CHAPTER 11: ADAPTIVE ORGANIZATIONAL DESIGN

In chapter 10, the basic options for organizational structure were discussed. In this chapter, we continue to address the issue of structure with an emphasis on the new designs that companies are implementing to deal with an increasingly competitive environment that focuses on efficiency.

LEARNING OUTCOMES

11.1 Describe contemporary organizational designs.
11.2 Discuss how organizations organize for collaboration.
11.3 Explain flexible work arrangements used by organizations.
11.4 Discuss organizing issues associated with a contingent workforce.
11.5 Describe today’s organizational design challenges.

CHAPTER OUTLINE

11.1 CONTEMPORARY ORGANIZATIONAL DESIGNS

Many of today’s organizations are finding that traditional hierarchical organizational designs are not appropriate for their increasingly dynamic and complex business environments. See Exhibit 11-1 for a summary of these designs.

A. Team structures

One of the newer concepts in organizational design is team structure, an organizational structure in which the entire organization is made up of work groups or teams.

B. Matrix and project structures

Other variations in organizational arrangements are based on the fact that many of today’s organizations deal with work activities of different time requirements and magnitude.

1. One of these arrangements is the matrix structure, an organizational structure that assigns specialists from different functional departments to work on one or more projects. (See Exhibit 11-2)

2. Another of these designs is the project structure, an organizational structure in which employees continuously work on projects.
C. The Boundaryless Organization

Another approach to organizational design is the boundaryless organization, an organization whose design is not defined by, or limited to, the horizontal, vertical, or external boundaries imposed by a predefined structure.

1. The Virtual Organization
   A virtual organization operates with a small core of full-time employees, while hiring outside specialists to work on projects temporarily as needed.

2. The Network Organization
   A network organization uses its own employees to do some work activities, while using networks of outside suppliers to provide other needed product components or work processes.

D. The Learning Organization

Many organizations have adopted the organizational philosophy of a learning organization, which is an organization that has developed the capacity to continuously learn, adapt, and change.

11.2 ORGANIZING FOR COLLABORATING

Organizations need to be more flexible in how work gets done. Throw in the fact that innovation and the ability to bring innovations to market quickly is critical and you can begin to appreciate how traditional top-down decision making that strictly follows the chain of command and narrowly defined functional arrangements might not be the best structural mechanisms to do this. Exhibit 11-3 lists some of the benefits and drawbacks of working collaboratively.

A. Internal Collaboration

When managers believe that collaboration among employees is needed for more coordinated and integrated work efforts, they can use several different structural options. Some of the more popular include cross-functional teams, task forces, and communities of practice.

1. Cross-Functional Teams. Organizations are using team-based structures because they’ve found that teams are more flexible and responsive to changing events than are traditional departments or other permanent work groups.
2. **Task Forces.** Another structural option organizations might use is a task force (also called an ad hoc committee), which is a temporary committee or team formed to tackle a specific short-term problem affecting several departments.

3. **Communities of Practice.** These are “groups of people who share a concern, a set of problems, or a passion about a topic, and who deepen their knowledge and expertise in that area by interacting on an ongoing basis. Exhibit 11-4 lists some suggestions for making such communities work.

### B. External Collaboration

When managers seek out customers to help solve problems, they are in engaging in external collaboration. External collaboration comes in two forms: open innovation and strategic partnerships. Each of these can provide organizations with needed information, support, and contributions to getting work done and achieving organizational goals.

1. **Open Innovation.** This form of innovation opens up the search for new ideas beyond the organization’s boundaries and allows innovations to easily transfer inward and outward. Exhibit 11-5 describes some of the benefits and drawbacks of open innovation.

2. **Strategic Partnerships.** This type of structure involves collaborative relationships between two or more organizations that combine their resources and capabilities for some business purpose.

### 11.3 FLEXIBLE WORK ARRANGEMENTS

As organizations adapt their structural designs to fit a diverse workforce, growing competition, customer demands and new technology, we see more of them adopting flexible working arrangements. Such arrangements not only exploit the power of technology, but give organizations the flexibility to deploy employees when and where needed.

#### A. Telecommuting

**Telecommuting** is a work arrangement in which employees work at home and are linked to the workplace by computer.

1. Telecommute provides the company a way to grow without having to incur any additional fixed costs such as office buildings, equipment, or parking lots. In addition, some companies view the arrangement as a way to combat high gas
prices and to attract talented employees who want more freedom and control.

2. Some managers are reluctant to have their employees become “laptop hobos.” They argue that employees will waste time surfing the Internet or playing online games instead of working, that they’ll ignore clients, and work responsibilities.

3. Employees often express the same concerns about working remotely, especially when it comes to the isolation of not being “at work.”

4. Managing the telecommuters then becomes a matter of keeping employees feeling like they’re connected and engaged, a topic we delve into at the end of the chapter as we look at today’s organizational design challenges.

B. Compressed Workweeks, Flextime, and Job Sharing

1. **Compressed workweek**, which is a workweek where employees work longer hours per day but fewer days per week.

2. **Flextime** (also known as **flexible work hours**), which is a scheduling system in which employees are required to work a specific number of hours a week but are free to vary those hours within certain limits.

3. **Job sharing**—the practice of having two or more people split a full-time job.

11.4 CONTINGENT WORKERS

**Contingent Workers** are temporary, freelance, or contract workers whose employment is *contingent* upon demand for their services.

A. As organizations eliminate full-time jobs through downsizing and other organizational restructurings, they often rely on a contingent workforce to fill in as needed.

B. One of the main issues businesses face with their contingent workers, especially those who are independent contractors or freelancers, is classifying who actually qualifies as one.

1. Companies don’t have to pay Social Security, Medicare, or unemployment insurance taxes on workers classified as
independent contractors. And those individuals also aren’t covered by most workplace laws.

2. The federal government is also looking at increased power to penalize employers that misclassify workers. So, there is an incentive to be totally above-board in classifying who is and is not an independent contractor.

C. Another issue with contingent workers is the process for recruiting, screening, and placing these contingent workers where their work skills and efforts are needed.

D. As with full-time employees, it’s important that managers have a method of establishing goals, schedules, and deadlines with the contingent employees.

11.5 TODAY'S ORGANIZATIONAL DESIGN CHALLENGES

Many of today’s organizations are finding that traditional hierarchical organizational designs are not appropriate for their increasingly dynamic and complex business environments.

A. Keeping employees connected

Today's managers face the major challenge of keeping their employees connected to the organization, since these employees are often situated in widely dispersed locations and are constantly moving.

B. Managing global structural issues

1. Researchers have concluded that although structures of organizations around the globe are similar, cultural uniqueness is maintained because of differences in behavior within companies in different areas of the world.

2. These differences imply that managers must be aware and respectful of the values and practices of different cultures in today’s worldwide business environment.
DISCUSSION

1. Describe the four contemporary organizational designs. How are they similar? Different?

In a team structure, the entire organization is made up of work teams. The matrix structure assigns specialists from different functional departments to work on one or more projects being led by project managers. A project structure is one in which employees continuously work on projects. A virtual organization consists of a small core of fulltime employees and outside specialists temporarily hired as needed to work on projects. A network organization is an organization that uses its own employees to do some work activities and networks of outside suppliers to provide other needed product components or work processes. A learning organization is one that has developed the capacity to continuously learn, adapt, and change. It has certain structural characteristics including an emphasis on sharing information and collaborating on work activities, minimal structural and physical barriers, and empowered work team.

2. Differentiate between matrix and project structures.

A project structure, unlike the matrix structure, has no formal departments where employees return at the completion of a project. Instead, employees take their specific skills, abilities, and experiences to other projects. Also, all work in project structures is performed by teams of employees.

3. How can an organization operate without boundaries?

While the term ‘boundaryless’ may imply something akin to chaos, it refers to the idea that organizations can operate effectively by remaining flexible and unstructured. There are two types: (1) internal—the horizontal ones imposed by work specialization and departmentalization and the vertical ones that separate employees into organizational levels and hierarchies; and (2) external—the boundaries that separate the organization from its customers, suppliers, and other stakeholders. To minimize or eliminate these boundaries, managers might use virtual or network structural designs.

4. What types of skills would a manager need to effectively work in a project structure? In a boundaryless organization? In a learning organization?

In all of these types of organizations, flexibility and adaptability are critical. In the project structure, conflict management skills are particularly useful. In a boundaryless organization, the ability to interact effectively with people at all levels and in all areas of the organization is crucial to success. In a learning
organization, a manager needs the ability to communicate both by listening and by speaking because of the frequency and importance of sharing information in this type of organization.

5. **How does each of the different types of collaboration (both internal and external) contribute to more coordinated and integrated work efforts?**

An organization’s collaboration efforts can be internal meaning among employees within the organization. Or those efforts can be external collaborations with any stakeholders. In both types, it’s important that managers recognize how such collaborative efforts “fit” with the organization’s structure and the challenges of making all the pieces work together successfully.

6. **What structural issues might arise in managing employees’ flexible work arrangements? Think about what you’ve learned about organizational design. How might that information help a manager address those issues?**

Although an organization’s work may be done anywhere at any time, organizing remains a vital managerial function because the work that must be accomplished still must be divided, grouped, and coordinated. When organizations become more flexible, control and authority become important issues. Without direct supervision (in the case of telecommuting), lines of authority are weak and managers may feel that a loss of control. On the other hand, in the case of telecommuting, employees may feel left out of important organizational decisions or like they are not considered for important assignments.

7. **What structural issues might arise in managing contingent workers? Again, think about what you’ve learned about organizational design. How might that information help a manager address those issues?**

Organizing issues include classifying who actually qualifies as an independent contractor; setting up a process for recruiting, screening, and placing contingent workers; and having a method in place for establishing goals, schedules, and deadlines and for monitoring work performance.

8. **Why is it a challenge to “keep employees connected” in today’s organizations?**

This question seems strange with all of the communication technology available today (i.e. cell-phones, e-mail, electronic meeting software, etc…). However, with organizations adopting more flexible structures and flexible work arrangements, employees are dispersed throughout the organization and the world. In addition, with the introduction of team and project environments, it is possible that
employees will be working on multiple projects at once. Considering these factors, it is difficult to make sure everyone has the necessary information when and where they need it.
CHAPTER 12: MANAGING HUMAN RESOURCES

Today’s business organizations are becoming increasingly cognizant of the importance of having strong human resource management practices and policies. Once an organization’s structure is in place, it’s time to find the people to fill the jobs that have been created.

The quality of an organization is, to a large degree, dependent upon the quality of the people it hires and retains. That’s where human resource management comes in. It’s an important task that involves getting the right number of the right people in the right place at the right time. Chapter 12 examines the concepts of human resource management.

LEARNING OUTCOMES

12.1 Explain the importance of the human resource management process and the external influences that might affect that process.
12.2 Discuss the tasks associated with identifying and selecting competent employees.
12.3 Explain the different types of orientation and training.
12.4 Describe strategies for retaining competent, high-performing employees.
12.5 Discuss contemporary issues in managing human resources.

CHAPTER OUTLINE

12.1 THE HUMAN RESOURCE MANAGEMENT PROCESS

Various studies have concluded that an organization’s human resources can be an important strategic tool and can help establish a firm’s sustainable competitive advantage.

A. Why Is Human Resource Management Important? Whether or not an organization has a human resource department, every manager is involved with human resource management activities.

1. Studies that have explored the link between HRM policies and practices and organizational performance have found that certain HRM policies and practices have a significant impact on performance.

   a. These high-performance work practices are human resource policies and practices that lead to both high individual and high organizational performance.
b. Examples of high-performance work practices are shown in Exhibit 12-1

2. The human resource management process consists of eight activities necessary for staffing the organization and sustaining high employee performance. See Exhibit 12-2.

B. External Factors that affect the HRM Process. A number of environmental forces constrain human resource management activities. The four factors most directly influencing the HRM process are economic conditions, employee labor unions, governmental laws and regulations, and demographic trends.

1. Recent economic changes have had a profound impact on the nature of work. Unemployment (and under employment) are high in most developed countries due to the latest recession felt world-wide. Economic news, whether good or bad, has effect on employment, attitudes toward work, careers, and retirement.

2. Unionization can affect a company’s human resource management activities.

   a. A labor union is an organization that represents workers and seeks to protect their interests through collective bargaining.

   b. Good labor-management relations, the formal interactions between unions and an organization’s management, are important.

   c. Although only about 12.5 percent of the workforce in the United States is unionized, that percentage is higher in other countries.

3. Federal laws and regulations have greatly expanded the federal government’s influence over HRM (see Exhibit 12-3). Balance of the “should and should-not’s” of many of these laws often fall within the realm of affirmative action—programs that enhance the organizational status of members of protected groups.

4. Demographic trends will continue to play an important role in the Human Resource function as the pool of workers change i.e. increase in older workers ready for retirement and greater ethnic diversity due to an increasing number of Hispanics residing in the US.
12.2 IDENTIFYING AND SELECTING COMPETENT EMPLOYEES

A. **Human resource planning** is ensuring that the organization has the right number and kinds of capable people in the right places and at the right times.

   
a. This assessment is typically accomplished through a *human resource inventory*.

   b. Another part of the current assessment process is the *job analysis*, which is an assessment that defines jobs and the behaviors necessary to perform them.

   c. From this information, management can draw up a *job description*, which is a written statement that describes a job.

   d. In addition, management must develop a *job specification*, which is a statement of the minimum qualifications that a person must possess to perform a given job successfully.

B. Meeting Future Human Resource Needs. Future HR needs are determined by looking at the organization’s mission, goals, and strategies. Developing a future program requires estimates in which the organization will be understaffed or overstaffed.

C. Recruitment And Decruitment. **Recruitment** is the process of locating, identifying, and attracting capable applicants. Job candidates can be found using a number of different sources (see Exhibit 12-4). **Decruitment** is reducing an organization’s workforce. Decruitment options include firing, layoffs, attrition, transfers, reduced workweeks, early retirements, and job sharing. (See Exhibit 12-5)

D. **Selection.** Selection is screening job applicants to ensure that the most appropriate candidates are hired. A. Selection is an exercise in prediction.

1. Prediction is important because any selection decision can result in four possible outcomes (see Exhibit 12-6).

   2. The major aim of any selection activity should be to reduce the probability of making reject errors or accept errors, while increasing the probability of making correct decisions.
E. **Validity and Reliability**

1. **Validity** is the proven relationship that exists between a selection device and some relevant job criterion.

2. **Reliability** is the ability of a selection device to measure the same thing consistently.

F. **Types of Selection Devices**

Managers can select employees using numerous and varied selection devices. **Exhibit 12-7** list the strengths and weaknesses of each of these devices.

1. The application form is used for job candidates by almost all organizations.

2. Written tests can include tests of intelligence, aptitude, ability, and interest.

3. Performance-simulation tests involve having job applicants simulate job activities. Two well-known examples of performance-simulation tests are described below:

   a. **Work sampling** is a type of job tryout in which applicants perform a task or set of tasks that are central to that job.

   b. **Assessment centers** are used to evaluate managerial potential through job simulation activities.

4. Interviews are a widely used selection device, although many concerns have been voiced about their reliability and validity.

5. Background investigations can be done through the verification of application data and/or reference checks.

6. Physical examinations are useful for jobs that have particular physical requirements, but are most often used by the company for insurance purposes to ensure that new hires will not submit claims for conditions that existed before the date of hire.

7. **A realistic job preview** is a preview of a job that provides both positive and negative information about the job and the company. Including an RJP can increase job satisfaction among employees and reduce turnover.
12.3 PROVIDING EMPLOYEES WITH THE NEEDED SKILLS AND KNOWLEDGE

A. Orientation is introducing a new employee to his or her job and the organization.

1. Work unit orientation familiarizes the employee with the goals of the work unit, clarifies how his/her job contributes to the unit’s goals, and includes an introduction to his or her coworkers.

2. Organization orientation informs the new employee about the organization’s objectives, history, philosophy, procedures, and rules.

3. Major objectives of orientation include the following:
   a. To reduce initial anxiety.
   b. To familiarize new employees with the job, the work unit, and the organization.
   c. To facilitate the outsider-insider transition.

4. Formal orientation programs are prevalent in many organizations, particularly in large ones. Managers have an obligation to new employees to ensure that their integration into the organization is as smooth and as comfortable as possible.

B. Employee training is a critical component of the human resource management program.

1. Types of training include general and specific. See Figure 12-8.

2. Exhibit 12-9 describes the major types of training that organizations provide.
   a. Traditional Training methods. On-the-job training is very common, and it may involve job rotation. Job rotation is on-the-job training that involves lateral transfers to enable employees who work on the same level of the organization to work in different jobs. On-the-job training can also involve mentoring, coaching, experiential exercises, and classroom training.
b. Technology-driven training methods. Today’s organizations are increasingly relying on technology-based training, including e-learning applications to communicate important information and to train employees.

12.4 RETAINING COMPETENT, HIGH-PERFORMING EMPLOYEES

A. Employee Performance Management. Managers need to know whether their employees are performing their jobs efficiently and effectively or when improvement is needed. A performance management system establishes performance standards that are used to evaluate employee performance.

1. Performance Appraisal Methods (Exhibit 12-10 summarize the advantages and disadvantages of each of these methods.)

   a. A written essay appraises performance through a written description of an employee’s strengths and weaknesses, past performance, and potential.

   b. Critical incidents are used to appraise performance by focusing on the critical job behaviors. In this technique the appraiser writes anecdotes to describe what the employee did that was especially effective or ineffective. Only specific behaviors, rather than vaguely defined personality traits, are cited.

   c. The use of graphic rating scales is one of the oldest and most popular performance appraisal methods. This method appraises performance using a rating scale on a set of performance factors. Graphic rating scales list a set of performance factors; the evaluator goes down the list and rates the employee on each factor, using an incremental scale.

   d. Using behaviorally anchored rating scales (BARS) is an appraisal approach that appraises performance using a rating scale on examples of actual job behavior. BARS combines major elements from the critical incident and graphic rating scale approaches. The appraiser rates an employee according to items along a scale, but the items are examples of actual behavior on the job rather than general descriptions or traits.

   e. Multiperson comparison appraises performance by comparing it with others’ performance.
f. **Management by objectives** (MBO) is another mechanism for appraising performance. It is often used to assess the performance of managers and professional employees.

g. **360 degree feedback** appraises performance by using feedback from supervisors, employees, and coworkers.

**B. COMPENSATION AND BENEFITS**

How do organizations determine the compensation levels and benefits that employees will receive?

1. The purpose of having an effective reward system is to attract and retain competent and talented individuals who can help the organization achieve its mission and goals.

2. A compensation system can include base wages and salaries, wage and salary add-ons, incentive payments, and benefits and services.

3. What factors determine the compensation and benefits packages for different employees? A number of factors influence these differences (see Exhibit 12-11):

   a. Under a **skill-based pay** system, employees are compensated for the job skills they can demonstrate. Research shows that skill-based pay systems tend to be more successful in manufacturing organizations than in service organizations.

   b. Under a **variable pay** system, an individual’s compensation is contingent on performance.

   c. Flexibility is becoming a key consideration in the design of an organization’s compensation system.

**12.5 CONTEMPORARY ISSUES IN MANAGING HUMAN RESOURCES**

**A. Managing downsizing**

Downsizing is the planned elimination of jobs in an organization, is a challenge for management in a tight economy. Downsizing can occur when management faces (1) a poor management past, (2) declining market share, and/or (3) overly aggressive organizational growth.
B. Managing Workforce Diversity
   In a business environment where the composition of the workforce is changing, these changes affect recruitment, selection, orientation, and training.

C. Managing Sexual Harassment

   **Sexual harassment** is any unwanted action or activity of a sexual nature that explicitly or implicitly affects an individual’s employment, performance, or work environment.

D. Managing Work-Life Balance

   Family concerns, especially work-life balance, are another issue of current importance in human resource management.

   1. Organizations increasingly realize that employees cannot completely leave their family needs and problems behind when they walk into the workplace each day. Businesses are responding to these needs by developing programs to help employees deal with family issues that may arise.

   2. Many progressive organizations provide a variety of scheduling options and benefits that provide more flexibility at work in order to allow employees to better balance or integrate their work and personal lives.

   3. Many progressive organizations provide a variety of scheduling options and benefits that provide more flexibility at work in order to allow employees to better balance or integrate their work and personal lives.

E. Controlling HR Costs

   1. With health care costs rising an average of 15 percent per year it is important for employers to keep their portion of what they pay for health insurance low. Two factors that affect what employers pay for their premiums are smoking and obesity. To keep costs low, employers are responding by offering wellness programs, reimbursing employees for health club costs (or providing fitness equipment and classes on site) and offering healthy food choices in their cafeterias.

   2. Employee pension plans are other increasing costs. The choice for employers is whether to suspend offering pension plans or to continue to offer new retirement choices to attract employees.
DISCUSSION

1. **How does HRM affect all managers?**

   Since a manager’s most valuable resource are the people who work in the organization, obtaining the right employees at the right time and placing them in the right places is essential for managerial success. To motivate, retain, and equip these employees for optimal performance, a manager must have knowledge and skill in human resource management.

2. **Discuss the external environmental factors that most directly affect the HRM process.**

   The external environmental factors that affect HR include economic conditions, unionization, the legal environment and demographic trends.

3. **Some critics claim that corporate HR departments have outlived their usefulness and are not there to help employees, but to keep the organization from legal problems. What do you think? What benefits are there to having a formal HRM process? What drawbacks?**

   Every organization must recognize the importance of legal and social responsibility as a corporate citizen in the community. As students learn in the study of this chapter, HRM is concerned with a wide spectrum of functions, and legal considerations are a part of each of these HR functions. A formal process helps to provide objective compliance with the law and promotes an attitude of fairness and respect for the rights and welfare of all employees.

4. **Describe the different selection devices and which work best for different jobs.**

   The different selection devices include application forms (best used for gathering employee information), written tests (must be job-related), work sampling (appropriate for complex nonmanagerial and routine work), assessment centers (most appropriate for top-level managers), interviews (widely used, but most appropriate for managerial positions, especially top-level managers), background investigations (useful for verifying application data, but reference checks are essentially worthless), and physical exams (useful for work that involves certain physical requirements and for insurance purposes).
5. What are the benefits and drawbacks of realistic job previews? (Consider this question from the perspective of both the organization and the employee.)

This question would be a good springboard for debate as well, with half of the class looking at RJPs from the organization’s viewpoint and the other half of the class looking at RJPs from the employee’s viewpoint. In addition, students should be encouraged to describe occasions when they have received an RJP in an interview setting. Students could also be encouraged to share aspects or characteristics of jobs they currently hold that should be communicated by an interviewer to prospective employees as part of an RJP in an employment interview.

6. Describe the different types of orientation and training and how each of the types of training might be provided.

Orientation is important because it results in an outsider-insider transition that makes the new employee feel comfortable and fairly well-adjusted, lowers the likelihood of poor work performance, and reduces the probability of an early surprise resignation. The two types of training are general (includes communication skills, computer skills, customer service, personal growth, etc.) and specific (includes basic life/work skills, customer education, diversity/cultural awareness, managing change, etc.). This training can be provided using traditional training methods (on-the-job, job rotation, mentoring and coaching, experiential exercises, workbooks/manuals, and classroom lectures) or by technology-based methods CD/DVD/videotapes/audiotapes, videoconferencing or teleconferencing, or e-learning).

7. List the factors that influence employee compensation and benefits.

The factors are: employee’s tenure and performance, kind of job performed, kind of business, unionization, labor or capital intensive business, management philosophy, geographic location, company profitability, and size of company.

8. Describe the different performance appraisal methods.

A written essay appraises performance through a written description of an employee’s strengths and weaknesses, past performance, and potential. Critical incidents are used to appraise performance by focusing on the critical job behaviors. In this technique the appraiser writes anecdotes to describe what the employee did that was especially effective or ineffective. The use of graphic rating scales is one of the oldest and most popular performance appraisal methods. This method appraises performance using a rating scale on a set of performance factors. Graphic rating scales list a set of performance factors; the evaluator goes
down the list and rates the employee on each factor, using an incremental scale. Using behaviorally anchored rating scales (BARS) is an appraisal approach that appraises performance using a rating scale on examples of actual job behavior. BARS combines major elements from the critical incident and graphic rating scale approaches. The appraiser rates an employee according to items along a scale, but the items are examples of actual behavior on the job rather than general descriptions or traits. Multiperson comparison appraises performance by comparing it with others’ performance. Management by objectives (MBO) is another mechanism for appraising performance. It is often used to assess the performance of managers and professional employees. 360 degree feedback appraises performance by using feedback from supervisors, employees, and coworkers.
CHAPTER 13: MANAGING TEAMS

In today’s business world, an increasing number of firms are establishing work teams in order to increase creativity and innovation. Just as firms in the United States find that implementation of work teams contributes to an increase in the quality of their company’s decisions, the positive impact experienced by firms in other countries where there is a great deal of diversity in the general population has made the use of teams very attractive.

Few trends have influenced how work gets done in organizations as much as the use of work teams. Organizations are increasingly structuring work around teams rather than individuals. Managers need to understand what influences team performance and satisfaction.

Work groups are a common arrangement within today’s business organizations. Work is being restructured around groups of all kinds and in all sizes of organizations. Managers need an understanding of group behavior and the concept of teams in order to appreciate what groups can and cannot do within organizations and how groups function.

LEARNING OUTCOMES

13.1 Define group and describe the stages of group development.
13.2 Describe the major components that determine group performance and satisfaction.
13.3 Define team and describe best practices influencing team performance.
13.4 Discuss contemporary issues in managing teams.

CHAPTER OUTLINE

13.1 GROUPS AND GROUP DEVELOPMENT

Groups exhibit different behavior—more than just the sum total of each group member’s individual behavior. In this section, we’re going to look at various aspects of group behavior.

A. What Is a Group?

A group is defined as two or more interacting and interdependent individuals who come together to achieve particular objectives.

1. Formal groups are work groups established by the organization and who have designated work assignments and specific tasks. (See Exhibit 13-1)
2. Informal groups are natural social formations that appear in the work environment.

B. Stages of Group Development

Evidence suggests that groups pass through five stages as they develop. (See Exhibit 13-2).

1. **Forming** is the first stage in group development during which people join the group and then define the group’s purpose, structure, and leadership. Forming is a stage characterized by much uncertainty. This stage is complete when members begin to think of themselves as part of a group.

2. **Storming** is the second stage of group development characterized by intragroup conflict. When this stage is complete, members will agree upon the leadership hierarchy and group direction.

3. **Norming** is the third stage of group development, characterized by close relationships and cohesiveness.

4. **Performing** is the fourth stage in group development when the group is fully functional.

5. **Adjourning** is the final stage in group development for temporary groups. It’s characterized by concern with wrapping up activities rather than with task performance.

### 13.2 WORK GROUP PERFORMANCE AND SATISFACTION

We need to look at how groups work. The answer to why some groups are more successful than others is quite complex. There are five factors that can affect this relationship. (See Exhibit 13-3)

A. External conditions imposed on the group. These factors include an organization’s strategy, authority relationships, formal rules and regulations, the availability of resources, employee selection criteria, the performance management system and culture, and the general physical layout of the group’s work space.

B. Group member resources. These factors include member abilities and personality characteristics.
C. Group member resources. The relationship between group performance and member resources is made more challenging in global organizations where cross-cultural groups are prevalent.

D. Group structure. There are seven aspects of the internal structure. Six are covered here and leadership is covered in Chapter Seventeen.

1. **A role** is a set of behavior patterns expected of someone occupying a given position in a social unit. Role conflict can occur when an individual is confronted with different role expectations.

2. **Norms** are acceptable standards or expectations shared by a group’s members. Although each group has its own unique set of norms, there are common classes of norms that appear in organizations.

3. **Conformity.** Norms focus on effort and performance, dress, and loyalty. Also, because individuals desire acceptance by the groups to which they belong, they are susceptible to conformity pressure. When an individual’s opinion of objective data differs significantly from that of others in the group, he or she feels extensive pressure to align his or her opinion to conform to others’ opinions. This is known as **groupthink.**

4. Status systems are an important factor in understanding group behavior. **Status** is a prestige grading, position, or rank within a group.

5. **Group size** can also affect the group’s overall behavior. The effect depends on which outcomes are focused on. An important finding related to group size is **social loafing**—the tendency for individuals to expend less effort when working collectively than when working individually.

6. **Group cohesiveness** is the degree to which members are attracted to a group and share the group’s goals. Research has shown that highly cohesive groups are more effective than those that are less cohesive. However, it’s important to look at the degree to which the group’s attitude aligns with the goals. (See **Exhibit 13-5.**)

E. **Group processes** include the communication patterns used by members to exchange information, group decision processes, leader behavior, power dynamics, conflict interactions, and other actions.
1. **Group decision making** (See Exhibit 13-6)

Groups make many organizational decisions. Advantages of group decision making include the following benefits:

a. Generate more complete information and knowledge  
b. Generate more diverse alternatives  
c. Increase acceptance of a solution  
d. Increase legitimacy

2. Disadvantages of group decision making include:

a. Time consuming  
b. Minority domination  
c. Pressures to conform  
d. Ambiguous responsibility

3. **Conflict management** is another group concept that must be understood. Conflict is perceived when incompatible differences result in interference or opposition.

a. The traditional view of conflict is the view that all conflict is bad and must be avoided.  

b. The human relations view of conflict is the view that conflict is a natural and inevitable outcome in any group.  

c. The interactionist view of conflict is the view that some conflict is necessary for a group to perform effectively.  

d. Functional conflicts are conflicts that support a group’s goals and improve its performance. Dysfunctional conflicts are conflicts that prevent a group from achieving its goals. See Exhibit 13.7 for Conflict and Performance relationship.

4. Three types of conflict have been identified:

a. Task conflict is conflict over the content and goals of the work.  

b. Relationship conflict is conflict based on interpersonal relationships.  

c. Process conflict is conflict over how work gets done.

5. Managers may use a number of different conflict resolution approaches (see Exhibit 13-8).
F. Group tasks. The complexity and interdependence of tasks influence the group’s effectiveness.

13.3 TURNING GROUPS INTO EFFECTIVE TEAMS

Work teams are groups whose members work intensely on a specific, common goal using their positive synergy, individual and mutual accountability, and complementary skills.

A. What Is a Work Team?

Although most students are familiar with the concept of a “team,” many may be less familiar with the concept of a “work team.” All work teams are groups, but only formal groups can be work teams. Exhibit 13-9 highlights the differences between groups and teams.

B. Types of Teams

Certain characteristics distinguish different types of teams:

1. A problem-solving team is a type of work team that is composed of a manager and his or her subordinates from a particular functional area.

2. A self-managed team is a type of work team that operates without a manager and is responsible for a complete work process or segment.

3. A cross-functional team is a work team composed of individuals from various specialties.

4. A virtual team is a type of work team that uses technology to link physically dispersed members in order to achieve a common goal.

C. Creating Effective Teams

The establishment of teams in the workplace will not automatically enhance productivity. Managers must look closely at how they can successfully develop and manage effective teams.

1. Research has been conducted on the characteristics associated with effective teams. The research on this subject indicates that effective teams have a number of characteristics.
2. Eight characteristics are associated with effective teams (see Exhibit 13-10).
   
   a. Clear goals
   b. Relevant skills
   c. Unified commitment
   d. Good communication
   e. Negotiating skills
   f. Appropriate leadership
   g. Internal and external support

13.4 CURRENT CHALLENGES IN MANAGING TEAMS

The introduction of work teams into the world of business has had a major influence on how work gets done in organizations. The management of teams presents challenges as well as advantages to managers in today's workplace. (See Exhibit 13-11)

A. Managing Global Teams

1. Both benefits and drawbacks are associated with the use of global teams.

2. Regarding group member resources in global teams, managers need to know and understand differences in the cultures of global team members and avoid stereotyping.

3. Differences in group structure may be significant. Managing global teams requires skill and sensitivity to different attitudes concerning conformity, status, social loafing, and cohesiveness.

4. Managing conflict as part of group processes can be difficult, especially in virtual global teams.

5. Managers must focus on developing excellent communication skills and sensitivity to different cultures in order to lead global teams successfully.

B. Understanding Social Networks

1. Recent studies show that teams with high levels of interpersonal interconnectedness attain their goals better and are more committed to sustaining the team.
2. Organizations are becoming increasingly aware of the importance of “mapping,” and understanding the social networks within teams.

DISCUSSION

1. Describe the different types of groups and the five stages of group development.

A group is two or more interacting and interdependent individuals who come together to achieve specific goals. Formal groups are work groups that are defined by the organization’s structure and have designated work assignments and specific tasks directed at accomplishing organizational goals. Informal groups are social groups.

The forming stage consists of two phases: joining the group and defining the group’s purpose, structure, and leadership. The storming stage is one of intragroup conflict over who will control the group and what the group will be doing. The norming stage is when close relationships and cohesiveness develop as norms are determined. The performing stage is when group members began to work on the group’s task. The adjourning stage is when the group prepares to disband.

2. Explain how external conditions and group member resources affect group performance and satisfaction.

External conditions, such as availability of resources, organizational goals, and other factors, affect work groups. Group member resources (knowledge, skills, abilities, personality traits) can influence what members can do and how effectively they will perform in a group.

3. Discuss how group structure, group processes, and group tasks influence group performance and satisfaction.

Group roles generally involve getting the work done or keeping group members happy. Group norms are powerful influences on a person’s performance and dictate things such as work output levels, absenteeism, and promptness. Pressures to conform can heavily influence a person’s judgment and attitudes. If carried to extremes, groupthink can be a problem. Status systems can be a significant motivator with individual behavioral consequences, especially if incongruence is a factor. What size group is most effective and efficient depends on the task the group is supposed to accomplish. Cohesiveness is related to a group’s productivity. Group decision making and conflict management are important group processes that play a role in performance and satisfaction. If accuracy, creativity, and degree of acceptance are important, a group decision may work best. Relationship conflicts are almost always dysfunctional. Low levels of process conflicts and low-to-moderate levels of task conflicts are functional. Effective communication and
controlled conflict are most relevant to group performance when tasks are complex and interdependent.

4. **Compare groups and teams.**

Characteristics of work groups include a strong, clearly focused leader; individual accountability; purpose that’s the same as the broader organizational mission; individual work product; efficient meetings; effectiveness measured by influence on others; and discusses, decides, and delegates together. Characteristics of teams include shared leadership roles; individual and mutual accountability; specific team purpose; collective work products; meetings with open-ended discussion and active problem solving; performance measured directly on collective work products; and discusses, decides, and does real work.

5. **Describe the four most common types of teams.**

A problem-solving team is one that’s focused on improving work activities or solving specific problems. A self-managed work team is responsible for a complete work process or segment and manages itself. A cross-functional team is composed of individuals from various specialties. A virtual team uses technology to link physically dispersed members in order to achieve a common goal.

6. **List the characteristics of effective teams.**

The characteristics of an effective team include clear goals, relevant skills, mutual trust, unified commitment, good communication, negotiating skills, appropriate leadership, and internal and external support.

7. **What challenges do managers face in managing global teams? How should those challenges be handled?**

The challenges of managing global teams can be seen in the group member resources, especially the diverse cultural characteristics; group structure, especially conformity, status, social loafing, and cohesiveness; group processes, especially with communication and managing conflict; and the manager’s role in making it all work.

8. **Explain the role of informal (social) networks in managing teams.**

Research on social networks has shown that when people need help getting a job done, they’ll choose a friendly colleague over someone who may be more capable.
Another recent review of team studies showed that teams with high levels of interpersonal interconnectedness actually attained their goals better and were more committed to staying together.

9. How do you think scientific management theorists would react to the increased reliance on teams in organizations? How would behavioral science theorists react?

Scientific management theorists would likely react negatively to the use of teams in organizations. Scientific management focuses on the “one best way” for an individual to do his or her job; searching for the “one best way” could inhibit creativity and ideas for innovation that would likely come through the use of teams. Behavioral scientists, on the other hand, would be favorable to the concept of increased reliance on teams and groups. Because teams utilize input from the diverse background of several individuals and place responsibility on each team member, behavioralists would be in favor of this approach.

10. Why might a manager want to stimulate conflict in a group or team? How could conflict be stimulated?

A manager might want to stimulate conflict in a group or team in order to help that group or team generate more creative, innovative solutions to a problem or challenge. Managers want to stimulate conflict to gain the full benefits of its functional properties without allowing disagreement to become a disruptive force. Conflict can be simulated by bringing new members to the group, restructuring the group, appointing a devil’s advocate, attempting to change the group’s culture, and using open communication.
CHAPTER 14: UNDERSTANDING INDIVIDUAL BEHAVIOR

In Chapter 14, students will have an opportunity to learn fundamental information about individual and group behavior in the workplace. This chapter explores topics related to the behavior of individuals at work including attitudes, personality, perception, learning, and motivation. Students will look at dynamics of group behavior that encompass norms, roles, team building, leadership, and conflict resolution. In exploring these dimensions of organizational behavior, the text lays the foundation for understanding how and why people behave the way they do within the organization’s environment.

LEARNING OUTCOMES

14.1 Identify the focus and goals of organizational behavior.
14.2 Explain the role that attitudes play in job performance.
14.3 Describe different personality theories.
14.4 Describe perception and factors that influence it.
14.5 Discuss learning theories and their relevance in shaping behavior.
14.6 Discuss contemporary issues in organizational behavior

CHAPTER OUTLINE

INTRODUCTION

This chapter examines numerous factors that influence employee behavior and their implications for managers.

14.1 FOCUS AND GOALS OF ORGANIZATIONAL BEHAVIOR

Organizational behavior is the study of how people act at work. The visible organization can be described as the tip of an iceberg; many of the important issues involved in understanding OB are not easily observed.

A. Focus of Organizational Behavior. Organizational behavior focuses on two major areas:

1. Individual behavior
2. Group behavior
B. The goals of OB are to explain, predict, and influence behavior. Six important behaviors have been identified from the study of OB: employee productivity, absenteeism, turnover, organizational citizenship behavior (OCB), job satisfaction, and workplace misbehavior.

14.2 ATTITUDES AND JOB PERFORMANCE

Attitudes are defined as evaluative statements—favorable or unfavorable—concerning objects, people, or events. Attitudes have three components: cognitive, affective, and behavioral.

1. The cognitive component of an attitude is the part of an attitude that is made up of the beliefs, opinions, knowledge, or information held by a person.

2. The affective component of an attitude is that part of an attitude that is the emotional, or feeling, part.

3. The behavioral component of an attitude is that part of an attitude that refers to an intention to behave in a certain way.

Managers are particularly interested in the job-related attitudes of employees. Job-related attitudes include job satisfaction, job involvement, organizational commitment, and organizational citizenship behavior.

A. Job Satisfaction. Job Satisfaction is defined as an employee’s general attitude toward his or her job.

1. In general, US workers report that they are satisfied with their job; however, this number has been declining since the 1995. The degree of job satisfaction has been linked to income, but is probably influenced more by the type of job an employee performs.

2. Following the Hawthorne Studies, many managers believed that if they kept their employees happy, the employees would be productive. Current studies show a fairly strong relationship between satisfaction and performance.

3. Research on job attitudes shows a strong negative relationship between job satisfaction and absenteeism.

4. The strongest variable related to job satisfaction is turnover.
5. Job satisfaction has been linked to customer satisfaction, but a converse relationship has also been found to be true, customer dissatisfaction has been related to an employee’s job satisfaction.

6. **Organizational citizenship behavior** is the discretionary behavior that is not part of an employee’s formal job requirements, but promotes the effective functioning of the organization. While it is obvious that job satisfaction is related to organizational citizenship behavior, other variables such as fairness and the type of citizenship behavior play a role in the relationship.

7. While it is difficult to predict how employees will respond, managers need to be aware that dissatisfied employees may engage in misbehavior or violence at work.

B. Job Involvement and Organizational Commitment. **Job involvement** is the degree to which an employee identifies with his or her job, actively participates in it, and considers his or her job performance important to his or her self-worth. **Organizational commitment** is an employee’s orientation toward the organization in terms of his or her loyalty to, identification with, and involvement in the organization.

C. Employee Engagement. Highly engaged employees are passionate about and deeply connected to their work. Disengaged employees have essentially “checked out” and don’t care. **Exhibit 14–2** lists the key engagement factors.

D. Attitudes and Consistency. Research has generally shown that people seek consistency among their attitudes and between their attitudes and their behavior.

E. Cognitive Dissonance Theory. **Cognitive dissonance** refers to any inconsistency that an individual might perceive between attitudes or between behavior and attitudes.

1. Dissonance or inconsistency leads to an uncomfortable state for the individual, who will try to reduce the inconsistency.

2. The desire to reduce dissonance is determined by (a) the importance of the factors creating the dissonance, (b) the degree of influence the individual believes he/she has over those factors, and (c) the rewards that may be involved in dissonance.

3. Individuals reduce dissonance either by changing the behavior, concluding that the dissonant behavior is not so important after all, by
changing the attitude or by identifying compatible factors that outweigh the dissonant ones.

F. Attitude surveys. Companies often use surveys to ask employees how they feel about their jobs, work groups, supervisors, or the organization. **Exhibit 14-3** provides a sample of an attitude survey.

G. Implications for Managers. A controversy exists concerning the relationship between satisfaction and productivity. Are happy workers productive workers?

1. Following the Hawthorne Studies, many managers believed that if they kept their employees happy, the employees would be productive.

2. A review of the research on worker productivity indicates that if satisfaction *does* have a positive effect on productivity, that effect is fairly small.

3. Rather, managers should focus on factors that are conducive to a high degree of employee satisfaction. Such factors include mentally challenging work, equitable rewards, supportive working conditions, and supportive colleagues.

4. The implication for managers from understanding attitudes is that there is relatively strong evidence that committed and satisfied employees have lower rates of turnover and absenteeism. Also, the belief that making employees happy will make them productive needs to be reexamined.

### 14.3 PERSONALITY

**Personality** is defined as the unique combination of emotional, thought, and behavioral patterns that affect how a person reacts and interacts with others.

A. MBTI. The Myers-Briggs Type Indicator (MBTI®) is a general personality assessment. The MBTI® measures four dimensions:

1. Social interaction: extrovert (E) or introvert (I)
2. Preference for gathering data: sensing (S) or intuitive (N)
3. Preference for decision making: feeling (F) or thinking (T)
4. Style of making decisions: perceptive (P) or judgmental (J)
5. Combining these preferences provides descriptions about 16 different personality types. Examples of MBTI® personality types are shown in **Exhibit 14-4**.
B. The Big Five Model. The Big-Five Model is a five-factor model of personality.

1. Research has shown that important relationships exist between these personality dimensions and job performance.

2. The personality traits in the Big-Five Model are listed below:
   a. Extraversion
   b. Agreeableness
   c. Conscientiousness
   d. Emotional Stability
   e. Openness to Experience

C. Additional Personality Insights. Personality researchers have identified five additional personality traits that have proved to be the most powerful in explaining individual behavior in organizations: locus of control, Machiavellianism, self-esteem, self-monitoring, and risk-taking.

1. Locus of control is the degree to which people believe they control their own fate. Locus of control can be either external or internal.

2. Machiavellianism is the degree to which people are pragmatic, maintain emotional distance, and believe that ends justify means.

3. Self-esteem is an individual’s degree of like or dislike for himself or herself.

4. Self-monitoring is an individual’s ability to adjust his or her behavior to external situational factors.

5. Risk-taking refers to an individual’s willingness to take risks.

D. Personality Types in Different Cultures. Do these personality types transfer across cultures? Although no common personality types are found in a given national culture a country’s culture can influence dominant personality characteristics of its people. This is particularly true for the personality trait, locus of control.

E. Emotions and Emotional Intelligence. Emotional intelligence (EI) is the ability to notice and to manage emotional cues and information.

1. Emotional intelligence is composed of five dimensions:
   a. Self-awareness
   b. Self-management
c. Self-motivation  
d. Empathy  
e. Social skills  
2. Research has shown that emotional intelligence is positively related to job performance at all organizational levels.

F. Implications for Managers. The benefit of a manager’s understanding personality differences is clearly seen in the area of employee selection. Just as individual personalities differ, so too do jobs. Efforts have been made to match the proper personalities with the proper jobs.

1. John Holland has developed the best-documented personality-job fit theory (see Exhibit 14-5).

2. The key points of his model: Intrinsic differences in personality probably do exist among individuals; there are different types of jobs; and people who work in job environments congruent with their personality types should be more satisfied.

14.4 PERCEPTION

Perception is the process of organizing and interpreting sensory impressions in order to give meaning to the environment.

A. Factors that influence perception. A number of factors operate to shape and sometimes distort perception:

1. The perceiver  
2. The target (See Exhibit 14-6)  
3. The situation

B. Attribution theory is a theory that explains how we judge people differently depending on the meaning we attribute to a given behavior. The determination of the cause of the behavior depends on three factors: distinctiveness, consensus, and consistency.

1. Distinctiveness refers to whether an individual displays different behavior in different situations.

2. Consensus refers to whether an individual who is faced with a similar situation responds in the same way with the same behavior.

3. Consistency refers to the congruency in a person’s actions, that is, whether the person engages in the behaviors regularly and consistently.
4. **Exhibit 14-7** summarize the key elements of attribution theory.

5. One of the most interesting findings of attribution theory is that there are errors or biases that distort attributions.
   
a. The **fundamental attribution error** refers to the tendency to underestimate the influence of external factors and overestimate the influence of internal factors when making judgments about the behavior of others.

   b. **Self-serving bias** is the tendency for individuals to attribute their own successes to internal factors while putting the blame for failures on external factors.

C. **Shortcuts We Use In Judging Others.**
   
   1. **Assumed similarity** is the belief that others are like oneself.

   2. **Stereotyping** refers to judging a person on the basis of one’s perception of a group to which he or she belongs.

   3. **Halo effect** refers to a general impression of an individual based on a single characteristic.

D. **The Implication For Managers.** Managers need to recognize that their employees react to perceptions, not reality. Management is also not immune to biases and can negatively impact employees’ perception of fairness with inaccurate appraisals or setting discriminatory wage levels.

### 14.5 LEARNING

**Learning** is any relatively permanent change in behavior that occurs as a result of experience.

A. **Operant conditioning** is a type of learning in which desired voluntary behavior leads to a reward or prevents a punishment.

   1. B. F. Skinner is the psychologist most often associated with operant conditioning theory.

   2. Operant conditioning theory proposes that behavior is determined from without (that is, learned) rather than from within (reflexive, or unlearned).
3. Skinner argued that creating pleasing and desirable consequences to follow some specific behavior would increase the frequency of that behavior.

4. People will most likely engage in desired behaviors if they receive positive reinforcement for doing so.

B. **Social learning** is a learning theory that says people learn through observation and direct experience. Four processes determine the amount of influence that these models will have on an individual: attentional processes, retention processes, motor reproduction processes, and reinforcement processes.

1. *Attentional processes.* People learn from a model only when they recognize and pay attention to its critical features.

2. *Retention processes.* A model’s influence depends upon how well an individual remembers the model’s action.

3. *Motor reproduction processes.* After a person has observed a new behavior by watching a model, he/she must demonstrate an ability to do the modeled activities.

4. *Reinforcement processes.* Individuals will be motivated to exhibit modeled behavior if positive rewards are provided.

C. Shaping: A Managerial Tool. In shaping, a manager systematically reinforces each successive step that moves an individual closer to a desired response. Behavior can be shaped in four ways:

1. *Positive reinforcement* is reinforcing a desired behavior by providing something pleasant after that behavior.

2. *Negative reinforcement* is reinforcing a desired behavior with the termination or withdrawal of something unpleasant.

3. *Punishment* penalizes undesirable behavior.

4. *Extinction* involves eliminating any reinforcement that is maintaining a behavior.

D. Implications for Managers. From learning theory, managers should recognize that employees will learn while doing a job. A key question: Will managers manage employees’ learning through the rewards the
managers allocate and the examples they set, or will managers allow learning to occur haphazardly?

14.6 CONTEMPORARY OB ISSUES

A. Managing Generational Differences. Generations are defined by the attitudes and goals that distinguish them from those born in other times. For managers, adapting to a new generation of employees can be a challenge.

1. In comparison to previous groups, Generation Y employees have proven to be unique in their casual and laid back attitude toward work. Exhibit 14-8 lists some of the characteristics consistent with Gen Y workers.

2. In dealing with Gen Y workers, managers find three issues that can create conflict with traditional organizational methods: appearance, technology, and management style.

B. Managing Negative Behavior in the Workplace. Managers need to recognize that negative behaviors exist and ignoring such misbehavior will only confuse employees. In dealing with negative behaviors, managers need to practice preventive and responsive actions.

DISCUSSION

1. Does the importance of knowledge of OB differ based on a manager’s levels in the organization? If so, how? If not, why not? Be specific.

Knowledge of OB is important for all managers since executives at all levels of the organization deal with people. Low-level managers are likely to supervise employees directly, so they need knowledge of attitudes, perception, and learning. If they have responsibilities pertaining to the hiring of employees, they need to have knowledge about personality. Middle-level managers are likely to need knowledge of attitudes and personality, as they supervise lower-level managers. Upper-level managers need knowledge of attitudes as they deal with organizational design decisions and human resource management issues.

2. Explain why the concept of an organization as an iceberg is important.

Like the iceberg that sunk the Titanic, the real danger of icebergs is not what lies on top, but the hidden portion underneath. In the attempt to understand employee
behavior, it’s the hidden organizational elements (attitudes, perceptions, norms, etc.) that make understanding individual behavior so challenging.

3. **Describe the focus and goals of OB.**

   Organization behavior (OB) focuses on three areas: individual behavior, group behavior, and organizational aspects. The goals of OB are to explain, predict, and influence behavior.

4. **Define the six important employee behaviors.**

   Employee productivity is a performance measure of both efficiency and effectiveness. Absenteeism is the failure to report to work. Turnover is the voluntary and involuntary permanent withdrawal from an organization. Organizational citizenship behavior (OCB) is discretionary behavior that’s not part of an employee’s formal job requirements but it promotes the effective functioning of an organization. Job satisfaction is an individual’s general attitude toward his or her job. Workplace misbehavior is any intentional employee behavior that is potentially harmful to the organization or individuals within the organization.

5. **Describe the three components of an attitude and explain the four job-related attitudes.**

   The cognitive component refers to the beliefs, opinions, knowledge, or information held by a person. The affective component is the emotional or feeling part of an attitude. The behavioral component refers to an intention to behave in a certain way toward someone or something.

6. **Contrast the MBTI and the Big Five model. Describe five other personality traits that help explain individual behavior in organizations.**

   The MBTI focuses on learning styles and measures four dimensions: social interaction, preference for gathering data, preference for decision making, and style of making decisions. The Big Five Model is an attempt to classify personality along a variety of important behaviors and consists of five personality traits: extraversion, agreeableness, conscientiousness, emotional stability, and openness to experience. The five personality traits that help explain individual behavior in organizations are locus of control, Machiavellianism, self-esteem, self-monitoring, and risk-taking. Other personality traits include Type A/Type B personalities, proactive personality, and resilience.
7. Explain how an understanding of perception can help managers better understand individual behavior. Name three shortcuts used in judging others.

Perception is how we give meaning to our environment by organizing and interpreting sensory impressions. Because people behave according to their perceptions, managers need to understand it. Three shortcuts used in judging others are assumed similarity, stereotyping, and the halo effect.

8. Describe the key elements of attribution theory. Discuss the fundamental attribution error and self-serving bias.

Attribution theory depends on three factors. Distinctiveness is whether an individual displays different behaviors in different situations (that is, is the behavior unusual). Consensus is whether others facing a similar situation respond in the same way. Consistency is when a person engages in behaviors regularly and consistently. Whether these three factors are high or low helps managers determine whether employee behavior is attributed to external or internal causes. The fundamental attribution error is the tendency to underestimate the influence of external factors and overestimate the influence of internal factors. The self-serving bias is the tendency to attribute our own successes to internal factors and to put the blame for personal failure on external factors.

9. Describe operant conditioning and how managers can shape behavior.

Operant conditioning argues that behavior is a function of its consequences. Managers can use it to explain, predict, and influence behavior. Managers can shape behavior by using positive reinforcement (reinforcing a desired behavior by giving something pleasant), negative reinforcement (reinforcing a desired response by withdrawing something unpleasant), punishment (eliminating undesirable behavior by applying penalties), or extinction (not reinforcing a behavior to eliminate it).

10. Explain the challenges facing managers in managing generational differences and negative behavior in the workplace.

Workplace misbehavior can be dealt with by recognizing that it’s there; carefully screening potential employees for possible negative tendencies; and most importantly, by paying attention to employee attitudes through surveys about job satisfaction and dissatisfaction.