



**Современный
Гуманитарный
Университет**

Дистанционное образование

Рабочий учебник

Фамилия, имя, отчество _____

Факультет _____

Номер контракта _____

**ОРГАНИЗАЦИОННОЕ ПОВЕДЕНИЕ
на английском языке**

ЮНИТА 1

**ORGANIZATIONAL BEHAVIOR
UNIT 1
FOUNDATIONS OF ORGANIZATIONAL
BEHAVIOR**

МОСКВА 1999

ОРГАНИЗАЦИОННОЕ ПОВЕДЕНИЕ НА АНГЛИЙСКОМ ЯЗЫКЕ

ORGANIZATIONAL BEHAVIOR

Course:

- Unit 1. Foundations of Organizational Behavior.
- Unit 2. Organizational Behavior and Culture.
- Unit 3. Perception. Perception and Individual Decision Making.
- Unit 4. Basic Motivation Concepts. Communication: A Process View.
- Unit 5. Foundations of Group Behavior. Communication and Group Decision Making.
- Unit 6. Leadership and Power.

UNIT 1

Foundations of organizational behavior

This unit is dedicated to so important subject as organizational behavior. It consists of methodological section (test-training, role-play, situations for discussion and file of materials for study.

For the students of the Modern University for the Humanities.

Юнита соответствует профессиональной образовательной программе №2

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ТЕМАТИЧЕСКИЙ ПЛАН

Management and Managers.

Management Functions and Roles.

Managerial Activities of Human Behavior.

Work-Force Diversity.

The BI-Modal Work Force.

Contributing Disciplines to the OB Field (Psychology, Sociology, Social Psychology, Anthropology, Political Science).

Research in Organizational Behavior.

Research Terminology.

Research Design.

OB Model.

ЛИТЕРАТУРА

- * 1. Robbins S. "Organizational behavior". Prentice Hall. Any edition.

Примечание. Знаком (*) отмечены работы, на основе которых составлен научный обзор.

THEMATICAL REVIEW *

In the 1990s, we've come to understand that technical skills are necessary, but insufficient, for succeeding in management. In today's increasingly competitive and demanding workplace, managers can't succeed on their technical skills alone. They've also got to have good people skills. This course has been written to help both managers and potential managers develop those people skills.

1. WHAT MANAGERS DO

Let's begin by briefly defining the terms *manager* and the place where managers work — the *organization*. Then let's look at the manager's job; specifically, what do managers do?

Managers get things done through other people. They make decisions, allocate resources, and direct the activities of others to attain goals. Managers do their work in an **organization**. This is a consciously coordinated social unit, composed of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals. Based on this definition, manufacturing and service firms are organizations and so are schools, hospitals, churches, military units, retail stores, police departments, and local, state, and federal government agencies. The people who oversee the activities of others and who are responsible for attaining goals in these organizations are their managers (although they're sometimes called administrators, especially in not-for-profit organizations).

1.1. Management Functions

In the early part of this century, a French industrialist by the name of Henri Fayol wrote that all managers perform five management functions: they plan, organize, command, coordinate, and control. Today, we've condensed these down to four: planning, organizing, leading, and controlling.

If you don't know where you're going, any road will get you there. Since organizations exist to achieve goals, someone has to define these goals and the means by which they can be achieved. Management is that someone. The **planning** function encompasses defining an organization's goals, establishing an overall strategy for achieving these goals, and developing a comprehensive hierarchy of plans to integrate and coordinate activities.

Managers are also responsible for designing an organization's structure. We call this function **organizing**. It includes the determination of tasks are to

* Жирным шрифтом выделены новые понятия, которые необходимо усвоить, знание этих понятий будет проверяться при тестировании.

be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made.

Every organization contains people, and it is management's job to direct and coordinate these people. This is the **leading** function. When managers motivate subordinates, direct the activities of others, select the most effective communication channel, or resolve conflicts among members, they are engaging in leading.

The final function managers perform is **controlling**. After the goals are set; the plans formulated; the structural arrangements delineated; and the people hired, trained, and motivated, there is still the possibility that something may go amiss. To ensure that things are going as they should, management must monitor the organization's performance. Actual performance must be compared with the previously set goals. If there are any significant deviations, it is management's job to get the organization back on track. This monitoring, comparing, and potential correcting is what is meant by the controlling function.

So, using the functional approach, the answer to the question, what do managers do? is that they plan, organize, lead, and control.

TABLE 1-1 Mintzberg's Managerial Roles

Role	Description	Examples
<i>Interpersonal</i>		
Figurehead	Symbolic head; required to perform a number of routine duties of a legal or social nature	Ceremonies, status requests, solicitations
Leader	Responsible for the motivation and direction of subordinates	Virtually all managerial activities involving subordinates
Liaison	Maintains a network of outside contacts who provide favors and information	Acknowledgment of mail, external board work
<i>Informational</i>		
Monitor	Receives wide variety of information; serves as nerve center of internal and external information of the organization	Handling all mail and contacts categorized as concerned primarily with receiving information

Disseminator	Transmits information received from outsiders or from other subordinates to members of the organization	Forwarding mail into organization for informational purposes; verbal contacts involving information flow to subordinates such as review sessions
Spokesperson	Transmits information to outsiders on organization's plans, policies, actions, and results; serves as expert on organization's industry	Board meetings; handling contacts involving transmission of information to outsiders
<i>Decisional</i>		
Entrepreneur	Searches organization and its environment for opportunities and initiates projects to bring about change	Strategy and review sessions involving initiation or design of improvement projects
Disturbance handler	Responsible for corrective action when organization faces important, unexpected disturbances	Strategy and review sessions involving disturbances and crises
Resource allocator	Making or approving significant organizational decisions	Scheduling; requests for authorization; budgeting; the programming of subordinates' work
Negotiator	Responsible for representing the organization at major negotiations	Contract negotiation

Source: Adapted *The Nature of Managerial Work* by H. Mintzberg.

1.2. Management Roles

In the late 1960s, a graduate student at MIT, Henry Mintzberg, undertook a careful study on five executives to determine what these managers did on their jobs. Based on his observations of these managers, Mintzberg concluded that managers perform ten different, highly interrelated roles, or sets of behaviors attributable to their jobs. As shown in Table 1-1, these ten roles can be grouped as being primarily concerned with interpersonal relationships, the transfer of information, a decision making.

INTERPERSONAL ROLES. All managers are required to perform duties that are ceremonial and symbolic in nature. When the president of a college hands out diplomas at commencement or a factory supervisor gives a group of high school students a tour of the plant, he or she is acting in a figurehead role. All managers have a leadership role. This role includes hiring, training, motivating, and disciplining employees. The third role within the interpersonal grouping is the liaison role. Mintzberg described this activity as contacting outsiders who provide the manager with information. These may be individuals or groups inside or outside the organization. The sales manager who obtains information from the personnel manager in his or her own company has an internal liaison relationship. When that sales manager has contacts with other sales executives through a marketing trade association, he or she has an outside liaison relationship.

INFORMATIONAL ROLES. All managers will, to some degree, receive and collect information from organizations and institutions outside their own. Typically, this is done through reading magazines and talking with others to learn of changes in the public's tastes, what competitors may be planning, and the like. Mintzberg called this the monitor role. Managers also act as a conduit to transmit information to organizational members. This is the disseminator role. Managers additionally perform a spokesperson role when they represent the organization to outsiders.

DECISIONAL ROLES. Finally, Mintzberg identified four roles that revolve around the making of choices. In the entrepreneur role, managers initiate and oversee new projects that will improve their organization's performance. As disturbance handlers, managers take corrective action in response to previously unforeseen problems. As resource allocators, managers are responsible for allocating human, physical, and monetary resources. Lastly, managers perform a negotiator role, in which they discuss and bargain with other units to gain advantages for their own unit.

1.3. Management Skills

Still another way of considering what managers do is to look at the skills or competencies they need to successfully achieve their goals. Robert Katz has identified three essential management skills: technical, human, and conceptual.

TECHNICAL SKILLS. Technical skills encompass the ability to apply specialized knowledge or expertise. When you think of the skills held by professionals such as civil engineers, tax accountants, or oral surgeons, you typically focus on their technical skills. Through extensive formal education, they have learned the special knowledge and practices of their field. Of

course, professionals don't have a monopoly on technical skills and these skills don't have to be learned in schools or formal training programs. All jobs require some specialized expertise and many people develop their technical skills on the job.

HUMAN SKILLS. The ability to work with, understand, and motivate other people, both individually and in groups, describes human skills. Many people are technically proficient but interpersonally incompetent. They might, for example, be poor listeners, unable to understand the needs of others, or have difficulty managing conflicts. Since managers get things done through other people, they must have good human skills to communicate, motivate, and delegate.

CONCEPTUAL SKILLS. Managers must have the mental ability to analyze and diagnose complex situations. These are conceptual skills. Decision making, for instance, requires managers to spot problems, identify alternatives that can correct them, evaluate these alternatives, and select the best one. Managers can be technically and interpersonally competent, yet still fail because of an inability to rationally process and interpret information.

1.4. Effective vs. Successful Managerial Activities

Fred Luthans and his associates looked at the issue of what managers do from a somewhat different perspective. They asked the question: Do managers who move up most quickly in an organization do the same activities and with the same emphasis as those managers who do the best job? You would tend to think that those managers who were the most effective in their jobs would also be the ones who were promoted fastest. But that's not what appears to happen.

Luthans and his associates studied more than 450 managers. What they found was that these managers all engaged in four managerial activities:

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

The "average" manager studied spent thirty-two percent of his or her time in traditional management activities, twenty-nine percent communicating, twenty percent in human resource management activities, and nineteen percent networking. However, the amount of time and effort that different managers spent on these four activities varied a great deal. Specifically, as shown in Table 1-2, managers who were *successful* (defined in terms of the

speed of promotion within their organization) had a very different emphasis than managers who were *effective* (defined in terms of the quantity and quality of their performance and the satisfaction and commitment of their subordinates). Networking made the biggest relative contribution to manager success, while human resource management activities made the least relative contribution. Among effective managers, communication made the largest relative contribution and networking the least.

This study adds important insights to our knowledge of what managers do. On average, managers spend approximately twenty to thirty percent of their time on each of the four activities: traditional management, communication, human resource management, and networking. However, successful managers don't give the same emphasis to each of these activities as do effective managers. In fact, their emphases are almost the opposite. This challenges the historical assumption that promotions are based on performance, vividly illustrating the importance that social and political skills play in getting ahead in organizations.

TABLE 1-2 Allocation of Activities by Time

Activity	Average Managers	Successful Managers	Effective Managers
Traditional management	32%	13%	19%
Communication	29	28	44
Human resource management	20	11	26
Networking	19	48	11

Source: Based on F. Luthans, R. M. Hodgetts, and S. A. Rosenkrantz, *Real Managers* (Cambridge, MA: Ballinger Publishing, 1988).

1.5. A Review of the Manager’s Job

One common thread runs through the functions, roles, skills, and activities approaches to management: each recognizes the paramount importance of managing people. Whether it is called “the leading function,” “interpersonal roles,” “human skills,” or “human resource management and networking activities,” it is clear that managers need to develop their people skills.

2. ENTER ORGANIZATIONAL BEHAVIOR

We’ve made the case for the importance of people skills. But neither this course nor the discipline upon which it rests is called *People Skills*. The

term that is widely used to describe the discipline is called *Organizational Behavior*.

Organizational behavior (frequently abbreviated as OB) is *a field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness*. That's a lot of words, so let's break it down.

Organizational behavior is a field of study. This means that it is a distinct area of expertise with a common body of knowledge. What does it study? It studies three determinants of behavior in organizations: individuals, groups, and structure. Additionally, OB applies the knowledge gained about individuals, groups, and the effect of structure on behavior in order to make organizations work more effectively.

To sum up our definition, OB is concerned with the study of what people do in an organization and how that behavior affects the performance of the organization. And because OB is specifically concerned with employment-related situations, you should not be surprised to find that it emphasizes behavior as related to jobs, work, absenteeism, employment turnover, productivity, human performance, and management.

There is increasing agreement as to the components or topics that constitute the subject area of OB. While there is still considerable debate as to the relative importance of each, there appears to be general agreement that OB includes the core topics of motivation, leader behavior and power, interpersonal communication, group structure and process, learning, attitude development and perception, change processes, conflict, job design, and work stress.

3. REPLACING INTUITION WITH SYSTEMATIC STUDY

Each of us is a student of behavior. Since our earliest years, we have watched the actions of others and have attempted to interpret what we see. Whether or not you have explicitly thought about it before, you have been “reading” people almost all your life. You watch what others do and try to explain to yourself why they have engaged in their behavior. Additionally, you’ve attempted to predict what they might do under different sets of conditions.

3.1. Generalizations About Behavior

You have already developed some generalizations that you find helpful in explaining and predicting what people do and will do. But how did you arrive at these generalizations? You did so by observing, sensing, asking, listening,

and reading. That is, your understanding comes either directly from your own experience with things in the environment, or secondhand, through the experience of others.

How accurate are the generalizations that you hold? Some may represent extremely sophisticated appraisals of behavior and may prove highly effective in explaining and predicting the behavior of others. However, most of us also carry with us a number of beliefs that frequently fail to explain why people do what they do. To illustrate, consider the following statements about work-related behavior:

1. Happy workers are productive workers.
2. All individuals are most productive when their boss is friendly, trusting, and approachable.
3. Interviews are effective selection devices for separating job applicants who would be high-performing employees from those who would be low performers.
4. Everyone wants a challenging job.
5. You have to scare people a little to get them to do their jobs.
6. Everyone is motivated by money.
7. Most people are much more concerned with the size of their own salaries than with others'.
8. The most effective work groups are devoid of conflict.

How many of these statements do you think are true? For the most part, they are all false, and we shall touch on each later in this text. But whether these statements are true or false is not really important at this time. What is important is to be aware that many of the views you hold concerning human behavior are based on intuition rather than fact. As a result, a systematic approach to the study of behavior can improve your explanatory and predictive abilities.

3.2. Consistency vs. Individual Differences

Casual or commonsense approaches to obtaining knowledge about human behavior are inadequate. In reading this text, you will discover that a systematic approach will uncover important facts and relationships, and provide a base from which more accurate predictions of behavior can be made.

Underlying this systematic approach is the belief that behavior is not random. It is caused and directed toward some end that the individual believes, rightly or wrongly, is in his or her best interest.

Behavior generally is predictable if we know how the person perceived the situation and what is important to him or her. While people's behavior may not appear to be rational to an outsider, there is reason to believe it usually is

intended to be rational and it is seen as rational by them. An observer often sees behavior as nonrational because the observer does not have access to the same information or does not perceive the environment in the same way.

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

These fundamental consistencies are very important. Why? Because they allow predictability. When you get into your car, you make some definite and usually highly accurate predictions about how other people will behave. In North America, for instance, you would predict that other drivers will stop at stop signs and red lights, drive on the right side of the road, pass on your left, and not cross the solid double line on mountain roads. Notice that your predictions about the behavior of people behind the wheels of their cars are almost always correct. Obviously, the rules of driving make predictions about driving behavior fairly easy.

What may be less obvious is that there are rules (written and unwritten) in almost every setting. Therefore, it can be argued that is possible to predict behavior (undoubtedly, not always with one hundred percent accuracy) in supermarkets, classrooms, doctors' offices, elevators, and in most structured situations. To illustrate further, do you turn around and face the doors when you get into an elevator? Almost everyone does, yet did you ever read that you're supposed to do this? Probably not! Just as I make predictions about automobile drivers (where there are definite rules of the road), I can make predictions about the behavior of people in elevators (where there are few written rules). In a class of sixty students, if you wanted to ask a question of the instructor, I would predict that you would raise your hand. Why don't you clap, stand up, raise your leg, cough, or yell "Hey, over here!"? The reason is that you have learned that raising your hand is appropriate behavior in school. These examples support a major contention in this text: Behavior is generally predictable, and the **systematic study** of behavior is a means to making reasonably accurate predictions.

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.

Systematic study replaces **intuition** or those "gut feelings" about "why I do what I do" and "what makes others tick." Of course, a systematic approach does not mean that those things you have come to believe in an unsystematic way are necessarily incorrect. Some of the conclusions we make in this text, based on reasonably substantive research findings, will only 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. In fact, one of the challenges to teaching a subject like organizational behavior is to overcome the notion, held by many, that “it’s all common sense.” You will find that many of the so-called commonsense views you hold about human behavior are, on closer examination, wrong. Moreover, what one person considers “common sense” frequently runs counter to another’s version of “common sense.” Are leaders born or made? What is it that motivates people at work nowadays? You probably have answers to such questions, and individuals who have not reviewed the research are likely to differ on their answers. The point is that one of the objectives of this text is to encourage you to move away from your intuitive views of behavior toward a systematic analysis, in the belief that such analysis will improve your accuracy in explaining and predicting behavior.

4. CHALLENGES AND OPPORTUNITIES FOR OB IN THE 1990s

Understanding organizational behavior has never been more important for managers. A quick look at a few of the dramatic changes now taking place in organizations supports this claim. For instance, the typical employee is getting older; there are more and more women and nonwhites in the workplace; corporate restructuring and cost cutting are severing the bonds of loyalty that historically tied many employees to their employers; and global competition is requiring employees to become more flexible and to learn to cope with rapid change and innovation.

In short, there are a lot of challenges and opportunities for OB in the 1990s. In this section, we’ll review a half-dozen of the more critical issues confronting managers for which OB offers solutions-or at least some meaningful insights toward solutions.

4.1. Work-Force Diversity

Arguably, the most important and broad-based challenge for U.S. organizations in the 1990s will be adapting to people who are different. **Work-force diversity** means that organizations are becoming obviously more heterogeneous in terms of gender, race, and ethnicity. But the term encompasses anyone who varies from the “norm.” That means that it also includes the physically handicapped, gays and lesbians, the elderly, and even people who are significantly overweight.

We used to take a “melting pot” approach to differences in organizations, assuming that people who were different would somehow automatically want to assimilate. But we now recognize that employees don’t set aside their cultural values and lifestyle preferences when they come to work. The

challenge for organizations, therefore, is to make themselves more accommodating to diverse groups of people by addressing their different lifestyles, family needs, and work styles. The “melting pot” assumption is being replaced by one that recognizes and values differences.

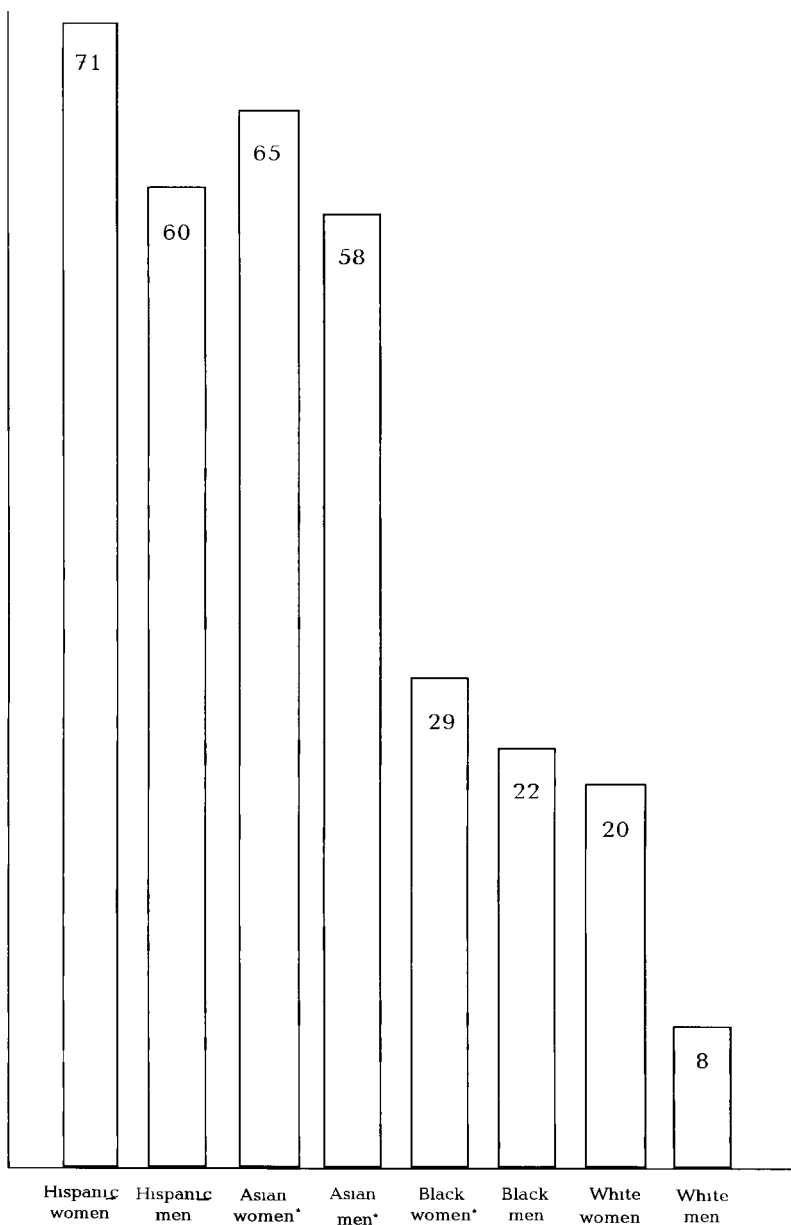
Haven’t organizations always included members of diverse groups? Yes, but they were such a small percentage of the work force that no one paid much attention to them. Moreover, it was assumed that these minorities would seek to blend in and assimilate. The bulk of the pre-1980s work force were male Caucasians working full time to support a nonemployed wife and school-aged children. Now such employees are the true minority! Currently, forty-five percent of the U.S. labor force are women. Minorities and immigrants make up twenty-two percent. As a case in point, Hewlett-Packard’s work force is nineteen percent minorities and forty percent women. A Digital Equipment Corp. plant in Boston provides a partial preview of the future. The factory’s 350 employees include men and women from forty-four countries who speak nineteen languages. When plant management issues written announcements, they are printed in English, Chinese, French, Spanish, Portuguese, Vietnamese, and Haitian Creole.

As Figure 1-1 (p.18) illustrates, new-worker growth in the United States through the rest of this decade will be occurring most rapidly among women and Hispanics. Almost two-thirds of all new entrants into the work force will be women. And by the year 2000, white non-Hispanic males will make up only thirty-nine percent of the total work force.

Work-force diversity has important implications for management practice. Managers will need to shift their philosophy from treating everyone alike to recognizing differences and responding to those differences in ways that will ensure employee retention and greater productivity-while, at the same time, not discriminating. Diversity, if positively managed, can increase creativity and innovation in organizations as well as improve decision making by providing different perspectives on problems. When diversity is not managed properly, there is potential for higher turnover, more difficult communication, and more interpersonal conflicts.

4.2. Declining Loyalty

Corporate employees used to believe that their employers would reward their loyalty and good work with job security, generous benefits, and pay increases. But beginning in the mid-1980s, in response to global competition, unfriendly takeovers, leveraged buyouts, and the like, corporations began to discard traditional policies on job security, seniority, and compensation. They sought to become “lean and mean” by closing factories, moving operations overseas, selling off or closing down less profitable businesses, and eliminating entire levels of management.



*Includes Native Americans and Pacific Islands

FIGURE 1-1 Composition of the New-Worker Pool

in the Workforce Riding the Tide of Change, *The Wyatt Communicator*, The Wyatt Company, Winter 1991, p. 9

Source: S. Pedigo, "Diversity in the Workforce Riding the Tide of Change," *The Wyatt Communicator*, The Wyatt Company, Winter 1991, p. 9

These changes have resulted in a sharp decline in employee loyalty. In one recent survey of workers, for instance, fifty-seven percent said companies are less loyal to employees today than they were a decade ago. And as corporations have shown less commitment to employees, employees have shown less commitment to them.

An important OB challenge will be for managers to devise ways to motivate workers who feel less committed to their employers, while maintaining the organization's global competitiveness.

4.3. Labor Shortages

The work force grew in the 1960s and 1970s as a direct result of Baby Boomers (the huge number of people born between 1945 and 1964) entering the labor market. However, fertility rates began dropping world-wide in the late 1960s, resulting in what is called the Baby Bust. Forgetting for a moment the effects of short-term economic recessions, the long-term demographic reality means that most advanced industrialized countries-including Germany, Japan, Italy, Sweden, the United Kingdom, Canada, and the United States-will face a severe and ongoing shortage of workers through the early part of the next century. Because of this trend, middle-aged and older workers will make up a rising share of the total labor supply.

Again, except in economic downturns, the labor market trend during the next fifteen to twenty years will strongly favor sellers of labor, especially professionals and people with technical skills. And a seller's market means that organizations will need to rethink their policies regarding recruiting, training, compensation, and employee benefits. When there are more jobs available than there are people to fill them, organizations will have to have progressive human resource policies and their managers will need good people skills in order to get and keep the best-qualified workers.

4.4. Skill Deficiencies

Compounding the problem of a labor shortage is the fact that a significant proportion of people looking for work don't have the skills that organizations need. Many immigrants, for instance, are deficient in English, while too many U.S. high school graduates can't read well enough to qualify for entry-level jobs.

As most developed countries move from a manufacturing-based economy to one based on knowledge, make cutbacks in the managerial ranks, and decentralize decision making, workers are having to take greater responsibility for their jobs. They have to make more decisions on their own. They have to read complex operating manuals and blueprints, work computers, perform statistical quality control, make judgments in response to

client requests, and the like. Unfortunately, the United States does not have enough workers with the reading, mathematical, verbal, and specialized skills that employers need. As one expert noted, “Three-fourths of new workforce entrants will be qualified for only 40 percent of the new jobs created between 1985 and 2000.”

Some organizations have responded by de-skilling jobs-that is, making them less complex and more routine. Some fast-food restaurants, for example, put pictures of food items on cash register keys to minimize employee mistakes. But even these de-skilling efforts can’t overcome the problem of workers who can’t consistently make accurate change from a fivedollar bill. The implications are obvious: Employers must train and reeducate their less-skilled employees, and managers must become more responsive to the needs of their skilled employees to keep them from going to work for a competitor.

4.5. The Bi-Modal Work Force

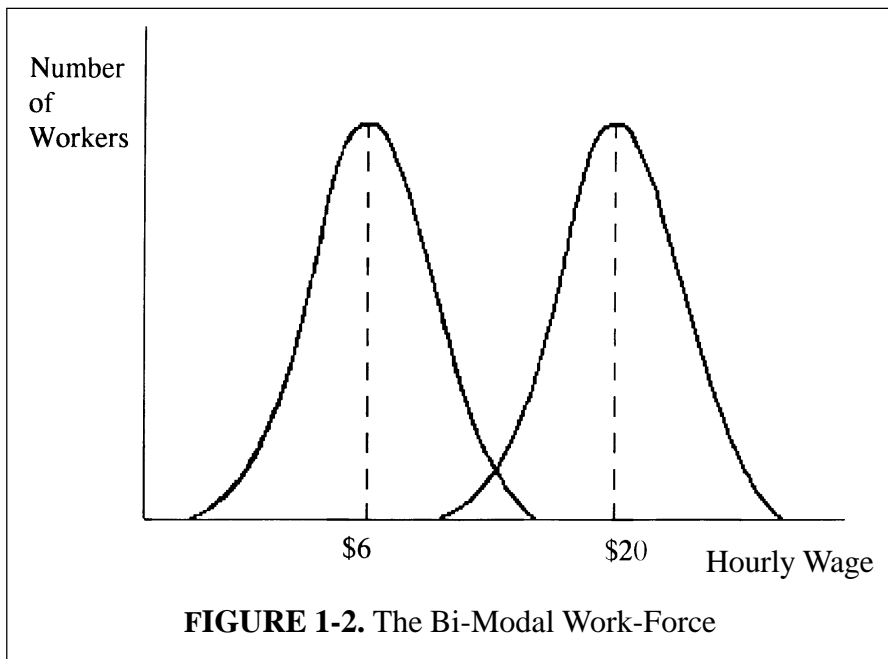
Twenty or thirty years ago, the U.S. produced plenty of unskilled jobs in the steel, automobile, rubber, and other manufacturing industries that paid solid middle-class wages. A young man in Pittsburgh, for instance, could graduate from high school and immediately get a relatively high-paying and secure job in a local steel plant. That job would allow him to buy a home, finance a car or two, support a family, and enjoy other lifestyle choices that come with a middle-class income. But that’s ancient history. A good percentage of those manufacturing jobs in First World industrialized countries are gone forever-either replaced by automated equipment, reconstituted into jobs requiring considerably higher technical skills, or taken by people in other countries who will do the same work for a fraction of the wages Americans received. What we have now can best be described as a bi-modal work force-a division between those who perform low-skilled service jobs for near-minimum wages and those who perform high-skilled jobs that provide the passport to a middle-class or upper-middle-class lifestyle.

Figure 1-2 (p.21) illustrates this bi-modal phenomenon. It has been created by the massive decline of blue-collar manufacturing jobs that pay \$20,000 to \$30,000 a year in current dollars.

Most organizations have employee policies that are successful in keeping and motivating high-paid skilled workers. They don’t, however, have policies that work very well at motivating the low-skilled, low-paid service workers represented in the left curve of Figure 1-2.

Working for wages of \$4.50 to \$7.00 an hour, today’s low-skilled employees can’t possibly move into the middle class. Moreover, their promotion opportunities are limited. This leads to a major challenge for managers: How do you motivate people who are making very low wages and have little opportunity to significantly increase their pay, either in their current jobs or through promotions? Can

effective leadership fill the void? Can these employees' jobs be redesigned to make them more challenging? Or should management target these kinds of jobs for elimination? These are questions on which OB may offer some guidance.



4.6. Stimulating Innovation and Change

Whatever happened to W. T. Grant, Gimbel's, and Eastern Airlines? All these giants went bust! Why have other giants like General Motors, CBS, and AT&T implemented huge cost-cutting programs and eliminated thousands of jobs? To avoid going bust!

Today's successful organizations must foster innovation and master the art of change or they will become candidates for extinction. Victory will go to those organizations that maintain their flexibility, continually improve their quality, and beat their competition to the marketplace with a constant stream of innovative products and services. Domino's single-handedly brought on the demise of thousands of small pizza parlors whose managers thought they could continue doing what they had been doing for years Compaq succeeded by creating more powerful personal computers for the same or less money than IBM or Apple, and by getting their products to market faster than the bigger competitors.

An organization's employees can be the impetus for innovation and change, or they can be a major stumbling block. The challenge for managers

is to stimulate employee creativity and tolerance for change. The field of organizational behavior provides a wealth of ideas and techniques to aid in realizing these goals.

5. CONTRIBUTING DISCIPLINES TO THE OB FIELD

Organizational behavior is an applied behavioral science that is built upon contributions from a number of behavioral disciplines. The predominant areas are psychology, sociology, social psychology, anthropology, and political science. As we shall learn, psychology's contributions have been mainly at the individual or micro level of analysis, while the other four disciplines have contributed to our understanding of macro concepts such as group processes and organization. Figure 1-3 overviews the major contributions to the study of organizational behavior.

5.1. Psychology

Psychology is the science that seeks to measure, explain, and sometimes change the behavior of humans and other animals. Psychologists concern themselves with studying and attempting to understand *individual* behavior. Those who have contributed and continue to add to the knowledge of OB are learning theorists, personality theorists, counseling psychologists, and, most important, industrial and organizational psychologists.

Early industrial/organizational psychologists concerned themselves with problems of fatigue, boredom, and other factors relevant to working conditions that could impede efficient work performance. More recently, their contributions have been expanded to include learning, perception, personality, training, leadership effectiveness, needs and motivational forces, job satisfaction, decisionmaking processes, performance appraisals, attitude measurement, employee selection techniques, job design, and work stress.

5.2. Sociology

Whereas psychologists focus their attention on the individual, sociologists study the social system in which individuals fill their roles; that is, sociology studies people in relation to their fellow human beings. Specifically, sociologists have made their greatest contribution to OB through their study of group behavior in organizations, particularly formal and complex organizations. Some of the areas within OB that have received valuable input from sociologists are group dynamics, organizational culture, formal organization theory and structure, organizational technology, bureaucracy, communications, power, conflict, and intergroup behavior.

5.3. Social Psychology

Social psychology is an area within psychology, but blends concepts from both psychology and sociology. It focuses on the influence of people on one another. One of the major areas receiving considerable investigation from social psychologists has been *change* — how to implement it and how to reduce barriers to its acceptance. Additionally, we find social psychologists making significant contributions in the areas of measuring, understanding, and changing attitudes; communication patterns; the ways in which group activities can satisfy individual needs; and group decision-making processes.



"I'm a social scientist, Michael. That means I can't explain electricity or anything like that, but if you ever want to know about people I'm your man."

5.4. Anthropology

Anthropologists study societies to learn about human beings and their activities. Their work on cultures and environments, for instance, has helped us understand differences in fundamental values, attitudes, and behavior between people in different countries and within different organizations. Much of our current understanding of organizational culture, organizational

environments, and differences between national cultures is the result of the work of anthropologists or those using their methodologies.

5.5. Political Science

Although frequently overlooked, the contributions of political scientists are significant to the understanding of behavior in organizations. Political scientists study the behavior of individuals and groups within a political environment. Specific topics of concern here include structuring of conflict, allocation of power, and how people manipulate power for individual self-interest.

Twenty-five years ago, little of what political scientists were studying was of interest to students of organizational behavior. But times have changed. We have become increasingly aware that organizations are political entities; if we are to be able to accurately explain and predict the behavior of people in organizations, we need to bring a political perspective to our analysis.

6. THERE ARE FEW ABSOLUTES IN OB

There are few, if any, simple and universal principles that explain organizational behavior. There are laws in the physical sciences – chemistry, astronomy, physics – that are consistent and apply in a wide range of situations. They allow scientists to generalize about the pull of gravity or to confidently send astronauts into space to repair satellites. But as one noted behavioral researcher aptly concluded, “God gave all the easy problems to the physicists.” Human beings are very complex. They are not alike, which limits the ability to make simple, accurate, and sweeping generalizations. Two people often act very differently in the same situation, and the same person’s behavior changes in different situations. For instance, not everyone is motivated by money, and you behave differently at church on Sunday than you did at the beer party the night before.

That doesn’t mean, of course, that we can’t offer reasonably accurate explanations of human behavior or make valid predictions. It does mean, however, that OB concepts must reflect situational or contingency conditions. We can say that x leads to y , but only under conditions specified in z (the **contingency variables**). The science of OB was developed by using general concepts and then altering their application to the particular situation. So, for example, OB scholars would avoid stating that effective leaders should always seek the ideas of their subordinates before making a decision. Rather, we shall find that in some situations a

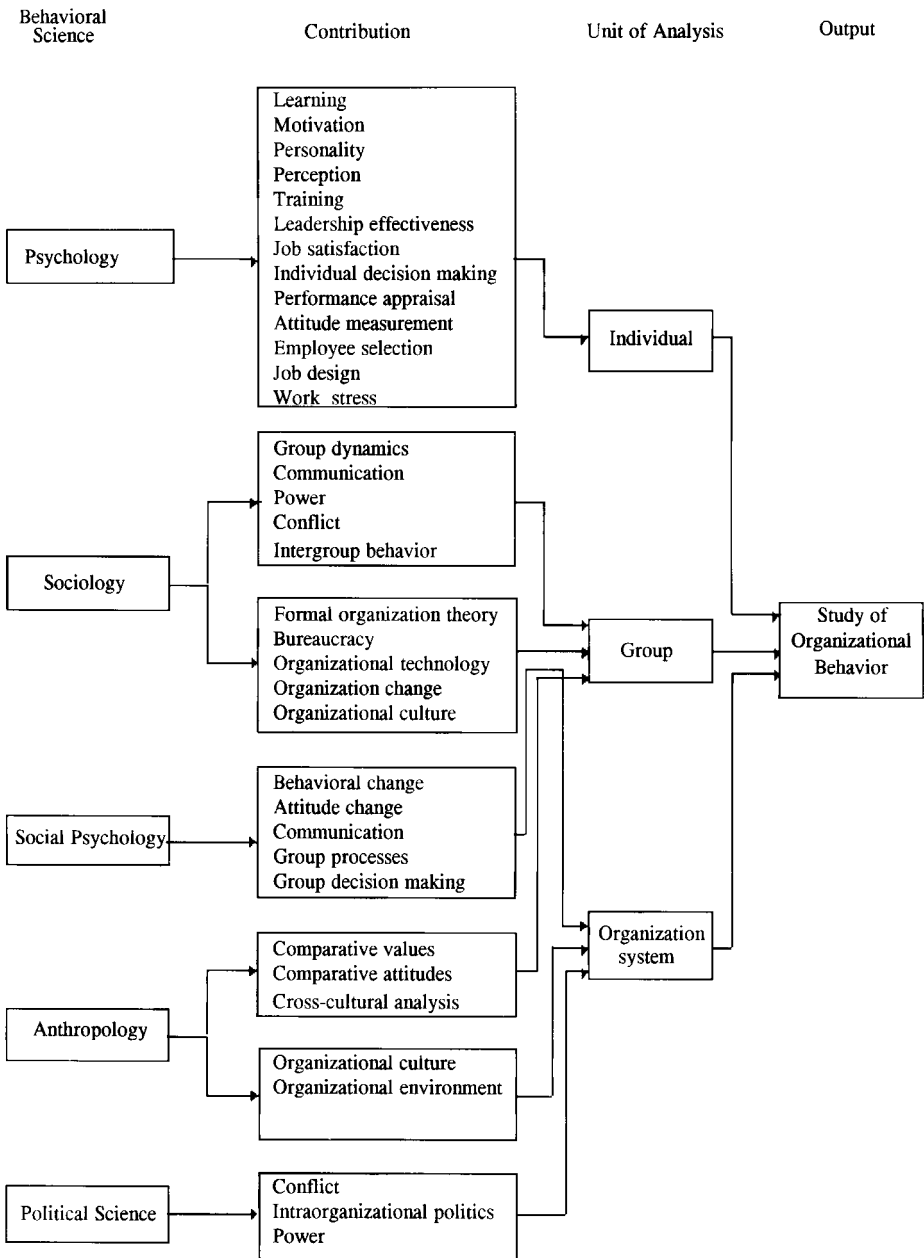


FIGURE 1-3. Toward an OB discipline

participative style is clearly superior, but in other situations, an autocratic decision style is more effective. In other words, the effectiveness of a particular leadership style is **contingent** upon the situation in which it is utilized.

As you proceed through this text, you'll encounter a wealth of research-based theories about how people behave in organizations. But don't expect to find a lot of straightforward cause – effect relationships. There aren't many! Organizational behavior 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 philosophy, you'll find point – counterpoint debates at the conclusion of each chapter. These debates are included to reinforce the fact that within the OB field there are many issues over which there is significant disagreement. By directly addressing some of the more controversial issues using the point-counterpoint format, you get the opportunity to explore different points of view, discover how diverse perspectives complement and oppose each other, and gain insight into some of the debates currently taking place within the OB field.

So at the end of one chapter, you'll find the argument that leadership plays an important role in an organization's attaining its goals, followed by the argument that there is little evidence to support this claim. Similarly, at the end of other chapters, you'll read both sides of the debate on whether money is a motivator, clear communication is always desirable, bureaucracies have become obsolete, and other controversial issues. These arguments are meant to demonstrate that OB, like many disciplines, has disagreements over specific findings, methods, and theories. Some of the point – counterpoint arguments are more provocative than others, but each makes some valid points that you should find thought-provoking. The key is to be able to decipher under what conditions each argument may be right or wrong.

7. TOWARD EXPLAINING AND PREDICTING BEHAVIOR

*Get your facts first, and then you can
distort them as much as you please.*

M. TWAIN

There's an old adage that "there's nothing wrong with employee turnover, as long as the right employees are turning over." But what if the people you most want to keep are the ones leaving? What can management do? That was the dilemma faced by Kenn Ricci, president of Corporate Wings, Inc., an air-charter firm based in Cleveland, Ohio.

When Corporate Wings was founded in 1978, it had no trouble hiring pilots. The war in Vietnam was over and the airlines were fully staffed, so there was a pilot surplus. Corporate Wings could hire experienced pilots and pay them substandard wages-starting at about \$24,000 a year. Of course, as openings occurred at the major airlines, Ricci accepted the fact that his pilots would desert his firm for their higher wages and greater prestige and stability. Pilots stuck around Corporate Wings for about fourteen months and then left. As Ricci put it, "We were programmed for turnover."

This revolving-door policy worked fine for several years. Then regular customers began to complain about flying with new people all the time. In late 1986, two of the company's biggest clients severed their ties with Corporate Wings. Between October 1986 and March 1987, the company lost about a third of its business, almost all directly due to the high turnover among its pilots. Ricci realized that it was time to change the way his firm handled its pilots. He needed to continue to attract good people, but he also had to do something to keep them. Ricci knew he couldn't pay his pilots the \$100,000-plus yearly salaries that they could earn with the commercial airlines and still keep his firm profitable. What he decided to do was to create a two-tiered personnel system similar to that found in law firms. Ricci created a new rank called senior flight captain, reserved for only thirty percent of the company's pilots. Attaining this position was the equivalent of making partner in a law firm and it was allocated only to the best of the company's pilots. Senior flight captains made fifteen to twenty percent more than the company's other senior pilots and these top-tiered jobs were secure as long as pilots maintained safety, health, and personal-conduct standards. They also got more health and life insurance, more paid vacation time, deferred compensation payable at retirement, and a greater say in scheduling their flying assignments.

After its first year of operation, the program seemed to be working. Corporate Wings had been losing about six or seven pilots a year but lost only two during the first twelve months of the program. Additionally, Ricci was pleased to find that the caliber of applicants for pilot positions had significantly improved.

The Corporate Wings story illustrates a widespread concern of managers: How do you keep turnover down? In this chapter, we'll show you that employee turnover is one of four primary concerns that OB addresses, and we'll give you an overview of the factors that influence an employee's decision to leave an organization. Later in the chapter, we'll present a model that demonstrates how topics within OB fit together and how they can help you to predict outcomes such as employee turnover.

First, however, we want to briefly discuss the research upon which this course is built. This text will introduce hundreds of research studies in

support of a number of behavioral theories. But theories are only as good as the research presented to support them. How do you, as a consumer of OB theories, evaluate the individual research studies presented in this text? We'll begin to answer that in the next section.

So this chapter addresses two concerns: research methodology and the structuring of the topics within OB into an integrative whole. These two concerns may, at first glance, seem somewhat unrelated. However, by the time you get to the end of this chapter, it should become obvious that these two issues form the foundation for building an integrative framework for explaining and predicting behavior.

8. RESEARCH IN ORGANIZATIONAL BEHAVIOR

A few years back, a friend was all excited because he had read about the findings from a research study that finally, once and for all, resolved the question of what it takes to make it to the top in a large corporation. I doubted there was any simple answer to this question but, not wanting to dampen his enthusiasm, I asked him to tell me what he had read. The answer, according to my friend, was: *participation in college athletics*. To say I was skeptical of his claim is a gross understatement, so I asked him to tell me more.

The study encompassed 1,700 successful senior executives at the 500 largest U.S. corporations. The researchers found that half of these executives had played varsity-level college sports. My friend, who happens to be good with statistics, informed me that since fewer than two percent of all college students participate in intercollegiate athletics, the probability of this finding occurring by mere chance is less than one in 10 million! He concluded his analysis by telling me that, based on this research, I should encourage my management students to get into shape and to make one of the varsity teams.

My friend was somewhat perturbed when I suggested that his conclusions were likely to be flawed. These executives were all males who attended college in the 1940s and 1950s. Would his advice be meaningful to females in the 1990s? These executives also weren't your typical college students. For the most part, they had attended elite private colleges like Princeton and Lehigh, where a large proportion of the student body participates in intercollegiate sports. And these "jocks" hadn't necessarily played football or basketball; many had participated in golf, tennis, baseball, cross-country running, crew, rugby, and similar minor sports. Moreover, maybe the researchers had confused the direction of causality. That is, maybe individuals with the motivation and ability to make it to the top of a large corporation are drawn to competitive activities like college athletics.

My friend was guilty of misusing research data. Of course, he is not alone. We are all continually bombarded with reports of experiments that link certain substances to cancer in mice and surveys that show changing attitudes toward sex among college students, for example. Many of these studies are carefully designed, with great caution taken to note the implications and limitations of the findings. But some studies are poorly designed, making their conclusions at best suspect, and at worst meaningless.

Rather than attempting to make you a researcher, the purpose of this section is to increase your awareness as a consumer of behavioral research. A knowledge of research methods will allow you to appreciate more fully the care in data collection that underlies the information and conclusions presented in this text. Moreover, an understanding of research methods will make you a more skilled evaluator of those OB studies you will encounter in business and professional journals. So an appreciation of behavioral research is important because (1) it is the foundation upon which the theories in this text are built, and (2) it will benefit you in future years when you read reports of research and attempt to assess their value.

8.1. Purpose of Research

Research is concerned with the systematic gathering of information. Its purpose is to help us in our search for the truth. While we will never find ultimate truth – in our case, that would be to know precisely how any person would behave in any organizational context – ongoing research adds to our body of OB knowledge by supporting some theories, contradicting others, and suggesting new theories to replace those that fail to gain support.

8.2. Research Terminology

Researchers have their own vocabulary for communicating among themselves and with outsiders. The following briefly defines some of the more popular terms you're likely to encounter in behavioral science studies.

VARIABLE. A **variable** is any general characteristic that can be measured and that changes in either amplitude, intensity, or both. Some examples of OB variables you'll find in this text are job satisfaction, employee productivity, work stress, ability, personality, and group norms.

HYPOTHESIS. A tentative explanation of the relationship between two or more variables is called a **hypothesis**. My friend's statement that participation in college athletics leads to a top executive position in a large corporation is an example of a hypothesis. Until confirmed by empirical research, a hypothesis remains only a tentative explanation.

DEPENDENT VARIABLE. A **dependent variable** is a response that is affected by an independent variable. In terms of the hypothesis, it is the variable that the researcher is interested in explaining. Referring back to the previous example, the dependent variable in my friend's hypothesis was executive succession. In organizational behavior research, the most popular dependent variables are productivity, absenteeism, turnover, job satisfaction, and organizational commitment.

INDEPENDENT VARIABLE. An **independent variable** is the presumed cause of some change in the dependent variable. Participating in varsity athletics was the independent variable in my friend's hypothesis. Popular independent variables studied by OB researchers include intelligence, personality, job satisfaction, experience, motivation, reinforcement patterns, leadership style, reward allocations, selection methods, and organization design. We have said that job satisfaction is frequently used by OB researchers as both a dependent and an independent variable. This is not an error. It merely that the label given to a variable depends on its place in the hypothesis. In the statement "Increases in job satisfaction lead to reduced turnover," job satisfaction is an independent variable. However, in the statement "Increases in money lead to higher job satisfaction," job satisfaction becomes a dependent variable.

MODERATING VARIABLE. A **moderating variable** abates the effect of the independent variable on the dependent variable. It might also be thought of as the contingency variable: If X (independent variable), then Y (dependent variable) will occur, but only under conditions Z (moderating variable). To translate this into a real-life example, we might say that if we increase the amount of direct supervision in the work area (X), then there will be a change in worker productivity (Y), but this effect will be moderated by the complexity of the tasks being performed (Z).

CAUSALITY. A hypothesis, by definition, implies a relationship. That is, it implies a presumed cause and effect. This direction of cause and effect is called **causality**. Changes in the independent variable are assumed to *cause* changes in the dependent variable. However, in behavioral research, it is possible to make an incorrect assumption of causality when relationships are found. For example, early behavioral scientists found a relationship between employee satisfaction and productivity. They concluded that a happy worker was a productive worker. Follow-up research has supported the relationship, but disconfirmed the direction of the arrow. The evidence more correctly suggests that high productivity leads to satisfaction rather than the other way around.

CORRELATION COEFFICIENT. It is one thing to know that there is a relationship between two or more variables. It is another to know the strength of that relationship. The term **correlation coefficient** is used to indicate that

strength, and is expressed as a number between -1.00 (a perfect negative relationship) to +1.00 (a perfect positive correlation).

When two variables vary directly with one another, the correlation will be expressed as a positive number. When they vary inversely – that is, one increases as the other decreases – the correlation will be expressed as a negative number. If the two variables vary independently of each other, we say that the correlation between them is zero.

For example, a researcher might survey a group of employees to determine the satisfaction of each with his or her job. Then, using company absenteeism reports, the researcher could correlate the job satisfaction scores against individual attendance records to determine whether employees who are more satisfied with their jobs have better attendance records than their counterparts who indicated lower job satisfaction. Let's suppose the researcher found a correlation coefficient between satisfaction and attendance of +0.50. Would that be a strong association? There is, unfortunately, no precise numerical cutoff separating strong and weak relationships. A standard statistical test would need to be applied to determine whether or not the relationship was a significant one.

A final point needs to be made before we move on: A correlation coefficient measures only the strength of association between two variables. A high value does *not* imply causality. The length of women's skirts and stock market prices, for instance, have long been noted to be highly correlated, but one should be careful not to infer that a causal relationship between the two exists. In this instance, the high correlation is more happenstance than predictive.

THEORY. The final term we'll introduce in this section is **theory**. Theory describes a set of systematically interrelated concepts or hypotheses that purport to explain and predict phenomena. In OB, theories are also frequently referred to as *models*. We'll use the two terms interchangeably.

There are no shortages of theories in OB. For instance, we have theories to describe what motivates people, the most effective leadership styles, the best way to resolve conflicts, and how people acquire power. In some cases, we have half-a-dozen or more separate theories that purport to explain and predict a given phenomenon. In such cases, is one right and the others wrong? No! They tend to reflect science at work—researchers testing previous theories, modifying them, and, when appropriate, proposing new models that may prove to have higher explanatory and predictive powers. Multiple theories attempting to explain common phenomena merely attest that OB is an active discipline, still growing and evolving.

As we proceed through this text, we'll introduce and describe a great many theories. We'll also review the research evidence underlying them. In this way, you'll be able to see the present state of the field and assess which theories, at least at the current time, provide the best explanations of OB phenomena.

8.3. Evaluating Research

As a potential consumer of behavioral research, you should follow the dictum of *caveat emptor* — let the buyer beware! In evaluating any research study, you need to ask three questions.

Is it *valid*? Is the study actually measuring what it claims to be measuring? Many psychological tests have been discarded by employers in recent years because they have not been found to be valid measures of the applicants' ability to successfully do a given job. But the **validity** issue is relevant to all research studies. So, if you find a study that links cohesive work groups with higher productivity, you want to know how each of these variables were measured and whether they are actually measuring what they are supposed to be measuring.

Is it *reliable*? **Reliability** refers to consistency of measurement. If you were to have your height measured every day with a wooden yardstick, you would get highly reliable results. On the other hand, if you were measured each day by an elastic tape measure, there would probably be considerable disparity between your height measurements from one day to the next. Your height, of course, does not change from day to day. The variability is due to the unreliability of the measuring device. So if a company asked a group of its employees to complete a reliable job satisfaction questionnaire, and then repeat the questionnaire six months later, we would expect the results to be very similar — provided nothing changed in the interim that might significantly affect employee satisfaction.

Is it *generalizable*? Are the results of the research study **generalizable** to groups of individuals other than those who participated in the original study? Be aware, for example, of the limitations that might exist in research that uses college students as subjects. Are the findings in such studies generalizable to full-time employees in real jobs? Similarly, how generalizable to the overall work population are the results from a study that assesses job stress among ten nuclear power plant engineers in the hamlet of Mahone Bay, Nova Scotia?

8.4. Research Design

Doing research is an exercise in trade-offs. Richness of information typically comes with reduced generalizability. The more a researcher seeks to control for confounding variables, the less realistic his or her results are likely to be. High precision, generalizability, and control almost always translate into higher costs. When researchers make choices about whom they'll study, where their research will be done, the methods they'll use to collect data, and so on, they must make some concessions being addressed. Keep these facts in mind as we review the strengths and weaknesses of five

popular research designs: case studies, field surveys, laboratory experiments, field experiments, and aggregate quantitative reviews.

CASE STUDY. You pick up a copy of Lee Iacocca's autobiography. In it he describes how he moved up the management ladder at Ford Motor Co., eventually became president, was fired, took over as head of Chrysler Corp., and, in one of the most dramatic turnarounds in U.S. corporate history, took Chrysler from the brink of bankruptcy to billions in profits. Or you're in a business class and the instructor distributes a fifty-page handout covering two companies: Apple Computer and Control Data Corporation. The handout details the two firms' histories, describes their product lines, production facilities, management philosophies, and marketing strategies, and includes copies of their recent balance sheets and income statements. The instructor asks the class members to read the handout, analyze the data, and determine why Apple has been more successful in recent years than CDC.

Lee Iacocca's autobiography and the Apple and CDC handouts are **case studies**. Drawn from real-life situations, case studies present an in-depth analysis of one setting. They are thorough descriptions, rich in details about an individual, a group, or an organization. The primary source of information in case studies is obtained through observation, occasionally backed up by interviews and a review of records and documents.

Case studies have their drawbacks. They're open to the perceptual bias and subjective interpretations of the observer. The reader of a case is captive to what the observer/case writer chooses to include and exclude. Cases also trade off generalizability for depth of information and richness of detail. Since it's always dangerous to generalize from a sample of one, case studies make it difficult to prove or reject a hypothesis. On the other hand, you can't ignore the in-depth analysis that cases often provide. They are an excellent device for initial exploratory research and for evaluating real-life problems in organizations.

FIELD SURVEY. A questionnaire made up of approximately a dozen items sought to examine the content of supervisory training programs in billion-dollar corporations. Copies of the questionnaire, with a cover letter explaining the nature of the study, were mailed to the corporate training officers at 250 corporations randomly selected from the Fortune 500 list; 155 officers responded to it. The results of this survey found, among other things, that the most common training topic was providing performance evaluation feedback to employees (ninety-two percent of the surveyed companies selected this topic as the most common aspect of their program). This was closely followed by developing effective delegation skills (ninety percent) and listening skills (eighty-three percent).

The preceding study illustrates a typical **field survey**. A sample of respondents (in this case, 250 corporate training officers) was selected to

represent a larger group that was under examination (corporate training officers in Fortune 500 firms). The respondents were then surveyed using a questionnaire or interviewed to collect data on particular characteristics (the content of supervisory training programs) of interest to the researcher. The standardization of response items allows for data to be easily quantified, analyzed, and summarized, and for the researcher to make inferences from the representative sample about the larger population.

The field survey provides economies for doing research. It's less costly to sample a population than to obtain data from every member of that population. Moreover, as the supervisory training program example illustrates, field surveys provide an efficient way to find out how people feel about issues or how they say they behave. These data can then be easily quantified. But the field survey has a number of potential weaknesses. First, mailed questionnaires rarely obtain one hundred percent returns. Low response rates call into question whether conclusions based on respondents' answers are generalizable to nonrespondents. Second, the format is better at tapping respondents' attitudes and perceptions than behaviors. Third, responses can suffer from social desirability; that is, people saying what they think the researcher wants to hear. Fourth, since field surveys are designed to focus on specific issues, they're a relatively poor means of acquiring depth of information. Finally, the quality of the generalizations is largely a factor of the population chosen. Responses from executives at Fortune 500 firms, for instance, tell us nothing about small- or medium-sized firms or not-for-profit organizations. In summary, even a well-designed field survey trades off depth of information for breadth, generalizability, and economic efficiencies.

LABORATORY EXPERIMENT. The following study is a classic example of the **laboratory experiment**: A researcher, Stanley Milgram, wondered how far individuals would go in following commands. If subjects were placed in the role of a teacher in a learning experiment and told by an experimenter to administer a shock to a learner each time that learner made a mistake, would the subjects follow the commands of the experimenter? Would their willingness to comply decrease as the intensity of the shock was increased?

To test these hypotheses, Milgram hired a set of subjects. Each was led to believe that the experiment was to investigate the effect of punishment on memory. Their job was to act as teachers and administer punishment whenever the learner made a mistake on the learning test.

Punishment was administered by an electric shock. The subject sat in front of a shock generator with thirty levels of shock – beginning at zero and progressing in 15-volt increments to a high of 450 volts. The demarcations of these positions ranged from “Slight Shock” at 15 volts to “Danger: Severe Shock” at 450 volts. To increase the realism of the experiment, the subjects received a sample shock of 45 volts and saw the learner – a pleasant,

mildmannered man about fifty years old – strapped into an “electric chair” in an adjacent room. Of course, the learner was an actor, and the electric shocks were phony, but the subjects didn’t know this.

Taking his seat in front of the shock generator, the subject was directed to begin at the lowest shock level and to increase the shock intensity to the next level each time the learner made a mistake or failed to respond.

When the test began, the shock intensity rose rapidly because the learner made many errors. The subject got verbal feedback from the learner: At 75 volts, the learner began to grunt and moan; at 150 volts, he demanded to be released from the experiment; at 180 volts, he cried out that he could no longer stand the pain; and at 300 volts, he insisted that he be let out, yelled about his heart condition, screamed, and then failed to respond to further questions.

Most subjects protested and, fearful they might kill the learner if the increased shocks were to bring on a heart attack, insisted they could not go on with their job. Hesitations or protests by the subject were met by the experimenter’s statement, “You have no choice, you must go on! Your job is to punish the learner’s mistakes.” Of course, the subjects did have a choice. All they had to do was stand up and walk out.

The majority of the subjects dissented. But dissension isn’t synonymous with disobedience. Sixty-two percent of the subjects increased the shock level to the maximum of 450 volts. The average level of shock administered by the remaining thirty-eight percent was nearly 370 volts.

In a laboratory experiment such as that conducted by Milgram, an artificial environment is created by the researcher. Then the researcher manipulates an independent variable under controlled conditions. Finally, since all other things are held equal, the researcher is able to conclude that any change in the dependent variable is due to the manipulation or change imposed on the independent variable. Note that, because of the controlled conditions, the researcher is able to imply causation between the independent and dependent variables.

The laboratory experiment trades off realism and generalizability for precision and control. It provides a high degree of control over variables and precise measurement of those variables. But findings from laboratory studies are often difficult to generalize to the real world of work. This is because the artificial laboratory rarely duplicates the intricacies and nuances of real organizations. Additionally, many laboratory experiments deal with phenomena that cannot be reproduced or applied to real-life situations.

FIELD EXPERIMENT. The following is an example of a **field experiment**: The management of a large company is interested in determining the impact that a four-day workweek would have on employee absenteeism. To be more specific, they want to know if employees working four ten-hour days have lower

absence rates than similar employees working the traditional five-day week of eight hours each day. Because the company is large, it has a number of manufacturing plants that employ essentially similar work forces. Two of these are chosen for the experiment, both located in the greater Cleveland area. Obviously, it would not be appropriate to compare two similar-sized plants if one is in rural Mississippi and the other is in downtown Boston, because factors such as transportation and weather, might be more likely to explain any differences found than changes in the number of days worked per week.

In one plant, the experiment was put into place – workers began the four-day week. At the other plant, which became the control group, no changes were made in the employees' five-day week. Absence data was gathered from the company's records at both locations for a period of eighteen months. This extended time period lessened the possibility that any results would be distorted by the mere novelty of changes being implemented in the experimental plant. After eighteen months, management found that absenteeism had dropped by forty percent at the experimental plant, and by only six percent in the control plant. Because of the design of this study, management believed that the larger drop in absences at the experimental plant was due to the introduction of the compressed workweek.

The field experiment is similar to the laboratory experiment, except it is conducted in a real organization. The natural setting is more realistic than the laboratory setting, and this enhances validity but binds control. Additionally, unless control groups are maintained, there can be a loss of control if extraneous forces intervene – for example, an employee strike, a major layoff, or a corporate restructuring. Maybe the greatest concern with field studies has to do with organizational selection bias. Not all organizations are going to allow outside researchers to come in and study their employees and operations. This is especially true of organizations that have serious problems. Therefore, since most published studies in OB are done by outside researchers, the selection bias might work toward publication of studies conducted almost exclusively at successful and well-managed organizations.

Our general conclusion is that, of the four research designs we've discussed, the field experiment typically provides the most valid and generalizable findings and, except for its high cost, trades off the least to get the most.

AGGREGATE QUANTITATIVE REVIEWS. What relationship, if any, is there between the sex of employees and occupational stress? There have been a number of individual field surveys and qualitative reviews of these surveys that have sought to throw light on this question. Unfortunately, these various studies produced conflicting results.

To try to reconcile these conflicts, researchers at Michigan State University identified all published correlations between sex and stress in work-related contexts. After discarding reports that had inadequate

information, nonquantitative data, and failed to include both men and women in their sample, the researchers narrowed their set to fifteen studies that included data on 9439 individuals. Using an aggregating technique called meta-analysis, the researchers were able to integrate the studies quantitatively and conclude that there are no differences in experienced stress between men and women in a work setting.

The sex-stress review done by the Michigan State researchers illustrates the use of **meta-analysis**, a quantitative form of literature review that enables researchers to look at validity findings from a comprehensive set of individual studies, and then apply a formula to them to determine if they consistently produced similar results. If results prove to be consistent, it allows researchers to conclude more confidently that validity is generalizable. Meta-analysis is a means for overcoming the potentially imprecise interpretations of qualitative reviews. Additionally, the technique enables researchers to identify potential moderating variables between an independent and a dependent variable.

In the past decade, there has been a surge in the popularity of this research method. Why? It appears to offer a more objective means for doing traditional literature reviews. While the use of meta-analysis requires researchers to make a number of judgment calls, which can introduce a considerable amount of subjectivity into the process, there is no arguing that meta-analysis reviews have now become widespread in the OB literature. In coming chapters, we'll frequently mention comprehensive reviews of research on a given issue. When those reviews use aggregate studies based on the quantitative techniques of **meta-analysis**, we'll use the term *meta-analysis*. Now you'll have some idea of what we mean by that term.

8.5. Summary

The subject of organizational behavior is composed of a large number of theories that are research-based. Research studies, when cumulatively integrated, become theories; and theories are proposed and followed by research studies designed to validate them. The concepts that make up OB, therefore, are only as valid as the research that supports them.

As you review the topics and issues introduced in this text, keep in mind that they are – for the most part – largely research-derived. They represent the result of systematic information gathering rather than merely hunch, intuition, or opinion. But this does not mean that we have all the answers to OB issues. Many require far more corroborating evidence. The generalizability of others is limited by the research methods used. As we proceed through the topics in this text and as the research is reviewed, every effort will be made to point out limitations to the findings that relate to the quality or quantity of supporting research.

9. DEVELOPING AN OB MODEL

The second part of this chapter presents a general model that defines the field of OB, stakes out its parameters, and identifies its primary dependent and independent variables. The end result will be a “coming attraction” of the topics making up the remainder of this course.

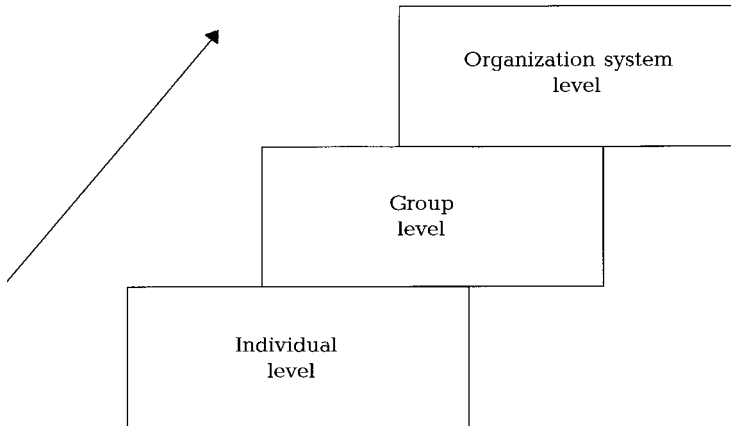
9.1. An Overview

A **model** is an abstraction of reality; a simplified representation of some real-world phenomenon. A mannequin in a retail store is a model. So, too, is the accountant’s formula: $\text{Assets} = \text{Liabilities} + \text{Owners' Equity}$. Figure 2-1 presents the skeleton on which we will construct our OB model. It proposes that there are three levels of analysis in OB, and that as we move from the individual level to the organization systems level, we add systematically to our understanding of behavior in organizations. The three basic levels are analogous to building blocks – each level is constructed upon the previous level. Group concepts grow out of the foundation laid in the individual section; we overlay structural constraints on the individual and group in order to arrive at organizational behavior.

9.2. The Dependent Variables

What are the primary dependent variables in OB? Scholars tend to emphasize productivity, absenteeism, turnover, and job satisfaction. Because of their wide acceptance, we shall use these four as the critical determinants of an organization’s human resources effectiveness. However, there is nothing magical about these variables. They merely show that OB research has strongly reflected managerial interests over those of individuals or of society as a whole. Of course, in years to come, new dependent variables may be added to, or may replace, those that currently dominate the OB field. For instance, one author has argued for the growing importance of job stress, individual dissent, and innovation as dependent variables. In defense of innovation, he argues, “As a greater percentage of work becomes highly skilled and professionalized, the criteria of performance will likely become more ambiguous and subject to change. Therefore, questions of [employee] productivity may become translated into inquiries about working smarter rather than harder....Where there is rapid change or competition is fierce, innovation may be the organization’s most important outcome variable.” The fact remains, however, that productivity, absenteeism, turnover, and job satisfaction currently dominate the field. So let’s review these terms to ensure that we understand what they mean and why they have achieved the distinction of being OB’s primary dependent variables.

Figure 2-1. Basic OB Model, Stage 1



PRODUCTIVITY. An organization is productive if it achieves its goals, and does so by transferring inputs to outputs at the lowest cost. As such, **productivity** implies a concern for both **effectiveness** and **efficiency**.

A hospital, for example, is *effective* when it successfully meets the needs of its clientele. It is *efficient* when it can do this at a low cost. If a hospital manages to achieve higher output from its present staff by reducing the average number of days a patient is confined to a bed or by increasing the number of staff—patient contacts per day, we say that the hospital has gained productive efficiency. Similarly, a school may be effective when a certain percentage of students achieve a specified score on standardized achievement tests. The school can improve its efficiency if these higher test scores can be secured by a smaller teaching and support staff. A business firm is effective when it attains its sales or market share goals, but its productivity also depends on achieving these goals efficiently. Measures of such efficiency may include return on investment, profit per dollar of sales, and output per hour of labor.

We can also look at productivity from the perspective of the individual employee. Take the cases of Mike and Al, who are both long-distance truckers. If Mike is supposed to haul his fully loaded rig from New York to its destination in Los Angeles in seventy-five hours or less, he is effective if he makes the three-thousand-mile trip within this time period. But measures of productivity must take into account the costs incurred in reaching the goal. That's where efficiency comes in. Let's assume that Mike made the New York to Los Angeles run in sixty-eight hours and averaged seven miles per gallon. Al, on the other hand, made the trip in sixty-eight hours also, but

averaged nine miles per gallon (rigs and loads are identical). Both Mike and Al were effective – they accomplished their goal-but Al was more efficient than Mike because his rig consumed less gas and, therefore, he achieved his goal at a lower cost.

In summary, one of OB's major concerns is productivity. We want to know what factors will influence the effectiveness and efficiency of individuals, of groups, and of the overall organization.

ABSENTEEISM. The annual cost of **absenteeism** has been estimated at over \$40 billion for U.S. organizations and \$12 billion for Canadian firms. At the job level, a one-day absence by a clerical worker can cost an employer up to \$100 in reduced efficiency and increased supervisory workload. These figures indicate the importance to an organization of keeping absenteeism low.

It is obviously difficult for an organization to operate smoothly and to attain its objectives if employees fail to report to their jobs. The work flow is disrupted, and often important decisions must be delayed. In organizations that rely heavily upon assembly-line technology, absenteeism can be considerably more than a disruption – it can result in a drastic reduction in quality of output, and, in some cases, it can bring about a complete shutdown of the production facility. Examples abound of the problems that the major U.S. automobile manufacturers have with alarmingly large increases in absences on Mondays and Fridays, especially in summer months and at the onset of the hunting and fishing seasons. Certainly, levels of absenteeism beyond the normal range have a direct impact on an organization's effectiveness and efficiency.

Are *all* absences bad? Probably not! While most absences impact negatively on the organization, we can conceive of situations where the organization may benefit by an employee' voluntarily choosing not to come to work. For instance, fatigue or excess stress can significantly decrease an employee's productivity. In jobs where an employee needs to be alert-surgeons and airline pilots are obvious examples – it may well be better for the organization if the employee does not report to work rather than show up and perform poorly. The cost of an accident in such jobs could be prohibitive. Even in managerial jobs, where mistakes are less spectacular, performance may be improved when incumbents absent themselves from work rather than make a poor decision under stress. But these examples are clearly atypical. For the most part, we can assume that organizations benefit when employee absenteeism is reduced.

TURNOVER. A high rate of **turnover** in an organization means increased recruiting, selection, and training costs. It can also mean a disruption in the efficient running of an organization when knowledgeable and experienced personnel leave and replacements must be found and prepared to assume positions of responsibility. All organizations, of course, have some turnover.

If the right people are leaving the organization – the marginal and submarginal employees – turnover can be positive. It may create the opportunity to replace an underperforming individual with someone with higher skills or motivation, open up increased opportunities for promotions, and add new and fresh ideas to the organization. But turnover often means the loss of people the organization doesn't want to lose. For instance, one study covering nine hundred employees who had resigned their jobs found that ninety-two percent earned performance ratings of "satisfactory" or better from their superiors. So when turnover is excessive, or when it involves valuable performers, it can be a disruptive factor, hindering the organization's effectiveness.

JOB SATISFACTION. The final dependent variable we will look at is **job satisfaction**, which we'll define simply, at this point, as the difference between the amount of rewards workers receive and the amount they believe they should receive. Unlike the previous three variables, job satisfaction represents an attitude rather than a behavior. Why, then, has it become a primary dependent variable? For two reasons: its demonstrated relationship to performance factors and the value preferences held by many OB researchers.

The belief that satisfied employees are more productive than dissatisfied employees has been a basic tenet among managers for years. While much evidence questions this assumed causal relationship, it can be argued that advanced societies should be concerned not only with the quantity of life – that is, concerns such as higher productivity and material acquisitions – but also with its quality. Those researchers with strong humanistic values argue that satisfaction is a legitimate objective of an organization. Not only is satisfaction negatively related to absenteeism and turnover, but, they argue, organizations have a responsibility to provide employees with jobs that are challenging and intrinsically rewarding. Therefore, although job satisfaction represents an attitude rather than a behavior, OB researchers typically consider it an important dependent variable.

9.3. The Independent Variables

What are the major determinants of productivity, absenteeism, turnover, and job satisfaction? Our answer to that question brings us to the independent variables. Consistent with our belief that organizational behavior can best be understood when viewed essentially as a set of increasingly complex building blocks, the base or first level of our model lies in understanding individual behavior.

INDIVIDUAL-LEVEL VARIABLES. It has been said that "managers, unlike parents, must work with used, not new, human beings – human beings whom

others have gotten to first.” When individuals enter an organization, they’re a bit like used cars. Each is different. Some are “lowmileage” – they have been treated carefully and have had only limited exposure to the realities of the elements. Others are “well-worn,” having experienced a number of rough roads. This metaphor indicates that people enter organizations with certain characteristics that will influence their behavior at work. The more obvious of these are personal or biographical characteristics such as age, sex, and marital status; personality characteristics; values and attitudes; and basic ability levels. These characteristics are essentially intact when an individual enters the work force, and, for the most part, there is little management can do to alter them. Yet, they have a very real impact on employee behavior. Therefore, each of these factors – biographical characteristics, personality, values and attitudes, and ability – will be discussed as independent variables further.

There are four other individual-level variables that have been shown to affect employee behavior: perception, individual decision making, learning, and motivation.

Figure 2-2 diagrams the individual level in our OB model. Note the dotted line around biographical characteristics, personality, values and attitudes, and ability. This is to dramatize that these variables, for the most part, are already in place when an employee joins an organization. The individual variables are shown in Figure 2-2.

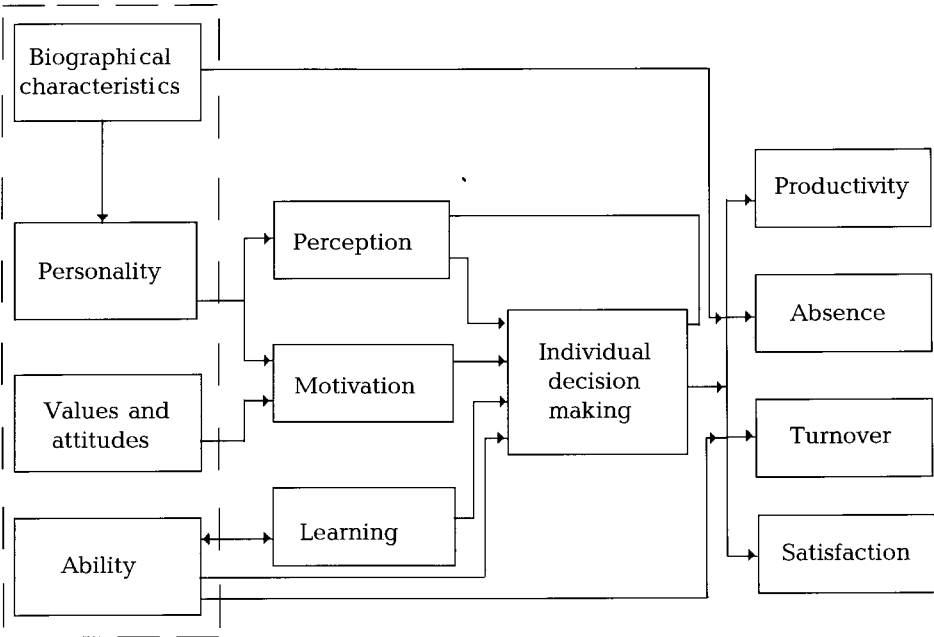


Figure 2-2. The Individual Level in the OB Model

GROUP-LEVEL VARIABLES. The behavior of people in groups is more than the sum total of each individual acting in his or her own way. The complexity of our model is increased when we acknowledge that people's behavior when they are in groups is different from their behavior when they are alone. Therefore, the next step in the development of an understanding of OB is the study of group behavior.

ORGANIZATION SYSTEM-LEVEL VARIABLES. Organizational behavior reaches its highest level of sophistication when we add formal structure to our previous knowledge of individual and group behavior. Just as groups are more than the sum of their individual members, so are organizations more than the sum of their member groups. The structural design of the formal organization, the organization's human resource policies and practices (that is, selection processes, training programs, performance appraisal methods), levels of work stress, and internal culture all have an impact on the dependent variables.

Figure 2-3 describes the organization system-level variables in our model.

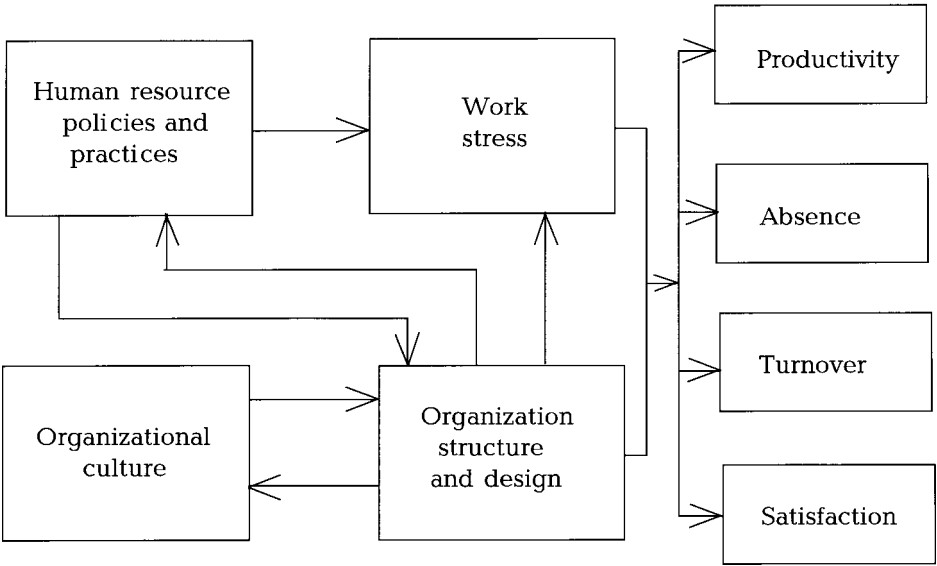


Figure 2-3. The Organization System Level in the OB Model

9.4. Toward a Contingency OB Model

Our final model is shown in Figure 2-4. It shows the four key dependent variables and a large number of independent variables that research suggests have varying impacts on them. Of course, the model does not do justice to the complexity of the OB subject matter, but it should prove valuable in helping to explain and predict behavior.

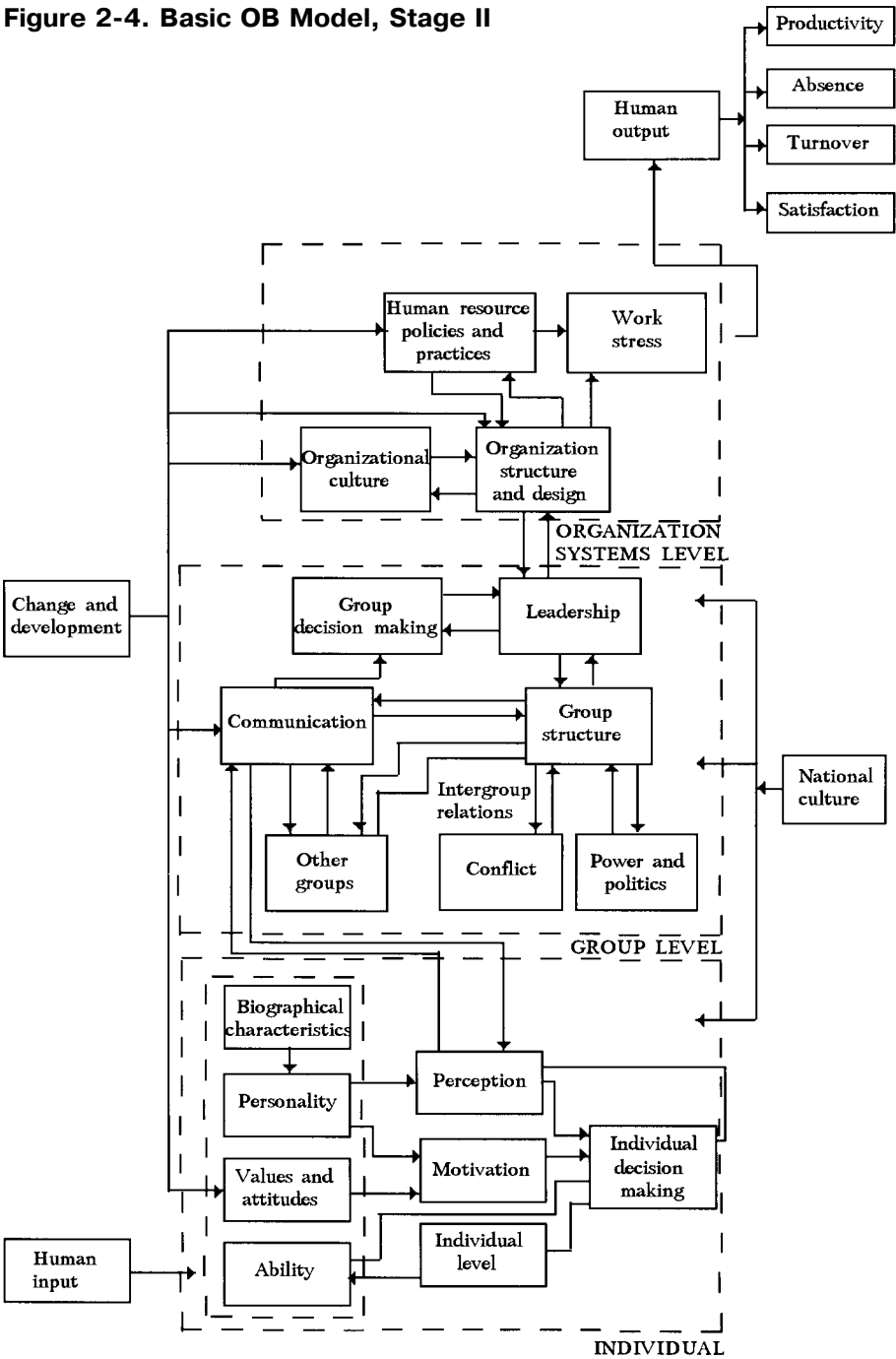
For the most part, our model does not explicitly identify the vast number of moderating variables because of the tremendous complexity that would be involved in such a diagram. Rather, throughout this text we shall introduce important moderating variables that will improve the explanatory linkage between the independent and dependent variables in our OB model. One exception is the specific inclusion of *national culture* as a variable that affects all levels of analysis.

We need to look at OB from a global perspective. Why? Because organizations are no longer constrained by national borders, because organizational behavior is different in different countries, and because these differences affect all our independent variables. The next chapter presents several frameworks for analyzing differences between countries.

Note that we've added the concepts of change and development to Figure 2-5, acknowledging the dynamics of behavior and recognizing that there are ways for change agents or managers to modify many of the independent variables if they are having a negative impact on the key dependent variables. Specifically, we'll discuss the change process and techniques for changing employee attitudes, improving communication processes, modifying organization structures, and the like.

Finally, Figure 2-4 includes linkages between the three levels of analysis. For instance, organization structure is linked to leadership. This is meant to convey that authority and leadership are related—management exerts its influence on group behavior through leadership. Similarly, communication is the means by which individuals transmit information; thus, it is the link between individual and group behavior.

Figure 2-4. Basic OB Model, Stage II



POINT

OB is a Social Science

OB has grown out of at least two older fields in business schools: human relations and management. It also includes significant ideas from psychology and sociology, although other social sciences such as economics, anthropology, and political science have certainly contributed to OB's development. In the past twenty-five years, OB has received substantial inputs from a younger generation of scholars who have received their training in business school either under the label of Organizational Behavior itself or under some related term. If one were required to select the single discipline that has most influenced the content of OB and its research methodologies, however, there is little disagreement over the answer: psychology. In second place, and closing slowly on the leader, is sociology.

Any study of the OB field would be generally acknowledged as incomplete without a discussion of the following ten topics: attitudes, job satisfaction, personality, perception, motivation, learning, job design, leadership, communication, and group dynamics. With the exception of the last two, the major work on each of these topics has been done by individuals whose primary training has been in psychology. The study of communication and groups has belonged to the social psychologist and the sociologist. The interest in the past twenty years in power and conflict in organization has also generally been furthered by individuals with sociological training. But the topics of power, conflict, and other interests of sociologists – including organizational culture and structure – have suffered in contrast to the previously mentioned psychologically based concepts by failing to achieve unanimous legitimacy among OB scholars.

Using contributions from researchers in psychology, sociology, and other social sciences, we have made substantial progress in our search to explain and predict the behavior of people at work. We have, for example, identified a number of factors that contribute to employees voluntarily quitting their jobs. More important, we have also developed models that show how these factors interact. Does this imply that we now have a science of OB that can consistently and perfectly predict behavior? No! We have made substantial progress, but our knowledge is far from complete. There are many questions that remain unanswered. There is also considerable research that is inconsistent and, in some cases, even contradictory. Unfortunately, understanding human behavior is not as simple as understanding, say, polio. The latter led to a vaccine that effectively eliminated polio in North America. Further research on polio is not necessary. Human behavior, in contrast, will never be fully understood. Research will continue, leading us to replace old

theories with new ones. We have come a long way in our understanding of human behavior, but we still have considerable distance to cover.

ETHICAL ISSUES IN OB

Ethics in Research

Researchers are not always tactful or candid with subjects when they do their studies. For instance, questions in field surveys may be perceived as embarrassing by respondents or as an invasion of privacy. Also, researchers in laboratory studies have been known to deceive participants as to the true purpose of their experiment “because they felt deception was necessary to get honest responses.”

The “learning experiments” conducted by Stanley Milgram were widely criticized by psychologists on ethical grounds. He lied to subjects, telling them his study was investigating learning, when, in fact, he was concerned with obedience. The shock machine he used was a fake. Even the “learner” was an accomplice of Milgram’s who had been trained to act as if he were hurt and in pain.

Professional associations like the American Psychological Association, and the Academy of Management have published formal guidelines for the conduct of research. Yet the ethical debate continues. On one side are those who argue that strict ethical controls can damage the scientific validity of an experiment and cripple future research. Deception, for example, is often necessary to avoid contaminating results. Moreover, proponents of minimizing ethical controls note that few subjects have been appreciably harmed by deceptive experiments. Even in Milgram’s highly manipulative experiment, only 1.3 percent of the subjects reported negative feelings about their experience. The other side of this debate focuses on the rights of participants. Those favoring strict ethical controls argue that no procedure should ever be emotionally or physically distressing to subjects, and that, as professionals. Now, let’s take a look at a sampling of ethical questions relating to research. Do you think Milgram’s experiment was unethical? Would you judge it unethical for a company to anonymously survey its employees with mail questionnaires on their intentions to quit their present job? Would your answer be any different if the company coded the survey responses to identify those who didn’t reply so they could send them follow-up questionnaires? Would it be unethical for management to hide a video camera on the production floor to study group interaction patterns (with the goal of using the data to design more effective work teams) without first telling employees that they were subjects of research? What do you think?

OB CLOSE-UP

Is OB the “Science of the College Sophomore”?

A major determinant of the generalizability of any laboratory experiment is the characteristics of the study's subjects, if the subjects are all male managers, between the ages of forty-five and sixty, working in large corporations like General Motors and IBM, conclusions based on the study's findings need to be limited to reflect this.

This recognition of limiting generalizability to reflect characteristics of the subjects would not be a problem in OB if laboratory experiments tended to include all sizes, shapes, and kinds of subjects. After all, organizations come on all types, and so do their employees. But it has long been observed that the behavioral studies that compose a large part of the OB research literature rely heavily upon college students as experimental subjects. Generations of college students have toiled in university laboratories solving problems they didn't create, working at “jobs” that only hours before they knew nothing about, selecting applicants for hire in nonexistent organizations, and the like. The results of these experiments then find their way into the behavioral literature and form the basis for current theories well as suggestions for improved practices. For instance, approximately seventy-five percent of published research in social psychology has involved college students.

Why has this occurred? The best answer is: Convenience. College students are a readily available resource to faculty researchers and a low-cost alternative to investigating full-time employees in work organizations.

Does this wide use of college students invalidate OB theories? This question is not easily answered. On one hand, clearly college students are not representative of the general work population. This is especially true where subjects are young undergraduates with little or no substantive work experience. On the other hand, for many research objectives, students are not unlike nonstudents. For example, studies dealing with perception, attitude change, learning processes, or communication are likely to be as generalizable with college students as with any other population. Additionally, any research population can be argued to be atypical. Homogeneously defined groups of subjects – be they college-educated white-collar professionals, employees in high-tech industries, or college students – require the researcher to qualify his or her findings. And since no group can fully represent the complete diversity of employees in all types of organizations in all countries of the world, as studies will have some limitations to their generalizability. The key is understanding who the subjects are in a study and the limitations this imposes on the study's findings.

POINT

Employee Turnover Is Dysfunctional to an Organization

This text presents employee turnover as one of the four primary dependent variables in OB. This is consistent with the widespread conviction among executives, personnel managers, and researchers in OB that turnover has negative consequences for organizational performance.

When an employee quits and has to be replaced, an organization incurs both obvious and hidden costs. The following breakdown itemizes the turnover costs that experts calculate are incurred when a middle-level manager earning \$39,000 a year has to be replaced. Keep in mind that these costs are not atypical.

- Inefficiencies as the new employee learns the job (it usually takes about 13.5 months for a new employee to reach 100 percent efficiency) ... \$18,600
- Additional time lost by supervisors and peers while the new employee gets up to speed ... \$11,700
- Lost efficiency of departing employee in those weeks or months just prior to his or her leaving ... \$2,200
- Additional time lost by supervisors and peers just prior to the departing employee's leaving ... \$800
- Productivity lost while the position is vacant ... \$19,000
- Out-of-pocket processing costs, including search fees and expenses, orientation, training, and travel costs for recruiters and candidates ... \$2,400
- Cost of processing incoming and departing employees, including relocation costs ... 43, 400
- Total costs \$58,100

The evidence indicates that the ratio of turnover costs to annual salary is between 1.2 and 2.0, with the average at about 1.5. The range reflects differences in position level, organizational function, the extent to which agency search and outplacement services are used, and relocation costs. What this means is that the loss of even a \$15,000-a-year clerk can cost an organization \$18,000 or more.

Given both the obvious and hidden costs associated with turnover, any management team that is concerned with maintaining effectiveness and efficiency will want to hold employee turnover to a minimum.

COUNTERPOINT

Employee Turnover Can Be Functional

All turnover is not bad for an organization. Discussions on the subject tend to stress the costs side of the ledger. But turnover also provides benefits to the organization. In fact, healthy levels of employee turnover may be a virtual windfall – in hard dollar terms – for the organization.

To consider all turnover negatively overstates its impact. Why? Well, first we need to look only at voluntary turnover. Involuntary turnover – where management initiates the departure – is functional, if we assume the decision is for a cause. Second, there are people who voluntarily leave the organization and in so doing benefit it. They may have been poor or, at best, marginal performers. But because of institutionalized employment security (labor unions, appeal boards, etc.), sympathetic bosses, the desire to maintain group morale, or similar factors, these people are not terminated. Finally, all voluntary quits are not controllable by management. That is, there are situations in which no reasonable action by management could have prevented it. It's a waste of organizational resources to try to reduce this element of turnover, in summary, any discussion of turnover should be concerned only with voluntary quits, and from that number we need to subtract all functional turnover plus the portion that, while dysfunctional, is unavoidable.

Now let's turn to a neglected issue: Turnover has a positive "dollar and cents" impact on the organization. In support of this position, we need to recognize that turnover may be reduced, but at a cost that exceeds its benefits, and new hires are not as costly to maintain in terms of salary and benefits as are more senior employees.

A number of jobs have characteristically high levels of turnover - for instance, waitresses and bank clerks – that could be significantly reduced by merely raising their wage rates. But management has chosen not to pay the wages that would be necessary to keep these people. In cost-effectiveness terms, management's strategy has been to trade off higher turnover for lower labor costs.

An overlooked fact in organizations is that there are a number of jobs where wage rates increase with time, but there is no comparable increase in productivity. For instance, at one public utility, entry-level employees receive \$7.82 per hour and then move through the wage progression to \$15.45 in their fifth year. The job remains the same, but the hourly wage cost nearly doubles. While employee productivity will increase over this five-year period, the increase is more likely to be in the ten-to-twenty-percent range. Additionally, given that benefit costs tend to be a percentage of direct labor costs, these too go up significantly as employee seniority increases. The result: Recent hires cost the organization less.

There are relatively large economies to be realized by employee turnover. To the extent that turnover is not excessive – that is, its costs do not exceed its benefits - a large amount of money might be saved each year by reasonable levels of turnover. Vigorous programs by organizations to reduce the incidence of employee turnover may be thoroughly shortsighted. This caveat may be particularly appropriate for organizations in which training requirements are minimal and experience may not lead to appreciably higher levels of performance.

Dealing with Ethical Issues in Organizational Behavior

Members of organization often confront ethical dilemmas. A few examples to illustrate this point: Is it unethical to “pad” an expense account? How about using the company telephone for personal long-distance calls or using company postage on personal mail? Is it wrong to use insider information for personal financial gain? Should someone follow orders that he or she doesn’t personally agree with? Is it wrong for a manager to show favoritism in selection decisions or disciplinary practices? Is it unethical to “play politics” in an organization?

Ethics refers to “the rules or principle that define right and wrong conduct”. Ethical questions like those stated in the previous paragraph have no “right” answers. These questions fall into a gray area where individuals must make judgments based on some ethical standards. Throughout this course, you’ll be presented with ethical issues related to organizational behavior. To help you deal with these issues, here are three different ethical positions that can provide guidance your own ethical standards.

The first is the utilitarian view of ethics, in which decisions are made solely on the bases of their outcomes or consequences. The goal of utilitarianism is to provide the greatest good for the greatest number. This view tends to dominate business decision making. It is consistent with goal like efficiency, productivity, and high profits. By maximizing profits, for instance, a business executive can agree he or she is securing the greatest good for the greatest number.

Another ethical perspective is the rights view of ethics. This calls upon individuals to make decisions consistent with fundamental liberties and privileges as set forth in documents like the Bill of Rights. The rights view of ethics is concerned with respecting and protecting the basic rights of individuals, such as the right to privacy, to free speech, and to due process. For instance, this position would protect employees who report unethical or illegal practices by their organization to the press or government agencies on the grounds of their right to free speech.

A third perspective is the justice view of ethics. This requires individuals to impose and enforce rules fairly and impartially so there is an equitable distribution of benefits and costs. Union members typically favor this view. It justifies paying people the same wage for a given job, regardless of performance differences, and it uses seniority as the criterion in making lay-off decisions.

Each of these perspectives has advantages and liabilities. The utilitarian view promotes efficiency and productivity but it can result in ignoring the rights of some individuals, particularly those with minority representation in the organization. The rights perspective protects individuals from injury and is consistent with freedom and privacy, but it can create an overly legalistic work environment that hinders productivity and efficiency. The justice perspective protects the interests of the underrepresented and less powerful, but it can encourage a sense of entitlement that reduces risk-taking, innovation, and productivity.

In each of the following chapters, you'll find theme boxes that address ethical issues in OB. The three ethical views presented here – utilitarian, rights, and justice–provide a frame of reference for analyzing these issues .

The Limited Power of Traits in Organizations

Few people would dispute the point that there are some stable individual attributes that affect experience in and reactions to the workplace. But trait theorist go beyond this generality and agree that individual behavior consistencies are widespread and account for much of the variance in behavior among people.

There are two important problems with using traits to explain a large proportion of behavior in organizations. First, a substantial amount of evidence shows that organizational setting are strong situations that have a large impact on employee attitudes and behavior. Second, a growing body of research indicates that individuals are highly adaptive and that personality traits change in response to organizational situations. Let's elaborate on each of these problems.

It has been well know for some time that the effect of traits are likely to be strongest in relatively weak situations and weakest relatively strong situations. Why? Because they have both formal structures with rules, regulations, policies, and reward system that define acceptable behavior and punish deviant behaviors and informal norms that dictate appropriate behaviors. These formal and informal constraints lead employees to adopt attitudes and behaviors that the consistent with their organizational roles, thus minimizing the effects of personality traits.

By arguing that employees possess stable traits that lead to cross-situational consistency in their attitudes and behaviors, trait theorists are

implying that individuals do not really adapt to different situations. But there is a growing body of evidence that individual participates in. Thus, instead of remaining stable over time, an individual's personality is changed by all the organizations in which he or she has taken part. If the individual's personality changes as a result of exposure to organizational setting, in what sense can that individual be said to have traits that persistently and consistently affect his or her reactions to those very settings? Moreover, people demonstrate their situational flexibility when they change roles as they participate in different organizations. Employees often belong to many organizations. Bob is a corporate accountant during the day, presides over church meeting two nights a week, and coaches his daughter's soccer team on weekends. Most of us are like Bob; we belong to multiple organizations that often include very different kinds of members. We adapt to these different situations. Instead of being the prisoners of a rigid and stable personality framework as trait theorists propose, we regularly adjust our behavior and attitudes to reflect the requirements of various situations.

New Evidence Emphasizes the Importance of Heredity

While no expert in personality psychology would argue today that heredity is the sole determinant of an individual's personality, the latest research makes a very strong argument for the importance of heredity.

Researchers looking at the issue have studied more than one hundred sets of identical twins who were separated at birth and raised apart. If environment is the major determinant of personality characteristics, you'd expect the researchers to find few similarities between separated twins. That, however, is not what they discovered. They found that for almost every behavioral trait, "an important function of the variation among people turns out to be associated with genetic variation". More specifically, they found that genetics accounts for about fifty percent of personality differences and about forty percent of job interest variations.

"We think of each pair of identical twins as one piece of music played by two different musicians", said the lead researcher. "The music can be played fantastically, or it may not run right. But you'll always be able to recognize the piece. That's because nature write the score. Environment is responsible for the playing technique."

Reinforcement and Ethical Behavior

An employee's ethical behavior is depended on both his or her values and the ethical climate within the organization. Good people can be encouraged to do bad things when their organization's reward system positively reinforces wrong behavior. When organizations praises, promotes, given larger pay increases, and offers other desirable rewards to employees who lie, cheat, and misrepresent, its employees learn that unethical behaviors pay off.

Regardless of what management says is important, people in organizations pay attention to how actual reward are handed out. This helps explain why some college faculty pay little attention to their students and teaching responsibilities. Despite the importance that all college administrators claim teaching carries, many colleges ignore good teaching, promotions, and other rewards on those who do research. Faculty why engage in research at the expense of their teaching are not bad people. They are not merely people whose behavior has been shaped be their organization's reward system.

It has been noted that an organization's reward can encourage employee practices that run counter to society's ethical norms. For instance, North American norms encourage openness, honesty, and candor; yet organizations often reward those employees who resort to secrecy and lying to get their jobs done. Similarly, following the rules is part of North American culture, but many organizations give out promotions to those who :achieve their goals by disregarding the rules.

In recent years, considerable national attention has been focused on the corruption in U.S. college sports programs. Athletes' high school grades are altered to allow them admission. Cash payments are made to star athletes by college boosters. Jobs are provided by boosters to parents of prized recruits. Athletes are discouraged by their coaches from taking the English, math, and science courses they need to graduate out of fear that poor grades in these courses will jeopardize their eligibility to play the sport they were recruited for. On what can these unethical (and sometimes illegal) practices be blamed? The pressure on coaches to win! College president want the revenues that come from filled arenas and appearances in postseason competitions, and these are only possible when teams win. So coaches who produce wining teams get rewarded with extended contracts and fat compensatin packages. Coaches who lose game - no matter how successful they may be in "bilding character " – get fired!

Give an example of a situation where are you observed unethical behavior that was encouraged or supported by the organization's reward system.

COURSE TASKS

I. Make up a logic scheme of your basic knowledge on unit's theme.

II. Self-Assessment:

1. Contrast an intuitive approach to studying behavior with a systematic approach. Is intuition always inaccurate?
2. "Behavior generally is predictable." Do you agree or disagree? Explain.
3. Contrast the research comparing **effective** managers with **successful** managers. What are the implications from this research for practicing managers?
4. Define **organizational behavior**. How does this compare with **management**?
5. What is an **organization**? Is the family unit an organization? Explain.
6. How might cultural diversity improve the performance of an organization?
7. What is meant by the phrase **bi-modal work force**? What are its implications for managers?
8. In what areas has **psychology** contributed to OB? **Sociology**? **Social psychology**? **Anthropology**? **Political science**? What other academic disciplines may have contributed to OB?
9. "The best way to view OB is through a contingency approach." Build an argument to support this statement.
10. "Since behavior is generally predictable, there is no need to formally study OB." Why is this statement wrong?
11. Why should students of OB spend the time to develop an elementary understanding of research design?
12. What factors might reduce the generalizability of a research study?
13. What are the advantages and disadvantages of a (a) case study, (b) field survey, (c) laboratory experiment, and (d) field experiment?
14. What is reliability? Validity? What is the relevance of each to research?
15. Define **independent**, **dependent**, and **moderating variables**. Explain their relationship.
16. It is well-documented that married men and women live longer than their unmarried counterparts. Does marriage **cause** longer life? Explain.
17. Statistics clearly show that college graduates earn substantially more money during their working lives than do individuals who have not attended college. Does the college experience cause higher earnings? Explain.
18. What are the three levels of analysis in our OB model? Are they related? If so, how?

19. If job satisfaction is not a behavior, why is it considered an important dependent variable?
20. What are “effectiveness” and “efficiency”, and how are they related to organizational behavior?
21. What are the four dependent variables in the OB model? Why have they been chosen over, for instance, percent return on investment?
22. Why are individual-, group-, and organization system-level behaviors described as successively more complex?

3. TEST-TRAINING

What Do You Know About Human Behavior?

Much of what we “know” about the world is based on intuition. We have opinions, biases, hunches, and misinformation that we use both in making statements about others and in deciding what we do. The following twenty questions are designed to provide you with some feedback regarding what you “know” about human behavior. Read each statement and mark T (true) or F (false).

- _____ 1. People who graduate in the upper third of their college class tend to make more money during their careers than do average students.
- _____ 2. Exceptionally intelligent people tend to be physically weak and frail.
- _____ 3. Most great athletes are of below-average intelligence.
- _____ 4. All people in America are born equal in capacity for achievement.
- _____ 5. On the average, women are slightly more intelligent than men.
- _____ 6. People are definitely either introverted or extroverted.
- _____ 7. After you learn something, you forget more of it in the next few hours than in the next several days.
- _____ 8. In small doses, alcohol facilitates learning.
- _____ 9. Women are more intuitive than men.
- _____ 10. Smokers take more sick days per year than do non-smokers.
- _____ 11. Forty-year-old people are more intelligent than twenty-year-olds.
- _____ 12. If you have to reprimand someone for a misdeed, it is best to do so immediately after the mistake occurs.
- _____ 13. People who do poorly in academic work are superior in mechanical ability.

- _____ 14. High-achieving people are high risk-takers.
- _____ 15. Highly cohesive groups are also highly productive.
- _____ 16. When people are frustrated, they frequently become aggressive.
- _____ 17. Experiences as an infant tend to determine behavior in later life.
- _____ 18. Successful top managers have a greater need for money than for power.
- _____ 19. Most people who work for the federal government are low risk-takers.
- _____ 20. Most managers are highly democratic in the way that they supervise their people.

ROLE PLAY

PART 1: CASE — INCIDENT:

Read the text and prepare to answer the questions.

EVALUATION OF VARIABLES

Tom Peters and Robert Waterman's *In Search of Excellence* (Harper & Row, 1982), with sales in excess of 5 million copies, has become one of the largest selling and most often quoted books in the popular management literature. The book describes what the authors found to be distinct cultural traits that led to excellence in a company. Based on their research, they proposed that there are eight cultural characteristics (the independent variables) that predict companies' excellence as defined in terms of financial performance and innovation (the dependent variables).

The authors made no mention of how their original population of firms was chosen. Nevertheless, they identified seventy-five firms' that appeared, on the surface, to be excellent companies. Most or all of the European firms were eliminated, which brought the sample down to sixty-two. These firms were then screened on the basis of seven criteria. Six criteria were measures of financial performance: compound asset growth, compound equity growth, ratio of market value to book value, average return on total capital, average return on equity, and average return on sales. If a firm was in the top half of its industry on at least four of these six financial criteria for each year over a twenty-year period, the authors considered it an excellent company and kept it in the research set. The seventh selection criterion was innovation. An informal group of businesspeople, consultants, members of the press, and business academics was used to judge the innovativeness of the companies that survived the financial test. This was subjective assessment.

The result was a set of forty-three “excellent” firms that became the primary focus of Peters and Waterman’s study. Some of the companies that were described as excellent were Avon, Boeing, Walt Disney Co., Dow Chemical, IBM, Johnson & Johnson, K-Mart, 3M, Harriot, Procter & Gamble, Texas Instruments, and Wang Labs. A few of the firms that didn’t “make the cut” were General Electric, General Foods, Lockheed, Polaroid, and Xerox. The authors conducted extensive interviews in twenty-one of the firms, and briefer interviews in the remaining twenty-two. The structure and substance of the interviews are not clearly revealed in the book.

The major conclusion of *In Search of Excellence* is that there is a strong link between culture and business performance. More specifically, excellent companies share eight common cultural characteristics: 1) a bias for action; 2) keeping close to the customer; 3) autonomy and entrepreneurship; 4) productivity through people; 5) hands-on, value driven; 6) sticking to what the organization knows; 7) a simple form and lean staff; and 8) maintaining simultaneous loose – tight properties. It should be noted, however, that Peters and Paterman do not tell us if all forty-three firms had all eight characteristics or whether some had only six or seven.

QUESTIONS

1. What flaws can you find in the research upon which this book is based?
2. How generalizable do you think this study’s findings are?
3. How do you explain the tremendous popularity of this book, given its questionable research base?

PART 2: Situations for tutorial.

Situation 1

THEME: WORK-FORCE DIVERSITY

TIME: 40 minutes.

DIRECTIONS: Divide the class into six groups of approximately — equal size. Each group is assigned one of the following roles:

Nancy – is twenty-eight years old. She is a divorced mother of three children, aged three, five, and seven. She is the department head. She earns \$33,000 a year on her job and receives another \$3,600 a year in child support from her ex-husband.

Ethel – is a seventy-two-year old widow. She works twenty-five hours a week to supplement her \$7,000-a-year pension. Based on her hourly wage of \$7.50, she earns \$9,375 a year.

John – is a thirty-four-year-old black male born in Trinidad, but now a U.S. resident. He is married and the father of two small children. John

attends college at night and is within a year of earning his Bachelor's Degree. His salary is \$22,000 a year. His wife is an attorney and earns approximately \$40,000 a year.

Lu – is a twenty-six-year-old physically impaired male Asian- American. Lu is paralyzed and confined to a wheelchair as a result of an auto accident. He earns \$27,000 a year.

Maria – is a single twenty-two-year-old Hispanic. Born and raised in Mexico she came to the U.S. only three months ago. Maria's English needs considerable improvement. She earns \$17,000 a year.

Mike – is a sixteen-year-old white male high school sophomore who works fifteen hours a week after school. He earns \$6.25 an hour, or approximately \$4,700 a year.

****The members of the group are to assume the character consistent with their assigned role.****

Our six participants work for a company that has recently installed a flexible benefits program. Instead of the traditional "one benefit package fits all", the company is allocating an additional twenty-five percent of each employee's annual pay to be used for discretionary benefits. Those benefits and their annual cost are listed below.

Supplementary health care for employee:

Plan A (No deductible and pays 90%)	=	\$3,000
Plan B (\$200 deductible and pays 80%)	=	\$2,000
Plan C (\$1000 deductible and pays 70%)	=	\$500

Supplementary health care for dependents

(same deductibles and percentages as above):

Plan A	=	\$2,000
Plan B	=	\$1,500
Plan C	=	\$ 500

Supplementary dental plan = \$500

Life insurance:

Plan A (\$25,000 coverage)	=	\$ 500
Plan B (\$50,000 coverage)	=	\$1,000
Plan C (\$100,000 coverage)	=	\$2,000
Plan D (\$250,000 coverage)	=	\$3,000

Mental health plan = \$500

Prepaid legal assistance = \$300

Vacation = 2% of annual pay for each week up to 6 weeks per year

Pension at retirement equal to approximately 50% of final annual earnings = \$1,500

4-day workweek during the three summer months (available only to full-time employees) = 4% of annual pay

Day-care services (after company contribution) = \$2,000 for all of an employee's children

Company-provided transportation to and from work = \$750

College tuition reimbursement = \$1,000

Language class tuition reimbursement = \$500

- 1) Each group has fifteen minutes to develop a flexible benefits package that consumes twenty-five percent (no more than 25%) of their character's pay.
- 2) After completing step 1, each group appoints a spokes-person who describes to the entire class the benefits package they have arrived at for their character.
- 3) The entire class then discusses the results. How have the needs, concerns, and problems of each participant influenced his or her decision? What do these results suggest for trying to motivate a diverse work force?

Situation 2

THEME: **EMPLOYEE SELECTION**

TIME: **40 - 45 minutes.**

DIRECTIONS: Divide the class into five or six groups — (approximately 3-4 students per group). Each group is given the same set of applicants in front of them to study and they are to decide who gets the job as a shift supervisor.

*Each group will probably have a different choice of applicant and each group should write their answer(s) down before discussion as they should not be changed.

(A.) The first business is remodeling of houses/apartments

(B.) The second business is a women's clothing store that specializes in clothes for 18-30 year olds

Job A should be done first. The class is to create a list of requirements that the job will entail (it is best if it is written on the blackboard for all to see).

Each group writes their own independent selection. After Job A is complete, do the same with Job B.

Discuss with the students what the determining factors were for their selection or refusal of each applicant. The instructor should listen to each deciding factor on each person (it's good to keep some sort of a score for each applicant, i.e., yes or no). After all discussion is completed by the students, the instructor should add different points of consideration that perhaps were not mentioned that will perhaps change the opinions of the groups of students in their selections.

June North – is a 45-year-old housewife whose two sons are in college. She has no prior work experience but helps at the local high school often. She must also help pay for her son's tuition in college. She is very energetic, very intelligent, and is very personable ... she weighs approximately 85 kilograms.

Terry Grant – is an 18-year-old student who needs to pay for his tuition. This would be his first job and he seems ready to do any part of a job, he always smiles, is neat in appearance and very friendly. His older sister has told him about the job because one of her girlfriends works there.

Bonne-Belle Bordeaux – is a 25-year-old, very beautiful, blonde woman who has held several jobs over the last two years after she left her husband, Blake. She is very confident in herself and has stated that she can do ANY job. She was a “teen-model” until she turned 21 years old, and has devoted most of her time in the fashion industry. Bonne-Belle has always relied on her beauty to get employment (in other words, she's dumber than a rock). When she arrived at the interview, she parked her Jaguar in the closest space next to the building (this space is reserved for the president of the company).

Maria Louisa Isabella Racquell Gonzalez – is a single mother of two small children, one year and two years. She herself is 23 and from Mexico, even though her English is improving, she still has problems with the language. She has worked hard her entire life and usually held two jobs to feed her children. She is very energetic and though she has had a difficult life, still continues to smile and work as hard as she can. All of her past employers have stated this and also that she is very honest.

Brian Briggs – is a 28-year old night-time bartender and is looking also for a day-time job. He usually gets off from work at about 3:00 a.m. He is very physically fit and has attracted many female clientele to the bar that he works in, not only because of his handsome build, but also because of his personality and the way that he speaks with women. The bar is very pleased with him and states that he is a dedicated employee and will work longer hours when necessary; he is also very accurate.

ORGANIZATIONAL BEHAVIOR
ОРГАНИЗАЦИОННОЕ ПОВЕДЕНИЕ
на английском языке

Юнита 1
Foundations of organizational behavior

Редактор: Е. В. Пилипенко

Оператор компьютерной верстки: В.С. Левшанов

Изд. лиц. ЛР №071765 от 07.12.98
НОУ «Современный Гуманитарный Институт»
Тираж

Сдано в печать

Заказ