

Organizational Behavior

Steven L. McShane

The University of Western Australia

Mary Ann Von Glinow

Florida International University

5th Edition



**McGraw-Hill
Irwin**

Boston Burr Ridge, IL Dubuque, IA New York San Francisco St. Louis
Bangkok Bogotá Caracas Kuala Lumpur Lisbon London Madrid Mexico City
Milan Montreal New Delhi Santiago Seoul Singapore Sydney Taipei Toronto

contents

Preface xvi

Part 1 Introduction 1



Chapter 1 Introduction to the Field of Organizational Behavior 2

The Field of Organizational Behavior 4

Organizational Behavior's Foundations 5

Why Study Organizational Behavior? 5

Perspectives of Organizational Effectiveness 7

Open-Systems Perspective 7

Global Connections 1.1: Hospitals Take the Lean Journey to Efficiency 10

Organizational Learning Perspective 10

High-Performance Work Practices Perspective 12

Stakeholder Perspective 13

Types of Individual Behavior 16

Task Performance 17

Organizational Citizenship 17

Counterproductive Work Behaviors 18

Joining and Staying with the Organization 18

Maintaining Work Attendance 18

Contemporary Challenges for Organizations 19

Globalization 20

Increasing Workforce Diversity 20

Emerging Employment Relationships 22

Anchors of Organizational Behavior Knowledge 23

The Multidisciplinary Anchor 23

The Systematic Research Anchor 24

The Contingency Anchor 24

The Multiple Levels of Analysis Anchor 24

Chapter Summary 25

Key Terms 25

Critical Thinking Questions 26

Case Study 1.1: Jersey Dairies, Inc. 26

BusinessWeek Case Study 1.2: Working from Home—It's in the Details 28

Team Exercise 1.3: Human Checkers 28

Class Exercise 1.4: Diagnosing Organizational Stakeholders 29

Self-Assessment 1.5: It All Makes Sense? 30

Self-Assessment 1.6: Is Telecommuting for You? 30

Part 2 Individual Behavior and Processes 31



Chapter 2 Individual Behavior, Personality, and Values 32

MARS Model of Individual Behavior and Performance 34

Employee Motivation 34

Ability 35

Role Perceptions 36

Situational Factors 37

Personality in Organizations 38

Personality Determinants: Nature versus Nurture 39

Five-Factor Model of Personality 39

Jungian Personality Theory and the Myers-Briggs Type Indicator 41

Caveats about Personality Testing in Organizations 42

Self-Concept: The “I” in Organizational Behavior 43

Self-Enhancement 44

Self-Verification 44

Self-Evaluation 44

Global Connections 2.1: Feeling Valued Adds Value at Johnson & Johnson 45

The Social Self 46

Self-Concept and Organizational Behavior 47

Values in the Workplace 47

Types of Values 48

Values and Individual Behavior 49

Value Congruence 49

Values across Cultures 50

Individualism and Collectivism 50

Power Distance 51

Uncertainty Avoidance 51

Achievement-Nurturing Orientation 52

Ethical Values and Behavior 52

Three Ethical Principles 53

Moral Intensity, Ethical Sensitivity, and Situational Influences 53

Supporting Ethical Behavior 54

*Chapter Summary 56**Key Terms 56**Critical Thinking Questions 57**Case Study 2.1: SK Telecom Goes Egalitarian in a Hierarchical Society 57**Case Study 2.2: Pushing Paper Can Be Fun 58***BusinessWeek** *Case Study 2.3: The Trouble with Business Ethics 59**Class Exercise 2.4: Test Your Knowledge of Personality 60**Team Exercise 2.5: Comparing Cultural Values 61**Team Exercise 2.6: Ethics Dilemma Vignettes 62**Self-Assessment 2.7: Are You Introverted or Extroverted? 63**Self-Assessment 2.8: What Are Your Dominant Values? 64**Self-Assessment 2.9: Individualism-Collectivism Scale 64**Self-Assessment 2.10: Estimating Your Locus of Control 64**Self-Assessment 2.11: Identifying Your General Self-Efficacy 64***Chapter 3 Perception and Learning in Organizations 66****The Perceptual Process 68**

Perceptual Organization and Interpretation 70

Social Identity and Stereotyping 71

Stereotyping in Organizations 72

Global Connections 3.1: “Your Name Says Everything in France” 74**Attribution Theory 75**

Attribution Errors 76

Self-Fulfilling Prophecy 76

Contingencies of Self-Fulfilling Prophecy 77

Other Perceptual Errors 78**Improving Perceptions 79**

Awareness of Perceptual Biases 79

Improving Self-Awareness 79

Meaningful Interaction 81

Learning in Organizations 82

Behavior Modification: Learning through Reinforcement 82

Social Learning Theory: Learning by Observing 85

Learning through Experience 86

From Individual to Organizational Learning 87*Chapter Summary 88**Key Terms 89**Critical Thinking Questions 89**Case Study 3.1: Hy Dairies, Inc. 90***BusinessWeek** *Case Study 3.2: How Failure Breeds Success 91**Class Exercise 3.3: The Learning Exercise 91**Web Exercise 3.4: Stereotyping in Corporate Annual Reports 92**Self-Assessment 3.5: How Much Perceptual Structure Do You Need? 92**Self-Assessment 3.6: Assessing Your Perspective Taking (Cognitive Empathy) 94**Self-Assessment 3.7: Assessing Your Emotional Empathy 94***Chapter 4 Workplace Emotions, Attitudes, and Stress 96****Emotions in the Workplace 98**

Types of Emotions 99

Emotions, Attitudes, and Behavior 100

Managing Emotions at Work	103		
Emotional Display Norms across Cultures	103		
Emotional Dissonance	104		
Emotional Intelligence	105		
Global Connections 4.1: GM Holden Revs Up Emotional Intelligence	107		
Improving Emotional Intelligence	107		
Job Satisfaction	108		
Job Satisfaction and Work Behavior	109		
The Ethics of Job Satisfaction	112		
Organizational Commitment	112		
Consequences of Organizational Commitment	112		
Building Organizational Commitment	113		
Work-Related Stress and Its Management	114		
General Adaptation Syndrome	114		
Consequences of Distress	115		
Stressors: The Causes of Stress	116		
Individual Differences in Stress	118		
Managing Work-Related Stress	118		
Chapter Summary	122		
Key Terms	122		
Critical Thinking Questions	123		
Case Study 4.1: Riding the Emotional Roller Coaster	123		
BusinessWeek Case Study 4.2: Dispatches from the War on Stress	124		
Class Exercise 4.3: Strength-Based Coaching	125		
Team Exercise 4.4: Ranking Jobs on Their Emotional Labor	126		
Team Exercise 4.5: Stage Fright!	126		
Self-Assessment 4.6: School Commitment Scale	127		
Self-Assessment 4.7: Dispositional Mood Scale	129		
Self-Assessment 4.8: Work Addiction Risk Test	129		
Self-Assessment 4.9: Perceived Stress Scale	129		
Self-Assessment 4.10: Stress Coping Preference Scale	129		
Chapter 5 Foundations of Employee Motivation	130		
Employee Engagement	132		
Employee Drives and Needs	134		
Individual Differences in Needs	134		
Maslow's Needs Hierarchy Theory	135		
Global Connections 5.1: Shining the Spotlight on Employee Recognition	137		
What's Wrong with Needs Hierarchy Models?	138		
Learned Needs Theory	138		
Four-Drive Theory	140		
Expectancy Theory of Motivation	143		
Expectancy Theory in Practice	144		
Goal Setting and Feedback	145		
Balanced Scorecard	147		
Characteristics of Effective Feedback	148		
Sources of Feedback	149		
Evaluating Goal Setting and Feedback	151		
Organizational Justice	151		
Equity Theory	152		
Procedural Justice	155		
Chapter Summary	156		
Key Terms	157		
Critical-Thinking Questions	157		
Case Study 5.1: Vêtements Ltée	158		
BusinessWeek Case Study 5.2: Motivating Staff When the Money Is Tight	159		
Class Exercise 5.3: Needs Priority Exercise	159		
Team Exercise 5.4: A Question of Feedback	160		
Self-Assessment 5.5: Need-Strength Questionnaire	161		
Self-Assessment 5.6: Measuring Your Growth-Need Strength	163		
Self-Assessment 5.7: Your Equity Sensitivity	163		
Chapter 6 Applied Performance Practices	164		
The Meaning of Money in the Workplace	166		
Financial Reward Practices	167		
Membership- and Seniority-Based Rewards	167		
Job Status-Based Rewards	168		
Competency-Based Rewards	169		
Performance-Based Rewards	170		
Connections 6.1: Nucor Rewards the Team	171		
Improving Reward Effectiveness	172		
Connections 6.2: When Rewards Go Wrong	174		

Job Design Practices 175

- Job Design and Work Efficiency 175
- Job Design and Work Motivation 177
- Job Design Practices That Motivate 180

Empowerment Practices 182

- Supporting Empowerment 182

Self-Leadership Practices 183

- Self-Leadership Strategies 184
- Effectiveness of Self-Leadership 186
- Self-Leadership Contingencies 186
 - Chapter Summary 187*
 - Key Terms 188*
 - Critical Thinking Questions 188*
 - Case Study 6.1: The Regency Grand Hotel 188*
 - BusinessWeek** *Case Study 6.2: How to Make a Microserf Smile 190*
 - Team Exercise 6.3: Is Student Work Enriched? 191*
 - Self-Assessment 6.4: What Is Your Attitude toward Money? 193*
 - Self-Assessment 6.5: Assessing Your Self-Leadership 194*
 - Self-Assessment 6.6: Student Empowerment Scale 195*

Chapter 7 Decision Making and Creativity 196**Rational Choice Paradigm of Decision Making 198**

- Problems with the Rational Choice Paradigm 200

Identifying Problems and Opportunities 200

- Problems with Problem Identification 201
- Identifying Problems and Opportunities More Effectively 202

Evaluating and Choosing Alternatives 203

- Problems with Goals 203
- Problems with Information Processing 204
- Problems with Maximization 206
- Evaluating Opportunities 206
- Emotions and Making Choices 207
- Intuition and Making Choices 208
- Making Choices More Effectively 209

Implementing Decisions 209**Evaluating Decision Outcomes 210**

- Escalation of Commitment 210
- Evaluating Decision Outcomes More Effectively 212

Employee Involvement in Decision Making 213

- Benefits of Employee Involvement 213
- Contingencies of Employee Involvement 214

Creativity 215

- Characteristics of Creative People 216

Connections 7.1: Going for *Wow* at Nottingham-Spirk 217

- Organizational Conditions Supporting Creativity 218
- Activities That Encourage Creativity 219
 - Chapter Summary 221*
 - Key Terms 222*
 - Critical Thinking Questions 222*
 - Case Study 7.1: Employee Involvement Cases 223*
 - BusinessWeek** *Case Study 7.2: P&G's Designer Thinking 224*
 - Team Exercise 7.3: Where in the World Are We? 224*
 - Team Exercise 7.4: Winter Survival Exercise 227*
 - Class Exercise 7.5: The Hopping Orange 228*
 - Class Exercise 7.6: Creativity Brainbusters 228*
 - Self-Assessment 7.7: Measuring Your Creative Personality 229*
 - Self-Assessment 7.8: Testing Your Creative Bench Strength 230*
 - Self-Assessment 7.9: Decision-Making Style Inventory 230*

Part 3 Team Processes 231**Chapter 8 Team Dynamics 232****Teams and Informal Groups 234**

- Informal Groups 235

Advantages and Disadvantages of Teams 236

- The Challenges of Teams 237

A Model of Team Effectiveness 238

Organizational and Team Environment 239

Team Design Elements 240

Task Characteristics 240

Team Size 242

Team Composition 242

Global Connections 8.1: Royal Dutch Shell Finds**Team Players in Gourami 243****Team Processes 245**

Team Development 245

Team Norms 249

Team Cohesion 250

Team Trust 251

Self-Directed Teams 253

Success Factors for Self-Directed Teams 254

Virtual Teams 255

Success Factors for Virtual Teams 255

Team Decision Making 256

Constraints on Team Decision Making 256

Team Structures to Improve Decision Making 258

*Chapter Summary 260**Key Terms 261**Critical Thinking Questions 261**Case Study 8.1: The Shipping Industry**Accounting Team 262**Case Study 8.2: Philanthropic Team Building 263***BusinessWeek** *Case Study 8.3: Seagate's Morale-athon 264**Team Exercise 8.4: Team Tower Power 265**Self-Assessment 8.5: What Team Roles Do You Prefer? 265**Self-Assessment 8.6: Are You a Team Player? 267**Self-Assessment 8.7: How Trusting Are You? 267***Chapter 9 Communicating in Teams and Organizations 268****The Importance of Communication 270****A Model of Communication 271**

Influences on Effective Encoding and Decoding 271

Communication Channels 272

Computer-Mediated Communication 273

Connections 9.1: About-Face on Workplace**E-mail 274**

Nonverbal Communication 276

Choosing the Best Communication Channel 277

Social Acceptance 278

Media Richness 278

Communication Channels and Persuasion 281

Communication Barriers (Noise) 281

Information Overload 282

Cross-Cultural and Cross-Gender Communication 283

Nonverbal Differences across Cultures 284

Gender Differences in Communication 285

Improving Interpersonal Communication 285

Getting Your Message Across 285

Active Listening 286

Improving Communication throughout the Hierarchy 287

Workspace Design 287

Web-Based Organizational Communication 288

Direct Communication with Top Management 288

Communicating through the Grapevine 289

Grapevine Characteristics 289

Grapevine Benefits and Limitations 290

*Chapter Summary 290**Key Terms 291**Critical Thinking Questions 291**Case Study 9.1: Communicating with the Millennials 292***BusinessWeek** *Case Study 9.2: It's All about the Face-to-Face 293**Team Exercise 9.3: Analyzing the Blogosphere 294**Team Exercise 9.4: Active Listening Exercise 294**Team Exercise 9.5: Cross-Cultural Communication Game 295**Self-Assessment 9.6: Active Listening Skills Inventory 296***Chapter 10 Power and Influence in the Workplace 298****The Meaning of Power 300**

A Model of Power in Organizations 301

Sources of Power in Organizations 301

Legitimate Power 302

Reward Power 302

Coercive Power 303

Expert Power 303

Behavioral Perspective of Leadership 364

Choosing Task- versus People-Oriented
Leadership 364

Contingency Perspective of Leadership 365

Path-Goal Theory of Leadership 365
Other Contingency Theories 368
Leadership Substitutes 370

Transformational Perspective of Leadership 371

Transformational versus Transactional Leadership 371
Transformational versus Charismatic Leadership 372
Elements of Transformational Leadership 373
Evaluating the Transformational Leadership
Perspective 374

Implicit Leadership Perspective 375

Prototypes of Effective Leaders 375
The Romance of Leadership 376

**Cross-Cultural and Gender Issues in
Leadership 376**

Chapter Summary 378

Key Terms 379

Critical Thinking Questions 379

Case Study 12.1: Profitel Inc. 379

BusinessWeek *Case Study 12.2: Mack Attack 381*

Team Exercise 12.3: Leadership Diagnostic Analysis 381

*Self-Assessment 12.4: What Is Your Boss's Preferred
Leadership Style? 382*

**Part 4 Organizational
Processes 383****Chapter 13 Organizational Structure 384****Division of Labor and Coordination 386**

Division of Labor 386
Coordinating Work Activities 387

Elements of Organizational Structure 390

Span of Control 390
Centralization and Decentralization 393
Formalization 393
Mechanistic versus Organic Structures 394

Forms of Departmentalization 395

Simple Structure 396
Functional Structure 396
Divisional Structure 397
Team-Based Structure 400
Matrix Structure 401
Network Structure 403

Contingencies of Organizational Design 405

External Environment 406
Organizational Size 407
Technology 407

Organizational Strategy 408

Chapter Summary 408

Key Terms 409

Critical Thinking Questions 409

Case Study 13.1: Macy's Gets Personal 410

BusinessWeek *Case Study 13.2: More Than Cosmetic Changes
at Avon 411*

Team Exercise 13.3: The Club Ed Exercise 412

*Self-Assessment 13.4: What Organizational Structure Do
You Prefer? 412*

Chapter 14 Organizational Culture 414**Elements of Organizational Culture 416**

Content of Organizational Culture 418
Organizational Subcultures 419

**Deciphering Organizational Culture through
Artifacts 420**

Organizational Stories and Legends 420
Rituals and Ceremonies 421
Organizational Language 422
Physical Structures and Symbols 422

Is Organizational Culture Important? 423

Contingencies of Organizational Culture and
Effectiveness 424
Organizational Culture and Business Ethics 426

Merging Organizational Cultures 426

Bicultural Audit 427

Strategies for Merging Different Organizational Cultures 427

Changing and Strengthening Organizational Culture 429

Actions of Founders and Leaders 429

Aligning Artifacts 430

Introducing Culturally Consistent Rewards 431

Attracting, Selecting, and Socializing Employees 431

Organizational Socialization 432

Socialization as a Learning and Adjustment Process 433

Stages of Organizational Socialization 433

Improving the Socialization Process 435

*Chapter Summary 436**Key Terms 437**Critical Thinking Questions 437**Case Study 14.1: Hillton's Transformation 438***BusinessWeek** *Case Study 14.2: Merck's New Cultural Cure 439**Class Exercise 14.3: Diagnosing Corporate Culture Proclamations 440**Self-Assessment 14.4: What Are Your Corporate Culture Preferences? 441***Chapter 15 Organizational Change 442****Lewin's Force Field Analysis Model 444**

Restraining Forces 445

Connections 15.1: The FBI Meets Its Own Resistance 448**Unfreezing, Changing, and Refreezing 449**

Creating an Urgency for Change 450

Reducing the Restraining Forces 451

Refreezing the Desired Conditions 454

Change Agents, Strategic Visions, and Diffusing Change 455

Change Agents and Strategic Visions 455

Diffusion of Change 455

Four Approaches to Organizational Change 456

Action Research Approach 456

Appreciative Inquiry Approach 458

Large-Group Interventions 460

Parallel Learning Structure Approach 461

Cross-Cultural and Ethical Issues in Organizational Change 461**Organizational Behavior: The Journey Continues 462***Chapter Summary 462**Key Terms 463**Critical Thinking Questions 463**Case Study 15.1: TransAct Insurance Corporation 464***BusinessWeek** *Case Study 15.2: Inside Intel 465**Team Exercise 15.3: Strategic Change Incidents 466**Self-Assessment 15.4: Are You Tolerant of Change? 467***Additional Cases 469***Case 1: A Mir Kiss? 469**Case 2: Arctic Mining Consultants 471**Case 3: Big Screen's Big Failure 473**Case 4: Bridging the Two Worlds—The Organizational Dilemma 478**Case 5: Fran Hayden Joins Dairy Engineering 479**Case 6: From Lippert-Johanson Incorporated to Fenway Waste Management 482**Case 7: Glengarry Regional Medical Center 484**Case 8: High Noon at Alpha Mills 488**Case 9: Keeping Suzanne Chalmers 490**Case 10: Northwest Canadian Forest Products Limited 492**Case 11: Perfect Pizzeria 494**Case 12: Simmons Laboratories 495**Case 13: Treetop Forest Products 500***Video Cases 502****Appendix A**

Theory Building and Systematic Research Methods 507

Appendix B

Scoring Keys for Self-Assessment Activities 514

*Glossary 525**References 531**Photo Credits 589**Organization Index 591**Name Index 595**Subject Index 616**URL Index 633*