

INTRODUCTION TO ORGANIZATIONAL BEHAVIOR

PART

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CHAPTER 1 The Nature and Scope of Organizational Behavior

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CHAPTER

1



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Chapter Outline

- The Meaning and Research Methods of Organizational Behavior
- How You Can Benefit from Studying Organizational Behavior
- A Brief History of Organizational Behavior
- Skill Development in Organizational Behavior
- A Framework for Studying Organizational Behavior
- Implications for Managerial Practice

Case Problem: CEO Amanda Is Worried about Her Workforce

Learning Objectives

After reading and studying this chapter and doing the exercises, you should be able to:

1. Explain what organizational behavior means.
2. Summarize the research methods of organizational behavior.
3. Identify the potential advantages of organizational-behavior knowledge.
4. Explain key events in the history of organizational behavior.
5. Understand how a person develops organizational-behavior skills.

CoStar Group is a provider of information, analytics, and marketing services to the commercial property industry in the United States, Canada, the United Kingdom, France, Germany, and Spain. Based in Washington, D.C., CoStar has approximately 4,000 employees across 50 offices in the United States. In 2021, as COVID-19 restrictions lifted, company management wanted most employees to return to the company offices after working at home for over one year. As with leadership at many other companies, CoStar management thought that collaboration is easier and productivity is sometimes higher when workers are located in the same physical setting.

Chief Executive Andrew Florance decided that a package of financial incentives might be effective in bringing back workers to the office. The incentive program began with a daily cash prize of \$10,000 awarded by a raffle to an employee every workday. Another incentive was to send three CoStar employees and their guests to the Barbados on a private airplane at company expense. The workers eligible to participate in the raffle for the trip were employees who were vaccinated and physically present in the office. A well-publicized incentive was a lottery drawing to win a new electric model Tesla Model S, with a starting price of \$80,000. One of the smaller incentives was store gift cards, with a raffle not being required to win.

The company also offered vaccines to employees. Since offering the vaccines and back-to-office incentives, office occupancy jumped from 4 percent to 20 percent. Certain locations experienced higher return-to-the-office rates than others. Every morning Florance sends an email to all the U.S. company employees announcing the winner of the daily cash prize. He also intersperses a few kind words about the employee winner.

CoStar made more systematic use of financial incentives to get employees back in the office than other business firms. Florance said, “We are going to do interesting and creative things until the workplace is settled down and until we’ve adjusted to our new reality.” Florance recognized that the incentive program is expensive. “But in the context of a multibillion-dollar company, with thousands of staff and hundreds of offices, it’s a drop in the bucket,” he said.

As the head of a company that generates real-estate data, Florance wants to facilitate the revival of office districts and the business that depends on the presence of workers in those districts. He said, “You would be talking about economic Armageddon if all of a sudden we abandoned our cities.”¹

The story just presented illustrates how a company might use a basic technique of organizational behavior to accomplish the goal of motivating employees to conform to a management demand. The basic technique is to offer a financial incentive for behaving in a certain way—in this scenario for working in the company office. The same technique of offering financial incentives to attain a goal is also a standard technique of psychology and economics.

The purpose of this book is to present systematic knowledge about people and organizations that can be used to enhance individual and organizational effectiveness. Managers and potential managers are the most likely to apply this information. Yet the same information is important for other workers, including corporate professionals, sales representatives, customer service specialists, and technical specialists.

In the modern organization, workers at every level do some of the work that was formerly the sole domain of managers. Team members, for example, are often expected to motivate and train each other. One reason organizations get by with fewer managers than previously is that workers themselves are now expected to manage themselves to some extent. Self-management of this type includes the team scheduling its own work and making recommendations for quality improvement.

In this chapter we introduce organizational behavior from several perspectives. We will explain the meaning of the term, see why organizational behavior is useful, and take a brief glance at its history including current developments. After describing how to develop

skills in organizational behavior, we present a framework for understanding the field. An important goal in studying organizational behavior is to be able to make sense of any organization in which you are placed. For example, you might be able to answer the question: Is the human element given enough thought in attempting to implement this new workplace initiative?

The Meaning and Research Methods of Organizational Behavior

A starting point in understanding the potential contribution of organizational behavior is to know the meaning of the term. It is also important to be familiar with how information about organizational behavior is acquired.

The Meaning of Organizational Behavior

Organizational behavior (OB) is the study of human behavior in the workplace, of the interaction between people and the organization, and of the organization itself.² The major goals of organizational behavior are to explain, predict, and control behavior.

Explanation refers to describing the underlying reasons or process by which phenomena occur. For example, an understanding of leadership theory would explain why one person is a more effective leader than another. The same theory would help predict which people (e.g., those having charismatic qualities) are likely to be effective as leaders. Leadership theory could also be useful in controlling (or influencing) people. One leadership theory, for example, contends that group members are more likely to be satisfied and productive when the leader establishes good relationships with them.

Data Collection and Research Methods in Organizational Behavior

To explain, predict, and control behavior, organizational-behavior specialists must collect information systematically and conduct research. The purpose of collecting data is to conduct research.

Methods of Data Collection

Three frequently used methods of collecting data in organizational behavior are surveys, interviews, and direct observation of behavior. The *survey questionnaire* used by a specialist in organizational behavior is prepared rigorously. Before preparing a final questionnaire, a scientist collects relevant facts and generates hypotheses (educated guesses) about important issues to explore. The questionnaire is carefully designed to measure relevant issues about the topic being surveyed. For example, participants in a study might be asked to evaluate their supervisor in various dimensions such as giving clear instructions and showing compassion. Among the surveys included in this textbook is the self-quiz about conscientiousness in Chapter 2.

Surveys typically ask the survey taker to respond to a question on a numerical scale such as 1 to 5 or 1 to 10. An example would be, “How satisfied are you with being given the opportunity to work from home two days a week?” Most readers of this book have taken hundreds of surveys. Surveys can also ask open-ended questions, such as “How do you feel about having the opportunity to work from home two days per week?”



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People engaged in highly technical work can also benefit from knowledge of organizational behavior because they too have frequent interactions with people and have to be creative.

LEARNING OBJECTIVE 1

Explain what organizational behavior means.

organizational behavior (OB)

The study of human behavior in the workplace, the interaction between people and the organization, and the organization itself.

LEARNING OBJECTIVE 2

Summarize the research methods of organizational behavior.



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Direct observation of people is one method of data collection.

Research about human behavior in the workplace relies heavily on the *interview* as a method of data collection. Even when a questionnaire is the primary method of data collection, interviews are usually used to obtain ideas for survey questions. Interviews are also helpful in uncovering explanations about phenomena and furnishing leads for further inquiry. Another advantage of interviews is that a skilled interviewer can probe for additional information. One disadvantage of the interview method is that skilled interviewers are required.

Archival data refers to collecting data from sources that already exist. A researcher might want to know how productive a group of IT support specialists was before a work-from-home program began. Company records might be available about these productivity levels. After the work-from-home program is in place, fresh data could be generated about the productivity of the IT workers. Objective before-and-after comparisons of productivity could then be made.

Naturalistic observations refer to researchers placing themselves in the work environment to collect much information about organizational behavior. Systematic observations are then made about the phenomena under study. One concern about this method is that the people under observation may perform atypically when they know they are being observed. A variation of systematic observation is *participant observation*. The observer becomes a member of the group about which he or she collects information. For example, to study stress experienced by customer service representatives, a researcher might work temporarily in a customer service center.

Research Methods

Four widely used research methods of organizational behavior are case studies, laboratory experiments, field experiments (or studies), and meta-analyses. A less frequently used but valuable method of data collection will also be mentioned—natural experiments.

Case information is usually collected by an observer mentally recording impressions or physically recording them on a notepad or tablet computer. People have a tendency to attend to information specifically related to their own interests or needs. Despite this subjective element in the case method, cases provide a wealth of information that can be used to explain what is happening in a given situation.

An *experiment* is the most rigorous research method. The essence of conducting an experiment is making sure that the variable being modified (the independent variable) influences the results. The independent variable (e.g., a motivational technique) is thought to influence the dependent variable (e.g., productivity). The dependent variable is also known as the *criterion* (or *measure*).

A major characteristic of the *laboratory experiment* is that the conditions are supposedly under the experimenter's control. For example, to study the effects of stress on problem-solving ability, a group of people might be brought into a room. The stressor the experimenter introduces is an electronic beeping noise. In a field setting, however, assuming the experiment was permitted, the experimenter might be unaware of what other stressors the subjects faced at that time. A key concern about laboratory experiments, therefore, is that their results might not apply to the outside world.

Field experiments attempt to apply the experimental method to real-life situations. Variables can be controlled more readily in the laboratory than in the field, but information obtained in the field is often more relevant. An example of a field experiment would be investigating whether giving employees more power would have an effect on their motivation to produce a great quantity of work. The independent variable would be empowerment, while the dependent variable would be quantity of work.

Dov Eden is an industrial and organizational psychologist, and emeritus professor at the Coller School of Management at the Tel Aviv University. Based on his many years of conducting research, he concludes that field experimentation is the most valid research method. Eden contends that field experiments are doable, and provide clear evidence of causes.³ Think back to the case described in the chapter opener. A field experiment could have been conducted if CoStar management gave financial incentives for returning to

work on company premises to some employees but not to others. Assume that CoStar employees receiving financial incentives returned to work at a greater rate than those not receiving the incentives. It would be reasonable to conclude that financial incentives *caused* a higher percentage of workers returning to the office.

Natural experiments study naturally occurring events that affect people and then compare these people to those who did not experience the event.⁴ Assume that a researcher wanted to study the impact of environmental trauma on the long-term productivity of employees. It would be inhumane, unethical, and illegal to purposely traumatize one group of employees as the *treatment* group. In contrast, assume that a company facility was hit by a tornado. The facility was destroyed, and lives were lost. A comparable facility in the same geographic region was not hit by a tornado. A few months later, the tornado-hit facility was rebuilt. A natural experiment would be to compare the productivity of the tornado victims one year later to those not hit by the tornado.

Although the natural experiment may appear to be scientifically sound, the researcher might have to dig further to check the scientific purity of the experiment. A relevant issue to raise would be to investigate the true comparability of the workers in both facilities. For example, did some of the tornado victims already have pre-existing high levels of stress? Another issue to explore would be the comparability of the workers in the two facilities. Among the important comparison variables would be demographic factors such as the age, sex, gender, and educational levels of the workers in both facilities.

A widely used approach to reaching conclusions about behavior is to combine the results of a large number of studies. A **meta-analysis** is a quantitative or statistical review of the literature on a particular subject and is also an examination of a range of studies for the purpose of reaching a combined result or best estimate. Studies that have a large number of participants receive more weight in the meta-analysis than smaller studies.

A meta-analysis is therefore a review of studies, combining their quantitative information. You can also view meta-analysis as a quantitative review of the literature on a particular subject. For example, a researcher might want to combine the results of 100 different studies about the job-performance consequences of group decision making before reaching a conclusion. Many of the research findings presented throughout this book are based on meta-analysis rather than on the results of a single study. Meta-analysis continues to gain in frequency of use, as reflected in the many published research studies based on the technique.

An important use of meta-analysis in organizational behavior is to understand how certain factors, referred to as *moderator variables*, influence the results of studies.⁵ For example, in the experiment mentioned previously about stress and problem-solving ability, a moderator variable might be the amount of stress a study participant faces in personal life. Individuals who enter the experiment already stressed might be influenced more negatively by the electronic beeping noise.

Meta-analysis gives the impression of being scientific and reliable because so much information is assimilated, using sophisticated statistical tools. One might argue, however, that it is better to perform one rigorous study than to analyze many poorly conducted studies. A meta-analysis often consists of combining some carefully executed studies with a few of poor quality.

Quantitative versus Qualitative Research Methods

Another way to classify research methods is determining whether they are quantitative or qualitative.⁶ Quantitative research involves collecting data, such as customer-satisfaction survey responses and production records. The data are then subject to a variety of statistical techniques including correlational analysis, regression analysis, and analysis of variance. Recording the results of experiments and meta-analysis are also examples of quantitative research methods.

Qualitative research involves the researcher interacting with the source of the data, such as talking to workers and even taking videos and photos. Interviews and participant observations are qualitative research methods. Naturalistic observation (observing people

meta-analysis A quantitative or statistical review of the literature on a particular subject; an examination of a range of studies for the purpose of reaching a combined result or best estimate.

in natural settings) is frequently used as a method of qualitative research. Recognize, however, that qualitative research closely resembles quantitative research when the data from the qualitative observations are coded. For example, while interviewing workers about their job satisfaction, every response that contains a certain topic might be assigned a code. To illustrate, when workers mention the topic of “consideration for my feelings,” the response category of “consideration” would receive one entry. The entries would be tallied to yield a quantitative result. Many of the most important insights and theories in organizational behavior stem from qualitative research, such as uncovering what motivates people, and how organizations profit or learn from their experiences.

When management professors were asked to express their understanding of the difference between quantitative and qualitative research, one of the valuable insights that emerged was: “Quantitative research is about careful preparation and faithful execution of the plan laid out in the beginning; qualitative research is about exploring ideas.”⁷⁷ Assume that a researcher wanted to study the conditions under which workers in a nonprofit organization are creative. Using a quantitative research method, the researcher would prepare a lengthy questionnaire about organizational conditions related to creativity. The questionnaire would be administered to a large group of staff members in a few nonprofit organizations. Using a qualitative method, she might visit a few nonprofit agencies, and talk to workers about their creative problem solving.

How You Can Benefit from Studying Organizational Behavior

LEARNING OBJECTIVE 3

Identify the potential advantages of organizational-behavior knowledge.

Studying organizational behavior can enhance your effectiveness as a manager or professional. Yet the benefits from studying organizational behavior are not as immediately apparent as those derived from the study of functional fields such as accounting, marketing, purchasing, and information technology. Such fields constitute the *content* of managerial and professional work. Organizational behavior, in contrast, relates to the *process* of conducting such work. An exception is the organizational-behavior specialist whose content, or functional knowledge, deals with organizational-behavior concepts and methods.

Visualize a woman industrial health specialist who has extremely limited interpersonal skills in communicating, motivating, and resolving conflict. She will have a difficult time applying her technical expertise to organizational problems. She will therefore fail in serving her clients because she lacks the ability to use effective interpersonal processes. In contrast, if the same health specialist had strong interpersonal skills, she could do a better job of serving her clients. (She would probably also hold onto her job longer.)

Studying and learning about organizational behavior offers four key advantages: (1) interpersonal skill development, (2) personal growth, (3) enhancement of organizational and individual effectiveness, and (4) sharpening and refinement of common sense.

Interpersonal Skill Development

Interpersonal skills remain of major importance in the modern workplace. These skills generally refer to getting along with people in a variety of ways such as motivating them, complimenting them, and being able to resolve conflict. People with good interpersonal skills are considered more rewarding to deal with.

Anil Singhal, the founder of NetScout Systems, a company that assists business firms and government agencies in managing their information technology networks, has helped many young employees make the transition to mid-career success. He believes that “primary skills” can take you only so far in your career. Singhal says that those talents by which you earned your college degree and first made



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Interpersonal skills are useful for people who wear a hard hat to work.

your professional reputation can drive success for the first 10 years of a career. After that period, “secondary skills”—interpersonal skills such as the ability to interact well with coworkers—become key to continued success.⁸

More support for the key role of interpersonal skills in attaining career success stems from the observations of three economists. The trio found that high-paying occupations, including software engineer, financial advisor, and medical professional, require high-level interpersonal skills such as collaboration, empathy, and managing others.⁹

A major reason that interpersonal skill development is a key to success is that difficulty with interpersonal skills is a major reason behind career derailment. As Teddy Roosevelt said, “The most important single ingredient in the formula of success is to know how to get along with people.”¹⁰

The distinction between *soft* skills and *hard* skills is relevant for understanding the importance of interpersonal skill development, as well as the development of other skills, in organizational behavior. Soft skills are generally interpersonal skills such as motivating others, communicating, and adapting to people of different cultures. Hard skills are generally technical skills, such as information technology and job design. Some skills, such as those involved with decision making, have a mixture of soft and hard components. To make good decisions you have to be creative and imaginative (perhaps a soft skill), yet you also have to weigh evidence carefully (most likely a hard skill).

Personal Growth through Insight into Human Behavior

An important reason for studying organizational behavior is the personal fulfillment gained from understanding others.¹¹ Understanding fellow human beings can also lead to enhanced self-knowledge and self-insight. For example, while studying what motivates others, you may gain an understanding of what motivates you. Participating in the experiential exercises and self-assessments included in this textbook provides another vehicle for personal growth. A case in point is the study of motivation in Chapter 6. You will be invited to take a self-quiz about the meaningfulness of work to you. Taking the test and reviewing the results will give insight into the types of attitudes and behaviors you need to make your work more meaningful.

Personal growth through understanding others and self-insight is meritorious in and of itself, and it also has practical applications. Managerial and professional positions require sharp insights into the minds of others for tasks such as selecting people for jobs and assignments, communicating, and motivating. Sales representatives who can size up the needs of prospects and customers have a competitive advantage. Another value of understanding others and self-insight is that they contribute to continuous learning because the needs of others change over time, and so might your needs. For example, the recent labor shortages have prompted many workers to demand exciting and meaningful work and worry less about job security.

Enhancement of Organizational and Individual Effectiveness

A major benefit from studying organizational behavior is that it provides information that can be applied to organizational problems. An important goal of organizational behavior is to improve **organizational effectiveness**—the extent to which an organization is productive and satisfies the demands of its interested parties. Each chapter of this book contains information that is applied directly or indirectly by many organizations. One visible example is the widespread use of teams in the workplace. Certainly, organizational-behavior specialists did not invent teams. We suspect even prehistoric people organized some of their hunting forays by teams. Nevertheless, the conclusions of organizational-behavior researchers facilitated the shift to teams in organizations.

Why does paying more attention to the human element improve business performance? One explanation Stanford University professor of organizational behavior Jeffrey Pfeffer offers is that people work harder when they have greater control over their work environment and when they are encouraged by peer pressure from teammates. Even more

organizational effectiveness

The extent to which an organization is productive and satisfies the demands of its interested parties.



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Individual effectiveness can be enhanced through studying organizational behavior.

advantage comes from people working in a smarter way. People-oriented management practices enable workers to use their wisdom and to receive appropriate training. Another contribution to improved performance stems from eliminating positions that focus primarily on watching and controlling workers.¹² Much of organizational behavior deals with people-oriented management practices. Many of these practices will be described in later chapters.

Understanding organizational behavior also improves organizational effectiveness because it uncovers factors that contribute to or hinder effective performance. Among these many factors are employee motivation, personality factors, and communication barriers. Furthermore, an advanced understanding of people is a major contributor to managerial success. This is especially true because so much of a manager's job involves accomplishing tasks through people.

Organizational behavior also contributes insights and skills that can enhance individual effectiveness. If a person develops knowledge about subjects such as improved interpersonal communication, conflict resolution, and teamwork, the person will become more effective. A specific example is that knowledge about organizational behavior can contribute to high performance. Executive coach Lisa Parker observes that managers sometimes neglect to give encouragement and recognition to good performers because these workers are already performing well. Yet if these same solid performers were given more encouragement, coaching in the form of advice, and recognition, they will often develop into superstars (very high performers).¹³

A frequent problem noted about managers is that they supervise too closely, or micromanage, the work of subordinates. One result is that employees can feel insecure and offended when their manager takes over a project that was assigned to them. If a present or future manager studies organizational behavior, the manager might become more aware of the problems of micromanagement, and then monitor his or her behavior to prevent micromanaging.¹⁴

The “Organizational Behavior in Action” box illustrates how a manager might use organizational-behavior knowledge in the form of paying attention to the human element to improve organizational effectiveness.

Sharpening and Refining Common Sense

A manager commented after reading through several chapters of an organizational-behavior textbook, “Why should I study this field? It’s just common sense. My job involves dealing with people, and you can’t learn that through a book.” Many other students of organizational behavior share the sentiments expressed by this manager. However logical such an opinion might appear, common sense is not an adequate substitute for knowledge about organizational behavior. This knowledge sharpens and enlarges the domain of common sense. It markedly reduces the amount of time necessary to acquire important behavioral knowledge and skills, much as law school reduces the amount of time that a person in a previous era would have had to spend as a law apprentice.

You may know through common sense that giving recognition to people is generally an effective method of motivating them toward higher performance. By studying organizational behavior, however, you might learn that recognition should be given frequently but not every time somebody attains high performance. (You specifically learn about intermittent rewards in your study of motivation.) You might also learn that the type of recognition you give should be tailored to the individual’s personality and preferences. For example, some people like flamboyant praise, while others prefer praise focused tightly on the merits of their work. Formal knowledge thus enhances your effectiveness.

Michelle Gass, the Kohl's CEO Who Combines Functional Skills with a Human Touch

After 17 years of experience in a variety of marketing roles at Starbucks, Michelle Gass (pronounced “Goss”) was hired as the chief customer officer at the department store chain Kohl’s. One of her first initiatives was to give a pep talk to employees at the retailer’s headquarters in Menomonee Falls, Wisconsin. Gass sensed that a motivational talk was needed because, after several years of a post-recession growth, sales had begun to slip. As with other brick-and-mortar stores, competition from online retailers and boutiques was eating into sales.

Her responsibilities as chief customer officer at Kohl’s included marketing and e-commerce as well as acting as the chief merchandising officer for all products sold in the stores. Gass also pushed Kohl’s to participate in the employee health and wellness trend.

Gass told the employees that Kohl’s needed to think differently and that they should not be afraid to attempt new ideas, something most employees had been hesitant to do in the past. The willingness to change and desire to inspire employees were two of the reasons that Gass was chosen in 2017 to succeed Kevin Mansell as chief executive.

Chip Bergh, the CEO of Levi Strauss & Co., has described Michelle Gass as a proven leader who has been a positive force for the retail business. Gass is recognized by work associates as quickly changing course when an idea or an initiative fails. For example, Kohl’s experimented with in-store coffee shops but abandoned the plan when the shops proved to be unprofitable. Mansell said that Gass has a “bias for action,” meaning that she moves swiftly when making a tough decision such as closing an underperforming location.

In response to the pandemic, Gass temporarily closed the company’s 1,162 stores on March 20, 2020. Soon thereafter Gass announced that Kohl’s would furlough 85,000 of its approximately 100,000 employees. As the pandemic continued, the closings lasted between 7 and 17 weeks depending on the store’s location. By the end of the year, the headcount at Kohl’s was reduced by 10 percent. During the pandemic, Gass and her team established two priorities: maintaining the financial health of the company and ensuring the health and safety of Kohl’s employees and the company’s customers.

Despite the increasing pressures facing her company as a retailer with stand-alone stores, Gass maintains a warm demeanor and smiles frequently in her interactions with coworkers and other employees. She says that for her, the fundamental principles of

great leadership are “humanity, empathy, and being courageous.”

At a leadership conference in 2021, Gass described how she and her staff attempted to support staff at all levels at Kohl’s during difficult times over many months. The management staff attempted to lead by example to minimize burnout while working remotely. Finding innovative ways of communicating was another part of the support efforts. To communicate uncomfortable news to employees in the early days of the pandemic, Gass chose video meetings over email. She felt that she needed to be seen by store associates. Gass thought also that she needed to instill a sense of calm, confidence, and clarity. She didn’t have all the answers, but at least she could be a realist and highlight the progress the company was making.

To help retain the loyalty of store associates during the furlough, Kohl’s maintained health benefits and made sure employees had access to the Gass video messages. Gass wanted to share the optimism that the stores would reopen. She also wanted employees to know that Kohl’s would implement a program of curbside pickup, reflecting a new way of doing business.

As part of her concern for the human element, Gass has made equity a bigger priority at Kohl’s. She was able to promote a female into the chief financial officer job in 2019. She also brought in a woman of color to lead the company strategy efforts. Gass created a task force that she chairs to facilitate diversity, including doubling the pool of culturally diverse vendors.

Gass believes that in moments of chaos and crisis, leaders need to be transparent about the challenges they face and optimistic about the ability to overcome them. She said that during the pandemic she attempted to connect with store associates. She explained her thinking in relation to big decisions so the employees would feel involved and informed. Gass says that everything about running a business in calm or turbulent waters is about making progress. “Especially in times of crisis or challenge, progress is always made by balancing decisive action with agility,” she says.

Gass encourages remote Kohl’s workers to attain a work and personal life balance. The management staff checks in frequently with remote workers and conducts listening sessions. Gass believes that Kohl’s has an empathetic culture, and she wants company leaders at all levels to display empathy.

Gass emphasizes that as an organization Kohl’s has been fostering a more courageous culture to prepare for the next era. As she looked forward to the year

(Continued)

ORGANIZATIONAL BEHAVIOR IN ACTION

Michelle Gass, the Kohl's CEO Who Combines Functional Skills with a Human Touch (*Continued*)

ahead and beyond, Gass was committed to ensuring that the company brings the new and evolved innovative spirit forward. She says that one of the things she enjoys most about being a CEO is seeing associates at all levels rise to meet challenges and do things they never thought possible.

After graduating in 1990 from the Worcester Polytechnic Institute with a BS in chemical engineering, Gass decided to specialize in marketing. She received an MBA from the school of business at the University of Washington, followed by more than five years of marketing experience at Procter & Gamble.

QUESTIONS

1. What evidence that Michelle Gass combines functional (discipline-related) skills with a human touch is provided in this description?

2. What about Gass's approach to dealing with the pandemic crisis suggested that she has good skills in dealing with people?
3. Relying on whatever current information you can quickly gather, how successful has Gass been as the CEO of Kohl's?

Source: Original case created from information in the following sources: Ellie Austin, "The Lessons Kohl's CEO Learned in the Pandemic," *The Wall Street Journal*, February 1, 2021, p. A11; Michelle Gass, "It's a Privilege to Lead During This Uncertain Time and Pull the Lessons Forward," *LinkedIn* (www.linkedin.com), January 28, 2021, pp. 1–4; Sajal Kohli, "Michelle Gass of Kohl's on Shifting from Survival to Growth," *McKinsey & Company* (www.mckinsey.com), July 26, 2021, pp. 1–10; Suzanne Kapner, "Kohl's Chooses Marketer as Next Chief Executive," *The Wall Street Journal*, September 17, 2017, p. B12; Natalie Zmuda, "Starbucks Exec Michelle Gass Jumps to Kohl's as Chief Customer Officer," <http://adage.com>, May 23, 2013, pp. 1–4.

Organizational-behavior knowledge also refines common sense by challenging you to reexamine generally accepted ideas that may be only partially true. One such idea is that inactivity is an effective way to reduce stress from a hectic schedule. In reality, some hard-driving people find inactivity more stressful than activity. For them, lying on a beach for a week might trigger intense chest pains. For these people, diversionary physical activity—such as doing yard work—is more relaxing than inactivity.

If you study organizational behavior, you might become sensitized to the contribution of **evidence-based management**, or using research evidence to help make management decisions. The goal of evidence-based management is to improve the quality and decisions and therefore further human progress.¹⁵ The Center for Evidence-Based Management points to four sources of evidence that should be considered, along with the quality of the evidence, when making a decision:

- Findings from empirical (data-based) studies published in academic journals
- Data, facts, and figures gathered from within the organization in which the decision maker is working
- The experience and judgment of managers, professionals, and other practitioners
- The values and concerns of the stakeholders (people involved with the organization) who may be affected by the decision¹⁶

Research and case-history evidence might be available for some types of decisions, but not all. The careful student of organizational behavior would look to see what evidence was available before making a decision. A relevant example is the movement toward employee engagement, or commitment to the work and company, as a way of enhancing organizational effectiveness. Some people regard employee engagement as a fad, yet evidence from hundreds of companies and over 60,000 employees indicates that employee engagement enhances organizational performance.¹⁷

An important caution about using evidence-based management is that you should not be frozen from making a decision just because relevant research on the topic is not available.¹⁸ For example, a business owner might have the intuition that offering paternity leave to the men in his organization would boost employee loyalty and morale. He should make his decision now even if he cannot locate empirical research or other relevant data on this potential benefit of paternity leave.

evidence-based management
Using research evidence to help make management decisions.

A Brief History of Organizational Behavior

The history of organizational behavior is rooted in the **behavioral approach to management**, or the belief that specific attention to workers' needs creates greater satisfaction and productivity. In contrast to the largely technical emphasis of scientific management, a common theme of the behavioral approach is the need to focus on people. The behavioral approach to management was heavily influenced by the work of psychologists and their study of individuals in the workplace. Furthermore, the fields of organizational psychology and organizational behavior resemble each other quite closely.

Scientific management did not ignore people altogether, and in some ways it contributed to organizational behavior. For example, scientific management heavily emphasized financial incentives to increase productivity, yet the general thrust centered on performing work in a highly efficient manner.

Organizational behavior is also heavily influenced by social psychology, as well as sociology, the study of group behavior, organizational structure, diversity, and culture. In addition, the insights of cultural anthropologists contribute to an understanding of organizational culture (the values and customs of a firm), and they have been hired occasionally to help companies cultivate the right organizational culture. Organizational behavior also gains insights from political science by understanding the distribution of power in organizations.

Seven key developments in the history of organizational behavior are the classical approach to management, the Hawthorne studies, the human relations movement, the contingency approach to management and leadership, positive organizational behavior, the Internet and social media era, and the application of artificial intelligence (AI) and Big Data. The emergence of the new-age workplace might be considered the eighth key development.

The Classical Approach to Management

The study of management became more systematized and formalized as a by-product of the Industrial Revolution that took place from the 1700s through the 1900s. Managing these factories created the need for systems that could deal with large numbers of people performing repetitive work. The classical approach to management encompassed scientific management and administrative management and contributed some insights into understanding workplace behavior.

The focus of **scientific management** was the application of scientific methods to increase an individual worker's productivity. An example would be assembling a lawn mower with the least number of wasted motions and steps. Frederick W. Taylor, considered the father of scientific management, was an engineer by background. He used scientific analysis and experiments to increase worker output. A key part of his system was to convert individuals into the equivalent of machine parts by assigning them specific, repetitive tasks.

Taylor tackled the dilemma of management wanting to maximize profits, and workers wanting to maximize possible wages. Disputes between management and labor centered on what each side saw as incompatible goals. Taylor believed that his system of scientific management could help both sides attain their goals, providing each would undergo a "mental revolution." Each side had to conquer its antagonistic view of the other. Taylor believed that management and labor should regard profit as the result of cooperation between the two parties. Management and labor each needed the other to attain their goals.¹⁹ Scientific management is based on four principles, all of which direct behavior in the workplace.²⁰

- Careful study of the jobs to develop standard work practices, with standardization of the tools workers use in their jobs
- Selection of each worker using scientific principles of personnel (human resources) selection

LEARNING OBJECTIVE 4

Explain key events in the history of organizational behavior.

behavioral approach to management The belief that specific attention to the workers' needs creates greater satisfaction and productivity.

scientific management The application of scientific methods to increase worker's productivity.

- Obtaining cooperation between management and workers to ensure that work is accomplished according to standard procedures
- Plans and task assignments developed by managers that workers should carry out

According to these principles of scientific management, there is a division of work between managers and workers. Managers plan and design work, assign tasks, set performance goals, and make time schedules. Managers also select and train workers to do the tasks according to standard procedures, and give the workers feedback about their performance. Workers are rewarded with financial incentives when they increase their productivity.²¹

administrative management A school of management thought concerned primarily with how organizations should be structured and managed.

Administrative management was concerned primarily with the management and structure of organizations. The French businessman Henri Fayol and the German scholar Max Weber were the main contributors to administrative management. Based on his practical experience, Fayol developed 14 management principles through which management engaged in planning, organizing, commanding, coordinating, and controlling. Weber suggested that bureaucracy is the best form or organization because it makes highly efficient management practices possible.

The core of management knowledge lies within the classical school. Its key contributions come from studying management from the framework of planning, organizing, leading, and controlling. The major strength of the classical school was providing a systematic way of measuring people and work that still exists in some form today. For example, United Parcel Service (UPS) carefully measures the output and work approaches of the delivery workers. The major limitation of the classical school is that it sometimes ignores differences among people and situations. In addition, some of the classical principles for developing an organization are not well suited to fast-changing situations.

The Hawthorne Studies

Many scholars pinpoint the Hawthorne studies (1923–1933) as the true beginning of the behavioral approach to management.²² Without the insights gleaned from these studies, organizational behavior might not have emerged as a discipline. The purpose of the first study conducted at the Hawthorne plant of Western Electric (an AT&T subsidiary) was to determine the effect of changes in lighting on productivity. In this study, workers were divided into an experimental group and a control group. Lighting conditions for the experimental group varied in intensity from 24 to 46 to 70 foot-candles. The lighting for the control group remained constant.

As expected, the experimental group's output increased with each increase in light intensity. But unexpectedly, the performance of the control group also changed. The production of the control group increased at about the same rate as that of the experimental

group. Later, the lighting in the experimental group's work area was reduced. This group's output continued to increase, as did that of the control group. A decline in the productivity of the control group finally did occur, but only when the intensity of the light was roughly the same as moonlight. Clearly, the researchers reasoned, something other than illumination caused the changes in productivity.

The relay assembly test room produced similar results over a 6-year period. In this case, relationships among rest, fatigue, and productivity were examined. First, normal productivity was established with no formal rest periods and a 48-hour week. Rest periods of varying length and frequency were then introduced. Productivity increased as the frequency and length of rest periods increased. Finally, the original conditions were reinstated. The return to the original conditions,



Kyryk Ivan/Shutterstock

The Hawthorne studies emphasized the climate of the work group.

however, did not result in the expected productivity drop. Instead, productivity remained at its usual high level.

One interpretation of these results was that the workers involved in the experiment enjoyed being the center of attention. Workers reacted positively because management cared about them. The phenomenon is referred to as the **Hawthorne effect**—the tendency of people to behave differently when they receive attention because they respond to the demands of the situation. In a research setting, this could mean that the people in an experimental group perform better simply because they are participating in an experiment. In a work setting, this could mean that employees perform better when they are part of any program—whether or not that program is valuable.

The Hawthorne studies also produced other findings that served as the foundation for the human relations movement. Although many of these findings may seem obvious today, documenting them reinforced what many managers believed to be true. Key findings included the following:

1. Economic incentives are less potent than generally believed in influencing workers to achieve high levels of output.
2. Dealing with human problems is complicated and challenging.
3. Leadership practices and work-group pressures profoundly influence employee satisfaction and performance.
4. Personal problems can strongly influence worker productivity.
5. Effective communication with workers is critical to managerial success.
6. Any factor influencing employee behavior is embedded in a social system. For instance, to understand the impact of pay on performance, you have to understand the climate in the work group and the leadership style of the manager. Furthermore, work groups provide mutual support and may resist management schemes to increase output.

Despite the contributions of the Hawthorne studies, they have been criticized as lacking scientific rigor and being seriously flawed.²³ The most interesting criticism contends that the workers in the control group were receiving feedback on their performance. Simultaneously, they were being paid more as they produced more. The dual impact of feedback and differential rewards produced the surprising results—not the Hawthorne effect.²⁴

The Human Relations Movement

The **human relations movement** is based on the belief that there is an important link between managerial practices, morale, and productivity. Workers bring various social needs to the job. In performing their jobs, workers typically become members of several work groups. Often these groups provide satisfaction of some of the workers' needs. Satisfied workers, it was argued, would be more productive workers. The challenge for managers was to recognize workers' needs and the powerful influence that work groups can have on individual and organizational productivity.

A second major theme of the human relations movement is a strong belief in workers' capabilities. Given the proper working environment, virtually all workers would be highly productive. Significant amounts of cooperation between workers and managers prove critical to achieving high levels of productivity. A cornerstone of the human relations movement is Douglas McGregor's analysis of the assumptions managers make about human nature, delineated in two theories.²⁵ Theory X is a set of traditional assumptions about people. Managers who hold these assumptions are pessimistic about workers' capabilities. They believe that people dislike work, seek to avoid responsibility, are not ambitious, and must be supervised closely. McGregor urged managers to challenge these assumptions about human nature because they may be untrue in most circumstances.

Theory Y is an alternative, and optimistic, set of assumptions. These assumptions include the idea that people do accept responsibility, can exercise self-control, have the capacity to innovate, and consider work to be as natural as rest or play. McGregor argued that these assumptions accurately describe human nature in far more situations than most

Hawthorne effect The tendency of people to behave differently when they receive attention because they respond to the demands of the situation.

human relations movement An approach to dealing with workers based on the belief that there is an important link among managerial practices, morale, and productivity.

managers believe. He therefore proposed that these assumptions should guide managerial practice.

A large chunk of organizational behavior stems from the human relations movement. However, organizational behavior is more research-oriented than human relations and also develops more theories.

The Contingency Approach

Beginning in the early 1960s, organizational-behavior specialists emphasized the difficulties in finding universal principles of managing people that can be applied in all situations. To make effective use of knowledge about human behavior, one must understand which factors in a particular situation are most influential.

The **contingency approach to management** emphasizes that there is no one best way to manage people or work. A method that leads to high productivity or morale in one situation may not achieve the same results in another. The contingency approach is derived from the study of leadership styles. Experienced managers and leaders know that not all workers respond in the exact same way to identical leadership initiatives. A recurring example is that well-motivated, competent team members require less supervision than those who are poorly motivated and less competent. In Chapter 11, we present more information about the contingency approach to leadership.

The strength of the contingency approach is that it encourages managers and professionals to examine individual and situational differences before deciding on a course of action. Its major problem is that it is often used as an excuse for not acquiring formal knowledge about organizational behavior and management. If management depends on the situation, why study organizational behavior or management? The answer is that a formal study of organizational behavior or management helps a manager decide which factors are relevant in particular situations. In the leadership example just cited, the relevant factors are the skills and motivation of the group members.

Positive Organizational Behavior

Another movement in organizational behavior is a focus on what is right with people. The human relations movement was a start in this direction. However, the movement toward focusing on strengths rather than weaknesses stems directly from *positive psychology*, with its emphasis on what is right with people, such as love, work, and play. Fred Luthans defines **positive organizational behavior** as the study and application of human resource strengths and psychological capacities that can be measured, developed, and managed for performance improvement.²⁶

The criteria of being measurable and developmental are significant because they separate positive organizational behavior from simply giving pep talks and inspirational speeches to employees. An example would be the concept of *self-efficacy*, or having confidence in performing a specific task. A worker might be asked how confident he or she is to perform a difficult task, such as evaluating the risk of a particular investment. If the worker's self-efficacy is not strong enough, additional experience and training might enhance the person's self-efficacy.

An everyday application of positive organizational behavior would be for a manager to focus on employee strengths rather than weaknesses. It is well accepted that encouraging a worker to emphasize strengths will lead to much more performance improvement than attempting to patch weaknesses. Assume that a person is talented in interpersonal relationships but weak in quantitative analysis. This person is likely to be more productive by further developing strengths in a position calling for relationship building. The less productive approach would be overcoming the weakness in quantitative analysis and attempting to become a financial specialist. (The point here is not that working on weakness is fruitless, but that capitalizing on strengths has a bigger potential payoff.)

In general, positive organizational behavior focuses on developing human strengths, making people more resilient, and cultivating extraordinary individuals, work units, and

contingency approach to management The viewpoint that there is no one best way to manage people or work but that the best way depends on certain situational factors.

positive organizational behavior The study and application of human resource strengths and psychological capacities that can be measured, developed, and managed for performance improvement.

organizations. All of this is accomplished by careful attention to well-developed principles and research, rather than simply cheering people on.

The Internet and Social Media Era

As with every other field, how people behave in organizations has been affected by the Internet, including social networks. Rather than being a new approach to organizational behavior, these modern developments in communication technology are incorporated into the work activities of the vast majority of workers at all levels in the organization. Rare exceptions do exist with respect to workers who do not have to use the Internet to accomplish their tasks. Among them are shoe shiners, street food vendors, hotel housekeepers, and circus clowns. Following are three of hundreds of possible examples of how the Internet and social media influence organizational behavior:

- Workers communicate and collaborate with each other through company social media networks, as well as public networks such as Facebook, Twitter, and Instagram.
- Team leaders motivate subordinates by sending them electronic messages in place of face-to-face meetings.
- Executives enhance their development of business strategy by gathering input from hundreds of company insiders and outsiders via a website dedicated for the purpose.

The focus of our approach in this book as to how the Internet and social media affect organizational behavior will be in Chapter 8 about interpersonal communications.

The Application of Artificial Intelligence (AI) and Big Data

Organizational behavior has made heavy use of quantitative methods and statistics for more than 40 years. As with most fields, the application of artificial intelligence and Big Data has advanced the use of quantitative analysis in organizational behavior. **Artificial intelligence (AI)** is the ability of a computer program or machine to think and learn in a manner that emulates human intelligence. AI is widely used to make more effective use of social media, such as targeting advertising to a person's unique profile of interests as revealed by previous clicks on shopping sites or news feeds. (The application of AI and Big Data to decision making will be discussed in Chapter 5.)

artificial intelligence (AI) The ability of a computer program or machine to think and learn in a manner that emulates human intelligence.

Using artificial intelligence, an organizational behavior researcher could uncover useful information that might not have been uncovered by other methods of data collection. AI can be useful to managers and other professionals because it sometimes leads to insights about organizational behavior that are useful in managing and dealing with people.

A specific example of the use of AI in organizational behavior was prompted by back-to-work issues following the COVID-19 pandemic. For COVID, as with most viruses, it is helpful to manage the proximity of interaction among people, such as on office building elevators. Adam Stanley, the chief information officer at the commercial real-estate services company Cushman & Wakefield PLC, said that many companies are approaching back-to-work issues by leveraging software powered by artificial intelligence. He said, "They are also increasingly likely to adopt a hybrid model that splits employee's time between in-person and remote, along with a greater reliance on the role of satellite offices."²⁷

Another link between artificial intelligence and organizational behavior is in the area of job design. AI can sometimes be used to take over more routine tasks, enabling employees to tackle more complex tasks.²⁸ For example, AI might take over inventory audits in a supermarket, enabling store associates to spend more time interacting with customers.



Big Data Enormous amounts of data businesses generate that have the potential of being mined for information.

new-age workplace Human-friendly spaces that accommodate both the digitalization of work and an emphasis on collaboration.

LEARNING OBJECTIVE 5

Understand how a person develops organizational-behavior skills.

The key role of AI in organizational behavior is to produce vast amounts of data of potential use in decision making. **Big Data** are enormous amounts of data businesses generate that have the potential of being mined for information. It might be uncovered, for example, that job candidates who are brand loyal as revealed through their social media searches also tend to be loyal employees.

The New-Age Workplace

The **new-age workplace** refers to human-friendly spaces that accommodate both the digitalization of work and an emphasis on collaboration. Many of the demands for the new-age workplace come from millennials and other workers who have a strong desire for cooperation and teamwork. (The theme of collaboration is mentioned at various places in this book, and teamwork is explored in depth in Chapter 10.)

Advanced smart-building technologies enable workers to customize workspaces to their own needs and preferences, such as managing temperature, lighting, and even background music. Companies are also creating workspaces that encourage collaboration and team spirit, such as club rooms, meeting rooms that are warm and engaging, lounges, and whiteboard areas. Individual desks are still found widely, but they are often supplemented by tables for group seating in open-office plans. The freedom to work from remote locations is also part of the new-age workplace, even if not a new development.²⁹

The physical aspects of the new-age workplace are tangible, but the intangible aspects are perhaps of greater significance. An emphasis on shared decision making, collaboration, and respecting the values of young and old, along with a more culturally diverse group of employees, are also an integral part of the new-age workplace.

Skill Development in Organizational Behavior

Developing skill in organizational behavior means learning to work effectively with individuals, groups, and organizational forces. The greater one's responsibility, the more one is expected to work well at these three levels. Developing most organizational-behavior skills is more complex than developing a structured skill such as conducting a physical inventory or downloading an app for a mobile device. Nevertheless, you can develop organizational-behavior skills by reading this textbook and doing the exercises. The book follows a general learning model:

1. *Conceptual knowledge and behavioral guidelines.* Each chapter in this book presents research-based information about organizational behavior, including a section titled Implications for Managerial Practice.
2. *Conceptual information and examples.* These include brief descriptions of organizational behavior in action, generally featuring managers and leaders.
3. *Experiential exercises.* The book provides an opportunity for practice and personalization through cases and self-assessment exercises. Self-quizzes are included because they are an effective method of helping you personalize the information, assisting you in linking conceptual information to your own situation. For example, you will read about creative problem solving and also complete a quiz about creativity.
4. *Feedback on skill utilization, or performance, from others.* Feedback exercises appear at several places in the book. Implementing organizational-behavior skills outside the classroom will provide additional opportunities for feedback.
5. *Frequent practice.* Readers who look for opportunities to practice organizational-behavior skills outside the classroom will acquire skills more quickly. An important example is the development of creative thinking skills. The person who looks for imaginative solutions to problems regularly is much more likely to become a more creative thinker and be ready to think creatively at a given moment. Contrast this with the individual who participates in a creative-thinking exercise once, and then attempts the skill a year later when the need is urgent. As in any field, frequently practicing a skill the right way leads to skill improvement.



FIGURE 1-1 A Model for Developing Organizational-Behavior Skills

Organizational-behavior skills can be developed by using a systematic approach.

As you work through the book, keep the five-part learning model in mind. To help visualize this basic learning model, refer to Figure 1-1.

Developing organizational-behavior skills is also important because it contributes to your lifelong learning. A major theme of the modern organization is that to stay competitive, a worker has to keep learning and developing. A relevant example is that as work organizations have become more culturally diverse, it is important to keep developing one's skills in working effectively with people from different cultures. Working effectively with people from other cultures includes being *inclusive*, or welcoming people from cultural groups different from your own.

A Framework for Studying Organizational Behavior

A challenge in studying organizational behavior is that it lacks the clear-cut boundaries of subjects such as cell biology or Italian. Some writers in the field consider organizational behavior to be the entire practice of management. Others focus organizational behavior much more on the human element and its interplay with the total organization. Such is the orientation of this textbook. Figure 1-2 presents a basic framework for studying

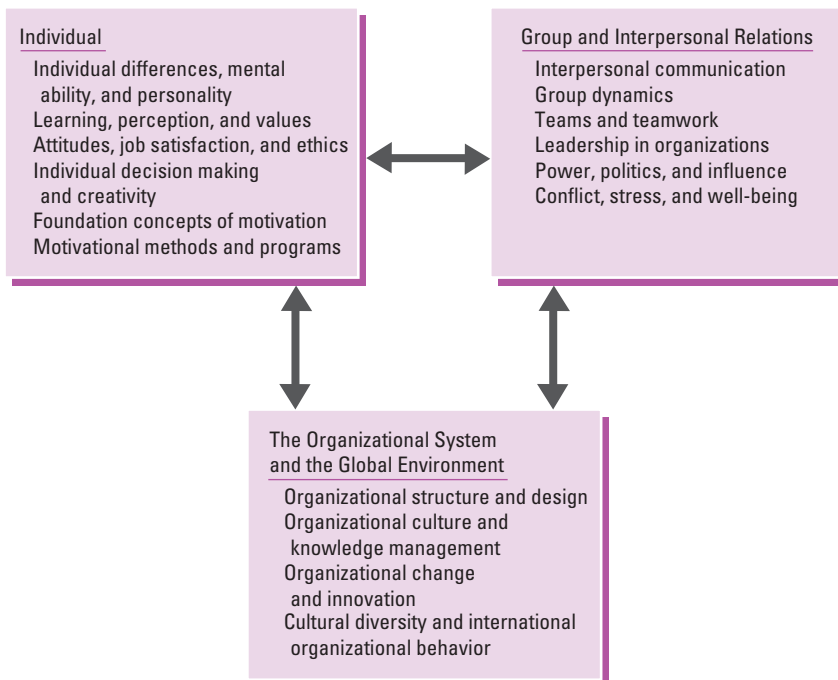


FIGURE 1-2 A Framework for Studying Organizational Behavior

To better understand organizational behavior, recognize that behavior at the individual, group, and organizational system, and global environmental levels are linked to one another.

organizational behavior. The framework is simultaneously a listing of the contents of Chapters 2 through 17.

Proceeding from left to right, the foundation of organizational behavior is the study of individual behavior, presented in Chapters 2 through 7. No group or organization is so powerful that the qualities of individual members do not count. Visualize a famous athletic team with a winning history. Many fans contend that the spirit and tradition of the team, rather than individual capabilities, carry it through to victories against tough opponents. Yet if the team has a couple of poor recruiting years or loses a key coach, it may lose more frequently.

Key factors in understanding how individuals function include individual differences, mental ability and personality, learning, perception, attitudes, values, attribution, and ethics. It is also important to understand individual decision making, creativity, foundation concepts of motivation, and motivational programs.

As suggested by the arrows in Figure 1-2, the various levels of study are interconnected. Understanding how individuals behave contributes to an understanding of groups and interpersonal relations, the second level of the framework. This will be studied in Chapters 8 through 13. The topics include communication, group dynamics (how groups operate), teams and teamwork, and leadership. Although leadership relates directly to interpersonal relationships, top-level leaders are also concerned with influencing the entire organization. The study of power, politics, and influence is closely related to leadership. Conflict, stress, and well-being might be classified at the individual level, yet these processes are heavily dependent on interaction with others.

Finally, the third level of analysis in the study of organizational behavior is the organizational system and the global environment, as presented in Chapters 14 through 17. Components of the organizational and environmental level studied here include organizational structure and design, organizational culture, organizational change and knowledge management, cultural diversity, and international (or cross-cultural) organizational behavior. Cultural diversity and international organizational behavior could just as well have been studied before the other topics. Our position, however, is that everything else a person learns about organizational behavior contributes to an understanding of cross-cultural relations in organizations. For example, a useful interpretation of the popular word *equity* is that it refers to giving people an equal opportunity to capitalize on their capabilities. Understanding the components of human capabilities, as described in Chapter 2, will assist in helping workers make better use of their talents.

The connecting arrows in Figure 1-2 emphasize the interrelatedness of processes and topics at the three levels. Motivation provides a clear example. A person's motivational level is dependent on the person's individual makeup as well as work-group influences and the organizational culture. Some work groups and organizational cultures energize new members because of their highly charged atmospheres. The arrows also run in the other direction. Highly motivated workers, for example, improve work-group performance, contribute to effective interpersonal relationships, and enhance the organizational culture.

The influence of organizational-behavior factors may extend beyond the organization and lead to the firm's competitive advantage.³⁰ For example, the strongly talented individuals, high-performing teams, and high-performance culture that characterize Apple Inc. enhance its worldwide competitiveness.

Implications for Managerial Practice

Each of the following chapters includes a brief section explaining how managers and professionals can use selected information to enhance managerial practice. Our first lesson is the most comprehensive and perhaps the most important: Managers should raise their level of awareness about the availability of organizational behavior information.

Before making decisions in dealing with people in a given situation, pause to search for systematic information about people and organizations. For example, if you need to resolve conflict, first review information about conflict resolution, such as that presented in Chapter 13. The payoff could be improved management of conflict.

Another key implication from this chapter is to search for strengths and talents in others and yourself, and then capitalize on these strengths as a way of improving organizational and individual effectiveness. Weaknesses should not be ignored, but capitalizing on strengths has a bigger potential payoff.

Summary of Key Points

1. *Explain what organizational behavior means.* Organizational behavior is the study of human behavior in the workplace, the interaction between people and the organization, and the organization itself. Organizational behavior relates to the process, rather than the content, of managerial work.
2. *Summarize the research methods of organizational behavior.* Three frequently used methods of collecting data on organizational behavior are surveys (typically questionnaires), interviews, and direct observation of behavior. Four widely used research methods are case studies, laboratory experiments, field experiments, and meta-analysis. Natural experiments are important but less frequently used in organizational behavior. The essence of conducting an experiment is to make sure that the independent variable influences the results. Another way to classify research methods is whether they are quantitative or qualitative. Quantitative research is said to be about careful preparation and faithful execution of the plan laid out in the beginning; qualitative research is about exploring ideas.
3. *Identify the potential advantages of organizational-behavior knowledge.* Knowledge about organizational behavior offers four key advantages: interpersonal skill development, personal growth, the enhancement of organizational and personal effectiveness, and sharpening and refinement of common sense. Emphasizing the human factor increases productivity and gives a firm a competitive advantage. If you study organizational behavior, you might become more sensitized to the contribution of evidence-based management, or using research evidence to help make management decisions.
4. *Explain key events in the history of organizational behavior.* The history of organizational behavior parallels the behavioral approach to management, including contributions from classical management. The classical approach to management encompasses both scientific and administrative management, and con-

tributes some insights into understanding workplace behavior. The behavioral approach formally began with the Hawthorne studies. Among the major implications of these studies were that leadership practices and work-group pressures profoundly influence employee satisfaction and performance.

The human relations movement and the contingency approach to management are also key developments in the history of organizational behavior. The human relations movement was based on the belief that there is an important link among managerial practices, morale, and productivity. Analysis of Theory X versus Theory Y (pessimistic versus optimistic assumptions about people) is a key aspect of the movement. The contingency approach emphasizes taking into account individual and situational differences in managing people.

Another movement in the field is positive organizational behavior, which focuses on measurable human resource strengths and capacities. The Internet and social media era have influenced behavior in organizations because they are incorporated into the work activities of the vast majority of workers at all levels in the organization. Artificial intelligence and Big Data have a growing number of applications in organizational behavior. The new-age workplace emphasizes collaboration and responding to the needs of millennials.

5. *Understand how a person develops organizational-behavior skills.* Organizational-behavior skills can be developed by following a general learning model that includes the use of conceptual knowledge and behavioral guidelines, experiential exercises, feedback on skill utilization, and frequent practice. The framework for studying organizational behavior in this textbook emphasizes the interconnectedness of three levels of information: individuals, groups and interpersonal relations, and the organizational system and the global environment.

Key Terms and Phrases

organizational behavior, p. 5	scientific management, p. 13	positive organizational behavior, p. 16
meta-analysis, p. 7	administrative management, p. 14	artificial intelligence (AI), p. 17
organizational effectiveness, p. 9	Hawthorne effect, p. 15	Big Data, p. 18
evidence-based management, p. 12	human relations movement, p. 15	new-age workplace, p. 18
behavioral approach to management, p. 13	contingency approach to management, p. 16	

Discussion Questions and Activities

1. How might it be possible for a worker to not interact frequently with coworkers, yet still be a superior performer?
2. The term *belly-to-belly interview* used to be popular in market research. Why might this approach to data collection still be useful?
3. Identify any error you can think of made by a politician or business executive that the person might have avoided with a better knowledge of organizational behavior.
4. What does it mean to say that organizational behavior relates to the *process*—as opposed to the *content*—of a manager’s job?
5. Give a possible explanation why meta-analysis is considered so important in evaluating the effectiveness of prescription drugs.
6. Work by yourself, or form a small brainstorming group, to furnish an example from physical science in which common sense proves to be untrue.
7. How could a few principles of scientific management be applied to enhance the productivity of baristas at Starbucks?
8. How would you react if the company CEO or head of human resources made the following statement: “Based on the findings of artificial intelligence, for health reasons no more than five people can be on a company elevator at the same time”?
9. It has often been said, that the higher you go in terms of management responsibilities, the more important interpersonal skills become. Why might this be true?
10. Get together with a few classmates. Develop a list of strengths of group members that you think if further developed would be career assets, and explain why these strengths might be assets.

CASE PROBLEM: CEO Amanda Is Worried about Her Workforce

Amanda is the CEO of Magna Home, the home appliance division of a Chinese conglomerate. Her company, located in Texas, employs 2,500 workers. Magna Home continues to stay profitable, partially because several major home appliance makers have exited the business in recent years. Magna pays above-average wages in all job categories and also provides generous employee benefits.

When asked by a board member how well she thought the company was doing, Amanda made these comments: “I see a few positives. Our manufacturing, marketing, and sales are doing well. Our technology is outstanding, and we have fine-tuned our supply chain. Although we have high-quality employees, we have major workforce problems.”

The board member asked Amanda for more details. She said, “Our turnover is about 35 percent, which is way above average for the industry. Our absenteeism

and tardiness rates are pretty high. My impression is that few of our employees either purchase our appliances for their own use, or recommend our appliances to friends.

“Roberto, our chief human resources officer, and I have tried to figure out what the problems are with our workforce. We have interviewed a few supervisors as well as employees, but we don’t have any specific answers.

“Roberto thinks that some of our problems are simply reflections of the attitudes of today’s workforce. Quitting jobs is in style. Loads of workers don’t think they should have to work on company premises full time. Even some production workers think they can get some of their work done at home by using computer commands.”

“A major project for Roberto and me in the upcoming months is to get a good handle on the causes of our workforce problems. We could then fix the problem. Roberto has even suggested that we hire a workplace

behavior consultant to help us figure out what has gone wrong with our workforce.”

Case Questions

1. To what extent is Magna Home management facing a problem in organizational behavior?
2. Which two research methods of organizational behavior do you think would be the most helpful in uncovering the true nature of the workforce problems?
3. Why should Amanda and Roberto worry about the workforce problems if Magna Home is doing well financially?

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