

The Tonight Show: Things Don't Always Go as Planned

The peacock was feeling the heat.

Affiliate station owners were grumbling to NBC that *The Jay Leno Show*, the comedian's new prime-time project after passing the *Tonight Show* torch to Conan O'Brien, was bad for ratings and would turn off viewers. Even worse, Leno's show wasn't on the air yet.

High-ranking NBC exec Jeff Zucker, having earlier turned around *The Today Show*, offered a deal. Leno takes Conan's slot but is shortened to 30 minutes. Conan keeps *The Tonight Show* but moves to midnight.

The deal: It came together like an "after-school special on the *Don'ts* of leadership transitions," noted HR consultant J.P. Elliot.^a The result: A PR nightmare dubbed *The Jaypocalypse*. Public trash-talking by all parties. And the defection of a serious chunk of viewers with strong brand loyalty and purchasing power.

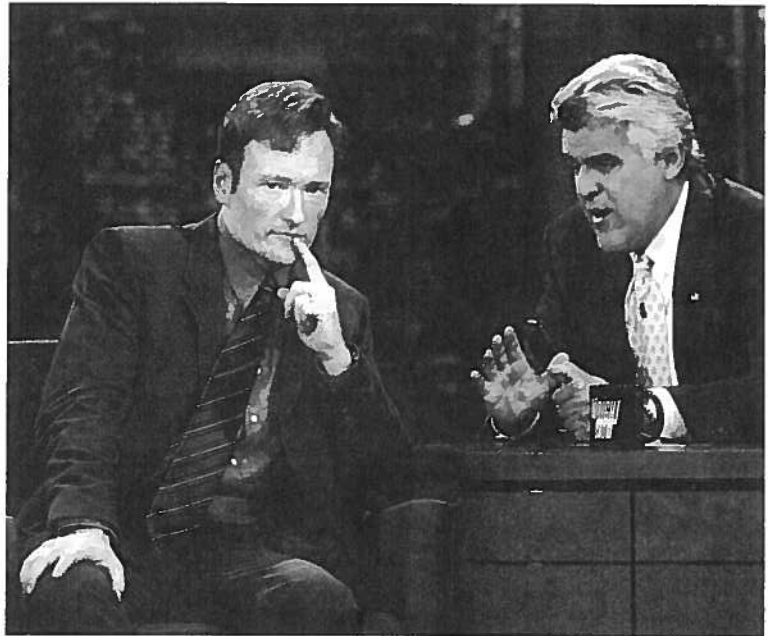
"So what does NBC do? If you are making buggy whips and no one is buying buggies anymore, do you keep making buggy whips?"
—Jay Leno.^b

Only one day after the deal was announced, Conan released his earnest "People of Earth" statement, quickly winning fans, a visible majority of

fellow comedians, and, seemingly, almost everyone on Twitter. In contrast, Leno often appeared befuddled in interviews, with only Jerry Seinfeld and Oprah supporting him in the press.

The aftermath: Eight months later, Leno was back behind the *Tonight Show* desk. Conan had a home on TBS. NBC was down viewers, sponsors, and cash, having paid \$43 million to break Conan's contract.

The lesson to be learned: "The real culprit here," says consultant Elliot, "[is] NBC's lack of ability to execute their succession plan." But just whose failure was that? Perhaps that's a question best answered by Jeff Zucker as he ponders the complexities of human behavior in organizations.



Quick Summary

- After five years of waiting, Conan O'Brien takes the reins of *The Tonight Show* from Jay Leno.
- Leno, unwilling to step away, launches a prime-time talk show. Affiliates complain even before the show airs.
- To rescue Leno, NBC Universal proposes bumping Conan to 12:05 A.M., Leno to 11:35 P.M. Public acrimony ensues.
- NBC Universal spends an estimated one-third of the cost of breaking Leno's contract to fire Conan. Leno's show airs, sputters. O'Brien sells out a 30-city comedy tour before launching *Conan* on TBS.

FYI

1. Time for Conan O'Brien's Twitter followers to surpass Jay Leno's: under 60 minutes.^c
2. Cost of breaking Leno's NBC contract: Estimated \$150 million. Cost of breaking Conan's NBC contract: \$45 million.^d

people make the difference

1 Introducing Organizational Behavior

the key point

People in all of their rich diversity are the basic building blocks of organizations. Everyone deserves to be respected at work and to be satisfied with their jobs and accomplishments. Problems like those with the Tonight Show don't need to happen. The field of organizational behavior offers many insights into managing individuals and teams for high performance in today's new workplace.

chapter at a glance

What Is Organizational Behavior and Why Is It Important?

What Are Organizations Like as Work Settings?

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what's inside?

Introducing Organizational Behavior

LEARNING ROADMAP Why Organizational Behavior Is Important / Scientific Foundations of Organizational Behavior / Organizational Behavior in a Changing World

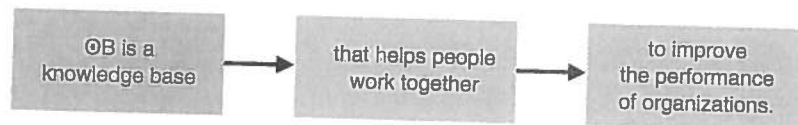
Whether your career unfolds in entrepreneurship, corporate enterprise, public service, or any other occupational setting, it is always worth remembering that people are the basic building blocks of organizational success. Organizations do well when the people in them work hard to achieve high performance, as individuals and as members of teams. Creating success requires respect for everyone's needs, talents, and aspirations, as well as an understanding of the dynamics of human behavior in organizational systems.

This book is about people, everyday people like you and like us, who work and pursue careers in today's highly demanding settings. It is about people who seek fulfillment in their lives and jobs in a variety of ways and in uncertain times. It is about the challenges of leadership, ethics, globalization, technology utilization, diversity, work-life balance, and other social issues. And this book is also about how our complex environment requires people and organizations to learn and to continuously develop in the quest for high performance and promising futures.

Why Organizational Behavior Is Important

Organizational behavior is the study of individuals and groups in organizations.

In this challenging era, the body of knowledge we call organizational behavior offers many insights of great value. Called OB for short, **organizational behavior** is the study of human behavior in organizations. It is an academic discipline devoted to understanding individual and group behavior, interpersonal processes, and organizational dynamics. Learning about OB can help you expand your potential for career success in the dynamic, shifting, and complex workplaces of today—and tomorrow.



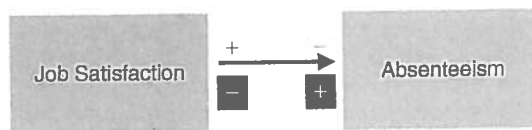
Scientific Foundations of Organizational Behavior

As far back as a century ago, consultants and scholars were giving increased attention to the systematic study of management and organizational practices. Although the early focus was initially on physical working conditions, principles of administration, and industrial engineering, interest broadened to include the human factor. This gave impetus to research dealing with individual attitudes, group dynamics, and the relationships between managers and workers. From this historical foundation, organizational behavior emerged as a scholarly discipline devoted to scientific understanding of individuals and groups in organizations, and of the performance implications of organizational processes, systems, and structures.¹

Interdisciplinary Body of Knowledge Organizational behavior is an interdisciplinary body of knowledge with strong ties to the behavioral sciences—psychology,

sociology, and anthropology—as well as to allied social sciences such as economics and political science. OB is unique, however, in its goals of integrating the diverse insights of these other disciplines and applying them to real-world organizational problems and opportunities. The ultimate goal of OB is to improve the performance of people, groups, and organizations, and to improve the quality of work life overall.

Use of Scientific Methods The field of organizational behavior uses scientific methods to develop and empirically test generalizations about behavior in organizations. OB scholars often propose and test **models**—simplified views of reality that attempt to identify major factors and forces underlying real-world phenomena. These models link **independent variables**—presumed causes—with **dependent variables**—outcomes of practical value and interest. Here, for example, is a very basic model that describes one of the findings of OB research—job satisfaction (independent variable) influences absenteeism (dependent variable).



Notice that “+” and “-” signs in the above model indicate that as job satisfaction increases, absenteeism tends to go down, and as job satisfaction decreases, absenteeism often goes up. As you look at this model you might ask what other dependent variables are important to study in OB—perhaps things like task performance, ethical behavior, work stress, incivility, team cohesion, and leadership effectiveness. In fact, job satisfaction can also be a dependent variable in its own right. What independent variables do you believe might explain whether satisfaction will be high or low for someone doing a service job like an airline flight attendant or a managerial one like a school principal?

Figure 1.1 describes a set of research methods commonly used by OB researchers to study models and the relationships among variables. These methods are based on scientific thinking. This means (1) the process of data collection is controlled and systematic, (2) proposed explanations are carefully tested, and (3) only explanations that can be rigorously verified are accepted.

Focus on Application As already suggested, the science of organizational behavior focuses on applications that can make a real difference in how organizations and people in them perform. Examples of the many practical research questions addressed by the discipline of OB and reviewed in this book include: How should rewards such as merit pay raises be allocated? How can jobs be designed for both job satisfaction and high performance? What are the ingredients of successful teamwork? How can a manager deal with resistance to change? Should leaders make decisions by individual, consultative, or group methods? How can “win-win” outcomes be achieved in negotiations? What causes unethical and socially irresponsible behavior by people in organizations?

Contingency Thinking Rather than assuming that there is one “best” or universal answer to questions such as those just posed, OB recognizes that management

- **Models** are simplified views of reality that attempt to explain real-world phenomena.
- **Independent variables** are presumed causes that influence dependent variables.
- **Dependent variables** are outcomes of practical value and interest that are influenced by independent variables.

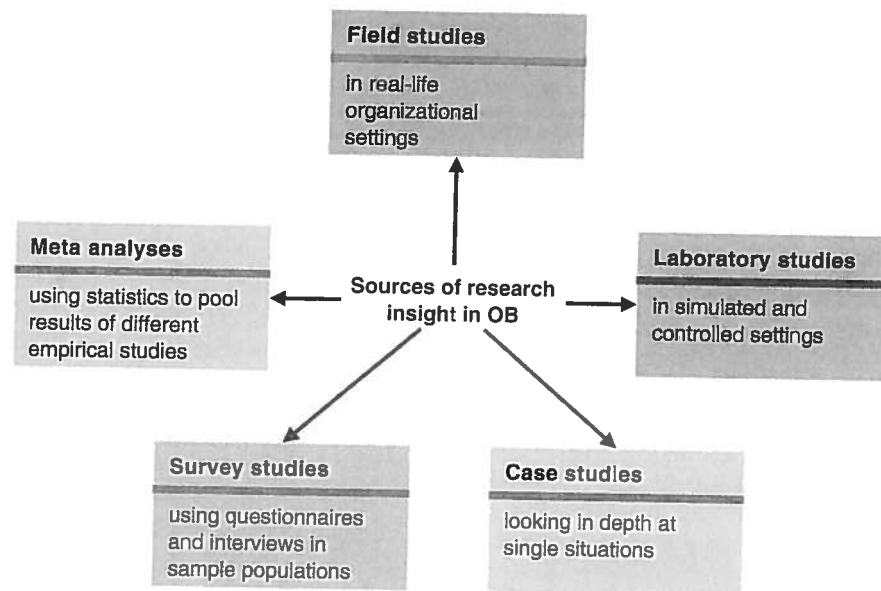


Figure 1.1 Common scientific research methods in organizational behavior.

Contingency thinking seeks ways to meet the needs of different management situations.

Evidence-based management uses hard facts and empirical evidence to make decisions.

practices must be tailored to fit the exact nature of each situation—this is called **contingency thinking**. In fact, one of the most accepted conclusions of scientific research to date is that there is no single best way to manage people and organizations. Stated a bit differently, contingency thinking recognizes that there are no cookie-cutter solutions that can be universally applied to solve organizational problems. Responses must be crafted to best fit the circumstances and people involved. As you might expect, this is where solid scientific findings in organizational behavior become very helpful. Many examples are provided in the Research Insight feature found in each chapter.

An essential responsibility of any science is to create and test models that offer evidence-based foundations for decision making and action. A book by scholars Jeffrey Pfeffer and Robert Sutton defines **evidence-based management** as making decisions on “hard facts”—that is about what really works, rather than on “dangerous half-truths”—things that sound good but lack empirical substantiation.² One of the ways evidence-based thinking manifests itself in OB is through a contingency approach in which researchers identify how different situations can best be understood and handled.

In a time of complex globalization, for example, it's important for everyone, from managers and employees to government leaders, to understand how OB theories and concepts apply in different countries.³ Although it is relatively easy to conclude that what works in one culture may not work as well in another, it is far harder to describe how specific cultural differences can affect such things as motivation, job satisfaction, leadership style, negotiating tendencies, and ethical behavior. Fortunately, OB is now rich with empirically based insights into cross-cultural issues.

Organizational Behavior in a Changing World

With the recent economic turmoil, financial crisis, and recession, there isn't any doubt that organizations and their members face huge challenges. Talk to friends

RESEARCH INSIGHT

Women Might Make Better Leaders

No one doubts there are good and bad leaders of both genders. But research by Alice Eagley and her colleagues at Northwestern University suggests that women are often perceived as more likely than men to use leadership styles that result in high performance by followers.

POSSIBLE LEADERSHIP STRENGTHS OF WOMEN

- "Transformational"
- Good at mentoring
- Very inspiring
- Encourage creativity
- Show excitement about goals
- Reward positive performance

In a meta-analysis that statistically compared the results of 45 research studies dealing with male and female leadership styles, Eagley and her team concluded that women are frequently described as leading by inspiring, exciting, mentoring, and stimulating creativity. They point out that these behaviors have "transformational" qualities that build stronger organizations through innovation and teamwork. Women also score higher on rewarding positive performance, while men score higher in punishing and correcting mistakes.

Eagley and her colleagues explain the findings in part by the fact that followers are more accepting of a transformational style when the leader is female, and that the style comes more naturally to women because of its emphasis on nurturing. They also suggest that because women may have to work harder than men to succeed, their leadership skills get tough tests and end up being better developed.

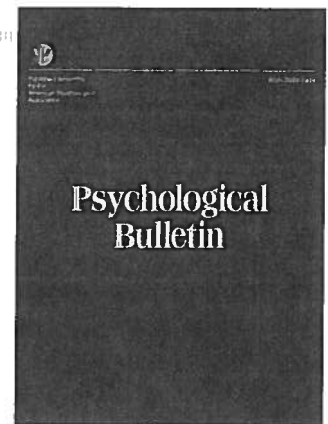
Do the Research *What do you think: is this study on track? Conduct an interview study of people working for female and male managers. Ask the question: Do women lead differently from men? Organize the responses and prepare an analysis that answers your research question. Although not scientific, your study could prove quite insightful.*

Source: Alice H. Eagley, Mary C. Johannesen-Smith and Marloes I. van Engen, "Transformational, Transactional and Laissez-Faire Leadership: A Meta-Analysis of Women and Men," *Psychological Bulletin* 24.4 (2003), pp. 569-591.

and follow the news headlines. Jobs are still hard to come by for new college graduates; unemployment remains high; those with jobs often face the conflicting demands of work and family responsibilities. You'll notice organizations adopting new features, changing work processes and practices, and trying different strategies. At the same time, they're dealing with employees, customers, and clients whose needs, values, and tastes seem to be constantly shifting.

Things have actually been changing for quite some time in our work environments, but recent events are especially dramatic in affecting both the nature and pace of change. The comments of consultant Tom Peters seem especially relevant. He once called the changing environment of organizations a "revolution that feels something like this: scary, guilty, painful, liberating, disorienting, exhilarating, empowering, frustrating, fulfilling, confusing, and challenging. In other words, it feels very much like chaos."⁴

The environment of change in which we now live and work calls for lots of learning and continuous attention. The field of OB recognizes these trends in what



Things Are Changing as the Facebook Generation Goes to Work



Call them "Generation F," short for the Facebook Generation. They are heavily into the world of social media, and they are bringing change to the workplace. Management scholar and consultant Gary Hamel says that managers

who want to work well with Gen F have to face up to a new set of expectations. Here's his view of Gen F at work.

- No one kills an idea; all ideas deserve a hearing.
- Contributions overrule credentials.
- Authority is earned, not given.
- Leaders serve; they don't command.
- People choose tasks that interest them.
- Groups are self-organizing and free formed.
- Resources flow toward good ideas and projects.
- Power comes from information sharing.
- Wisdom lies within the crowd; peer review counts.
- Community grows from shared decision making.
- Recognition and joy of accomplishment are great motivators.
- Rabble rousing is embraced, not discouraged.

people expect and value in terms of human behavior in organizations.⁵

- *Commitment to ethical behavior:* Highly publicized scandals involving unethical and illegal practices prompt concerns for ethical behavior in the workplace; there is growing intolerance for breaches of public faith by organizations and those who run them.
- *Broader views of leadership:* New pressures and demands mean organizations can no longer rely on just managers for leadership: leadership is valued from all members, found at all levels, and flows in all directions—not just top-down.
- *Emphasis on human capital and teamwork:* Success is earned through knowledge, experience, and commitments to people as valuable human assets; work is increasingly team based with a focus on peer contributions.
- *Demise of command-and-control:* Traditional hierarchical structures and practices are proving incapable of handling today's challenges; they are being replaced by shared leadership, flexible structures, and participatory work settings that fully value human capital.
- *Influence of information technology:* As new technologies—including social media—penetrate all aspects of the workplace, implications for work arrangements, organizational systems and processes, and individual behavior are continuously evolving.

- *Respect for new workforce expectations:* The new generation of workers is less tolerant of hierarchy, more high tech, and less concerned about status; organizations are paying more attention to helping members balance work and non-work responsibilities.
- *Changing concept of careers:* New economy jobs require special skill sets and a capacity for continuous skill development; more people now work as independent contractors who shift among employers rather than hold traditional full-time jobs.
- *Concern for sustainability:* Issues of sustainability are top priorities; decision making and goal setting increasingly give attention to the environment, climate justice, and preservation of resources for future generations.

Organizations as Work Settings

LEARNING ROADMAP Organizational Behavior in Context / Organizational Environments and Stakeholders / Diversity and Multiculturalism

• **Organizations** are collections of people working together to achieve a common purpose.

In order to understand the complex field of forces that relate to human behavior in organizations, we need to begin with the nature of the "organization" itself. Simply stated, an **organization** is a collection of people working together in a

division of labor to achieve a common purpose. This definition describes everything from clubs, voluntary organizations, and religious bodies to entities such as small and large businesses, schools, hospitals, and government agencies.

Organizational Behavior in Context

The behavior of people in organizations is greatly affected by context. Think about yourself. Do you act differently when you are with your friends, at school, or at work? In many cases the answer is probably “yes,” and the question then becomes: “Why?” To understand behavior in any setting, we must ask ourselves how contextual factors influence it and in what ways. We also need to consider how we are affecting the context. How do our behaviors contribute to the dynamics that are happening to us and around us, and in both positive and negative ways? The bottom line is that a key aspect of understanding organizational behavior is considering the situations, or contexts, in which the behavior occurs.

One of the strongest contextual influences on OB is **organizational culture**—the shared beliefs and values that influence the behavior of organizational members. Former eBay CEO Meg Whitman calls it the “character” of the organization. She says organization culture is “the set of values and principles by which you run a company” and becomes the “moral center” that helps every member understand what is right and wrong in terms of personal behavior.⁶

Organizational cultures influence the way we feel and act in organizations. In cultures that are more authoritarian and hierarchical, people are hesitant to make decisions and take action on their own, so they tend to show little initiative and wait for approval. In other cultures, people can be extremely competitive and aggressive in the quest for performance results and rewards. Still other cultures are known for their emphasis on speed and agility in dealing with markets and environments, and in generating new ideas and innovations. How these organizational cultures affect people depends on something called “fit”—the match of organizational culture and individual characteristics. People who find a good fit tend to experience confidence and satisfaction in their work; those who find themselves in a bad fit may be more prone to withdraw, experience work stress, and even become angry and aggressive due to dissatisfaction.

Just as organizations have cultures, they also have climates. **Organizational climate** represents the shared perceptions among members regarding what the organization is like in terms of management policies, practices, events, and procedures. You have probably noticed and felt the climate in organizations that you have worked for. In some organizational climates relations among managers and employees are relaxed and informal, with lots of free-flowing communication. But in other climates, managers act distant from employees and emphasize formal work procedures and interactions, with more structured and restricted communication.

Organizational Environments and Stakeholders

Figure 1.2 shows that organizations are dynamic **open systems**. They obtain resource inputs from the environment and transform them into finished goods or services that are returned to the environment as product outputs. If everything works right, suppliers value the organization and continue to provide needed resources, employees value their work and infuse the transformation

- **Organizational culture** is a shared set of beliefs and values within an organization.

- **Organizational climate** represents shared perceptions of members regarding what the organization is like in terms of management policies and practices.

- **Open systems** transform human and material resource inputs into finished goods and services.

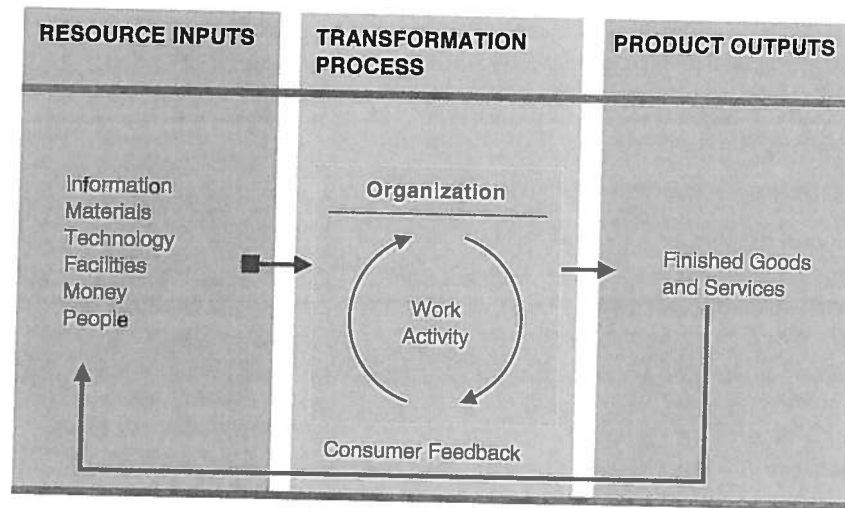


Figure 1.2 Organizations are open systems that create value while interacting with their environments.

- The **value chain** is a sequence of activities that creates valued goods and services for customers.

- **Stakeholders** are people and groups with an interest or “stake” in the performance of the organization.

processes with their energies and intellects, and customers and clients value the organization’s outputs enough to create a continuing demand for them.

We have just described a **value chain**—the sequence of activities that results in the creation of goods and services of value to customers. It begins with the acquisition of inputs, continues through their transformation into product outputs, and ends when products are distributed to customers and clients who are well served. When the value chain is well managed, the organization is able to sustain operations and, hopefully, prosper over the long run. But when the value chain breaks down due to input problems, transformation problems, or output problems, an organization’s performance suffers and its livelihood may be threatened. In extreme cases the organization can be forced into bankruptcy, such as happened to General Motors and Chrysler in the recent economic downturn, or even go out of existence altogether.

A popular and useful way to describe and analyze the external environment of organizations is in terms of **stakeholders**—people, groups, and institutions that are affected by and thus have an interest or “stake” in an organization’s performance. It is common in OB to recognize customers, owners, employees, suppliers, regulators, local communities, and future generations among the key stakeholders of organizations.

Although an organization should ideally operate in ways that best serve all stakeholders, the realities are that conflicting interests can create challenges for decision makers. Consider the possibilities: customers want value pricing and high-quality products, owners want profits and returns on investments, employees want secure jobs with good pay and benefits, suppliers want reliable contracts and on-time payments, regulators want compliance with laws, local communities want good organizational citizenship and community support, and future generations want environmental protection and sustainability of natural resources.

Diversity and Multiculturalism

Another important aspect of any organization is the makeup of the people within it. Consultant R. Roosevelt Thomas makes the point that positive organi-

zational cultures tap the talents, ideas, and creative potential of *all* members.⁷ His point focuses attention on **workforce diversity**, the presence of individual differences based on gender, race and ethnicity, age, able-bodiedness, and sexual orientation.⁸ It also highlights **multiculturalism** as an attribute of organizations that emphasize pluralism, and genuine respect for diversity and individual differences.⁹

Demographic trends driving workforce diversity in American society are well recognized. There are more women working than ever before. They earn 60 percent of college degrees and fill a bit more than half of managerial jobs.¹⁰ The proportion of African Americans, Hispanics, and Asians in the labor force is increasing. By the year 2060, people of color will constitute over 60 percent of the U.S. population; close to 30 percent of the population will be Hispanic.¹¹

A key issue in any organization is **inclusion**—the degree to which the culture embraces diversity and is open to anyone who can perform a job, regardless of their diversity attributes.¹² In practice, however, valuing diversity must still be considered a work in progress. Data show, for example, that women earn only about 75 cents per dollar earned by men; female CEOs earn 85 cents per dollar earned by males. At *Fortune* 500 companies women hold only 15 CEO jobs and 6.2 percent of top-paying positions; women of color hold only 1.7 percent of corporate officer positions and 1 percent of top-paying jobs.¹³ Indeed, when Ursula Burns was named CEO of Xerox, she became the first African-American woman to head a *Fortune* 500 firm.¹⁴

Management and Leadership

LEARNING ROADMAP Managerial Activities and Roles / Managerial Skills / Leadership in Organizations / Ethical Management and Leadership

A **manager** is someone whose job it is to directly support the work efforts of others. Being a manager is a unique challenge with responsibilities that link closely with the field of organizational behavior. At the heart of the matter managers help other people get important things done in timely, high-quality, and personally satisfying ways. And in the workplaces of today this is accomplished more through “helping” and “supporting” than through traditional notions of “directing” and “controlling.”

You’ll find the word “manager” is increasingly being replaced in conversations by such terms as “coordinator,” “coach,” or “team leader.” **Effective managers** help people achieve both high performance and job satisfaction. This definition focuses attention on two key outcomes, or dependent variables, that are important in OB. The first is **task performance**. You can think of it as the quality and quantity of the work produced or the services provided by an individual, team or work unit, or organization as a whole. The second is **job satisfaction**. It indicates how people feel about their work and the work setting.

OB is quite clear in that managers should be held accountable for both of these results. The first, performance, pretty much speaks for itself. The second, satisfaction, might give you some pause for thought. But just as a valuable machine should not be allowed to break down for lack of proper maintenance, the talents and enthusiasm of an organization’s workforce should never be lost

- **Workforce diversity** describes how people differ on attributes such as age, race, ethnicity, gender, physical ability, and sexual orientation.

- **Multiculturalism** refers to pluralism and respect for diversity in the workplace.

- **Inclusion** is the degree to which an organization’s culture respects and values diversity.

- **Managers** are persons who support the work efforts of other people.

- An **effective manager** helps others achieve high levels of both performance and satisfaction.

- **Task performance** is the quantity and quality of work produced.

- **Job satisfaction** is a positive feeling about one’s work and work setting.

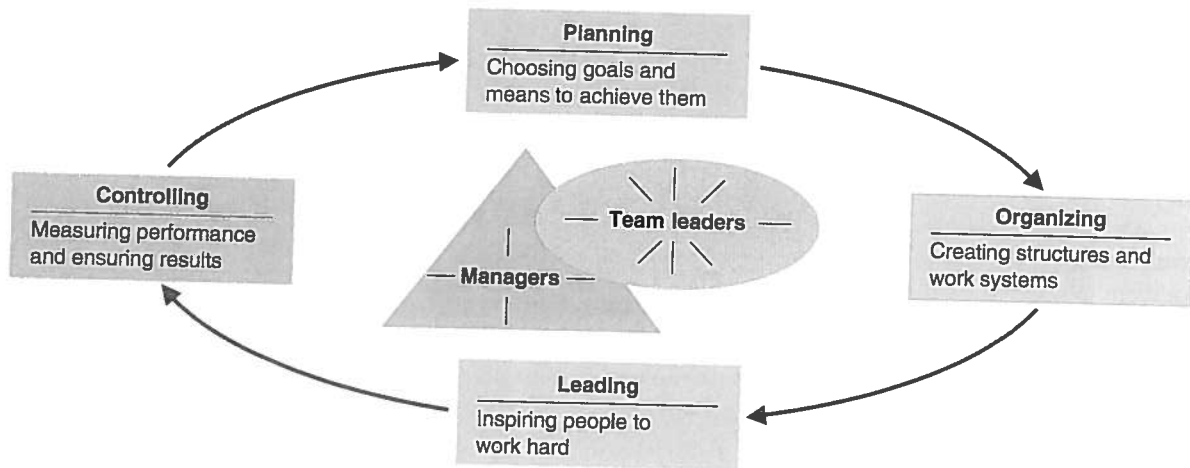


Figure 1.3 The management process of planning, organizing, leading, and controlling.

or compromised for lack of proper care. In this sense, taking care of job satisfaction today can be considered an investment in tomorrow's performance potential.

Managerial Activities and Roles

Anyone serving as a manager or team leader faces a challenging and complicated job. Among the ways that managerial work has been described and taught is through the four functions shown in Figure 1.3: planning, organizing, leading, and controlling. These functions describe what managers are supposed to do in respect to:

- **Planning** sets objectives and identifies the actions needed to achieve them.
- **Organizing** divides up tasks and arranges resources to accomplish them.
- **Leading** creates enthusiasm to work hard to accomplish tasks successfully.
- **Controlling** monitors performance and takes any needed corrective action.
- **Planning**—defining goals, setting specific performance objectives, and identifying the actions needed to achieve them
- **Organizing**—creating work structures and systems, and arranging resources to accomplish goals and objectives
- **Leading**—instilling enthusiasm by communicating with others, motivating them to work hard, and maintaining good interpersonal relations
- **Controlling**—ensuring that things go well by monitoring performance and taking corrective action as necessary

In what has become a classic study, Henry Mintzberg described how managers perform these functions while fulfilling the set of 10 managerial roles shown in Figure 1.4.¹⁵

A manager's *interpersonal roles* involve working directly with other people, hosting and attending official ceremonies (figurehead), creating enthusiasm and serving people's needs (leader), and maintaining contacts with important people and groups (liaison). The *informational roles* involve managers exchanging information with other people, seeking relevant information (monitor), sharing it with insiders (disseminator), and sharing it with outsiders (spokesperson). A manager's *decisional roles* involve making decisions that affect other people, seeking problems to solve and opportunities to explore (entrepreneur), helping to resolve

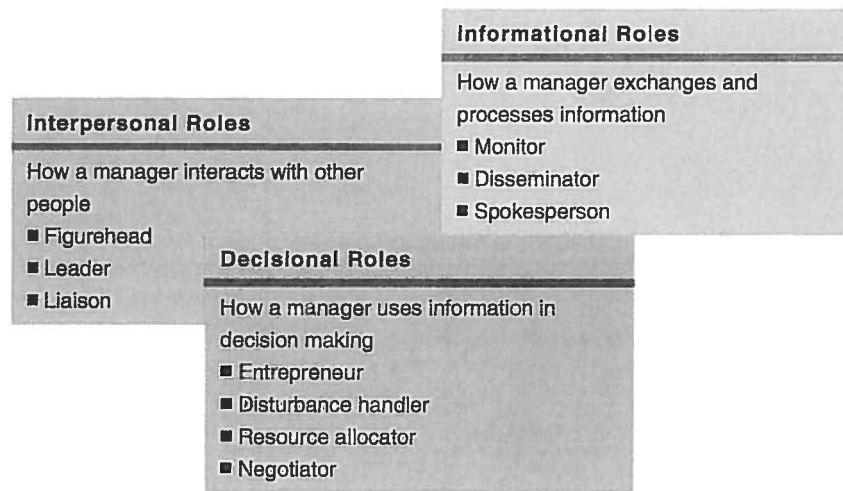


Figure 1.4 Mintzberg's 10 roles of effective managers.

conflicts (disturbance handler), allocating resources to various uses (resource allocator), and negotiating with other parties (negotiator).

Managerial Skills

A **skill** is an ability to translate knowledge into action that results in a desired performance. Robert Katz divides the essential managerial skills into three categories—technical, human, and conceptual.¹⁶ He further suggests that the relative importance of these skills varies across the different levels of management. Technical skills are considered more important at entry levels, where supervisors and team leaders must deal with job-specific problems. Senior executives require more conceptual skills as they face sometimes ambiguous problems and deal with complex issues of organizational mission and strategy. Human skills, which are strongly grounded in the foundations of organizational behavior, are consistently important across all managerial levels.

Technical Skills A **technical skill** is an ability to perform specialized tasks using knowledge or expertise gained from education or experience. A good example is skill in using the latest communication and information technologies. In the high-tech workplaces of today, technical proficiency in database management, spreadsheet analysis, presentation software, e-mail, video chats and conferencing, and even social media is often a hiring prerequisite.

Human Skills Central to all aspects of managerial work and team leadership are **human skills**, or the ability to work well with other people. They show up as a spirit of trust, enthusiasm, and genuine involvement in interpersonal relationships. A person with good human skills will have a high degree of self-awareness and a capacity for understanding or empathizing with the feelings of others. People with this skill are able to interact well with others, engage in persuasive communications, and deal successfully with disagreements and conflicts.

An important aspect of human skills is **emotional intelligence**, or EI. As defined by Daniel Goleman, EI is the ability to understand and manage emotions

* A **skill** is an ability to turn knowledge into effective action.

* **Technical skill** is an ability to perform specialized tasks.

* **Human skill** is the ability to work well with other people.

* **Emotional intelligence** is the ability to manage oneself and one's relationships effectively.



Team Leadership and Mentoring Give Manager Lots of Satisfaction

Managers often get good pay and perks. But lots of responsibility comes along with them. Dea Robinson, a practice administrator for Inpatient Medicine Service in Englewood, Colorado, knows this full well. She manages a five-person team and says satisfaction comes from the variety, challenge, and mentoring aspects of her work. "If you're in management you have to figure out how to talk to people, get along with people," she says.

both personally and in relationships with others.¹⁷ The core elements in emotional intelligence are:

- *Self-awareness*—ability to understand your own moods and emotions
- *Self-regulation*—ability to think before acting and to control bad impulses
- *Motivation*—ability to work hard and persevere
- *Empathy*—ability to understand the emotions of others
- *Social skill*—ability to gain rapport with others and build good relationships

Human skills in emotional intelligence and interpersonal relationships are essential to success in each of the managerial activities and roles previously discussed. Managers and team leaders need to develop, maintain, and work well with a wide variety of people, both inside and outside the organization.¹⁸ These include *task networks* of specific job-related contacts, *career networks* of career guidance and opportunity resources, and *social networks* of trustworthy friends and peers.¹⁹ It can be said in this sense that managers must develop and maintain **social capital** in the form of relationships and networks that they can call upon as needed to get work done through other people.

• **Social capital** is a capacity to get things done due to relationships with other people.

• **Conceptual skill** is the ability to analyze and solve complex problems.

Conceptual Skills In addition to technical and human skills, managers should be able to view the organization or situation as a whole so that problems are always solved for the benefit of everyone concerned. This capacity to think analytically and solve complex and sometimes ambiguous problems is a **conceptual skill**. It involves the ability to see and understand how systems work and how their parts are interrelated, including human dynamics. Conceptual skill is used to identify problems and opportunities, gather and interpret relevant information, and make good problem-solving decisions.

Leadership in Organizations

The job of a manager has never been more demanding than it is in today's dynamic and hypercompetitive work environments. But it is also true that managers alone cannot solve all the complex problems and address all the challenging

Finding the Leader in You

BANKER SHOWS GENEROSITY CAN TRIUMPH OVER GREED

When we think of outstanding leaders we often think of heroes and celebrate their great accomplishments with national holidays such as Presidents Day (initially for Washington and Lincoln) and Martin Luther King Day. Current and former employees of City National Bank of Florida, one of the oldest and most profitable banks in the state, are considering a day that would honor their CEO, Leonard Abess.

Abess bought the bank out of bankruptcy in 1985 for \$21 million, all borrowed. City National

flourished under his leadership, getting an A1 rating for financial security from TheStreet.com and joining the top 5 percent of all U.S. banks. It was sold to a Spanish bank, Caja Madrid, for almost a billion dollars. Abess didn't just take his profits and go home. He quietly took \$60 million and distributed it to 471 current and former employees.

So what made Leonard Abess a hero? He didn't talk about his generosity publicly until a newspaper discovered it. Abess told the *Miami Herald* that long before the sale he had been trying to come up with a way to reward employees for their service. "I always thought some day I'm going to surprise them," Abess said. "I sure as heck don't need (the money)."

He also noted that with the recent recession, bank

employees had taken quite a hit on their retirement accounts. He wanted to reach out to the staff and show his appreciation.

This wasn't the first time this heroic banker has shared his wealth. Abess is an active philanthropist who regularly contributes to local medical centers and universities.

With all the recent commentary about CEOs receiving hefty bonuses as their firms have experienced declining profitability, it is a nice reminder that some CEOs can be both excellent managers and generous leaders.

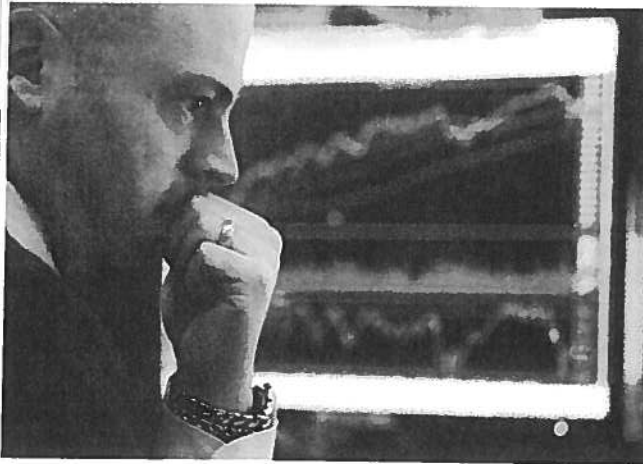


What's the Lesson Here?

Would you have made the same decision as Abess? Do you think the employees deserved the distribution, or should it go to the executives for their leadership? Would you, like Abess, have included former employees as well?

situations in organizations. In today's organizations there is more recognition that every individual contributes to his or her own performance and job satisfaction and that more people have to be engaged in the leadership process to advance new ideas and new solutions, and to challenge old ways of thinking. It is a new world of management where managers aren't the only leaders and where part of every manager's success is based on how well he or she mobilizes leadership contributions from others.

Leaders are people who use influence to create change. They have followers because other people see the value of their ideas or suggestions and choose to go along or align with them. Managers, by virtue of their positions of authority, have the opportunity to act as leaders. But they don't always do so, or do so successfully. Leaders succeed when people follow them not because they have to but because they want to. This positive influence emerges from persuasiveness, competence, and human skills. The Finding the Leader in You feature in each chapter is designed to provide role models and get you thinking about developing your leadership potential.



ETHICS IN OB

IS MANAGEMENT A PROFESSION?

The economic recession brought hardship and turmoil to lots of people and organizations. But even as firms performed poorly or failed altogether, many top executives still got high salaries, extra bonuses, and generous severance packages. This happened at the same time many workers lost their jobs, took pay cuts, or had their work hours reduced.

If that's not enough, there's the Bernard Madoff scandal. Now sentenced to 150 years in prison, he formerly lived lavishly while running an investment Ponzi scheme that bilked individuals, charitable foundations, colleges and universities, and other institutions of many billions of dollars.

Does it surprise you that a *Harvard Business Review* article pointed out that managers are now losing the public trust? To help change things for the better, the authors call for business schools to address management as a profession governed by codes of conduct that "forge an implicit social contract with society."

This is all part of a continuing debate about management ethics and corporate social responsibility. You'll hear some argue that managers should try to satisfy the interests of many different stakeholders. But others will say that managers should stick to their primary duty—acting to maximize wealth for shareholders.

Make Ethics Personal: What is your position on the shareholder wealth versus stakeholder interest debate? Do you agree with the movement to make management a profession? Would professionalizing management really make a difference in terms of ethical accountability and everyday managerial behavior?

Organizations are full of leaders, managers and nonmanagers alike. These are people who get listened to by their peers, by their managers, and by people below and higher up in the organization. In contrast to traditional views of leadership flowing downward, lots of leadership flows upward and side-to-side. You can be a leader among your peers by becoming the person people turn to for advice, support, or direction. You can be a leader by convincing higher management to adopt new practices suggested from your level. And, remember the notion of the manager as "coach" and "coordinator" as described earlier? Everytime you act in ways that fit these descriptions, there's no doubt you're being a leader.

Ethical Management and Leadership

Having the essential managerial and leadership skills is one thing; using them correctly to get things done in organizations is quite another. And when it comes to ethics and morality, scholar Archie B. Carroll draws a distinction between immoral managers, amoral managers, and moral managers.²⁰

An **immoral manager** chooses to behave unethically.

The **immoral manager** essentially chooses to behave unethically. She or he doesn't subscribe to any ethical principles, making decisions and acting to gain best personal advantage. Disgraced executives like Bernard Madoff and



Figure 1.5 Moral leadership, ethics mindfulness, and the virtuous shift.
 [Source: Developed from Terry Thomas, John R. Schermerhorn Jr., and John W. Dinehart, "Strategic Leadership of Ethical Behavior in Business," *Academy of Management Executive* 18 (May 2004), pp. 56–66.]

others whose unethical acts make headlines fit this billing. The **amoral manager**, by contrast, acts unethically at times but does so unintentionally. This manager fails to consider the ethics of a decision or behavior. Unintentional ethics lapses that we all must guard against include prejudice from unconscious stereotypes and attitudes, showing bias based on in-group favoritism, and claiming too much personal credit for performance accomplishments.²¹ Finally, the **moral manager** incorporates ethics principles and goals into his or her personal behavior. Ethical behavior is a goal, a standard, and even a matter of routine; ethical reasoning is part of every decision, not just an occasional afterthought.

Carroll believes that the majority of managers tend to act amorally. If this is true, and because we also know there are also immoral managers around, it is very important to understand personal responsibilities for everyday ethical behavior and leadership. All organization members can and should be ethics leaders. This includes always acting as ethics role models and being willing to take stands in the face of unethical behavior by those above, below, and around them.

A review article by Terry Thomas and his colleagues describes how the "ethics center of gravity" shown in Figure 1.5 can be moved positively through moral leadership or negatively through amoral leadership.²² In this view, a moral manager or moral leader always sets an ethics example, communicates ethics values, and champions **ethics mindfulness**—an "enriched awareness" that causes one to behave with an ethical consciousness from one decision or behavioral event to another. Moral managers and moral leaders contribute to the "virtuous shift" shown in the figure. They help create an organizational culture in which people encourage one another to act ethically as a matter of routine. One of the themes of this book, as reflected in the Ethics in OB feature in each chapter, is that ethics is the responsibility of everyone in the organization.

- An **amoral manager** fails to consider the ethics of a decision or behavior.

- A **moral manager** makes ethical behavior a personal goal.

- **Ethics mindfulness** is an enriched awareness that causes one to consistently behave with ethical consciousness.

Learning about Organizational Behavior

LEARNING ROADMAP Learning from Experience / Learning Styles / Learning Guide to Organizational Behavior 12/E

Learning about OB is important because it directly benefits you. It helps you to understand how to work more effectively and be more influential in work situations. Today's knowledge-based world places a great premium on learning. Only the learners, so to speak, will be able to keep the pace and succeed in a high-tech, global, and constantly changing environment.

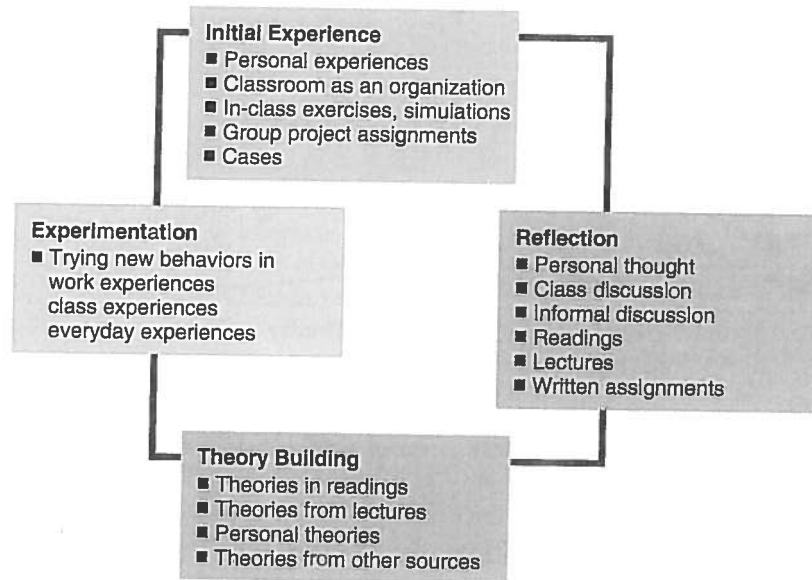


Figure 1.6 Experiential learning in an OB course.

Learning from Experience

Learning is an enduring change in behavior that results from experience.

Lifelong learning is continuous learning from everyday experiences.

Learning is an enduring change of behavior that results from experience. **Lifelong learning** involves learning continuously from day-to-day experiences. "Experience," in this sense, is found in work events and activities, conversations with colleagues and friends, counseling and advice provided by mentors, success models, training seminars and workshops, and other daily opportunities. Lifelong learning will in many respects be a key to your personal and career success. Now is the best time to get a serious start on the process.

Figure 1.6 shows how the content and activities of the typical OB course can fit together in an experiential learning cycle.²³ The learning sequence begins with initial experience and subsequent reflection. It grows as theory building takes place to try to explain what has happened. Theory is then tested in behavior. Textbooks, readings, class discussions, and other course assignments and activities should help you practice the phases of the learning cycle.

Notice that Figure 1.6 assigns to you a substantial responsibility for learning. Along with your instructor, we can offer examples, cases, and exercises to provide you with initial experience. We can even stimulate your reflection and theory building by presenting concepts and discussing their research and practical implications. Sooner or later, however, you must become an active participant in the process; you and only you can do the work required to take full advantage of the learning cycle.

Learning Styles

Now is also a good time to inquire further into your preferred learning style or tendencies. The end-of-book *OB Skills Workbook* includes instructions for a *Learning Styles* self-assessment.²⁴ If you complete it you'll get feedback on how you like to learn through receiving, processing, and recalling new information. Armed with this understanding, you can take steps to maximize your learning and

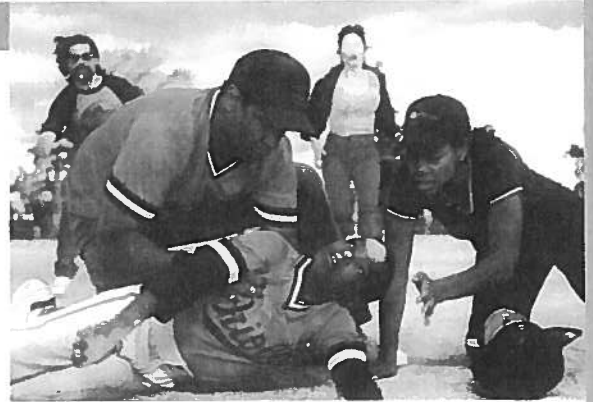
OB IN POPULAR CULTURE

MORAL MANAGEMENT AND *JOHN Q*

Moral managers try to act with ethical principles while immoral managers makes decisions primarily on self-interest. To be sure, many decisions in organizations are quite complicated and their ethical components may be hard to sort out.

"John Q" is the story of a desperate father's attempt to save his dying child. John Archibald (Denzel Washington) learns that his son Mike needs a heart transplant and he does not have sufficient insurance coverage. He decides to take the heart surgeon hostage in the hospital's emergency room. During a lull, the hostages and medical staff discuss how managed care insurance practices and hospital policies result in treatment decisions that are not always in the best interests of the patient. One hostage questions these practices in light of the medical profession's Hippocratic Oath. When Mike's (Daniel Smith) condition worsens, John decides to commit suicide so that a heart will be available. The heart surgeon initially balks for ethical reasons, then agrees to do the surgery. In the end, the sacrifice is not necessary. The hospital gets word that a donor heart is available and on its way.

This movie is worth watching as a study in organizational behavior. It illustrates that ethical lines can sometimes be blurry. What's "right" or "wrong" isn't always clear or agreed upon. If an insurance company refuses to pay for preventive health screening, should the doctor order it? If someone can't pay, should doctors and hospitals still provide medical care? Should a doctor adhere to hospital policies if they jeopardize the health of a patient?



Get to Know Yourself Better *The values we hold influence our ethical views. This is a good time to check yours by taking Assessment 5, Personal Values, in the OB Skills Workbook. Ask: What did I learn about my values? Are they balanced? Do the results suggest anything about how I might approach situations with ethical components? Can the emphasis I place on certain values create pressures to act unethically? What changes can I make to achieve a better values balance.*

even course success by studying in ways that best fit your learning style. So, what type of learner are you? Why not take the self-assessment and find out?

Learning Guide to *Organizational Behavior 12/E*

To facilitate your learning, the chapters in *Organizational Behavior 12/E* are presented in a logical building-block fashion. This first chapter in *Part 1* has introduced the discipline and context of OB, including its scientific foundations and link with managerial skills and leadership. *Part 2* focuses on individual behavior and performance. Key topics include diversity, values, personality, attitudes, emotions, perception, learning, and motivation. *Part 3* covers teams and teamwork, including the dynamics of decision making, conflict, and negotiation. *Part 4* examines leadership and influence processes, with an emphasis on communication and collaboration, power and politics, and important leadership theories and perspectives. *Part 5* discusses the organizational context in respect to organization cultures, structures, and designs.

At the end of the book you'll find the rich and useful *OB Skills Workbook*. It provides a variety of active learning opportunities that can help you better understand the practical applications of OB concepts, models, and theories. The Workbook contains cases for analysis, team and experiential exercises, and a portfolio of self-assessments that includes the popular Kouzes and Posner "Student Leadership Practices Inventory."

Finally, don't forget that opportunities to learn more about OB and yourself abound in everyday living. Every team project, part-time work experience, student co-curricular activity, or visit to the store, is rich in learning potential. Even our leisure pastimes from sports to social interactions to television, movies, and on-line games offer learning insights. The OB in Popular Culture feature in each chapter is a reminder to keep your learning dialed in all the time.

1 *study guide*

Key Questions and Answers

What is organizational behavior and why is it important?

- Organizational behavior is the study of individuals and groups in organizations.
- OB is an applied discipline based on scientific methods.
- OB uses a contingency approach, recognizing that management practices must fit the situation.
- Shifting paradigms of OB reflect a commitment to ethical behavior, the importance of human capital, an emphasis on teams, the growing influence of information technology, new workforce expectations, changing notions of careers, and concern for sustainability.

What are organizations like as work settings?

- An organization is a collection of people working together in a division of labor for a common purpose.
- Organizations are open systems that interact with their environments to obtain resources and transform them into outputs returned to the environment for consumption.
- Key stakeholders in the external environments of organizations include customers, owners, suppliers, regulators, local communities, employees, and future generations.
- The organizational culture is the internal "personality" of the organization, including the beliefs and values that are shared by members.
- Positive organizational cultures place a high value on workforce diversity and multiculturalism, emphasizing respect and inclusiveness for all members.

What is the nature of management and leadership in organizations?

- Managers directly support the work efforts of others; they are increasingly expected to act more like “coaches” and “facilitators” than like “bosses” and “controllers.”
- An effective manager is successful at helping others, working individually and in teams, reach high levels of both performance and job satisfaction.
- The four functions of management are planning—to set directions; organizing—to assemble resources and systems; leading—to create workforce enthusiasm; and controlling—to ensure desired results.
- Managers fulfill a variety of interpersonal, informational, and decisional roles while working with networks of people both inside and outside of the organization.
- Managerial performance is based on a combination of essential technical, human, and conceptual skills.
- Emotional intelligence is an important human skill that is an ability to recognize and manage emotions both personally and in relationships with others.

How do we learn about organizational behavior?

- Learning is an enduring change in behavior that results from experience.
- True learning about organizational behavior involves a commitment to continuous lifelong learning from one's work and everyday experiences.
- Most organizational behavior courses use multiple methods and approaches that take advantage of the experiential learning cycle.
- People vary in their learning styles; an understanding of your style can help improve learning and course success.

Terms to Know

Amoral manager (p. 17)	Independent variables (p. 5)	Organizational climate (p. 9)
Conceptual skill (p. 14)	Job satisfaction (p. 11)	Organizational culture (p. 9)
Contingency thinking (p. 6)	Leading (p. 12)	Organizing (p. 12)
Controlling (p. 12)	Learning (p. 18)	Planning (p. 12)
Dependent variables (p. 5)	Lifelong learning (p. 18)	Skill (p. 13)
Effective manager (p. 11)	Managers (p. 11)	Social capital (p. 14)
Emotional intelligence (p. 13)	Models (p. 5)	Stakeholders (p. 10)
Ethics mindfulness (p. 17)	Moral manager (p. 17)	Task performance (p. 11)
Evidence-based management (p. 6)	Multiculturalism (p. 11)	Technical skill (p. 13)
Human skills (p. 13)	Open systems (p. 9)	Value chain (p. 10)
Immoral manager (p. 16)	Organization (p. 9)	Workforce diversity (p. 11)
Inclusion (p. 11)	Organizational behavior (p. 4)	