*: Most Canadians Job-Satisfied, Chinese Not
- *Case Study*: CSR Bonus at CapTech

Chapter 5:

- Maslow's Hierarchy of Needs update
- *Research Focus* box: The Effects of Priming Subconscious Goals on Organizational Behaviour
- *On-the-Job Challenge Question*: Hero Pay: Now You Get It and Now You Don't!

Chapter 6:

- Telecommuting during the COVID-19 pandemic
- *Chapter-Opening Vignette*: Costco Wholesale
- *Research Focus* box: Pay for Performance and Employee Helping Behaviour
- *You Be the Manager*: Making the Shift to a Four-Day Workweek

Chapter 7:

- Qualities of effective work teams
- Team resilience
- Multi-team systems
- *Research Focus* box: From Zero to Hero? Rapid Status Change During the COVID-19 Pandemic
- *Research Focus* box: Team Size and Scientific Disruption

Chapter 8:

- Socialization resources theory
- *Chapter-Opening Vignette*: Steam Whistle Brewing
- *Research Focus* box: Mentoring in the Wake of #MeToo

- *Diversity Focus* box: Virtual Socialization and Diversity
- *On-the-Job Challenge Question*: A Toxic Culture
- *Case Study*: Changing the Culture at the Toronto Transit Commission (TTC)

Chapter 9:

- Contingent reward behaviour
- Emergent leadership
- Ethical organizational climate
- Leadership process mechanisms
- Management by exception—active (MBEA)
- Management by exception—passive (MBEP)
- Motivation to lead
- Narcissism
- Promotion-focused versus prevention-focused ethical leadership
- *Diversity Focus* box: Apotex's Women in Leadership Initiative
- *Research Focus* box: Motivation to Lead and Leadership Effectiveness
- *You Be the Manager*: Spying on Employees
- *Experiential Exercise*: Motivation to Lead

Chapter 10:

- Humour in communication
- Storytelling
- *Chapter-Opening Vignette*: Boston Children's Hospital Combats Medical Miscommunication
- *Research Focus* box: Office Chit-Chat Is More Important Than It Seems
- *Global Focus* box: French and Australians Can't Communicate
- *You Be the Manager*: Ultronauts Tailors Communication to Foster Neurodiversity

Chapter 11:

- Law of unintended consequences
- *Applied Focus* box: How to Decide? Do an Experiment
- *On-the-Job Challenge Question*: University of California, Irvine, Rescinds 500 Student Admissions
- *Experiential Exercise*: ISR-1 Drug Case

Chapter 12:

- Knowledge hiding
- Bottom line mentality
- Social capital
- *Research Focus* box: Does LinkedIn Facilitate Networking?
- *Ethical Focus* box: The Grounding of Boeing's 737 Max

Chapter 13:

- Ostracism
- Conflict profiles

- *Applied Focus* box: Role Overload in the Video Game Industry
- *Research Focus* box: Stress Among Entrepreneurs
- *Case Study*: The “Chatty” Accusation at the Customer Support Call Centre

Chapter 14:

- Algorithmic control
- Platforms
- *Chapter-Opening Vignette*: GitHub Transforms Its Structure
- *Applied Focus* box: Instant Pot—The Instant Organization
- *You Be the Manager*: Forever Bankrupt
- *On-the-Job Challenge Question*: Cadillac Moves, Then Moves Again

Chapter 15:

- *Chapter-Opening Vignette*: Change Is a Constant at Ford
- *You Be the Manager*: Sustaining Innovation at Amazon
- *Case Incident*: The “New” Curriculum

We have updated many other areas throughout the text with the most current and recent research from the practising management literature, academic literature, and the popular and business press. We have also replaced the content of many of the features and added new ones. In total, the twelfth edition contains nine new chapter-opening vignettes, twenty-one new “Focus” boxes, and seven new “You Be the Manager” features. These features have been carefully chosen to represent current and exciting examples of organizational behaviour. Of those examples that we have retained from the eleventh edition, many have been substantially updated.

In addition to new and updated content, the twelfth edition includes several new exhibits. For example, Chapter 3 includes a new exhibit on recommendations for recruiting and retaining Indigenous workers (Exhibit 3.8). Chapter 4 features a new exhibit on generations in the workplace (Exhibit 4.1) Chapter 13 includes a new exhibit on conflict profiles (Exhibit 13.1) and outcomes of modes of managing conflict (Exhibit 13.3).

Finally, in the end-of-chapter material, there are five new case studies, one new case incident, four new experiential exercises, and five new On-the-Job Challenge Questions.

DIGITAL LEARNING WITH REVEL

The twelfth edition of *Organizational Behaviour: Understanding and Managing Life at Work* is delivered through Pearson’s Revel platform.

Revel[®] improves results by empowering students to actively participate in learning. More than a digital textbook, Revel delivers an engaging blend of author content, media, and assessment. With Revel, students read and practise in one continuous experience. Interactive content and assessments integrated throughout the narrative provide opportunities for students to explore and apply concepts. And Revel is mobile and user-friendly, so students can learn on the go—anytime, anywhere, on any device.

Dynamic content brings concepts to life:

- **Videos and interactives** integrated directly into the narrative get students learning actively, making it more likely that they’ll retain what they’ve read.
- Embedded **assessments** afford students regular opportunities to check their understanding. The results enable instructors to gauge student comprehension and provide timely feedback to address learning gaps along the way.

- **Writing assignments**—such as journaling prompts, shared writing activities, and essays—enable educators to foster and assess critical thinking without significantly impacting their grading burden.
- **Video quizzes** offer students opportunities to further their knowledge by applying concepts and testing their understanding. Instructors can share videos accompanied by time-stamped multiple-choice questions.
- The Revel **mobile app** lets students read and practice anywhere, anytime, on any device—online and off. It syncs work across all registered devices automatically, allowing learners to toggle between phone, tablet, and laptop as they move through their day.
- The **audio playlist** lets students listen and learn as they go.

Actionable insights help improve results:

- The **educator dashboard** offers an at-a-glance look at overall class performance. It helps instructors identify and contact struggling and low-activity students, ensuring that the class stays on pace.
- The **enhanced grades view** provides detailed insights on student performance, from specific assignments to individual student scores.
- **LMS integration** provides institutions, instructors, and students easy access to their Revel courses via Blackboard Learn™, Canvas™, Brightspace by D2L™, and Moodle™. Single sign-on lets students access Revel on their first day.

Important Digital Assets

Mini-Sims

Mini-Sims are short simulations that put students in business roles and give them the opportunity to apply course concepts as they make decisions. Students begin by making a series of decisions to better understand and apply course concepts. The Mini-Sim then changes, branching and creating various scenario paths based on the answers given. This provides students with a personalized learning experience and the opportunity to build and develop their critical-thinking skills.

Current Event Bulletins [Organizational Behaviour in the News]

Current Event Bulletins bring currency into your classroom with author-written articles that connect key concepts with real-life current events. Our authors regularly add new or revised articles to ensure that your students have relevant examples to help them engage with the course.

Personal Inventory Assessments

Personal Inventory Assessments is a collection of online exercises designed to promote self-reflection and engagement in students, enhancing their ability to connect with concepts taught in principles of management classes. Each assessment offers students a brief description of its purpose, brief survey questions, a graphical depiction of their own personal results, a detailed explanation of their results, as well as a graphical depiction of the results of their entire class and/or the entire population of students who have taken the assessment.

Homework Questions

Instructors consistently tell us that assessing student progress is a critical component to their course and one of the most time-consuming tasks. Vetted, good-quality, easy-to-use assessment tools are essential. We have been listening and we have responded by not only creating comprehensive and carefully checked end-of-module and end-of-chapter quizzes, but also creating homework questions for each chapter in our Revel course. These quizzes provide coverage of all Learning Objectives and contain application, critical-thinking, and synthesis questions that enable students to assess their comprehension and better prepare for exams.

SUPPLEMENTS

Supplements are available for download from the Revel Instructor Resources page. Contact your Pearson rep for access information and instructions if you don't have a Revel account.

- Test Bank
- MyTest
- Image Library
- PowerPoint Presentations
- Instructor's Resource Manual

ACKNOWLEDGMENTS

Books are not written in a vacuum. In writing *Organizational Behaviour*, Twelfth Edition, we have profited from the advice and support of a number of individuals. This is our chance to say thank you.

First, we would like to thank our reviewers for this edition (including those who chose to remain anonymous), who provided us with a wealth of insights about how to improve the text:

Kemi Anazodo, Brock University
 George Baranyai, Ryerson University
 Katherine Breward, University of Winnipeg
 Patrick Bruning, University of New Brunswick
 Genevieve Farrell, Ryerson University
 John Fiset, St. Mary's University
 Samantha Hansen, University of Toronto
 Greg Irving, Wilfrid Laurier University
 Adam Kanar, Brock University
 Sandeep Mishra, University of Guelph
 Melanie Peacock, Mount Royal University
 Sarah Ross, Western University

Second, we wish to thank our many colleagues who have provided us with helpful feedback, insights, and general support for the book over the years: V. V. Baba, Stéphane Côté, Aaron Dresner, Jamie Gruman, Muhammad Jamal, Geoffrey Leonardelli, Julie McCarthy, Samantha Montes, Robert Oppenheimer, Tima Petrushka-Bordan, Phani Radhakrishnan, Simon Taggar, Soo Min Toh, John Trougakos, and David Zweig. We would also like to thank Xiao Chen of the University of Prince Edward Island for his assistance in writing the Research Focus in Chapter 5 on the effects of priming subconscious goals on organizational behaviour.

Third, we want to thank the team at Pearson Canada. We wish to extend our genuine appreciation to a group of extremely competent professionals who were wonderful to work with and who have greatly contributed to the quality of this text: Brianna Regier (Portfolio Manager), Nicole Mellow and Pauline Ricablanca (Content Managers), Jordanna Caplan Luth (Marketing Manager), Kathryn O'Handley (Content Developer), Steve Lee (Project Manager), Minjin Song (Permissions Project Manager), and Amie Plourde (Editorial Director).

We did our best to make this text interesting, informative, and enjoyable to read; making it look as good as it does is icing on the cake. Thanks to everyone at Pearson who contributed to this text. They represent a great example of what this text is all about: *individuals working together to accomplish goals through group effort*.

Finally, each of us wishes to give thanks to those in our lives who have contributed to our work and the writing of this text:

I (Gary Johns) am grateful to my Concordia University Management Department and University of British Columbia OB-HR Division colleagues for their interest, support, and ideas.

Additionally, I would like to thank my students over the years. In one way or another, many of their questions, comments, challenges, and suggestions are reflected in the text. Also, thanks to all my colleagues who have taken time to suggest ideas for the text when we have met at professional conferences. Finally, thanks to Monika Joerg for her continuing enthusiasm, caring, humour, support, and advice.

I (Alan Saks) am grateful to my colleagues at the University of Toronto who have all been very supportive of this text for so many years. I would like to express my appreciation to my parents who have provided me with love and support throughout my career and continue to celebrate every step along the way. I also wish to thank my family, Kelly, Justin, and Brooke, who have had to endure my long hours of work for the past year. Although they did not write a single word in this text, in many ways their contribution is as significant as mine. Thanks for understanding, making me laugh, and for waiting so long for it to end!

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ORGANIZATIONAL BEHAVIOUR AND MANAGEMENT

LEARNING OBJECTIVES

After reading Chapter 1, you should be able to:

- 1.1 Define *organizations* and describe their basic characteristics.
- 1.2 Explain the concept and meaning of *organizational behaviour*.
- 1.3 Describe the goals of organizational behaviour.
- 1.4 Contrast the *classical viewpoint* of management with that advocated by the *human relations movement*.
- 1.5 Describe the *contingency approach* to management.
- 1.6 Explain what managers do—their roles, activities, agendas for action, and thought processes.
- 1.7 Describe the five contemporary management concerns facing organizations and how organizational behaviour can help organizations understand and manage these concerns.

KLICK HEALTH

Klick Health is the world's largest independent commercialization partner for life sciences. It develops, launches, and supports life sciences brands. With its headquarters in Toronto and offices in New York and Philadelphia, Klick Health specializes in providing services to life sciences and healthcare clients.

During the COVID-19 pandemic, many of its clients were on the front lines treating patients, and its 1000 employees wanted to help and provide support. The company created a hub on its website to share everything it did in response to the pandemic, such as safety measures to protect employees. It sourced and donated 400,000 masks to hospitals and long-term care facilities. Klick also made and delivered 1000 intubation boxes that are placed over patients during the intubation process, which is one of the most dangerous tasks for doctors and nurses treating patients with COVID-19.

In 2020, Klick took its in-office flu shot clinic on the road as part of its commitment to keep team members and their families healthy and happy. The company transformed two vans into mobile flu shot clinics with registered nurses that parked outside the homes of its team members. Klick has offered in-office flu shot clinics for several years but decided to adapt the program during COVID-19. According to Chief People Officer Glenn Zujew, they are doing this because the safety and wellbeing of employees

is paramount. It is an example of Klick Health's people-first culture and how they are adapting programs to keep employees happy, healthy, and engaged. Klick Health's people-first founding principle and culture prioritizes qualities such as kindness, empathy, and inclusiveness.

The COVID-19 pandemic also required Klick to adapt many other programs—such as its communications, training, onboarding, and fitness programs—by going virtual. In spring 2020, when schools closed due to COVID-19, the company immediately introduced virtual tutoring and story-time sessions to help support Klicksters with young children. It also launched a program called Klick Shop in which every Klickster receives \$500 to spend on desks, ergonomic chairs, monitors, headsets, and other items so that the work-from-home experience is more comfortable. As well, Klick hosts regular company-wide update and Q&A sessions and posts meeting videos and transcripts on its COVID-19 intranet portal for team members who are unable to attend sessions in real time.

Klick created the Klick Experience Team (KLIX) to support its people-first culture. The team's mandate is to create meaningful connections through shared experiences, and to amplify culture and engagement across the organization. The team's primary role is to make

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Klick Health is the world's largest independent commercialization partner for life sciences and has been named one of the best workplaces in Canada and a Best Managed Company for 13 consecutive years.

each Klickster's experience positive through special events, celebrations, personal interest clubs, and surprise-and-delight moments. Popular initiatives include weekly team lunches, monthly do-it-yourself workshops (pickle making is so popular, it's become an annual tradition); International Day of Happiness (with puppies in the office); wellness and fitness classes in the on-site gym; personal interest-based clubs, such as Spanish language, arts and crafts, and rock climbing; and its monthly Klick Café vlog. It also runs biweekly onboarding sessions with the people practices team and produces an entertaining monthly culture video.

An integral and core part of the culture at Klick Health is diversity, equity, and inclusion (DE&I). After the killing of George Floyd and the Black Lives Matter protests across North America that followed, Klick Health took a closer look at how it approaches DE&I and identified the need to implement new equitable practices to embed DE&I throughout the organization. Klick increased its commitment by establishing a DE&I council, and expanded Employee Resource Groups (Klicksters-of-Colour, Women, Queer/LGBTQ+, Parents, and Mental Health). In June 2020, Klick signed an advertising industry Call for Change letter that pledges to take 12 actions to operationalize DE&I and do more to fight racism. In August 2020, Klick conducted its first ever DE&I benchmarking survey and set goals to grow diversity. Klick has also hosted exclusive anti-racism talks and book clubs for its team members to help provide a solid understanding of how race and racism operate in society and in the workplace. The company regularly conducts pay equity reviews to ensure women and men are paid equitably for their roles and contributions to the company's success. It also offers maternity leave top-ups, flexible child-care options, complimentary fitness and wellness programs, diversity and inclusion programming, mentoring for parents and caregivers, and access to mental health resources and work-life balance counselling services.

Perhaps it's no surprise that Klick continues to be named one of the best workplaces in Canada year after year thanks in part to its people-first culture. According to Chief People Officer Glenn Zujew, it has never been more important to put their people first and to foster a workplace culture that prioritizes their people. To help other organizations implement a people-first culture, Klick published a Safety Protocols & Continuity Planning document in response to COVID-19 that shares its best practices, such as putting your people first.

In addition to being named one of the best workplaces in Canada, Klick Health has also been named one of the Best Workplaces for Women and one of the Best Workplaces for Inclusion in recognition of its commitment to DE&I. In 2021, Klick Health was named a Best Managed Company for the thirteenth consecutive year.¹

What we have here is an example of work life and management—just what this text is about. The example also highlights many important aspects of organizational behaviour, such as organizational culture, employee recognition and rewards, health and wellness, workplace diversity, and employee engagement. It raises some very interesting questions: Why does Klick Health have a people-first culture? Why is it so concerned about making employees happy? Why does Klick have diversity, equity, and inclusion programs? Why does Klick conduct pay equity reviews to ensure women and men are paid equitably? This text will help you uncover answers to these kinds of questions.

In this chapter, we will define *organizations* and *organizational behaviour* and examine their relationship to management. We will explore historical and contemporary approaches to management and consider what managers do and how they think. The chapter concludes with some issues of concern to contemporary organizations.

1.1

Define *organizations* and describe their basic characteristics.

Organizations. Social inventions for accomplishing common goals through group effort.

WHAT ARE ORGANIZATIONS?

This text is about what happens in organizations. Most of us will earn our livelihood working in organizations, and our well-being, as well as that of our communities, depends on organizations. We are often identified, in part, by what we do and where we do it. We live in an organizational society.² But what exactly is an organization?

Organizations are social inventions for accomplishing common goals through group effort. Klick Health is obviously an organization, but so are the Toronto Raptors, CTV, and colleges and universities.

Social Inventions

When we say that organizations are social inventions, we mean that their essential characteristic is the coordinated presence of *people*, not necessarily things. Most organizations own many things, such as equipment, technology, and offices. However, you are probably aware that, through advanced information technology and contracting out work, some contemporary organizations make and sell products, such as computers or clothes, without owning much of anything. Also, many service organizations, such as consulting firms, have little

In a variety of different organizations, individuals work together to accomplish goals through group effort. Though the motivation of a television news station might differ from that of another organization, all organizations strive for goal accomplishment and survival.



physical capital. Still, these organizations have people—people who present both opportunities and challenges. *The field of organizational behaviour is about understanding people and managing them to work effectively.*

Goal Accomplishment

Individuals are assembled into organizations for a reason. The organizations mentioned earlier have the very basic goals of supporting life sciences brands, winning basketball games, delivering news, or providing education. Non-profit organizations have goals such as saving souls, promoting the arts, helping the needy, or educating people. Virtually all organizations have survival as a goal. Despite this, consider the list of organizations that have failed to survive: Greyhound Canada, Canadian Airlines, Sears Canada, the Montreal Expos, and Columbia House, to name just a few. *The field of organizational behaviour is concerned with how organizations can survive and adapt to change.* Certain behaviours are necessary for survival and adaptation. People have to do the following:

- Be motivated to join and remain in the organization
- Carry out their basic work reliably, in terms of productivity, quality, and service
- Be willing to continuously learn and upgrade their knowledge and skills
- Be flexible and innovative³

The field of organizational behaviour is concerned with all these basic activities. Innovation and flexibility, which foster adaptation to change, are especially important for contemporary organizations. Management guru Tom Peters has gone so far as to advise firms to “Get Innovative or Get Dead.”⁴ Demonstrating the validity of his advice, layoffs and the loss of market share at BlackBerry several years ago were attributed to the company’s failure to innovate. Perhaps it is not surprising that 87 percent of executives believe that innovation is a strategic priority for their organizations.⁵

Group Effort

The final component of our definition of organizations is that they are based on group effort. At its most general level, this means that organizations depend on interaction and coordination among people to accomplish their goals. Much of the intellectual and physical work done in organizations is performed by groups, whether they are permanent work teams or short-term project teams. Also, informal grouping occurs in all organizations because friendships develop and individuals form informal alliances to accomplish work. The quality of this informal contact, in terms of communication and morale, can have a strong impact on goal achievement. For all these reasons, *the field of organizational behaviour is concerned with how to get people to practise effective teamwork.*

Now that we have reviewed the basic characteristics of organizations, let’s look more directly at the meaning and scope of organizational behaviour.

WHAT IS ORGANIZATIONAL BEHAVIOUR?

Organizational behaviour refers to the attitudes and behaviours of individuals and groups in organizations. The discipline of organizational behaviour systematically studies these attitudes and behaviours and provides insight about effectively managing and changing them. It also studies how organizations can be structured more effectively and how events in their

1.2

Explain the concept and meaning of *organizational behaviour*.

Organizational behaviour. The attitudes and behaviours of individuals and groups in organizations.

external environments affect organizations. Those who study organizational behaviour are interested in attitudes—how satisfied people are with their jobs, how committed they feel to the goals of the organization, or how supportive they are of promoting women or minorities into management positions. Behaviours such as cooperation, conflict, innovation, resignation, or ethical lapses are important areas of study in the field of organizational behaviour.

Human resources management. Programs, practices, and systems to acquire, develop, motivate, and retain employees in organizations.

A closely related but distinct discipline is human resources management. **Human resources management** refers to programs, practices, and systems to acquire, develop, motivate, and retain employees in organizations. You are probably familiar with many human resource practices, such as recruitment and selection, compensation, and training and development. As you will see throughout this text, knowledge of organizational behaviour will help you understand human resources management because organizational behaviour often provides the theoretical basis for human resource practices, such as selection (personality), training and development (learning), and compensation (motivation). For example, in Chapter 3, you will learn about the role that perceptions play in recruitment, the employment interview, and performance appraisals. In Chapter 4, you will learn about the factors that contribute to employee absenteeism and turnover, knowledge of which is necessary for developing effective human resource practices to lower absenteeism and retain employees. In Chapters 5 and 6, you will learn how theories of motivation help us understand the effects of different compensation strategies on employee motivation and performance. In Chapter 8, you will learn how human resource practices such as realistic job previews and employee orientation programs contribute to the onboarding and socialization process in organizations. Thus, learning about organizational behaviour will improve your understanding of human resources management.

Using an organizational behaviour perspective, reconsider the Klick Health vignette that opened the chapter. The immediate question is “What are the factors that make an organization successful and recognized as a best workplace?” Although we will not answer this question directly, we can pose some questions highlighting some of the things that Klick Health does and how it relates to important topics in organizational behaviour, which we will explore in later chapters.

- Why does Klick do so many things to thank and recognize its employees for their contributions? What does it mean to recognize employees for their contributions, and why is this important? Recognition and rewards are discussed in Chapter 2.
- Why does Klick have diversity, equity, and inclusion (DE&I) programs, and why has it set goals to grow diversity? What role do perceptions play in discrimination and how can organizations manage diversity? Chapter 3 discusses perceptions and stereotyping and how to manage workforce diversity.
- Why is Klick so concerned about making sure its employees are happy? How can organizations improve the job satisfaction of their employees? Chapter 4 describes different theories of job satisfaction as well as its contributors and consequences, such as turnover.
- Why did Klick give its employees \$500 for their work-from-home experience, and was this a good idea? How can organizations motivate their employees, and how effective is working from home or what is known as *telecommuting*? Chapter 5 describes different theories of motivation, and Chapter 6 describes motivation in practice, which includes flexible work arrangements such as telecommuting.
- Why does Klick have a people-first culture? What is an organizational culture, and what role does it play in an organization’s success? How cultures are built and maintained and their role in organizational effectiveness is covered in Chapter 8.

- Why did Klick host regular company-wide updates and Q&A sessions and post meeting videos and transcripts on its COVID-19 intranet portal? Why is it so important for organizations to communicate with employees? What are some personal and organizational approaches to improving communication? Chapter 10 discusses the communication process as well as principles and approaches for effective communication.
- Why is Klick so concerned about employee engagement? Why is it important for organizations to have an engaged workforce? The topic of employee engagement is introduced later in this chapter and described in more detail in Chapter 13.

These questions provide a good overview of some issues that those in the field of organizational behaviour study. Accurate answers to these questions would go a long way toward understanding why Klick Health is a successful organization and how other organizations can make changes to become more effective. Analysis followed by action is what organizational behaviour is all about.

Why Study Organizational Behaviour?

Why should you read and understand the material in *Organizational Behaviour*? As described next, organizational behaviour is interesting and important, and it makes a difference for employees and organizations.

ORGANIZATIONAL BEHAVIOUR IS INTERESTING At its core, organizational behaviour is interesting because it is about people and human nature. Why does Klick Health have a people-first culture, and what effect does this have on employee attitudes, behaviour, and performance? These questions are interesting because they help us understand why employees become committed to an organization and what motivates them to work hard.

Organizational behaviour includes many interesting examples of success as well as failure. Later in the text, we will study an organization that has a strong commitment to employment equity and diversity (Cogeco Connexion, Chapter 3); an organization that improved employee satisfaction and increased revenue by 55 percent after it increased vacation days and sick time, improved pay equity, eliminated vacation restrictions, and launched a profit-sharing program (Maplewave, Chapter 4); an organization that paid its employees a pandemic bonus for almost a year and then replaced it with a permanent raise (Costco, Chapter 6); a company where teams are the building blocks of the organization (Whole Foods, Chapter 7); and an organization with a culture of openness and collaboration with employees who embody the essence of “Good Beer Folk” (Steam Whistle Brewing, Chapter 8). All of these companies are extremely successful, and organizational behaviour helps explain why.

Organizational behaviour does not have to be extraordinary to be interesting. Anyone who has negotiated with a recalcitrant bureaucrat or had a really excellent boss has probably wondered what made them behave the way they did. Organizational behaviour provides the tools to find out why.

ORGANIZATIONAL BEHAVIOUR IS IMPORTANT Looking through the lens of other disciplines, it would be possible to frame Klick Health’s success in terms of technology, marketing, and sales. Notice, however, that underlying these perspectives, it is *still* about organizational behaviour. What happens in organizations often has a profound impact on people. It is clear that the impact of organizational behaviour does not stop at the walls of the organization. The consumers of an organization’s products and services, such as the customers who purchase Klick Health’s services, are also affected. Thus, organizational behaviour is important to managers, employees, and consumers, and understanding it can make us more effective managers, employees, or consumers.

We sometimes fail to appreciate that there is tremendous variation in organizational behaviour. For example, skilled salespeople in insurance or real estate make many, many more sales than some of their peers. Similarly, for every Greenpeace or Sierra Club, there are dozens of failed organizations that were dedicated to saving the environment. The field of organizational behaviour is concerned with explaining these differences and using the explanations to improve organizational effectiveness and efficiency.

ORGANIZATIONAL BEHAVIOUR MAKES A DIFFERENCE In his book *Competitive Advantage Through People*, Jeffrey Pfeffer argued that organizations can no longer achieve a competitive advantage through the traditional sources of success, such as technology, regulated markets, access to financial resources, and economies of scale.⁶ Today, the main factor that differentiates organizations is their workforce and human capital. **Human capital** refers to the knowledge, skills, and abilities (KSAs) embodied in an organization's employees. It includes employees' education, training, and experience. The results of research on human capital are unequivocal: Human capital is strongly and positively related to organizational performance and is a key determinant of an organization's competitiveness and success.⁷ Thus, sustained competitive advantage and organizational effectiveness are increasingly related to the management of human capital and organizational behaviour.

Human capital. The knowledge, skills, and abilities (KSAs) embodied in an organization's employees.

In addition to human capital, social capital is also important for individuals and organizations. **Social capital** refers to the social resources that individuals obtain from participation in a social structure. It has to do with interpersonal relationships, social ties, and one's network of relationships with others who can assist in work and careers. Social capital can be internal as well as external. *Internal* social capital refers to relationships developed in one's own organization, whereas *external* social capital refers to relationships developed with external constituents outside of one's organization. Social capital is important because it creates value for individuals and organizations and is positively related to job performance (see Chapter 12 for how people develop social capital).⁸

Social capital. Social resources that individuals obtain from participation in a social structure.

Pfeffer identified 16 practices of companies that are effective through their management of people. Many of these practices—such as incentive pay, participation and empowerment, teams, job redesign, and training and skill development—are important topics in organizational behaviour and are discussed in this text. Pfeffer's research helps to point out that organizational behaviour is not just interesting and important but that it also makes a big difference for the development of human and social capital and the effectiveness and competitiveness of organizations.

Organizations like Klick Health that have been named best places to work, best-managed companies, and top employers are living examples of the importance of organizational behaviour. As shown in Exhibit 1.1, the best companies to work for in Canada have implemented management practices that have their basis in organizational behaviour such as flexible work schedules, diversity programs, and employee recognition and reward programs. This raises an interesting question: Are the best companies to work for also the most profitable? Some might argue that just because an organization is a great place to work does not necessarily mean that it is a great organization when it comes to competitiveness and performance. What do you think?

As it turns out, the best companies to work for are also the most successful. Research has found that the best companies outperformed a matched group of companies that have never been on the 100 Best list but are comparable in terms of industry, size and operating performance, financial performance, and stock returns.⁹ Thus, it makes good business sense for organizations to be great places to work, and that is what organizational behaviour is all about.

- Flexible work schedules (flextime, telecommuting, job sharing, and compressed workweek)
- Stock options, profit-sharing plans, and performance bonuses
- Extensive training and development programs
- Mentorship programs
- Family assistance programs
- On-site fitness facilities, daycare, wellness programs, and spending accounts
- Career development programs, including career days, career plans, and tuition subsidies
- Flexible or cafeteria-style benefit plans
- Monthly staff socials, family holiday parties, and picnics
- Stress reduction programs
- Monthly all-employee meetings
- Formal workplace diversity programs to encourage women and members of the Black, Indigenous, and people of colour (BIPOC) community
- Employee recognition and reward programs

EXHIBIT 1.1 Management practices of the best companies to work for in Canada.

Sources: Brearton, S., & Daly, J. (2003, January). The 50 best companies to work for in Canada. *Report on Business Magazine*, 19(2), 53–66; Hannon, G. (2002, January). The 50 best companies to work for. *Report on Business Magazine*, 18(7), 41–52; Jermyn, D. (2018, April 18). Canada's top SME employers create forward-thinking, fun workplaces. *The Globe and Mail*. www.theglobeandmail.com/business/careers/top-employers/article-canadas-top-sme-employers-create-forward-thinking-fun-workplaces/

How Much Do You Know About Organizational Behaviour?

Although this is probably your first formal course in organizational behaviour, you already have a number of opinions about the subject. To illustrate this, consider whether the following statements are true or false. Please jot down a one-sentence rationale for your answer. There are no tricks involved!

1. Effective organizational leaders tend to possess identical personality traits.
2. Nearly all workers prefer stimulating, challenging jobs.
3. Managers have a very accurate idea about how much their peers and superiors are paid.
4. Workers have a very accurate idea about how often they are absent from work.
5. Pay is the best way to motivate employees and improve job performance.
6. Women are just as likely as men to become leaders in organizations.

Now that you have your answers, do one more thing. Assume that the correct answer is opposite to the one you have given; that is, if your answer for a statement is “True,” assume that the statement is actually false, and vice versa. Now, give a one-sentence rationale for why this opposite answer could also be correct.

Each of these statements concerns the behaviour of people in organizations. Furthermore, each statement has important implications for the functioning of organizations. If effective leaders possess identical personality traits, then organizations might sensibly hire leaders who have such traits. Similarly, if most employees prefer stimulating jobs, there are many jobs that could benefit from upgrading. In this text, we will investigate the extent to which statements such as these are true or false and why they are true or false.

The answers to this quiz may surprise you. Substantial research indicates that each of the statements in the quiz is essentially false. Of course, there are exceptions, but in general, researchers have found that the personalities of effective leaders vary a fair amount, many people prefer routine jobs, managers are not well informed about the pay of their peers and superiors, workers underestimate their own absenteeism, pay is not always the most effective way to motivate workers and improve job performance, and women are underrepresented in leadership roles in organizations. However, you should not jump to unwarranted conclusions based on the inaccuracy of these statements until we determine *why* they tend to be incorrect. There are good reasons for an organization to tie pay to job performance to