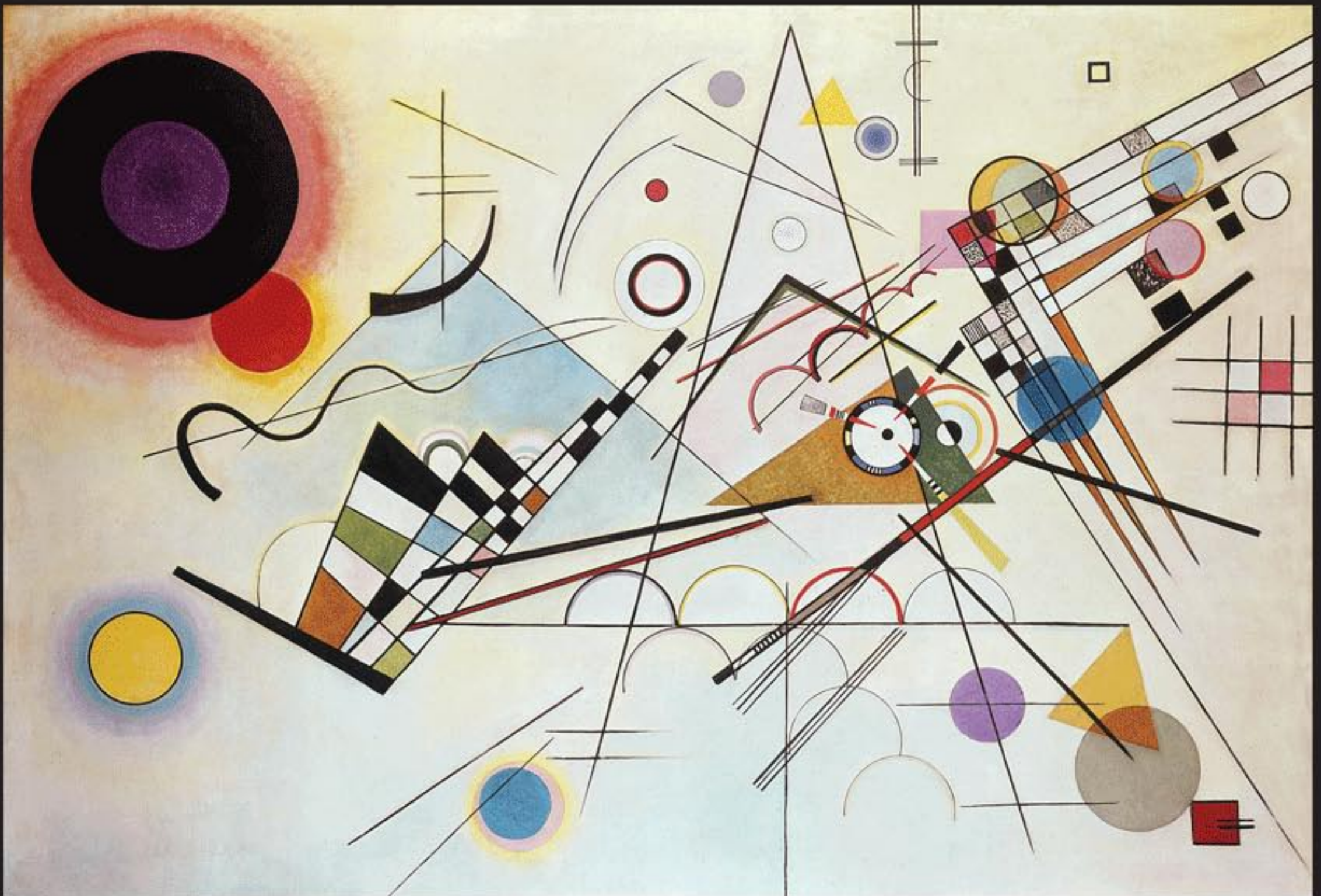


Fundamentals of Organizational Behaviour

FIFTH CANADIAN
EDITION



Nancy Langton
Stephen P. Robbins
Timothy A. Judge

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PREFACE

Welcome to the fifth Canadian edition of *Fundamentals of Organizational Behaviour*. From its first edition, this text has enjoyed widespread acclaim across the country for its rich Canadian content and its emphasis on the material's relevance beyond a "9-to-5" job.

Fundamentals of Organizational Behaviour continues to be a vibrant and relevant text because it is truly a Canadian product with an abundance of examples and research from the Canadian workplace. It has retained the features of the previous edition that instructors say that they like, and there is also a great deal that is new.

Pedagogical Approach in Writing the Textbook

- *Relevance.* This textbook was the first to emphasize that OB is for anyone who has to interact with others to accomplish a task—in others words, OB is for everyone, from the bottom-rung employee to the CEO, and even for activities outside the workplace. We continue to emphasize this theme throughout this edition. For instance, each chapter includes a summary of the implications of chapter concepts for the workplace, while **OB for You** provides applications for individuals in their daily lives. In addition, the feature **OB in the Street**, clearly demonstrates how OB applies outside of the workplace.
- *Writing style.* Clarity and readability are the hallmarks of this text. Our reviewers find the text "interesting," "student-friendly," and "very clear." Students say that they really enjoy the text's informal style and personal examples.
- *Examples, examples, examples.* From our teaching experience, we know that while students may have trouble remembering a concept, they will remember an example. This textbook is packed full of recent real-world examples drawn from a variety of organizations: business and nonprofit, large and small, and local and international. We also use examples taken from the world at large, to illustrate the broader applicability of OB material.
- *Comprehensive literature coverage.* This textbook is regularly singled out for its comprehensive and up-to-date coverage of OB from both academic journals as well as business periodicals.
- *Skill-building emphasis.* At the end of each chapter is the **OB at Work** section, which is full of exercises to help students make the connections between theories and real-world applications. Exercises at the end of each chapter reinforce critical thinking, behavioural analysis, and team building.

Highlights of the Fifth Edition

Conceived as a "break out" revision, this edition has been designed to evolve with today's students. As such, the authors made a concerted effort to update every dimension of the book—from the interior design, through the new chapter-opening vignettes, to updated theory coverage, to the new **The Big Idea** margin features, and the continued emphasis on providing the latest research findings. In this edition, we have

- Updated the chapter vignettes to reflect companies and individuals relevant to today's students.

- Added **The Big Idea** and **Lessons Learned** margin features. **The Big Idea** margin note in each chapter opener provides a big picture view of the upcoming chapter topic. At the end of each chapter, a **Lessons Learned** margin note provides a brief recap of key chapter takeaways.
- Overhauled the boxed features as well as the examples and research referenced in the text extensively to ensure that the fifth edition reflects the ever-changing world of OB in Canada.

Chapter-by-Chapter Highlights: What's New

Each and every aspect of the book was thoroughly updated for the fifth edition. Each chapter offers new examples, new cutting-edge research, improved discussions of current issues, and a wide variety of application material. The key *changes* are listed below.

Chapter 1: What Is Organizational Behaviour?

- Kicked off the chapter with a new *Opening Vignette* that introduces Yellow House Events (Toronto, Ontario) and some of the OB-related challenges faced by its founder
- Expanded the discussion of the importance of interpersonal skills
- Incorporated a new *OB in the Workplace* box: Habañero's Employees Help Set Policies
- Addressed the importance of customer service
- Expanded discussion of the importance of fostering innovation and change in organizations
- Established a new *Ethical Dilemma Exercise* about misrepresentation and withholding information in business ("Lying in Business")
- Offered a new suggested book list on leadership in *Point/Counterpoint*
- Revised *Case Incident* "How a UPS Manager Cut Turnover"
- Revised the following glossary definitions: job satisfaction, ethical dilemmas, and ethical choices

Chapter 2: Perception, Personality, and Emotions

- Revised the *Opening Vignette*, which describes perceptions of Walmart Canada and ties into the chapter subject (how our perceptions, personalities, and emotions affect our behaviour)
- Updated the *Focus on Diversity* box to discuss what types of questions employers can ask about a person's mental health history (see "Law Society's Questions About Mental Health Challenged")
- Expanded the description of the Big Five Personality Model
- Discussed a 2011 study on narcissism and how it affects organizational behaviour
- Added a new *OB in the Street* box on how perceived emotions can affect relationships (see "How Perception Causes Fights in Relationships")
- Presented a new *Case Incident* that examines negative emotions in the workplace (see "The Upside of Anger?")
- Revised the following glossary definition: affect

Chapter 3: Values, Attitudes, and Their Effects in the Workplace

- Set the stage for the chapter by including a new *Opening Vignette* about casino operator SaskGaming (Saskatchewan). The vignette explores the relationship between organizational values and attitudes and the impact of those aspects on workplace diversity
- Added a new *OB in the Street* box on whether lapses in ethics outside of work should affect a person's day job (see "Stanley Cup Rioting Leads to Employee Firing")
- Incorporated a new *OB in the Workplace* box on diversity and values in the nonprofit sector (see "The Nonprofit Sector Looks to Diversify Its Workforce")
- Updated the section on generational differences
- Offered a new *Case Incident* that examines job satisfaction as a state of mind (see "Thinking Your Way to a Better Job")
- Added/updated glossary definitions: value system, collectivism, core self-evaluation, job involvement, affective commitment, normative commitment, and continuance commitment

OB on the Edge: Stress at Work

- Provided new research findings on the effects of stress on job performance
- Featured statistics describing stress levels by province and gender (see "Stressed Quite a Lot, 2010")
- Incorporated new research on the physiological symptoms of stress
- Expanded the section on "role stress" and physical and mental wellness programs
- Updated the box offering tips for how to reduce stress in the workplace (see "Toward Less Stressful Work")

Chapter 4: Motivating Self and Others

- Included a new *Opening Vignette* that discusses the success of figure skater Patrick Chan and explores what motivates him to continue skating and participating in competitions
- Incorporated a new figure exploring Maslow's Hierarchy of Needs as applied to the workplace (see Exhibit 4-1: "Maslow's Hierarchy of Needs Applied to the Workplace")
- Revised and expanded the section on McClelland's theory of needs
- Created a new section on the importance of providing performance feedback, including tips on how to do so effectively (see "OB in Action: Giving More Effective Feedback")
- Introduced a new *OB in the Workplace* box that examines the benefits of results-only work environments (see "Results-Only Work Environments")
- Revised the *Research Findings* section on inequitable pay
- Presented new research findings on extrinsic vs. intrinsic rewards
- Updated the *Point/Counterpoint* feature on the subject of failure (see "Praise Motivates!/Praise Is Highly Overrated")
- Added/revised glossary definitions: motivation, hierarchy of needs, lower-order needs, self-actualization, higher-order needs, and goal-setting theory

Chapter 5: Working in Teams

- Introduced Cirque du Soleil (Montreal, Quebec) and its recipe for successful teamwork in the new *Opening Vignette*
- Updated discussion of “Roles” and “Diversity”
- Included new facts and findings in the *Point/Counterpoint* feature (see “Sports Teams Are Good Models for Workplace Teams/Sports Teams Are Not the Model for All Teams”)
- Explored how Toyota integrates teamwork as one of its core values in the new *Case Incident* (see “Toyota’s Team Culture”)
- Added the following new glossary definition: mental models

Chapter 6: Communication, Conflict, and Negotiation

- Opened the chapter with a new story that explores the communication plan developed by the Toronto Leaside Girls Hockey Association to win more ice time for practice
- Presented a new *OB in the Workplace* box that describes how the selection of an inappropriate communication channel can have disastrous effects (see “Some Emails Should Be Left Unsent”)
- Expanded the section on barriers to effective communication to discuss language, silence, and nonverbal communication
- Described the time-consuming nature of email and offered strategies for keeping the volume of email under control
- Explored how new technologies like social networking, blogs, and Twitter affect the workplace
- Included a new *OB in the Workplace* box that describes how one RCMP officer was disciplined for his Facebook posts (see “An RCMP Officer’s Facebook Posts Land Him in Trouble”)
- Added the following glossary definitions: formal channels, informal channels, and blog

Chapter 7: Power and Politics

- Introduced a new *Opening Vignette* that explores a Tim Hortons franchise that brought a class-action lawsuit against the company, arguing abuse of power by senior management
- Updated opening definition of power
- Revised the section on workplace harassment to include new research findings about sexual harassment
- Established a new *Case Incident* that discusses the changing attitudes toward dress codes and the impact of dress on image management (see “Dressing for Success”)

OB on the Edge: The Toxic Workplace

- Introduced a new *Opening Vignette* that tells the story of one person’s poor workplace behaviour (in this case, that of a BC Lions football player) and how the situation was handled by the manager (the team coach)
- Added a new section on workplace bullying

- Presented two new *Fact Boxes*: one lists the possible negative effects associated with the experience of rudeness in the workplace, and the other presents statistics revealing the frequency of some inappropriate management behaviours
- Featured a new box that lists the behaviours commonly associated with poor managers (see “Do You Have a Bad Boss?”)
- Included a box with tips for how to deal with a toxic manager (see “How to Deal with a Toxic Boss”)
- Included a box that lists the typical characteristics of a toxic organization (see “What Does a Toxic Organization Look Like?”)

Chapter 8: Leadership

- Introduced a new *Opening Vignette* that discusses Lieutenant Colonel Maryse Carmichael, who was recently appointed the first female Commanding Officer (CO) of Canada’s Snowbirds, and explores the factors that affect one’s ability to lead and inspire others
- Updated the discussion of Situational Leadership®
- Integrated new research findings on path-goal theory
- Added a new *Research Findings* box: “Transformational leadership” addresses the strengths and weaknesses of this leadership approach
- Expanded the discussion of the effectiveness of formal and informal mentoring
- Expanded the discussion of transformational and charismatic leadership
- Questioned whether the ends justify a leader’s ethically ambiguous means in a new *Ethical Dilemma Exercise* (see “Do the Ends Justify the Means?”)
- Added a new *Case Incident* “Moving from Colleague to Supervisor”
- Added/revised glossary definitions: charismatic leadership theory, trait theories of leadership, identification-based trust, and vision

Chapter 9: Decision Making, Creativity, and Ethics

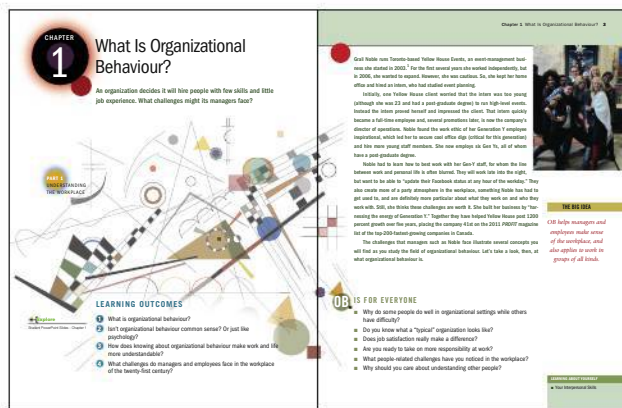
- Introduced a new *Opening Vignette* exploring the value-based business decisions of the founders of Kicking Horse Coffee, a fair trade coffee company
- Revised the explanations of “bounded rationality” and “satisficing” as applied to decision making
- Included a new *OB in the Street* box that explores whether intuition can help you win at chess (see “Intuition Comes to the Chess Board”)
- Addressed the topic of risk aversion and its implications on decision making
- Added a new *OB in the Street* box to exemplify the implications of groupthink among market analysts (see “Groupthink among Analysts”)
- Described in an *OB in the Workplace* box the Canadian army’s written code of ethics, which underscores the need for ethical behaviour in warfare (see “Ethics and the Army”)
- Presented a new *Point/Counterpoint* section that weighs action against inaction (see “When in Doubt, Do!/Wait! Not so Fast”)
- Added a new glossary definition: risk aversion

Chapter 10: Organizational Culture and Change

- Updated the *Opening Vignette*, which discusses the strong organizational culture created by the co-founders of the successful Boston Pizza franchise
- Listed the seven primary characteristics that capture the essence of an organization’s culture
- Included a new “Culture Creates Climate” section that discusses how an organization’s culture creates a climate (shared perceptions of environment) that affects an individual’s job satisfaction, involvement, commitment, and motivation
- Added a new *OB in the Workplace* box to address what can happen when employees do not buy into their organization’s culture (see “Making Culture Work”)
- Included a new *OB in the Workplace* box: “The NRC Changes Its Research Focus to ‘Market Drivers’”
- Added a new *OB in Action* box: “How to Speed Up the Pace of Change”
- Explored the concept of the “5S” principles and how they are incorporated into organizational culture in the new *Case Incident* (see “Is a 5S Culture for You?”)
- Revised the following glossary definition: organizational climate

Pedagogical Features

This textbook offers the most complete assortment of pedagogy available for any OB book on the market.



- The text is developed in a “story-line” format that emphasizes how the topics fit together. Each chapter opens with a list of learning outcomes related to a main example that threads through the chapter. The opening vignette is carried throughout the chapter to help students apply a real-life example to the concepts they are learning. The learning outcome questions appear in the margin of the text, to indicate where they are addressed. The opening questions are repeated and answered at the end of each chapter to summarize the chapter content.

- **OB Is for Everyone** in the chapter-opener highlights the integrated questions that students will encounter throughout each chapter (in the form of margin notes). Right from the start, these questions encourage students to think about how OB applies to everyday lives.
- **NEW! Personal Inventory Assessment (PIA)** is a collection of online exercises designed to promote self-reflection and engagement in students, enhancing their ability to connect with the concepts taught in the text. PIA marginal icons appear throughout the text.



- **NEW! The Big Idea/Lessons Learned** features appear at the beginning and end of each chapter. These new resources are designed to work hand-in-hand. At the beginning of the chapter, a “Big Idea” item appears in the margin that is meant to give students a big picture view of the topic at hand. Then, at the end of the chapter a “Lessons Learned” item appears in the margin to recap the key takeaways from the chapter.
- Exclusive to the Canadian edition, **OB in the Street**, **OB in the Workplace**, **Focus on Ethics**, **Focus on Diversity**, and **Focus on Research** boxes help students see the links between theoretical material and applications.
- **OB in Action** features provide tips for using the concepts of OB in everyday life, such as *Giving More Effective Feedback*, *How to Speed Up the Pace of Change*, and *Increasing Group Cohesiveness*.
- **Summary and Implications** provides responses to the outcomes-based questions at the beginning of each chapter, while the **Snapshot Summary** provides a study tool that helps students to see the overall connections among concepts presented within each chapter.
- Each chapter concludes with **OB at Work**, a set of resources designed to help students apply the lessons of the chapter. Included in **OB at Work** are the following features:

- **For Review and For Critical Thinking** provide thought-provoking questions to review the chapter and consider ways to apply the material presented.
- **OB for You** outlines how OB can be used by individuals in their daily lives.
- **Point/Counterpoint** promotes debate on contentious OB issues. This feature presents more focused arguments.
- **Learning About Yourself, Breakout Group, Working with Others, and Ethical Dilemma** exercises are valuable application exercises for the classroom. The many new exercises included here are ones that we have found particularly stimulating in our own classrooms. Our students say they like these exercises *and* they learn from them. Additional exercises can be found on MyManagementLab at www.pearsoned.ca/mymanagementlab.
- **Case Incidents** deal with real-world scenarios and require students to exercise their decision-making skills. Each case enables an instructor to quickly generate class discussion on a key theme within the chapter.
- **From Concepts to Skills** provides a wide range of applications for students. The section begins with a practical set of tips on topics such as reading emotions, setting goals, and solving problems creatively, which demonstrate real-world applications of OB theories. These tips are followed by the features *Practising Skills* and *Reinforcing Skills*. *Practising Skills* presents an additional case or group activity to apply the chapter’s learning outcomes. *Reinforcing Skills* asks students to talk about the material they have learned with others, or to apply it to their own personal experiences.
- **OB on the Edge** (which appears at the close of parts one and three) takes a close look at two of the hottest topics in the field: work-related stress, and the behavioural pathologies that can make an organization “toxic.” Since this is a stand-alone feature, these topics can be introduced at the instructor’s discretion.



Supplements

We have created an outstanding supplements package for *Fundamentals of Organizational Behaviour*, fifth Canadian edition. We have provided access to MyManagementLab, which provides students with an assortment of tools to help enrich and expedite learning. MyManagementLab is an online study tool for students and an online homework and assessment tool for faculty. MyManagementLab lets students assess their understanding through auto-graded tests and assignments, develop a personalized study plan to address areas of weakness, and practise a variety of learning tools to master management principles. New and updated MyManagementLab resources include the following:

- *New Personal Inventory Assessment (PIA)*. Students learn better when they can connect what they are learning to their personal experience. PIA 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, organizational behaviour, and human resource management classes. Assessments can be assigned by instructors, who can then track students' completions. Student results include a written explanation along with a graphic display that shows how their results compare to the class as a whole. Instructors will also have access to this graphic representation of results to promote classroom discussion.
- *New Personalized Study Plan*. As students work through MyManagementLab's new Study Plan, they can clearly see which topics they have mastered—and, more importantly, which they need to work on. Each question has been carefully written to match the concepts, language, and focus of the text, so students can get an accurate sense of how well they've understood the chapter content.
- *New Learning Catalytics*. Learning Catalytics is a “bring your own device” student engagement, assessment, and classroom intelligence system. It allows instructors to engage students in class with a variety of question types designed to gauge student understanding.
- *Assignable Mini-Cases and Video Cases*. Instructors have access to a variety of case-based assessment material that can be assigned to students, with multiple-choice quizzes or written-response format in MyManagementLab's new Writing Space.
- *eText*. Students can study without leaving the online environment. They can access the eText online, including videos and simulations. The interactive eText allows students to highlight sections, bookmark pages, or take notes electronically just as they might do with a traditional text. Instructors can also add their own notes to the text and then share them with their students.
- *Glossary Flashcards*. This study aid is useful for students' review of key concepts.
- *Simulations*. Simulations help students analyze and make decisions in common business situations; the simulations assess student choices and include reinforcement quizzes, outlines, and glossaries.

The following materials are available for instructors:

- *Instructor's Resource Manual with Video Guide*. The Instructor's Manual includes learning objectives, chapter outlines and synopses, video cases, annotated lecture outlines, teaching guides for in-text exercises, a summary and analysis of

Point/Counterpoint features, and answers to questions found under **OB at Work's For Review** and *For Critical Thinking* sections, and **Case Incidents**. There are additional cases, exercises, and teaching materials as well.

- *MyTest* from Pearson Canada is a powerful assessment generation program that helps instructors easily create and print quizzes, tests, exams, as well as homework or practice handouts. Questions and tests can all be authored online, allowing instructors ultimate flexibility and the ability to efficiently manage assessments at any time, from anywhere. MyTest for the fifth Canadian edition of *Fundamentals of Organizational Behaviour* includes 1000 questions in MyTest format, including multiple choice, true/false, and essay questions. These questions are also available in Microsoft Word format and can be downloaded from a password-protected section of Pearson Canada's online catalogue (www.pearsoned.ca/highered).
- *Pearson Canada Video Library*. Pearson Canada has developed an exciting video package consisting of segments from CBC programs and from Prentice Hall's Video Library for Management and Organizational Behaviour. These segments show students issues of organizational behaviour as they affect real individuals and companies. Teaching notes are provided in the Instructor's Resource Manual with Video Guide. The videos are available in DVD (0-13-315372-X) format.
- *Image Gallery*. This package provides instructors with images to enhance their teaching. Most of these instructor supplements are available for download from a password-protected section of Pearson Canada's online catalogue (www.pearsoncanada.ca/highered). Navigate to your textbook's catalogue page to view a list of those supplements that are available. See your local sales representative for details and access.
- *Learning Solutions Managers*. Pearson's Learning Solutions Managers work with faculty and campus course designers to ensure that Pearson technology products, assessment tools, and online course materials are tailored to meet your specific needs. This highly qualified team is dedicated to helping schools take full advantage of a wide range of educational resources, by assisting in the integration of a variety of instructional materials and media formats. Your local Pearson Education sales representative can provide you with more details on this service program.
- *CourseSmart for Instructors*. CourseSmart goes beyond traditional expectations—providing instant, online access to the textbooks and course materials you need at a lower cost for students. And even as students save money, you can save time and hassle with a digital eText that allows you to search for the most relevant content at the very moment you need it. Whether it's evaluating textbooks or creating lecture notes to help students with difficult concepts, CourseSmart can make life a little easier. See how when you visit www.coursesmart.com/instructors.

Acknowledgments

A number of people worked hard to give this fifth Canadian edition of *Fundamentals of Organizational Behaviour* a fresh look. I received incredible support for this project from a variety of people at Pearson Canada. Nick Durie, Senior Acquisitions Editor, Mary Wat, Developmental Editor, and Andrea Falkenberg, Project Manager, worked hard to keep this project on track. Anthony Leung, Senior Designer, was responsible for the beautiful interior and cover design. Steve O'Hearn, President of Higher Education, and

Gary Bennett, Vice President, Editorial Director of Higher Education, were extremely supportive on the management side of Pearson Canada. This kind of support makes it much easier for an author to get work done and meet dreams and goals.

There are a variety of other people at Pearson who also had a hand in making sure that the manuscript would be transformed into this book and then delivered to you. To all of them I extend my thanks for jobs well done. The Pearson sales team is an exceptional group, and I know they will do everything possible to make this book successful. I continue to appreciate and value their support and interaction. Claudia Forgas was the Production Editor and Copyeditor for the project and continues to amaze for how well she makes sure everything is in place and written clearly. Claudia provided a wealth of support, great ideas, and goodwill throughout the production process. Turning the manuscript into the textbook you hold in your hands could not have happened without her inspired leadership. I am grateful for the opportunity to work with her again. Kelli Howey, as the proofreader, was extremely diligent about checking for consistency throughout the text. Both performed a number of helpful fact-checking activities. Their keen eyes helped to make these pages as clean as they are. I also want to acknowledge my divisional secretary, Nancy Tang, who helps keep me on track in a variety of ways. I could not ask for a better, more dedicated, or more cheerful assistant. She really helps keep things together.

ABOUT THE AUTHORS

Nancy Langton received her Ph.D. from Stanford University. Since completing her graduate studies, Dr. Langton has taught at the University of Oklahoma and the University of British Columbia. Currently a member of the Organizational Behaviour and Human Resources division in the Sauder School of Business, UBC, she teaches at the undergraduate, MBA, and Ph.D. level and conducts executive programs on attracting and retaining employees, time management, family business issues, as well as women and management issues. Dr. Langton has received several major three-year research grants from the Social Sciences and Humanities Research Council of Canada, and her research interests have focused on human resource issues in the workplace, including pay equity, gender equity, and leadership and communication styles. She is currently conducting longitudinal research with entrepreneurs in the Greater Vancouver Region, trying to understand the relationship between their human resource practices and the success of their businesses, and she is also looking at how social media can affect social movements. Her articles on these and other topics have appeared in such journals as *Administrative Science Quarterly*, *American Sociological Review*, *Sociological Quarterly*, *Journal of Management Education*, and *Gender, Work and Organizations*. She has won Best Paper commendations from both the Academy of Management and the Administrative Sciences Association of Canada.

Dr. Langton routinely wins high marks from her students for teaching. She has been nominated many times for the Commerce Undergraduate Society Awards, and has won several honourable mention plaques. She has also won the Sauder School of Business's most prestigious award for teaching innovation, The Talking Stick. The award was given for Dr. Langton's redesign of the undergraduate organizational behaviour course as well as the many activities that were a spin-off of these efforts. She was also part of the UBC MBA Core design team that won the Alan Blizzard award, a national award that recognizes innovation in teaching.

In Dr. Langton's "other life," she engages in the artistry of quilting, and one day hopes to win first prize at *Visions*, the juried show for quilts as works of art. When she is not designing quilts, she is either reading novels recommended by her book club colleagues, or studying cookbooks for new ideas. All of her friends would say that she makes from scratch the best pizza in all of Vancouver, and one has even offered to supply venture capital to open a pizza parlour.





Stephen P. Robbins

Education

Ph.D., University of Arizona

Professional Experience

Academic Positions: Professor, San Diego State University, Southern Illinois University at Edwardsville, University of Baltimore, Concordia University in Montreal, and University of Nebraska at Omaha.

Research: Research interests have focused on conflict, power, and politics in organizations, behavioural decision making, and the development of effective interpersonal skills.

Books Published: World's best-selling author of textbooks in both management and organizational behaviour. His books have sold more than 5 million copies, have been translated into 20 languages, and editions have been adapted for Canada, Australia, South Africa, and India, such as these:

- *Essentials of Organizational Behavior*, 10th ed. (Prentice Hall, 2010)
- *Management*, 10th ed. with Mary Coulter (Prentice Hall, 2009)
- *Human Resource Management*, 10th ed., with David DeCenzo (Wiley, 2010)
- Prentice Hall's Self-Assessment Library 3.4 (Prentice Hall, 2010)
- *Fundamentals of Management*, 7th ed., with David DeCenzo and Mary Coulter (Prentice Hall, 2011)
- *Supervision Today!* 6th ed., with David DeCenzo (Prentice Hall, 2010)
- *Training in Interpersonal Skills*, 5th ed., with Phillip Hunsaker (Prentice Hall, 2009)
- *Managing Today!* 2nd ed. (Prentice Hall, 2000)
- *Organization Theory*, 3rd ed. (Prentice Hall, 1990)
- *The Truth About Managing People*, 2nd ed. (Financial Times/Prentice Hall, 2008)
- *Decide and Conquer: Make Winning Decisions and Take Control of Your Life* (Financial Times/Prentice Hall, 2004).

Other Interests

In his "other life," Dr. Robbins actively participates in masters' track competition. Since turning 50 in 1993, he has won 18 national championships and 12 world titles. He is the current world record holder at 100 metres (12.37 seconds) and 200 metres (25.20 seconds) for men 65 and over.

Timothy A. Judge

Education

Ph.D., University of Illinois at Urbana-Champaign

Professional Experience

Academic Positions: Visiting Franklin D. Schurz Professor of Management, Mendoza College of Business, University of Notre Dame; Matherly-McKethan Eminent Scholar in Management, Warrington College of Business Administration, University of Florida; Stanley M. Howe Professor in Leadership, Henry B. Tippie College of Business, University of Iowa; Associate Professor (with tenure), Department of Human Resource Studies, School of Industrial and Labor Relations, Cornell University; Lecturer, Charles University, Czech Republic, and Comenius University, Slovakia; Instructor, Industrial/Organizational Psychology, Department of Psychology, University of Illinois at Urbana-Champaign.

Research: Dr. Judge's primary research interests are in (1) personality, moods, and emotions, (2) job attitudes, (3) leadership and influence behaviours, and (4) careers (person-organization fit, career success). Dr. Judge has published more than 120 articles in these and other major topics in journals such as *Journal of Organizational Behavior*, *Personnel Psychology*, *Academy of Management Journal*, *Journal of Applied Psychology*, *European Journal of Personality*, and *European Journal of Work and Organizational Psychology*.

Fellowship: Dr. Judge is a fellow of the American Psychological Association, the Academy of Management, the Society for Industrial and Organizational Psychology, and the American Psychological Society.

Awards: In 1995, Dr. Judge received the Ernest J. McCormick Award for Distinguished Early Career Contributions from the Society for Industrial and Organizational Psychology. In 2001, he received the Larry L. Cummings Award for mid-career contributions from the Organizational Behavior Division of the Academy of Management. In 2007, he received the Professional Practice Award from the Institute of Industrial and Labor Relations, University of Illinois.

Books Published: H. G. Heneman III and T. A. Judge, *Staffing Organizations*, 6th ed. (Madison, WI: Mendota House/Irwin, 2009).

Other Interests

Although he cannot keep up (literally!) with Dr. Robbins' accomplishments on the track, Dr. Judge enjoys golf, cooking and baking, literature (he's a particular fan of Thomas Hardy, and is a member of the Thomas Hardy Society), and keeping up with his three children, who range in age from 20 to 6.



CHAPTER

1

What Is Organizational Behaviour?

An organization decides it will hire people with few skills and little job experience. What challenges might its managers face?

PART 1

UNDERSTANDING
THE WORKPLACE

LEARNING OUTCOMES

- 1 What is organizational behaviour?
- 2 Isn't organizational behaviour common sense? Or just like psychology?
- 3 How does knowing about organizational behaviour make work and life more understandable?
- 4 What challenges do managers and employees face in the workplace of the twenty-first century?

 Explore

Student PowerPoint Slides - Chapter 1

Grail Noble runs Toronto-based Yellow House Events, an event-management business she started in 2003.¹ For the first several years she worked independently, but in 2006, she wanted to expand. However, she was cautious. So, she kept her home office and hired an intern, who had studied event planning.

Initially, one Yellow House client worried that the intern was too young (although she was 23 and had a post-graduate degree) to run high-level events. Instead the intern proved herself and impressed the client. That intern quickly became a full-time employee and, several promotions later, is now the company's director of operations. Noble found the work ethic of her Generation Y employee inspirational, which led her to secure cool office digs (critical for this generation) and hire more young staff members. She now employs six Gen Ys, all of whom have a post-graduate degree.

Noble had to learn how to best work with her Gen-Y staff, for whom the line between work and personal life is often blurred. They will work late into the night, but want to be able to “update their Facebook status at any hour of the workday.” They also create more of a party atmosphere in the workplace, something Noble has had to get used to, and are definitely more particular about *what* they work on and *who* they work with. Still, she thinks these challenges are worth it. She built her business by “harnessing the energy of Generation Y.” Together they have helped Yellow House post 1200 percent growth over five years, placing the company 41st on the 2011 *PROFIT* magazine list of the top-200-fastest-growing companies in Canada.

The challenges that managers such as Noble face illustrate several concepts you will find as you study the field of organizational behaviour. Let's take a look, then, at what organizational behaviour is.



THE BIG IDEA

OB helps managers and employees make sense of the workplace, and also applies to work in groups of all kinds.

OB IS FOR EVERYONE

- Why do some people do well in organizational settings while others have difficulty?
- Do you know what a “typical” organization looks like?
- Does job satisfaction really make a difference?
- Are you ready to take on more responsibility at work?
- What people-related challenges have you noticed in the workplace?
- Why should you care about understanding other people?

LEARNING ABOUT YOURSELF

- Your Interpersonal Skills

1 What is organizational behaviour?

Defining Organizational Behaviour

Organizational behaviour (often abbreviated as OB) is a field of study that looks at the impact that individuals, groups, and structure have on behaviour within organizations for the purpose of applying such knowledge toward improving an organization's effectiveness. Because the organizations studied are often business organizations, OB is frequently applied to topics such as jobs, absenteeism, turnover, productivity, motivation, working in groups, and job satisfaction. Although debate exists about their relative importance, OB also examines the core topics of motivation, leader behaviour and power, interpersonal communication, group structure and processes, learning, attitude development and perception, change processes, conflict, work design, and work stress.²



Why do some people do well in organizational settings while others have difficulty?

OB Is for Everyone

It may seem natural to think that the study of OB is for leaders and managers of organizations. However, OB is for everyone. For instance, many organizations also have informal leadership opportunities. In organizations in which employees are asked to share in a greater number of decision-making processes rather than simply follow orders, the roles of managers and employees are becoming blurred.³ For instance, employees in some retail stores are asked to make decisions about when to accept returned items on their own, without involving the manager.

OB is not just for managers and employees. Entrepreneurs and self-employed individuals may not act as managers, but they certainly interact with other individuals and organizations as part of their work. In fact, much of OB is relevant beyond the workplace.

OB applies equally well to all situations in which you interact with others. In fact, OB is relevant anywhere that people come together and share experiences, work on goals, or meet to solve problems. The study of OB can shed light on the interactions among family members, the voluntary group that comes together to do something about reviving the downtown area, students working as a team on a class project, the parents who sit on the board of their child's daycare centre, or even the members of a lunchtime pickup basketball team. Throughout this text, a feature called *OB in the Street* will help you understand these broader connections.

The Importance of Interpersonal Skills

Until the late 1980s, business school curricula emphasized the technical aspects of management, focusing on economics, accounting, finance, and quantitative techniques. Course work in human behaviour and people skills received minimal attention. Over the past three decades, however, business faculty have come to realize the role that understanding human behaviour plays in determining organizational effectiveness, and required courses on people skills have been added to many curricula. Employers are looking for people skills as well. In a recent survey of Canadian chief financial officers, 34 percent said a job candidate's people skills were more important than industry experience and software proficiency. Five years earlier, only 1 percent cared about interpersonal skills.⁴

Organizations that invest in the development of employees' interpersonal skills are more likely to attract and keep high-performing employees. Regardless of labour market conditions, outstanding employees are always in short supply.⁵ Companies known as good places to work—such as Toronto-based Royal Bank of Canada, Fredericton-based NB Power, Lunenburg, Nova Scotia-based High Liner Foods, Winnipeg-based

organizational behaviour A field of study that investigates the impact of individuals, groups, and structure on behaviour within organizations; its purpose is to apply such knowledge toward improving an organization's effectiveness.

Ceridian Canada, Regina-based SaskTel, Calgary-based Agrium, and Vancouver-based Leducor⁶—have been found to generate superior financial performance.⁷ A recent survey of hundreds of workplaces, and over 200 000 respondents, showed that the social relationships among co-workers and supervisors were strongly related to overall job satisfaction. Positive social relationships also were associated with lower stress at work and lower intentions to quit.⁸ So, having managers with good interpersonal skills is likely to make the workplace more pleasant, which in turn makes it easier to hire and keep qualified people. Creating a pleasant workplace appears to make good economic sense, particularly because wages and benefits are not the main reasons people like their jobs or stay with an employer.⁹

Succeeding in the workplace takes good people skills. This text has been written to help managers and employees develop those people skills. To learn more about the kinds of skills needed in the workplace, see the *Working with Others Exercise* on page 26. To find out about the strengths and weaknesses in your people skills, see the *Learning About Yourself Exercise* on page 25.

What Do We Mean by Organization?

An **organization** is a consciously coordinated social unit, made up of a group of people who work together on common goals on a relatively continuous basis. Manufacturing and service firms are organizations, and so are schools, hospitals, churches, military units, retail stores, police departments, volunteer organizations, start-ups, and local, provincial, and federal government agencies. Thus, when we say “organization” throughout this text, we are referring not only to large manufacturing firms but also to small mom-and-pop stores, as well as to the variety of other forms of organization that exist. Businesses that employ no more than 100 people made up 98 percent of the employers in Canada in 2011.¹⁰ These businesses employed 48 percent of the workforce.¹¹ Less than .05 percent of employers have more than 500 employees, and they employ 36.3 percent of the workforce. Most of these large organizations are in the public sector.¹²

The examples in this text present various organizations so that you gain a better understanding of the many types that exist. Though you might not have considered this before, the college or university you attend is every bit as much a “real” organization as is lululemon athletica or Air Canada or the Vancouver Canucks. A small, for-profit organization that hires people with limited skills to renovate and build in the inner city of Winnipeg is as much a real organization as is London, Ontario-based EllisDon, one of North America’s largest construction companies. Therefore, the theories we cover should be considered in light of the variety of organizations you may encounter. We try to point out instances where the theory may be less applicable (or especially applicable) to a particular type of organization. For the most part, however, you should expect that the discussions in this text apply across the broad spectrum of organizations. Throughout, we highlight applications to a variety of organizations in our feature *OB in the Workplace*.



Do you know what a “typical” organization looks like?

OB: Making Sense of Behaviour in Organizations

As Grail Noble encouraged her employees to act more like owners of Yellow House Events, it meant that she had to listen to feedback that she did not necessarily like.¹³ In one case, the employees complained about one of her largest clients. They found it demotivating to manage the client’s events because of the way the client interacted with them. Noble listened to her employees, reviewed the email exchanges employees and the client had written, and reflected on her own experiences with the client. She decided

2 Isn’t organizational behaviour common sense? Or just like psychology?

organization A consciously coordinated social unit, made up of a group of people who work together on common goals on a relatively continuous basis.

to fire the client after Yellow House finished the work they had already committed to doing. “That was a very tough decision,” she acknowledges. “But my people are my brand and product. At that point, the money wasn’t worth their unhappiness.” What can Noble learn from organizational behaviour to do an even better job of managing her employees?

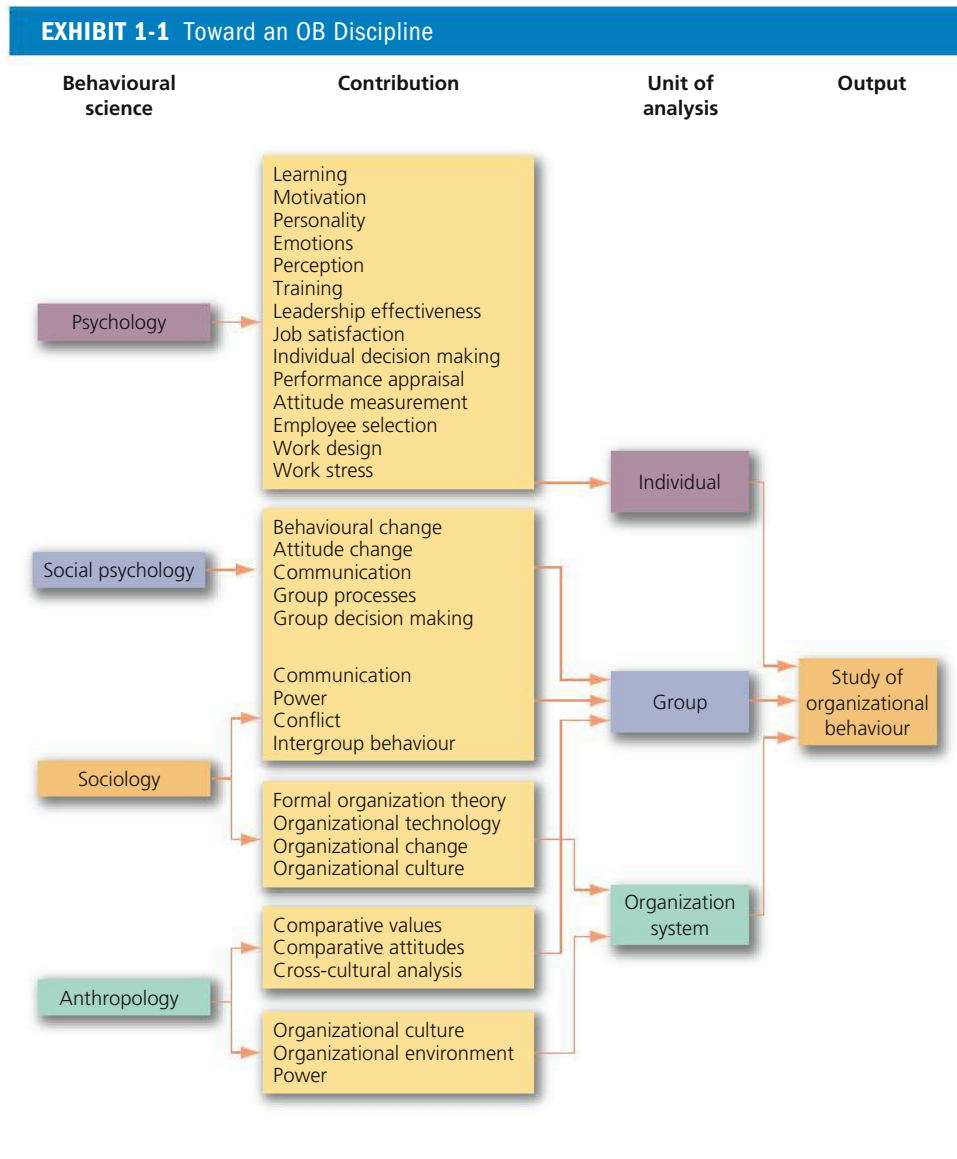
So far, we have considered why OB applies to a variety of settings. In this next section, we consider the other fields of study that have contributed to OB and discuss the fact that OB is a scientific discipline, with careful research that is conducted to test and evaluate theories.

The Building Blocks of OB

OB is an applied behavioural science that is built upon contributions from a number of behavioural disciplines. The main areas are psychology, sociology, social psychology, anthropology, and political science.¹⁴ As we will learn, psychology’s contributions have been mainly at the individual or micro level of analysis. The other four disciplines have contributed to our understanding of macro concepts, such as group processes and organization. Exhibit 1-1 presents an overview of the major contributions to the study of OB.

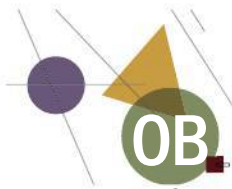
Explore

Exhibit 1-1: Toward an OB Discipline



The Rigour of OB

Whether you want to respond to the challenges of the Canadian workplace, which we discuss later in this chapter, manage well, guarantee satisfying and rewarding employment for yourself, or know how to work better in groups and teams, it pays to understand organizational behaviour. OB provides a systematic approach to the study of behaviour in organizations, as well as groups and teams. Underlying this systematic approach is the belief that behaviour is not random. Thus, research studies are conducted and are the basis for all of the claims made in this text. OB is even being adopted by other disciplines, as *OB in the Street* shows.



in the **STREET**

Is OB Just for the Workplace?

Can finance learn anything from OB? It may surprise you to learn that, increasingly, other business disciplines are employing OB concepts.¹⁵ Marketing has the closest overlap with OB. Trying to predict consumer behaviour is not that different from trying to predict employee behaviour. Both require an understanding of the dynamics and underlying causes of human behaviour, and there is a lot of correspondence between the disciplines.

What is perhaps more surprising is the degree to which the so-called hard disciplines are making use of soft OB concepts. Behavioural finance, behavioural accounting, and behavioural economics (also called *economic psychology*) all have grown in importance and interest in the past several years.

On reflection, the use of OB by these disciplines should not be so surprising. Your common sense will tell you that humans are not perfectly rational creatures, and in many cases, our actions do not conform to a rational model of behaviour. Although some elements of irrationality are incorporated into economic thought, finance, accounting, and economics researchers find it increasingly useful to draw from OB concepts.

For example, investors have a tendency to place more weight on private information (information that only they, or a limited group of people, know) than on public information, even when there is reason to believe that the public information is more accurate. To understand this phenomenon, finance researchers use OB concepts. In addition, behavioural accounting research might study how feedback influences auditors' behaviour, or the functional and dysfunctional implications of earnings warnings on investor behaviour.

The point is that while you take separate courses in various business disciplines, the lines between them are becoming increasingly blurred as researchers draw from common disciplines to explain behaviour. We think that this is a good thing because it more accurately matches the way managers actually work, think, and behave. ●

OB Looks at Consistencies

Certainly there are differences among individuals. Placed in similar situations, people do not all act exactly alike. However, there are certain fundamental consistencies underlying the behaviour of most individuals that can be identified and then modified to reflect individual differences.

These fundamental consistencies are very important because they allow predictability. For instance, when you get into your car, you make some definite and usually highly accurate predictions about how other people will behave.

What may be less obvious is that there are rules (written and unwritten) in almost every setting. Thus, it can be argued that it's possible to predict behaviour (undoubtedly, not always with 100 percent accuracy) in supermarkets, classrooms, doctors'

offices, elevators, and in most structured situations. For instance, do you turn around and face the doors when you get into an elevator? Almost everyone does. Is there a sign inside the elevator that tells you to do this? Probably not! Just as we make predictions about drivers, where there are definite rules of the road, so we can make predictions about the behaviour of people in elevators, where there are few written rules. This example supports a major foundation of this text: Behaviour is generally predictable, and the *systematic study* of behaviour is a means to making reasonably accurate predictions.

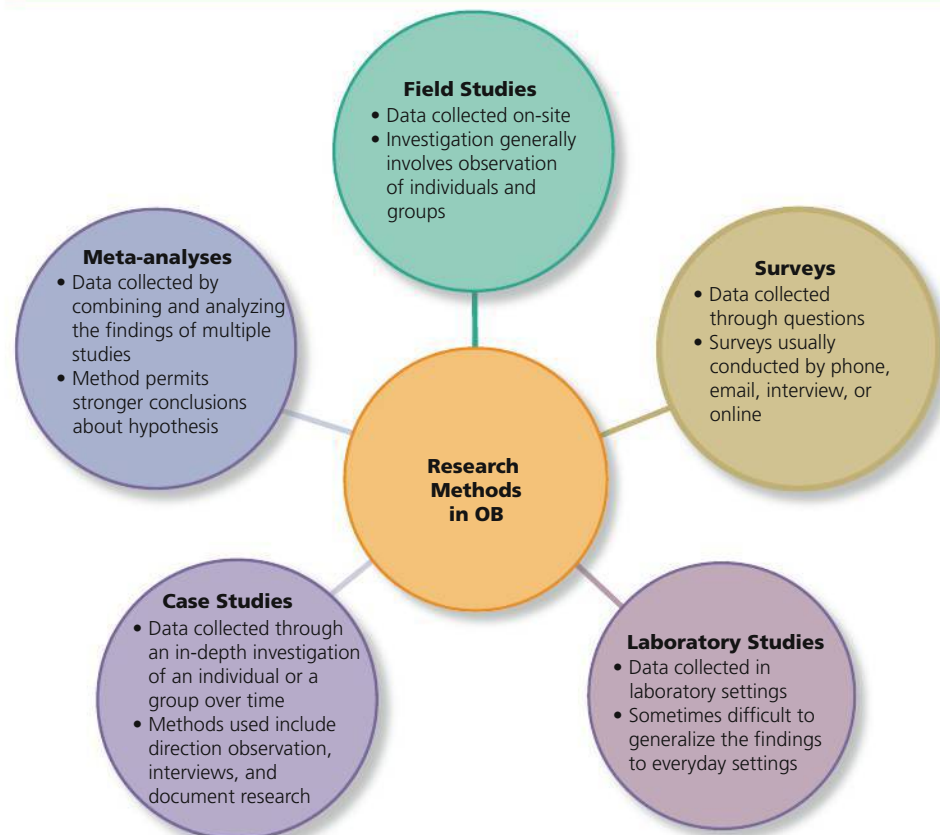
OB Looks Beyond Common Sense

Each of us watches the actions of others and attempts to interpret what we see. Unfortunately, a casual or commonsensical approach to reading others can often lead to erroneous predictions. However, you can improve your predictive ability by supplementing intuition opinions with a more systematic approach.

Underlying the systematic approach used in this text is the belief that behaviour is not random. Behaviour is generally predictable in that even seemingly random behaviour is guided by an underlying probability of whether that behaviour will occur. When we use the phrase **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 reasonably rigorous manner. Exhibit 1-2 illustrates the common methods researchers use to study topics in OB.

Evidence-based management (EBM) complements systematic study by basing managerial decisions on the best available scientific evidence. We would want doctors to

EXHIBIT 1-2 Research Methods in OB



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

evidence-based management (EBM) Basing managerial decisions on the best available scientific evidence.

make decisions about patient care based on the latest available evidence, and EBM argues that managers should do the same, becoming more scientific in how they think about management problems. For example, a manager might consider a managerial question, search for the best available evidence based on research conducted that applies to that question, and apply the research results to the question or case at hand. You might think it's difficult to argue against this (what manager would say that decisions should not be based on evidence?), but the vast majority of management decisions are still made "on the fly," with little or no systematic study of available evidence.¹⁶

Systematic study and EBM add to **intuition**, or those "gut feelings" about "what makes others (and ourselves) tick." If we make all decisions with intuition or gut instinct, we are likely working with incomplete information, comparable to making a decision with only half the data. Relying on intuition is made worse because we tend to overestimate the accuracy of what we think we know. In a recent survey, 86 percent of managers thought their organization was treating their employees well, but only 55 percent of employees thought they were well treated.¹⁷

Some of the conclusions we make in this text, based on reasonably substantive research findings, will support what you always knew was true. But you will also be exposed to research evidence that runs counter to what you may have thought was common sense. One of the objectives of this text is to encourage you to enhance your intuitive views of behaviour with a systematic analysis, in the belief that such analysis will improve your accuracy in explaining and predicting behaviour.

If understanding behaviour were simply common sense, we would not observe many of the problems that occur in the workplace, because managers and employees would know how to behave. Unfortunately, as you will see from examples throughout the text, many individuals and managers exhibit less than desirable behaviour in the workplace. With a stronger grounding in OB, you might be able to avoid some of these mistakes. This chapter's *Point/Counterpoint* on page 24 looks at how systematic OB is.

OB Has Few Absolutes

There are few, if any, simple and universal principles that explain OB. In contrast, the physical sciences—chemistry, astronomy, and physics, for example—have laws that are consistent and apply in a wide range of situations. Such laws allow scientists to generalize about the pull of gravity or to confidently send astronauts into space to repair satellites. However, as one noted behavioural researcher concluded, "God gave all the easy problems to the physicists." Human beings are complex. Because we are not alike, our ability to make simple, accurate, and sweeping generalizations is limited. Two people often act differently in the same situation, and the same person's behaviour changes in different situations.

OB Takes a Contingency Approach

Just because people can behave differently at different times does not mean, of course, that we cannot offer reasonably accurate explanations of human behaviour or make valid predictions. It does mean, however, that OB must consider behaviour within the context in which it occurs—known as a **contingency approach**. In other words, OB's answers "depend upon the situation." For example, OB scholars would avoid stating that everyone likes complex and challenging work (the general concept). Why? Because not everyone wants a challenging job. A job that is appealing to one person may not be to another, so the appeal of the job is contingent on the person who holds it. OB theories mirror the subject matter with which they deal. People are complex and complicated, and so too must be the theories developed to explain their actions.

Consistent with the contingency approach, the *Point/Counterpoint* feature included in each chapter presents debates on some of the more controversial issues in OB. These debates highlight the fact that within OB there is disagreement on many issues.

intuition A gut feeling not necessarily supported by research.

contingency approach An approach taken by OB that considers behaviour within the context in which it occurs.

The *Point/Counterpoint* format gives you the opportunity to explore different points of view on an issue, discover how diverse perspectives complement and oppose each other, and gain insight into some of the current debates in the OB field.

How Will Knowing OB Make a Difference?

- 3 How does knowing about organizational behaviour make work and life more understandable?

When we talk about the impact of OB in each chapter, we consider the impact on both the workplace and the individual (see our features *OB in the Workplace* and *OB in the Street*). So let's begin our discussion of OB's impact by looking broadly at how knowing about OB makes a difference in the workplace, before we look at how OB affects us individually.

In the Workplace

From a management point of view, understanding OB can help you manage well. The evidence indicates that managing people well makes for better corporations overall.

Each year, Aon Hewitt publishes a list of the "50 Best Employers in Canada." According to the 2011 survey's results, each of the top companies emphasizes the importance of employee engagement. "One area that our research has shown is critical to high engagement is manager effectiveness—how people are coached and motivated by their direct supervisor."¹⁸ Managing well also makes a difference to the bottom line. Despite the recent economic challenges, companies that were ranked in the Best Employers list exceeded the industry average annual total shareholder return by more than 14 percent.¹⁹

While surveys show that managing well adds to the bottom line, it also shows that managing well provides managers with day-to-day returns. Companies ranked as "best employers" tend to have low turnover, and employees want to stay there—even when they are offered higher-paying jobs by other companies. Employees with the 50 best employers who participated in the survey did not mention money. Instead, they noted that the company recognizes their performance in little ways that make a difference.

The simple message is this: Managing people well pays off. Doing so may also lead to greater **organizational commitment**. We use this term to describe the degree to which an employee identifies with the organization and wishes to maintain membership in the organization.²⁰ This type of commitment is often called **affective commitment**, which describes the strength of an individual's emotional attachment to, identification with, and involvement in the organization. Employees who are highly committed go beyond expected behaviours to provide extra service, extra insight, or whatever else is needed to get the job done. There is some concern that extreme organizational commitment can have negative effects, in that employees with strong organizational commitment may behave unethically to protect the organization. However, this concern should not be a reason to avoid encouraging commitment. One benefit of having committed employees is that they are less resistant to change when organizations need to carry out changes.

Finally, managing well may improve organizational citizenship behaviour, a topic we discuss later in this chapter.

For You as an Individual

You may be wondering exactly how OB applies to you if you are still in school and not yet working. Or you may want to know how OB applies to you if you are planning to run your own business or work for a small nonprofit organization, rather than a large organization. Or you may be asking yourself how OB applies to you if you are not planning on being a manager. We look at each of these scenarios below to help you see that OB is relevant in a variety of situations.

organizational commitment The degree to which an employee identifies with the organization and wishes to remain with the organization.

affective commitment The strength of an individual's emotional attachment to, identification with, and involvement in the organization.