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Organizational Behaviour

Concepts, Controversies, Applications

Nancy Langton

Stephen P. Robbins

Timothy A. Judge

**Eighth
Canadian
Edition**



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PREFACE

Welcome to the eighth Canadian edition of *Organizational Behaviour*. Since its arrival in Canada, *Organizational Behaviour* has enjoyed widespread acclaim across the country for its rich Canadian content and has quickly established itself as the leading text in the field.

Organizational Behaviour, Eighth Canadian edition, is truly a Canadian product. While it draws upon the strongest aspects of its American cousin, it expresses its own vision and voice. It provides the context for understanding organizational behaviour (OB) in the Canadian workplace and highlights the many Canadian contributions to the field. Indeed, it goes a step further than most OB texts prepared for the Canadian marketplace.

Specifically, it asks, in many instances:

- How does this theory apply in the Canadian workplace of today?
- What are the implications of the theory for managers and employees working in the twenty-first century?
- What are the implications of the theory for everyday life? OB, after all, is not something that applies only in the workplace.

This text is sensitive to important Canadian issues. Subject matter reflects the broad multicultural flavour of Canada and also highlights the roles of women and visible minorities in the workplace. Examples reflect the broad range of organizations in Canada: large, small, public and private sector, unionized and non-unionized.

Organizational Behaviour continues to be a vibrant and relevant text because it's a product of the Canadian classroom. It is used in Canada by the first author and her colleagues. Thus, there is a "front-line" approach to considering revisions. We also solicit considerable feedback from OB instructors and students throughout the country. While we have kept the features of the previous edition that adopters continue to say they like, there is also a great deal that is new.

Key Changes to the Eighth Canadian Edition

The eighth edition was designed to evolve with today's students. There are more relevant examples, updated theory coverage, and a continued emphasis on providing the latest research findings. Based on reviews from numerous instructors and students across Canada, we have found that many potential users want chapters that have the right balance of theory, research, and application material, while being relevant to student learning.

- **NEW** feature in every chapter! *Career Objectives* offers advice in a question-and-answer format to help students think through issues they may face in the workforce today.
- **NEW** *Opening Vignette* in every chapter brings current business trends and events to the forefront.
- **NEW** key terms presented in bold throughout the text highlight new vocabulary pertinent to today's study of organizational behaviour.
- **NEW** photos and captions in every chapter link the chapter content to contemporary real-life worldwide situations to enhance the student's understanding of hands-on application of concepts.

- **NEW** These features are either **completely new or substantially updated** within each chapter as applicable to reflect ongoing challenges in business worldwide and focus the student's attention on new topics:
 - *Learning Objectives*
 - *Exhibits*
 - *Point/Counterpoint*
- **NEW** The following end-of-chapter material is either **completely new or substantially revised and updated** for each chapter to bring the most contemporary thinking to the attention of students:
 - *Summary*
 - *OB at Work: For Review*
 - *OB at Work: For Managers*
 - *Experiential Exercise*
 - *Ethical Dilemma*
 - *Case Incidents*

Chapter-by-Chapter Changes

Chapter 1: What Is Organizational Behaviour?

- Revised *Learning Outcomes*
- New *Opening Vignette* (Target's failure in Canada)
- New research in The Importance of Interpersonal Skills
- New research in Big Data
- New feature! *Career Objectives* (What Do I Say About My Termination?)
- New *Point/Counterpoint* (The Battle of the Texts)
- New *Experiential Exercise* (Managing the OB Way)
- New *Ethical Dilemma* (There's a Drone in Your Soup)
- Updated *Case Incident* (Apple Goes Global)
- New *Case Incident* (Big Data for Dummies)

Chapter 2: Perception, Personality, and Emotions

- New *Opening Vignette* (Michele Romanow)
- New section in The Myers-Briggs Type Indicator
- New research and discussion in The Big Five Personality Model
- New sections on Big Five personality trait research: Conscientiousness, Emotional Stability, Extraversion, Openness to Experience, and Agreeableness
- New research in The Dark Triad
- New major section: Other Traits (on traits that are socially undesirable)
- New research and discussion in Moral Emotions

- New research and discussion in Choosing Emotions: Emotional Labour
- New section: Emotion Regulation Techniques
- New feature! *Career Objectives* (So What If I'm a Few Minutes Late to Work?)
- New *Point/Counterpoint* (Sometimes Yelling Is for Everyone's Good)
- New *Case Incident* (The Power of Quiet)
- New *Case Incident* (Tall Poppy Syndrome)

Chapter 3: Values, Attitudes, and Diversity in the Workplace

- New *Opening Vignette* (Ladies Learning Code)
- New research in What Causes Job Satisfaction?
- New section: Job Conditions
- New section: Personality
- New section: Pay
- New section: Life Satisfaction
- New major section: Counterproductive Work Behaviour (CWB)
- New feature! *Career Objectives* (Is It Okay to Be Gay at Work?)
- New *Point/Counterpoint* (Millennials Have Inflated Images of Themselves Compared to Their Parents)
- New *Ethical Dilemma* (Tell-All Websites)
- New *Case Incident* (Job Crafting)
- New *Case Incident* (Walking the Walk)

OB on the Edge: Stress at Work

- New *Opening Vignette* (workspaces are not for eating)
- Updated list of The Most and Least Stressful Jobs
- New research in Causes of Stress
- New research and discussion in Organizational Approaches

Chapter 4: Theories of Motivation

- Revised *Learning Outcomes*
- New *Opening Vignette* (Lee Valley Tools)
- New research and discussion in Maslow's Hierarchy of Needs Theory
- New international research and discussion in McClelland's Theory of Needs
- New feature! *Career Objectives* (Why Won't He Take My Advice?)
- New research and discussion in Self-Determination Theory
- New Global Implications section: Justice
- New *Ethical Dilemma* (The New GPA)

Chapter 5: Motivation in Action

- *New Opening Vignette* (G Adventures)
- New research and discussion in Job Rotation
- New section and research in Relational Job Design
- New research in Flextime
- New feature! *Career Objectives* (How Can I Get Flextime?)
- New research and discussion in Telecommuting
- New international research and discussion in Employee Involvement and Participation
- New research in Participative Management
- New research in Representative Participation
- New international research and new discussion in How to Pay: Rewarding Individual Employees through Variable-Pay Programs
- New research in Merit-Based Pay
- New international research in Bonuses
- New research in Profit-Sharing Plans
- New research in Employee Stock Ownership Plans
- New material and international research in Flexible Benefits: Developing a Benefits Package
- New research in Intrinsic Rewards: Employee Recognition Programs
- *New Case Incident* (Pay Raises Every Day)

Chapter 6: Groups and Teamwork

- *New Opening Vignette* (Summerlunch+)
- New research and discussion in Why Have Teams Become So Popular?
- New discussion in Problem-Solving Teams
- New research in Cross-Functional Teams
- New research in Virtual Teams
- New research and discussion in Multiteam Systems
- New international research in Climate of Trust
- New material in Composition (of teams)
- New research and discussion in Personality of Members
- New section: Cultural Differences
- New section: Positive Norms and Group Outcomes
- New section: Negative Norms and Group Outcomes
- New section: Team Identity
- New section: Team Cohesion
- New international research and discussion in Mental Models

- New international research and discussion in Conflict Levels
- New feature! *Career Objectives* (Can I Fudge the Numbers and Not Take the Blame?)
- Revised *Ethical Dilemma* (Dealing with Shirkers)
- New *Case Incident* (Intragroup Trust and Survival)

OB on the Edge: Trust

- Revised section: What Can Leaders Do to Increase Trust?
- New discussion in Building Team Trust
- New major section: The Need to Prevent Lying

Chapter 7: Communication

- Revised *Learning Outcomes*
- New *Opening Vignette* (Slack)
- New research in Downward Communication
- New research and discussion in The Grapevine
- New major section: Modes of Communication
- New section: Oral Communication
- New section: Meetings
- New section: Videoconferencing and Conference Calling
- New section: Telephone
- New section: Written Communication
- New section: Letters
- New section: PowerPoint
- New research in Social Media
- New section: Apps
- New research in Blogs
- New feature! *Career Objectives* (Isn't This Disability Too Much to Accommodate?)
- New *Ethical Dilemma* (BYOD)
- Updated *Case Incident* (Organizational Leveraging of Social Media)

Chapter 8: Power and Politics

- Revised *Learning Outcomes*
- New *Opening Vignette* (Jian Ghomeshi)
- New international research and discussion in Sexual Harassment
- New research in Impression Management
- New feature! *Career Objectives* (Should I Become Political?)
- New *Experiential Exercise* (Comparing Influence Tactics)

Chapter 9: Conflict and Negotiation

- New *Opening Vignette* (GM Canada and Unifor)
- New international research in Personal Variables
- New major section: Negotiating in a Social Context
- New research and discussion in Gender Differences in Negotiation
- New research in Conflict Resolution and Culture
- New feature! *Career Objectives* (How Can I Get a Better Job?)
- Revised *For Managers*
- New *Point/Counterpoint* (Pro Sports Strikes Are Caused by Greedy Owners)
- New *Case Incident* (Disorderly Conduct)

OB on the Edge: Workplace Bullying

- New *Opening Vignette* (The Vancouver School Board)
- New research in Workplace Violence
- New research in the box Do You Have a Bad Boss?
- Updated statistics in What Are the Effects of Incivility and Toxicity in the Workplace?

Chapter 10: Organizational Culture

- Revised *Learning Outcomes*
- New *Opening Vignette* (Hyatt Hotels)
- New discussion in What Is Organizational Culture?
- New section: Culture and Sustainability
- Updated research in Culture and Innovation
- New section: Strengthening Dysfunctions
- New research in Barriers to Acquisitions and Mergers
- New feature! *Career Objectives* (How Do I Learn to Lead?)
- New *Experiential Exercise* (Greeting Newcomers)
- New *Ethical Dilemma* (Culture of Deceit)
- New *Case Incident* (The Place Makes the People)
- New *Case Incident* (Active Cultures)

Chapter 11: Leadership

- New *Opening Vignette* (Kelly Lovell)
- New international research in Trait Theories: Are Leaders Different from Others?
- New research in What Is Charismatic Leadership?
- New research in Transactional and Transformational Leadership

- New research in How Transformational Leadership Works
- New section: Transformational vs. Charismatic Leadership
- New research in Servant Leadership
- New feature! *Career Objectives* (How Can I Get My Boss to Be a Better Leader?)
- New *Experiential Exercise* (What Is Leadership?)
- New *Ethical Dilemma* (Smoking Success)
- New *Case Incident* (Leadership Mettle Forged in Battle)

Chapter 12: Decision Making, Creativity, and Ethics

- New *Opening Vignette* (TD Bank)
- New sections created with new research and discussion: Intelligence and Creativity, Personality and Creativity, Expertise and Creativity, and Ethics and Creativity
- New section: Creative Environment
- New international research and discussion in Four Ethical Decision Criteria
- New feature! *Career Objectives* (How Can I Make My Job Better?)

OB on the Edge: Spirituality in the Workplace

- New *Opening Vignette* (The Good Spirit)
- New research in Spirituality and Mindfulness
- New discussion in Achieving a Spiritual Organization

Chapter 13: Organizational Structure

- Updated *Learning Outcomes*
- New *Opening Vignette* (Precision Nutrition)
- New section: Boundary Spanning
- New section: The Functional Structure
- New section: The Divisional Structure
- New section: The Team Structure
- New section: The Circular Structure
- New section: Institutions
- New feature! *Career Objectives* (What Structure Should I Choose?)
- New *Experiential Exercise* (The Sandwich Shop)
- New *Ethical Dilemma* (Post-Millennium Tensions in the Flexible Organization)

Chapter 14: Organizational Change

- New *Opening Vignette* (Cirque du Soleil)
- New discussion in Forces for Change

- We have continued to integrate a series of relevant and helpful questions throughout the chapters to encourage students to think about how OB applies to their everyday lives and engage students in their reading of the material. These questions first appear as a bullet list in the chapter opener, under the heading **OB Is for Everyone**, and then appear throughout each chapter.
- The **Global Implications** section addresses and highlights how OB principles vary across cultures.
- **Summary** provides a review of the key points of the 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** poses a series of questions that are linked to the learning outcomes identified in the chapter opener.
 - **For Managers** outlines ways that managers can apply OB in the workplace.
 - **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.
 - **Breakout Group Exercises, Experiential Exercise, and Ethical Dilemma** 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.
 - **Case Incidents** (two per chapter) 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.
- Exclusive to the Canadian edition, **OB on the Edge** (following each part) takes a close look at some of the hottest topics in the field: work-related stress, trust, behavioural pathologies that can lead to workplace bullying, and spirituality in the workplace. Since this is a stand-alone feature, these topics can be introduced at the instructor's discretion.
- Our reviewers have asked for more cases, and more comprehensive and integrated cases. To address this request, we have included 10 **Additional Cases** that feature a variety of challenges and organizations. All of these cases require students to apply material from a variety of chapters.

Supplements

MyLab Management

MyLab Management is an online study tool for students and an online homework and assessment tool for faculty. MyLab Management 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 MyLab Management resources include the following:

- *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.
- *Updated Personalized Study Plan*. As students work through MyLab Management's 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.
- *MediaShare*. Consisting of a curated collection of videos and customizable, auto-scored assignments, MediaShare helps students understand why they are learning key concepts and how they will apply those in their careers. Instructors can also assign favorite YouTube clips or original content and employ MediaShare's powerful repository of tools to maximize student accountability and interactive learning, and provide contextualized feedback for students and teams who upload presentations, media, or business plans.
- *NEW Mini-Simulations*. New Mini-Simulations walk students through key business decision-making scenarios to help them understand how management decisions are made. Students are asked to make important decisions relating to core business concepts. At each point in the simulation, students receive feedback to help them understand the implications of their choices in the management environment. These simulations can now be assigned by instructors and graded directly through MyLab Management.
- *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 MyLab Management's Writing Space.
- *Lesson Presentations*. Students can study key chapter topics and work through interactive assessments to test their knowledge and mastery of concepts. Each presentation allows students to explore through expertly designed steps of reading, practising, and testing to ensure that students not only experience the

content but also truly engage with each topic. Instructors also have the ability to assign quizzes, projects, and follow-up discussion questions relating to the online lessons to further develop the valuable learning experiences from the presentations.

- *Dynamic Study Modules.* These study modules allow students to work through groups of questions and check their understanding of foundational management topics. As students work through questions, the Dynamic Study Modules assess their knowledge and only show questions that still require practice. Dynamic Study Modules can be completed online using a computer, tablet, or mobile device.
- *Pearson eText: MyLab Management* also includes an eText version of *Organizational Behaviour*, including a complete Glossary and Index. This dynamic, online version of the text is integrated throughout MyLab Management to create an enriched, interactive learning experience for students. Users can create notes, highlight text in different colours, create bookmarks, zoom, and click hyperlinked words and phrases to view definitions and go directly to web-links. The Pearson eText allows quick navigation to key parts of the eText using a table of contents and provides full-text search.

Most of the following materials are available for download from a password-protected section of Pearson Canada's online catalogue (<http://www.pearsoncanada.ca/highered>). Navigate to your text's catalogue page to view a list of those supplements that are available. Contact your local sales representative for details and access.

- *Instructor's Resource Manual.* Each chapter of the Instructor's Resource Manual includes a chapter outline, learning outcomes, chapter synopsis, study questions, suggested teaching plan, annotated lecture outlines, answers to questions found under *OB at Work's For Review*, a summary and analysis of *Point/Counterpoint* features, comments on end-of-chapter exercises, notes on the *Case Incidents* and *From Concepts to Skills*, and key terms.
- *Computerized Test Bank.* The Test Bank contains over 1800 items, including multiple-choice, true/false, and discussion questions that relate not only to the body of the text but to *From Concepts to Skills*, *Point/Counterpoint*, and case materials. For each question, we have provided the correct answer, a reference to the relevant section of the text, a difficulty rating, and a classification (recall/applied). Pearson's computerized test banks allow instructors to filter and select questions to create quizzes, tests, or homework. Instructors can revise questions or add their own, and may be able to choose print or online options. These questions are also available in Microsoft Word format.
- *PowerPoint Presentation.* A ready-to-use PowerPoint slideshow designed for classroom presentation. Use it as is, or edit content to fit your individual classroom needs.
- *Image Gallery.* This package provides instructors with images to enhance their teaching.

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.

Acknowledgments

A number of people worked hard to give this eighth Canadian edition of *Organizational Behaviour* a new look.

I received incredible support for this project from a variety of people at Pearson Canada. The three people who worked hardest to keep this project on track were Jennifer Murray, Content Developer, Claudia Forgas, Production Editor, and Jessica Mifsud, Project Manager. All three were extremely supportive and helpful. Jennifer supplied a number of great ideas for examples and vignettes, never complained when I was late with chapters, and she provided much needed cheerfulness at some of the most difficult parts of this project. I can't thank her enough for her dedication to the task.

Claudia Forgas was the Production Editor for the project. Claudia has worked on a number of my projects and still 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 text you hold in your hands could not have happened without her inspired leadership. She was extremely diligent about checking for consistency throughout the text and performed a number of helpful fact-checking activities. Her keen eyes helped to make these pages as clean as they are. I am grateful for the opportunity to work with her again.

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. I know the Pearson sales team will do everything possible to make this book successful.

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.

In our continuing effort to improve the text, we have conducted many reviews to elicit feedback over the years and editions. Many thanks to several students from the Northern Alberta Institute of Technology (NAIT) who provided us with suggestions for improving the text. The students are Barb Kosak, Prudence Musinguzi, Andres Sarrate, and Robert Tucci. Student input helps keep the material fresh and alive.

Finally, I want to acknowledge the many reviewers of this text for their detailed, helpful comments. I appreciate the time and care that they put into their reviewing. The reviewers include Nancy Breen (Nova Scotia Community College), Sabrina Deutsch Salamon (York University), Harold Ekstein (George Brown College), Leah Hamilton (Mount Royal University), Shari Ann Herrmann (Kwantlen Polytechnic University), Puneet Luthra (Seneca College), Jody Merritt (University of Windsor), John Predyk (Vancouver Island University), Wayne Rawcliffe (University of British Columbia), Sandra Steen (University of Regina), and Sujay Vardhmane (George Brown College).

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. levels 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. 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. More recently, she was acknowledged by the Sauder School of Business for her development of the Sauder Africa Initiative, which took her to Kenya with UBC students to help young people in the slums of Nairobi write business plans.

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. More recently, she has been working at mastering the art of photography, creating abstract art using segments of real objects. When she is not designing quilts or taking photographs, 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 the best pizza from scratch 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 and have been translated into 20 languages; editions have been adapted for Canada, Australia, South Africa, and India, such as these:

- *Essentials of Organizational Behavior*, 14th ed. (Pearson, 2017)
- *Management*, 14th ed. with Mary Coulter (Pearson, 2017)
- *Fundamentals of Human Resource Management*, 11th ed., with David DeCenzo (Wiley, 2012)
- *Prentice Hall's Self-Assessment Library 3.4* (Prentice Hall, 2010)
- *Fundamentals of Management*, 9th ed., with David DeCenzo and Mary Coulter (Pearson, 2014)
- *Supervision Today!* 8th ed., with David DeCenzo and Robert Wolter (Pearson, 2014)
- *Training in Interpersonal Skills: TIPS for Managing People at Work*, 6th ed., with Phillip Hunsaker (Prentice Hall, 2012)
- *Managing Today!* 2nd ed. (Prentice Hall, 2000)
- *Organization Theory*, 3rd ed. (Prentice Hall, 1990)
- *The Truth About Managing People*, 4th ed. (Pearson FT Press, 2014)
- *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. After turning 50 in 1993, he 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: Franklin D. Schurz Chair, Department of Management, Mendoza College of Business, University of Notre Dame; Visiting Distinguished Adjunct Professor of King Abdulaziz University, Saudi Arabia; Visiting Professor, Division of Psychology & Language Sciences, University College London; 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 145 articles on 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. In 2008, he received the University of Florida Doctoral Mentoring Award. And in 2012, he received the Editorial Board of the *European Journal of Work and Organizational Psychology* (EJWOP) best paper of the year award.

Other Books Published: H. G. Heneman III, T. A. Judge, and J. D. Kammeyer-Mueller, *Staffing Organizations*, 8th ed. (Mishawaka, IN: McGraw-Hill Education, 2014).

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.



1

What Is Organizational Behaviour?

PART 1

UNDERSTANDING THE WORKPLACE

How can people
skills help you run a
successful business?

LEARNING OUTCOMES

After studying this chapter, you should be able to:

- 1 Demonstrate the importance of interpersonal skills in the workplace.
- 2 Define *organizational behaviour* (OB).
- 3 Understand the value of systematic study to OB.
- 4 Identify the major behavioural science disciplines that contribute to OB.
- 5 Demonstrate why few absolutes apply to OB.
- 6 Identify workplace challenges that provide opportunities to apply OB concepts.
- 7 Describe the three levels of analysis in this book's OB model.



REUTERS/Ben Nelms

In 2011, American retail giant Target bought the leases of the entire Zellers chain, with the goal to open 124 locations in Canada during 2013.¹

There was much excitement among Canadian consumers who had been to Target in the States, and who wished something like it existed in Canada. Target was very successful in the United States, and apparently thought it could bring that success easily to Canada.

The first stores were set to open in March 2013. Almost from the beginning things did not go well. The shelves were often empty, and the items advertised for sale in weekly flyers were nowhere to be found. Consumers became frustrated almost from the start. In the rush to get stores opened, new staff did not receive enough training, the software for monitoring stock supplies was not working properly, and the company had not adequately assessed how quickly the company would be able to adjust to having a Canadian presence.

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



OB IS FOR **EVERYONE**

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



THE BIG IDEA

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

- 1 Demonstrate the importance of interpersonal skills in the workplace.

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 less attention. Since then, however, business schools have realized the significant role interpersonal skills play in determining a manager's effectiveness. In fact, a survey of over 2100 CFOs across 20 industries indicated that a lack of interpersonal skills is the top reason why some employees fail to advance.²

Incorporating OB principles into the workplace can yield many important organizational outcomes. For one, companies known as good places to work in 2017—such as Toronto-based Royal Bank of Canada (RBC); St. John, New Brunswick-based Irving Oil; Bedford, Nova Scotia-based Clearwater Seafoods; Winnipeg-based Aboriginal Peoples Television Network; Regina-based SaskTel; Calgary-based Agrium, and Vancouver-based West Fraser Timber³—have been found to generate superior financial performance.⁴ Second, developing managers' interpersonal skills helps organizations attract and keep high-performing employees, which is important since outstanding employees are always in short supply and are costly to replace. Third, there are strong associations between the quality of workplace relationships and employee job satisfaction, stress, and turnover. One very large survey of hundreds of workplaces and more than 200 000 respondents showed that social relationships among co-workers and supervisors were strongly related to overall job satisfaction. Positive social relationships were also associated with lower stress at work and lower intentions to quit.⁵ Further research indicates that employees who relate to their managers with supportive dialogue and proactivity find that their ideas are endorsed more often, which improves workplace satisfaction.⁶ Fourth, increasing the OB element in organizations can foster social responsibility awareness. Accordingly, universities have begun to incorporate social entrepreneurship education into their curriculum in order to train future leaders to address social issues within their organizations.⁷ This is especially important because there is a growing need for understanding the means and outcomes of corporate social responsibility, known as CSR.⁸



Edward Regan/The Globe and Mail/The Canadian Press

Indigo CEO Heather Reisman has the interpersonal skills required to succeed in management. Communication and leadership skills distinguish managers such as Reisman, who rise to the top of their profession.

We understand that in today's competitive and demanding workplace, managers can't succeed on their technical skills alone. Succeeding in the workplace also takes good people skills. This book has been written to help managers and employees develop those people skills. To learn more about the kinds of people skills needed in the workplace, see the *Experiential Exercise* on page 29 and *From Concepts to Skills—Developing Interpersonal Skills* on pages 32–35.

Does job satisfaction really make a difference?

Defining Organizational Behaviour

As Target tried to deal with the failure of running its new stores in Canada, problems within the organization became increasingly obvious.⁹ While the Target Canada president was optimistic throughout, he and his team suffered from groupthink. The CEO, based in Minneapolis, Minnesota, did not want to pay rent on empty stores longer than necessary. This put pressure on senior management to keep going, rather than slow down and try to solve very real problems. “Nobody wanted to be the one person who stopped the Canadian venture,” says a former employee. “It wound up just being a constant elephant in the room.”

Better knowledge of organizational behaviour might have helped management adjust to some of the problems Target was facing in Canada. Let's look at what organizational behaviour is.

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 often applied to topics such as job satisfaction, absenteeism, employment turnover, productivity, human performance, and management. OB also examines the following core topics, although debate exists about their relative importance:¹⁰

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

Much of OB is relevant beyond the workplace. The study of OB can cast light on the interactions among family members, students working as a team on a class project, the voluntary group that comes together to do something about reviving the downtown area, the parents who sit on the board of their children's daycare centre, or even the members of a lunchtime pickup basketball team.

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

What Do We Mean by *Organization*?

An **organization** is a consciously coordinated social unit, composed of a group of people, that functions on a relatively continuous basis to achieve a common goal or set of goals. Manufacturing and service firms are organizations, and so are schools,

- 2 Define *organizational behaviour* (OB).

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.

organization A consciously coordinated social unit, composed of a group of people, that functions on a relatively continuous basis to achieve a common goal or set of goals.

hospitals, churches, military units, retail stores, police departments, volunteer organizations, start-ups, and local, provincial, and federal government agencies. Thus, when we use the term *organization* in this book, 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. Small businesses with less than 100 people made up 98 percent of the employers in Canada in 2015, and they employed 70 percent of the private sector workforce. Only 0.3 percent of businesses have more than 500 employees, and they employ just under 10 percent of the workforce. Most of these large organizations are in the public sector.¹¹

The examples in this book present various organizations so that you can gain a better understanding of the many types of organizations that exist. The college or university you attend is every bit as much a “real” organization as is Lululemon Athletica, Air Canada, or the Vancouver Canucks. A small for-profit organization that hires unskilled workers 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 book 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 Is for Everyone

It might seem natural to think that the study of OB is for leaders and managers of organizations. However, 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.¹² For instance, employees in some retail operations are asked to make decisions about when to accept returned items rather than defer the decision to 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. OB applies equally well to all situations in which you interact with others: on the basketball court, at the grocery store, in school, or in church. In fact, OB is relevant anywhere that people come together and share experiences, work on goals, or meet to solve problems. To help you understand these broader connections, you will find a feature called *OB in the Street* throughout the book.

- 3 Understand the value of systematic study to OB.

Complementing Intuition with Systematic Study

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

Underlying the systematic approach in this text is the belief that behaviour is not random. Rather, we can identify fundamental consistencies underlying the behaviour of all individuals and modify them to reflect individual differences.

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

Evidence-based management (EBM) complements systematic study by basing managerial decisions on the best available scientific evidence. For example, we want doctors to make decisions about patient care based on the latest available evidence, and EBM argues that managers should do the same, thinking more scientifically about management problems. A manager might pose a question, search for the best available evidence, and apply the relevant information to the question or case at hand. You might wonder what manager would not base decisions on evidence, but the vast majority of management decisions are made “on the fly,” with little to no systematic study of available evidence.¹³

Systematic study and EBM add to **intuition**, or those “gut feelings” about what makes others (and ourselves) “tick.” Of course, the things you have come to believe in an unsystematic way are not necessarily incorrect. Jack Welch (former CEO of General Electric) noted, “The trick, of course, is to know when to go with your gut.” But if we make *all* decisions with intuition or gut instinct, we are likely working with incomplete information—like making an investment decision with only half the data about the potential for risk and reward.

Relying on intuition is made worse because we tend to overestimate the accuracy of what we think we know. Surveys of human resource managers have also shown that many managers hold “common-sense” opinions regarding effective management that have been flatly refuted by empirical evidence.

We find a similar problem in chasing the business and popular media for management wisdom. The business press tends to be dominated by fads. As a writer for *The New Yorker* put it, “Every few years, new companies succeed, and they are scrutinized for the underlying truths they might reveal. But often there is no underlying truth; the companies just happened to be in the right place at the right time.”¹⁴ Although we try to avoid it, we might also fall into this trap. It’s not that the business press stories are all wrong; it’s that without a systematic approach, it’s hard to separate the wheat from the chaff.

Big Data

It’s difficult to believe now, but not long ago companies treated online shopping as a virtual point-of-sale experience: Shoppers browsed websites anonymously, and sellers tracked sales data only on what customers bought. “Big data”—the extensive use of statistical compilation and analysis—didn’t become possible until computers were sophisticated enough to both store and manipulate large amounts of information. Gradually, as a result, online retailers began to track and act upon information about customer preferences that was uniquely available through the Internet shopping experience, information that was far superior to data gathered in simple in-store transactions. This enabled them to create more targeted marketing strategies than ever before. See the *Case Incident—Big Data for Dummies* on pages 31–32 to learn more about how organizations use big data.

The bookselling industry is a case in point: Before online selling, brick-and-mortar bookstores could collect data about book sales only to create projections about consumer interests and trends. With the advent of Amazon, suddenly a vast array of information about consumer preferences became available for tracking: what customers bought, what they looked at, how they navigated the site, and what

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

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

intuition An instinctive feeling not necessarily supported by research.

they were influenced by (such as promotions, reviews, and page presentation). The challenge for Amazon then was to identify which statistics were *persistent*, giving relatively constant outcomes over time, and *predictive*, showing steady causality between certain inputs and outcomes. The company used these statistics to develop algorithms to forecast which books customers would like to read next. Amazon then could base its wholesale purchase decisions on the feedback customers provided, both through these passive collection methods and through solicited recommendations for upcoming titles.

Big data has been used by technology companies like Google and Facebook, who rely on advertising dollars for revenue and thus need to predict user behaviour. Companies like Netflix and Uber similarly use big data to predict where and when customers may want to use their virtual services, although their revenue comes from subscribers to their services. Insurance firms predict behaviour to assess risks, such as the chance of traffic accidents, in order to set customer premiums.

Online retailers like eBay and Amazon, which market tangible products through online platforms, also rely on big data to predict what will sell. For organizations like Nielsen Holdings, which tracks television and radio watching, the results of data analyses *are* the product they sell. Still other organizations collect big data but do not directly use it. These are often organizations whose primary business is not online. Think of the loyalty cards you carry around (Starbucks, Tim Hortons, Indigo-Chapters). These companies sell their data to vendors who stock shelves, and they use the data to identify trends and new market possibilities.¹⁵ Sometimes even technology companies simply sell their data; Twitter sells 500 million tweets a day to four data assimilation companies.¹⁶

It is good news for the future of business that researchers, the media, and company leaders have identified the potential of data-driven management and decision making. A manager who uses data to define objectives, develop theories of causality, and test those theories can determine which employee activities are relevant to the objectives.¹⁷ Big data has implications for correcting management assumptions and increasing positive performance outcomes. Increasingly, it is applied toward making effective decisions (Chapter 12) and managing human resources. It is quite possible that the best use of big data in managing people will come from organizational behaviour and psychology research, where it might even help employees with mental illnesses monitor and change their behaviour.¹⁸

We must keep in mind that big data will always be limited in predicting behaviour, curtailing risk, and preventing catastrophes. In contrast to the replicable results we can obtain in the sciences through big data analytics, human behaviour is often capricious and predicated on innumerable variables. Otherwise, our decision making would have been taken over by artificial intelligence by now! But that will never be a worthy goal.¹⁹ Management is more than the sum of data.

We are not advising that you throw your intuition, or all the business press, out the window. Nor are we arguing that research is always right. Researchers make mistakes, too. What we are advising is to use evidence as much as possible to inform your intuition and experience. That is the promise of OB.

Throughout this book, the *Focus on Research* feature will highlight some of the careful studies that form the building blocks of OB.

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 this book, many employees 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.

OB is even being adopted by other disciplines, as *OB in the Street* shows.