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Organisational Behaviour

Professor Robert Dailey

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Edinburgh Business School
Heriot-Watt University
Edinburgh
EH14 4AS
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Fax + 44 (0) 131 451 3002

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Organisational Behaviour

Robert Dailey lives in Santa Fe, New Mexico. He is self-employed as a business consultant and writer. Until 2000 he was Professor of Management at Drake University, Des Moines, Iowa. Prior to taking that position, he was Associate Professor of Organisational Behaviour on the Faculty of the Freeman School of Business, Tulane University. In both teaching positions he has prepared and taught graduate and undergraduate courses in management, organisational behaviour, organisational development, organisational theory, interpersonal behaviour, human resource management, business strategy and organisational behavioural science research.

He has received the Howard Wissner Award three times for excellence in teaching at Tulane University. While at Drake, he has been on the teacher honour roll on several occasions. His publications have appeared in numerous journals. In addition, he is the author of *Understanding People in Organizations*, West Publishing Company, 1988. He has completed over 50 consulting projects in American corporations and hospitals. Recently he was named an honorary professor at Edinburgh Business School.

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Contents

Introduction		ix
	Why Managers Need to Study Organisational Behaviour	ix
	New Topics and Themes	ix
	Timely New Topics	x
Acknowledgements		xii
Module 1	The Basics of Organisational Behaviour and Its Relation to Management	1/1
	1.1 Why Managers Need to Understand Organisational Behaviour and Its Theories	1/2
	1.2 Ethical Values: The Building Blocks of Individual Differences	1/10
	1.3 The Study of Personality and Employees' Personal Traits	1/14
	1.4 The Crucial Role of Job Satisfaction	1/26
	1.5 Developments in the Study of Employee Work Attitudes	1/35
	Learning Summary	1/41
	Review Questions	1/42
	Case Study 1.1: Managing the Emotional Employee in the Work Setting	1/46
Module 2	Stress and Well-Being at Work	2/1
	2.1 Introduction to Stress and Well-Being at Work	2/1
	2.2 Understanding Job Stress and Its Components	2/3
	2.3 An Integrated Model of Causes and Consequences of Job Stress	2/6
	2.4 Individual Approaches to Managing Stress	2/19
	2.5 Organisational Programmes of Wellness and Job Stress Management	2/21
	2.6 Downsizing and Outsourcing: New Forms of Permanent Job Insecurity?	2/23
	Learning Summary	2/25
	Review Questions	2/26
	Case Study 2.1: Samuel Logston	2/29
	Case Study 2.2: Intermittent Explosive Disorder	2/31
	Case Study 2.3: A Gunman Comes Back to Work	2/31
Module 3	Contemporary Theories of Motivation	3/1
	3.1 Introduction	3/1
	3.2 Content Theories of Motivation	3/4

3.3	Process Theories of Motivation	3/12
3.4	Cultural Differences in Motivation	3/22
	Learning Summary	3/36
	Review Questions	3/37
	Case Study 3.1: Promoting Employee Productivity	3/41
	Case Study 3.2: Motivating Employees at Cypress Semiconductor	3/41
	Case Study 3.3: Anil Goes Back to Delhi	3/44
Module 4	Organisational Control and Reward Systems	4/1
4.1	Why Organisations Need to Assess Employees' Performance	4/2
4.2	Goal Setting and Management by Objectives (MBO)	4/12
4.3	Rewards and Reward Systems	4/15
4.4	Components of Executive Compensation	4/21
4.5	A Comparison of Company Pay Practices	4/26
4.6	Group-Based Reward Systems	4/32
	Learning Summary	4/40
	Review Questions	4/41
	Case Study 4.1: Performance Appraisal at Work	4/46
	Case Study 4.2: A Swedish–American Joint Venture	4/47
	Case Study 4.3: The Board Rebalances the CEO's Pay	4/48
Module 5	Job Design and Employee Reactions to Work	5/1
5.1	Understanding Job Design	5/1
5.2	Making Use of Job Design for Individual Employees	5/9
5.3	The Team Approach to Job Design	5/14
	Learning Summary	5/23
	Review Questions	5/24
	Case Study 5.1: Alton's Experiment with Changes in Job Range and Depth	5/27
	Case Study 5.2: Building Cross-Cultural Work Teams	5/29
	Case Study 5.3: Calling All Millennials: It's Time to Go to Work	5/30
Module 6	Understanding Work Group Dynamics and Group-Based Problem Solving	6/1
6.1	Describing Work Groups and Their Characteristics	6/2
6.2	Work Group Composition, Cohesiveness and Norms	6/6
6.3	Significant Aspects of Work Group Structure	6/14
6.4	From Statics to Dynamics: Work Group Development and Decision Making	6/17
6.5	Practical Guidelines for Managing Groups	6/28

	6.6	Decision Making in Teams: Deciding on the Extent of Participation	6/32
	6.7	Work Groups in Competition and Conflict	6/34
		Learning Summary	6/38
		Review Questions	6/39
		Case Study 6.1: Assessing Work Group Creativity	6/43
		Case Study 6.2: Team Productivity at A.E. Leeson's Ltd.	6/46
		Case Study 6.3: Competitive Advantage Based on SDTs	6/48
Module 7		The Influence Processes in Organisations: Power, Politics, Leadership and Entrepreneurship	7/1
	7.1	An Example of Power	7/2
	7.2	Uses and Abuses of Power: Playing Politics	7/10
	7.3	Leadership: A Conundrum of Theory	7/14
	7.4	The New Age of Entrepreneurs	7/29
		Learning Summary	7/34
		Review Questions	7/35
		Case Study 7.1: Lenton Industries	7/39
		Case Study 7.2: Inside the Mind of a Re-Engineering Cost Cutter	7/43
Module 8		Organisational Design and New Forms of Service-Driven Organisations	8/1
	8.1	Making Sense of Organisational Anatomy	8/2
	8.2	Organisational Structure: Understanding the Basics	8/13
	8.3	Understanding the Responsive Organisation	8/29
	8.4	Drivers of Growth in Customer Service	8/36
	8.5	Designing Service for Customer Retention	8/38
	8.6	Organising Principles of Service Quality	8/43
	8.7	Creating a Service-Driven Organisation	8/47
		Learning Summary	8/49
		Review Questions	8/50
		Case Study 8.1: Analysing a Change in Design	8/56
		Case Study 8.2: 'Demo or Die': Innovation in Organisations	8/58
		Case Study 8.3: Dumbsizing	8/60
Module 9		Managing Transitions: Organisational Culture and Change	9/1
	9.1	Organisational Culture: Its Meaning and Relationship to Successful Strategy	9/2
	9.2	Organisational Life-Cycle Theory	9/14
	9.3	Organisational Change	9/16

	9.4 Methods of Change in Organisation Development	9/29
	Learning Summary	9/40
	Review Questions	9/41
	Case Study 9.1: A Turnaround at Tentex	9/46
	Case Study 9.2: The Key-Man Syndrome	9/48
	Case Study 9.3: Engine Solutions (ES) Acquires JNC	9/50
Appendix I	Practice Final Examinations and Answers	A1/I
	Practice Final Examination 1	1/1
	Practice Final Examination 2	1/4
	Practice Final Examination 3	1/6
Appendix 2	Answers to Review Questions	A2/I
	Module 1	2/1
	Module 2	2/4
	Module 3	2/8
	Module 4	2/13
	Module 5	2/19
	Module 6	2/24
	Module 7	2/30
	Module 8	2/36
	Module 9	2/43
Index		I/I

Introduction

Why Managers Need to Study Organisational Behaviour

The competitive pressures on firms continue to mount, and their skilful managements seek to strengthen their firms' operational effectiveness and competitive advantage. The effectiveness of management's deployment of their firms' technological resources and their strategic initiatives always depends on the quality and motivation of their workforces. The basic theme through all the modules in this revised text is the creation and strengthening of organisational competitive advantage by enhancing the manager's grasp of human forces that are constantly in play in organisations.

As you read these modules, you will find an excellent balance between theory and practice. The text introduces you to the theories that have created solid advances in the field of organisational behaviour. The examples and cases throughout the course show the practical side of these theories in terms of how you can exploit them to enhance competitive advantage in your firms. In many places in the text, the examples and cases that are presented have been taken from the recent histories of companies that compete in the global marketplace. As you study these theories and business cases, you will become quite accustomed to shifting between 'explanation and application'.

Our MBA students have told us repeatedly: 'We want an up-to-date, timely and absorbing text that actively involves us in the learning process.' I believe this has been accomplished in EBS's new *Organisational Behaviour* course. I know that your time is very valuable and that your self-guided study of this course is very important to you. Further, you probably believe that this course and the Heriot-Watt MBA Programme can greatly enhance your own competitive advantage in your career, your job and your organisation. Why else would you allocate your scarce time resources to such a demanding educational endeavour? These considerations cause you to make serious judgements about how you allocate your intellectual, financial and temporal resources. You have made an excellent decision to pursue the Heriot-Watt Distance Learning MBA. As you begin your study of organisational behaviour, I will try to make your journey interesting and challenging.

New Themes

The text has a consistent 'global competitiveness' theme that is carried through the modules. This theme is introduced in Module 1 by showing you the effects of cultural differences on organisational operations and decisions. A second theme is how ethics and personal values, in concert with competitive forces, shape management decisions that influence employees, the workforce and the organisation. Examples of this are seen in the worldwide trends of job outsourcing (and offshoring), re-engineering, employee empowerment and the ever-widening use of self-managed teams in organisations. The third theme in the course is the pressing competitive necessity of applying the principle of continuous improvement

throughout the organisation. For about 10 of the last 20 years, this principle has meant total quality management to most managers. In this edition of the *Organisational Behaviour* course, this theme is carried through to its most recent permutations: shortened work cycle times, improved total customer service and new designs for responsive firms engaged in continuous global competition.

The case studies and their questions in this edition of OB are revised to reflect the new themes described above. Likewise, the practice exams at the end of each module now have multiple choice questions that match the new material in each module. The summary points at the end of each module are also completely revised and updated to capture new organisational behaviour knowledge and management practices.

Timely New Topics

Module 1 presents new material on the manager's job in the twenty-first century, workforce diversity, and the nature of values, beliefs and ethics. In Module 1 you will find a short section on emotionality in employees. This brief section and its accompanying case study introduce you to several important managerial principles that relate to creating effective work relationships based on trust, performance and being able to understand employees' personalities.

Module 2 addresses job stress and the complexity of employees' and organisations' responses to it. At the end of the module you will learn about intermittent explosive disorder in employees and how it can spiral out of control and sometimes lead to disastrous work consequences.

In Module 3 equity theory and social comparison are covered in greater depth, and distributive and procedural justice and employees' perceptions of the fairness of management's decisions are explored.

Module 4 adds new material on company pay plans and the forces shaping executive compensation since 2000.

Self-managed teams and employee empowerment are extremely important subjects in organisational behaviour, and they are thoroughly addressed throughout the course and in Module 5. Here you will learn about re-engineering and lean production methods from the standpoint of excellent employment practices. Cross-cultural work teams are also discussed.

New materials in Module 6 include the nature of social loafing (freeloading) and the design of reward systems to increase work team productivity. In Module 6 the Vroom–Yetton–Jago normative model of decision making is presented along with its relationships to group decision making and employee participation.

Module 7 probes the differences between entrepreneurial and managerial behaviour, and offers you tips on how to 'manage your boss' (upward management). It also develops fully the significance of leaders' rewarding and punishing behaviours and the effects that each has on work groups and organisations.

Module 8 emphasises organisation theory and its two components: organisational design and organisational structure. Both of these are strongly influenced by the

organisational strategy and its goal of creating a robust competitive advantage. This module gives new treatment to interorganisational designs and their evolving global forms. The nature of strategic alliances is discussed, and the module concludes with an analysis of new, 'boundaryless' (24/7) organisations and 'virtual' organisations.

Module 9 integrates the concepts of organisational culture, organisational change and the 'life-cycle theory' (or organisational growth and eventual decline).

Professor Dailey

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The Basics of Organisational Behaviour and Its Relation to Management

Contents

1.1 Why Managers Need to Understand Organisational Behaviour and Its Theories	1/2
1.2 Ethical Values: The Building Blocks of Individual Differences	1/10
1.3 The Study of Personality and Employees' Personal Traits	1/14
1.4 The Crucial Role of Job Satisfaction	1/26
1.5 Developments in the Study of Employee Work Attitudes	1/35
Learning Summary.....	1/41
Review Questions	1/42
Case Study 1.1: Managing the Emotional Employee in the Work Setting.....	1/46

Learning Objectives

By the end of this module, you will be able to:

- Define OB.
- Distinguish organisational behaviour (OB), organisational theory (OT) and management as different yet related disciplines.
- Explain the elements of the manager's job in the twenty-first century.
- Describe the relationship between organisational productivity and employee needs.
- Characterise the meaning of values and their relationship to personality.
- Explain various psychological traits of employees that systematically influence their behaviour on the job and how they can be measured.
- Explain the meaning of introversion and extroversion.
- Explain the nature of job satisfaction and recognise its determinants and consequences.
- Explain the job satisfaction–job performance relationship.
- Assess ways to measure job satisfaction in the work setting.
- Differentiate organisational commitment and job involvement.
- Explain the psychological contract and how the new generation of workers is changing it.

- Describe how economic insecurity erodes workers' commitment and involvement.
- Link personal values to whistle-blowing behaviour at work.

I.1 Why Managers Need to Understand Organisational Behaviour and Its Theories

As you begin your study of organisational behaviour (OB), you will be struck by the fact that you can apply immediately what you are learning to the problems you confront at work. Not only will you be gaining a broad view of this highly applied discipline, but you will also find ways to alter your management philosophy to reflect your new-found OB knowledge as you apply it to your work. As your knowledge of and comfort with this subject grow, you will become increasingly skilful in analysing and understanding the behavioural implications of organisational problems. In this course you will become acquainted with the latest developments in the field, and you will have an opportunity to see how well-known global companies deal with the challenges of managing their diverse workforces in highly competitive markets around the world. Our aim throughout this course is to help you see how the field of OB contributes knowledge of how organisations behave. You can direct this knowledge towards making improvements in your firm's competitive advantage (earning the highest return from its financial and human capital). Let us begin by developing a definition of the fields of organisational behaviour (OB) and organisational theory (OT).

OB studies the behaviour, attitudes and performance of people in organisations. This field puts the lens of analysis on how employees' work contributes to or detracts from the effectiveness and productivity of the organisation. The field has three units of analysis: the individual, the group and the organisation (competitive advantage once again). A 'micro' – individual-employee level – aspect of OB emphasises the first two units of analysis and stresses topics such as personality traits (individual differences), employee attitudes and motivation to work, leadership, group formation and group decision making. The 'macro' or big-picture approach addresses the organisation as the primary unit of analysis. This is called organisational theory, and its focus is on the topics of organisational structure and organisational design (Champoux, 2011).

OB draws support from the fields of individual psychology (personality and cognition), social psychology (people interacting), industrial psychology (people at work), political science (power and influence), anthropology (cultural systems) and economics (incentives and transactions). OT is directly related to OB and draws concepts and research from anthropology, sociology (nature and behaviour of human groups) and theories of complex organisations (how they form, grow, compete and collaborate). Our approach to OB will use both established theories and reliable managerial practices to explain the behaviour of organisational participants. You will find that all behavioural theories are thoroughly grounded in managerial examples, corporate and organisational case studies and your own work experience.

1.1.1 Distinguishing between Organisational Behaviour and Management

What Is the Relationship of Management to Organisational Behaviour?

The traditional field of management is defined as the process of planning, organising, leading and controlling the human, material and financial resources of an organisation. Managers are individuals who achieve intended organisational objectives by selecting and deploying at the right time and at the right place the processes noted above. The traditional and highly repetitive responsibilities of managers have been supervising and motivating subordinates and reporting unit results to the next highest level in the chain of command. Newer definitions of management de-emphasise recurring processes while stressing the importance of the manager as an ‘enabler (facilitator) of employee performance’ instead of the much more traditional ‘activities’ approach suggested above.

Contemporary views of management emphasise the managerial roles of ‘coaching’, integrating, advocating, tracking (and sharing with employees) key aspects of unit performance, and allocating resources among more independent (and trusted) employees and their self-directed teams. Unlike OB and OT, the definition of management is not static, and you will see how it evolves naturally to keep up with the rising complexity of modern organisations.

A significant relationship exists between OB and management. OB attempts to explain human behaviour in organisations in terms of valid theories. Many of these theories address problems that managers face on a regular basis, for example motivation of subordinates, effectively charting the firm’s strategic direction, delivering superior customer service, coaching and integrating the work of self-managed teams, and creating reward systems that recognise individual achievement in the context of high-performance work cultures that rely heavily on digital technologies in the hands of self-directed teams.

Managers and supervisors are held accountable by their superiors for achieving the firm’s goals. As a consequence, they often look for theories that help them interpret organisational events and processes in behavioural terms. OB contributes knowledge in critical areas important to any manager. So, part of the answer to the question above is that OB is concerned with describing and explaining organisational phenomena while management is a set of applied problem-solving skills that can be deployed to sustain, protect or improve the firm’s competitive advantage.

What Role Does Management Play in Organisational Problem Solving?

Supervisors and managers are responsible for the day-to-day work of the organisation. They do not directly produce specific goods and services. Instead, they supervise the work of subordinates who do produce goods and services. In this context managers are responsible for supporting operational effectiveness, or the optimisation of production and delivery of goods and services (Porter, 2011). By its nature, operational effectiveness examines how the firm performs in relation to its own standards and to its rivals’ standards (to the extent to which they are known).

On a day-to-day basis managers can strive to make products faster, to use fewer inputs or to reduce defect rates (or some combination of the three). A manager's responsibilities in operational effectiveness reduce to three components:

1. A technical component concerned with the efficient use of resources to achieve output goals, and the application of technology to achieve productivity goals.
2. A conceptual component concerned with the development of new systems and methods of operation. An example would be creating a smartphone application to give salesmen up-to-the-minute pricing for rival firms' products.
3. A human component concerned with workforce and employee well-being. Examples of this are launching a programme to assist troubled employees or designing an employee health programme to reduce insurance costs.

The amount of time a manager spends on these activities is a function of his level in the organisational hierarchy. Generally speaking, technical work occupies most of the time of first-line supervisors. They spend far less time on conceptual and human work. For middle managers it is generally true that conceptual workload and human workload both increase while technical workloads diminish. Top executives spend the bulk of their time engaged in conceptual and human work. An example of their conceptual work would be strategic planning (building and holding competitive advantage and sustaining operational effectiveness). Managing workforce pay and benefits and authorising training and development are human components of executives' work.

Management and Technical Problem Solving

Virtually all firms want managers and employees to be technical problem solvers in the areas of product and service quality improvement. Managers are promoted almost always on their ability to resolve complex technical issues, for example new process and product development or the creation of better distribution systems, more accurate pricing systems and enhanced service delivery systems. The 'glitch' in many organisations is that managers are mistakenly promoted on the basis of their technical work expertise alone. Managers, being rational, wish to acquire technical skills in their careers because they know that their employers will reward them for these skills. This seduces managers to make all job challenges fit their technical work skills. This may work on low-level managerial challenges but not on higher-level ones. And so, in entry-level managerial positions, we find that managerial success is too narrowly defined in technical terms. If managers demonstrate conceptual and human skills as well, their promotion prospects and, more importantly, their performance potential are both greatly enhanced. These seasoned managers become candidates for executive positions precisely because they have moved beyond conceptualising managerial problems purely in technical terms.

The missing ingredient in the skill mix of many ambitious managers is capability (expertise) in the human component of managerial work. Executives and managers with 'poor people skills' demoralise the workforce and thereby reduce the firm's operational effectiveness. There is no faster way to tear down competitive advantage! Much of the content of this text is aimed squarely at reviving the workforce so that it is a willing and enthusiastic contributor to competitive advantage. This

practical (and pressing) need creates a wide and well-trod bridge between OB and management.

1.1.2 New Perspectives on the Manager's Job

As we have noted, the key concept in the manager's job is sustaining operational effectiveness, or 'getting things done well through people'. In organisations of the twenty-first century, the manager's job will evolve from an authority-derived 'issuer and interpreter of rules and orders' to creating an entrepreneurial work climate that facilitates teamwork, autonomous and timely decision making and extreme work-force flexibility. Researchers have found that the manager's day is a series of discrete, fragmented episodes that do not allow for long periods of uninterrupted contemplation of the tasks of planning, organising, leading and controlling the deployment of the firm's financial and intellectual resources (our ageing and out-of-date definition of management) (Mintzberg, 1975; Fondas, 1992). Research showed that only 5 per cent of a manager's time was spent on tasks lasting more than one hour. Just what are the fragmented tasks and activities performed by managers on a daily basis? Large surveys of thousands of managers and executives have identified seven basic features of their jobs (Kraut *et al.*, 1989):

1. Managing employee performance (supervising).
2. Guiding subordinates (teaching and training).
3. Representing one's staff (advocacy).
4. Managing team performance (facilitation).
5. Allocating resources (decision making).
6. Coordinating interdependent groups (collaboration).
7. Monitoring the business environment (scanning for adaptations).

These seven managerial tasks are common to all management levels in companies. The perceived importance of each task and the amount of time spent by managers on these tasks at different organisational levels vary substantially. Researchers found that Tasks 1 and 2 are more relevant to lower-level supervisors, that Tasks 3, 4 and 5 capture the time of middle managers and that Tasks 6 and 7 monopolise the time of senior executives. Said another way, managers and executives perform the same tasks but with different emphasis depending on their level in the firm's hierarchy.

The digitised workplace of tomorrow will achieve much greater operational effectiveness. The firm's hierarchical structures emphasising command and control are giving way to those that stress participative decision systems and employee engagement (empowerment). Managers who are only comfortable with exercising authority and command are being retrained or replaced by those who know how to coordinate the work of interdependent teams (team networks; *see* Module 6) and motivate employees in horizontally complex work environments. Table 1.1 shows the differences between managers of the past and their replacements of the future. The shifts shown in the table are ongoing and evident in Internet start-ups such as Facebook and established global competitors such as Google, Intel and Siemens.

Table 1.1 Managers' challenges in the twenty-first century

	Past challenges	Future challenges
Principle duties	Give orders to subordinates and control their behaviour	Facilitate development of subordinates and their work teams
Training and development	Reduce these costs by hiring workers with requisite skills	Continuous training and development to create a flexible and cross-trained workforce
Reward bases	Seniority, rank and effort	Merit-based individual and team contributions to competitive advantage
Influence base	Hierarchical position	Technical, interpersonal and organisational expertise
Communication patterns and styles	Top down in formal terms	Diffusion-based, so that information goes rapidly to where the decision has to be made
Decision-making style	Superior-/boss-centred and authoritarian	Team decision making based on real-time performance data
Approach to organisational change	Resist change and cling to the status quo	Embrace change and find ways to improve strategic, competitive processes

The number of challenges and the speed of change in the future manager's job (as shown in Table 1.1) will increase because:

1. **The workforce is changing.** Companies must deal increasingly with matters of workforce diversity, workforce skills and training and workforce values and beliefs (Millennial Generation; *see* Case Study 5.3). Less restrictive labour regulations (governments will try to improve the competitiveness of their economies) and loosened immigration policies (demanded by employers who need skilled engineers, programmers and scientists) will alter the ethnic and racial features of many nations' workforces. These workforces will require continuous training to sustain employees' skill sets so that operational effectiveness is not undermined by a less flexible and less capable workforce. Successful managers in the twenty-first century will therefore have to understand the dynamics of workforce diversity and know how to harness it to sustain a high-performance work culture.
2. **Customer expectations are changing.** Now and in the future customers will support only companies that deliver high-quality goods and services at the best price anywhere in the world. All firms have easy access to the tools of total quality management (TQM) (continuous improvement) and use it as a principal method to sustain operational effectiveness. The successful twenty-first-century manager moves easily in the environment of continuous improvement and develops in his subordinates the dedication to improve products and customer

services. Any competent manager realises that his firm must be in relentless pursuit of ways to increase the value of products and services from the customer's point of view.

3. **Organisations are changing.** Eroding trade barriers and instantaneous capital flows across national boundaries greatly increase competition, forcing companies to search for new sources of competitive advantage. Thus, they offshore jobs, downsize, re-engineer, form strategic alliances (sometimes virtual ones), alter their designs, compete globally, integrate backward and forward, and embrace new technologies and information systems. They press their workforces for performance and productivity gains, and they expect all employees to find creative solutions to existing problems of competition. These complex forces tear apart the traditional definition of the manager's job and create new elements that stress creativity, resourcefulness, inspiration and collaborative problem solving.

Why Do Managers Care about OB?

When managers are interviewed about the problems they face, they invariably turn to annoying workplace issues. The quotes that follow are fairly typical.

A manager of special events: 'My employees won't give that extra 5 per cent when a crisis occurs on the convention floor.'

A sales manager: 'My sales staff is constantly making errors in quoting prices and delivering service. How can I get them to be more customer focused?'

A union official: 'We no longer have members who are committed to union values. They carry their cards, and that's all.'

A marketing manager: 'My employees refuse to work with the fellows from production. They believe production managers are only interested in output quotas and inventory control. Their poor customer orientation is causing us severe problems in our product warranties.'

The problems noted above are aptly referred to as 'people problems', and each one represents an opportunity for a manager to apply knowledge of OB in his or her job. Seasoned managers with knowledge of OB are able to find creative solutions to the problems just noted because they know the following to be true.

1. **Behavioural theories help solve problems in the work setting.** Managers use objective methods to attack problems related to the needs of employees and the interests of the organisation; these often conflict.
2. **Knowledge of new behavioural theories expands the manager's skill set.** Managers must scan new developments in OB to ensure that their practices are up to date.
3. **An understanding of behavioural theories helps managers evaluate proposed solutions to behavioural problems in their organisations.** Just as

you need knowledge of accounting and finance, you need knowledge of behavioural theories to predict how employees and organisations will act.

1.1.3 Making Sense of Human Behaviour in Organisations

Kurt Lewin (1939) has postulated that human behaviour is a function of the person and the environment: $B = f(P, E)$. The SOBC model in Figure 1.1 amplifies this simple idea and provides us with a mechanism for systematically considering human behaviour in organisations. SOBC is an acronym in which S represents the stimulus situation (such things as light, sounds, job demands, supervisors, co-workers' characteristics and equipment); O (organism) refers to the characteristics of the person, including personality, needs, attitudes, values and intentions; B refers to the person's behavioural responses or actions in the situation under consideration; and, finally, C represents the consequences or outcomes associated with the behavioural responses. The action sequence is illustrated in Figure 1.1.

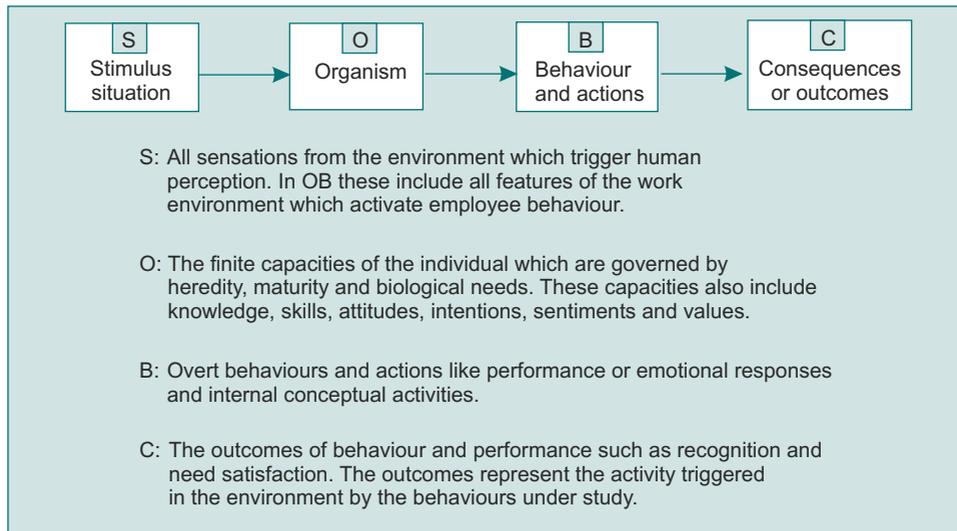


Figure 1.1 The SOBC sequence

The SOBC model is a 'micro' model in that it specifies a sequence for understanding the behaviour of individuals (the O in SOBC). For instance, differences in employee performance (B for behaviour) are a function of numerous controllable factors. Naturally, managers are concerned with this, and they can boost it through changing stimuli (S), such as creating new goals, setting up new incentive schemes and identifying employees who need training. Frequently, managers ask an employee (O) to perform a trial run (S) before the actual task is attempted. Additionally, after a task is completed (B), the manager will review the employee's performance (C). For every employee action (B), there are reactions at the managerial and environmental levels (C). To fully understand the interplay between managers, organisations and employees, it is necessary to characterise the difference between employee needs and organisational productivity (operational effectiveness).

1.1.4 Defining Employee Needs and Organisational Productivity

As the organisations we live and work in become more complex, we need new knowledge and skills to stay productive in our work lives and to make ongoing contributions to our firm's competitive advantage. The two most pressing issues governing organisational success or failure are employee needs and the firm's need for productivity and strategic success (profitability). For instance, employees are interested in job satisfaction, job challenge, adequate pay and fringe benefits, and safe working conditions. The organisation wants higher operational effectiveness, or the optimum production of goods and services with the least expenditure of resources. Well-run firms constantly rebalance employee needs and operational effectiveness, because this helps support competitive advantage, a rate of return (profitability) that exceeds the industry's average.

To become a versatile manager, you need an objective understanding of how the organisation's workforce drives sustainable competitive advantage. Your workforce management philosophy would be incomplete without knowledge of how employees' work can be made more meaningful and challenging (Driskill and Brenton, 2005). To achieve this understanding, you must recognise and accept the pivotal role of work in your life and in the lives of your colleagues and subordinates. Recognising and valuing work's pivotal role in your own life leads you naturally to respect your colleagues and subordinates as valuable, productive human beings. Showing your respect for employees in everyday work situations creates workforce loyalty and commitment, the bedrock of sustainable competitive advantage. In our study of OB, we shall examine many themes that bear on the nature of competitive advantage obtained through improved employment practices and organisational processes. At the centre of all these practices and processes is the undiminishing importance of management's respect for employees.

OB focuses on the connection between employee behaviour and attitudes and the productivity of the organisation (operational effectiveness). Consider the following example:

René is a recently naturalised French citizen. He emigrated to France nine years ago. For four years, he has worked for a distribution firm while he has attended the technical institute at night, and he will graduate in May with a degree in computer-based logistical control systems. His superior has only praise for René's work. Indeed, René's business abilities are often singled out because he has found ways to save his employer money through more efficient work methods. For instance, his most recent innovation is a dispatching system that uses the drivers' knowledge of routes to save fuel and to reduce delivery time. The drivers are excited by his plan because it allows them to be home more often on weekends. René's boss is particularly pleased with the plan because it also lowers overtime pay and maintenance costs. The manager wants to keep René, and he plans to offer him a promotion.

This everyday example demonstrates the firm's joint concern for employee needs (more satisfied drivers who may be motivated to do a better job of deliveries) and organisational productivity (improved dispatching system). OB as a field dissects and analyses productivity gains from the standpoint of employment practices and

organisational processes. Operational effectiveness (organisational productivity) can be increased in two ways. First, a firm can acquire new technology and equipment to produce goods and services more efficiently (this, of course, is the reasoning behind the worldwide trend towards the use of information technology and the Internet to automate manufacturing and to reduce the cost of goods sold). This approach increases the capital intensity of the firm, and this can cause job reductions through short-term downsizing (diminished satisfaction among employees). The firm judges the trade-off to be positive because improved operational effectiveness rises through greater capital intensity and lower labour costs. The second route to improved operational effectiveness (productivity) emphasises the connections between satisfaction of employees' needs, workforce flexibility and productivity. Here, the organisation makes investments in future earnings by emphasising sustainable competitive advantage based on training and development, lean production systems that use self-directed teams and organisational designs that boost sales by providing better service that is delivered by a highly motivated and competent workforce. It is notable that competitive advantage that is derived from an energised and well-trained workforce is much harder to duplicate than simply investing in capital improvements. Nonetheless, forward-thinking managements typically do both.

You will learn much more about OB tools throughout this course, and you will soon be creating and analysing programmes like the one conceived by René. Your best creations will be those that address employee needs and organisational effectiveness (productivity) at the same time.

1.2 Ethical Values: The Building Blocks of Individual Differences

Ethical values exist in people at a deeper psychological level than work attitudes such as job satisfaction, job involvement and organisational commitment because they are a fundamental aspect of human nature. In our lives and work we use values as 'mental measuring sticks' to evaluate and judge our own behaviour and the behaviour of others. Researchers and scholars have concluded that values are enduring beliefs that a specific mode of conduct or end state of existence is personally or socially preferable to an opposite or converse mode of conduct or end state of existence (Rokeach, 1975). In sum, values help us judge right from wrong, good from bad, moral from immoral and so on.

As we grow up, we move through three stages of moral development. **Preconventional** is stage one, and it characterises most children under the age of nine, some adolescents and many criminal offenders. In this stage the individual is self-centred, ignores the needs of others (lacks empathy) and follows social rules only because they are backed by rewards and punishments. **Conventional** is the second stage, and it reflects a person's growing awareness of the importance of the expectations of others. During this stage the individual learns the importance of trust and loyalty in interpersonal relations, and he or she acknowledges that mutual agreements take precedence over self-interest. At the end of this stage the individual

recognises that moral behaviours strengthen the social system. Stage three is **principled**, and it does not emerge in the individual until he or she is about 20 to 25 years of age (many adults simply never reach it). It is called principled because those who reach this stage show an understanding and acceptance of moral principles as a guiding force in their lives. For instance, adults who value liberty and the pursuit of happiness reflect third-stage development (Broad, 1985). Employees bring their ethical value systems with them to work, and firms try to shape them to support and advance ethical business practices. The assumption here is that conducting ethical transactions is good for business (supports competitive advantage). You have to note that it may be costly to a firm to act ethically in the short run. For example, firm A requires expensive protective equipment that exceeds regulatory requirements while firm B sticks with what is cheaper (and still legal). Firm B will have lower costs than A, but firm A may be more competitive in the long run because it attracts higher-quality job applicants (A has a better reputation in the industry).

Because values and value systems relate to ethical concepts of right and wrong, businesses try to influence and manage employee behaviour because it directly supports ethical business practices. It then follows that employees' values form the basis for ethical business practices. The tight relationship between employees' personal values and ethical business practices leads many firms to create mission statements that lay out these value-based linkages. Human nature reflects values, and mission statements articulate the business practices of firms that are anchored by values. So, in one neat step firms craft their missions (and business models) on ethical and socially responsible business practices. For instance, the Starbucks mission statement supports educational and health programmes in coffee-growing regions around the world.

At this point we should distinguish between instrumental and terminal values. Instrumental values are the means to achieve goals by using acceptable behaviours to achieve an end state. Terminal values are the goals to be achieved or the appropriateness of desired end states. Examples of instrumental and terminal values are shown in Table 1.2. Clearly the two sets of values mesh with ethical values (and stages of moral development) to determine how we strive to create meaning in our lives and in our work. For instance, a Stage 3 principled employee will react negatively to being asked by his boss (whom he respects) to take a short-term foreign assignment despite his son's serious illness (family safety trumps obedience to authority).

Table 1.2 Terminal and instrumental values

Terminal values			
Achievement	Family safety	Freedom	National security
Social status	Equality	Pleasure	World peace
Wisdom	Friendship	Happiness	Prosperity
Beauty in art and nature	Equity	Inner calm	
Instrumental values			
Ambition	Cheerfulness	Intelligence	Responsibility
Competence	Independence	Self-control	
Cleanliness	Forgiving nature	Obedience	
Courage	Imagination	Politeness	

We now find many managers who are challenged by the friction between the values of diverse workforces and their own managerial styles and philosophies. For instance, company loyalty is much more important to Japanese workers than it is to their American counterparts (Tung, 1991). This fact partially explains why it took so long for Japanese firms to disclose the dangers posed by the failed nuclear reactors in the wake of Japan’s 2011 earthquake and tsunami (loyalty to the firm trumps disclosure). On a related note, American workers place a higher value on loyalty to friends than on loyalty to their employers. Thus, a group of American workers would be more likely than their foreign counterparts to expose their employer for unsafe (or unethical) business practices (Martin *et al.*, 2007).

Any culture shapes individuals’ values with respect to authority and its rights and obligations. French managers view authority as a right of office or rank. Thus, they often wield absolute power based on their high social ranking and their position in an organisation (Dominique Strauss-Kahn, former director of the International Monetary Fund, for example). In contrast, managers in Scotland, the Netherlands and throughout Scandinavia value group discussion of decisions and expect their decisions to be challenged by their subordinates (a common practice within Nokia). American managers hold similar views because they think organisational rank or authority is less important than having the ability to solve problems through the application of expertise. American managers also readily support employees’ whistle-blowing behaviour, exposing unethical or criminal organisational practices (Miceli *et al.*, 2008).

1.2.1 Implications of Values in Global Organisations

Conducting business in global markets often creates situations that directly challenge the values of managers. In America the solicitation of gifts in exchange for favourable business decisions is highly discouraged. In Asia and Mexico business traditions encourage and support this practice. What many managers may consider to be pay-offs and kickbacks may simply be accepted business practices in other countries. Variation in cultural practices should lead well-managed global firms to train their employees to recognise and respect culture-based value differences. Firms with far-

flung global operations are boosting their emphasis on ‘culture training’ prior to sending managers on foreign assignments. These training sessions teach managers how to be open-minded with respect to a culture’s traditional and practical values. Managers practise withholding judgements with respect to business customs (avoid snap judgements that some practices are immoral or corrupt). Managers also learn how to fit into other business cultures rather than demanding that people fit into theirs. Finally, culture training emphasises that managers should not go forward with transactions that violate their firm’s values or the law (Kung, 1998).

Our final point about values is the powerful underlying role that they play in the formation of managerial style. Managers’ instrumental values about the ‘best way to perform work’ shape their beliefs about their employees’ motives and behaviour. Douglas McGregor, a Harvard academic, famously divided managerial styles into Theory X and Theory Y in his influential book *The Human Side of Enterprise* (1960). Theory X is the authoritarian managerial style held by managers who believe that employees dislike work and prefer to avoid it. As a consequence, X managers believe their subordinates must be directed, controlled and pressured to contribute to operational effectiveness. Managers in X organisations think their employees are motivated primarily by job security and responsibility avoidance (they exhibit low job and career ambition). The X manager believes his employees are lazy freeloaders who lack self-control and must be prodded by various ‘managerial sticks’ to produce anything at all. Some organisations adopt this viewpoint and create control structures that emphasise rules and regulations, standardised practices, and multiple approvals for each decision made. In other words, the structure of the organisation eventually reflects the managers’ beliefs: that employees have to be watched closely because they are not trustworthy or self-motivated (Morrison and Milliken, 2000).

The Y manager believes work is a natural aspect of life and that committed employees will work to improve operational effectiveness if they believe in the firm’s goals. These managers believe low ambition is not natural and that employees aspire to reach meaningful personal and work goals. Most employees have these complex aspirations, and managers can therefore expect to find creativity, innovation and initiative to be widely distributed in the firm. Y managers are enthusiastic users of rewards and incentives with subordinates, because they believe that employees want to exercise self-control and achieve organisational goals through creative problem solving and teamwork. The Y manager retains talented employees by encouraging them to seek stimulating work that not only rewards their current skills but also encourages them to acquire new ones. When this managerial style is common throughout the firm, it de-emphasises rules, regulations and standard procedures. This produces an organisation that values knowledge and creativity over compliance and conformity.

The effective application of OB knowledge requires an understanding of both the X and the Y organisation. In our study of the sources of competitive advantage, we will consistently favour Y organisations because they value knowledge and challenge their employees to innovate and create new products and services (push the operational effectiveness boundary outward while strengthening competitive advantage). If we want to build sustainable competitive advantage, we must therefore be able to identify the residual X features in our firms and replace them with Y

features and practices. The 'replacement principle' is at the centre of the connection between OB and management.

1.3 The Study of Personality and Employees' Personal Traits

Personality, which makes individuals unique, is a complex, multidimensional concept. It is defined as a relatively permanent set of psychological characteristics that create, guide and monitor human behaviour. Personality usually stabilises and reaches maturity by the age of 30. Our discussion will now turn to several individual differences (personality traits) that are related to employee needs and operational effectiveness. Individual differences are defined as basic aspects of personality that predict (or explain) what people do at work. For instance, a shy and retiring employee is likely to have an effect on his co-workers and superiors that is much different from the effects created by the employee who has emotional outbursts (*see* Case Study 1.1). Over time employee behaviour will create expectations in co-workers, and these expectations can influence unit and organisational performance in surprising ways.

We shall focus on locus of control, extroversion and introversion, Machiavellianism, emotionality and socially acquired needs in our discussion of individual differences.

Locus of control is a well-researched concept. Let us consider an example before we define it.

Kendrick has worked hard to improve his job skills through personal study. He hopes to use his knowledge of computer programming to solve several data-management problems in his department, which processes cargo manifests for a major European shipping firm. The company generally encourages personal development in job-related areas, and it has a history of promoting employees who demonstrate this form of personal enterprise. Kendrick believes he can obtain a promotion if his performance improves through the solution to the programming problem.

Deiter works in Kendrick's office and is extremely skilled in the tasks associated with processing ship manifests. He has not pursued outside personal development opportunities. He can often be overheard saying: 'It doesn't matter how hard you work; management promotes those who happen to be in the right place at the right time.' As a result of this personal philosophy, Deiter sees his job in narrow terms and takes a dim view of 'doing all that extra work for a promotion that will never come'.

1.3.1 What Is the Difference Between Kendrick and Deiter?

Professor Rotter (1966) would say that Kendrick has an internal locus of control while Deiter has an external locus of control. Locus of control is defined as a person's belief that he controls the consequences of his actions or is governed by external forces beyond his personal control. Notice that positive or negative outcomes are not specified in the definition. Locus of control has to do with

perceptions of cause-and-effect relationships. It is neutral relative to type of outcome. It simply refers to the strength of one's belief that personal action will or will not result in certain outcomes, be they positive or negative. Try the exercise in Table 1.3 to see how psychologists measure the locus of control concept.

Table 1.3 Measuring locus of control

Instructions: Please circle the statement for each item that is closer to your opinion.

-
- | | | |
|---|---|--|
| 1 | a | No matter how hard someone tries in school, they can still get poor grades. |
| | b | Doing well in school is a matter of studying hard. |
| 2 | a | Receiving a pay rise is a matter of hard work; being in the right place has nothing to do with it. |
| | b | Pay rises are a matter of getting noticed by your boss. |
| 3 | a | There are some things that people should not attempt to change because they will fail. |
| | b | If a person is committed enough, he can create political change single-handedly. |
| 4 | a | Getting ahead in today's business world is a matter of hard work. |
| | b | Whoever gets ahead in business has great connections. |
| 5 | a | When I think I am right, I can convince anyone. |
| | b | You cannot change people's attitudes by talking to them. |
| 6 | a | Managers often play favourites and give some higher pay rises. |
| | b | Employees generally earn the pay rises they get. |
-

Scoring: Give yourself one point for each question if you answered in the following manner: 1 a, 2 b, 3 a, 4 b, 5 b, 6 a. The closer your score is to six the more external your locus of control. Scores below three indicate an internal locus of control. Scores of three or four indicate that you are not always consistent in your beliefs about the relationship between your behaviour and the outcomes you experience.

Table 1.4 shows some of the typical beliefs held by internalisers and externalisers (sometimes referred to as 'internals' and 'externals'). Locus of control is a stabilising element of personality because it helps an individual balance, explain and accept his life circumstances. If an individual comes to doubt his beliefs about cause-and-effect relations in his life, he can experience a sense of self-doubt that can lead to diminished self-esteem and well-being over time. This inner turmoil and self-doubt can manifest itself as depression, anxiety, guilt, helplessness and mood swings.

Table 1.4 Characteristics of internalisers and externalisers

Internals tend to believe that	Externals tend to believe that
Pay rises are based on hard work, achievement and initiative.	Pay rises are based on having the right job in the right place in the company.
An excellent performance record is the function of hard work and effective project completion.	Teachers have favourites and give them higher marks.
A person addicted to drugs is willing to give up control of his life.	Anyone, given the right circumstances, can become addicted to drugs.
Good decisions are the result of tenaciously searching for information.	People's attitudes cannot be changed easily by appealing to their logic.

1.3.2 How Is Locus of Control Related to Work Behaviour?

Generally, internalisers are more attracted to work situations that have opportunities for personal achievement. Researchers found internalisers to be more active in seeking information about a potential employer before they accept a new position. Often they are more motivated and better performers than externalisers if they believe that performance is skill-based instead of luck-based (Watson and Baumol, 1967). Internalisers search more for relevant information about product and process improvements before deciding on a course of action. Like Kendrick in the example, they will search diligently for new knowledge if they believe it will lead to outcomes they value. They also take quicker action to correct job confusion than externalisers do.

Other researchers have found that locus of control affects how anxious and emotional employees become following traumatic events (Organ and Hammer, 1982). Externalisers are more likely to experience adverse emotional reactions to co-workers, especially supervisors, who put a lot of performance-oriented pressure on them. And so externalisers are more likely to become emotional (have a meltdown) on the job, because they have a lower tolerance for job-induced frustration (*My boss or my co-workers should handle it!*). An employee (in his self-absorption) who is prone to outbursts may not realise that his behaviour makes others very uncomfortable, and therefore he ignores risks to his effectiveness in the short term and to his career in the long term. Internalisers are more trusting and dismiss job failure and frustration more readily: perhaps they are more resilient than externalisers in this regard. In addition, they prefer leaders who let them participate, and they are sensitive to organisational attempts to influence their thinking and behaviour.

Managerial Implications of the Research

The results noted above indicate that internalisers will persist in hard work if they have been told that rewards are based on superior skill and high performance. This managerial message encourages the development of an internal locus of control in all employees, including externally oriented employees, who, when they observe their co-workers being rewarded for acquiring new skills and achieving higher performance, may become similarly motivated. All corporate programmes aimed at

these effects should be widely communicated throughout the firm. In addition, the value of skill-based compensation (added pay for added skills and knowledge) can be quite important for developing employees who are internalisers when it comes to their work. Skill-based compensation can build a more 'internalising' workforce, consisting of employees who perceive a coherent relationship between skill-based performance on the job and the rewards they receive.

The above results underscore the practical importance of participation for sustaining employee development, for example creating a larger pool of potential managers inside the organisation. Managers should willingly involve employees in decision making when employee skill development is a natural by-product of decision making. Since we know that internalisers prefer to play a part in decisions that affect them, it makes sense for managers to use participation in decision making when the decision needs employee support for implementation and when decision making affects employees in a personal manner. Additionally, participation sweeps away employee confusion about work responsibilities. Internalisers expect to find a reliable relationship between their behaviour and its outcomes, and so managers can use participation to convince all their employees that hard work and success lead to valuable rewards such as promotions, pay rises and added responsibilities. These management prescriptions build work environments that are quite appealing to internalisers, and each one reflects a Y aspect of the firm.

Loss of control is also related to entrepreneurial behaviour and the taking of business risks (Gartner, 1985). Researchers have produced evidence to suggest that internalisers are more comfortable with change than externalisers and are therefore more likely to launch a new business venture if they are dissatisfied with their current situation. Internalisers will act more quickly to cut their career losses if they judge their current work to be limiting their options, suppressing their creativity or limiting other rewards that they value. Managerially speaking, if internalisers are prevented from acquiring new skills, or if they are not rewarded for acquiring them, they become frustrated. If the conditions persist, they may leave the organisation. This, of course, leaves fewer competent people to do more work. In turn, other competent employees are affected by the loss of their stimulating colleagues, and soon they too may leave. These unfortunate events diminish operational effectiveness in the short run and damage competitive advantage in the long run.

The argument developed above underscores the importance of merit-based rewards (rewards that are earned through high performance) to internalisers. If they believe that good performance is rewarded fairly, they will believe that their efforts are more likely to result in job success. A firm's pay system should be designed to reinforce this employee belief. Under the guidance of such a system, employees will become more internal in their work orientation. This is a useful outcome, because managers are then relieved of some of the burden of direct employee control (close Theory X supervision).

1.3.3 Extroversion and Introversion

We often notice that some people are more sociable than others. Those individuals who are outgoing and gregarious are called extroverts. Introverts, on the other hand,

are shier and less willing to get involved in social activities. Extroversion is defined as the need to obtain as much social stimulation from the environment as possible (Eysenck, 1967). Those who crave social stimulation have active social lives, enjoy crowds and are more attracted to individuals who are adventurous and exciting. Extroverted managers exhibit a high level of sustained social interaction, and we frequently find them involved in community work, children's sports and other organised activities after work.

Introversion is defined as avoidance of external stimulation in favour of internally oriented, contemplative activity: being alone with one's thoughts. Introverts attempt to reduce the amount of social interaction in their environments because they are more sensitive to their personal feelings and what is going on inside themselves. In a word, they are shier. Thus, they avoid many of the social activities that extroverts find so compelling.

All individuals exist on an introversion–extroversion continuum. People experience both types of needs at different times, with varying intensity, depending on how much control they think they have over the situations they confront, for example their feeling of security. In general, we all, whether introvert or extrovert, try to regulate the amount of social stimulation we receive. Table 1.5 shows some sample items that psychologists use to measure introversion and extroversion. Note the emphasis on external stimulation and social interaction.

1.3.4 How Can Organisations Use Information about Introversion and Extroversion?

Some companies attempt to identify a job applicant's extroversion level before hiring. Companies hiring salespeople often use tests with items similar to those in Table 1.5 to assess extroversion, for the simple reason that many sales managers believe it is related to success in sales.

The organisational implications of introverted and extroverted behaviour are not as clear as the consequences of locus of control. For instance, researchers found that introverts have longer tenure and fewer unexcused absences than do extroverts. Introverts also perform better in situations that dampen or lessen external distractions (Cooper and Payne, 1967). Too much external stimulation often causes the introvert's performance to drop off quickly because he or she becomes aware of a rising sense of discomfort. When extroverts are confronted with dull or meaningless work, they are more likely to engage in irrelevant behaviour that undermines the productivity of co-workers: what we might call immature disruptiveness or self-stimulation.

Table 1.5 Items for measuring introversion and extroversion

- | | |
|---|--|
| 1 | I would rather curl up with a book than go to a party. T or F? |
| 2 | I prefer to be around funny and clever people. T or F? |
| 3 | I would take a cross-country bicycle trip for my holiday rather than a Mediterranean cruise. T or F? |
| 4 | When I deal with new people in a situation, I jump right in. T or F? |
| 5 | I admire individuals who take bold public stands on socially controversial issues. T or F? |
| 6 | When I am in unfamiliar situations, I generally feel less self-confident. T or F? |

1.3.5 The Machiavellian Personality

‘The end justifies the means’ is an old expression that translates to: ‘I’ll do anything necessary to achieve my objectives.’ Employees with this tendency will manipulate others and try to convince them to think in their terms. These were the behaviours of Bernie Madoff, the disgraced ‘king of the Ponzi schemes’. Not all self-serving and duplicitous executives wind up in prison, nor are all of them crooks, but their behaviour does fit our definition of the Machiavellian manager. Simply put, the Machiavellian manager believes he is better than his superior at giving orders. ‘High Machs’ are cool interpersonally, amoral, pleased by manipulating others and highly rational. High Machs hold cynical views of their colleagues’ motives, de-emphasise honesty and approach others fully intending to manipulate them. High Machs are aloof (maintain emotional distance and exhibit low empathy) and are detached from the lives of others. They have suspicious natures, and this quality in managers can lead to extensive interpersonal conflict in the work setting. High Mach managers focus on their personal goals and will use unethical means (lying, creating distractions, using coercion, etc.) to achieve them. Their suspicious natures lead them to view the firm as a ‘battlefield’ rather than a place for collaborative enterprise. The Mach-V Scale shown below identifies Machiavellian tendencies. If you are interested in assessing yourself, try the questions in Table 1.6.

Table 1.6 How Machiavellian are you?

Instructions: Circle the answer closest to your opinion for each question, then calculate your score as shown below.

		Strongly disagree	Disagree	Agree	Strongly agree
1	I enjoy getting around people by telling them what they want to hear	1	2	3	4
2	I prefer to take action only when I have sorted out the ethically right decision	1	2	3	4
3	There are no situations that I encounter in which lying is the best course of action	1	2	3	4
4	I believe that most people have a deceitful streak that comes out from time to time	1	2	3	4

Calculate your Machiavellian score as follows:

$$\text{Item 1} + (5 - \text{Item 2}) + (5 - \text{Item 3}) + \text{Item 4}$$

1.3.6 How Do High Machs Affect the Organisation?

High Machs generally 1) attempt more interpersonal manipulations, 2) are more inventive in manipulating others, 3) create more manipulations to choose from and 4) experience more satisfaction from successful manipulations than do people with low Mach-V scores. Further, when high Machs judge the situation to be ambiguous with few rules to govern their behaviour, they will aggressively assert their manipulation tendencies. However, if the situation is highly structured with many checks and balances on behaviour, then the high Mach will generally avoid manipulating others – he or she goes dormant (Christie and Geis, 1970). Finally, more Machiavellian manipulations are attempted at the top than at the bottom of organisations. Just ask your boss about this; he or she will confirm that it is true!

High Machs often try to turn teamwork and collaboration to their own ends. In firms that rely heavily on teamwork this can substantially lower team productivity because it creates a work atmosphere that elevates one person’s needs over the performance and productivity of the team. If the individual in question is the team leader, members of his team may demand personal rewards (that are unrelated to performance) in exchange for loyalty to the leader’s personal goals. Clearly this situation undermines the goals of the firm and the strength of its competitive advantage. When this problem occurs at high levels in the firm, it can soon be followed by the collapse of the firm’s business model. In sum, a firm containing many high Machs is indeed a politicised place! We would find executives who manipulate the firm’s goals and strategy to advance their personal agendas as they ignore the needs of investors and employees. Performance appraisal, pay and

promotion practices would be distorted to favour employees who have political connections, even though their performance and capability is suspect. Favouritism, paternalism and nepotism (in the case of the family business) would be rampant, and the firm's competitive advantage would disappear as a result!

1.3.7 Emotionality

Emotions, a central part of personality, are a powerful motivational force underlying human behaviour. An emotion is a feeling, psychological state or physiological state that causes a person to act in a particular way. In our SOBC model, emotion is part of O, and it triggers B, or a certain behaviour. Your emotions make up your temperament and are a key part of your personality. Human emotions are nearly limitless, but psychologists (who seem to like simplicity and lists) have boiled our temperaments down to these emotions: anger, disgust, joy, fear, shame, surprise, sadness, excitement, embarrassment and contempt. So that you can see how complicated we have become, anger can be subdivided into hostility, annoyance, rage, fury, aggression and so on.

When emotions (as opposed to rational thought) govern behaviour, things tend to happen quickly (no time for logic or deliberation). In Module 2 (Stress and Well-Being at Work) you will return to this primitive human reaction and we will call it the 'fight-or-flight response'. Emotional and rational thinking coexist within peoples' personalities. Because of formative experiences in life, some of us have learned to always choose the 'emotional route' through situations when rational thinking would have been the better choice. There is no question that managers need to understand the role of emotions in work settings so as to preserve a focus on performance and problem solving. Ignoring human emotions at work is always a recipe for inevitable crises or perhaps worse (*see* Case Study 2.3).

Emotional intelligence is a personal attribute that includes 1) appraising and expressing emotions in self and others, 2) managing emotion in self and others, and 3) adaptively expressing emotions to direct behaviour and solve problems (Goleman *et al.*, 2002). These four dimensions capture emotional intelligence:

1. Self-awareness: knowing one's weaknesses, strengths and limits; recognising the effects of one's emotions on self and on others.
2. Self-management: showing integrity and flexibility; controlling one's emotions.
3. Social awareness: sensing and understanding others' emotions; having empathy towards others and their concerns.
4. Relationship management: assisting others through feedback; building connections; providing guidelines; collaborating; and managing conflict.

Managers who exhibit the features of emotional intelligence succeed when it comes to the human resources aspect of management, and they also thrive in Y organisations. Managers who possess emotional intelligence along with technical and conceptual skills are highly promotable and often wind up in the corner office...

1.3.8 Socially Acquired Needs

Developmental psychologists have long recognised that environment plays a substantial role in the formation of personality (*see* Section 1.2). This idea is the basis for how humans acquire social needs. Social needs are learned through personal contact with key individuals in one's social environment (McClelland, 1961). Three socially acquired needs exist, and they are: 1) need for achievement (nAch); 2) need for affiliation (nAff); and 3) need for power (nPow). The need for achievement is defined by the following qualities:

1. Taking moderate risks by pursuing goals that are difficult but not impossible. (*I seek challenges, and I want to solve problems.*)
2. Needing immediate feedback on performance and goal progress. (*I want to know where I stand.*)
3. Finding task activities and accomplishments to be intrinsically rewarding, regardless of the financial or economic rewards. (*Forget pressuring me; I want to do it my way.*)
4. Defining work in terms of approaching success instead of avoiding failure. (*I know I can succeed because I have done it many times in the past.*)
5. Being totally task focused until the job is done. (*No time for distractions.*)

The Organisational Importance of Need for Achievement

Studies have shown that students at all academic levels who have high need for achievement perform better than students with similar ability but lower levels of achievement need. These effects are also observed in employee work behaviour. If employees with a high need for achievement judge their work to be dull and boring, they will lower their performance accordingly. Similarly, if they do not receive reliable and timely performance feedback, they will lower their effort on the job. High need for achievement produces the best work results when: 1) ability matters, 2) provision is made for timely and meaningful feedback and 3) the work is stimulating and novel.

Need for achievement correlates with the desire to become an entrepreneur. High achievers are likely to start their own businesses, especially when they feel trapped in work settings that do not emphasise the three qualities noted above. The achiever who is not challenged by his work often thinks his employer does not value his efforts and ideas. When achievers are also 'idea champions', and upper management places low priority on 'their' innovations, they can become disgruntled and motivated to start their own firm. If the disgruntled employee is a competent engineer and a good salesman, watch out! You may soon see him as a competitor because your former customers are beating a path to his door.

How Can Managers Use Information about Need for Achievement?

Managers who want to capitalise on achievement motivation should:

1. Screen job applicants for achievement.
2. Promote achievers with a record of success on the job.
3. Design jobs with goals that are moderately challenging.

4. Design feedback that is closely tied to performance to create an achievement climate in the firm.
5. Reward employee creativity and institutionalise the role of ‘idea champions’ in the firm.

Need for Affiliation

The desire to have and maintain a strong social support system, and to give and receive affection and consideration, is defined as the need for affiliation. Need for affiliation in an employee triggers these behaviours:

1. Creating work experiences that enhance belongingness, social involvement and group morale. (*We bond around our common tasks.*)
2. Emphasising that all members of a work group be included in events that may affect the morale and cohesion of the group. (*We create togetherness in teamwork.*)
3. Solving or confronting interpersonal conflicts that threaten *esprit de corps*. (*I help others handle and resolve tension in work relations.*)
4. Emphasising the importance of social rewards such as recognition, praise and public acclaim. (*I like to give credit to those who earn it.*)
5. Reacting positively to social rewards that are made contingent on excellent performance. (*I try to support and recognise those who contribute to unit success.*)

How Can Managers Capitalise on Need for Affiliation in Employees?

Managers can shape the performance of their highly sociable subordinates by encouraging them to:

1. Be arbitrators of work group disputes because they will take a personal interest in returning harmony to the group.
2. Evaluate the social demands of a job and match employees with a high need for affiliation to such jobs.
3. Be involved in community affairs that parallel work interests.
4. Develop and use as many forms of social rewards as possible in the firm. (Be sure the rewards are dependent on high performance.)
5. Realise that a superior with a high need for affiliation may incorrectly emphasise social harmony over productivity.

Need for Power

Need for power reflects behaviours oriented towards influencing others and searching for opportunities to gain influence and control. In reality, the need for power has two sides. Individuals possessing a personalised need for power are those who try to dominate or rule simply because they feel more self-confident (less insecure and fearful) when they intimidate others (*see* Section 1.3.5). Questioning such individuals (especially when they are bosses) can greatly shorten your career because they interpret any question as a form of disloyalty! Firms frequently view these malefactors as unproductive because they:

1. Emphasise personal concerns at work instead of job and team demands.
2. Create tense work relations among overly anxious subordinates.

3. Are poorly adjusted to work and frequently look to palliatives such as drugs or alcohol to cope with accumulating work stress.
4. Project their own inadequacies onto fellow workers and subordinates, thus eroding the work climate further.

It is interesting to speculate on the effects of the personalised need for power in executives. In its extreme form a personalised need for power may manifest as a lack of conscience (very low empathy) or guilt (*see* Section 1.3.5). Managers or executives with this character defect believe they are always right and judge those who disagree with them to be 'traitors to the cause'. This form of psychopathology in a top executive makes him or her autocratic, self-centred and tyrannical. CEOs who exhibit a lack of conscience will surround themselves with 'yes men'. If they perceive their strategy to be failing (a loss of control), they will become angry, resentful and vengeful: all defence mechanisms that stem from insecurity (*My strategy is a failure, so I'm a failure too*). They will then criticise all 'doubters' and arrogantly refuse to work with them (fire them?). The profile of the tyrant comes to mind, and it is a common trait among managers who have been found guilty of looting their firms.

There is a positive side to need for power, and it is called 'socialised' need for power. The individual with this power need tries to achieve his or her personal goals at work by appealing to the ambitions, self-confidence and goodwill of subordinates and colleagues. This manager gains higher levels of performance from subordinates by demonstrating confidence in them. These managers find many ways to send this message to employees: 'I have confidence in you because I know you have confidence in yourselves.' This is a powerful message because it expresses the belief that each employee is an expert in his or her job. Managers with a socialised need for power imply by their actions that the best kind of organisational control is self-control in each employee.

The Techniques for Managing Employees with Need for Power

Organisations and their managers can certainly be more systematic in making decisions about employees with either type of power orientation. Let us consider some of them.

1. Select and promote employees with socialised power skills over employees who exhibit personalised power motives. (These individuals should be terminated because their behaviour can often drift toward harassment and intimidation of others.) Positions requiring socialised power should be made visible (given a high profile) in the organisational hierarchy.
2. Give socialised power positions high visibility in the firm.
3. Assign managers with socialised power skills to groups with low performance and morale.
4. Because they are more likely to work through people than through the task, encourage social power managers to delegate authority. (It will develop managerial skills and self-confidence in subordinates.)
5. Do not block career paths for managers with socialised power needs. If they experience career frustrations, they may resort to using personalised methods!

The ‘socialised need for power’ skill set is the most important in relation to the skill sets of the three socially acquired needs. The executive with a socialised need for power welcomes the challenge of confronting the political aspects of organisational life. The absence of these skills in the manager with a high need for achievement is a weakness because he often errs and completes a task himself rather than delegating it to a subordinate. The task focus of the manager with a strong achievement orientation prevents him from being a good manager because he is a poor delegator (unlike his achieving counterpart who has a socialised need for power). This weakness always resurfaces in the business started by an entrepreneur because he reaches the point where he can no longer control all details and decisions. Rather than delegate or hire another layer of managers, he tries to centralise decision making in himself. The complexity of the decisions (and his lack of expertise in many areas) triggers more meddling behaviour, and he finds his time is more fragmented and less productive. Paradoxically, he ends up losing employees who once shared his strong achievement orientation but are now disillusioned by his meddling. Remember, the employee who is an achiever would rather do the job himself! Table 1.7 summarises our discussion of socially acquired needs.

Table 1.7 Work preference of persons high in need for achievement, affiliation and power

Need	Work preferences	Example
High need for achievement	Individual responsibility Challenging goals Quick performance feedback	Engineer who is encouraged to find internal sponsors for his new product idea
High need for affiliation	Good interpersonal relationships Opportunities to improve communication	Member of a group that is rewarded through group-based compensation
High need for power	Control of others Frequent attention by others Recognition through promotions	Manager who aspires to head special task force that must manage the firm’s move to a new location

How Can Firms Use Psychometric Testing to Strengthen Competitive Advantage?

At this point in the module, we can introduce a short discussion on the importance of measuring individual differences to predict the extent to which a job candidate will be appropriate for an open position in the firm (a successful person–job fit). Personality testing is widely acknowledged as a useful tool to improve recruiting, job matching and correct positioning of attractive job candidates to positions in which they can quickly add value to the firm and its competitive advantage (Cattell and Mead, 2008). Professor Cattell, a British and American psychologist, devoted his entire career to using statistical factor analysis to uncover the basic dimensions of personality, motivation and cognitive abilities. His major contribution in this

important area was the identification of 16 'source traits' that underlie the observable behaviours that we commonly associate with personality.

To operationalise his approach, he developed the highly regarded 16PF (Personality Factor) Questionnaire. The 16 bipolar scales tap these personality dimensions: 1) warmth – reserved to warm (remember this when you read Module 7); 2) reasoning – literal to abstract; 3) emotional stability – reactive to stable; 4) dominance – deferential to dominant; 5) liveliness – serious to lively; 6) rule-consciousness – expedient to rule-conscious; 7) social boldness – shy to bold; 8) sensitivity – utilitarian to sensitive; 9) vigilance – trusting to vigilant; 10) abstractness – grounded to abstracted; 11) privateness – forthright to private; 12) apprehension – self-assured to fearful; 13) openness – rigid to open; 14) self-reliance – group-oriented to self-reliant; 15) perfectionism – tolerates disorder to perfectionistic; and 16) tension – relaxed to tense.

Professor Cattell's questionnaire has been used extensively by firms interested in making effective hiring and promotion recommendations in which aspects of a candidate's personality must match a job's interpersonal and intellectual demands. Companies that use the 16PF Questionnaire reach useful predictions of a candidate's future job performance based on these global personality factors: 1) extraversion, 2) generalised anxiety, 3) tough-mindedness, 4) self-efficacy, 5) self-esteem and 6) self-control (internality). A sample use of the 16PF Questionnaire in hiring and promotion of managers would typically cover leadership style (think of the elements that make up Theory X and Theory Y); ability to interact with others; decision-making skills; resourcefulness; initiative/creativity; and ease of personal adjustment. Typically, a firm receives a highly detailed report on the five relevant personality dimensions, and its managers tasked with hiring decisions obtain special guidance for integrating the global factors with these useful elements of the hiring process: 1) the position's job description, 2) background checks, 3) detailed results from onsite interviews, 4) the candidate's relevant work history and 5) performance data yielded by a realistic job preview.

The benefits of using psychometric testing to strengthen the person–job match are numerous. For instance, predicting a candidate's potential for job success before he or she is hired can greatly reduce the emotional and financial costs of early job dissatisfaction. Further, firms can lower costly unwanted turnover over time if they use psychometric testing carefully in their recruiting and candidate selection processes. Consistent use of such testing can raise the quality of the job candidate pool over time. As a final note, we can add the fact that thorough testing of job candidates before they are hired provides firms with an invaluable asset in the event of legal challenges mounted by disgruntled job candidates who object to not being selected (or promoted) for jobs.

I.4 The Crucial Role of Job Satisfaction

Job satisfaction is a key work attitude, and it continuously shapes all employees' perceptions of events at work. This section discusses this pivotal employee attitude and how it is related to performance on the job.

1.4.1 The Meaning of Job Satisfaction

Job satisfaction is easily the most studied employee work attitude. Job satisfaction is not experienced by workers as a seamless, all-encompassing concept. Instead, they think of it as facets or relatively discrete elements that are sensitive to their perceptions of the work setting, rewards, supervision, job demands and so on. Each facet is really an attitude or a predisposition (tendency) acquired through routine and exceptional experiences to respond to people, objects or institutions in a positive or negative way. Let's examine for a moment the elements that constitute our attitudes. Attitudes contain an **affective (emotional) component** (see Section 1.3.7) that represents a person's positive, negative or neutral feelings toward the object in question. The **cognitive component** of an attitude reflects the person's perceptions and a belief about the distinguishing features of the object in question (the object's objective nature). Last is the **behavioural intention component**, or how the person is inclined to behave towards the object in question. When an attitude contains a strong affective or emotional component, behaviour nearly always follows as a consequence. For instance, if a young person's parent dies from lung cancer (strong affective component regarding smoking), he or she will surely think about admonishing (behavioural intention) any close friend who takes up the habit.

The facets of job satisfaction are 1) satisfaction with the work itself, 2) satisfaction with pay, 3) satisfaction with fellow workers, 4) satisfaction with supervision and 5) satisfaction with promotions. Each satisfaction facet (attitude), to varying degrees, contains the three attitudinal elements noted above. Employees find that the relative importance of any particular facet changes as work events unfold (an indifferent or dismissive boss triggers dissatisfaction with supervision, for instance). Also, it is possible for an employee to be very satisfied with one facet while being unfulfilled in another (*I really like the challenge of my job, but one of my co-workers is a complete nuisance*).

1.4.2 Determinants and Consequences of Job Satisfaction

Determinants of job satisfaction occur at the individual as well as at the organisational level. Individual differences (personality traits) exert a clear influence on employees' experienced satisfaction with the facets noted above. In a similar fashion, years in one's career and one's job expectations of challenge and responsibility also determine levels of job satisfaction.

Years in Career

As employees grow older, they experience more satisfaction at work. This continues until they near retirement, when a sharp decrease usually occurs. Also, a sharp but often temporary decline in job satisfaction may appear among employees who have been working for between six months and two years. This early career dip is a consequence of the realisation by employees that the job will not meet all of his personal needs as quickly as expected. The long-term relationship between years in a career and job satisfaction is shown in Figure 1.2.

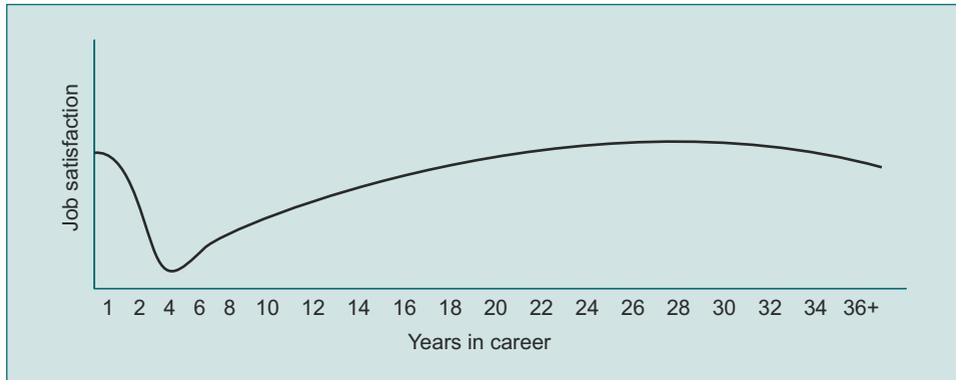


Figure 1.2 The years in career–job satisfaction relationship

If the level of job satisfaction is considered in the aggregate (a nation’s labour force for instance), we find in some instances that workers are postponing retirement for a variety of economic and personal reasons. Some have not saved enough for retirement, or they find to their frustration that their pensions and healthcare coverage will be much less than they expected once they retire (inadequate retirement portfolios due to sub-par performance of the company or the nation’s economy). These factors cause many older (and healthy) workers to delay indefinitely their retirements. Increasingly, mergers and corporate bankruptcies leave behind angry and disillusioned employees with no financial ‘safety net’ and no healthcare benefits. Widespread corporate defaults on long-standing pension and healthcare obligations create high economic uncertainty for older workers who nervously choose not to retire, or simply wait to be terminated by the inevitable corporate downsizing programme. We saw this problem on a much larger scale in Greece, Ireland, Portugal and Spain during the most recent financial crisis.

Expectations

Everyone develops expectations about future jobs. As individuals search for jobs, their expectations about work and careers are influenced heavily by information from their colleagues, from recruiters and from their personal knowledge of labour market conditions. These ‘pre-work’ expectations (aspirations) remain intact until individuals start working full-time, perhaps after they finish their university degrees. As the new employee goes into his first job, his pre-work expectations are subject to dramatic change. If they are met or surpassed, then the employee experiences a significant and useful jolt of satisfaction for all the facets described above. If those pre-work expectations are dashed, then the neophyte asks: ‘What have I done? How can I extract myself from this mess as soon as possible?’ These sentiments (the buyer’s regrets, if you will) are potent drivers of early career implosion. In fact, many MBA programmes depend on this phenomenon to drive up their enrolment!

The initial fall in job satisfaction (*see* Figure 1.2) should be a concern to managers (Sheridan, 1985). If large numbers of new and disgruntled employees leave an organisation at the same time, it is highly disruptive, a bit embarrassing and costly in terms of recruiting, hiring, training and corporate reputation. Many firms attack the ‘satisfaction dip’ by using realistic job previews to characterise the positive and

negative aspects of a job before an individual is hired. If it is learned through the previewing process that the potential employee's expectations do not align with the job requirements, they can drop out of the recruiting process before they learn 'This job's not for me', and the company avoids numerous costs going forward. Insurance companies have found realistic job previews to be effective tools for reducing turnover among newly hired insurance agents. The replicated benefits of job previewing include lower turnover among new hires, more rapid contributions to competitive advantage, more rapid integration into work units and work teams, and higher levels of job involvement than among those new hires who have not experienced realistic job previews.

In a related fashion, firms use internships to assess the work potential of promising students who might become full-time employees after graduation. These no-strings-attached temporary appointments end naturally and give students a 'realistic job preview' lasting for a designated period of time (perhaps a summer in some cases). Firms like internships because they do not require a hiring decision and may reduce future recruiting and training costs if the student intern winds up being a full-time employee.

Not all firms utilise realistic job previews or internships to help potential employees sort out their 'pre-work' expectations. The job applicant has to do his own research to answer the question: 'How can I find out if I'm going to like this job?' Let's assume that you've been brought in for an interview and this very question comes through your mind. What should you look for in interviews and site visits? Remember first that attractive firms are run by people who respect their employees. Therefore, be wary of any interviewer who treats you like an interchangeable part. Second, never make assumptions; instead, ask a neutral question to get more information. For instance, do not assume that you won't travel in the job: ask if you should expect to travel for business reasons or ask what percentage of your job may involve travel. Nothing is more useful than the third point: speak to current employees. And, fourth, try to uncover information from employees about the styles (X or Y) of upper management. You might ask if they encourage employees to manage their own time or if they require all employees to put in significant amounts of 'face time' in the office.

The Organisational Determinants of Job Satisfaction

The nature of control in organisations, the quality (and fairness) of supervision and punitive or empowering employment policies all greatly influence employees' levels of experienced job satisfaction. In short, the organisation is a bundle of powerful forces that influence employees' satisfaction with their work lives and careers. These forces or drivers of satisfaction are reviewed below. Top managers ignore these drivers of job satisfaction at their peril because they reflect instrumental values that are important to employees and are also the basis for the development of sound employment practices that support (and sustain) competitive advantage.

Supervision

Considerate (empathetic) supervision supports employees' self-esteem and self-worth and leads to greater job satisfaction. Supervisors who consult with their subordinates on job decisions and policies and work rules have better-informed employees who are confident in their understanding of their work and more satisfied with it. Thus, employee involvement in job-related decision making spreads job satisfaction across employees and helps them to become motivated internalisers. Not all decisions need to be participative, however. It may be that the boss has to make the decision (a crisis for instance) and employee participation would be inefficient and inappropriate. Those decisions, and goals, that require subordinate support or that affect employee welfare should be subject to employee discussion and involvement.

Participation has the effect of clarifying employees' expectations about their work. Employees with clear work expectations are more likely to be self-confident than their confused counterparts, who do not participate in job-related decisions. Supervisors can readily influence their subordinates' optimism about participation and their desire to be involved in workplace decisions if these supervisors are self-confident in their managerial skills and styles (Y practices in Y firms).

Job Challenge

When jobs require creativity, application of personal skills and risk taking, employees report higher job satisfaction. High achievers (*see* Section 1.3.8) are more satisfied when their jobs require intellectual or physical effort. When employees are challenged, they become physically energised and intellectually involved in their work. Job challenge therefore makes the employee physically alert and mentally prepared to deliver job performance.

Job Clarity

The extent to which employees understand what they are supposed to do contributes to job satisfaction. When employees receive feedback on their performance, their job clarity (understanding) improves. Encouraging employee participation in substantive job issues also enhances job clarity. Over time, positive (and constructive) feedback on past job actions builds the self-confidence of employees and they come to think that they are capable of sustaining their performance at acceptable levels. The net result for these earnest employees is increased job satisfaction. Managers who continuously refine and clarify job requirements are doing themselves a favour because they are building rapport and trust in their work relationships, and their subordinates will return it with improving loyalty and performance. This is a win-win result, and it forms the basis for team performance and high unit morale (*see* Module 6).

Incentives

Extrinsic and intrinsic rewards are related to job satisfaction. Extrinsic rewards (incentives) are those that the organisation provides based on employee merit (performance). Examples of extrinsic rewards are pay rises, promotions, supervisor

praise and recognition, job status symbols and job security. Intrinsic rewards (incentives) are those that the employee experiences internally (personally) as the job or work unfolds. For example, achievers' feelings of competence, pride, determination to excel and craftsmanship are intrinsic rewards for a job well done. They appear and change in intensity as the employee evaluates his own performance progress and goal achievement. These rewards affect how employees feel about themselves and exert a powerful influence on their sustained motivation and performance. Both types of reward are related strongly to job satisfaction.

The bond between rewards (work incentives) and performance is governed by a process of social comparison called equity theory. This theory posits that employees make comparisons about the extrinsic and intrinsic rewards they receive relative to their effort and performance levels. Further, they make these comparisons relative to the extrinsic and intrinsic rewards, efforts and performance conferred to other employees. These judgements are called 'social comparisons', and they produce sometimes very powerful attitudes of perceived fairness or unfairness in employees. A typical employee social comparison is illustrated below.

My rise	compared to	co-worker rise
My efforts and performance		co-worker efforts and performance

To make such comparisons, an employee usually selects a 'comparison other', who is most often another colleague or perhaps the members of a particular profession or selected employees in a similar organisation. If the results of these 'social judgements' seem fair, the employee is satisfied with his levels of extrinsic and intrinsic rewards. If, on the other hand, the employee judges the comparison other's reward to be greater than his own, a perceived inequity (unfairness) occurs. Perceived inequity represents a state of psychological imbalance (discomfort). The only reasonable ways for the individual to restore himself to a state of balance are to 1) reduce his own effort and performance, 2) change the 'comparison other' to a more suitable co-worker, 3) increase his effort and performance and hope that he earns more rewards or 4) eliminate the problem by leaving the job or seeking a transfer.

Employees make equity comparisons for all facets of job satisfaction and for both types of rewards. Employees exist in a state of 'constant comparisons' as they move through their work days and work experiences. Therefore, managers must attend to supervision, job challenge, job clarity and incentives so that employees' judgements of the fairness of their work demands and performance outcomes (rewards) are reasonable and stable. Self-confident supervisors who inject participation, trust and support into the process of social comparison on the job build the pillars that support a skilful and motivated workforce. The insecure (frightened) supervisor usually fails this crucial test, and his subordinates respond by cynically 'gaming' the reward system: they try to obtain more rewards in exchange for less effort and lower performance. All too often these patterns reflect widespread Theory X assumptions and practices on the part of managers.

The Key Consequences of Job Satisfaction

The benefits of job satisfaction cut across mental and physical health. Satisfied employees report that they have fewer ailments (heart disease, headaches, sleep disorders) and less anxiety, frustration, guilt, tension and stress than dissatisfied workers. Job satisfaction improves employee resistance to job stress and its physical symptoms (*see* Module 2). In fact, some reports suggest that satisfied employees live longer. In sum: happy workers seem to be healthy workers!

Lower employee turnover, less frequent tardiness and fewer unexcused absences are other consequences of job satisfaction. Countless research studies have found dependable relationships between turnover and unexcused absences. However, the relationship between job satisfaction and absenteeism is less dependable. For instance, there are many reasons why a satisfied employee chooses to be absent from work. Equally relevant are the reasons why a dissatisfied employee may choose to go to work. For instance, he may fear being fired, he may have no options that are more pleasant than attending work or he might simply choose work over staying at home.

When a firm experiences turnover and absenteeism, its indirect labour costs rise rapidly. High turnover increases recruiting, hiring and training costs (all indirect costs – unrelated to production), because the organisation must constantly process new members. A high absenteeism rate also drives up indirect costs in another way because the firm must have more employees in reserve to cover for those who fail to show up for work. Without a reserve, more work must be distributed between fewer workers; this, in turn, creates more job dissatisfaction through perceived inequity. These effects all undermine an effective employment relationship and threaten competitive advantage.

1.4.3 Job Satisfaction and Performance

We now have all of the pieces in place to look at one of the most important relationships in OB. This is the job satisfaction–job performance relationship. This relationship is illustrated in Figure 1.3.

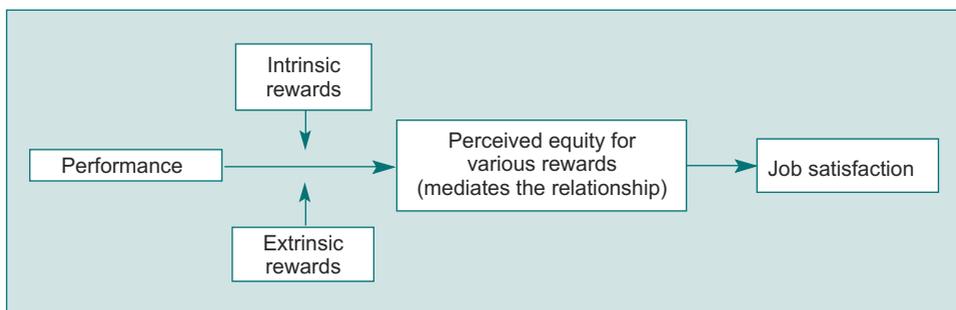


Figure 1.3 The job satisfaction–job performance relationship

Applying the Reasoning of the Model

Figure 1.3 indicates that satisfactory performance releases various intrinsic and extrinsic rewards. Extrinsic rewards are available through the organisation compensation system, while intrinsic rewards are linked to the psychological elements of the job, for example level of challenge, clarity, variety of skills used and opportunity to learn new skills. If the compensation system malfunctions and provides poor performers with the same rewards as high performers, the high performers will experience perceived inequity and their pay satisfaction will plummet. Likewise, if jobs are unchallenging and boring, intrinsic rewards will be scarce and employees' satisfaction with the work itself will drop, again due to perceived inequity. Remember, both the compensation system and the job design system must function properly to ensure perceived equity.

The model indicates that a direct relationship between performance and job satisfaction does not exist. Perceptions of equity tie the two together. Also, individual differences influence job satisfaction. For example, internaliser employees would experience job dissatisfaction through perceived inequity if they believed the job offered little challenge and if their performance was not fairly compensated due to an ineffective compensation system. An example of this would be disgruntled employees who complain that seniority (or tenure) is rewarded instead of performance. Similar arguments can be made for individuals with various combinations of socially acquired needs. The important point is that it is not only performance and perceived equity that can be seen to influence levels of job satisfaction. Employees' personality traits also interact with the work situation to influence employees' job satisfaction.

1.4.4 How Organisations Can Measure Job Satisfaction

Managers need to monitor job satisfaction because it is an important overall indicator of the extent to which the firm is meeting the needs of its workforce. Many methods have been developed to measure job satisfaction. All of them are indirect because job satisfaction can only be inferred: it is both intangible and personal. The methods include 1) observation of employee behaviour, 2) interviewing employees and 3) paper-and-pencil questionnaires. The least expensive and most dependable is number 3. Table 1.8 shows sample items from the Job Descriptive Index (JDI), the most widely used measure of job satisfaction (Smith *et al.*, 1975).

Table 1.8 Sample items from the Job Descriptive Index (JDI)

Think of your present work. What is it like most of the time? In the blank beside each word or phrase given below, put:

Y	If it describes your work	_____	Work on present job
N	If it does NOT describe it	_____	Routine
?	If you cannot decide	_____	Satisfying
		_____	Good
		_____	On your feet

Think of the pay you get now. How well does each of the following words describe your present pay? In the blank beside each word or phrase given below, put:

<u>Y</u>	If it describes your pay	<u> </u>	<i>Present pay</i>
<u>N</u>	If it does NOT describe it	<u> </u>	Adequate for normal expenses
<u>?</u>	If you cannot decide	<u> </u>	Insecure
		<u> </u>	Less than I deserve
		<u> </u>	Highly paid

Think of the kind of supervision that you get on your job. How well does each of the following words describe this supervision? In the blank beside each word or phrase given below, put:

<u>Y</u>	If it describes the job supervision you get	<u> </u>	<i>Supervision on present job</i>
<u>N</u>	If it does NOT describe it	<u> </u>	Impolite
<u>?</u>	If you cannot decide	<u> </u>	Praise for good work
		<u> </u>	Influential
		<u> </u>	Doesn't supervise enough

Think of the opportunities for promotion that you have now. How well does each of the following words describe these? In the blank beside each word or phrase given below, put:

<u>Y</u>	If it describes your promotion opportunities	<u> </u>	<i>Promotion opportunities</i>
<u>N</u>	If it does NOT describe them	<u> </u>	Promotion on ability
<u>?</u>	If you cannot decide	<u> </u>	Dead-end job
		<u> </u>	Unfair promotion policy
		<u> </u>	Regular promotions

Think of the majority of people that you work with now or the people you meet in connection with your work. How well does each of the following words describe these people? In the blank beside each word or phrase given below, put:

<u>Y</u>	If it describes the people you work with	<u> </u>	<i>People on your present job</i>
<u>N</u>	If it does NOT describe them	<u> </u>	Boring
<u>?</u>	If you cannot decide	<u> </u>	Responsible
		<u> </u>	Intelligent
		<u> </u>	Talk too much

The JDI is copyright Bowling Green State University. The complete forms, scoring key, instructions and norms can be obtained from Department of Psychology, Bowling Green State University, Bowling Green, Ohio 43404, United States.

The JDI measures the five facets of job satisfaction that were mentioned earlier. The JDI's use of positive and negative descriptors achieves balance and avoids problems associated with other measures. The adjectives selected for the JDI enable it to be used in any work situation and with any employee group.

Another measurement tool, the Minnesota Satisfaction Questionnaire, has been developed by researchers (Weiss *et al.*, 1977). It uses a different method to generate answers. Table 1.9 shows some sample questions from this instrument. Its format allows for respondents' partial agreement with items composing the facets of job

satisfaction. Although this method takes longer than the JDI, it too yields very dependable results.

Table 1.9 Excerpt from the Minnesota Satisfaction Questionnaire

	Not satisfied	Slightly satisfied	Satisfied	Very satisfied	Extremely satisfied
My job security	1	2	3	4	5
The amount of pay for the work I do	1	2	3	4	5
The working conditions (heating, lighting, ventilation, etc.) on this job	1	2	3	4	5
The opportunities for advancement on this job	1	2	3	4	5
The technical 'know-how' of my supervisor	1	2	3	4	5

Source: Weiss, D.J., Davis, R.V., England, G.W. and Lofquist, L.H. (1977) *Manual for the Minnesota Satisfaction Questionnaire (Minnesota Studies in Vocational Rehabilitation, No. 22)*. Minneapolis, MN: University of Minnesota Industrial Relations Center. Work Adjustment Project. Reproduced by permission. Copyright 1977 by Vocational Psychology Research, University of Minnesota.

Problems with Using Questionnaires

The use of questionnaires assumes that employees are both willing to describe their feelings about work accurately, without any distortion, and capable of doing so. It is known that employees often distort information about their jobs for a variety of reasons, not the least of which is their fear of termination for expressing their honest opinions. Additionally, the items in a questionnaire do not have the same meaning to each employee. What is fascinating to you may appear dull and monotonous to your colleagues. Questionnaire items can have different meanings, and survey results can be biased in systematic ways. These are more likely to be problems for researchers who study job satisfaction than for managers who wish to track employees' satisfaction.

1.5 Developments in the Study of Employee Work Attitudes

Job satisfaction is a pivotal employee work attitude that correlates with operational effectiveness and competitive advantage. It predicts turnover, absenteeism, physical and emotional health, performance and employees' perceptions of fairness of rewards. Two other employee attitudes have been systematically studied alongside

job satisfaction. These are organisational commitment and job involvement. Let us consider each one.

1.5.1 Organisational Commitment and its Consequences for Employees and the Organisation

Professor Porter *et al.* (1974) define organisational commitment as the strength of an employee's devotion to his or her employer. It has three components: 1) belief in and acceptance of the organisation goals and values, 2) willingness to exert considerable effort on behalf of the organisation and 3) desire to maintain membership in the organisation. Organisational commitment goes well beyond company loyalty. It is on display when employees actively promote the organisation to those who are interested in or affected by its actions. In other words, the committed employee would defend his employer in the face of criticism. It is also indicated by an employee's willingness to give something of him- or herself to the organisation (such as developing a protégé by being a mentor). When employees defend their employer, promote its goals and advise its newcomers, they are strengthening their organisational commitment and confirming the organisation's values. Frederick Ashley demonstrates organisational commitment. See if you can find examples of its components in his story below.

Frederick is unusual in the age of job hopping and multiple employers. He's 78 years old; he admits proudly that he's a company man and always will be one. When he left his job as a salesman for Gerhart, Ltd. in 2011, he retired from the only employer he had ever known. He left behind a group of employees that he called 'his family' and said to all at his retirement party: 'I'm sad to leave; I really am. It's time for me to move over and give some of the new guys a chance.' The former salesman, who had spent the better part of his life selling the company's machinery, recalled his work with fondness and nostalgia. Now his voice has a tinge of sadness when he says: 'I've grown very fond of my work, the company and the people I've worked with over the last 60 years. I've had many of the same customers for over 30 years. They understand how our business operates. Many of them were buying tools from us even before I came along. That's how I got started, you know. I worked in the shop and then in the office for 30 years before I moved to sales.'

Frederick continued: 'I just need to take time off. Many times I'd show up at the office with a cold or upset stomach.' He doesn't say it in so many words, but he clearly relishes projecting the image of his being the company man. This company man would get out of bed at 4 am to go to work and analyse customer accounts. According to Frederick: 'Sometimes, just for the fun of it, I'd get up extra early to be the first one there. I guess that after a while I got the reputation around the office of being an early bird.'

Frederick lives about five kilometres from the office. He has no plans for his future other than taking life as it comes, working in his garden and visiting his sons.

Looking out the office window, Frederick muses: 'I retired because I believed I didn't have many more years left; I was getting to that age. I want to spend more time with my wife. We enjoy dining out and travelling.'

Frederick admits he is having trouble adjusting to a life of leisure. He's not too keen on sleeping late, and he misses the trip to work. He admits to no one in particular: 'I guess I just became too used to the sounds of the office.' He confesses that he misses the weekday work schedule and that he's just a little lonely after six decades in the same company.

Responding to a question from a new employee, Frederick says: 'I thoroughly enjoyed my work and loved the people I worked with. My job was never burdensome. I loved what I did and always felt good about it.' Frederick notes that his boss has said that, if retirement isn't for him, he can return to work any time. 'They said I could pick up where I left off with no problems. It makes me feel needed,' says Frederick.

Commitment to an organisation is different from job satisfaction because it requires a wider perspective that embraces the entire firm. (Try to identify the three elements of a work attitude in Frederick's reaction to his lifetime at work.) Job satisfaction is a narrower concept because it centres on employees' reactions to their jobs. Job satisfaction also fluctuates over the short term depending on immediate job conditions (for example, equity perceptions). In contrast, organisational commitment develops slowly and consistently over time; thus an employee may be satisfied with his job but not have accumulated enough general work experience to be committed to the firm. This partially explains why employees change employers even though they were satisfied with their previous work. People who experience career progress in a particular organisation eventually exhibit organisational commitment in their work. Chronic 'job hoppers' are not around long enough for commitment to develop. Capable but restless migrant managers never experience much of this work attitude.

Periods of economic uncertainty erode organisational commitment as employees' perceptions of the quality of the employment relationship deteriorate and their fears of unemployment rise. People who once took for granted their jobs and pay rises are easily jolted by the realities of stubbornly high unemployment and corporate downsizing. Declining economic conditions raise doubts about economic security among those employees who remain on the job.

Waves of downsizings and mergers demolish employees' commitment to their employers. Continued globalisation exposes companies to more efficient low-cost competitors. The large global air carriers have recently experienced severe economic headwinds, and it will come as no surprise that their combined losses during the 2001–2006 period exceeded their aggregate profits for the period 1938–2000! During economic downturns, shareholders always demand that management return firms to profitability by downsizing. Managers and executives comply, employees' organisational commitment plummets and good service for the firms' clients goes out the window!

How Does Organisational Commitment Benefit the Organisation?

Once employees identify with the goals and values of the organisation, they are less likely to leave, even when they experience periods of job dissatisfaction (they hang in there and expect things to get better). More committed employees perform better, and they usually expend more effort to find creative ways to be productive.

They set more ambitious goals when they participate in goal setting, and they are more likely to interpret organisational goals in personal terms (*My wife uses the company's products, and my kids love them too*). Committed employees are strong advocates for the firm's products, services and policies. Clearly, many of these valuable outcomes are at risk in organisations that attempt to improve their competitiveness by downsizing rather than by making investments in training and developing the workforce (raising organisational commitment).

1.5.2 Job Involvement and Its Consequences

Job involvement is the degree to which employees identify with their job, participate actively in it and consider it to be a key determinant of their self-worth (Steers, 1981). Job involvement is determined by characteristics of the job, while organisational commitment is more strongly related to characteristics of the firm. Job involvement is a central component of one's satisfaction with life (Rabinovitz and Hall, 1977). When it is triggered in employees, job involvement strengthens employees' desire to be physically and psychologically embedded in their work (to anticipate favourable job outcomes). It contributes to perceptions of self-worth, and you can tell when it's present because the job-involved employee will describe himself in work-related terms. Indeed, many of us who experience job involvement describe ourselves by telling others what it is that we do for a living.

Returning for the moment to the issue of downsizing, it may be that job involvement is less at risk than the employee's organisational commitment. It is possible for an employee to stay highly involved with his job even though he may be apprehensive about his economic security and his future employment prospects. Indeed, because of the demands of an absorbing job, the employee may find it to be a kind of refuge that shelters him temporarily from his fears of job loss.

How Can Managers Raise Organisational Commitment and Job Involvement?

Remember, these two work attitudes have different origins (i.e. organisations versus jobs). Y-oriented managers who wish to influence both should:

1. **Demonstrate that they honestly care about their employees' welfare (empathy).** To raise commitment, the manager can emphasise career planning in employee development. For job involvement the manager can ask the employee for input about making unit jobs more challenging and interesting.
2. **Create opportunities for employees to achieve their personal goals.** If a competent employee wants more responsibility, perhaps to increase his chances for promotion, the manager should redesign the employee's job to make it more meaningful and challenging. He can follow up by showing the employee how he adds value to operational effectiveness and competitive advantage (linking company success to organisational commitment).
3. **Modify jobs so employees can experience more intrinsic rewards.** Many employees want more personal control over their work. An effective manager provides opportunities for employees to participate in decision making to fulfil these needs (increases job involvement in the short term).

4. **Find ways to reward and interact with employees regularly.** If managers are unavailable when employees encounter task problems, then both work attitudes are impaired (or become more negative). Further, if managers appear only when problems surface, employees come to associate them with negative outcomes such as punishment and criticism, neither of which obtains commitment and involvement. Over the long haul, employees' perceptions of managers' fairness and balance will boost organisational commitment.
5. **Whenever possible, delegate reasonable amounts of authority to employees.** Organisational commitment and job involvement rise in the employee who feels more confident and capable at work.

What Is a Psychological Contract and How Is It Changing as a New Generation of Workers Enters the Labour Force?

Organisational commitment and job involvement are two of the core elements supporting and preserving the psychological contract (relationship) between employer and employee. The third element is the bundle of economic incentives that sustain the voluntary nature of this relationship. We have discussed how the employee's job involvement and organisational commitment form as a consequence of his growing experience with his job and with the firm, for example its policies, practices and culture. In the beginning of any employment relationship, the full details – terrain if you will – of the job and the firm are not fully understood nor comprehended by the newcomer. Thus, the bundle of economic incentives plays an early, outsized role in his or her level of job satisfaction. As he or she accumulates more experience and comfort in the job and in the firm, economic incentives slowly recede in importance as organisational commitment and job involvement become more compelling and pertinent. This is not to suggest that economic incentives no longer motivate the employee. Rather, the psychological aspects of job involvement and organisational commitment become more numerous, clearer and more pertinent in his or her ongoing evaluation of the quality of the non-static employment relationship.

Let's consider for a moment how large demographic groups of near-adults and adults are shaping the psychological contract and its key work attitudes. Generation Y (individuals born between 1989 and 1994), sometimes called the 'Echo Boom', matured during the birth of the Internet, the rise of America as the world's only superpower and the attending collapse of the Soviet Union. GenYers are the twenty-somethings who reject the values and practices of their more famous baby boomer grandparents, born between 1946 and 1964. Most baby boomers grew up during the placid 1950s and acquired their self-centred ways during the successful war protests of the 1960s. While GenXers are preoccupied by many of the same things as baby boomers, GenYers reject many of their habits and values. In fact, they can be overheard describing baby boomers and GenXers (their parents) as self-centred, fickle, impractical and a bit desperate too.

According to recent surveys in Australia, business owners often describe GenYers as 'demanding, impatient and bad at communicating'. Despite their education levels, the GenYers are easily dissatisfied and quickly reject well-understood and necessary corporate behaviours. Many Australian employers are

quick to add that those GenYers who are mobile and involved with their jobs are often high-energy and enthusiastic risk takers. This pattern also shows up in the UK's GenYers. They are described by employers as being ambitious, brand conscious and ready to move to a job that is more challenging and rewarding. Interestingly, these individuals are less loyal to their employers and quicker to add that their jobs say little about them as individuals.

In the US, Generation Y is the 'wireless-web generation', in that 97 per cent own computers and mobile phones and over 76 per cent use text messaging many times each day. They use websites as their primary news sources, and one-third of them owns a blog, while 45 per cent read them regularly. Seventy-five per cent of US college students have a Facebook or MySpace account, and the same percentage own a portable music and/or mobile phone/video device.

The baby boomers are exiting today's labour pools at a rising rate and are being replaced by Generation Y. GenXers still have 20 years or more of work ahead of them, and the most ambitious and clever ones are rapidly climbing corporate ladders. This highly fluid situation creates a powerful force of change to the psychological contract between employees and their firms. Baby boomers are looking forward to retirement and good health despite the fact that they have saved too little to ensure either. GenXers probably recognise that they need to save more, but they rationalise that they still have 20 years to get their retirement and healthcare plans in good shape. It is the 'youngsters' of Generation Y who are performing radical surgery on the employment contract.

The *Wall Street Journal's* article about 'bait' for Generation Y sums up how the employment contract is changing. Journalist Sarah Needleman (2008) describes Jenny Balaze, who left her post at Ernst & Young's Washington office for three months to volunteer her accounting services to a small, struggling publisher in Buenos Aires and described her experience there as 'the best three months of my life'. The accounting firm covered her transport and living expenses during her sabbatical and guaranteed her job when she returned. The short story above underscores the point about the kind of employment contract Generation Y expects. A programme of employer-sponsored volunteerism is a very strong recruiting advantage, and firms are recognising that it is good business to lend out skilled employees to struggling business and non-profit enterprises. These programmes merge the values and beliefs of Generation Y with the social responsibility component of the firm's business model. Underscoring this emerging synergistic linkage is the fact that over 79 per cent of 13 to 25 year olds state: 'I prefer to work for a company that cares about how it affects or contributes to society.'

The *Wall Street Journal's* reporter notes in her article that members of Generation Y do not want to 'park their values at the door'. Companies such as PNC Financial Services Group are responding by designing volunteer programmes that allow employees to choose from 200 American non-profits in which they can apply their specific skills to ongoing challenges, or they can opt for projects unrelated to their skill set. United Parcel Service and Pfizer Corporation have begun to replace their old-style corporate giving programmes in favour of skill-based volunteerism that allows their employees to apply their knowledge to problems like food distribution to homeless shelters and supply-chain management for breast cancer foundations.

Both companies are very pleased with the results of their programmes, and they note that these volunteer assignments produce workers who have more talent, better leadership skills and a 'better strategic sense of how to navigate in different types of environments'.

Learning Summary

- OB is a social science that advances knowledge about the behaviour of people at work. It studies the relationship between operational effectiveness and employee needs. All aspects of organisation performance relate to the former; work attitudes such as job satisfaction, organisational commitment and job involvement relate to the latter.
- Management differs from OB in that it deals with achieving organisational goals through people. It centres on the technical, conceptual and human components of organisational functioning. The manager's job in the twenty-first century will focus on his coaching, integration and conflict-resolution skills. Old job requirements such as giving orders, determining promotions and making autocratic decisions will fade in importance.
- The rate of change in content of the manager's job is being increased by work-force diversity (Generation Y), demands for better products and services, global competition and Theory Y philosophy.
- Values are enduring beliefs, and they can be instrumental or terminal in nature. Instrumental values reflect the means for achieving one's goals in life, and terminal values are the life goals themselves. As humans grow up, they move through stages of moral development. Some adults never develop fully functioning ethical systems.
- Locus of control refers to one's beliefs about what causes outcomes in life. Internals believe in the causality of personal behaviour, while externals believe in the causality of environmental forces. Internals connect responsibility to outcomes in life, while externals believe outcomes are created by forces and events beyond their control.
- Extroversion and introversion refer to the strength of one's need for external sensory stimulation. Introverts avoid external 'social noise', and extroverts embrace it. These qualities can influence performance if a job is designed to be either high or low in social stimulation.
- Machiavellianism is the urge to control, manipulate or influence others to achieve one's personal ends. The high-Mach individual thrives and embraces fluid, unstructured organisational circumstances.
- Emotionality is the tendency in employees to be worried, depressed, angry or embarrassed due to inner feelings of inadequacy (low self-esteem). Stable employees are calm, relaxed, secure and deliberate. Emotional intelligence reflects stability, and those who have it are honest about themselves, demonstrate empathy towards others and know how to use emotions to solve problems and achieve goals.

- Need for achievement, affiliation and power are important factors that shape employee behaviour. Achievers (high need for achievement: nAch) may become entrepreneurs if their current work disappoints them. Affiliative employees (high need for affiliation: nAff) create support and collaboration in work groups. Power seekers (high need for power: nPow) express either their personalised or socialised power needs. Socialised power, properly directed by top executives, can energise a workforce and build competitive advantage.
- Job satisfaction is composed of the facets of pay, promotion, co-workers, supervisors and the work itself. Experienced job satisfaction is determined by job challenge, job clarity, supervision and incentives. Years in career and personal work expectations are also important determinants of job satisfaction. Job satisfaction is not directly related to performance. The connection is determined by the availability of both intrinsic and extrinsic rewards, and by employees' perception of the fairness of their distribution.
- Organisational commitment is the employee's agreement with organisational goals, his willingness to exert effort on behalf of the organisation and his desire to maintain his membership. It takes longer to form than job satisfaction but, once formed, is resistant to change.
- Economic insecurity (job loss through downsizing) threatens employees' well-being. Employees who remain in the job after downsizing and corporate restructuring often experience sharp drops in their organisational commitment (because the psychological contract seems to be less reliable).
- Job involvement develops through one's job and affects self-worth and desire to participate in work-related decisions. Employees can have job involvement without being committed to the organisation. Thus, downsizing, job re-engineering and corporate restructurings may have fewer long-lasting or direct negative effects on employees' job involvement.

Review Questions

True/False Questions

- 1.1 The field of OB has developed because managers need to understand employee motivation and job satisfaction. T or F?
- 1.2 The field of OB is best described as an applied discipline that focuses on the issues of employee needs and operational effectiveness. T or F?
- 1.3 OB would not deal with factors that cause students to be satisfied or dissatisfied with the courses they take at the university. T or F?
- 1.4 Managers have less need for OB theories because their work is action oriented. T or F?
- 1.5 An engineer with an internal locus of control is much more likely to search for information outside his work setting than an engineer with an external locus of control. T or F?

- I.6 Extroverted employees seek more stimulation from their social environment than do introverts. T or F?
- I.7 A Machiavellian employee will go along with company goals, especially if the work setting is very unstructured and feedback is sporadic. T or F?
- I.8 A good rule to follow when supervising employees is: treat them all the same way. T or F?
- I.9 High-achieving managers are good delegators of authority to subordinates. T or F?
- I.10 Individuals with a high need for affiliation would be highly motivated to improve team or work group harmony. T or F?
- I.11 An individual's need for power is more valuable to the firm if it is expressed as personalised power need. T or F?
- I.12 Job satisfaction is less sensitive to extrinsic rewards than to intrinsic rewards. T or F?
- I.13 Job satisfaction is important to operational effectiveness because it is related to absenteeism, grievance rates and turnover. T or F?
- I.14 Equity comparisons of rewards received in relation to efforts expended are important components of the job satisfaction–job performance relationship. T or F?
- I.15 Organisational commitment consists of three highly volatile facets. T or F?
- I.16 Job satisfaction and organisational commitment are related to the same properties of organisations. T or F?
- I.17 Job involvement is always present when an employee is satisfied with his job. T or F?
- I.18 The least important dimension of job involvement is the belief that the job contributes to one's self-worth. T or F?
- I.19 Values training in global organisations can safely emphasise instrumental values only for expatriate managers. T or F?
- I.20 Economic uncertainty is more of a threat to organisational commitment than to job involvement. T or F?
- I.21 High Mach managers exhibit keen emotional intelligence. T or F?
- I.22 The affective component (emotional aspect) of an attitude has little to do with observed behaviour. T or F?

- I.23 Managers with a personalised need for power have probably not progressed beyond the pre-conventional stage of moral development. T or F?

Multiple Choice Questions

- I.24 The values perspective of human behaviour explains an employee's actions in terms of:
- A. job design.
 - B. moral development.
 - C. organisational structure.
 - D. organisational authority systems.
 - E. peer relations and group dynamics.
- I.25 OB is a field of study that places equal emphasis on:
- A. micro and macro issues, such as employee motivation and organisational design.
 - B. productivity and quality improvement efforts.
 - C. understanding the needs of employees and managerial requirements for technical problem solving.
 - D. external environmental issues and managerial ethics.
 - E. A and C.
- I.26 Individual differences (dimensions of personality) are best defined as:
- A. the fundamental components of the OB modification paradigm.
 - B. primary constructs in the psychodynamic theory of personality development.
 - C. basic aspects of human nature that predict employee behaviour in the work setting.
 - D. A and B only.
 - E. none of the above.
- I.27 Individuals with an internal locus of control:
- A. display high anxiety and tension.
 - B. tend to be restless and agitated on the job.
 - C. prefer participative management systems.
 - D. exhibit low emotional intelligence.
 - E. believe that performance is based on luck rather than effort.
- I.28 According to research on socially acquired needs, successful top managers tend to have a high need for:
- A. dominance.
 - B. achievement.
 - C. affiliation.
 - D. security.
 - E. risk aversion.

- 1.29 A manager with a high personalised need for power would prefer:
- A. taking control of others to setting challenging goals for a work group.
 - B. gaining opportunities to improve communication to gaining recognition from his superiors through promotions.
 - C. quick performance feedback to loyal and dedicated subordinates.
 - D. taking individual responsibility to control of others.
 - E. to be involved in community affairs.
- 1.30 According to OB research, the relationship between job satisfaction and job performance is:
- A. strong and direct.
 - B. indirect and not always consistent.
 - C. strong and negative.
 - D. positive for younger employees and negative for older employees.
 - E. impossible to measure.
- 1.31 A manager with a socialised need for power who had also been promoted several times would look favourably on:
- A. employees who took a strong interest in their jobs and the work goals for their units.
 - B. raising work unit performance goals and making employees' bonuses contingent on those goals.
 - C. employees who willingly expressed their personal loyalty to the leader and to the goals valued by him and the members of his work unit.
 - D. A and C only.
 - E. none of the above.
- 1.32 OB and workforce management have focused on all of the following except:
- A. employee job satisfaction.
 - B. small group behaviour.
 - C. power and influence dynamics.
 - D. leader–follower relationships.
 - E. production engineering and computer-assisted design.

Short Essay Questions

- 1.33 What kind of problems would a supervisor confront if all his subordinates had an external locus of control? Are there steps a supervisor can take to influence employee beliefs about the causes of work outcomes?
- 1.34 Develop an account of the current thinking about the relationship between job performance and job satisfaction. If a supervisor believes that 'happy employees are productive employees', what kind of problems might he encounter? Be sure to emphasise the role of rewards in your answer.
- 1.35 Which of the socially acquired needs do you consider to be of the highest value?

- 1.36 How has the manager's job changed in downsized firms?
- 1.37 Discuss some of the factors that might shape a company's emphasis on terminal and instrumental values in its mission statement. How do you make a mission statement relevant in a global company?

Case Study 1.1: Managing the Emotional Employee in the Work Setting

Employees' emotional behaviour is a common challenge for any manager. It may be overt and easily detectable, or it can be subtle, because emotional workers (who fear forms of workplace rejection) often direct their subconscious turmoil inward to hide and deny its existence. Over time, emotionally fragile individuals are less able to hide their increasingly obvious psychological, behavioural and physical distress, and it shows up in some combination of the symptoms shown in Table 1.10.

Table 1.10 Indicators of emotional fragility

- 1 Mood disorders: persistent hopelessness, despair or sadness (flat or unresponsive affect).
- 2 Personality change: listlessness, withdrawal from pleasant activities and relationships, self-imposed isolation, avoidance of others (furtiveness), inability to listen or sit still.
- 3 Deterioration of performance: missed deadlines, tardiness, absenteeism, low morale, missed key meetings, irritability, ineffective or inappropriate delegation of responsibility, undue sensitivity to criticism and performance feedback.
- 4 Deterioration of appearance: weight gain or loss, poor grooming, dirty and dishevelled appearance.
- 5 Substance abuse: drinking or using drugs at work or during lunch breaks, addiction to alcohol, painkillers or anti-anxiety drugs.

Employees with the above symptoms could be among your work colleagues, so give this widespread phenomenon some thought. When asked privately about their lives (in an environment of perceived psychological safety), emotionally fragile employees frequently report sleeping poorly because they are wrestling with anxiety stemming from financial and job insecurity. As these worries increase in number and severity, emotional employees experience more paralysing self-doubt (they are trapped in a feedback loop: more symptoms trigger more self-doubt and vice versa). The earliest signs of emotional fragility in employees are actions such as suddenly staying late and working too hard (over-compensation) or coming in late, being despondent and detached from work and exhibiting annoyance that is out of proportion to the work demands at hand (reactivity).

Helping fragile employees reattach to their jobs

Your chances of helping an emotionally fragile employee reattach to his or her job rise when you detect (and act on) the forms of deterioration noted in Table 1.10. If you choose to intervene, you can launch your 'rescue plan' by conveying a 'sense of understanding' (empathy) to the afflicted employee. Your empathetic support slows or

stops his growing sense of aloneness and self-imposed isolation. To get this going in the right direction, you can ask your employee how he is doing. This is a non-intrusive way of inviting empathy-based communication as opposed to demanding answers (or assigning labels like ‘mental illness’), which probably would only reignite his self-imposed isolation. Stick to describing behaviour instead of using labels, because the former aligns and supports your empathetic tone. Let’s pound this point home one more time with an example. You don’t want to say: ‘I think you are anorexic.’ Rather, you want to say: ‘I am concerned by your weight loss; perhaps you are losing too much weight.’ Remember, empathy (the reduction of emotional distance) always avoids the assignment of stigma.

If your co-worker or subordinate is receptive to your concern, he may decide to seek professional help through a licensed therapist or the company’s employee assistance programme. This would surely be a significant step in the right direction. Please note that you will go *in the wrong direction* if you impulsively agree to help the employee outside of work. This misstep gives your dependence-prone subordinate or co-worker the mistaken impression that it will be all right for him to rely on you for much more than you bargained for. You will soon lose control of the helping relationship, and your authority will be undermined (perhaps along with other things too). Your consideration for a distressed employee must remain job centred and performance oriented. You are a manager or executive – not a trained professional therapist – and you should point that out early on if you sense your subordinate’s growing dependence on you. If you immerse yourself in your fragile employee’s problems – calling doctors, making appointments, being an ‘after-hours counsellor’ – then you have undertaken the ‘duty to help’. This duty then continues, and you could be sued for negligence in the future if you decide to suspend your assistance. In this instance, please remember: ‘No good deed goes unpunished!’

If you are the boss, you stick with work-related assistance. Hand out your firm’s employee-assistance number when you think you have to. Lighten a workload here and there or suggest to the too hard-working employee that it is time for a holiday or a day off (with pay if you are feeling generous). These and related actions signal your continued empathy. Maybe the employee you are trying to help resists your assistance for some reason. If he or she is still performing, and not undermining operational effectiveness, then back off. You have done your job, and you have clearly shown the employee that you care. Sometimes that alone is enough.

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- 1 How much responsibility does the firm have to assist troubled employees?
- 2 What would be the reactions of high-performing employees upon learning that their well-liked and once productive but fragile colleague was just sacked?

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