CHAPTER 1

Introducing Organizational Behavior



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People make the difference

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Curious observers of everyday life often consider questions such as: Why are some people motivated and successful in what they do, while others struggle? Why are some people fulfilled and satisfied with their jobs, while others are not? Why do some teams consistently demonstrate cooperation and cohesion, while other teams bicker and flounder? Why are some managers and leaders especially effective at encouraging great performance, while other leaders fail to exert meaningful influence? What explains why a smart and motivated person is successful in one job, but fails in another?

Answers to these questions, and many others, can be found in the field of organizational behavior (OB), which seeks to understand, explain, and predict how people act and interact with others in organizational systems.

In this book, we bridge the gap between OB as a body of knowledge and OB as a pathway to career and life success. This book is about people, everyday people like you and like us, who work and pursue careers in today's demanding settings. OB is about people who seek fulfillment in their lives and jobs in a variety of ways and in uncertain times. It's about the challenges of leadership, ethics, globalization, technology, diversity, work–life balance, and many other social issues. And it is about how our complex, ever-changing environment requires people and organizations to continuously adapt and improve in the quest for promising futures.

This chapter sets the foundation for our examination of individuals and teams in the workplace. We first describe organizational behavior as a field of study, highlighting the importance and broad application of its topics and principles. We then encourage critical thinking about human behavior, introducing scientific evidence that explains why people do what they do at work. Lastly, we connect concepts in organizational behavior with the functions of managers in organizational systems.

LEARNING OBJECTIVES

At the end of this chapter you will be able to:

- **Define** organizational behavior and its importance in the modern workplace.
- **Think** critically about human behavior.
- **Describe** the skills needed for great leadership and management.

WHAT'S INSIDE?

- Be a Critical Thinker: Paradoxical Proverbs
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1.1 Organizational Behavior

LEARNING OBJECTIVES

Define organizational behavior and its importance in the modern workplace.

- Describe the essential nature of organizational behavior.
- Explain the importance of understanding human behavior in organizations.
- Summarize several trends in the modern workplace and the changing nature of work.

Try this exercise. Ask people you meet a simple, unqualified question, "How are things at work?" More often than not, the answer will have something to do with people. In our experience, rarely will responses to that question describe economic conditions that constrain the efficient use of limited resources affecting the company's ability to consistently deliver an above market-average return on the use of its assets! Instead, the most common default reference point for the evaluation of how things are at work is some aspect of the motivation, performance, teamwork, creativity, and commitment of people in the workplace.

Even though we are in an information age that draws heavily on artificial intelligence, user-friendly computer interface, and smart devices, most organizational functioning involves people interacting with other people. Sure, many business transactions are now conducted electronically, but human beings still do most of the work in modern organizations, while individuals in networks, teams, or departments remain the building blocks of most organizational systems. Whether you are talking about accountants, lawyers, musicians, carpenters, engineers, software developers, or writers, people vary in how they perform and in how satisfied they are in their work. The systematic study of organizational behavior helps us understand why.

What Is Organizational Behavior?

Organizational behavior is the study of human behavior in organizations, focusing on individuals, teams, interpersonal processes, and organizational structures. It is an interdisciplinary body of knowledge with strong ties to the behavioral sciences—psychology, sociology, and anthropology—as well as to social sciences such as economics and political science.

What makes the OB field unique is its potential to integrate insights from related disciplines and apply them to real-world organizational problems and opportunities. The ultimate goal of studying OB is to improve the performance of people, groups, and organizations, thus to improve the quality of work life overall. Understanding OB will also help you develop the skills needed for a successful career. Because you are learning about behavior, you will no doubt sharpen your life skills, as well.

Why Is Organizational Behavior Important?

The topics studied in organizational behavior include personality, motivation, organizational culture, ethics, teamwork, and leadership. These are critically important for long-term career and life success. Learning about OB will provide foundational knowledge about human behavior, and prepare you to adapt and thrive in a dynamic and complex workplace.

Trends in the Workplace It is clear that the world is changing all around us. The availability of globally accessible information networks has made the world smaller. In the modern

OB in the Office

Your Future Career and How Studying OB Can Help You Succeed



Wavebreakmedia/Deposit Photos

Studying OB can lead to a rewarding and lucrative career in many different industries. A degree in organizational behavior gives you the necessary skills to be successful in both for-profit and nonprofit agencies, skills including how to inspire, motivate, and manage a diverse workforce. Here are a few jobs where a degree in organizational behavior can be a real asset, along with a peek at what salaries you can hope to earn:[1]

Human Resources Organizational behavior degree programs generally include learning about human resource management, communications, career development, and employee motivation. These studies dovetail with the requirements and classes for students who choose to major in management. Understanding organizational employee needs along with the skills necessary for implementing procedures and changes within an organization are essential skills employers look for in HR professionals. HR managers earn a median annual salary of $123,510 per year, according to a 2017 report by the U.S. Bureau of Labor Statistics.[2]

Training and Development Because organizational behavior graduates are trained to motivate and empower others in the workplace, they understand the needs of adult learners and can balance their needs with the goals of management. Employees serve as corporate trainers, adult educators, lecturers, motivational speakers, program developers, or instructional designers. Opportunities abound for both in-house and consulting positions. Training and development managers earn a median annual salary of $117,690 per year, according to a 2017 report by the U.S. Bureau of Labor Statistics.[3]

Management Consulting Management consultants are often hired by companies to analyze their operations, identify opportunities for improvement, and recommend changes that can enhance a company's efficiency, quality, and revenue. Increased global competition is expected to lead companies to demand more of these services in the future. Having a master's degree can be especially helpful here. Salaries can vary widely based on experience and industry with hourly rates that exceed $40 per hour and mean salaries of $90,000 according to the U.S. Bureau of Labor Statistics.[4]

workplace, you are likely to hear about the importance of *networking*, *connecting*, *ideating*, *collaborating*, *linking*, *supporting*, *seeking*, and *innovating*. These and other similar behaviors drive communities of action where people share knowledge and skills with others to tackle complex problems with shifting priorities.[5]

Success in your career and throughout life requires ongoing learning and continuous attention to trends, practices, and opportunities. What people need, want, expect, and value at work are of special interest in the study of OB.[6]

Here are several critical trends in the modern workplace:

- **Importance of connections and networks.** Work is increasingly being done through personal connections and networks. In this environment, building effective relationships face-to-face and online is an essential career skill.
- **Commitment to ethical behavior.** Highly publicized scandals and more complex business environments are continuing to shine a spotlight on the importance of ethical practices in business.
- **Broad views of leadership.** New pressures and demands mean leadership is valued from all members, found at all levels, and flowing in all directions—not just from the top down.
- **Diversity in the workplace.** The modern workplace is more diverse than ever. The U.S. Census Bureau predicts that the country will become a true plurality by 2060, with no one ethnic or racial group being in the majority. Hispanics are now the fastest growing community and by 2060 will constitute one-third of the population. America is also growing demographically older; by 2050 one in five people will be aged 65-plus.[7] These demographic trends are sure to influence everyday life, our personal relationships, and the way work is done.

- **Emphasis on human capital and teamwork.** Success is earned through knowledge, experience, and a commitment 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 being replaced by shared leadership, flexible structures, and participatory work settings that engage human and social capital.
- **Influence of information technology.** As new technologies—including social media and artificial intelligence—penetrate the workplace and society, implications for work arrangements, organizational systems and processes, and individual behavior are continuously evolving.
- **Respect for new workforce expectations.** The new generation is less tolerant of hierarchy, more technologically savvy, and less concerned about status. Balance of work and life is a top-priority value in the modern workforce.
- **Changing concept of careers.** New economy jobs require special skill sets and a continuous professional development. More people now operate as independent contractors and freelancers in the *gig economy*, redefining what we think about work and careers.
- **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.

Bringing OB to Life

Building Skills to Succeed in a Collaboration Economy



Anatolii Babii/Alamy Stock photo

Every time you log onto Facebook or LinkedIn, join a multiplayer online game, or check Yelp for advice on a good restaurant, you are part of a fast-moving, data-driven, and socially connected world. But, are you taking the skills honed in these everyday experiences and developing them for career success in a new *collaboration economy*? It's a setting in which work gets done, customers get served, and ideas and information get shared 24/7.

Sally Blount, dean of Northwestern University's Kellogg School, says that success is earned in our collaboration economy by "people and companies who connect and collaborate more effectively."[8] Jacob Morgan, author of *The Collaborative Organization,*[9] says that there is a great opportunity for "collaboration leaders" who value and respect others as the most important assets of organizations.

Collaboration leaders aren't figureheads with formal titles. They are everyday leaders who are exceptionally good at teamwork, information sharing, giving and receiving feedback, providing peer support, and recognizing the contributions of others. In other words, collaboration leaders help make the people-to-people connections that give life to collaborative organizations. They bring social technology together with face-to-face interactions to harness the powers of knowledge, creativity, and teamwork.

The collaboration economy presents a pretty stiff career test. It calls for *hard* technology skills and real job expertise to be combined with *soft* people skills and a genuine personal presence. But that's the great opportunity of your course in organizational behavior—a chance to learn more about yourself and how people work together in organizations.

The question is this:

Are you ready to jump in and let OB help build your skills for success in a collaboration economy?

How We Learn About Organizational Behavior?

Today's knowledge-based and smart workforces place a great premium on continuous learning. Only those who embrace change and are committed to learning new technologies and

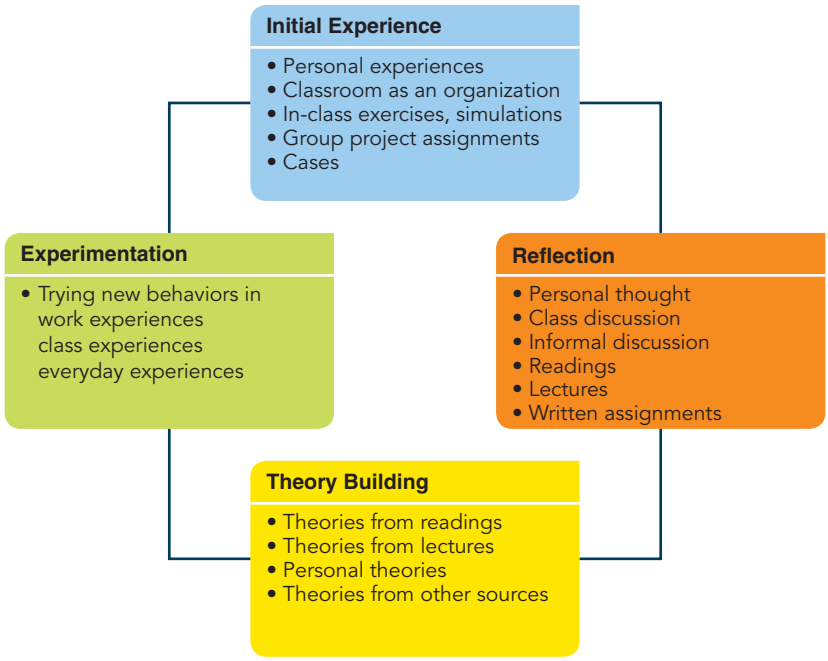


FIGURE 1.1 **Experiential learning in an OB course**

techniques for conducting business will be able to keep pace in a connected, high-tech, global, and constantly changing environment. But in terms of learning, just what are we talking about here?

Think of learning as an enduring change of behavior that results from experience. Think also of lifelong learning as a process of gaining insights from day-to-day experiences. When it comes to learning about OB, this book and your course are starting points to make your life and work experiences more meaningful. There is also a rich and ever-expanding pool of experiences available 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 that consume your time. What is learned from all such experiences—now and in the future—will in many ways be the key to your personal and career success.

Figure 1.1 shows how the content and activities of the typical OB course fit together in an experiential learning cycle.[10] The developmental 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 develop a broad understanding of key concepts.

Notice that the experiential learning process assigns to you a substantial responsibility for learning. Your instructor and this text will offer examples, cases, and exercises to provide you with initial exposure to key concepts. We can even stimulate your reflection and theory building by presenting ideas and situations, encouraging research and discussion on practical implications. Ultimately, your learning is up to you. For you to fully grasp the benefits of what OB can offer, you must become an active participant in the process.

The nice thing about this topic is that opportunities for you 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 lessons on OB. Even our leisure pastimes from sports to social interactions to television, movies, and online games offer valuable insights—if we tune in.

Study Guide 1.1

What is organizational behavior, and why is it important?

- Organizational behavior (OB) is the study of human behavior in organizations, focusing on individuals, teams, interpersonal processes, and organizational dynamics.
- OB is a body of knowledge with real applications to everyday living and careers, particularly in respect to a smart workforce where connections and collaboration are the keys to success.
- Trends and issues of interest in OB include 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 concerns for sustainability.
- OB is an applied discipline developed through scientific methods and taking a contingency perspective that there is no single best way to handle people and the situations that develop as they work together in organizations.

How do we learn about organizational behavior?

- Learning is an enduring change in behavior that results from experience.
- Lifelong learning about organizational behavior requires a commitment to continuous learning from one's work and everyday experiences.
- Most organizational behavior courses use a variety of instructional methods—self-assessments, experiential exercises, team projects, and case studies—to take advantage of the experiential learning cycle.

1.2 Thinking Critically about Organizational Behavior

LEARNING OBJECTIVES

Think critically about human behavior.

- Describe organizational behavior as a science.
- Define the fundamentals of critical thinking.
- Identify a systematic, critical approach to understanding behavior in organizations.

In the landscape of courses or topics taught on college campuses, organizational behavior is thought of as one of the softer subjects. Unlike our counterparts in accounting, finance, operations, engineering, or economics, we are not calculating neat formulas to derive precise answers to problems with a single correct solution. We are trying to understand, explain, and predict human behavior in the context of dynamic forces that vary from organization to organization and from person to person—something that is largely unpredictable!

To describe the field of organizational behavior, our colleagues in the harder disciplines occasionally offer a pejorative jibe: "OB: it's not rocket science!" We agree. OB is not rocket science; it's much more complicated. In rocket science, at least engineers know that if fuel is heated to a particular temperature, enough combustible energy will be released to launch a stationary rocket. Though tracking the orbit of a rocket in space requires a great deal of careful and precise estimation, at least the spacecraft adheres to the fundamental laws of motion.

Human behavior is not constrained by such dependable properties. While one person at work is motivated by financial incentives, another prefers vacation time. One person is loyal and obedient to a supervisor who is demanding, directive, and harsh, while another rebels against such a leader. There are clear differences *between* people, but we can also see differences *within* a person. You can probably observe someone in your workplace who is happy and motivated at work one day, but miserable and lazy the next—or happy and motivated in the morning, but miserable in the afternoon.

There are few "hard" laws of nature that explain human behavior. True, we can observe general tendencies and some predictable patterns, but people are extraordinarily complex. Human behavior is like a chaotic system, with a great deal of randomness that is impossible to predict and explain.

The good news is that there is a significant body of scientific research that underlies a broad base of knowledge about why people behave as they do. In learning this topic at the highest levels, therefore, we encourage you to bring a scientific approach to understanding behavior. Think like a scientist. Be mindful of hard evidence rather than relying only on what is termed common sense. Remember that the problem with common sense is that it's not all that common. Instead, employ a systematic approach to defining important problems with clarity and precision, and then apply a careful and thoughtful approach to evaluating viable alternative solutions.

What Is the Science of Organizational Behavior?

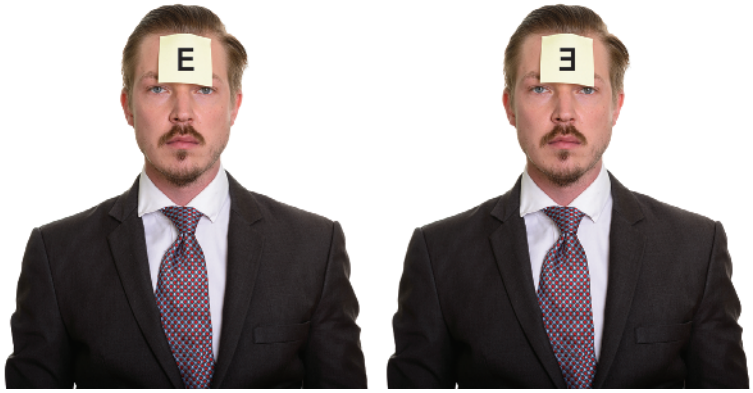
To determine how people operate in the workplace, OB researchers have conducted thousands of studies trying to isolate explanations for why people do what they do, why teams are productive, and why some organizations outperform others. This science of OB involves making systematic observations in the pursuit of identifying meaningful and insightful patterns. Ultimately, researchers want to observe differences between people and groups, explain those differences, and determine ways to make improvements.

Some examples of questions addressed by OB are:

- How should rewards, such as 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?
- What are the characteristics of effective leaders?
- How can win–win outcomes be achieved in negotiations?
- What causes unethical and socially irresponsible behavior by people in organizations?

Research Insights

Do You Think You Have What It Takes to Be the Boss?



amazingmikael/Deposit Photos

Judging your own capacity to be a successful manager can be tough, and although everyone thinks they have what it takes to be a powerful leader, that is not always the case. Organizational behavior researchers Adam Galinsky and Maurice Schweitzer set out to examine this by developing a quick test for judging those who are boss material and those who are not.[11]

The researchers asked subjects to draw a capital "E" on their forehead. There are two options: the letter can be written so it makes sense only to themselves and is reversed for onlookers (like this: Ǝ), or so it would appear the right way around to others (looks like this: E).

The subjects who wrote the letter E so that it made sense only to themselves are said to be *self-oriented*, and this tendency increases dramatically the more senior the role a person holds in the workplace. The subjects who drew the E so that other people can read it, meanwhile, are more *other-oriented* and consider multiple perspectives. They are generally not thought of as cutthroat, and not as likely to be in powerful positions.

To verify this, before publishing their book, the authors experimented on their own editorial team. Not surprisingly, they found that the senior editors wrote the E backwards, while the junior editors wrote the E forwards.

Do the Research

Try this on a group of people at school or work. Do you get the same results?

The relevance of science in understanding organizational behavior can start with asking this question: Why do good managers make bad decisions? Too often managers make mistakes when it comes to fostering conditions that inspire positive outcomes in the workplace, such as performance, satisfaction, team cohesion, and ethical behavior. Why does this happen?

Part of the reason is that rather than relying on a clearly validated set of scientific discoveries, managers use less reliable sources of insight such as gut feel, intuition, the latest trend, what a highly paid consultant might say, or what is being done in another company.[12] Like most of us, managers tend to rely on their own strengths and experiences when making choices about how to get the best from others. But what works for one manager may not work for another. In the absence of a scientific approach, managers tend to make mistakes, offer ill-conceived incentives, misinterpret employee behavior, and fail to account for the many possible explanations for why employees might perform poorly.

Like managers in the workplace, we tend to base our judgments and actions on what we know or what we *think* we know. It's fair to ask the question: How do you know what you know? If you've got an opinion about something, or are committed to a certain truth in your mind, how did you come to that conclusion?

There are four primary ways people come to know what they know:[13]

- **Intuition.** If we know something without any particular explanation or reason, or because of gut feel, our knowledge is based on intuition.
- **Experience.** If we extrapolate from our experience to a broad set of circumstances, our knowledge comes from personal experience.
- **Authority.** How do we know that smoking causes cancer? Because the American Medical Association tells us so. In this case, our knowledge comes from the authority of experts or facts.
- **Science.** If we know something through accumulation of reliable and valid evidence, then our knowledge is based on science.

We encourage a willingness to embrace what science has discovered about why people do what they do in the workplace and to think critically when trying to understand the essential problems and opportunities that drive behavior. That is, we hope students will develop an instinct for critical thought with a persistent desire for wisdom and understanding about human behavior. Identifying the root causes of behavior is perhaps the most fundamental pursuit in being a thoughtful manager. Critical thinking and the scientific method provide a reliable guide in doing so.

What Does It Mean to Think Critically?

> "A happy worker is a productive worker." "Two heads are better than one." "Money is the best motivator."

These are some of the most common ideas about behavior in the workplace: friendly, simple, and easy to understand insights about the way things work, or *should* work. However, when we cast a critical eye on each of these suggestions, the presumed universal truth of these claims are proved false.

Critical thinkers recognize that statements such as these are not true for all people in all situations, and are willing to consider the likelihood that not *all* happy workers are productive. Some might be happy but not very skilled at doing their jobs. Critical thinkers recognize that two heads might not be better than one in *some* circumstances but not others, and are willing to determine when it's better to go ahead alone. And while money might the best motivator for some, critical thinkers understand that money might mean very little to others.

Critical thinking is a systematic and comprehensive process of making objective, unbiased assessments of facts when forming a judgment.

They do this by using **critical thinking**, a systematic and comprehensive process of making objective, unbiased assessments of facts when forming judgments. We think critically by continually challenging our own assumptions while trying to make honest, fair, rational decisions based on evidence and reason. Critical thought is careful, evidence-based, mindful of

context, and free from bias. Without conscientious and intentional effort, thinking can be distorted, partial, uninformed, or prejudiced. As Richard Paul and Linda Elder suggest, "the quality of our life and that of what we produce, make, or build depends precisely on the quality of our thought."[14]

Critical thinking can be characterized by four attributes:[15]

1. **Intellectual humility.** When people are willing to admit mistakes or errors in judgment and alter their own opinions when evidence points in a different direction, they have intellectual humility. They can recognize the limits of their own logic and intellect.
2. **Confidence in reason.** Critical thinkers are willing to go wherever the evidence leads. They are confident that evidence and hard facts are the most reliable guides to good judgment.
3. **Intellectual curiosity.** Someone who loves exploring new topics, learning new things, and gaining knowledge in any form has an intellectual curiosity consistent with a critical mindset.
4. **Intellectual independence.** Critical thinkers have a willingness to question authority, challenge conventional wisdom, and honestly examine opinions with which they disagree.

Research Insights

In the Modern Workplace, Critical Thinking > IQ

In psychology, education, neuroscience, and sociology, academic research points to the importance of raw cognitive ability in predicting job performance, educational achievement, career development, and overall life success.[16] IQ tests are used to make decisions about student applications to college, and many employers now apply IQ tests in assessing job candidates or high-potential employees.[17] Even draft prospects for the National Football League complete the 50-item *Wonderlic Test*, a validated measure of general cognitive ability.[18]

However, despite research suggesting that general cognitive ability is the strongest predictor of overall job performance[19] and that IQ has a genetic source,[20] recent research highlights the value of critical thinking in the modern workplace as an "essential responsibility" of any manager in any organization.[21] Critical thinking is a skill that can be developed with training and intentional practice. According to Heather Butler, a clinical psychologist at California State University Dominguez Hills, critical thinking is superior to IQ in predicting real-world decision making, the ability to defend against propaganda, and flexibility in thought.[22]

Whereas those with high intelligence are adept as identifying the single, correct answer to a problem or case, critical thinkers tend to have more cognitive flexibility, see problems from multiple perspectives, and avoid narrow, outcome-oriented thought patterns. These are especially valuable skills in a wide range of careers, including doctors, attorneys, judges, actuaries, pilots, occupational therapists, engineers, and even fashion designers.[23]

Do the Research

What are the differences between general cognitive ability (i.e., IQ) and critical thinking? What are some of the limitations in the way cognitive ability is typically assessed? Given that information is now ubiquitous, why would critical thinking be more important than raw intelligence?

Why Is It so Hard to Think Critically?

Let's be honest: it's difficult to think critically. It's not natural. It's not easy. It takes effort to engage in a meticulous process of critically analyzing the arguments, statements, and recommendations of others, especially those in positions of authority. It takes practice.

Whether this is because of deeply held beliefs, the demands of the situation, or just because we're too busy to contemplate and reflect, we're all prone to common flaws in the way we think about complex issues.[24] An extended description of decision-making errors is included in chapters throughout this book, but some of the most common flaws in the way people think include:

- **Confirmation bias:** the tendency to search for and interpret information in a way that confirms one's existing opinions or preconceptions.
- **Dichotomies:** the tendency to see problems and solutions in simplistic terms (e.g., true/false; always/never) rather than with the nuance present in most complex issues.

- **Bandwagon effect:** the tendency to believe things because many other people do. This is related to groupthink and the herd mentality, which occurs when people blindly follow the crowd (i.e., the herd).
- **Selective perception:** the tendency to notice or perceive only certain bits of information.

What Are Steps in the Critical Thinking Process?

Critical thinking is most often revealed in a systematic and prudent process of questioning information and data. You may question the information you read in a textbook; what a politician, a professor, or a classmate says; a commonly held belief; or opinions expressed on your favorite cable news channel. With critical thinking, anything and everything is subject to question and examination for the purpose of logically constructing reasoned arguments.[25]

According to Linda Elder and Richard Paul, one effective way to enhance the quality of your thought is to ask questions that address "universal intellectual standards."[26] Critical thinkers actively and intentionally pursue these standards by asking questions that advance their understanding of problems, circumstances, and potential solutions. **Figure 1.2** provides a list of

FIGURE 1.2 Summary of intellectual standards and critical thinking questions

Intellectual Standard	Description	Critical Thinking Questions
Clarity	Clear and understandable meaning of concepts	What is your definition of the concept? Could you give me an example? Could you illustrate what you mean?
Accuracy	Conclusions are free from errors or distortions	How could we check on that? How could we find out if that is true? How could we verify or test that?
Relevance	Topics and ideas related to the matters at hand	How does that relate to the problem? How does that bear on the question? How does that help us with the issue?
Completeness	Open to various viewpoints and perspectives	Can we look at this from another perspective? Is there another point of view? Do we need to look at this in other ways?
Significance	Focus on the most critical, important concerns	Is this the most important problem to consider? Is this the central idea to focus on? Which of these facts are most important?
Fairness	Conclusions are justified, fair, and free from bias or prejudice	Does anyone have a vested interest in this issue? Are all viewpoints fairly represented? What biases in the conclusion might exist?
Precision	Exact and true information to the necessary level of detail	Could you be more specific? Could you give me more details? Could you be more exact?
Depth	Recognition of context and multiple interrelationships	What is the context? The situation? What makes this a difficult problem? What complexities exist?
Logic	The parts make sense together, no contradictions	Does this conclusion make sense? Do all facts make sense together? Do conclusions follow from the evidence?

FIGURE 1.3 **Critical thinking questions that help determine the validity of the expression "money is the best motivator"**

Question	Critical Thinking Standard
What is your definition of motivation?	Clarity
How might we determine if this statement is true?	Accuracy
Why are we even talking about this?	Relevance
For whom would this be true? Who might think differently?	Completeness
Is motivation our most pressing concern?	Significance
Do you have any vested interest in the truth of this statement?	Fairness
How much money are we talking about?	Precision
Under what circumstances would this be false?	Depth
What about people who are motivated without earning money?	Logic

universal standards in critical thought, a brief description of when the standard has been met, and several questions that can be asked to understand complex issues.[27]

For example, if during a class discussion, a classmate declares, "Money is the best motivator," you have an opportunity to demonstrate your critical thinking skills by asking questions that explore the accuracy of the statement. Listed in **Figure 1.3** are questions that you could ask and the corresponding critical thinking standard.

Thinking critically about human behavior is essential for effective management and team leadership. A willingness to explore complexity, pursue clarity, and seek evidence will help you recognize that there is never one best or universal answer to complex questions such as those posed earlier in this chapter. An essential responsibility of any manager is to think carefully and critically about important issues and use evidence-based foundations for decision making and action. Scholars Jeffrey Pfeffer and Robert Sutton define **evidence-based management** as making decisions on "hard facts"—that is, about what really works, rather than on "dangerous half-truths"—what sounds good but lacks empirical substantiation.[28] 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.

Evidence-based management means making managerial decisions based on facts rather than on feelings.

In OB, a key critical thinking skill is **contingency thinking**. It means that rather than assuming that there is one best or universal solution, answers to questions will depend on other factors. For example, how individuals will respond to work situations will *depend* on their personality or experience. How to develop a more motivating workplace will *depend* on the nature of the job and the context in which people work.

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

Contingency thinking recognizes that cookie-cutter solutions cannot be universally applied to solve organizational problems. Instead, responses must be crafted to best fit the circumstances and people involved. Critical thinking skills, combined with solid scientific findings in organizational behavior, can allow you to make solid logical and evidence-based cases for understanding and explaining OB. The nice thing is, contingency thinking means that when your instructor asks you to explain how something works and you say, "Well, it depends…", you will almost always be right!

Be a Critical Thinker

Paradoxical Proverbs



rawpixel/123RF

The world is full of clever expressions, slogans, mantras, and statements of universal wisdom, such as "Two heads are better than one," "You can't teach an old dog new tricks," and "Absence makes the heart grow fonder." If we're not careful—or if we're not thinking critically—we might be easily duped into ascribing to popcorn sources of insight. If we apply a little intellectual cynicism, however, we begin to see cracks in the foundations on which these morsels of knowledge are built.

Consider the expression, "Money is the best motivator." The statement is expressed without nuance and is reflective of a dichotomous question such as Yes or No? True or False? Always or Never? It's the kind of statement that is very clear and decisive: money "is" the best motivator (clarity), rather than money "might be" the best motivator (nuance). Further, money is "the best" motivator (unequivocal), rather than "one of the best" motivators (qualified). Such expressions are meant to convey important and persistent insights that cannot or should not be challenged.

Critical thinkers are adept at altering the questions to be asked and answered. They do so in ways that apply the universal standards described in this chapter. Rather than asking, "Is money the best motivator?," a critical thinker would instinctively pursue subtlety with more purposeful questions such as: "For whom" is money the best motivator? "When" is money the best motivator? "For how long?" "Under what conditions?" Questions of this kind recognize the complexity of every situation and the likelihood that one man's wisdom is another man's folly.

Indeed, for every statement of so-called universal insight, there is an equivalent counter. Consider these paradoxical proverbs:

Point	Counterpoint
Look before you leap.	He who hesitates is lost.
Too many cooks spoil the broth.	Two heads are better than one.
You can't teach an old dog new tricks.	It's never too late to learn.
Absence makes the heart grow fonder.	Out of sight, out of mind.
A penny saved is a penny earned.	You can't take it with you.
The devil is in the detail.	Don't sweat the small stuff.

Critical thinking is important in the world and the workplace, and employers are increasingly calling for graduates who are equipped with this skill. Therefore, in every chapter of this book we include a feature that allows you to "Be a Critical Thinker." You will be encouraged to ask careful questions and be thoughtful in pursuit of the universal standards of critical analysis. You should approach these features with healthy cynicism and skepticism, recognizing that few insights, opinions, claims, or supposed truths are absolute or universal. This is especially the case in OB.

Study Guide **1.2**

What is the science of organizational behavior?

- The science of OB involves making systematic observations in the pursuit of identifying meaningful and insightful patterns.
- Very often, rather than using insights from science and hard evidence about behavior at work, managers tend to rely on less reliable sources of information such as gut feel, intuition, the latest management trend, or their own preferences.
- There are several different sources of knowledge including intuition, experience, authority, and science—the most reliable of which is science.
- Contingency thinking recognizes that cookie-cutter solutions cannot be universally applied to solve organizational problems.

What does it mean to think critically about human behavior?

- Critical thinkers recognize that statements that may be considered common knowledge are not true for all people in all situations.
- Critical thinking is a systematic and comprehensive process of making objective, unbiased assessments of facts when forming a judgment.
- Critical thought is careful, evidence-based, mindful of context, and free from bias. It has four attributes: intellectual humility, confidence in reason, intellectual curiosity, and intellectual independence.
- It takes effort to engage in a meticulous process of critically analyzing the arguments, statements, and recommendations of others, especially those in positions of authority. It is easy to fall back on some common flaws: confirmation bias, dichotomies, the bandwagon effect, and selective perception.
- Critical thinking is most often revealed through a systematic and prudent process of questioning information and data.
- Critical thinkers actively and intentionally pursue certain standards by asking questions that advance our understanding of problems, circumstances, and potential solutions. The standards are: clarity, accuracy, completeness, significance, precision, depth, and logic.

1.3 Managers, Team Leaders, and Organizational Behavior

LEARNING OBJECTIVES

Describe the skills needed for great leadership and management.

- Explain the management process: planning, organizing, leading, and controlling.
- Introduce the essential roles of effective managers and team leaders.
- Describe the skills needed for great management and leadership.

It's hard to picture a career in which you won't, sooner or later, end up *in charge* of others. Call it what you will—boss, supervisor, manager, leader—the implications are all the same. It's a point in time when other people look to you for guidance and support and when you are being held accountable for how well they perform. Here we will use the term *manager* or *team leader* interchangeably to describe this position.

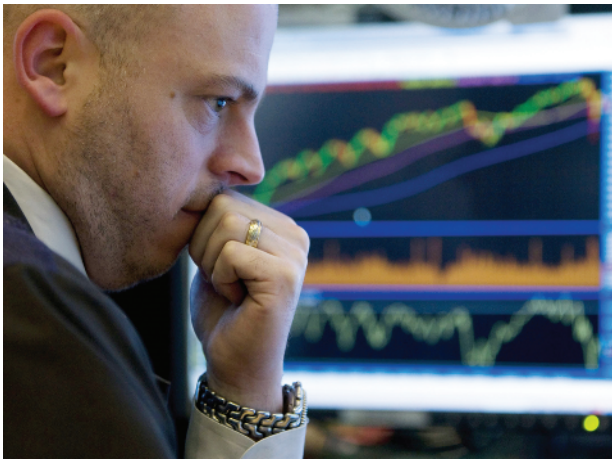
Effective Managers and Team Leaders

If you look back to the workplace trends we discussed earlier in this chapter, you'll note that success as a manager and team leader is achieved today more through *helping*, *supporting*, and *coaching* than it is through the traditional actions of a *directing* and *controlling* boss. In terms of outcomes, there is more to this success than high performance alone. An **effective manager** or **effective team leader** is someone who excels at helping others achieve both high performance and job satisfaction in their work.

An **effective manager** or **effective team leader** is a manager who excels at helping others achieve both high performance and job satisfaction.

Checking Ethics in OB

Is Management a Profession?



Jin Lee/Bloomberg/Getty Images

Does it surprise you that a *Harvard Business Review* article claims managers are losing the public trust? To help change things for the better, the article's authors call for business schools to address management as a "profession" that is governed by codes of conduct and that "forge an implicit social contract with society."[29] One response to their call is the MBA Oath, a nonprofit organization. Its goal is to create a community of graduating MBA students from any university that voluntarily sign an oath pledging to "create value responsibly and ethically." So far, over 250 schools are represented in the community. A student signing the MBA Oath accepts statements such as these:

> "I will manage my enterprise with loyalty and care, and will not advance my personal interests at the expense of my enterprise or society."
>
> "I will refrain from corruption, unfair competition, or business practices harmful to society."
>
> "I will protect the human rights and dignity of all people affected by my enterprise, and I will oppose discrimination and exploitation."

Make Ethics Personal

What is your position on the MBA Oath? Would you sign the agreement and sincerely try to live up to its tenets in day-to-day practice? How about the whole concept of management being a profession like medicine and law? Can professionalizing management really make a difference in terms of ethical accountability and everyday managerial behavior?

Performance and satisfaction are essential concerns in research on organizational behavior. OB scholars want to understand the factors that contribute to each in order to help managers and team leaders consistently accomplish each. To do this, scholars focus on two critical topics:

Task performance is the quality and quantity of the work produced or the services provided by an individual, team, work unit, or organization as a whole.

Job satisfaction is how people feel about their work and the work environment.

- **Task performance** is the quality and quantity of the work produced or the services provided by an individual, team, work unit, or organization as a whole. In essence, task performance is a reflection of how well one does his or her job.
- **Job satisfaction** is a more elusive concept given that it can be an emotional reaction based on the appraisal of one's work conditions relative to expectations. Essentially, job satisfaction captures how people feel about their work and the work environment.

Whereas performance goals of the team leader pretty much speak for themselves, the satisfaction goals might give you some reason for thought. But both are important. 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 or compromised for lack of proper care. In this sense, taking care of job satisfaction today can be considered an investment in tomorrow's potential for performance.

What Do Managers and Team Leaders Do?

Anyone serving as a manager or team leader faces a challenging and complicated job. At its core, managing and leading a team or work unit involves the four basic functions shown in **Figure 1.4**: planning, organizing, leading, and controlling. These functions make up the *management process* and involve the following responsibilities:

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.

- **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 and evaluating performance, then taking corrective action as necessary.

It's tempting to look at this set of functions and think of the action implications this way. First, I sit down and make a plan. Then I set up the organization. After that, I step in to lead. Finally, I control to make sure everything turns out as expected. This seems like a simple and straightforward process.

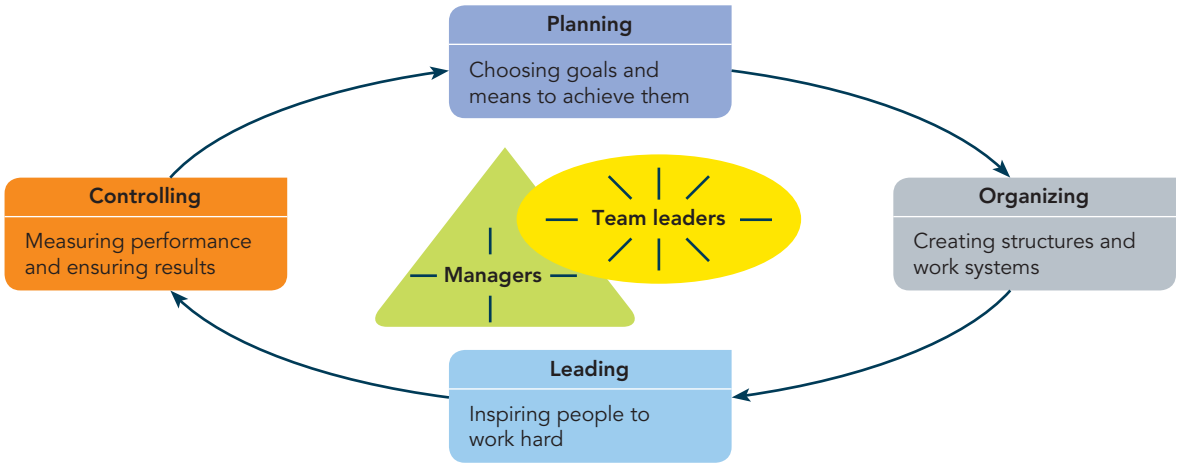


FIGURE 1.4 **The management process of planning, organizing, and controlling**

Unfortunately, managing and leading teams is quite a bit more complicated than that. In what has become a classic research study, Henry Mintzberg dispelled the notion that these functions of management are revealed as discrete responsibilities in a step-by-step sequence. Rather, he described how they are accomplished in a busy, hectic, and challenging work context, where managers and team leaders are constantly moving among many tasks, addressing a never-ending stream of problems, and facing many interruptions.[30] The reality is that managers and team leaders must get good at a continuous cycle of planning, organizing, leading, and controlling while on the move and in the company of others. According to Mintzberg, managers must do all this while being exceptionally good at the ten roles of effective management, organized in three categories as shown in **Figure 1.5**:

- **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).
- **Informational roles** involve exchanging information with other people, seeking relevant information (monitor), sharing it with insiders (disseminator), and sharing it with outsiders (spokesperson).
- **Decisional roles** involve making decisions that affect other people, seeking problems to solve and opportunities to explore (entrepreneur), helping to resolve conflicts (disturbance handler), allocating resources to various uses (resource allocator), and negotiating with other parties (negotiator).

What Are the Essential Skills of Managers and Team Leaders?

We all need skills to do well in work and life. It's no different for managers and team leaders—it takes skill to perform well and achieve the effectiveness defined earlier. A skill is an ability to translate knowledge into action that results in a desired performance. And in this sense, Robert Katz divides the essential managerial skills into three categories: technical, human, and conceptual.[31]

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, video chats and conferencing, and social media are often hiring prerequisites. It's also helpful to think *skills* in respect to your college major. Recruiters today don't just want to know that you are a

Technical skill is an ability to perform specialized tasks using knowledge or expertise gained from education or experience.

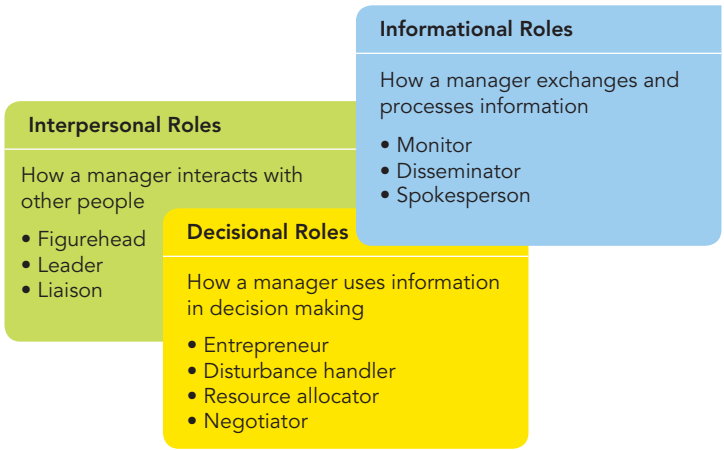


FIGURE 1.5 **Mintzberg's ten roles of effective management**

marketing or finance or management major with high grades. They want to know what skills in the major you are going to bring to the job.

Human skills are the ability to work well with other people.

Human Skills

Central to all aspects of managerial work and team leadership are **human skills**, or the ability to work well with other people. These skills are revealed 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.

A manager or team leader's human skills should contain a strong base of emotional intelligence (EI). As defined by Daniel Goleman, EI is the ability to understand and manage emotions well, both personally and in relationships with others.[32] The building blocks for 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. If you don't have human skills, you can't connect with other people in a positive way. Managers and team leaders need these skills to develop, maintain, and work well with a wide variety of people, both inside and outside the organization.[33] 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.[34] It can be said in this sense that strong human skills are the pathways to obtain social capital in the form of relationships and networks that can be called upon as needed to get work done through other people.

Worth Considering or Best Avoided?

Trouble Balancing Work and Home? Telecommuting May Be the Answer



Hero Images/Getty Images

A group of Stanford University researchers wondered if allowing work to be done at home was really worth it to employers. Seeking real facts upon which to base a conclusion, they set up a field experiment using call center workers at a large Chinese travel agency.

Using odd or even birth dates, 255 volunteers were randomly assigned to "at home" or "in the office" work shifts for nine months. Their performance was monitored, and an overall evaluation was made at the end of the research period. Results showed that telecommuters were online for more minutes, took more calls per hour, and were less likely to quit. They also reported more positive moods and greater job satisfaction than did the office workers. Working at home also resulted in fewer break times while on shift and fewer days of sick leave.

When productivity gains, reduced training and hiring costs, and office rentals were tallied, the company calculated it saved $2,000 for every $3,000 spent on telecommuter salaries. And when the experiment was completed and workers were given the chance to switch groups if they wished, those that ended up in the telecommuter group became even more productive.

Do the Analysis

What are your impressions of the experiment's findings? Does this study suggest that everyone should be given the option to work from home at least part of the time? What conditions might you set on the types of jobs and job holders that qualify for work from home? Is the evidence from this study good enough to make real-world decisions about the use of telecommuting?

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. Earlier, we discussed this ability in terms of critical thinking. For Katz, **conceptual skills** allow us to think critically; identify patterns and trends; and analyze and solve complex, ambiguous problems. These skills rely on the ability to see and understand how systems work and how their parts are interrelated, including the dynamics of human interaction. Conceptual skill is used to identify problems and opportunities, gather and interpret relevant information, and make good problem-solving decisions.

Conceptual skills allow us to think critically, identify patterns and trends, and analyze and solve complex, ambiguous problems.

Essential Skills in the Context of OB Look back to Figure 1.5. Can you recognize Katz's point that the relative importance of these skills varies as one moves into higher levels of managerial and team leader responsibilities? Technical skills are considered more important at entry and lower levels where the primary focus is on job-specific problems. Senior-level management positions, on the other hand, call more on conceptual skills as problems become more strategic and complex. Importantly—and this is where OB comes into play once again—Figure 1.5 shows that human skills are consistently important across all levels. All managers and team leaders must be able to understand and positively engage human behavior in organizations. Without these human skills they can't do their jobs well at any level. That is why the study of OB is so important for you and your career aspirations.

Study Guide **1.3**

What are the challenges of management in organizations?

- Effective managers directly support and help others reach high levels of both performance and job satisfaction; they are increasingly expected to act more like "coaches" and "facilitators" than like "bosses" and "controllers."
- 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 use a combination of essential technical, human, and conceptual skills while working in networks of people to fulfill a variety of interpersonal, informational, and decisional roles.

Self-Test Chapter 1

Multiple Choice

1. Which of the following issues would be most central to the field of organizational behavior (OB)?

a. How to improve advertising for a new product.

b. How to increase job satisfaction and performance among members of a team.

c. Making plans for a new strategy for organizational growth.

d. Designing a new management information system.

2. What is the best description of the context for organizational behavior today?

a. Command-and-control is in.

b. The new generation is similar to the old.

c. Empowerment is out.

d. Work–life balance concerns are in.

3. Which of the following statements about diversity in the workforce is NOT true?

a. The U.S. workforce is more diverse now than ever before.

b. The U.S. is predicted to be a true plurality by the year 2060.

c. America is growing demographically younger.

d. Hispanics are now the fastest growing community in the United States.

4. Which statement about OB is most correct?

a. OB seeks one-best-way solutions to management problems.

b. OB is a unique science that has little relationship to other scientific disciplines.

c. OB is focused on using social science knowledge for practical applications.

d. OB is so modern that it has no historical roots.

5. Which of the following is not a step in the experiential learning cycle?

a. Reflection **b.** Theory building

c. Experimentation **d.** Conclusion

6. If you know something because of a gut feeling your knowledge is based on _____.

a. intuition **b.** experience

c. authority **d.** science

7. Laura regularly questions her professors in class and challenges conventional wisdom. She is demonstrating which of the four attributes of critical thinking?

a. Intellectual humility
b. Confidence in reason
c. Intellectual curiosity
d. Intellectual independence

8. Mark admitted to some flaws in the plan he presented on increasing the company's strategic growth and altered his opinion based on new market research. He is demonstrating which of the four attributes of critical thinking?

a. Intellectual humility **b.** Confidence in reason
c. Intellectual curiosity **d.** Intellectual independence

9. Asking, "Is this the most important problem to consider?" is an attempt to address which intellectual standard?

a. Accuracy **b.** Significance
c. Logic **d.** Precision

10. Asking "Do we need to look at this in other ways?" is an attempt to address which intellectual standard?

a. Accuracy **b.** Depth
c. Logic **d.** Completeness

11. Tailoring our behaviors and practices to fit the exact nature of each situation is called _____.

a. selective perception **b.** confirmation bias
c. contingency thinking **d.** intellectual curiosity

12. The management function of _____ is concerned with creating enthusiasm for hard work among organizational members.

a. planning **b.** motivating
c. controlling **d.** leading

13. In the management process, _____ is concerned with measuring performance results and taking action to improve future performance.

a. transforming **b.** organizing
c. leading **d.** controlling

14. Among Mintzberg's ten managerial roles, acting as a figurehead and liaison are examples of _____ roles.

a. interpersonal **b.** informational
c. decisional **d.** conceptual

15. A _____ skill is an ability to perform specialized tasks using knowledge or expertise gained from education or experience.

a. technical **b.** emotional
c. social **d.** conceptual

Short Response

16. What are the key characteristics of OB as a scientific discipline?

17. Define critical thinking and describe its attributes.

18. Describe a common flaw that can complicate a person's ability to think critically.

19. When is a manager an effective leader?

Applications Essay

20. Carla, a college junior, is participating in a special "elementary education outreach" project in her local community. Along with other students from the business school, she is going to spend the day with fourth- and fifth-grade students and introduce them to the opportunities of going to college. One of her tasks is to lead a class discussion of the question, "How is the world of work changing today?" Help Carla out by creating an outline of the major points she should discuss with the students.