1

WHAT IS ORGANIZATIONAL BEHAVIOR?

A CRISIS OF LEADERSHIP?

Recent polls conducted by the Gallup organization show that about 70% of people who hold full-time jobs in the United States either hate their jobs or have "mentally checked out."[1] This is a large impact considering that an estimated 100 million people work full-time in the United States. Workers who hate their jobs cost their organizations millions of dollars in low productivity. Even worse, many of the Gallup survey respondents reported actively engaging in destructive behavior by spreading their dissatisfaction throughout their organizations. One of the most important things the Gallup study found is that the source of dissatisfaction is not pay or the number of hours worked, however.

Most employees in Gallup's study reported that the reason for their disengagement from work was their boss. And this is not new. This study was a follow-up of an earlier study conducted from 2008 to 2010, which showed similar discontent with work and leaders. Why? Isn't there something that can be done to improve the well-being, motivation, and productivity of people at work? Is anyone working on addressing the concerns of the workforce? The answer is yes. There is a field of study called **organizational behavior** (or sometimes called OB for short) that studies the challenges leaders face in the workforce. Unfortunately, much of the knowledge that could help leaders improve the experience of work is tucked away in scientific journals that few managers have the time to read.

The goal of this book is to help you become an effective leader—not the kind of leader described in the Gallup poll that produces discontented workers. You can choose to be a leader who understands the fundamentals of OB—how to motivate followers, resolve conflicts, lead teams, and even help them manage stress during change. For example, effective communication is essential for leadership, and this is covered in Chapter 11. After reading this textbook, your approach to leading others will be grounded in the most important and current research conducted on organizations.

Learning Objectives

After studying this chapter, you should be able to do the following:

1.1. Define the concept of organizational behavior (OB).

1.2. List and give examples of the four sources of information used in evidence-based management (EBM).

1.3. Define critical thinking, and explain the critical thinking skills leaders need.

1.4. Describe the scientific method used in OB research.

1.5. Discuss four types of outcome variables studied in OB.

1.6. Compare the levels of analysis in OB research.

1.7. Develop plans for using OB research to improve employee job performance.

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WHAT IS ORGANIZATIONAL BEHAVIOR?

Learning Objective 1.1: Define the concept of organizational behavior (OB).

OB is defined as the study of individuals and their behaviors at work. It is an interdisciplinary and multilevel research area that draws from applied psychology, cultural anthropology, communication, and sociology. This textbook draws upon all of these areas with a focus on applied social psychology. Social psychologists study the behavior of individuals in groups, so it makes sense that the study of how leaders influence people and their OB is grounded in this field of psychology.

OB is a relatively young field in comparison to areas in the field of medicine—and even psychology from which it draws. There were management practices in place since the early 1900s with Frederick Taylor's approach to "scientific management," which was the study of how work could be designed to make production work (particularly assembly lines) more efficient.[2] Most scholars agree, however, that OB (in contrast to management) started with the Hawthorne studies (conducted between 1927 and 1932), which led to a focus on the role of human behavior in organizations. The Hawthorne studies were two studies conducted by Australian-born psychologist Elton Mayo at the Western Electric Company near Chicago.[3]

Mayo spent most of his career at Harvard University and was interested in how to increase productivity in assembly lines. The first study was designed to examine the effects of lighting in the plants on worker productivity. However, the research team had a surprise. Productivity *increased* rather than decreased even though the lights were being dimmed. Perplexed by this finding, the research team interviewed the workers and learned that the workers appreciated the attention of the research team and felt that they were receiving special treatment. And then productivity *declined* after the researchers left the plant. This has been called the **Hawthorne effect** and refers to positive responses in attitudes and performance when researchers pay attention to a particular group of workers.

The second Hawthorne study was designed to investigate a new incentive system. However, instead of the incentive system increasing workers' production, the social pressure from peers took over and had more impact on worker productivity. Workers formed into small groups and set informal standards for production, requiring coworkers to reduce their production so pay was more equal among the group members.

The Hawthorne researchers concluded that the human element in organizations was more important than previously thought, and they learned that workers want attention. This is still relevant today. For example, recent work demonstrates that when employers provide gifts to employees (termed *empathy wages*), it elicits feelings of gratitude from them.[4] The "human relations" movement followed the Hawthorne studies, and OB emerged as a distinct field of study in the 1950s. Today, OB researchers have PhDs from psychology departments (in the area of industrial and organizational psychology) and business schools. They teach from the research base on OB and conduct research that addresses important challenges facing organizational leaders today.

Applied Social Psychology

Applied social psychology is the study of how people interact in groups and addresses significant challenges facing leaders today. Trends such as the need to compete in a global marketplace, organizational restructuring, and rapid changes in technology have resulted in the need to lead through change. OB is an applied field of study aimed at problem solving for organizational leaders. For example, OB researchers study how stress affects employee well-being. Another example is how a leader's vision affects follower motivation and performance toward goals. A third example is how frustrations with one's boss might lead to an employee quitting the organization (this is called turnover). Low productivity and turnover cost organizations millions of dollars. Beyond the impact on costs, employee well-being is a major concern for forward-thinking organizations today. OB researchers develop guidelines that directly address such challenges. Based on research, leaders can make better decisions to make their organization more effective and better places to work. In sum, the goal of OB as a field is to improve the functioning of the organization and how employees experience their work.

From Theory to Practice

OB is an applied science, so first it is necessary to briefly review what science is all about. The goals of science—any science—are as follows:

1. **Description:** What does the process look like?
2. **Prediction:** Will the process occur again? And when?
3. **Explanation:** Why is this happening?
4. **Control:** Can we change whether or not this happens?

For example, the forecasting of toy sales during the holiday season is an important process for the planning of manufacturing runs. Marketers have an understanding of why children want a particular toy (in other words, a theory) and can describe the colors and features of the toy. This theory is also fairly high on explanation since scientists have some understanding of why children want a particular toy. Prediction is important since marketers need to project with some accuracy what the demand will be for their products. However, sales forecasts are not always accurate, resulting in stock shortages (remember Tickle Me Elmo?) or the production of too many toys that must be sold at discounts. In this example, the science is moderate for prediction. For control, one could say that the science is low because there are many reasons why a toy may not sell that are outside of the organization's control (e.g., a better product from a competitor suddenly appearing on the market). This example illustrates why theories are so important to science. The better the initial understanding of why children want a toy, the better the marketing research department should be able to predict the demand for it. Theories are also important to OB as a science since theory is translated into leadership practice and this will be discussed next.

The phrase "there is nothing as practical as a good theory" has been attributed to social psychologist Kurt Lewin. Theories build upon prior research and extend into new areas of importance to leaders. A researcher generates hypotheses about human behavior in organizations and then gathers data to test it. Research eliminates the guesswork about what will work (or not work), and this helps leaders solve the problems they face every day. The ability to translate research to practice has been termed **evidence-based management (EBM)**.

Leader's "Fatal Flaws"

A recent survey of 545 senior managers was conducted to understand the most common areas of weakness of senior managers. The managers were given 360 assessments to determine their skill across 16 different attributes essential to leadership effectiveness. The results highlighted some of the most common weaknesses among poorly rated senior managers (the 96 managers with the lowest performance ratings), as illustrated in the chart below. OB addresses many of the flaws identified in this survey. For example, research on mentoring and coaching addresses the number 1 flaw that leaders don't develop others effectively. In Chapter 10 of this textbook, you will learn how to resolve conflict collaboratively in teams (the second fatal flaw). In the next chapter on leadership (Chapter 2), you will learn about theories of leadership that inspire and motivate others, as well as on how to build effective leader–member relationships. This textbook will review theory and research in OB that addresses these fatal flaws, which are mostly related to interpersonal skills rather than technical ones.

Senior Managers' Fatal Flaws

Percentage of Leaders With This Fatal Flaw

Source: http://www.georgeambler.com/the-leadership-flaws-of-senior-managers.

Discussion Questions:

1. Why do you think "develops others" is the number 1 area of weakness for senior managers? What can be done to address this?

2. Over 30% of the leaders in this study had "practices self-development" as a fatal flaw. What can you do to develop your own leadership skills?

EVIDENCE-BASED MANAGEMENT

Learning Objective 1.2: List and give examples of the four sources of information used in evidence-based management (EBM).

Proving
Management
Matters

The term *evidence-based* was originally employed in the field of medicine to guide how doctors make decisions regarding patient care. EBM improves a leader's decisions by disciplined application of the most relevant and current scientific evidence. Although many definitions of EBM are available, this is the most frequently quoted and widely used:[5] EBM means making decisions about the management of employees, teams, or organizations through the conscientious, explicit, and judicious use of four sources of information:

1. **The best available scientific evidence**—for example, research published on OB
2. **The best available organizational evidence**—for example, interviews or surveys completed by people in an organization
3. **The best available experiential evidence**—for example, the intuition of the leader and his or her expert opinions
4. **Organizational values and stakeholders' concerns**—for example, stock price or groups that focus on whether the organization employs environmentally friendly practices

How can a leader use these sources of evidence to make better decisions? The following standards may be applied by leaders using EBM to ask questions and challenge their thinking about their organizations:[6]

1. **Stop treating old ideas as if they were brand new.** This has resulted in a cynical workforce that may view innovations from leaders as short-term fads (e.g., positive changes such as total quality management, teams, and engagement). Progress cannot be made by treating old ideas as new ones; cynicism could be reduced by presenting ideas that have been able to "stand the test of time" as best practices rather than new ideas.
2. **Be suspicious of "breakthrough" studies and ideas.** Question whether some new ideas in management are really breakthroughs, and be wary of claims about new management principles that may be either overstated or understated.[7]
3. **Develop and celebrate collective brilliance.**[8] In theory, a diverse collection of independent decision makers (although not expert) makes better predictions on the average compared to an expert decision maker. In a sense, this is how a Google search operates. Each click on a link serves as a "vote" for the agreement of the search term with the link. While Google guards its algorithm for how they do this specifically, the number of click-throughs determines the order in which you see a website in your search results. Google is thus gathering the collective brilliance of Internet users. See the following box for another method that may be used to develop collective brilliance: the Delphi decision-making method.

Using the Delphi Method to Harness Collective Brilliance

The Delphi method is a systematic decision-making technique that employs a panel of independent experts. It was developed by the RAND Corporation in the 1950s for the U.S. Department of Defense as a decision-making tool. Here's how it works. Experts are given a proposal and complete an assessment of it over several rounds. These experts can be co-located, or they can be dispersed geographically and submit their ideas from anywhere in the world electronically. After each round, a facilitator provides an anonymous summary of the experts' predictions or problem solutions from the previous round as well as the rationale each expert provided. Participants are encouraged to revise their earlier solutions in light of the replies of other members of the group. Over time, the expert panel converges on the best solution or prediction. This technique allows a leader to gather information from a wide range of expert sources to make better decisions, thereby utilizing the wisdom of many (or collective brilliance).

Discussion Questions:

1. How should experts used in a Delphi decision-making process be selected? Would paying experts influence their participation in the process and/or the outcome?
2. To harness collective brilliance using Delphi, how many decision makers do you think should be invited to participate? In other words, is there a minimum number to gain a broad enough perspective? How many is too many?
3. Do you feel that this process is worth the time and effort to improve a decision? Why or why not?

Sources: Dalkey, N., & Helmer, O. (1963). An experimental application of the Delphi method to the use of experts. *Management Science, 9*(3), 458–467; Delbecq, A. L., Van de Ven, A. H., & Gustafson, D. H. (1975). *Group techniques for program planning: A guide to nominal group and Delphi processes.* Glenview, IL: Scott, Foresman; Hsu, C. C., & Sandford, B. A. (2007). The Delphi technique: Making sense of consensus. *Practical Assessment, Research & Evaluation, 12*(10), 1–8.

4. **Emphasize drawbacks as well as virtues.** An interesting example of this is the marketing of an energy drink called Cocaine. Cocaine contains three and a half times the amount of caffeine as Red Bull. It was pulled from U.S. shelves in 2007, after the FDA declared that its producers, Redux Beverages, were marketing their drink as an alternative to street drugs, and this was determined to be illegal. The FDA pointed to the drink's labeling and advertising, which included the statements "Speed in a Can" and "Cocaine—Instant Rush." Despite the controversy, Redux Beverages continued to produce and market the beverage in limited markets and online.[9]

5. **Use success (and failure) stories to illustrate sound practices but not in place of a valid research method.** For example, Circuit City went bankrupt in 2009 but was a "great company" in the now-classic book *Good to Great*. What happened to Circuit City? Alan Wurtzel, the former CEO and the son of the founder, saw the threats coming from Best Buy and Amazon in the early 2000s, and he knew the company was headed for decline. "After I left, my successors became very focused

on the bottom line—the profit margin," Wurtzel told a group at the University of Richmond. "They were too focused on Wall Street. That was the beginning of the end," said the former CEO as he recalled the rise and fall of the great company.[10] The lesson here is that no matter how great a company is, care must be taken not to simply copy what they do in today's changing business environment. There is no substitute for a careful analysis and diagnosis before embarking on a search for solutions.

6. **Adopt a neutral stance toward ideologies and theories.** An example of this is that most management "gurus" are from North America (e.g., Peter Drucker, Tom Peters, Ken Blanchard). This is not to say that their ideology isn't useful. However, in a global world, EBM demands that we question whether ideology developed in North America applies abroad. EBM would also suggest that we search for theories developed overseas to locate experts from other countries with important ideas.

In making important organizational decisions, the leader may include information gathered from one or all the four sources described previously in the definition of EBM. This can result in a lot of information. So how can a leader sort through it all and determine what is most relevant to the problem at hand? The answer lies in **critical thinking**, a process that has been developed for over 2,500 years, beginning with the ancient Greeks and the Socratic Method, which is the process of learning by questioning everything. Critical thinking skills are applied to sort through all of the information gathered and then prioritize it (and even discard evidence that appears to be invalid or irrelevant to the problem).

WHAT IS CRITICAL THINKING?

Learning Objective 1.3: Define critical thinking, and explain the critical thinking skills leaders need.

Critical thinking can be defined as follows: "Critical thinking calls for persistent effort to examine any belief or supposed form of knowledge in the light of evidence that supports it and the further conclusions to which it tends."[11] Critical thinking involves using justification; recognizing relationships; evaluating the credibility of sources; looking at reasons or evidence; drawing inferences; identifying alternatives, logical deductions, sequences, and order; and defending an idea. Critical thinking requires the decision maker in an organization to apply a complex skill set to solve the problem at hand. A set of guidelines for critical thinking is shown in Table 1.1.[12] Critical thinking is, in short, self-directed, self-disciplined, self-monitored, and self-corrective thinking. It requires rigorous standards of problem solving and a commitment to overcome the inclination to think that we have all of the answers.[13]

When it comes to asking questions, some of the best ideas come from a book by Ian Mitroff called *Smart Thinking for Crazy Times: The Art of Solving the Right Problems.*[14] Mitroff warns us about solving the wrong problems even though leaders solve them with great precision in organizations because they don't ask the right questions. He provides the following list of the basic questions facing all organizations (and ones we should be

Table 1.1   Critical Thinking Skills

No one always acts purely objectively and rationally. We connive for selfish interests. We gossip, boast, exaggerate, and equivocate. It is "only human" to wish to validate our prior knowledge, to vindicate our prior decisions, or to sustain our earlier beliefs. In the process of satisfying our ego, however, we can often deny ourselves intellectual growth and opportunity. We may not always want to apply critical thinking skills, but we should have those skills available to be employed when needed.

Critical thinking includes a complex combination of skills. Among the main characteristics are the following:

Skills	We are thinking critically when we do the following:
Rationality	• Rely on reason rather than emotion • Require evidence, ignore no known evidence, and follow evidence where it leads • Are concerned more with finding the best explanation than being right, analyzing apparent confusion, and asking questions
Self-Awareness	• Weigh the influences of motives and bias • Recognize our own assumptions, prejudices, biases, or point of view
Honesty	• Recognize emotional impulses, selfish motives, nefarious purposes, or other modes of self-deception
Open-Mindedness	• Evaluate all reasonable inferences • Consider a variety of possible viewpoints or perspectives • Remain open to alternative interpretations • Accept a new explanation, model, or paradigm because it explains the evidence better, is simpler, or has fewer inconsistencies or covers more data • Accept new priorities in response to a reevaluation of the evidence or reassessment of our real interests • Do not reject unpopular views out of hand
Discipline	• Are precise, meticulous, comprehensive, and exhaustive • Resist manipulation and irrational appeals • Avoid snap judgments
Judgment	• Recognize the relevance and/or merit of alternative assumptions and perspectives • Recognize the extent and weight of evidence
In sum:	• Critical thinkers are by nature skeptical. They approach texts with the same skepticism and suspicion as they approach spoken remarks. • Critical thinkers are active, not passive. They ask questions and analyze. They consciously apply tactics and strategies to uncover meaning or assure their understanding. • Critical thinkers do not take an egotistical view of the world. They are open to new ideas and perspectives. They are willing to challenge their beliefs and investigate competing evidence.

Critical thinking enables us to recognize a wide range of subjective analyses of otherwise objective data and to evaluate how well each analysis might meet our needs. Facts may be facts, but how we interpret them may vary.

By contrast, passive, noncritical thinkers take a simplistic view of the world. They see things in black and white, as either-or, rather than recognizing a variety of possible understanding. They see questions as yes or no with no subtleties, they fail to see linkages and complexities, and they fail to recognize related elements.

Source: Kurland (2000). Critical thinking skills (retrieved from: www.criticalreading.com).

asking frequently if we expect to gain buy-in from employees for the implementation of their solutions):

- What businesses are we in?
- What businesses should we be in?
- What is our mission?
- What should our mission be?
- Who are our prime customers?
- Who should our customers be?
- How should we react to a major crisis, especially if we are, or are perceived to be, at fault?
- How will the outside world perceive our actions?
- Will others perceive the situation as we do?
- Are our products and services ethical?

Critical Thinking Questions: Why does asking these questions improve employee buy-in for the implementation of plans? Are there other questions you feel are important to ask?

In OB, there is a systematic method to answer questions. As the field was developing, scholars adopted much of their methodological approach from the physical sciences to address problems and opportunities faced by organizational leaders.

THE SCIENTIFIC METHOD

Learning Objective 1.4: Describe the scientific method used in OB research.

How do OB researchers know what they know? As discussed earlier, it begins with a problem to solve. For example, a problem might be a leader's concern that only about 50% of their employees are satisfied with their work. First, the leader reviews the available knowledge on job satisfaction (i.e., the scientific evidence from EBM) and learns that the way that supervisors treat followers may improve job satisfaction.

Based on theory, the leader forms hypotheses, or predictions, regarding what might improve job satisfaction. An example of a hypothesis is "A leader's appreciation of workers' efforts will lead to increased job satisfaction." The next step is to collect observations from the organization. This might be, for example, through interviews with employees or surveys completed by employees. Once data are collected, the hypothesis is tested with statistical techniques.

The basic research process described previously is depicted in Figure 1.1. As noted in the introduction to this chapter, OB is an applied field, and this is underscored by the typical outcome variables that are studied. Researchers focus on outcomes that are of interest to leaders in organizations such as employee job satisfaction and productivity. Next, the types of outcomes typically studied in OB research will be reviewed.

Figure 1.1   The Scientific Method for Organizational Behavior
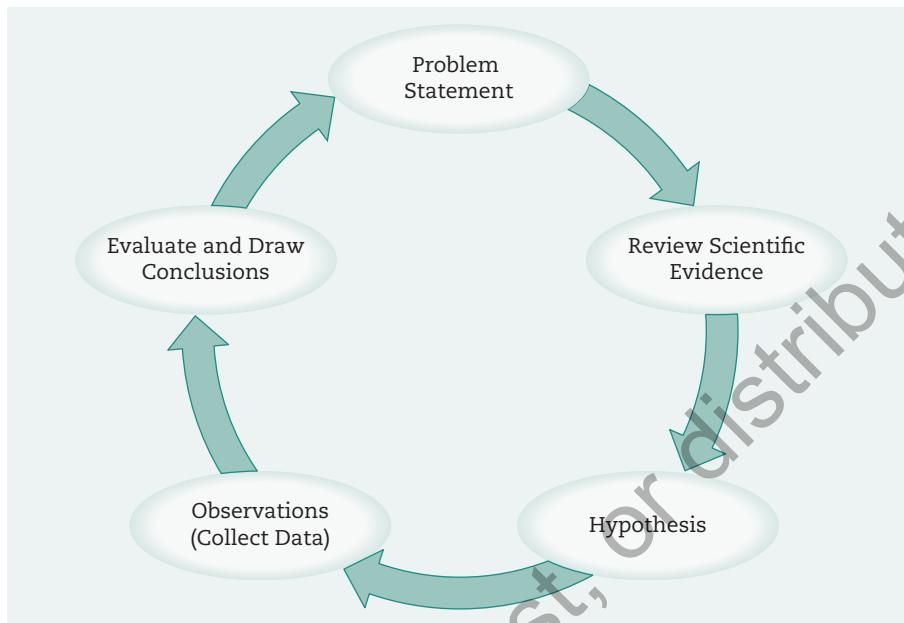
Source: Ashford, S. J., Blatt, R., & Vandewalle, D. (2003). Reflections on the looking glass: A review of research on feedback-seeking behavior in organizations. *Journal of Management*, *29*(6), 773–779. p. 775.

OUTCOME VARIABLES IN ORGANIZATIONAL BEHAVIOR

Learning Objective 1.5: Discuss four types of outcome variables studied in OB.

In the preceding example, leader appreciation of workers is the independent variable. Worker engagement is the dependent variable (i.e., it *depends* on the independent variable: leader appreciation). Since OB is an applied science, the outcome variables studied are typically variables that leaders are interested in improving. There are four broad groups of outcome variables studied: performance, work-related attitudes, motivation, and employee withdrawal.

Performance

Productivity (or **job performance)** is one of the most important outcomes in OB. Performance can be actual performance as collected in organizational records (e.g., the number of forms correctly processed in an insurance company) or it may be rated

Hawthorne Studies on Employee Performance

by supervisors and/or peers (e.g., the supervisor rates the follower's work quality on a scale of 1 to 7, with 1 being poor and 7 being outstanding). Organizational citizenship behavior (OCB) is the worker's willingness to go above and beyond what is required in their job descriptions to help others at work.[15,16] While OCB is an important outcome variable, it has also been shown that OCB predicts individual and organizational outcomes as well.[17]

Work-Related Attitudes

The measurement of work-related attitudes is an important aspect of OB research and job satisfaction has long been studied as an outcome variable. For example, there is a measure of **job satisfaction** dating back to 1935 that is still employed in organizational studies today: the Hoppock Job Satisfaction Blank shown in Table 1.2.[18] Another contemporary outcome variable that is gaining research attention is **employee engagement.**[19] Employee engagement can be defined "as a relatively enduring state of mind referring to the simultaneous investment of personal energies in the experience or performance of work".[20] In Chapter 4 of this book, you will learn more about these and other work attitudes and how they are studied in OB research.

Motivation

Classic views on motivation describe both **extrinsic** and **intrinsic motivation** as being equally important. Extrinsic motivation is based on the rewards from the organization's compensation system such as pay and bonuses. Intrinsic motivation, on the other hand, is related to the value of the work itself.[21] As with attitudes, motivation has been studied as an outcome variable but also as an independent variable that predicts productivity. **Prosocial motivation** is a new concept of motivation[22] that assesses the degree to which employees behave in a way that benefits society as a whole. You will learn more about motivation and rewards in Chapters 7 and 8 of this book.

Employee Withdrawal

As noted earlier, an employee quitting the organization is costly in terms of the money and time spent to recruit, hire, and train replacements. There is much research in OB on the reasons why employees think about quitting (**turnover intentions**) and actual **turnover.**[23] The availability of outside employment opportunities is a factor, but thoughts of quitting may be related to other outcomes such as lower job satisfaction and engagement. And if the economy improves and the job market improves with it, workers may eventually leave for other opportunities. Another costly form of employee withdrawal is **absenteeism,** since workers may not come to work when they are dissatisfied and there are few alternative jobs available.

Critical Thinking Questions: Is employee productivity the most important outcome variable? If not, what outcome(s) do you think is/are more important?

Table 1.2 A Measure of Job Satisfaction: The Hoppock Job Satisfaction Blank

A. Which one of the following shows *how much of the time* you feel satisfied with your job?

1. Never.
2. Seldom.
3. Occasionally.
4. About half of the time.
5. A good deal of the time.
6. Most of the time.
7. All the time.

B. Choose *one* of the following statements that best tells how well you like your job.

1. I hate it.
2. I dislike it.
3. I don't like it.
4. I am indifferent to it.
5. I like it.
6. I am enthusiastic about it.
7. I love it.

C. Which *one* of the following best tells how you feel about changing your job?

1. I would quit this job at once if I could.
2. I would take almost any other job in which I could earn as much as I am earning now.
3. I would like to change both my job and my occupation.
4. I would like to exchange my present job for another one.
5. I am not eager to change my job, but I would do so if I could get a better job.
6. I cannot think of any jobs for which I would exchange.
7. I would not exchange my job for any other.

D. Which *one* of the following shows how you think you compare with other people?

1. No one dislikes his job more than I dislike mine.
2. I dislike my job much more than most people dislike theirs.
3. I dislike my job more than most people dislike theirs.
4. I like my job about as well as most people like theirs.
5. I like my job better than most people like theirs.
6. I like my job much better than most people like theirs.
7. No one likes his job better than I like mine.

Sources: Hoppock (1935); McNichols, Stahl, and Manley (1978).

Job Crafting

LEVELS OF ANALYSIS IN ORGANIZATIONAL BEHAVIOR

Learning Objective 1.6: Compare the levels of analysis in OB research.

Individual behavior in an organization may be influenced by processes at different levels in the organization.[24] The most basic level is the individual level. For example, an individual's personality and experiences would explain much of their behavior, and differences in these variables among people would help explain why people behave differently. Other differences between people's behavior occur at the dyad (or two-party) level. An example would be a mentor and a protégé. Still, other sources include group and team level influences on individual behavior. An example would be a team that has high-performance norms that encourage a team member to perform at their best. Additional influences on individual behavior may come from the **organizational level.** For example, in organizations with strong cultures, the cultural characteristics can have a profound influence on an individual member's behavior. To illustrate this, one needs to look no further than the U.S. Marine Corps. The Marine Corps has a strong culture that includes pride and this inspires Marines to excel (this is evident in their recruiting ads: "The few, the proud, the Marines") (you will learn more about organizational culture in Chapter 14 of this book). There is also the **industry level** of analysis where comparisons are made across different industries (this is more typical for research in strategic management than OB). However, this level is included here to provide a complete listing of levels of analysis in organizational research. All levels may influence employee performance in organizations and this is discussed in the next section.

HOW ORGANIZATIONAL BEHAVIOR CAN INCREASE EMPLOYEE PERFORMANCE

Learning Objective 1.7: Develop plans for using OB research to improve employee job performance.

The chapters in this book will address all of the levels that may influence individual behavior and show how processes at one level may affect processes at another level. For example, a positive organizational culture may increase the commitment of individuals to their work and, in turn, their performance. Table 1.3 provides examples of hypotheses at the different levels of analysis discussed previously. This table illustrates how OB research at all levels may help leaders improve employee performance.

Critical Thinking Question: Which level(s) do you think have the most influence on individual behavior in organizations and why?

Table 1.3	Examples of Levels of Analysis in Organizational Behavior Research
Level	**Example Organizational Behavior Hypothesis**
Individual	The personality characteristic of conscientiousness is positively related to employee performance.
Dyad	High-quality relationships with bosses lead to higher employee performance.
Group and team	Team conflict is negatively related to employee performance.
Organizational	A strong, positive organizational culture is positively related to employee performance.
Industry	Employee performance is higher in the financial services industry compared with government organizations.

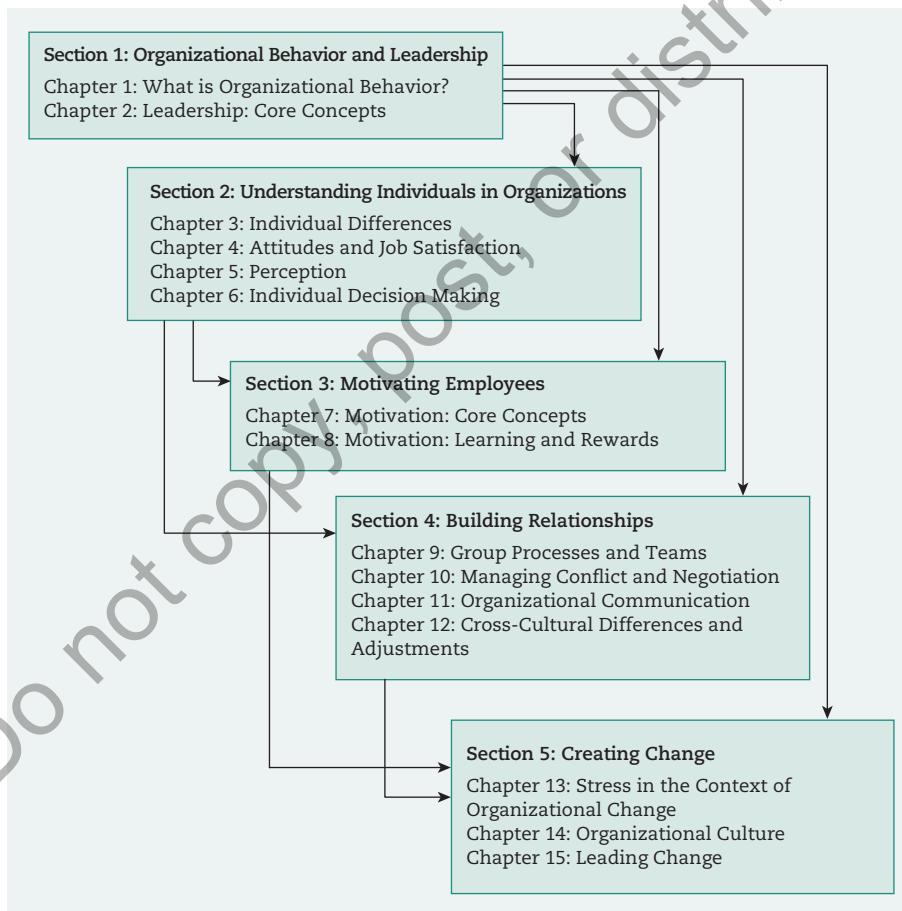## TOWARD MORE EFFECTIVE ORGANIZATIONAL LEADERS: PLAN FOR THIS TEXTBOOK

There are numerous challenges facing leaders of organizations today. Most organizations are experiencing rates of change unlike anything we have seen in the past. External pressures have been created from mergers, downsizing, restructuring, and layoffs as organizations strive to remain competitive or even survive. Other external forces are global competition, product obsolescence, new technology, government mandates, and demographic changes in the workforce itself. Internally, leaders must effectively communicate to followers, peers, and bosses. Managing poor performance is one of the most challenging tasks a manager must do. As noted at the beginning of this chapter, addressing the pervasive problem of worker disengagement will be a challenge for leaders in the years ahead. The changes organizations have undergone have resulted in followers who are filled with cynicism and doubt about their leaders. And the ethics scandals in business have fueled the perception that leaders have lost the credibility to lead their organizations in a principled way.

By now, you have realized that OB is a problem-focused discipline aimed at making organizations more effective. Your ability as a leader will be enhanced through knowledge of the theory and applications from OB research. Each chapter will review the essential and most current theory and research and relate it to how you can develop your leadership skills. At the end of each chapter, there are tools for your "toolkit," where you will directly apply the theories through cases, self-assessments, and exercises. At the end of this chapter, the Toolkit Activity is a personal leadership development plan, where you can apply the concepts and research covered in the textbook to your own development as a leader by setting goals and specific behavior strategies to meet them. For example, a student who set a specific goal to improve their coaching of other students that they tutor in accounting would formulate specific coaching behaviors and commit to engaging in them

once per week. To gain feedback, the student would have the tutored students rate their coaching behavior by providing a yes or no answer to the following statement after each tutoring session: My tutor provides specific knowledge that has improved my accounting performance. Since leaders are expected to be coaches, this process should help the student improve their coaching skills for the future.

Figure 1.2 shows an overview of the entire book and how the material is tied to the themes of leadership development. This chapter has provided an overview of EBM and critical thinking that should be applied to all of the following chapters. The next

Figure 1.2   Framework for This Textbook

Section 1: Organizational Behavior and Leadership

Chapter 1: What is Organizational Behavior?
Chapter 2: Leadership: Core Concepts

Section 2: Understanding Individuals in Organizations

Chapter 3: Individual Differences
Chapter 4: Attitudes and Job Satisfaction
Chapter 5: Perception
Chapter 6: Individual Decision Making

Section 3: Motivating Employees

Chapter 7: Motivation: Core Concepts
Chapter 8: Motivation: Learning and Rewards

Section 4: Building Relationships

Chapter 9: Group Processes and Teams
Chapter 10: Managing Conflict and Negotiation
Chapter 11: Organizational Communication
Chapter 12: Cross-Cultural Differences and Adjustments

Section 5: Creating Change

Chapter 13: Stress in the Context of Organizational Change
Chapter 14: Organizational Culture
Chapter 15: Leading Change

chapter (Chapter 2) will discuss the fundamental leadership theories that will guide you for the remainder of the book. Next, the importance of understanding individuals in organizations is covered in Chapters 3 through 6 including individual differences, job attitudes, perception, and decision making. The role of leaders as motivators is covered next in Chapters 7 and 8, motivating and rewarding followers. Following this, the role of leaders as relationship builders is covered in Chapters 9 through 12, covering the topics of teams, conflict, organizational communication, and leading across cultures. Finally, the role of leaders as change agents is discussed in Chapters 13, 14, and 15, which cover managing stress during change, organizational culture, and leading change. As you read this book, refer back to this figure as a map of how to organize the vast amount of theory and research on OB that has been generated for decades. It won't seem so overwhelming if you can place the material in the five broad groupings as shown in the figure. This first chapter and the next one will comprise Section I, which is an overview of OB and core concepts in leadership.

LEADERSHIP IMPLICATIONS: THINKING CRITICALLY

The goal of this book and your OB course is for you to become a more effective leader in organizations. Critical thinking has already been applied to the OB literature since this book includes the most relevant and evidence-based theory and research. You are encouraged to apply your own critical thinking based upon your own experiences with behavior in organizations and your study of this book. To aid in this process, you will find Critical Thinking Questions to challenge you to think critically about the material throughout the book. You may choose to read further from the Suggestions for Further Reading or conduct your own research on topics you find particularly interesting. Complete the assessments and exercises in the Toolkit Activity sections to apply the material to your own leadership development. The Case Study encourages you to apply organizational science to a real-world problem. The Self-Assessment will allow you to test your experiential evidence—what you already know about OB. By studying the chapters and completing the activities, this book should serve as a point of departure for your growth as you become an effective organizational leader with a broad understanding of behavior in organizations.

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KEY TERMS

absenteeism, 12
applied social psychology, 4
critical thinking, 8
employee engagement, 12
evidence-based management
(EBM), 4

extrinsic motivation, 12
Hawthorne effect, 3
industry level, 14
intrinsic motivation, 12
job performance, 11
job satisfaction, 12

organizational behavior (OB), 2
organizational level, 14
prosocial motivation, 12
turnover intentions, 12
turnover, 12

SUGGESTIONS FOR FURTHER READING

Gill, J., & Johnson, P. (2010). *Research methods for managers* (4th ed.). Thousand Oaks, CA: Sage.

Mitroff, I. (1998). *Smart thinking for crazy times: The art of solving the right problems*. San Francisco, CA: Berrett-Koehler.

Surowiecki, J. (2004). *The wisdom of crowds*. New York, NY: Random House.

TOOLKIT ACTIVITY 1.1

Personal Leadership Development Plan

As you study the evidence-based research in this textbook, use the following development plan to tie the concepts to specific action plans and measurable outcomes for each chapter.

Name: _____

Date: _____

Leadership Development Plan

Goal	Connection to Course	Behavior Strategies and Frequency (fill in below)	Measurable Outcome
1	1A	1B	✓ 1C.1
		2B	✓ 1C.2
2	2A	2B	✓ 2C.1
		2B	✓ 2C.2

Goal	Connection to Course	Behavior Strategies and Frequency (fill in below)	Measurable Outcome
3	3A	3B	✓ 3C.1
			✓ 3C.2
		3B	

PLAN DETAIL

Complete the following for each of the goals listed previously.

1. **Goals**—This section is where you enter your development objectives. These objectives should be written so they read as goals you desire to achieve—for example, "I want to improve my team communication skills."

   A. **Connection to course material**—This section is where you tie each of your development objectives into the material you learned in this course. This will reinforce course material and help translate it into practice. For example, you would write a few paragraphs relating the exercises or material on communication to why you find your listening skills to need development. Be specific (e.g., cite exercises, articles, material from text or lecture). Fill out this chart: 1A to 3A.
   B. **Behavior strategies and frequency**—This section is the "how" portion. How will you achieve your goals? How often will you perform these tasks? This is the heart of your development plan. You should create specific strategies that will push you toward the completion of your goals—for example, "Practice active listening once a day." Fill out this chart for each goal: 1B to 3B.

GOAL: 1B

Timeframe	Behavior Strategy to Practice	Time Required
All the time	❑	
Weekly	❑	
Biweekly	❑	
Monthly	❑	

GOAL: 2B

Timeframe	Behavior Strategy to Practice	Time Required
All the time	❑	
Weekly	❑	
Biweekly	❑	
Monthly	❑	

GOAL: 3B

Timeframe	Behavior Strategy to Practice	Time Required
All the time	❑	
Weekly	❑	
Biweekly	❑	
Monthly	❑	

C. **Measurable outcome—**This section helps you measure your success toward each goal. If you are achieving your goal, how would you notice the change in your leadership? Specifically what will improve? How will you measure it? Develop or find a metric—for example, "I will have the person who I listen to fill out an evaluation of my listening skills, rating them on a 1 (poor) to 5 (excellent) scale" (1C to 3C).

Note: You can have more than three goals in your plan. Just be sure to complete all sections.

CASE STUDY 1.1

Organizational Science in the Real World

The skills and techniques of research are valuable to an organization's leaders. The following case study illustrates how research can be used to solve a challenge facing a government organization.

In 2012, the state of Florida implemented the federal government's decree that individuals applying for or renewing their driver's license must provide a number of documents to verify their identity. Resulting from the REAL ID Act of 2005, these measures were set forth by the federal government to help develop a national identity database through the Department of Motor Vehicles (DMV; or Bureau of Motor Vehicles [BMV] depending on the state) to not only prevent identity theft but also prevent terrorists and illegal immigrants from accessing identities. Phase 1 of the act had to be completed by 2014, with the target completion of all the phases by 2017.

But that was not the only change Florida was making to its driver license processes. The state of Florida merged the state's DMV with each county's tax collector in 2011. County tax collectors are often small organizations with 100 employees or fewer working at a handful of offices in each county to serve its patrons. Previously, tax collectors' offices handled vehicle registration, license plates, property taxes, and hunting and fishing licenses. The DMV handled only driver's licenses and identification cards. The purposes of this merger were to save money for the state, save time for citizens, and make the entire process easier. Thus, most DMV employees were not retained when the organizations were merged. Therefore, tax collector employees had to be trained on a host of new processes and procedures within a short period of time.

After these initiatives were rolled out statewide, the general manager of one county's tax collector offices noticed a number of changes. Turnover skyrocketed. Large numbers of employees began to exit where previously they worked for the organization until they retired. Similarly, only 1 of 6 new hires was retained for greater than 6 months prior to the changes.

Customer service declined. Before the merger, customers typically handled their transactions within half an hour or less. However, driver's licenses take significantly longer. Because the REAL ID Act requires documentation to be scanned into state and nationwide databases, it takes about an hour to apply for or renew licenses if there are no problems or delays. This has resulted in excessive wait times for customers. The tax collector tried to

address this issue with requiring appointments for those seeking driver's licenses. However, not all patrons made appointments; instead, they continued to just show up, creating delays for those with appointments. While these patrons were denied and offered to schedule an appointment, they often became belligerent and sometimes verbally abusive to the staff.

Customers were often upset and irritated not only by the excessive wait time but also by the amount of documentation they had to produce. They were also upset by having to renew driver's licenses in person whereas previously they could renew by mail or the Internet. Tax collector employees were still friendly and polite with customers, but there was definitely some underlying tension and more complicated transactions. The camaraderie and morale among employees deteriorated.

Now it is your turn. Imagine that you are the office manager and are trying to solve the organization's problems. You simply can't revert the business back the way it was before the state's mandated changes, and you're not sure what needs to be fixed and where to go in the future.

Discussion Questions

1. How could research help this small organization? What would you hope to gain as the manager?
2. What dependent variables should you, as the manager, consider researching? Why?
3. Think about the research designs discussed in the Appendix on Research Designs used in OB at the end of the book. Which one(s) do you think would be appropriate for the manager to use? Would there be any benefit to using multiple methods, and if so, in what order would you conduct the research studies?

SELF-ASSESSMENT 1.1

Assessing Your Experiential Evidence

Some students think organizational behavior (OB) is common sense. Are the following statements true or false? The answers follow.

	True	False
1. A happy worker is a productive worker.	_____	_____
2. Larger teams perform better because there are more people to do the work.	_____	_____
3. Performance appraisals have high accuracy.	_____	_____
4. People perform better when asked to do their best.	_____	_____
5. When trust is broken with your leader, it is best to take the blame and apologize.	_____	_____
6. Money is the best motivator.	_____	_____
7. Leaders should treat everyone the same in their work group.	_____	_____
8. A work group can be "moody."	_____	_____
9. Group spirit improves team decisions.	_____	_____
10. Conflict in organizations should be minimized.	_____	_____
11. Models developed in the United States will work anywhere.	_____	_____
12. It's best to commit to a course of action and follow through no matter what.	_____	_____

Answers

	True	False
1. A happy worker is a productive worker.	__X___	_____

What is important is what the worker is happy about. But generally, happier people are more productive. You'll learn why in Chapter 4.

	True	False
2. Larger teams perform better because there are more people to do the work.	____	_X_

No. In fact, larger teams underperform due to increased conflict, free-riding, and other group dysfunctions. Research shows that there is an optimal group size for high performance, and you will learn what it is in Chapter 9.

	True	False
3. Performance appraisals have high accuracy.	____	_X_

No. There are a number of perceptual biases that can affect how a leader evaluates followers. You need to be aware of them so you can guard against these errors, and you will know about them after reading Chapter 5.

4. People perform better when asked to do their best.	____	_X_

While this seems intuitive, people actually achieve higher performance when the leader gives them a specific goal rather than a "do your best goal." You will read more on the motivating properties of goals in Chapter 7.

5. When trust is broken with your leader, it is best to take the blame and apologize.	____	_X_

No. Research on trust repair shows that admitting guilt may not be the best strategy. You will learn what the research shows you should do in Chapter 2.

6. Money is the best motivator.	____	_X_

While this may surprise you, pay may actually decrease intrinsic motivation. You will learn about how to best reward employees in Chapter 8.

7. Leaders should treat everyone the same in their work group.	____	_X_

Research on the leader–member exchange (LMX) model of leadership shows that effective leaders treat each follower differently based upon their skills, motivation, and need for development on the job. You will read more about this in Chapter 2.

8. A work group can be "moody."	_X_	____

What? Yes, it can. Multilevel research has shown that negative affect (a "blue" mood) can be aggregated to the group level—and it affects group functioning. You will learn more about this in Chapter 3.

9. Group spirit improves team decisions.	____	_X_

While cohesion can be a positive force in teams, it does not always result in the best decisions. Too much group spirit can result in groupthink and impair a group's decision making. You will read about this and other group dysfunctions in Chapter 9.

10. Conflict in organizations should be minimized.	____	_X_

Actually, research shows that some conflict can be healthy since it can generate interest and challenge for followers. In Chapter 10, you will learn more about how to harness conflict and channel it toward increased motivation.

11. Models developed in the United States will work anywhere.	____	_X_

Research on cultural differences indicates that we need to consider cultural values before we generalize research findings from one country to another. You will learn about cross-cultural differences in Chapter 12.

12. It's best to commit to a course of action and follow through no matter what.	____	_X_

While it is important to commit to goals, research shows that escalation of commitment to a failing course of action is a decision trap. Learn how to avoid this and other traps in Chapter 6.

How did you do? Did you feel that you had to guess at some of these? OB research takes the guesswork out of being an effective leader! So keep reading!