

ORGANIZATIONAL BEHAVIOR



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Organizational Behavior

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I developed a new Organizational Behavior course that will be used in the Business Management program at Western Technical College. This is the first core course in the program and it is designed to introduce students to human behaviors in the workplace. Additionally, effective communication is emphasized throughout the course and students are encouraged to cultivate a growth mindset.

This project has great potential to eliminate unnecessary costs and time for students by offering them an overview of organizational behavior with readings, graphics, and videos all located in one convenient place.

While creating this course, I incorporated opportunities for students to learn in different ways. By incorporating business communication concepts, students can explore the correlation between communication and workplace behaviors. Additionally, by periodically addressing a growth mindset throughout the course, students are encouraged to reflect on their attitudes and behaviors in both college and the workplace.

Overall, this project has been a great experience. I hope to hear positive feedback from faculty and students once this class begins.

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Detailed Licensing

Licensing

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1.1: Overview

Module 1: Overview

Within this module, students will explore the significance of work and common managerial responsibilities within an organization. In addition, the importance of cultivating a growth mindset and communicating effectively will be examined.

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1.2: Guiding Questions

Module 1: Guiding Questions

Consider the following questions as you review the learning materials this week:

- Why is the nature of work significant within an organization?
- What are the common responsibilities of managers?
- What are the current challenges that managers face?
- What does it mean to have a growth mindset?
- How do effective business communication skills differ from those that are ineffective?

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1.3: MANAGEMENT AND ORGANIZATIONAL BEHAVIOR



Learning Outcomes

After reading this chapter, you should be able to answer these questions:

1. What is the meaning of work in a societal context?
2. How do managers recognize and meet the challenges facing them in the new millennium?
3. What is expected of a manager?
4. What is the role of the behavioral sciences in management and organizations?

1.3.1: The Nature of Work

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1.3.1: The Nature of Work

EXPLORING MANAGERIAL CAREERS

The Management Challenge at Apple and Google

When Apple was developing iOS 10, a group of 600 engineers was able to debug, develop, and deploy the new programming within two years. Contrarily, Microsoft engineers were able to develop and execute the programming on Vista, but it took considerably longer and was a bigger undertaking, with almost 6,000 engineers at hand. What was the difference?

According to the study conducted by leadership consulting firm Bain & Company, companies like Apple, Google, and Netflix are 40 percent more productive than the average company. Some may think that this is a product of the hiring pool; big companies generally attract a more talented group of recruits. With unique benefits and prowess in the industry, this must be the case. Wrong. Google and Apple have found a way to answer the most fundamental question in management: How do you balance productivity while maintaining employee satisfaction and commitment?

Companies such as Google have approximately the same percentage of “star players” as other companies, but instead of spreading out the talent, they group them dynamically to achieve more throughout the day. This grouping focuses on grouping key players in the most business-critical roles, and is the key to success for the overall company. You’ve heard the saying “You’re only as strong as your weakest link,” and in the case of Apple, there were no weak links, making their productivity extremely high overall. To make matters more complicated, the fast-paced workplace and technology changes, including the diversity of employees and the global marketplace, takes a considerable toll on employee expectations, as do the overall stresses of the business performance. Apple is just one example of a company that figured out one of the pieces to this puzzle, but it is illustrative of what is happening in the workplace all around the globe.

Contemporary managers are witnessing changes in technologies, markets, competition, workforce demographics, employee expectations, and ethical standards. At the heart of these changes is the issue of how to manage people effectively. To attain corporate objectives, each manager must discover how to develop and maintain a workforce that can meet today’s needs while getting ready for tomorrow’s challenges. As a result, managers are asking questions such as:

- How can we meet the international competition?
- How can we make this organization more effective?
- How can we better utilize our human resources?
- How can we create a more satisfying and rewarding work environment for all employees?
- How can we improve the quality of our products?
- How can we improve communication and decision-making processes at work?
- How should we evaluate and reward performance?
- How can we develop the company leaders of tomorrow?

Questions such as these point to the issue of effective management. That is, what can managers do to improve both organizational and employee performance? Effective management requires an in-depth knowledge of financial management, marketing research and consumer behavior, accounting and control practices, manufacturing and production techniques, and quantitative methods. In addition, however, effective management requires “people skills.” That is, a good manager must be able to motivate his employees, to lead skillfully, to make appropriate and timely decisions, to communicate effectively, to organize work, to deal with organizational politics, and to work to develop both employees and the organization as a whole. These issues constitute the subject of this course. We shall examine principles of the behavioral sciences that can help managers improve both their own skills and abilities and those of their subordinates in order to enhance organizational performance and effectiveness.

As a prelude to this analysis, we begin with a brief look at the natures of work and of management. Contemporary challenges are discussed. Next, we consider a model of organizational behavior that will serve as a guide throughout the study of management and organizational behavior. We begin with an examination of work.

1. What is the meaning of work in a societal context?

The Meaning of Work

What is work, and how do people feel about the work they do? These questions may be answered from several perspectives. Perhaps one of the best ways to understand how people feel about their jobs is simply to ask them. A number of years ago Chicago writer Studs Terkel did exactly that. How did the people he interviewed feel about their jobs? Here are some excerpts from his book *Working*. (S. Terkel, *Working* (New York: Pantheon, 1974))

"I'm a dying breed. . . . A laborer. Strictly muscle work . . . pick it up, put it down, pick it up, put it down . . . you can't take pride any more. You remember when a guy could point to a house he built, how many logs he stacked. He built it and he was proud of it."

—**Steelworker [p. 1]**

"I changed my opinion of receptionists because now I'm one. It wasn't the dumb broad at the front desk who took telephone messages. She had to be something else because I thought I was something else. I was fine until there was a press party. We were having a fairly intelligent conversation. Then they asked me what I did. When I told them, they turned around to find other people with name tags. I wasn't worth bothering with. I wasn't being rejected because of what I said or the way I talked, but simply because of my function."

—**Receptionist [p. 57]**

"People ask me what I do, I say, 'I drive a garbage truck for the city.' . . . I have nothing to be ashamed of. I put in my eight hours. We make a pretty good salary. I feel I earn my money. . . . My wife's happy; this is the big thing. She doesn't look down at me. I think that's more important than the white-collar guy looking down at me."

—**Sanitation Truck Driver [p. 149]**

"I'm human. I make mistakes like everybody else. If you want a robot, build machines. If you want human beings, that's what I am."

—**Policeman [p. 186]**

"I usually say I'm an accountant. Most people think it's somebody who sits there with a green eyeshade and his sleeves rolled up with a garter, poring over books, adding things—with glasses. I suppose a certified public accountant has status. It doesn't mean much to me. Do I like the job or don't I? That's important."

—**Accountant [p. 351]**

"The boss . . . lost his secretary. She got promoted. So they told this old timekeeper she's to be his secretary-assistant. Oh, she's in her glory. No more money or anything and she's doing two jobs all day long. She's rushin' and runnin' all the time, all day. She's a nervous wreck. And when she asked him to write her up for an award, he refused. That's her reward for being so faithful, obedient."

—**Process Clerk [p. 461]**

Examples such as these—and there are many, many more—show how some employees view their jobs and the work they perform. Obviously, some jobs are more meaningful than others, and some individuals are more easily satisfied than others. Some people live to work, while others simply work to live. In any case, people clearly have strong feelings about what they do on the job and about the people with whom they work. In our study of behavior in organizations, we shall examine what people do, what causes them to do it, and how they feel about what they do. As a prelude to this analysis, however, we should first consider the basic unit of analysis in this study: work itself. What is work, and what functions does it serve in today's society?

Work has a variety of meanings in contemporary society. Often we think of work as paid employment—the exchange of services for money. Although this definition may suffice in a technical sense, it does not adequately describe why work is necessary. Perhaps **work** could be more meaningfully defined as an activity that produces something of value for other people. This definition broadens the scope of work and emphasizes the social context in which the wage-effort bargain transpires. It clearly recognizes that work has purpose—it is productive. Of course, this is not to say that work is necessarily interesting or rewarding or satisfying. On the contrary, we know that many jobs are dull, repetitive, and stressful. Even so, the activities performed do have utility for society at large. One of the challenges of **management** is to discover ways of transforming necessary yet distasteful jobs into more meaningful situations that are more satisfying and rewarding for individuals and that still contribute to organizational productivity and effectiveness.

Functions of Work

We know why work activities are important from an organization's viewpoint. Without work there is no product or service to provide. But why is work important to individuals? What functions does it serve?

First, work serves a rather obvious economic function. In exchange for labor, individuals receive necessary income with which to support themselves and their families. But people work for many reasons beyond simple economic necessity.

Second, work also serves several social functions. The workplace provides opportunities for meeting new people and developing friendships. Many people spend more time at work with their co-workers than they spend at home with their own families.

Third, work also provides a source of social status in the community. One's occupation is a clue to how one is regarded on the basis of standards of importance prescribed by the community. For instance, in the United States a corporate president is generally accorded greater status than a janitor in the same corporation. In China, on the other hand, great status is ascribed to peasants and people from the working class, whereas managers are not so significantly differentiated from those they manage. In Japan, status is first a function of the company you work for and how well-known it is, and then the position you hold. It is important to note here that the status associated with the work we perform often transcends the boundaries of our organization. A corporate president or a university president may have a great deal of status in the community at large because of his position in the organization. Hence, the work we do can simultaneously represent a source of social differentiation and a source of social integration.

Fourth, work can be an important source of identity and self-esteem and, for some, a means for self-actualization. It provides a sense of purpose for individuals and clarifies their value or contribution to society. As Freud noted long ago, "Work has a greater effect than any other technique of living in binding the individual more closely to reality; in his work he is at least securely attached to a part of reality, the human community." (S. Freud, Lecture XXXIII, *New Introductory Lectures on Psychoanalysis* (New York: Norton, 1933), p. 34.) Work contributes to self-esteem in at least two ways. First, it provides individuals with an opportunity to demonstrate competence or mastery over themselves and their environment. Individuals discover that they can actually do something. Second, work reassures individuals that they are carrying out activities that produce something of value to others—that they have something significant to offer. Without this, the individual feels that he has little to contribute and is thus of little value to society.

We clearly can see that work serves several useful purposes from an individual's standpoint. It provides a degree of economic self-sufficiency, social interchange, social status, self-esteem, and identity. Without this, individuals often experience sensations of powerlessness, meaninglessness, and normlessness—a condition called **alienation**. In work, individuals have the possibility of finding some meaning in their day-to-day activities—if, of course, their work is sufficiently challenging. When employees are not involved in their jobs because the work is not challenging enough, they usually see no reason to apply themselves, which, of course, jeopardizes productivity and organizational effectiveness. This self-evident truth has given rise to a general concern among managers about declining productivity and work values. In fact, concern about this situation has caused many managers to take a renewed interest in how the behavioral sciences can help them solve many of the problems of people at work.

Concept check

1. Define work.
2. What functions does work serve in modern society?

1.3.2: The Changing Workplace

2. How do managers recognize and meet the challenges facing them in the new millennium?

It has often been said that the only constant in life is change, and nowhere is this truer than in the workplace. As one recent study concluded, “The United States is a competitive location to the extent that firms operating in the U.S. are able to compete successfully in the global economy while supporting high and rising living standards for the average American. Although the U.S. retains profound competitive strengths—for instance, in higher education and entrepreneurship—those strengths are increasingly threatened by weaknesses in areas such as the tax code, basic education, macroeconomic policies, and regulation.”³ Companies face a variety of changes and challenges that will have a profound impact on organizational dynamics and performance. In fact, in many ways these changes and challenges will determine who will survive and prosper into the next century and who will not. Among these challenges are the following:

The Challenge of International Competition

Until the 1980s, many American firms had little in the way of serious international competition. As a result, there was little incentive to innovate and remain efficient and competitive. Many companies became lazy and lost touch with their customers. This situation changed abruptly as companies in Asia and Western Europe developed more sophisticated products and marketing systems and gained significant market shares in home electronics, automobiles, medical equipment, telecommunications, and shipbuilding, to name a few areas. As a result, American companies lost considerable clout—and profitability. In the 1990s and into the new millennium, the lowering of trade barriers and acceptance of trade agreements like NAFTA led corporations to seek less expensive labor overseas. This led to lower costs and the ability to offer products at more competitive prices, but also led to a drop in manufacturing in industries like steel production, a drop in manufacturing of products like iPhones, and the relocation of call centers from the U.S. to India.

If we examine corporate behavior during the early decades of the new millennium, it is not difficult to see some of the reasons for the demise. In short, many North American firms lost their **industrial competitiveness**; that is, they lost their capacity to compete effectively in global markets, or they chose to locate in foreign countries as a way to broaden their reach and become more competitive. Consider the following examples.⁴

During the last year reported, India experienced a 7.5 percent *annual growth rate in real GDP* while China recorded an increase of 6.7 percent. This is a measure of how economies are progressing. Great Britain, France, and Italy all had close to 2 percent increases. At the same time, however, the United States recorded a 3.8 percent annual increase (and Canada had a 3 percent increase), a larger increase after a lethargic recovery from the 2009 financial crisis.

While traditional jobs have shifted to developing countries, countries like the United States and Canada have transformed their economies by incorporating more **technology** and automation as well as having a greater proportion of the workforce in the service sectors. It is anticipated that the coming decades will continue to bring disruption to traditional workplace skills that will result in challenging workers to continually evolve their skills.

Finally, the number of products that were *invented in the United States* but are now primarily *manufactured overseas* has increased dramatically—advances in technology are helping the United States regain the top spot in world manufacturing. There had been a significant decline in our manufacturing sector as less expensive labor in markets like India and China led companies to locate factories there. Since 2010, however, the United States has risen from fourth place to second and is expected to claim the spot as the leading nation by 2020. The major reasons for this are: advanced manufacturing capabilities require fewer “line workers,” and having products produced near their major markets reduces transport and time to market.

Considering several indicators of the relative competitiveness of economies using seven metrics, the U.S. performs quite well. The seven metrics are institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, and labor market efficiency. When taking all of these factors into consideration (see **Table 1.1**), the United States ranks very well and has an environment of stable growth. One challenge is that workers will need to be nimble and evolve as new skills arise and will need to embrace continuous education and training as a way of managing their careers.

Global Competitive Index			
Rank	Country/Economy	Score	Distance from Best
1	Switzerland	5.9	0.00% from best
2	United States	5.9	0.09% from best
3	Singapore	5.7	2.60% from best
4	Netherlands	5.7	3.34% from best
5	Germany	5.7	3.46% from best
6	Hong Kong SAR	5.5	5.56% from best

Table 1.1

Global Competitive Index			
Rank	Country/Economy	Score	Distance from Best
7	Sweden	5.5	5.78% from best
8	United Kingdom	5.5	5.99% from best
9	Japan	5.5	6.19% from best
10	Finland	5.5	6.29% from best
Source: Adapted from World Economic Forum, "Global Competitiveness Index," http://reports.weforum.org/global-competitiveness-index-2017-2018/competitiveness-rankings/#series=GCI , accessed July 19, 2018.			

Table 1.1

In terms of organizational survival, herein lies what is perhaps management's biggest challenge: how to become more competitive. Greater competitiveness requires an understanding of individuals, groups, and entire organizational systems. Throughout this course, we shall see numerous examples of how companies from around the world are meeting the challenges of global competition. Particular emphasis will be placed on management practices in other countries as a point of comparison.

The Challenge of New Technologies

Although it is common to think of "high tech" as applying only to the aerospace and telecommunications industries, advanced technologies can be found throughout most industries. For example, most of us are familiar with the explosive growth in computing. Both hardware and software change so rapidly that it is difficult for many companies to keep up. Personal computers are being replaced by cell phones that are now faster and more powerful than their predecessors. Cloud computing and access to big data and applications transform data into useful information that is increasingly complex and increasingly user-friendly. In November of 1971 Intel launched the first microchip. Today, a modern Intel Skylake processor contains around 1.75 billion transistors—half a million of them would fit on a single transistor from the 4004—and collectively they deliver about 400,000 times as much computing muscle.⁵ More and more companies are using computer-based systems and equipment—such as e-mail, real-time messaging and file sharing, PDAs, and cell phones—for communications. As a result, the way in which employees

and managers communicate and make decisions is changing dramatically, and the importance of educated and knowledgeable workers is increasing rapidly.

Technological changes also can be seen in the increased use of robotics, expert systems, and computer- integrated manufacturing systems, which have changed the way many products are manufactured today. Such changes affect not only production efficiency and product quality but also the nature of jobs. In many industries, the first-line supervisors are disappearing and being replaced by self-managing work teams who assume responsibility for production scheduling, quality control, and even performance appraisals. All of these technological changes require managers who are capable of effectively implementing technological change in the workplace—managers who can adapt to the technological imperative while still maintaining and developing the organization's human resources. We will examine the role of technology as it relates to organization structure, job design, communication, decision-making, and work-related stress. We will see how some companies successfully adapted to technological change in a way that benefited all parties concerned.

Managing Change

Siri Struggles to Keep Up with the Competition

Many executives struggle in the ongoing competitive landscape of technology. With fast-paced changes, staying one step ahead as well as being able to pivot quickly to respond to action are two critical elements to successful leadership.

Apple Inc. has made its third change in the past year to the leadership of the artificial intelligence voice- assistance system Siri. Due to many factors, including being outperformed by the competition such as Google Assistant and Amazon Inc.'s Alexa, the company decided to pivot and make the change.

These two systems have seen incredible growth in 2018, with the Amazon Echo and Google Home claiming each 34 percent of the market. Now John Giannandrea, formerly Google's head of search and AI, has joined the Apple team and is tasked with getting on the rival's level from which he came (Verge 2018).

He will be challenged not only by having a new culture and company to fit into, but also by finding a good balance on how to innovate in his new role, as well as taking the best practices that he has from his previous role and applying it to boost the success of the Apple artificial intelligence. Keys to his success will be how quickly he can adapt to the new role, learning, adapting, and making changes along the way to bring Apple back to the playing field of artificial intelligence.

Question 1: What other challenges would a new executive have coming from a competing company?

Question 2: How much change is too much? What cautions should Apple be concerned about with all of the turnover for this position?

Sources: Nick Statt, "Apple's New AI Chief Now Oversees Siri, Core ML, and Machine Learning Teams," *The Verge*, July 10, 2018, <https://www.theverge.com/2018/7/10/1...n-giannandrea-machine-learning-core-ml-teams>; Stephen Nellis, "Apple Shifts Responsibility For Siri to Operating System Chief," *Reuters*, September 1, 2017, www.reuters.com/article/us-a.../apple-shifts-responsibility-for-siri-to-operating-system-chief-idUSKCN1BC65B; Tripp Mickle, Apple Hands Siri Responsibility to Executive Poached from Google," *The Wall Street Journal*, July 10, 2018, www.wsj.com/articles/apple-h...-poached-from-google-1531261759.

The Challenge of Increased Quality

The challenge of industrial competitiveness incorporates several interrelated factors, including an appropriate product mix, manufacturing efficiency, effective cost controls, investment in research and development, and so forth. Not to be ignored in this pursuit is the quest for increased quality control of the products and services offered in the marketplace. Total Quality Management (TQM) is a term often used to describe comprehensive efforts to monitor and improve all aspects of quality within a firm. BMW established and continues to maintain its reputation in part because customers have come to respect its high level of quality. Quality is also a major reason for the success of many Japanese products in North America. Simply put, if companies are going to compete, renewed efforts must be devoted to enhanced quality assurance. This, too, is a management challenge. How can managers get employees to care about the products they produce or the services they offer? In this book, we will consider both the issue of quality control (what is it?) and mechanisms of ensuring improved product quality (how do we get it?).

Moreover, quality control includes several organizational issues. For instance, how can managers get parties who are traditionally independently associated with a product to work together to build a better product? That is, how can they get the design staff, manufacturing engineers, workers, suppliers—and potential customers—to come together and cooperate in developing and manufacturing a superior product? Later in the book we will examine several instances in which such teamwork played a major role in quality improvement.

The Challenge of Employee Motivation and Commitment

A major hurdle in the pursuit of industrial competitiveness is the traditional adversarial relationship between management and workers. Whether a company is unionized or not, we see situations in which the average employee simply sees no reason to increase output or to improve the quality of existing outputs. Frequently, the company's reward system restricts, rather than increases, performance. At other times, rewards encourage employees to increase quantity at the expense of quality. Furthermore, North American companies often view their workforce as a variable expense (in contrast to Japan, where the workforce is viewed as a fixed expense) and lay workers off when they are not needed for short-run activities. As a result, returning the favor, employees see little reason to be committed or loyal to their employers. Turnover and absenteeism rates are often unreasonably high, further eroding performance efficiency and effectiveness.

If companies are to succeed in an increasingly turbulent environment, managers must discover better ways to develop and motivate employees. A company's human resources often represent its biggest single asset, and failing to properly nurture this asset leads to suboptimal return on an organization's resources. Part of solving this problem involves knowing and understanding today's employees. **Exhibit 1.2** illustrates the various characteristics employees consider important in their employers. Overall, employees seem to have a fairly positive outlook on their employers. As illustrated in **Exhibit 1.3**, however, many millennials do not see their tenure lasting for a long period and expect to have another job soon.

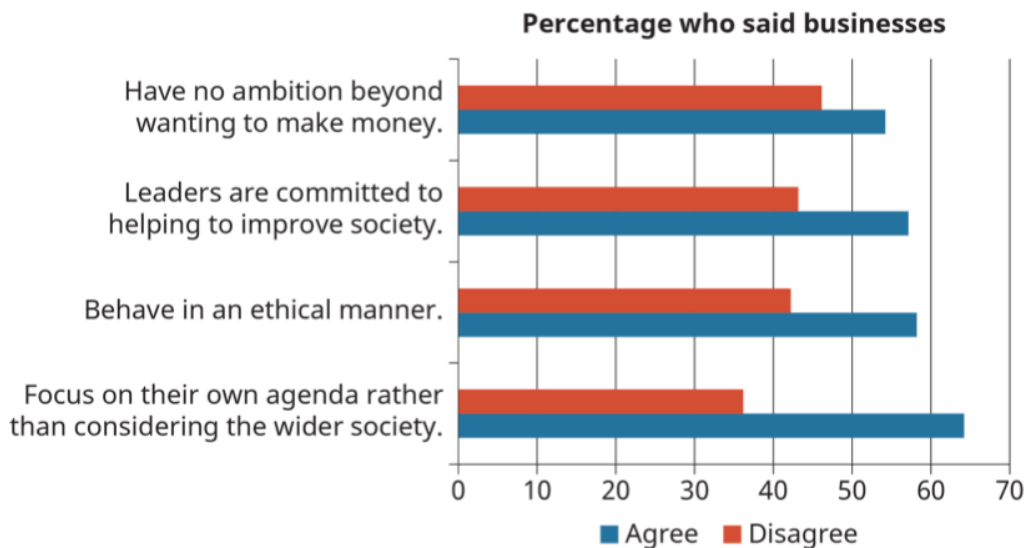


Exhibit 1.2 How Employees View Their Employers

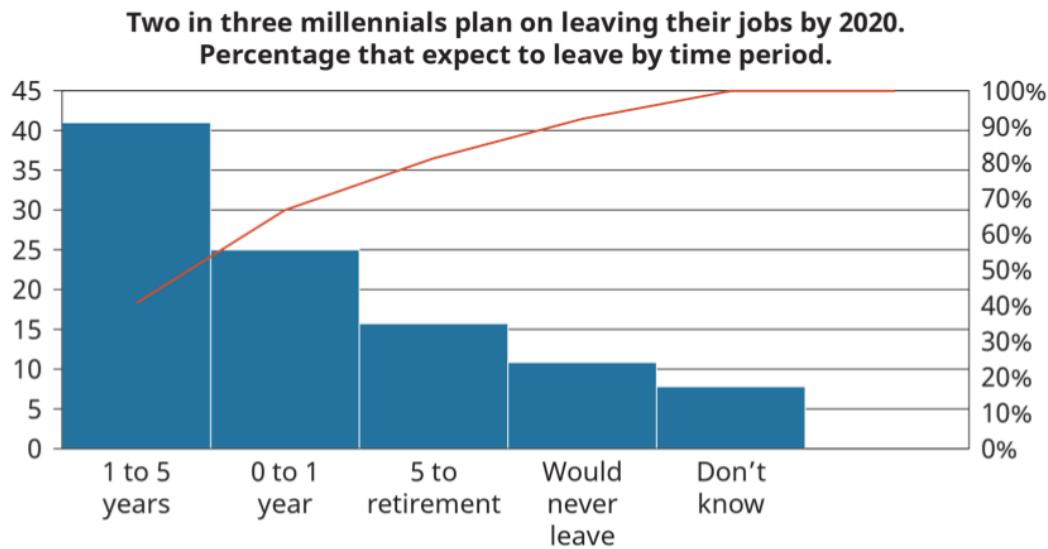


Exhibit 1.3 Millennials and the Workplace

This problem is made all the more difficult by the changing nature of occupations. As shown in **Table 1.2**, we are seeing a sharp increase in the number of technicians, service workers, and sales workers. Growth also can be expected in engineering and managerial positions. These changes require a new look at how such employees are motivated. For example, do we motivate an engineer the same way we motivate a sales representative? How do we motivate senior executives as opposed to junior managers? In this book, we shall touch on these issues when we examine approaches to employee motivation. Managers have at their disposal several ways in which to increase employee motivation and performance, and an effective manager learns how and when to use each approach.

The Fastest-Growing Occupations		
Occupation	Growth Rate 2016–2026	2017 Median Pay
Solar photovoltaic installers	105%	\$39,490
Wind turbine service technicians	96%	\$53,580
Home health aides	47%	\$23,210
Personal care aids	39%	\$23,110
Physician assistants	37%	\$104,860
Nurse practitioner	36%	\$103,880
Statistician	34%	\$84,060
Physical therapist assistant	31%	\$57,440
Software developers, applications	31%	\$101,790
Mathematicians	30%	\$103,010
Physical therapist aides	29%	\$25,730
Bicycle repairs	29%	\$28,390
Medical assistants	29%	\$32,480
Source: "Fastest Growing Occupations," Occupational Outlook Handbook, Bureau of Labor Statistics, https://www.bls.gov/ooh/fastest-growing.htm , accessed July 18, 2018.		

Table 1.2

The Challenge of Managing a Diverse Workforce

Historically, the American economy has been dominated by white males. They have filled the vast majority of managerial positions and many of the more important blue-collar jobs, becoming skilled craftsmen. Traditionally, women filled lower-paying clerical positions and often left the workforce to raise their families. Minorities of both genders found considerable barriers to entering the labor market at the higher (and higher-paying) levels. Now, things are changing, and the pace of this change is accelerating. Among other changes, the twenty-first century will also bring major changes in terms of workforce demographics. We will see changes in gender, race, and age.



Exhibit 1.4 Kaisee Permanente

For example, we are seeing a drop in the percentage of white American-born male workers in the workplace.⁶ Only 15 percent of new entrants into the workforce will be white males.

immigrants of both genders will increase (see **Exhibit 1.5**). In general, there are more women in positions of responsibility in both the public and private sectors and more opportunities for minorities. Some predict that the coming labor shortage will cause many companies to try to retain older workers for longer periods of time, beyond the traditional retirement age. Additionally, the belief that mentally or physically challenged individuals can play productive roles at work is increasing. Such changes bring opportunities for companies but also potential problems of adjustment if not managed intelligently. We will examine several of these issues when we discuss careers and employee development.

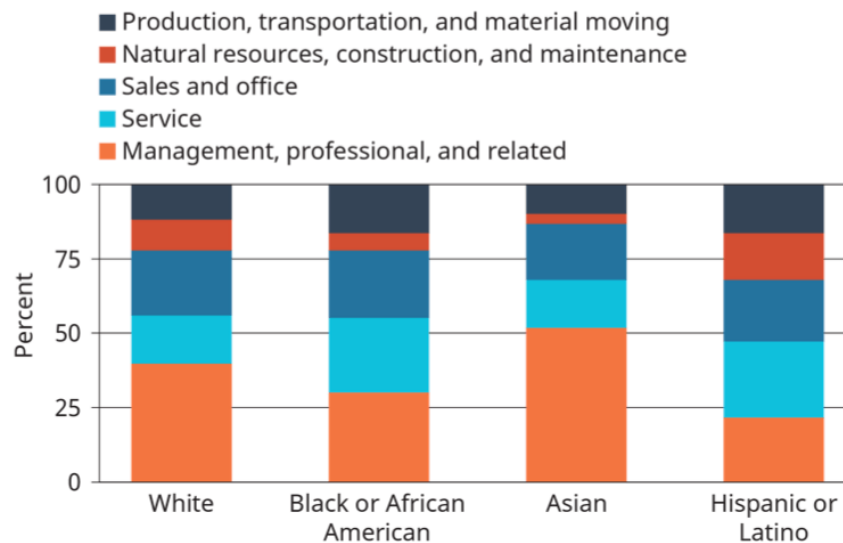


Exhibit 1.5 Employed People by Race and Latino or Hispanic Ethnicity, 2016

The Challenge of Ethical Behaviour

Finally, the future will bring a renewed concern with maintaining high standards of ethical behavior in business transactions and in the workplace. Many executives and social scientists see unethical behavior as a cancer working on the fabric of society both in business and beyond. Many are concerned that we face a crisis of ethics in the West that is undermining our competitive strength. This crisis involves business, government, customers, and employees. Especially worrisome is unethical behavior among

employees at all levels of the organization. For example, recent reports found that employees and vendors accounted for a higher percentage of thefts than did retail customers.⁷

Ethics in practice

Papa John's Founder under Fire

As a manager, and leader, the words and actions you take are incredibly important. John Schnatter, founder and chairman of Papa John's Pizza, found this out the hard way. During a media training conference call, Schnatter used derogatory comments and racial slurs. This call, although intended to be a role-playing exercise, quickly turned into a bad dream for Schnatter. In response to this action, and having admitted the fault, Schnatter was forced to resign as chairman after the local NAACP branch called for his resignation. In addition, the board of directors decided that he would be removed from all marketing, publicity, and pizza boxes, and they took the stance that "Papa John's is not an individual."

Papa John's is a pizza company with 120,000 corporate and franchise team members around the world" (Forbes 2018). Shares of stock for Papa John's soared after the announcement of his resignation, adding \$50 million to Schnatter's total net worth (CNN Money 2018). The values of the company prevailed through the actions of Schnatter, showcasing that despite making a mistake, the commitment to maintaining an ethical standard is still an important value to Schnatter as well as the company overall.

Question 1: Do you think the actions of the board of directors were enough to uphold Papa John's reputation?

Question 2: What other actions or types of training should Papa John's take with their employees in light of the current state of ethical defamation of the company and founder?

Sources: Julie Jargon, "Papa John's Stock Soars After Chairman's resignation," *The Wall Street Journal*, July 12, 2018, <https://www.wsj.com/articles/papa-john-1531404524>; Megan Friedman, "John Schnatter Will No longer Be the Face of Papa John's," *Delish*, July 16, 2018, <https://www.delish.com/food-news/a22...ved-marketing/>; Noah Kirsch, "Papa John's Founder Resigns, Gains \$50 Million in a Day," *Forbes*, July 13, 2018, www.forbes.com/sites/noahkirsch-resigns-net-worth-rises-50-million-in-a-day/#6aaf997f7123; Jordan Valinsky, "Papa John's Founder John Schnatter Kicked Out of His Office," *CNN Money*, July 16, 2018, money.cnn.com/2018/07/16/news/companies/papa-johns-office/index.html

In addition, we hear about illegal and unethical behavior on Wall Street—pension scandals in which disreputable executives gamble on risky business ventures with employee retirement funds, companies that expose their workers to hazardous working conditions, and blatant favoritism in hiring and promotion practices. Although such practices occur throughout the world, their presence nonetheless serves to remind us of the challenges we face.

This challenge is especially difficult because standards for what constitutes ethical behavior lie in a "gray zone" where clear-cut right-or-wrong answers may not always exist. For example, if you were a sales representative for an American company abroad and your foreign competitors used bribes to get business, what would you do? In the United States such behavior is illegal, yet it is perfectly acceptable in other countries. What is ethical here? Similarly, in many countries women are systematically discriminated against in the workplace; it is felt that their place is in the home. In the United States, again, this practice is illegal. If you ran an American company in one of these countries, would you hire women in important positions? If you did, your company might be isolated in the larger business community, and you might lose business. If you did not, you might be violating what most Americans believe to be fair business practices.

Effective managers must know how to deal with ethical issues in their everyday work lives; therefore, we will devote parts of this course to the role of **ethics** in decision-making, the exercise of power, performance appraisals and reward systems, and so forth.

Concept Check

1. Describe the extent and nature of the challenges facing the workplace in the next decade.
2. What can be done about these challenges?

3 Michael E. Porter and Jan V. Rivkin, *The Looming Challenge to U.S. Competitiveness*, Harvard Business Review, March 2012.

4 World Economic Outlook Database, *International Monetary Fund*. Retrieved 2018-07-15.

5 "The Future of Computing," *The Economist*, March 12, 2015, www.economist.com/leaders/2016/03/12/the-future-of-computing.

6 Bureau of Labor Statistics, "Labor Force Characteristics by Race and Ethnicity, 2016," October 2017, <https://www.bls.gov/opub/reports/rac.../2016/home.htm>.

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Exhibit 1.2 Source: Adapted from Deloitte, "2016 Deloitte Millennial Survey," accessed July 18, 2018, <https://www2.deloitte.com/content/da...ec-summary.pdf>. (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Exhibit 1.3 Source: Adapted from Deloitte, "2016 Deloitte Millennial Survey," accessed July 18, 2018, <https://www2.deloitte.com/content/da...ec-summary.pdf>. (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Exhibit 1.4 The winner of the E Pluribus Unum Corporate Leadership Award, Kaiser Permanente focuses on the elimination of racial and ethnic health care disparities and has been in the vanguard of efforts to create innovative, scalable approaches that address the cultural and linguistic needs of patients, and thereby improve overall health care quality and outcomes. Its industry-leading training, testing, and certification process for multilingual staff who serve as health care interpreters, as well as for the physicians who speak with patients in languages other than English, helps to improve the quality of patient care while also capitalizing on the organization's diverse workforce. (Credit: Ted Eytan/ flickr/ Attribution-ShareAlike 2.0 Generic (CC BY-SA 2.0))

Exhibit 1.5 Note: People whose ethnicity is identified as Hispanic or Latino may be of any race. Data may not sum to 100 percent because of rounding. Source: U.S. Bureau of Labor Statistics, Current Population Survey (CPS). (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

1.3.3: The Nature of Management

3. What is expected of a manager?

If organizations are to be successful in meeting these challenges, management must lead the way. With effective management, contemporary companies can accomplish a great deal toward becoming more competitive in the global environment. On the other hand, ineffective management dooms the organization to mediocrity and sometimes outright failure. Because of this, we turn now to a look at the nature of management. However, we want to point out that even though our focus is on managers, what we discuss is also relevant to the actions of nonmanagers. On the basis of this examination, we should be ready to begin our analysis of what managers can learn from the behavioral sciences to improve their effectiveness in a competitive environment.

What is Management?

Many years ago, Mary Parker Follett defined management as “the art of getting things done through people.” A manager coordinates and oversees the work of others to accomplish ends he could not attain alone. Today this definition has been broadened. **Management** is generally defined as the process of planning, organizing, directing, and controlling the activities of employees in combination with other resources to accomplish organizational objectives. In a broad sense, then, the task of management is to facilitate the organization's effectiveness and long-term goal attainment by coordinating and efficiently utilizing available resources. Based on this definition, it is clear that the topics of effectively managing individuals, groups, or organizational systems is relevant to anyone who must work with others to accomplish organizational objectives.

Management exists in virtually all goal-seeking organizations, whether they are public or private, large or small, profit-making or not-for-profit, socialist or capitalist. For many, the mark of an excellent company or organization is the quality of its managers.

Managerial Responsibilities

An important question often raised about managers is: What responsibilities do managers have in organizations? According to our definition, managers are involved in planning, organizing, directing, and controlling. Managers have described their responsibilities that can be aggregated into nine major types of activities. These include:

1. *Long-range planning.* Managers occupying executive positions are frequently involved in strategic planning and development.
2. *Controlling.* Managers evaluate and take corrective action concerning the allocation and use of human, financial, and material resources.
3. *Environmental scanning.* Managers must continually watch for changes in the business environment and monitor business indicators such as returns on equity or investment, economic indicators, business cycles, and so forth.
4. *Supervision.* Managers continually oversee the work of their subordinates.
5. *Coordinating.* Managers often must coordinate the work of others both inside the work unit and out.
6. *Customer relations and marketing.* Certain managers are involved in direct contact with customers and potential customers.
7. *Community relations.* Contact must be maintained and nurtured with representatives from various constituencies outside the company, including state and federal agencies, local civic groups, and suppliers.
8. *Internal consulting.* Some managers make use of their technical expertise to solve internal problems, acting as inside consultants for organizational change and development.
9. *Monitoring products and services.* Managers get involved in planning, scheduling, and monitoring the design, development, production, and delivery of the organization's products and services.

As we shall see, not every manager engages in all of these activities. Rather, different managers serve different roles and carry different responsibilities, depending upon where they are in the organizational hierarchy. We will begin by looking at several of the variations in managerial work.

Variations in Managerial Work

Although each manager may have a diverse set of responsibilities, including those mentioned above, the amount of time spent on each activity and the importance of that activity will vary considerably. The two most salient perceptions of a manager are (1)

the manager's level in the organizational hierarchy and (2) the type of department or function for which he is responsible. Let us briefly consider each of these.

Management by Level. We can distinguish three general levels of management: executives, **middle management**, and **first-line management** (see **Exhibit 1.6**). **Executive managers** are at the top of the hierarchy and are responsible for the entire organization, especially its strategic direction. Middle managers, who are at the middle of the hierarchy, are responsible for major departments and may supervise other lower-level managers. Finally, first-line managers supervise rank-and-file employees and carry out day-to-day activities within departments.

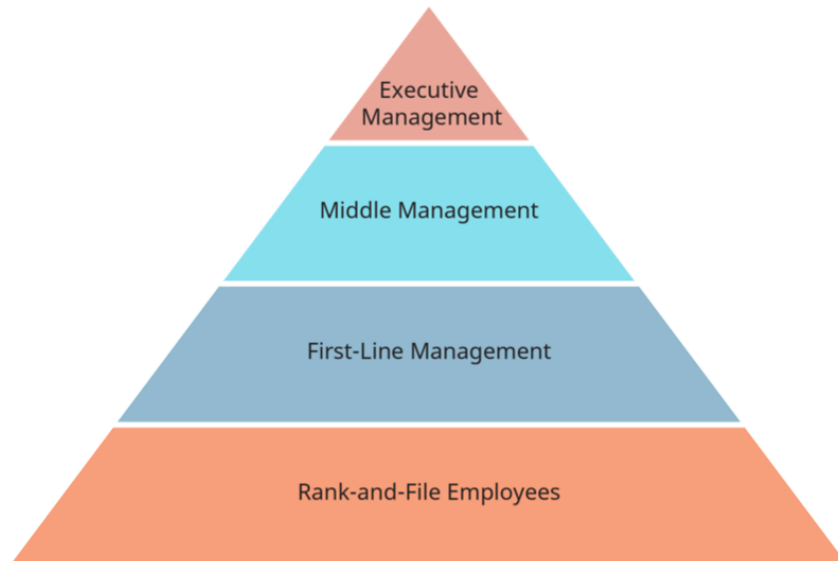


Figure 1.3.3.1: Levels in the Management Hierarchy

Figure 1.3.3.1 shows differences in managerial activities by hierarchical level. Senior executives will devote more of their time to conceptual issues, while first-line managers will concentrate their efforts on technical issues. For example, top managers rate high on such activities as **long-range planning**, monitoring business indicators, coordinating, and internal consulting. Lower-level managers, by contrast, rate high on supervising because their responsibility is to accomplish tasks through rank-and-file employees. Middle managers rate near the middle for all activities. We can distinguish three types of managerial skills:⁸

1. *Technical skills.* Managers must have the ability to use the tools, procedures, and techniques of their special areas. An accountant must have expertise in accounting principles, whereas a production manager must know operations management. These skills are the mechanics of the job.
2. *Human relations skills.* Human relations skills involve the ability to work with people and understand employee motivation and group processes. These skills allow the manager to become involved with and lead his or her group.
3. *Conceptual skills.* These skills represent a manager's ability to organize and analyze information in order to improve organizational performance. They include the ability to see the organization as a whole and to understand how various parts fit together to work as an integrated unit. These skills are required to coordinate the departments and divisions successfully so that the entire organization can pull together.

As shown in Figure 1.3.3.2, different levels of these skills are required at different stages of the managerial hierarchy. That is, success in executive positions requires far more conceptual skill and less use of technical skills in most (but not all) situations, whereas first-line managers generally require more technical skills and fewer conceptual skills. Note, however, that human or people skills remain important for success at all three levels in the hierarchy.

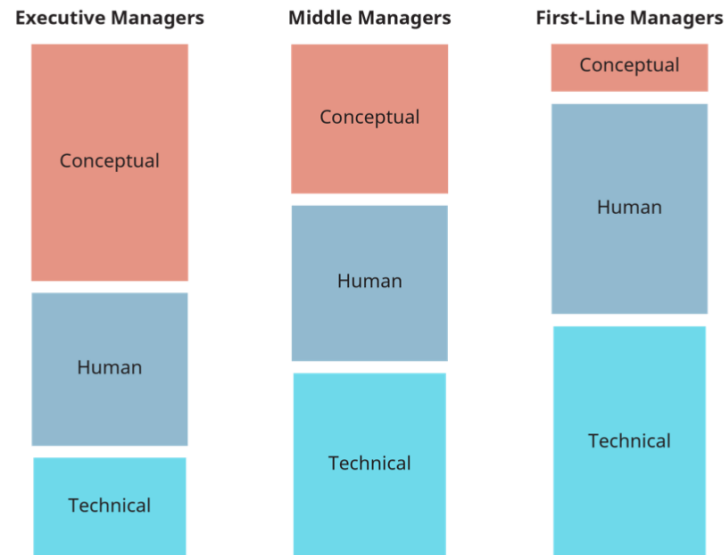


Figure 1.3.3.2: Difference in Skills Required for Successful Management According to Level in the Hierarchy

Management by Department or Function. In addition to level in the hierarchy, managerial responsibilities also differ with respect to the type of department or function. There are differences found for quality assurance, manufacturing, marketing, accounting and finance, and human resource management departments. For instance, manufacturing department managers will concentrate their efforts on products and services, controlling, and supervising. Marketing managers, in comparison, focus less on planning, coordinating, and consulting but more on customer relations and external contact. Managers in both accounting and human resource management departments rate high on long-range planning, but will spend less time on the organization's products and service offerings. Managers in accounting and finance are also concerned with controlling and with monitoring performance indicators, while human resource managers provide consulting expertise, coordination, and external contacts. The emphasis on and intensity of managerial activities varies considerably by the department the manager is assigned to.

At a personal level, knowing that the mix of conceptual, human, and technical skills changes over time and that different functional areas require different levels of specific management activities can serve at least two important functions. First, if you choose to become a manager, knowing that the mix of skills changes over time can help you avoid a common complaint that often young employees want to think and act like a CEO before they have mastered being a first-line supervisor. Second, knowing the different mix of management activities by functional area can facilitate your selection of an area or areas that best match your skills and interests.

In many firms, managers are rotated through departments as they move up in the hierarchy. In this way they obtain a well-rounded perspective on the responsibilities of the various departments. In their day-to-day tasks they must emphasize the right activities for their departments and their managerial levels. Knowing what types of activity to emphasize is the core of the manager's job. In any event, we shall return to this issue when we address the nature of individual differences in the next chapter.

The Twenty-First Century Manager

We discussed above many of the changes and challenges facing organizations in the twenty-first century. Because of changes such as these, the managers and executives of tomorrow will have to change their approaches to their jobs if they are to succeed in meeting the new challenges. In fact, their profiles may even look somewhat different than they often do today. Consider the five skills that *Fast Company* predicts that successful future managers, compared to the senior manager in the year 2000, will need. The five skills are: the ability to think of new solutions, being comfortable with chaos, an understanding of technology, high emotional intelligence, and the ability to work with people and technology together.

For the past several decades, executive profiles have typically looked like this: He started out in finance with an undergraduate degree in accounting. He methodically worked his way up through the company from the controller's office in a division, to running that division, to the top job. His military background shows. He is used to giving orders—and to having them obeyed. As head of the philanthropic efforts, he is a big man in his community. However, the first time he traveled overseas on business was as chief executive. Computers, which became ubiquitous during his career, make him nervous.⁹

Her [or his] undergraduate degree might be in French literature, but she also has a joint MBA/engineering degree. She started in research and was quickly picked out as a potential CEO. She is able to think creatively and thrives in a chaotic environment. She zigzagged from research to marketing to finance. She is comfortable with technology and people, with a high degree of emotional intelligence. She proved valuable in Brazil by turning around a failing joint venture. She speaks multiple languages and is on a first-name basis with commerce ministers in half a dozen countries. Unlike her predecessor's predecessor, she isn't a drill sergeant. She is first among equals in a five-person office of the chief executive.

Clearly, the future holds considerable excitement and promise for future managers and executives who are properly prepared to meet the challenges. How do we prepare them? One study suggested that the manager of the future must be able to fill at least the following four roles:¹⁰

Global strategist. Executives of the future must understand world markets and think internationally. They must have a capacity to identify unique business opportunities and then move quickly to exploit them.

Master of technology. Executives and managers of the future must be able to get the most out of emerging technologies, whether these technologies are in manufacturing, communications, marketing, or other areas.

Leadership that embraces vulnerability. The successful executive of the future will understand how to cut through red tape to get a job done, how to build bridges with key people from highly divergent backgrounds and points of view, and how to make coalitions and joint ventures work.

Follow-from-the-front motivator. Finally, the executive of tomorrow must understand group dynamics and how to counsel, coach, and command work teams and individuals so they perform at their best. Future organizations will place greater emphasis on teams and coordinated efforts, requiring managers to understand participative management techniques.

Great communicator. To this list of four, we would add that managers of the future must be great communicators. They must be able to communicate effectively with an increasingly diverse set of employees as well as customers, suppliers, and community and government leaders.

Whether these predictions are completely accurate is difficult to know. Suffice it to say that most futurists agree that the organizational world of the twenty-first century will likely resemble, to some extent, the portrait described here. The task for future managers, then, is to attempt to develop these requisite skills to the extent possible so they will be ready for the challenges of the next decade.

8 R. Katz, "Skills of an Effective Administrator," *Harvard Business Review*, September-October 1974, pp. 34–56.

9 J. Lindzon, "Five Skills That You'll Need to Lead the Company of the Future," *Fast Company*, May 18, 2017, <https://www.fastcompany.com/40420957...-of-the-future>; A. Bennett, "Going Global: The Chief Executives in the Year 2000 Are Likely to Have Had Much Foreign Experience," *Wall Street Journal*, February 27, 1989, p. A-4.

10 Jacob Morgan, "5 Qualities of the Modern Manager," *Forbes*, July 23, 2013, <https://www.forbes.com/sites/jacobmo.../#644a2b6a3a0b>.

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Exhibit 1.7 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

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1.3.4: A Model of Organizational Behavior and Management

4. What is the role of the behavioral sciences in management and organizations?

A major responsibility—perhaps *the* major responsibility—of managers is to make organizations operate effectively. Bringing about effective performance, however, is no easy task. As Nadler and Tushman note:

Understanding one individual's behavior is challenging in and of itself; understanding a group that's made up of different individuals and comprehending the many relationships among those individuals is even more complex. Imagine, then, the mind-boggling complexity of a large organization made up of thousands of individuals and hundreds of groups with myriad relationships among these individuals and groups.¹¹

Despite this difficulty, however, organizations must be managed. Nadler and Tushman continue:

Ultimately the organization's work gets done through people, individually or collectively, on their own or in collaboration with technology. Therefore, the management of **organizational behavior** is central to the management task—a task that involves the capacity to *understand* the behavior patterns of individuals, groups, and organizations, to *predict* what behavioral responses will be elicited by various managerial actions, and finally to use this understanding and these predictions to achieve *control*.¹²

The work of society is accomplished largely through organizations, and the role of management is to see to it that organizations perform this work. Without it, the wheels of society would soon grind to a halt.

What is Organizational Behaviour?

the focus is on applying what we can learn from the social and behavioral sciences so we can better understand and predict human behavior at work. We examine such behavior on three levels—the individual, the group, and the organization as a whole. In all three cases, we seek to learn more about what causes people—individually or collectively—to behave as they do in organizational settings. What motivates people? What makes some employees leaders and others not? Why do groups often work in opposition to their employer? How do organizations respond to changes in their external environments? How do people communicate and make decisions? Questions such as these constitute the domain of organizational behavior and are the focus of this course.

To a large extent, we can apply what has been learned from psychology, sociology, and cultural anthropology. In addition, we can learn from economics and political science. All of these disciplines have something to say about life in organizations. However, what sets organizational behavior apart is its particular focus on the organization (not the discipline) in organizational analysis (see **Exhibit 1.8**). Thus, if we wish to examine a problem of employee motivation, for example, we can draw upon economic theories of wage structures in the workplace. At the same time, we can also draw on the psychological theories of motivation and incentives as they relate to work. We can bring in sociological treatments of social forces on behavior, and we can make use of anthropological studies of cultural influences on individual performance. It is this conceptual richness that establishes organizational behavior as a unique applied discipline. And throughout our analyses, we are continually concerned with the implications of what we learn for the quality of working life and organizational performance. We always look for management implications so the managers of the future can develop more humane and more competitive organizations for the future.



Exhibit 1.8 Origins of Organizational Behavior

For convenience, we often differentiate between micro- and macro-organizational behavior. **Micro- organizational behavior** is primarily concerned with the behavior of individuals and groups, while **macro- organizational behavior** (also referred to as **organization theory**) is concerned with organization-wide issues, such as organization design and the relations between an organization and its environment. Although there are times when this distinction is helpful, it is always important to remember that in most instances we learn the most when we take a comprehensive view of organizational behavior and integrate these two perspectives. That is, issues such as organization structure can influence employee motivation. Hence, by keeping these two realms separate we lose valuable information that can help us better understand how to manage organizations.



Exhibit 1.9 Invo new Hire

Building Blocks of Organizations

Understanding the behavior of people at work is fundamental to the effective management of an organization. Obviously, a number of factors come together to determine this behavior and its organizational consequences. In order to understand the origins and characteristics of these factors, it is necessary to have a model that organizes and simplifies the variables involved. We offer such a model here in the hope that it will bring some order to the study of this subject. The model can be considered in

two parts (see **Exhibit 1.10**).

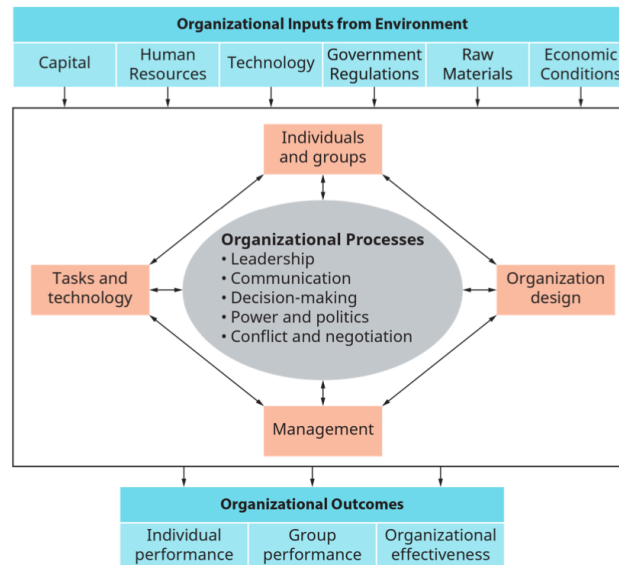


Exhibit 1.10 A Model of Management and Organizational Behavior

The first part of the model is the simple recognition of organizational inputs and outcomes. That is, organizations receive inputs from the external environment in the form of capital, raw materials, labor, community or government support, and so forth. In addition, organizations experience or produce certain outcomes, including (1) organizational goal attainment, (2) group performance and effectiveness, and (3) individual performance and effectiveness. Thus, organizations and the people in them exist in a constant state of flux, receiving and transforming inputs from the environment and returning those transformed inputs in the form of finished goods and services, return on stockholders' equity, salaries that are paid to employees, and so forth. It is, in short, a dynamic system.

The second aspect of the model is the organization itself and all of its parts. One way to understand the complexity of organizations is to think of them simply as a set of building blocks, including:

Individuals and groups. Organizations are collectives of individuals and groups working to pursue common objectives. Their members come from various backgrounds and have varying abilities and skills, differing motivational levels, and different ambitions. Within the organizational context, these people must communicate, make decisions, show leadership, and handle power and organizational politics as they carry out their assigned activities.

Tasks and technology. In addition to variations among individuals and groups, we must recognize variations in the technology of the workplace. That is, how does the work actually get done? Technology includes both the actual design of jobs and the tools and techniques used in manufacture (e.g., robotics and expert systems).

Organization design. Putting together these factors—individuals and groups and tasks—is the subject of **organization design**. That is, how do we structure an organization so it effectively coordinates and controls employee behavior to facilitate performance?

Organizational processes. In addition to people, machines, and structure, we must recognize a series of **organizational processes**, such as leadership, communication, decision-making, power and politics, and so forth. The processes largely determine the nature and quality of interpersonal and intergroup relations within the workplace and, as such, influence ultimate organizational performance.

Management. Finally, the glue that holds these building blocks together is the character of management. Throughout this text, we shall see numerous examples of how the degree of managerial effectiveness and prowess have determined the success or failure of a venture. We shall take a managerial view throughout our survey of organizational behavior.

There have been many attempts to provide a differentiation between leadership and management over time. While they are not the same thing, they are necessarily linked, and complementary. Any effort to separate the two is likely to cause more problems than it solves and as business evolved the content of leadership and management has changed. The emergence of the

“knowledge worker,” and the profound differences that this causes the way business is organized. With the rise of the knowledge worker, one does not ‘manage’ people, and instead the task is to lead people and the goal is to make productive the specific strengths and knowledge of every individual.

These five variables, then, will constitute the primary ingredients of this book. We shall proceed sequentially, beginning with individual behavior and moving to group and intergroup behavior and finally to organization design and structure. On the basis of this, we will turn to a consideration of several of the more important organizational processes. Finally, we will look to the future and examine ways that organizations can continue to develop and improve their workforces and the organization as a whole. Throughout, the roles of technology and management will be considered. Also, throughout, we will blend **theory** with research and practice.

Concept Check

1. Discuss the role of management in the larger societal context.
2. What do you think the managers of the future will be like?
3. Identify what you think are the critical issues facing contemporary management. Explain.

11 D. Nadler and M. Tushman, “A Model for Diagnosing Organizational Behavior,” *Organizational Dynamics*, 1980, p. 35.

12 Ibid.

Exhibit 1.8 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Exhibit 1.9 Xinyu Liu was hired as the studio as a designer at Invo, a Massachusetts-based firm. Prior to joining Invo, she was a user experience researcher at Samsung, where she investigated how to apply future technologies in everyday living. Changing behavior for good was a key component of the R&D work, leveraging invisible sensing tech, devising emotional effects, and crafting just-in-time graphic communication. Her wide-ranging skills, from analyzing social behavior to 3D modeling to electronics to UI design, are well-suited for the multi- domain projects at Invo. As part of the employee selection process, the hiring managers at Invo needed to recognize that their employees come from various backgrounds and have varying abilities and skills, differing motivational levels, and different ambitions. Within the organizational context, they needed to consider how Xinyu would fit on the team in the areas of communication, decision-making, and leadership, and how she would handle power and organizational politics as she carried out her responsibilities. (Credit: Juhan Sonin/ flickr/ Attribution 2.0 Generic (CC BY 2.0))

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Alienation The experience of being isolated from a group or an activity to which one should belong, or in which one should be involved.

Ethics Moral principles that govern a person's behavior or the conducting of an activity.

Executive managers Generally, a team of individuals at the highest level of management of an organization.

First-line management The level of management directly managing nonmanagerial employees.

Industrial competitiveness The ability to provide products and services more effectively and efficiently than competitors.

Long-range planning A process of setting goals that outlines the path for the company's future. **Macro-organizational behavior** Macro-organizational behavioral research steps back and looks at an organization as a whole.

Management The process of planning, organizing, directing, and controlling the activities of employees in combination with other resources to accomplish organizational objectives.

Micro-organizational behavior Micro-organizational behavioral studies focus on individual and group dynamics within an organization.

Middle management The managers in an organization at a level just below that of senior executives.

Organization theory The study of organization designs and organization structures, relationship of organizations with their external environment, and the behavior of managers and workers within organizations.

Organizational behavior The study of the actions and attitudes of individuals and groups toward one another and toward the organization as a whole.

Organizational design A formal methodology that identifies dysfunctional aspects of workflow, procedures, structures and systems, and then realigns them to fit current business goals and develops plans to implement change.

Organizational processes The activities that establish the business goals of the organization and develop **processes**, product and resource assets that when used will help to achieve business goals. **Technology** The application of scientific knowledge for practical purposes.

Theory A set of principles on which the practice of an activity is based.

Work All activity involving mental or physical effort done in order to achieve a purpose or result.

Summary of Learning Outcomes

1.1 The Nature of Work

1. What is the meaning of work in a societal context?

Work will almost inevitably be a large part of your life. An understanding of organizational behavior will aid you in making that part of life more productive and enjoyable for yourself as well those you are in a position to influence. In this course, our objective is to provide sound and relevant insights concerning individuals, groups, and overall organizational systems that will be helpful to you not just as an executive or CEO but also when you are starting your career as an individual contributor or subordinate.

1.2 The Changing Workplace

2. How do recognize and meet the challenges facing managers in the new millennium?

The fundamental challenge facing managers is how to achieve performance goals while simultaneously providing for employee welfare and satisfaction. Work may be defined as an activity that produces something of value for other people. Work serves several functions, including economic, social, status, self-esteem, and self-actualization. As managers in today's environment, several challenges arise, including international competition, new technologies, the need for increased quality, employee motivation and commitment, a diverse workforce, and ethical behavior. These challenges must be met by managers concerned about survival and competitiveness in the future.

1.3 The Nature of Management

3. What is expected of a manager?

Management is the process of planning, organizing, directing, and controlling the activities of employees in combination with other resources to accomplish organizational goals. Managerial responsibilities include long-range planning, controlling, environmental scanning, supervision, coordination, customer relations, community relations, internal consulting, and monitoring of products and services. These responsibilities differ by level in the organizational hierarchy and by department or function. The twenty-first-century manager will differ from most current managers in four ways. In essence, he or she will be a global strategist,

a master of technology, a good politician, and a premier leader-motivator.

1.4 A Model of Organizational Behavior and Management

4. What is the role of the behavioral sciences in management and organizations?

Organizational behavior is the study of people in organizations. It can be studied on a micro level, which focuses on individual or group behavior, or on a macro level, which focuses on organization-wide actions and events. A model of organizational behavior is presented, consisting of five building blocks: individuals and groups, tasks and technology, organization design, organizational processes, and management.

Chapter Review Questions

1. Define *work*.
2. What functions does work serve in modern society?
3. Describe the extent and nature of the challenges facing the workplace in the next decade.
4. What can be done about these challenges?
5. Define *management*.
6. How does the nature of management change according to one's level and function in the organization?
7. Discuss the role of management in the larger societal context. What do you think the managers of the

future will be like?

8. Identify what you think are the critical issues facing contemporary management. Explain.

Critical Thinking Case

New Management Challenges for the New Age

Today's news is littered with scandals, new allegations of sexual assault, and tragedy. Since 2017 and the #metoo movement, stemming from the Harvey Weinstein scandal, more and more public figures have been put into the spotlight to defend themselves against allegations from women around the globe.

Not only publicly, but privately in companies around the world, there have been firings and investigations into misconduct from coworkers, managers, and CEOs. It is a relevant topic that is getting long-overdue publicity and encouraging more men and women to come forward to discuss openly rather than hide the events and injustices of the past. Other events showcase the tumultuous and on-edge society we are living in, such as the Charlottesville, VA, attack that left one dead and 19 injured when a person drove a car through a crowd of protestors during a white nationalist gathering.

With unanticipated events on a daily basis, it is important for companies to take a stand against racial hatred and harassment of any kind, and to have firm policies when such events occur. Take Netflix, for example, who in July 2018 fired their chief communications officer for saying the "N-word" in full form. This event occurred during an internal meeting in which the speaker was not directing the slur at anyone specific, but claimed it was being made as an emphatic point about offensive words in comedy programming. The "Netflix way," the culture that is built around radical candor and transparency, was put to the test during this occurrence.

The offender, Jonathan Friedland, attempted to apologize for his misdeed, hoping it would fade away and his apology would be accepted. However, it didn't work that way; instead, the anger was palpable between coworkers and eventually led to the firing of Friedland after a few months of inaction.

Netflixers are given a high level of freedom and responsibility within their "Netflix way" culture. Blunt feedback is encouraged, and trust and discretion are the ultimate gatekeeper, as employees have access to sensitive information and are ultimately trusted for how they expense items and take vacation time.

In the insanely fast-paced streaming-services industry, it is hard to keep this culture at a premium, but it is imperative for the success of the company overall. "As you scale a company to become bigger and bigger, how do you scale that kind of culture?" said Colin Estep, a former senior engineer who left voluntarily in 2016. "I don't know that we ever had a good answer."

In order to keep up, sometimes the company is seen as harsh in their tactics to keep the best of the best. “I think we’re transparent to a fault in our culture and that can come across as cutthroat,” said Walta Nemariam, an employee in talent acquisition at Netflix.

Netflix has stayed true to their cultural values despite the pressures and sometimes negative connotations associated with this “cutthroat” environment. Their ability to remain agile, while displaying no tolerance for societal injustices, puts them at the forefront of new-age companies. It is a difficult pace to stay in line with, but it seems that they are keeping in stride and remaining true to who they are, for now.

Questions:

1. How has the current cultural environment of our country shaped the way that companies are looking at their own corporate cultural standards?
2. What are the potential downfalls and positive influences of the “Netflix way”?
3. How does Netflix’s internal culture negatively or positively affect their ability to stay competitive and deliver cutting-edge content?

Sources: B. Stelter, “The Weinstein Effect: Harvey Weinstein scandal sparks movements in Hollywood and beyond,” CNN Business, October 20, 2017, money.cnn.com/2017/10/20/med...effect-harvey-weinstein/; L. Hertzler, “Talking #MeToo, one year after bombshell Weinstein allegations,” Penn Today, October 30, 2018, <https://penntoday.upenn.edu/news/tal...one-year-later>; S. Ramachandaran and J. Flint, “At Netflix, Radical Transparency and Blunt Firings Unsettle the Ranks,” Wall Street Journal, October 25, 2018, www.wsj.com/articles/at-netf...-unsettle-the-ranks-1540497174.

1.4: Emotional Intelligence

Emotional Intelligence

Emotional Intelligence (EQ) is defined as the capability of individuals to recognize their own emotions and others' emotions or the ability to understand and manage emotions in oneself and in others. Developing EQ is important to your career.

Test Your Emotional Intelligence

Take this free assessment to find out how well you read other people: [Test Your Emotional Intelligence](#)

Read: Why Emotional Intelligence is Important in Leadership

Read the following article that explains the **four competencies related to Emotional Intelligence** and provides insight into how each helps you to be a better manager: [Why Emotional Intelligence is Important in Leadership](#)

(Excerpt) "The technical skills that helped secure your first promotion might not guarantee your next. If you aspire to be in a leadership role, there's an emotional element you must consider. It's what helps you successfully coach teams, manage stress, deliver feedback, and collaborate with others.

It's called **emotional intelligence**, and it's one of the most sought-after interpersonal skills in the workplace. In fact, [71 percent](#) of employers value emotional intelligence more than technical skills when evaluating candidates."

1.5: Developing and Embracing a Growth Mindset

Growth Mindset

Have you heard of the term 'growth mindset'?

Cultivating a growth mindset is important to your success, not only while you are in school, but also throughout your career. Watch the following 3:12 video where this important concept is introduced:

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1.6: Fixed vs Growth Mindset

It's All in the Growth Mindset

The power of a healthy mindset cannot be overstated when it comes to college success. If you can approach challenges with both a positive mindset and a growth mindset, the easier the rough patches will be.

College is not supposed to be easy and it definitely has its own flavor of stress, but maintaining a positive mindset during the hard patches, the easier it will be to work through them. This isn't to say failure is not disappointing, but that doesn't mean we have to dwell on the negative. Most "failures" are really learning opportunities in disguise; and often, more is gained from the times we do not succeed than when we complete something perfectly.

While none of us are nor should be expected to be perfect, we all have the ability to continue to learn and grow. You are learning new ideas and skills that you will continue to grow throughout your educational journey. This is what growth mindset is all about. Allowing yourself a mindset that acknowledges you can build skills and gain more knowledge and that it is a process will help you push through the growing pains that comes with learning.

By cultivating resilience, embracing challenges as opportunities for growth, and harnessing the strength of a determined attitude, you can overcome the obstacles you're going to run into, you will maximize your potential, and you will find that you thrive in your college journey.

Performance vs. Learning Goals

Much of our ability to learn is governed by our motivations and goals. Sometimes hidden goals or mindsets can impact the learning process. In truth, we all have goals that we might not be fully aware of, or if we are aware of them, we might not understand how they help or restrict our ability to learn. An illustration of this can be seen in a comparison of a student that has *performance*-based goals with a student that has *learning*-based goals.

If you are a student with strict performance goals, your primary psychological concern might be to appear intelligent to others. At first, this might not seem to be a bad thing for college, but it can truly limit your ability to move forward in your own learning. Instead, you would tend to play it safe without even realizing it. For example, a student who is strictly performance-goal-oriented will often only say things in a classroom discussion when they think it will make them look knowledgeable to the instructor or their classmates. Likewise, a performance-oriented student might ask a question that they know is beyond the topic being covered (e.g., asking about the economics of Japanese whaling while discussing the book *Moby Dick* in an American literature course). Rarely will they ask a question in class because they actually do not understand a concept. Instead they will ask questions that make them look intelligent to others or in an effort to "stump the teacher." When they do finally ask an honest question, it may be because they are more afraid that their lack of understanding will result in a poor performance on an exam rather than simply wanting to learn.

If you are a student who is driven by learning goals, your interactions in classroom discussions are usually quite different. You see the opportunity to share ideas and ask questions as a way to gain knowledge quickly. In a classroom discussion you can ask for clarification immediately if you don't quite understand what is being discussed. If you are a person guided by learning goals, you are less worried about what others think since you are there to learn and you see that as the most important goal.

Another example where the difference between the two mindsets is clear can be found in assignments and other coursework. If you are a student who is more concerned about performance, you may avoid work that is challenging. You will take the "easy A" route by relying on what you already know. You will not step out of your comfort zone because your psychological goals are based on approval of your performance instead of being motivated by learning.

This is very different from a student with a learning-based psychology. If you are a student who is motivated by learning goals, you may actively seek challenging assignments, and you will put a great deal of effort into using the assignment to expand on what you already know. While getting a good grade is important to you, what is even more important is the learning itself.

If you find that you sometimes lean toward performance-based goals, do not feel discouraged. Many of the best students tend to initially focus on performance until they begin to see the ways it can restrict their learning. The key to switching to learning-based

goals is often simply a matter of first recognizing the difference and seeing how making a change can positively impact your own learning.

Fixed vs. Growth Mindset

The research-based model of these two mindsets and their influence on learning was presented in 1988 by Carol Dweck. In Dweck's work, she determined that a student's perception about their own learning accompanied by a broader goal of learning had a significant influence on their ability to overcome challenges and grow in knowledge and ability. This has become known as the Fixed vs. Growth Mindset model. In this model, the *performance*-goal-oriented student is represented by the *fixed* mindset, while the *learning*-goal- oriented student is represented by the *growth* mindset.

In the following graphic, based on Dr. Dweck's research, you can see how many of the components associated with learning are impacted by these two mindsets.



Figure 9.5 The differences between fixed and growth mindset are clear when aligned to key elements of learning and personality. (Credit: Based on work by Dr. Carol Dweck)

The Growth Mindset and Lessons About Failing

Something you may have noticed is that a growth mindset would tend to give a learner grit and persistence. If you had learning as your major goal, you would normally keep trying to attain that goal even if it took you multiple attempts. Not only that, but if you learned a little bit more with each try you would see each attempt as a success, even if you had not achieved complete mastery of whatever it was you were working to learn.

With that in mind, it should come as no surprise that Dweck found that those people who believed their abilities could change through learning (growth vs. a fixed mindset) readily accepted learning challenges and persisted despite early failures.

Improving Your Ability to Learn

As strange as it may seem, research into fixed vs. growth mindset has shown that if you believe you can learn something new, you greatly improve your ability to learn. At first, this may seem like the sort of feel-good advice we often encounter in social media posts or quotes that are intended to inspire or motivate us (e.g., *believe in yourself!*), but in looking at the differences outlined between a fixed and a growth mindset, you can see how each part of the growth mindset path can increase your probability of success when it comes to learning.

Source: "Stay Positive"

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1.7: Communication Skills

The Communication Quiz

In business, the ability to communicate effectively is crucial. Therefore, in each module of this course, we will examine components of effective communication.

To begin, click on the following link and take "**The Communication Quiz**": [How Good Are Your Communication Skills?](#)

- The results of the quiz are for your eyes only, so be sure to answer each question based on what best describes you now, rather than what you think you 'should' do.
- Upon completion, spend some time reviewing the results. Are the results as you expected?

After you have completed the quiz, read the "The Communication Process" and "How to Improve Your Communication Skills" sections that follow the quiz.

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2: INTERPERSONAL SKILLS

2.1: Overview

2.2: Guiding Questions

2.3: Individual and Cultural Differences

2.3.1: Individual and Cultural Factors in Employee Performance

2.3.2: Employee Abilities and Skills

2.3.3: Personality- An Introduction

2.3.4: Personality and Work Behavior

2.3.5: Personality and Organization- A Basic Conflict?

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2.3.8: Glossary

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2.3.11: Managerial Decision Exercises

2.3.12: Critical Thinking Case

2.4: The 4 Personality Types

2.5: Work Ethic

2.6: Types of Communication

2.7: The Major Channels of Management Communication Are Talking, Listening, Reading, and Writing

2.8: The Power of Nonverbal Communications

2.1: Overview

Module 2: Overview

Within this module, students will explore interpersonal skills and the impact they have in the workplace. In addition, we will examine a variety of modes of communication used in business.

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2.2: Guiding Questions

Module 2: Guiding Questions

Consider the following questions as you review the learning materials this week:

- How do an employee's abilities impact their capabilities?
- How does one's personality impact their work behavior?
- What factors are important to exhibiting a good work ethic?
- What are common types of communication in business?
- Why is nonverbal communication so important to understand?

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2.3: INDIVIDUAL AND CULTURAL DIFFERENCES



Exhibit 2.1 (Credit: US Army Africa/ flickr/ Attribution 2.0 Generic (CC BY 2.0))

Learning Outcomes

After reading this chapter, you should be able to answer these questions:

1. How do managers and organizations appropriately select individuals for particular jobs?
2. How do people with different abilities, skills, and personalities build effective work teams?
3. How do managers and employees deal effectively with individual differences in the workplace?
4. How can organizations foster a work environment that allows employees an opportunity to develop and grow?
5. How do managers know how to get the best from each employee?
6. What is the role of ethical behavior in managerial actions?
7. How do you manage and do business with people from different cultures?

2.3.1: Individual and Cultural Factors in Employee Performance

2.3.2: Employee Abilities and Skills

2.3.3: Personality- An Introduction

2.3.4: Personality and Work Behavior

2.3.5: Personality and Organization- A Basic Conflict?

2.3.6: Personal Values and Ethics

2.3.7: Cultural Differences

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2.3.9: Summary of Learning Outcomes

2.3.10: Management Skills Application Exercises

2.3.11: Managerial Decision Exercises

2.3.12: Critical Thinking Case

2.3.1: Individual and Cultural Factors in Employee Performance

exploring managerial careers

Building Back Trust on the Back End

One institution that has been around for generations is banking. However, many individuals have lost faith in the banking system, and who's to blame them? Big banks have let the general consumer down with security breaches and countless stories of scandals. One glaring example is Wells Fargo & Co., who are still recovering their brand from their admission of creating nearly two million accounts for customers without their permission. But this problem is not new. The approach to bolstering this trust factor is, however, taking on a new perspective with some quick adaptation and managerial foresight.

One CEO, Cathie Mahon, chief executive officer of the National Federation of Community Development Credit Unions, is not taking the disparities between credit unions and big banks lying down. Credit unions have always operated differently from big banks, and one key factor is that they are nonprofit while their big-bank counterparts are for-profit enterprises. This also can mean that they offer higher interest rates on deposits due to their size. Mahon has begun a keen undertaking to educate and empower low-income residents about financial resources. Her most recent endeavor is to provide a platform called CU Impact that keeps customers more informed about their balances, creates more trustworthy auto-pay features, more information delivered at ATMs as well. The improvements to the back-end reliability within the credit union system sustain the small, community feel of the credit union, while providing powerful, trustworthy systems that restore faith in their business. Her willingness to embrace technology and embrace differences of customers, employees, and the company structure overall made her the key to success for the future of their business.

Sources: Cohen, Arianne, "The CEO Who's Leveling the Playing Field Between Credit Unions and Big Banks," *Bloomberg Businessweek*, July 9, 2018, <https://www.bloomberg.com/news/articles/2018-07-09/the-ceo-who-s-leveling-the-playing-field-between-credit-unions-and-big-banks>; Koren, James Rufus, "It's been a year since the Wells Fargo scandal broke—and new problems are still surfacing," *Los Angeles Times*, September 8, 2017, www.latimes.com/business/la-fi-wells-fargo-one-year-20170908-story.html.

1. How do managers and organizations appropriately select individuals for particular jobs?

As we can see in the example of Cathie Mahon, our unique personal characteristics can have a dramatic influence on both individual behavior and the behavior of those around us. To succeed in any managerial position, it is necessary to have the appropriate skills and abilities for the situation. Moreover, when selecting subordinates, managers have similar concerns. In short, individual differences can play a major role in how well someone performs on the job. They can even influence whether someone gets the job in the first place. Because of this, we begin this section with a look at individual differences in the workplace.

Several factors can be identified that influence employee behavior and performance. One early model of job performance argued simply that performance was largely a function of *ability* and *motivation*.¹ Using this simple model as a guide, we can divide our discussion of individual factors in performance into two categories: those that influence our *capacity to respond* and those that influence our will or *desire to respond*. The first category includes such factors as mental and physical abilities, personality traits, perceptual capabilities, and stress-tolerance levels. The second category includes those variables dealing with employee motivation. Both of these sets of factors are discussed in this part of the book as a prelude to more complex analyses of overall organizational performance.

Specifically, we begin our analysis in this chapter with a look at individual differences, including employee abilities and skills, personality variables, and work values. We will also examine the nature of culture and cultural diversity as it affects behavior in organizations both at home and abroad. Later we look at perception and job attitudes, and we review basic learning and reinforcement techniques. The basic theories of employee motivation are then introduced, including the concept of employee needs. More complex cognitive models of motivation will be examined, and finally, we review contemporary approaches to performance appraisals and reward systems in organizations. All told, this coverage aims to introduce the reader to the more

salient aspects of individual behavior as they relate to organizational behavior and effectiveness.

concept check

1. What are the various abilities and skills that should be considered when hiring employees?
2. How should the personality differences and work values be taken into account when selecting employees?
3. What is the role of cultural diversity in selecting employees?

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2.3.2: Employee Abilities and Skills

2. How do people with different abilities, skills, and personalities build effective work teams?

We begin with a look at *employee abilities and skills*. Abilities and skills generally represent those physical and intellectual characteristics that are relatively stable over time and that help determine an employee's capability to respond. Recognizing them is important in understanding organizational behavior, because they often bound an employee's ability to do the job. For example, if a clerk-typist simply does not have the manual dexterity to master the fundamentals of typing or keyboard entry, her performance will likely suffer. Similarly, a sales representative who has a hard time with simple numerical calculations will probably not do well on the job.

Mental Abilities

It is possible to divide our discussion of abilities and skills into two sections: mental abilities and physical abilities. **Mental abilities** are an individual's intellectual capabilities and are closely linked to how a person makes decisions and processes information. Included here are such factors as verbal comprehension, inductive reasoning, and memory. A summary is shown in **Table 2.1**.

Dimensions of Mental Abilities

- *Verbal comprehension*. The ability to understand the meanings of words and their relations to each other.
- *Word fluency*. The ability to name objects or use words to form sentences that express an idea.
- *Number aptitude*. The ability to make numerical calculations speedily and accurately.
- *Inductive reasoning*. The ability to discover a rule or principle and apply it to the solution of a problem.
- *Memory*. The ability to remember lists of words and numbers and other associations.
- *Spatial aptitude*. The ability to perceive fixed geometric figures and their relations with other geometric figures.
- *Perceptual speed*. The ability to perceive visual details quickly and accurately.

Table 2.1

From a managerial standpoint, a key aspect of mental ability is cognitive complexity. **Cognitive complexity** represents a person's capacity to acquire and sort through various pieces of information from the environment and organize them in such a way that they make sense. People with high cognitive complexity tend to use more information—and to see the relationships between aspects of this information—than people with low cognitive complexity. For example, if a manager was assigned a particular problem, would she have the capacity to break the problem down into its various facets and understand how these various facets relate to one another? A manager with low cognitive complexity would tend to see only one or two salient aspects of the problem, whereas a manager with higher cognitive complexity would understand more of the nuances and subtleties of the problem as they relate to each other and to other problems.

People with *low* cognitive complexity typically exhibit the following characteristics:²

They tend to be categorical and stereotypical. Cognitive structures that depend upon simple fixed rules of integration tend to reduce the possibility of thinking in terms of degrees.

Internal conflict appears to be minimized with simple structures. Since few alternative relationships are generated, closure is quick.

Behavior is apparently anchored in external conditions. There is less personal contribution in simple structures.

Fewer rules cover a wider range of phenomena. There is less distinction between separate situations. On the other hand, people with *high* levels of cognitive complexity are typically characterized by the following:³

Their cognitive system is less deterministic. Numerous alternative relationships are generated and considered.

The environment is tracked in numerous ways. There is less compartmentalization of the environment.

The individual utilizes more internal processes. The self as an individual operates on the process.

Research on cognitive complexity has focused on two important areas from a managerial standpoint:

leadership style and decision-making. In the area of leadership, it has been found that managers rated high on cognitive complexity are better able to handle complex situations, such as rapid changes in the external environment. Moreover, such managers also tend to use more resources and information when solving a problem and tend to be somewhat more considerate and consultative in their approach to managing their subordinates.⁴ In the area of decision-making, fairly consistent findings show that individuals with high cognitive complexity (1) seek out more information for a decision, (2) actually process or use more information, (3) are better able to integrate discrepant information, (4) consider a greater number of possible solutions to the problem, and (5) employ more complex decision strategies than individuals with low cognitive complexity.⁵

Physical Abilities

The second set of variables relates to someone's **physical abilities**. Included here are both basic physical abilities (for example, strength) and **psychomotor abilities** (such as manual dexterity, eye-hand coordination, and manipulation skills). These factors are summarized in **Table 2.2**.⁶ Considering both mental and physical abilities helps one understand the behavior of people at work and how they can be better managed. The recognition of such abilities—and the recognition that people have *different* abilities—has clear implications for employee recruitment and selection decisions; it brings into focus the importance of matching people to jobs. For example, Florida Power has a 16-hour selection process that involves 12 performance tests. Over the test period of a couple of years, 640 individuals applied for “lineperson” jobs. Of these, 259 were hired. As a consequence of the new performance tests and selection process, turnover went from 43 percent to 4.5 percent, and the program saved net \$1 million.⁷ In addition to selection, knowledge of job requirements and individual differences is also useful in evaluating training and development needs. Because human resources are important to management, it is imperative that managers become more familiar with the basic characteristics of their people.

Dimensions of Physical Abilities	
Physical Abilities	
• <i>Dynamic strength</i>. The ability to exert muscular force repeatedly or continuously for a period of time. • <i>Trunk strength</i>. The ability to exert muscular strength using the back and abdominal muscles. • <i>Static strength</i>. The amount of continuous force one is capable of exerting against an external object. • <i>Explosive strength</i>. The amount of force one is capable of exerting in one or a series of explosive acts. • <i>Extent flexibility</i>. The ability to move the trunk and back muscles as far as possible. • <i>Dynamic flexibility</i>. The ability to make rapid and repeated flexing movements. • <i>Gross body coordination</i>. The ability to coordinate the simultaneous actions of different parts of the body. • <i>Equilibrium</i>. The ability to maintain balance and equilibrium in spite of disruptive external forces. • <i>Stamina</i>. The ability to continue maximum effort requiring prolonged effort over time; the degree of cardiovascular conditioning.	
Psychomotor Abilities	
• <i>Control precision</i>. The ability to make fine, highly controlled muscular movements needed to adjust a control mechanism. • <i>Multilimb coordination</i>. The ability to coordinate the simultaneous movement of hands and feet. • <i>Response orientation</i>. The ability to make an appropriate response to a visual signal indicating a direction. • <i>Rate control</i>. The ability to make continuous anticipatory motor adjustments in speed and direction to follow a continuously moving target. • <i>Manual dexterity</i>. The ability to make skillful and well-directed arm-hand movements in manipulating large objects quickly. • <i>Finger dexterity</i>. The ability to make skillful and controlled manipulations of small objects. • <i>Arm-hand steadiness</i>. The ability to make precise arm-hand movements where steadiness is extremely important, and speed and strength are relatively unimportant. • <i>Reaction time</i>. How quickly a person can respond to a single stimulus with a simple response. • <i>Aiming</i>. The ability to make highly accurate, restricted hand movements requiring precise eye-hand coordination.	

Table 2.2

concept check

1. Why should abilities and skills be taken into account when selecting employees?
2. Describe the components of mental abilities, cognitive complexity, physical ability, and psychomotor abilities.

2 R.J. Ebert and T.R. Mitchell, *Organization Decision Processes: Concepts and Analysis* (New York: Crane, Russak, 1975), p. 81.

3 Ibid.

4 T.R. Mitchell, "Cognitive Complexity and Leadership Style," *Journal of Personality and Social Psychology*, 1970, 16, pp. 166–174.

5 H. M. Schroder, M. H. Driver, and S. Streufert, *Human Information Processing* (New York: Holt, Rinehart and Winston, 1967).

6 E. J. McCormick and J. Tiffin, *Industrial Psychology* (Englewood Cliffs, N.J.: Prentice-Hall, 1976).

7 Dale Feuer & Chris Lee. 1988. The Kaizen Connection: How Companies Pick Tomorrow's Workers. *Training*. May, 23–35.

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Table 2.2 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

2.3.3: Personality- An Introduction

3. How do managers and employees deal effectively with individual differences in the workplace?

The second individual difference variable deals with the concept of personality. We often hear people use and misuse the term **personality**. For example, we hear that someone has a “nice” personality. For our purposes, we will examine the term from a psychological standpoint as it relates to behavior and performance in the workplace. To do this, let us start with a more precise definition of the concept.

Definition of Personality

Personality can be defined in many ways. Perhaps one of the more useful definitions for purposes of organizational analysis is offered by Salvatore Maddi, who defines *personality* as follows:

“... a stable set of characteristics and tendencies that determine those communalities and differences in the psychological behavior (thoughts, feelings, and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment.”⁸

Several aspects of this definition should be noted. First, personality is best understood as a constellation of interacting characteristics; it is necessary to look at the whole person when attempting to understand the phenomenon and its effects on subsequent behavior. Second, various dimensions of personality are relatively stable across time. Although changes—especially evolutionary ones—can occur, seldom do we see major changes in the personality of a normal individual. And third, the study of personality emphasizes both similarities and differences across people. This is important for managers to recognize as they attempt to formulate actions designed to enhance performance and employee well-being.

Influences on Personality Development

Early research on personality development focused on the issue of whether heredity or environment determined an individual's personality. Although a few researchers are still concerned with this issue, most contemporary psychologists now feel this debate is fruitless. As noted long ago by Kluckhohn and Murray:

“The two sets of determinants can rarely be completely disentangled once the environment has begun to operate. The pertinent questions are: (1) which of the various genetic potentialities will be actualized as a consequence of a particular series of life-events in a given physical, social, and cultural environment? and (2) what limits to the development of this personality are set by genetic constitution?”⁹

In other words, if the individual is viewed from the whole-person perspective, the search for the determinants of personal traits focuses on both heredity and environment as well as the interaction between the two over time. In this regard, five major categories of determinants of personal traits may be identified: physiological, cultural, family and social group, role, and situational determinants.

Physiological Determinants. Physiological determinants include factors such as stature, health, and sex that often act as constraints on personal growth and development. For instance, tall people often tend to become more domineering and self-confident than shorter people. Traditional sex-role stereotyping has served to channel males and females into different developmental patterns. For example, males have been trained to be more assertive and females more passive.

Cultural Determinants. Because of the central role of culture in the survival of a society, there is great emphasis on instilling cultural norms and values in children growing up. For instance, in capitalist societies, where individual responsibility is highly prized, emphasis is placed on developing achievement-oriented, independent, self-reliant people, whereas in socialistic societies, emphasis is placed on developing cooperative, group-oriented individuals who place the welfare of the whole society ahead of individual needs. Cultural determinants affect personal traits. As Mussen notes, “The child's cultural group defines the range of experiments and situations he is likely to encounter and the values and personality characteristics that will be reinforced and hence learned.”¹⁰ Consider, for example, how Japanese society develops its world-renowned work ethic.

Family and Social Group Determinants. Perhaps the most important influences on personal development are family and social group determinants. For instance, it has been found that children who grow up in democratic homes tend to be more stable, less argumentative, more socially successful, and more sensitive to praise or blame than those who grow up in authoritarian homes.¹¹ One's immediate family and peers contribute significantly to the socialization process, influencing how individuals think and behave through an intricate system of rewards and penalties.

Role Determinants. People are assigned various roles very early in life because of factors such as sex, socioeconomic background, and race. As one grows older, other factors, such as age and occupation, influence the roles we are expected to play. Such role determinants often limit our personal growth and development as individuals and significantly control acceptable behavior patterns.

Situational Determinants. Finally, personal development can be influenced by situational determinants. These are factors that are often unpredictable, such as a divorce or death in the family. For instance, James Abegglen studied 20 successful male executives who had risen from lower-class childhoods and discovered that in three-fourths of the cases these executives had experienced some form of severe separation trauma from their fathers. Their fathers (and role models) had either died, been seriously ill, or had serious financial setbacks. Abegglen hypothesized that the sons' negative identification with their fathers' plights represented a major motivational force for achievement and success.¹²

concept check

1. What is the role of personality and personality development in the workplace?

8 S.R. Maddi, *Personality Theories: A Comparative Analysis* (Homewood, III.: Dorsey, 1980), p. 10.

9. C. Kluckhohn and H. Murray, *Personality in Society and Nature*, (New York: Knopf, 1953).

10. P.H. Mussen, *The Psychological Development of the Child* (Englewood Cliffs, N.J.: Prentice-Hall, 1963).

11. Ibid.

12. J. C. Abegglen, "Personality Factors in Social Mobility: A Study of Occupationally Mobile Businessmen," *Genetic Psychology Monographs*, August 1958, pp. 101-159.

2.3.4: Personality and Work Behavior

4. How can organizations foster a work environment that allows employees an opportunity to develop and grow?

Personality theories that utilize the trait approach have proven popular among investigators of employee behavior in organizations. There are several reasons for this. To begin with, trait theories focus largely on the normal, healthy adult, in contrast to psychoanalytic and other personality theories that focus largely on abnormal behavior. Trait theories identify several characteristics that describe people. Allport insisted that our understanding of individual behavior could progress only by breaking behavior patterns down into a series of elements (traits).¹³ "The only thing you can do about a *total* personality is to send flowers to it," he once said. Hence, in the study of people at work, we may discuss an employee's dependability, emotional stability, or cognitive complexity. These traits, when taken together, form a large mosaic that provides insight into individuals. A third reason for the popularity of trait theories in the study of organizational behavior is that the traits that are identified are measurable and tend to remain relatively stable over time. It is much easier to make comparisons among employees using these tangible qualities rather than the somewhat mystical psychoanalytic theories or the highly abstract and volatile self theories.

The number of traits people are believed to exhibit varies according to which theory we employ. In an exhaustive search, over 17,000 can be identified. Obviously, this number is so large as to make any reasonable analysis of the effects of personality in the workplace impossible. In order for us to make any sense out of this, it is necessary for us to concentrate on a small number of personality variables that have a direct impact on work behavior. If we do this, we can identify six traits that seem to be relatively important for our purposes here. It will be noted that some of these traits (for example, self-esteem or locus of control) have to do with how we see ourselves, whereas other traits (for example, introversion-extroversion or dependability) have to do with how we interact with others. Moreover, these traits are largely influenced by one's personality development and, in turn, influence actual attitudes and behaviors at work, as shown in **Exhibit 2.2**.

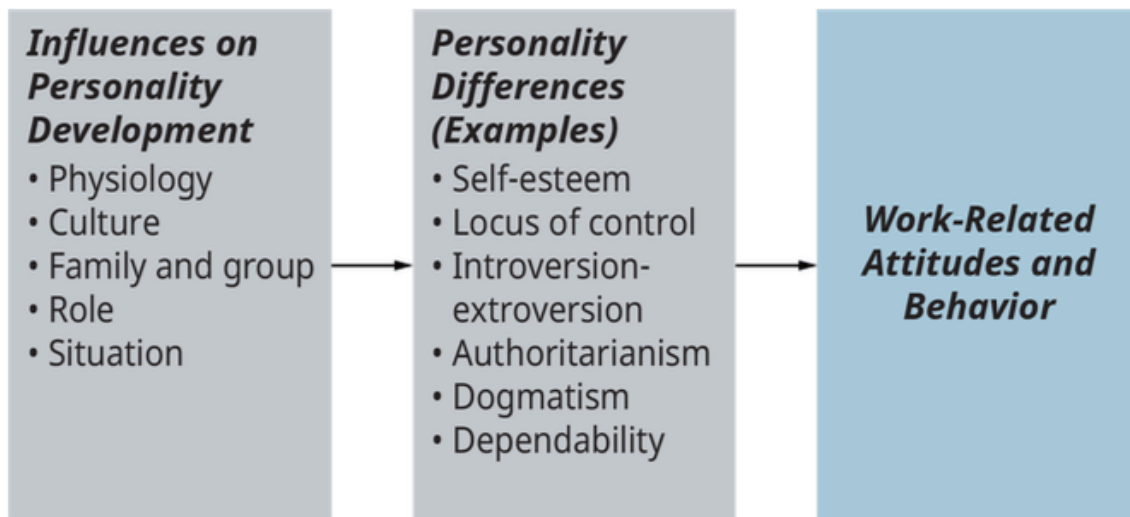


Exhibit 2.2 Relation of Personality to Attitudes and Behavior

Self-Esteem

One trait that has emerged recently as a key variable in determining work behavior and effectiveness is an employee's self-esteem. **Self-esteem** can be defined as one's opinion or belief about one's self and self-worth. It is how we see ourselves as individuals. Do we have confidence in ourselves? Do we think we are successful? Attractive? Worthy of others' respect or friendship?

Research has shown that high self-esteem in school-age children enhances assertiveness, independence, and creativity. People with high self-esteem often find it easier to give and receive affection, set higher goals for personal achievement, and exert energy to try to attain goals set for them. Moreover, individuals with high self-esteem will be more likely to seek higher-status occupations and will take more risks in the job search. For example, one study found that students possessing higher self-esteem

were more highly rated by college recruiters, received more job offers, and were more satisfied with their job search than students with low self-esteem.¹⁴ Hence, personality traits such as this one can affect your job and career even before you begin work!

Locus of Control

Locus of control refers to the tendency among individuals to attribute the events affecting their lives either to their own actions or to external forces; it is a measure of how much you think you control your own destiny. Two types of individual are identified. People with an *internal* locus of control tend to attribute their successes—and failures—to their own abilities and efforts. Hence, a student would give herself credit for passing an examination; likewise, she would accept blame for failing.

In contrast, people with an *external* locus of control tend to attribute things that happen to them as being caused by someone or something else. They give themselves neither credit nor blame. Hence, passing an exam may be dismissed by saying it was “too easy,” whereas failing may be excused by convincing one’s self that the exam was “unfair.”

If you want to determine your own locus of control, fill out the self-assessment in the end-of-chapter assignments. This is an abbreviated and adapted version of the scale originally developed by Rotter. When you have finished, refer to that reference for scoring procedures.

Recent research on locus of control suggests that people with an internal locus of control (1) exhibit greater work motivation, (2) have stronger expectations that effort will lead to actual high job performance, (3) perform better on tasks requiring learning or problem-solving, (4) typically receive higher salaries and salary increases, and (5) exhibit less job-related anxiety than externals.¹⁵ Locus of control has numerous implications for management. For example, consider what would happen if you placed an “internal” under tight supervision or an “external” under loose supervision. The results probably would not be very positive. Or what would happen if you placed both internals and externals on a merit-based compensation plan? Who would likely perform better? Who might perform better under a piece-rate system?

Introversion-Extroversion

The third personality dimension we should consider focuses on the extent to which people tend to be shy and retiring or socially gregarious. *Introverts* (**introversion**) tend to focus their energies inwardly and have a greater sensitivity to abstract feelings, whereas *extroverts* (**extroversion**) direct more of their attention to other people, objects, and events. Research evidence suggests that both types of people have a role to play in organizations.¹⁶ Extroverts more often succeed in first-line management roles, where only superficial “people skills” are required; they also do better in field assignments—for example, as sales representatives. Introverts, on the other hand, tend to succeed in positions requiring more reflection, analysis, and sensitivity to people’s inner feelings and qualities. Such positions are included in a variety of departments within organizations, such as accounting, personnel, and computer operations. In view of the complex nature of modern organizations, both types of individuals are clearly needed.

Authoritarianism and Dogmatism

Authoritarianism refers to an individual’s orientation toward authority. More specifically, an authoritarian orientation is generally characterized by an overriding conviction that it is right and proper for there to be clear status and power differences among people.¹⁷ According to T.W. Adorno, a high authoritarian is typically (1) demanding, directive, and controlling of her subordinates; (2) submissive and deferential toward superiors;

(3) intellectually rigid; (4) fearful of social change; (5) highly judgmental and categorical in reactions to others; (6) distrustful; and (7) hostile in response to restraint. Nonauthoritarians, on the other hand, generally believe that power and status differences should be minimized, that social change can be constructive, and that people should be more accepting and less judgmental of others.

In the workplace, the consequences of these differences can be tremendous. Research has shown, for example, that employees who are high in authoritarianism often perform better under rigid supervisory control, whereas those rated lower on this characteristic perform better under more participative supervision.¹⁸ Can you think of other consequences that might result from these differences?

Related to this authoritarianism is the trait of dogmatism. **Dogmatism** refers to a particular cognitive style that is characterized by closed-mindedness and inflexibility.¹⁹ The dimension has particularly profound implications for managerial decision-making; it is found that dogmatic managers tend to make decisions quickly, based on only limited information and with a high degree of confidence in the correctness of their decisions.²⁰ Do you know managers (or professors) who tend to be dogmatic? How does this behavior affect those around them?

Dependability

Finally, people can be differentiated with respect to their behavioral consistency, or **dependability**. Individuals who are seen as self-reliant, responsible, consistent, and dependable are typically considered to be desirable colleagues or group members who will cooperate and work steadfastly toward group goals.²¹ Personnel managers often seek a wide array of information concerning dependability before hiring job applicants. Even so, contemporary managers often complain that many of today's workers simply lack the feeling of personal responsibility necessary for efficient operations. Whether this is a result of the personal failings of the individuals or a lack of proper motivation by superiors remains to be determined.

Obviously, personality factors such as those discussed here can play a major role in determining work behavior both on the shop floor and in the executive suite. A good example of this can be seen in the events leading up to the demise of one of America's largest and oldest architectural firms. Observe the role of personality in the events that follow.

managing change

Personality Clash: Design vs. Default

Philip Johnson, at age 86, was considered the dean of American architecture and was known for such landmarks as the AT&T building in New York and the Pennzoil Center in Houston, but he was also forced out of the firm that he built, only to watch it fall into default and bankruptcy.

In 1969, Johnson invited John Burgee, who was just 35, to become his sole partner to handle the management side of the business and thereby allow him to focus on the creative side. "I picked John Burgee as my righthand man. Every design architect needs a Burgee. The more leadership he took, the happier I was," Johnson said. Burgee's personality was perfectly suited to the nuts-and-bolts tasks of managing the firm and overseeing the projects through construction.

For all his management effort, Burgee felt that only Johnson's name ever appeared in the press. "It was always difficult for me, being a younger man and less flamboyant," commented Burgee. Eventually, Burgee was able to get Johnson to change the name of the firm, first to Philip Johnson & John Burgee Architects, then to Johnson/Burgree Architects, and finally to John Burgee Architects, with Philip Johnson. Although Burgee wanted to be involved in all aspects of the business, Johnson was unwilling to relinquish control over design to Burgee.

In 1988, Burgee sent a four-page memo to Johnson in which he listed each of the firm's 24 projects and outlined the ones for which Johnson could initiate designs, initiate contact with clients, or work on independently at home. Burgee also instructed Johnson not to involve himself with the younger architects or advise them on their drawings.

The clash of the creative personality of Johnson and the controlling personality of Burgee came to a climax when Burgee asked Johnson to leave the firm. Unfortunately, Burgee underestimated the reaction of clients and lost many key contracts. Eventually, Burgee had to file for bankruptcy, and Johnson continued working on his own, including a project for Estée Lauder.

Source: Michelle Pacelle, "Design Flaw." *Wall Street Journal*, September 2, 1992, p. A1, A5.

concept check

1. What are the things that managers can do to foster an environment where employees can gain personal development and grow?

13. G.W. Allport, *Pattern and Growth in Personality* (New York: Holt, Rinehart and Winston, 1961).
 14. R. A. Ellis and M. S. Taylor, "Role of Self-Esteem within the Job Search Process," *Journal of Applied Psychology*, 1983, 68, pp. 632–640.
 15. P. Spector, "Behavior in Organizations as a Function of Locus of Control," *Psychological Bulletin*, May 1982, pp. 482–497; P. Nystrom, "Managers' Salaries and Their Beliefs About Reinforcement Control," *Journal of Social Psychology*, August 1983, pp. 291–292.
 16. L. R. Morris, *Extroversion and Introversion: An Interactional Perspective* (New York: Hemisphere, 1979), p.8.
 17. T. W. Adorno, E. Frenkel-Brunswik, and D. J. Levinson, *The Authoritarian Personality* (New York: Harper & Row, 1950).
 18. V. H. Vroom, *Some Personality Determinants of the Effects of Participation* (Englewood Cliffs, N.J.: Prentice- Hall, 1960).
 19. M. Rokeach, *The Open and Closed Mind* (New York: Basic Books, 1960).
 20. R. N. Taylor and M. D. Dunnette, "Influence of Dogmatism, Risk-Taking Propensity, and Intelligence on Decision-Making Strategies for a Sample of Industrial Managers," *Journal of Applied Psychology*, 1974, 59, pp. 420–423.
- Exhibit 2.2 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

2.3.5: Personality and Organization- A Basic Conflict?

5. How do managers know how to get the best from each employee?

Most theories of personality stress that an individual's personality becomes complete only when the individual interacts with other people; growth and development do not occur in a vacuum. Human personalities are the individual expressions of our culture, and our culture and social order are the group expressions of individual personalities. This being the case, it is important to understand how work organizations influence the growth and development of the adult employee.

A model of person-organization relationships has been proposed by Chris Argyris.²² This model, called the **basic incongruity thesis**, consists of three parts: what individuals want from organizations, what organizations want from individuals, and how these two potentially conflicting sets of desires are harmonized.

Argyris begins by examining how healthy individuals change as they mature. On the basis of previous work, Argyris suggests that as people grow to maturity, seven basic changes in needs and interests occur:

1. People develop from a state of passivity as infants to a state of increasing activity as adults.
2. People develop from a state of dependence upon others to a state of relative independence.
3. People develop from having only a few ways of behaving to having many diverse ways of behaving.
4. People develop from having shallow, casual, and erratic interests to having fewer, but deeper, interests.
5. People develop from having a short time perspective (i.e., behavior is determined by present events) to having a longer time perspective (behavior is determined by a combination of past, present, and future events).
6. People develop from subordinate to superordinate positions (from child to parent or from trainee to manager).
7. People develop from a low understanding or awareness of themselves to a greater understanding of and control over themselves as adults.

Although Argyris acknowledges that these developments may differ among individuals, the general tendencies from childhood to adulthood are believed to be fairly common.

Next, Argyris turns his attention to the defining characteristics of traditional work organizations. In particular, he argues that in the pursuit of efficiency and effectiveness, organizations create work situations aimed more at getting the job done than at satisfying employees' personal goals. Examples include increased task specialization, unity of command, a rules orientation, and other things aimed at turning out a standardized product with standardized people. In the pursuit of this standardization, Argyris argues, organizations often create work situations with the following characteristics:

1. Employees are allowed minimal control over their work; control is often shifted to machines.
2. They are expected to be passive, dependent, and subordinate.
3. They are allowed only a short-term horizon in their work.
4. They are placed on repetitive jobs that require only minimal skills and abilities.
5. On the basis of the first four items, people are expected to produce under conditions leading to psychological failure.

Hence, Argyris argues persuasively that many jobs in our technological society are structured in such a way that they conflict with the basic growth needs of a healthy personality. This conflict is represented in **Exhibit 2.3**. The magnitude of this conflict between personality and organization is a function of several factors. The strongest conflict can be expected under conditions where employees are very mature, organization are highly structured and rules and procedures are formalized, and jobs are fragmented and mechanized. Hence, we would expect the strongest conflict to be at the lower levels of the organization, among blue-collar and clerical workers. Managers tend to have jobs that are less mechanized and tend to be less subject to formalized rules and procedures.

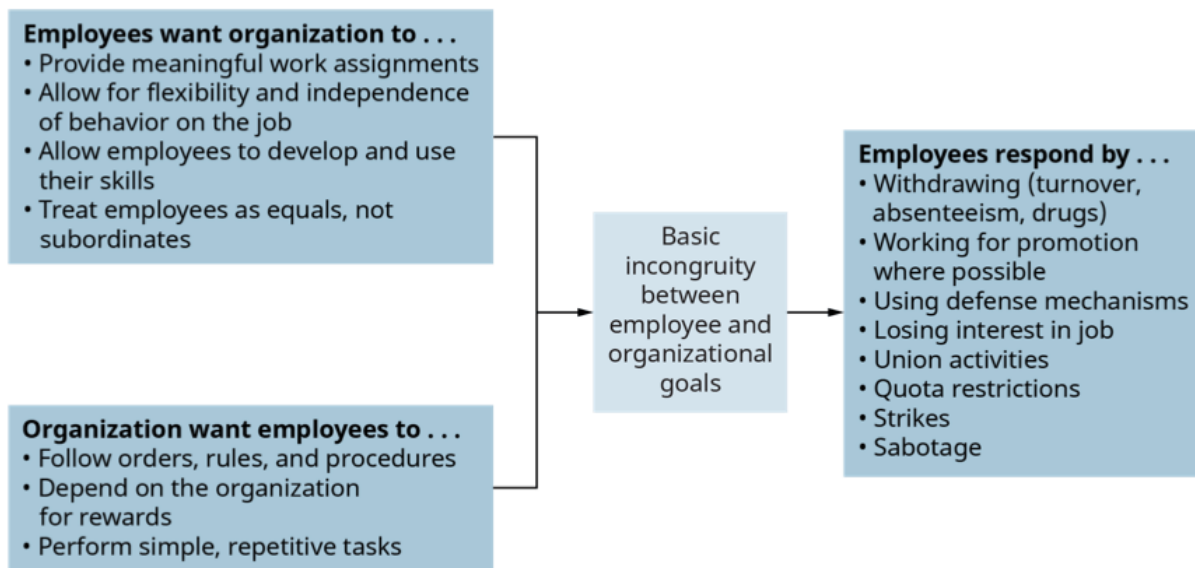


Exhibit 2.3 Basic Conflict Between Employees and Organizations

Where strong conflicts between personalities and organizations exist, or, more precisely, where strong conflicts exist between what employees and organizations want from each other, employees are faced with difficult choices. They may choose to leave the organization or to work hard to climb the ladder into the upper echelons of management. They may defend their self-concepts and adapt through the use of defense mechanisms. Disassociating themselves psychologically from the organization (e.g., losing interest in their work, lowering their work standards, etc.) and concentrating instead on the material rewards available from the organization is another possible response. Or they may find allies in their fellow workers and, in concert, may further adapt as a *group* by such activities as quota restrictions, unionizing efforts, strikes, and sabotage.

Unfortunately, although such activities may help employees feel that they are getting back at the organization, they do not alleviate the basic situation that is causing the problem. To do this, one has to examine the nature of the job and the work climate. Personality represents a powerful force in the determination of work behavior and must be recognized before meaningful change can be implemented by managers to improve the effectiveness of their organizations.

managing change

Integrating Employee and Organizational Goals at Kayak

In many ways the above scenario paints a bleak portrait of the relationship of many workers to their employers. However, it should be noted that many companies are trying to change this relationship and create a partnership between employees and company in which the goals of both are realized. In doing so, however, these companies are careful to select and hire only those employees who have the potential to fit in with the company's unique culture. A case in point is Kayak, an Internet-based travel company in Stamford, Connecticut. The company strives to create customer satisfaction, starting with their own culture and employees within the walls of their building. Cofounder and former CTO Paul English's goal was to bring a constant stream of "new-new ideas" and surround himself with "childlike creative people" to liven up the space and be able to promote inspiration.

Kayak doesn't hire based on technical skills; their philosophy is to hire an employee on the basis of being the smartest person that somebody knows. Employees are constantly pushed to put their ideas to the test, and the company emphasizes a work-life balance that puts their employees first, which in turn makes for a productive work environment.

Kayak's ability to make fast-paced decisions comes from the empowerment of their employees to try out their ideas. Current CTO Giorgos Zacharia takes pride in the way they are able to keep order and drive deadlines. "Anyone on any team can come up with the idea, prototype it, and then we see what the user thinks about it. If it works, great! But there's no grand design; it's very organic and we see that as a strength," says Zacharia.

By encouraging and rewarding risk-taking, Kayak is able to make fast decisions, fail fast, and then turn around and come up with something more innovative that will be better than the last idea. Overall, the company hopes to offer its employees a work environment that allows for considerable personal growth and need-satisfaction. In short, the company aims to reduce the possibility of a basic incongruity developing between employee and organizational goals.

Sources: Hawkes, Jocelyn, "KAYAK on Creating a Culture of Innovation," *Fast Company*, April 4, 2012. (<https://www.fastcompany.com/1827003/...ure-innovation>); Hickey, Matt, "How KAYAK

Converts Employee Well-Being Into Customer satisfaction," *Forbes*, October 4, 2015. www.forbes.com/sites/matthickey/2015/10/04/employee-well-being-into-customer-satisfaction/#6c97f519b7a4.

Personality and Employee Selection

Recent years have seen an increased interest in the use of preemployment screening tests. Several key assumptions underlie the use of personality tests as one method of selecting potential employees: (1) individuals have different personalities and traits, (2) these differences affect their behavior and performance, and (3) different jobs have different requirements. Consequently, tests can be used to select individuals who match the overall company as well as match particular types of people to specific jobs. However, managers must be careful in their use of these selection instruments. Legally all selection tests must meet the guidelines for nondiscrimination set forth in the Equal Employment Opportunity Commission's Uniform Guidelines on Employee Selection Procedures. Specifically, in 1971 the Supreme Court ruled (*Griggs v. Duke Power Company*) that "good intent or the absence of discriminatory intent does not redeem . . . testing mechanisms that operate as built-in 'head-winds' for minority groups and are unrelated to measuring job capability." This ruling led to two important cases in which discrimination might apply to selection practices. First, "disparate treatment" involves the intentional discrimination against an individual based on race, color, gender, religion, or national origin. Second, "disparate impact" involves the adverse effect of selection practices (as well as other practices) on minorities regardless of whether these practices were intended to have an adverse impact or not. Consequently, although personality tests can be an important means of selecting potential employees as well as matching them to appropriate jobs, care must be taken to demonstrate that the characteristics measured actually predict job performance.

concept check

1. What are some things that managers can do to foster organizational harmony where they get the best results from all employees?

22 C. Argyris, "Personality and Organization Theory Revisited," *Administrative Science Quarterly*, 1973, 18, pp. 141-167.

Exhibit 2.3 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

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2.3.6: Personal Values and Ethics

6. What is the role of ethical behavior in managerial actions?

A factor that has surprised many business leaders is the alarming rise in accusations of unethical or disreputable behavior in today's companies. We hear with increasing regularity of stock market manipulations, disregard of environmental hazards, bribes, and kickbacks. To understand these behaviors, we must examine the role of values and personal ethics in the workplace. We begin with the concept of values.

A *value* may be defined as “an enduring belief 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.”²³ In other words, a value represents a judgment by an individual that certain things are “good” or “bad,” “important” or “unimportant,” and so forth. As such, values serve a useful function in providing guidelines or standards for choosing one's own behavior and for evaluating the behavior of others.

Characteristics of Values

The values people have tend to be relatively stable over time. The reason for this lies in the manner in which values are acquired in the first place. That is, when we first learn a value (usually at a young age), we are taught that such-and-such behavior is *always* good or *always* bad. For instance, we may be taught that lying or stealing is always unacceptable. Few people are taught that such behavior is acceptable in some circumstances but not in others. Hence, this definitive quality of learned values tends to secure them firmly in our belief systems. This is not to say that values do not change over time. As we grow, we are increasingly confronted with new and often conflicting situations. Often, it is necessary for us to weigh the relative merits of each and choose a course of action. Consider, for example, the worker who has a strong belief in hard work but who is pressured by her colleagues not to outperform the group. What would you do in this situation?

Rokeach has identified two fundamental types of values: instrumental and terminal.²⁴ **Instrumental values** represent those values concerning the way we approach end-states. That is, do we believe in ambition, cleanliness, honesty, or obedience? What factors guide your everyday behavior? **Terminal values**, on the other hand, are those end-state goals that we prize. Included here are such things as a comfortable life, a sense of accomplishment, equality among all people, and so forth. Both sets of values have significant influence on everyday behavior at work.

You can assess your own instrumental and terminal values by completing the self-assessment in the end-of- chapter assignments. Simply rank-order the two lists of values, and then refer to the reference for scoring procedures.

Role of Values and Ethics in Organizations

Personal values represent an important force in organizational behavior for several reasons. In fact, at least three purposes are served by the existence of personal values in organizations: (1) values serve as standards of behavior for determining a correct course of action; (2) values serve as guidelines for decision-making and conflict resolution; and (3) values serve as an influence on employee motivation. Let us consider each of these functions.

Standards of Behavior. First, values help us determine appropriate standards of behavior. They place limits on our behavior both inside and outside the organization. In such situations, we are referring to what is called *ethical behavior*, or **ethics**. Employees at all levels of the organization have to make decisions concerning what to them is right or wrong, proper or improper. For example, would you conceal information about a hazardous product made by your company, or would you feel obliged to tell someone? How would you respond to petty theft on the part of a supervisor or coworker in the office? To some extent, ethical behavior is influenced by societal values. Societal norms tell us it is wrong to engage in certain behaviors. In addition, however, individuals must often determine for themselves what is proper and what is not. This is particularly true when people find themselves in “gray zones”—situations where ethical standards are ambiguous or unclear. In many situations, a particular act may not be illegal. Moreover, one's colleagues and friends may disagree about what is proper. In such circumstances, people have to determine their own standards of behavior.

expanding around the globe

Two Cultures' Perspectives of Straight Talk

Yukiko Tanabe, a foreign exchange student from Tokyo, Japan, was both eager and anxious about making new friends during her one-year study abroad in the United States. After a month-long intensive course in English over the summer, she began her studies at the University of California. Yukiko was in the same psychology class as Jane McWilliams. Despite Yukiko's somewhat shy personality, it did not take long before she and Jane were talking before and after class and studying together.

Part of the way through the term, the professor asked for volunteers to be part of an experiment on personalities and problem-solving. The professor also offered extra credit for participation in the experiment and asked interested students to stay after class to discuss the project in more detail.

When class was over, Jane asked Yukiko if she wanted to stay after and learn more about the project and the extra credit. Yukiko hesitated and then said that she was not sure. Jane replied that it would only take a few minutes to listen to the explanation, and so the two young women went up to the front of the class, along with about 20 other students, to hear the details.

The project would simply involve completing a personality questionnaire and then attempting to solve three short case problems. In total, it would take about one hour of time and would be worth 5 percent extra credit. Jane thought it was a great idea and asked Yukiko if she wanted to participate. Yukiko replied that she was not sure. Jane responded that they could go together, that it would be fun, and that 5 percent extra credit was a nice bonus. To this Yukiko made no reply, so Jane signed both of them up for the project and suggested that they meet at the quad about 10 minutes before the scheduled beginning of the experiment.

On the day of the experiment, however, Yukiko did not show up. Jane found out later from Yukiko that she did not want to participate in the experiment. "Then why didn't you just say so?" asked Jane. "Because I did not want to embarrass you in front of all your other friends by saying no," explained Yukiko.

Source: Personal communication by the author. Names have been disguised.

Guidelines for Decision-Making and Conflict Resolution. In addition, values serve as guidelines for making decisions and for attempting to resolve conflicts. Managers who value personal integrity are less likely to make decisions they know to be injurious to someone else. Relatedly, values can influence how someone approaches a conflict. For example, if your boss asks your opinion about a report she wrote that you don't like, do you express your opinion candidly or be polite and flatter her?

An interesting development in the area of values and decision-making involves integrity or honesty tests. These tests are designed to measure an individual's level of integrity or honesty based on the notion that honest or dishonest behavior and decisions flow from a person's underlying values. Today over 5,000 firms use these tests, some of which use direct questions and some of which use camouflaged questions. Although the reliability of the most common tests seem good, their validity (i.e., the extent to which they can accurately predict dishonest behavior) is more open to question.²⁵ Nevertheless, because they do not cost much and are less intrusive than drug or polygraph testing, integrity are increasingly used to screen potential employees.

Influence on Motivation. Values affect employee motivation by determining what rewards or outcomes are sought. Employees are often offered overtime work and the opportunity to make more money at the expense of free time and time with their families. Which would you choose? Would you work harder to get a promotion to a perhaps more stressful job or "lay back" and accept a slower and possibly less rewarding career path? Value questions such as these confront employees and managers every day.

Prominent among work-related values is the concept of the **work ethic**. Simply put, the work ethic refers to the strength of one's commitment and dedication to hard work, both as an end in itself and as a means to future rewards. Much has been written lately concerning the relative state of the work ethic in North America. It has been repeatedly pointed out that one reason for our trouble in international competition lies in our rather mediocre work ethic. This is not to say that many Americans do not work hard; rather, it is to say that others (most notably those in East Asia) simply work harder.

There are many ways to assess these differences, but perhaps the simplest way is to look at actual hours worked on average in different countries both in Asia and Western Europe. Looking at **Table 2.3**, you may be surprised to discover that although the

average American works 1,789 hours (and takes an average of 19.5 vacation days) per year, the average South Korean works 2,070 hours per year (and takes only 4.5 days of vacation)!²⁶ The typical Japanese worker works 1,742 hours per year and takes 9.6 days of vacation. Meanwhile, Western Europeans work fewer hours and take more vacation days. Thus, although Americans may work longer hours than many Europeans, they fall far behind many in East Asia.

Average Hours Worked and Vacation Taken per Worker		
Country	Average Hours Worked per Year	Vacation Days Actually Taken
South Korea	2,070	4.5
United States	1,789	19.5
OECD Average	1,763	
Japan	1,742	9.6
United Kingdom	1,676	22.5
Germany	1,288	30.2
France	1,472	25.0
Source: Adapted from OECD.Stat, "Average annual hours actually worked per worker," accessed July 20, 2018, https://stats.oecd.org/Index.aspx?DataSetCode=ANHRS ; and Richard M. Steers, Yoo Keun Shin, and Gerardo R. Ungson, <i>The Chaebol: Korea's New Industrial Might</i> (Philadelphia: Ballinger, 1989).		

Table 2.3

Example: A Country Tries to Reduce Its Workweek

What does a country do when its people are overmotivated? Consider the case of Japan. On the basis of Japan's newfound affluence and success in the international marketplace, many companies—and the government—are beginning to be concerned that perhaps Japanese employees work too hard and should slow down. They may be too motivated for their own good. As a result, the Japanese Department of Labor has initiated a drive to shorten the workweek and encourage more Japanese employees to take longer holidays. The effort is focusing on middle-aged and older employees, because their physical stamina may be less than that of their more junior colleagues. Many companies are following this lead and are beginning to reduce the workweek. This is no easy task in a land where such behavior may be seen by employees as showing disloyalty toward the company. It requires a fundamental change in employee attitudes.

At the same time, among younger employees, cracks are beginning to appear in the fabled Japanese work ethic. Younger workers are beginning to express increased frustration with dull jobs and routine assignments, and job satisfaction appears to be at an all-time low. Young Japanese are beginning to take longer lunch periods and look forward to Friday and the coming weekend. Whether this is attributable to increasing affluence in changing society or simply the emergence of a new generation, things are changing—however slowly—in the East.²⁷

concept check

1. What role do managers undertake to ensure an environment where ethics and values are followed?

23. M. Rokeach, *The Nature of Human Values* (New York: Free Press, 1973), p. 5.

24. Ibid.

25. Paul R. Sackett, Laura R. Burris, and Christine Callahan. 1989. Integrity Testing for Personnel Selection. *Personnel Psychology*, 42, 491–529.

26. R. M. Steers, Y. K. Shin, and G. R. Ungson, *The Chaebol: Korea's New Industrial Might* (New York: Harper & Row, 1989), p. 96.

27. L. Smith, "Cracks in the Japanese Work Ethic," *Fortune*, May 14, 1984, pp. 162–168; K. Van Wolferen, *The Enigma of Japanese Power* (New York: Knopf, 1989).

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2.3.7: Cultural Differences

7. How do you manage and do business with people from different cultures?

The final topic we will discuss in this chapter is the role of culture and cultural diversity in organizational behavior. Cultural diversity can be analyzed in many ways. For instance, we can compare cultural diversity *within* one country or company, or we can compare cultures *across* units. That is, we can look inside a particular North American firm and see employees who are Asian, black, Latino, American Indian, white, and so forth. Clearly, these individuals have different cultural backgrounds, frames of reference, traditions, and so forth. Or we can look more globally and compare a typical American firm with a typical Mexican, Italian, or Chinese firm and again see significant differences in culture.

We can also analyze cultural diversity by looking at different patterns of behavior. For instance, Americans often wonder why Japanese or Korean businesspeople always bow when they meet; this seems strange to some. Likewise, many Asians wonder why Americans always shake hands, a similarly strange behavior. Americans often complain that Japanese executives say “yes” when they actually mean something else, while Japanese executives claim many Americans promise things they know they cannot deliver. Many of these differences result from a lack of understanding concerning the various cultures and how they affect behavior both inside and outside the workplace. As the marketplace and economies of the world merge ever closer, it is increasingly important that we come to understand more about cultural variations as they affect our world.

What Is Culture?

Simply put, **culture** may be defined as “the collective programming of the mind which distinguishes the members of one human group from another; the interactive aggregate of common characteristics that influences a human group’s response to its environment.”²⁸ More to the point, culture is the “collective mental programming of a people.”²⁹ It is the unique characteristics of a people. As such, culture is:

- Something that is shared by all or most of the members of a society
- Something that older members of a society attempt to pass along to younger members
- Something that shapes our view of the world

The concept of culture represents an easy way to understand a people, albeit on a superficial level. Thus, we refer to the Chinese culture or the American culture. This is not to say that every member within a culture behaves in exactly the same way. On the contrary, every culture has diversity, but members of a certain culture tend to exhibit similar behavioral patterns that reflect where and how they grew up. A knowledge of a culture’s patterns should help us deal with its members.

Culture affects the workplace because it affects what we do and how we behave. As shown in **Exhibit 2.4**, cultural variations influence our values, which in turn affect attitudes and, ultimately, behaviors. For instance, a culture that is characterized by hard work (e.g., the Korean culture discussed above) would exhibit a value or ethic of hard work. This work ethic would be reflected in positive attitudes toward work and the workplace; people would feel that hard work is satisfying and beneficial—they might feel committed to their employer and they might feel shame if they do not work long hours. This, in turn, would lead to actual high levels of work. This behavior, then, would serve to reinforce the culture and its value, and so on.

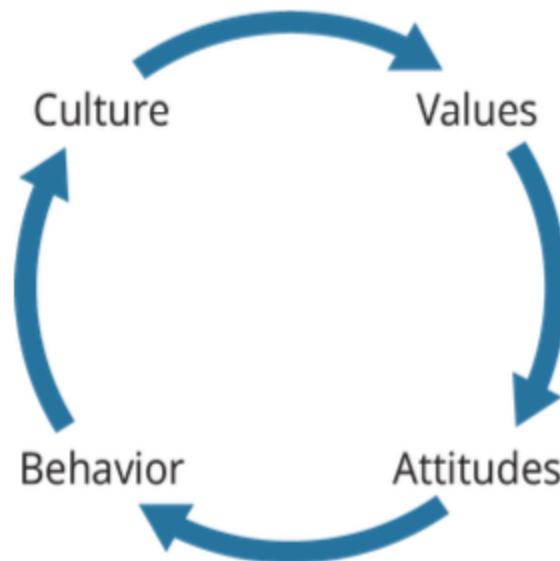


Exhibit 2.4 Relationship of Culture to Values, Attitudes, and Behavior

To see how this works, consider the results of a survey of managerial behavior by French researcher Andre Laurent.³⁰ He asked managers how important it was for managers to have precise answers when asked a question by subordinates. The results, shown in **Exhibit 2.5**, clearly show how culture can influence very specific managerial behavior. In some countries, it is imperative for the manager to “know” the answer (even when she really doesn’t), whereas in other countries it made little difference. Thus, if we want to understand why someone does something in the workplace, at least part of the behavior may be influenced by her cultural background.

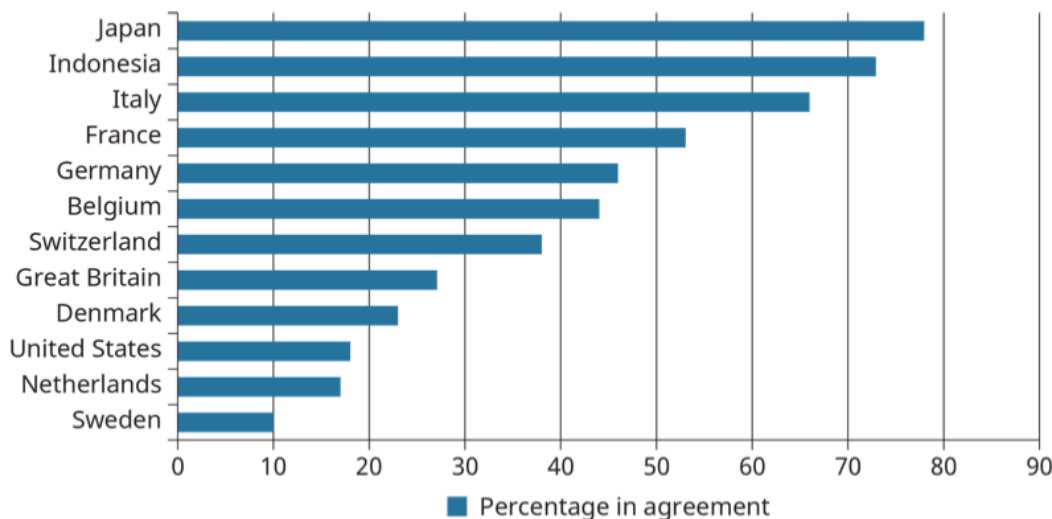


Exhibit 2.5 Appropriate Managerial Behavior in Different Countries

Dimensions of Culture

There are several ways to distinguish different cultures from one another. Kluckhohn and Strodtbeck have identified six dimensions that are helpful in understanding such differences.³¹ These are as follows:

1. *How people view humanity.* Are people basically good, or are they evil? Can most people be trusted or not? Are most people honest? What is the true nature of humankind?

2. *How people see nature.* What is the proper relationship between people and the environment? Should people be in harmony with nature, or should they attempt to control or harness nature?
3. *How people approach interpersonal relationships.* Should one stress individualism or membership in a group? Is the person more or less important than the group? What is the “pecking order” in a society? Is it based on seniority or on wealth and power?
4. *How people view activity and achievement.* Which is a more worthy goal: activity (getting somewhere) or simply being (staying where one is)?
5. *How people view time.* Should one focus on the past, the present, or the future? Some cultures are said to be living in the past, whereas others are looking to the future.
6. *How people view space.* How should physical space be used in our lives? Should we live communally or separately? Should important people be physically separated from others? Should important meetings be held privately or in public?

To see how this works, examine **Exhibit 2.7**, which differentiates four countries (Mexico, Germany, Japan, and the United States) along these six dimensions. Although the actual place of each country on these scales may be argued, the exhibit does serve to highlight several trends that managers should be aware of as they approach their work. For example, although managers in all four countries may share similar views on the nature of people (good versus bad), significant differences are noted on such dimensions as people’s relation to nature and interpersonal relations. This, in turn, can affect how managers in these countries approach contract negotiations, the acquisition of new technologies, and the management of employees.



Exhibit 2.6 Japanese train station

Dimensions such as these help us frame any discussion about how people differ. We can say, for example, that most Americans are individualistic, activity-oriented, and present/future-oriented. We can further say that they value privacy and want to control their environment. In another culture, perhaps the mode is past-oriented, reflective, group-oriented, and unconcerned with achievement. In Japan we hear that “the nail that sticks out gets hammered down”—a comment reflecting a belief in homogeneity within the culture and the importance of the group. In the United States, by contrast, we hear “Look out for Number One” and “A man’s home is his castle”—comments reflecting a belief in the supremacy of the individual over the group. Neither culture is “right” or “better.” Instead, each culture must be recognized as a force within individuals that motivates their behaviors within the workplace. However, even within the U.S. workforce, we must keep in mind that there are subcultures that can influence behavior. For example, recent work has shown that the Hispanic culture within the United States places a high value on groups compared to individuals and as a consequence takes a more collective approach to decision-making.³² As we progress through this discussion, we shall continually build upon these differences as we attempt to understand behavior in the workplace.

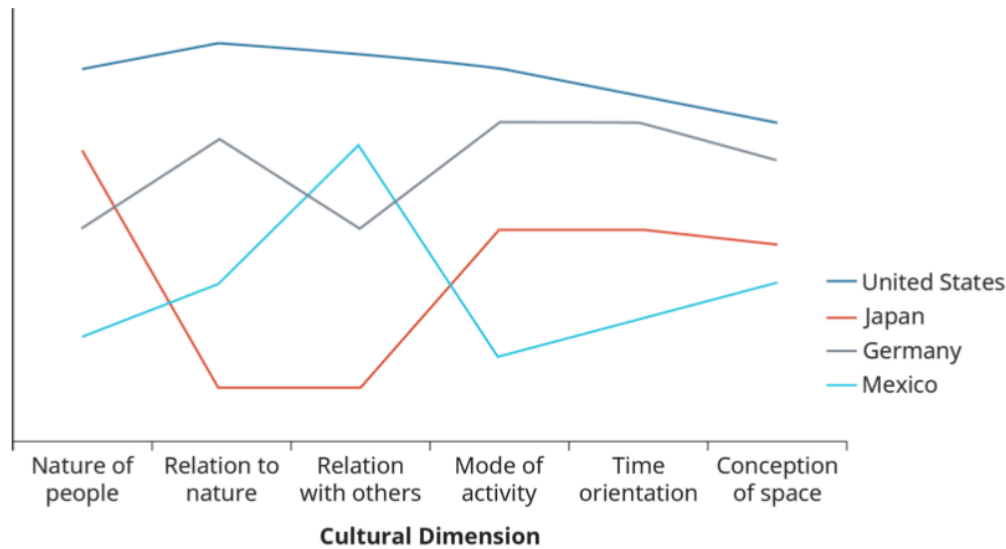


Exhibit 2.7 Cultural Differences among Managers in Four Countries

concept check

1. What role do managers play to ensure that the culture of individuals are valued and appreciated and contribute to a successful work environment?

28. G. Hofstede, *Culture's Consequence*, (Beverly Hills, Calif.: Sage, 1980), p. 25.

29. Ibid.

30. A. Laurent, "The Cultural Diversity of Western Conceptions of Management," *International Studies of Management and Organization*, XII, 1-2, Spring-Summer 1983, pp. 75-96.

31. F. Kluckhohn and F. Strodtbeck, *Variations in Value Orientations* (Evanston, III.: Row, Peterson, 1961).

32. T. Cox, et al., "Effects of Ethnic Group Cultural Differences on Cooperative and Competitive Behavior on a Group Task," *Academy of Management J.*, 34, pp. 827-847; and S. Gruman, cited in N. Adler, *International Dimensions of Organizational Behavior* (Boston: PWS/Kent, 1986), pp. 13-14.

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Exhibit 2.5 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Exhibit 2.6 Kluckhohn and Strodtbeck identified six dimensions that are helpful in understanding such differences. Japan is a populous country that requires workers to take public transportation to and from work. *How does the Japanese geography affect Japanese culture?* (Credit: elminium/ flickr/ Attribution 2.0 Generic (CC BY 2.0))

Exhibit 2.7 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

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Authoritarianism Refers to an individual's orientation toward authority.

Basic incongruity thesis Consists of three parts: what individuals want from organizations, what organizations want from individuals, and how these two potentially conflicting sets of desires are harmonized.

Cognitive complexity Represents a person's capacity to acquire and sort through various pieces of information from the environment and organize them in such a way that they make sense.

Culture The collective programming of the mind that distinguishes the members of one human group from another; the interactive aggregate of common characteristics that influences a human group's response to its environment.

Dependability Individuals who are seen as self-reliant, responsible, and consistent, are viewed as dependable.

Dogmatism Refers to a particular cognitive style that is characterized by closed-mindedness and inflexibility.

Ethics Values that help us determine appropriate standards of behavior and place limits on our behavior both inside and outside the organization.

Extroversion Refers to people who direct more of their attention to other people, objects, and events.

Instrumental values Represent those values concerning the way we approach end-states and whether individuals believe in ambition, cleanliness, honesty, or obedience.

Introversion Refers to people who focus their energies inwardly and have a greater sensitivity to abstract feelings.

Locus of control Refers to the tendency among individuals to attribute the events affecting their lives either to their own actions or to external forces; it is a measure of how much you think you control your own destiny.

Mental abilities An individual's intellectual capabilities and are closely linked to how a person makes decisions and processes information. Included here are such factors as verbal comprehension, inductive reasoning, and memory.

Personal values Represent an important force in organizational behavior for several reasons.

Personality A stable set of characteristics and tendencies that determine those communalities and differences in the psychological behavior (thoughts, feelings, and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment.

Physical abilities Basic functional abilities such as strength, and psychomotor abilities such as manual dexterity, eye-hand coordination, and manipulation skills.

Psychomotor abilities Examples are manual dexterity, eye-hand coordination, and manipulation skills.

Self-esteem One's opinion or belief about one's self and self-worth.

Terminal values End-state goals that we prize.

Work ethic Refers to the strength of one's commitment and dedication to hard work, both as an end in itself and as a means to future rewards.

2.3.9: Summary of Learning Outcomes

2.1 Individual and Cultural Factors in Employee Performance

1. How do managers and organizations appropriately select individuals for particular jobs?

Because people enter organizations with preset dispositions, it is important to be able to analyze important individual characteristics, effectively select individuals, and appropriately match them to their jobs. However, this must be done carefully in light of both ethical and legal issues that face managers today.

2.2 Employee Abilities and Skills

2. How do people with different abilities, skills, and personalities build effective work teams?

Ability refers to one's capacity to respond, whereas motivation refers to one's desire to respond. Abilities can be divided into mental abilities and physical abilities. Personality represents a stable set of characteristics and tendencies that determines the psychological behavior of people.

Personality development is influenced by several factors, including physiological, cultural, family and group, role, and situational determinants.

2.3 Personality: An Introduction

3. How do managers and employees deal effectively with individual differences in the workplace? Self-esteem represents opinions and beliefs concerning one's self and one's self-worth.

Locus of control is a tendency for people to attribute the events affecting their lives either to their own actions (referred to as internal locus of control) or to external forces (referred to as external locus of control).

2.4 Personality and Work Behavior

4. How can organizations foster a work environment that allows employees an opportunity to develop and grow?

Authoritarianism represents an individual's orientation toward authority and is characterized by an overriding conviction that it is appropriate for there to be clear status and power differences between people.

2.5 Personality and Organization: A Basic Conflict?

5. How do managers know how to get the best from each employee?

Dogmatism refers to a cognitive style characterized by closed-mindedness and inflexibility.

The basic incongruity thesis asserts that individuals and organizations exist in a constant state of conflict because each has different goals and expectations from the other. Employees want organizations to provide more autonomy and meaningful work, while organizations want employees to be more predictable, stable, and dependable.

2.6 Personal Values and Ethics

6. What is the role of ethical behavior in managerial actions?

A value is an enduring belief that one specific mode of conduct or end-state is preferable to others. Instrumental values are beliefs concerning the most appropriate ways to pursue end-states, whereas terminal values are beliefs concerning the most desirable end-states themselves.

Ethics are important to individuals because they serve as (1) standards of behavior for determining a correct course of action, (2) guidelines for decision-making and conflict resolution, and (3) influences on employee motivation. The work ethic refers to someone's belief that hard work and commitment to a task are both ends in themselves and means to future rewards.

2.7 Cultural Differences

7. How do you manage and do business with people from different cultures?

Culture refers to the collective mental programming of a group or people that distinguishes them from others. Culture (1) is shared by the members of the group, (2) is passed on from older members to younger members, and (3) shapes our view of the world. Six dimensions of culture can be identified: (1) how people see themselves, (2) how people see nature, (3) how people approach interpersonal relationships, (4) how people view activity and achievement, (5) how people view time, and (6) how people view space.

2.3.10: Management Skills Application Exercises

1. What Is Your Locus of Control?

Instructions: This instrument lists several pairs of statements concerning the possible causes of behavior. For each pair, select the letter (A or B) that better describes your own beliefs. Remember: there are no right or wrong answers. To view the scoring key, go to **Appendix B**.

1. A. In the long run, the bad things that happen to us are balanced by the good ones. B. Most misfortunes are the result of lack of ability, ignorance, laziness, or all three.
2. A. I have often found that what is going to happen will happen.
B. Trusting to fate has never turned out as well for me as making a decision to take a definite course of action.
3. A. Many of the unhappy things in people's lives are partly due to bad luck.
B. People's misfortunes result from the mistakes they make.
4. A. Without the right breaks, one cannot be an effective leader.
B. Capable people who fail to become leaders have not taken advantage of their opportunities.
5. A. Many times, I feel I have little influence over the things that happen to me.
B. It is impossible for me to believe that chance or luck plays an important role in my life.
6. A. Most people don't realize the extent to which their lives are controlled by accidental happenings.
B. There really is no such thing as "luck."
7. A. Unfortunately, an individual's worth often passes unrecognized no matter how hard she tries.
B. In the long run, people get the respect they deserve.

Source: Adapted from Julian B. Rotter, "Generalized Expectancies for Internal Versus External Control of Reinforcement." *Psychological Monographs*, 80 (Whole No. 609, 1966), pp. 11-12.

2. Which Values Are Most Important to You?

Instructions: People are influenced by a wide variety of personal values. In fact, it has been argued that values represent a major influence on how we process information, how we feel about issues, and how we behave. In this exercise, you are given an opportunity to consider your own personal values. Below are listed two sets of statements. The first list presents several instrumental values, while the second list presents several terminal values. For each list you are asked to rank the statements according to how important each is to you personally. In the list of instrumental values, place a "1" next to the value that is most important to you, a "2" next to the second most important, and so forth. Clearly, you will have to make some difficult decisions concerning your priorities. When you have completed the list for instrumental values, follow the same procedure for the terminal values. Please remember that this is not a test—there are no right or wrong answers—so be completely honest with yourself. To view the scoring key, go to **Appendix B**.

Instrumental Values

- ____ Assertiveness; standing up for yourself
- ____ Being helpful or caring toward others
- ____ Dependability; being counted upon by others
- ____ Education and intellectual pursuits
- ____ Hard work and achievement

- ___ Obedience; following the wishes of others
- ___ Open-mindedness; receptivity to new ideas
- ___ Self-sufficiency; independence
- ___ Truthfulness; honesty
- ___ Being well-mannered and courteous toward others

Terminal Values

- ___ Happiness; satisfaction in life ___ Knowledge and wisdom
- ___ Peace and harmony in the world ___ Pride in accomplishment

- ___ Prosperity; wealth
- ___ Lasting friendships
- ___ Recognition from peers
- ___ Salvation; finding eternal life ___ Security; freedom from threat ___ Self-esteem; self-respect

2.3.11: Managerial Decision Exercises

1. You work for a large multinational corporation with offices around the globe. One of your colleagues has been offered an assignment overseas to either the Japanese, South Korean, or German offices for a long-term assignment (three to seven years). She has asked your advice on the opportunity because she is concerned about the failure some others have encountered. Often, they want to return home before their assignment is complete, or they decide to quit. She is also concerned about building relationships as a manager with the local employees. Your friend is very skilled technically and you know that she could be successful in the positions being offered. You wonder whether her apprehension has to do with her personality, and whether that might have an impact on her success for this role.

- a. Identify the personality traits you think might be relevant to being successful in a global assignment in either Japan, South Korea, or Germany.
- b. Develop a personality test aimed at measuring these dimensions.
- c. Do you think that your friend will fill out this questionnaire honestly? If not, how would you ensure that the results you get would be honest and truly reflect her personality?
- d. How would you validate such a test? Describe the steps you would take.

2. It's your final semester in college and you're going through several interviews with recruiters on campus. Among the opportunities that you are interviewing for is an entry-level position as a data analyst with a large accounting firm. You have been told during the initial interview that the firm uses a personality assessment as part of their selection process. You feel that this job requires someone who is very high in introversion since it involves a lot of individual work involving analysis of data on the one hand, but that in potential future roles on an audit team, one would need a high level of extroversion dealing with colleagues on the team and with clients. You have a high level of technical ability and can concentrate on tasks for long periods and also feel that you are sociable, but perhaps not as much as some other students in other disciplines. The opportunity is terrific, it is a great stepping-stone to career advancement, and your faculty adviser is very supportive. Refer to the personality test in the Managerial Skills Application Exercises question 2 as an example of the personality test that will be given. How are you going to respond when completing the personality test? Are you going to answer the questions truthfully?

- a. What are the advantages and disadvantages of completing the questions honestly?
- b. What are the advantages and disadvantages of completing the questions in a way you think the company is looking for?

2.3.12: Critical Thinking Case

Making a Diverse Workplace the Top Priority

Johnson & Johnson is a leader in multinational medical devices as well as pharmaceutical and consumer packaged goods. Founded in 1886, the company has been through generations of cultural differences and is consistently listed among the Fortune 500. Johnson & Johnson is a household name for millions with many of their products lining the shelves of medicine cabinets around the globe. In 2017, Johnson & Johnson took the number two spot on the Thomson Reuters Diversity & Inclusion Index.

At such a multinational company, with over 130,000 employees worldwide, the forefront of the focus on their internal workforce is diversity. At the forefront of their mission statement, this is clearly stated: “Make diversity and inclusion how we work every day.” Having a mission statement is wonderful, but how does Johnson & Johnson live up to these standards day in and day out?

Chief Diversity & Inclusion Officer Wanda Bryant Hope works tirelessly to inject the company with the very founding principles that built the company 130 years ago. She is one of 46 percent of employees worldwide that are women, and is delivering solutions that serve all of the patients and companies that work with Johnson & Johnson.

One initiative that sets Johnson & Johnson apart in the diversity category is their programs and initiatives such as the Scientist Mentoring and Diversity Program (SMDP), which is a yearlong mentorship program pairing ethnically diverse students with industry leaders.

Additionally, the company commits to alignment with Human Rights Campaign Equality Index benchmarks, as well as supporting the armed forces and wounded soldiers. These benefits include transgender-inclusive health insurance coverage and paid time off after military leave for soldiers to acclimate back to life at home.

These commitments make Johnson & Johnson one of the best cases for a company that is making great strides in a tough cultural climate to bridge the gaps and make all of their employees, customers, and clients feel included and a part of the bigger whole.

Questions:

1. What diversity challenges do you think Johnson & Johnson management and employees face due to their presence as worldwide organization?
2. What other considerations should the company take in order to increase their impact of diversity and inclusion in the workplace?
3. Johnson & Johnson prides themselves on bridging the gender equality gap. What are some challenges or concerns to consider in the future with their hiring practices?

Sources: Johnson & Johnson website accessed August 1, 2018, <https://www.jnj.com/about-jnj/diversity>; Johnson & Johnson website accessed August 1, 2018, <http://www.careers.jnj.com/careers/w...sity-inclusion>.

2.4: The 4 Personality Types

Four Personality Types

This week you learned how a person's personality influences their attitudes and behaviors at work. Innately, some personalities are better equipped for different job responsibilities. Understanding your personality and the personality of the people you work with will help you to be a more successful manager.

While there are many different personality assessments available, the STAR approach, which was developed by Patrick Bet-David, provides interesting insights and is relatively straightforward to use.

Watch this 5:43 video, you will learn about the "STAR" approach to personalities:

After watching the video, were you able to identify the one (or two) types that best match your personality? How will knowing this help you to better understand your work-related attitudes and behaviors?

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2.5: Work Ethic

Work Ethic

This week you were introduced to the concept of 'work ethic'. The term, [work ethic](#) "refers to the strength of one's commitment and dedication to hard work, both as an end in itself and as a means to a future reward."

Understanding the characteristics of a good work ethic is important to you in demonstrating it effectively.

To explore the differences between a good work ethic and a bad work ethic and learn tips on cultivating your work ethic, read the following article: [How to Develop a Strong Work Ethic](#)

2.6: Types of Communication

Interpersonal Communication

So, now that we know what directions communications travel, how do they get from sender to receiver? **Interpersonal communication** is how an individual chooses to engage with another individual or group. There are three types of interpersonal communication:

Oral Communication



The chief means of communication is oral, and in most cases, it's the most effective. Examples of oral communication can be a speech, a one-on-one meeting, or a group discussion.

The primary advantage of oral communication is speed, as the sender of the messages encodes it into words, and a receiver immediately decodes it and offers feedback. Any errors can be corrected early, before mistakes are made and productivity hindered.

The primary disadvantage of oral communication comes into play whenever the message has to be passed through many people. Did you ever play the game “telephone” with your friends as a child? If you did, you’ll remember that on player starts a message as a whisper at one end, and by the time it reached the other it was often changed, sometimes in a funny way. All laughs aside, that’s a real phenomenon and a real issue in organizations. When messages are verbally passed from person to person, there’s potential for that message to become distorted.

Written Communication

Written communication includes newsletters, memos, email, instant messaging and anything that you type or write. They’re verifiable forms of communication, existing beyond the moment of transmission and something receivers can refer back to for clarification.

The primary advantages of written communications is exactly that—they are written. They exist beyond the moment of transmission and can be used as reference later. Due to their ability to easily be referenced, written communications are particularly good for lengthy, complex communications. Additionally, the process of creating a written communication often requires that the sender be more thorough in his or her communication, because there is often enough time to revise and review what’s been written, and to be more careful about the information being transmitted.

A disadvantage of written communication is lack of feedback. Oral communication allows a receiver to respond instantly to the

sender with feedback. Written communication doesn't have a built-in feedback mechanism, and because of that feedback can arrive too late for appropriate action. Another disadvantage of written communication is that it's time consuming. Due to the lack of immediate feedback, it's often a good idea to be more thorough in your written communications, which inevitably takes more time to consider how your words might be unclear and preemptively write in additional context. If a message needs to be communicated quickly, a written communication isn't always the best solution.

Non-Verbal Communication



It's not just what you say, it's how you say it!

There's a myth that says communication is 35% verbal and 65% non-verbal. If that were true, people speaking a foreign language would be much easier to understand. However, it's very true that non-verbal communication adds additional meaning to in-person conversations. Non-verbal communication includes all of those things that aren't spoken but definitely transmit part of the message, including the following:

- facial expressions
- gestures
- proximity to receiver
- touch
- eye contact
- appearance

For instance, your friend may be telling you that she's really excited about a party she's planning to attend. But if she appears apathetic and listless, the communication doesn't come across quite the same. Senders who stand too close to a receiver send a different message than those who keep a socially acceptable distance. Senders who make eye contact appear to be more confident than those who avoid it. And finally, a sender's general appearance—choice of dress, hygiene, choice of delivery method etc.—can also send a message that either supports or detracts from the verbal message.

Intonation is also a form of non-verbal communication. How you say something, using your tone and inflection, is also reflected in the sender's message to the receiver. Consider the phrase "How would you like to go to lunch?"

Emphasized word	Translation
How	By what method would you like to go? Car? Bus?
you	Someone else is already going to lunch. Would you like to go too?
go	Would you like to go out rather than eating in?
lunch	Is lunch okay, rather than breakfast or dinner?

Intonation also includes the level of energy and emotion with which the sender delivers his message. If you've seen Gene Wilder's

Willie Wonka in *Willie Wonka and the Chocolate Factory*, when one of the children visiting the factory engages in a behavior he or she is not supposed to, Willie Wonka delivers a quiet, apathetic, “Stop. Please. Don’t.” The words would indicate Wonka is invested in getting the child to stop, but the tone says something very different.

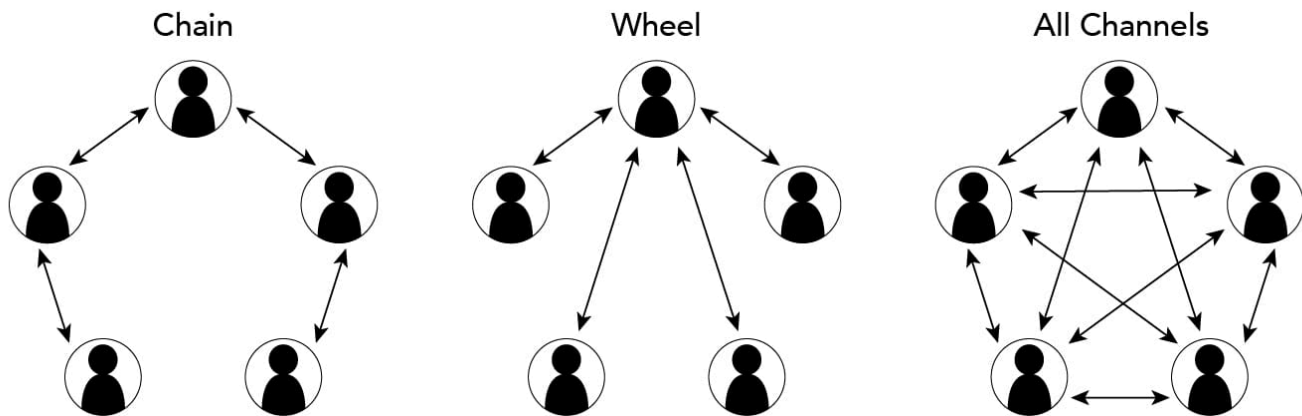
All these forms of interpersonal communication can take on an upward, downward or lateral direction when one is engaging in communication at work.

Organizational Communication

Communication isn’t just a one-on-one event, where an individual decides to communicate and starts the process. Organizational communication can feature other elements, elements that involve more than one person.

Formal Small-Group Networks

Formal organizations can be very complicated, including groups that feature hundreds of people and multiple hierarchical levels. For the sake of simplicity, we’re going to talk about three of the most common kinds of small groups, and pretend there are five people in each of them. These three common networks are the chain, wheel and all channel.



These diagrams represent communication in a three-level organization, with the dot at the top being the leader, the second tier being mid-level supervisors, and the third tier being subordinates to the mid-level supervisors.

The **chain group** rigidly follows a chain of command. As you can see, message and communication originates with one person on the chain, and has to travel up and down the line. Communication in a chain network is usually moderate in speed, high in accuracy. The emergence of a leader in this network situation is moderate, and member satisfaction is also moderate. This network feature is common in teams with rigid chains of command.

The **wheel group** is less rigid. In this type of network, leaders communicate to both levels of their organizations and allow communication from both levels back to them. Communication in a wheel network is fast, because everyone hears the same message, and it’s high in accuracy. The emergence of a leader in this framework is high (because all are looking to the same person) but member satisfaction is often low. This network feature is common in teams with strong leaders.

The **all-channel group** permits all levels of the group to actively communicate with each other. Communication in an all-channel network is fast, and accuracy is moderate. All-channel groups usually experience no emergence of a leader and member satisfaction is high. This is the common communication framework used in self-managed teams, where all group members participate and no one takes a leadership role.

The effectiveness of any of these networks depends on the variable you’re most concerned about. A wheel structure helps a leader emerge, but if member satisfaction is more important, the all-channel network may be a better choice. No single network is best

for all occasions.

Informal Organizational Communication

Of course not all communication in a workplace will be communicated through formal channels. People will gravitate toward individuals they get along better with—whether or not those personal relationships are formed along the organizational structure.

While most companies will have gossip and rumors, these informal conversations can be useful if viewed in the right light. Conversations about gossip and rumors are less about the content of the conversations and more about stress, actually. Rumors fly through the company because they're important to employees and clear up ambiguity, relieving anxiety. Secrecy about appointing new managers, changing org structures, and so on, help fuel these communications.

Managers can leverage informal communication to get a better handle on the morale of their teams and identify issues that employees find important or are stressed about. It's a filter and a feedback mechanism that will likely continue to exist no matter what steps are taken to avoid it.

These are ways that people communicate, alone or in groups, within organizations. Whether they're speaking and interacting face-to-face, or sending along a memo, they're exercising very traditional forms of message transmission. But today we have technology to help us communicate, and that changes some of these dynamics quite a bit. We'll take a look at how technology as affected organizational communication in the next module.

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2.7: The Major Channels of Management Communication Are Talking, Listening, Reading, and Writing

5. Know why talking, listening, reading, and writing are vital to managing effectively.

The major channels of managerial communication displayed in **Exhibit 11.6** are talking, listening, reading, and writing. Among these, talking is the predominant method of communicating, but as e-mail and texting increase, reading and writing are increasing. Managers across industries, according to Deirdre Borden, spend about 75% of their time in verbal interaction. Those daily interactions include the following.

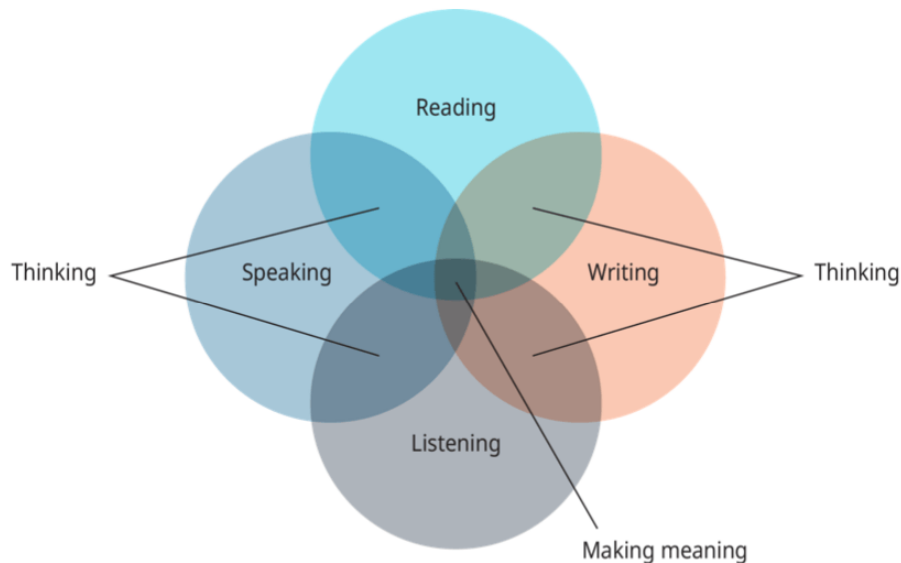


Exhibit 11.6 Reading, Writing, Speaking, and Listening: How They Help in Creating Meaning (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)

One-on-One Conversations

Increasingly, managers find that information is passed orally, often face-to-face in offices, hallways, conference rooms, cafeterias, restrooms, athletic facilities, parking lots, and literally dozens of other venues. An enormous amount of information is exchanged, validated, confirmed, and passed back and forth under highly informal circumstances.

Telephone Conversations

Managers spend an astounding amount of time on the telephone these days. Curiously, the amount of time per telephone call is decreasing, but the number of calls per day is increasing. With the nearly universal availability of cellular and satellite telephone service, very few people are out of reach of the office for very long. The decision to switch off a cellular telephone, in fact, is now considered a decision in favor of work-life balance.

Video Teleconferencing

Bridging time zones as well as cultures, videoconferencing facilities make direct conversations with employees, colleagues, customers, and business partners across the nation or around the world a simple matter. Carrier Corporation, the air-conditioning manufacturer, is now typical of firms using desktop videoconferencing to conduct everything from staff meetings to technical training. Engineers at Carrier's Farmington, Connecticut, headquarters can hook up with service managers in branch offices thousands of miles away to explain new product developments, demonstrate repair techniques, and update field staff on matters

that would, just recently, have required extensive travel or expensive, broadcast-quality television programming. Their exchanges are informal, conversational, and not much different than they would be if the people were in the same room.¹⁸

Presentations to Small Groups

Managers frequently find themselves making presentations, formal and informal, to groups of three to eight people for many different reasons: they pass along information given to them by executives, they review the status of projects in process, and they explain changes in everything from working schedules to organizational goals. Such presentations are sometimes supported by overhead transparencies or printed outlines, but they are oral in nature and retain much of the conversational character of one-to-one conversations.

Public Speaking to Larger Audiences

Most managers are unable to escape the periodic requirement to speak to larger audiences of several dozen or, perhaps, several hundred people. Such presentations are usually more formal in structure and are often supported by PowerPoint or Prezi software that can deliver data from text files, graphics, photos, and even motion clips from streaming video. Despite the more formal atmosphere and sophisticated audio-visual support systems, such presentations still involve one manager talking to others, framing, shaping, and passing information to an audience.

A series of scientific studies, beginning with Rankin, Nichols and Stevens, and Wolvin and Coakley, confirm: most managers spend the largest portion of their day talking and listening.¹⁹ Werner's thesis, in fact, found that North American adults spend more than 78% of their communication time either talking or listening to others who are talking.

According to Werner and others who study the communication habits of postmodern business organizations, managers are involved in more than just speeches and presentations from the dais or teleconference podium. They spend their days in meetings, on the telephone, conducting interviews, giving tours, supervising informal visits to their facilities, and at a wide variety of social events.²⁰



Exhibit 11.7 Public speaking Public speaking is often a terrifying but crucial skill for managers. (Credit: Mike Mozart/ flickr/ Attribution 2.0 Generic (CC BY 2.0))

Each of these activities may look to some managers like an obligation imposed by the job. Shrewd managers see them as opportunities to hear what others are thinking, to gather information informally from the grapevine, to listen in on office gossip, to pass along viewpoints that haven't yet made their way to the more formal channels of communication, or to catch up with a colleague or friend in a more relaxed setting. No matter what the intention of each manager who engages in these activities, the information they produce and the insight that follows from them can be put to work the same day to achieve organizational and personal objectives. "To understand why effective managers behave as they do," writes Kotter, "it is essential first to recognize

two fundamental challenges and dilemmas found in most of their jobs.” Managers must first figure out what to do, despite an enormous amount of potentially relevant information (along with much that is not), and then they must get things done “through a large and diverse group of people despite having little direct control over most of them.”²¹

The Role of Writing

Writing plays an important role in the life of any organization. In some organizations, it becomes more important than in others. At Procter & Gamble, for example, brand managers cannot raise a work-related issue in a team meeting unless the ideas are first circulated in writing. For P&G managers, this approach means explaining their ideas in explicit detail in a standard one-to-three-page memo, complete with background, financial discussion, implementation details, and justification for the ideas proposed.

Other organizations are more oral in their traditions—3M Canada is a “spoken” organization—but the fact remains: the most important projects, decisions, and ideas end up in writing. Writing also provides analysis, justification, documentation, and analytic discipline, particularly as managers approach important decisions that will affect the profitability and strategic direction of the company.

Writing is a career sifter. If managers demonstrate their inability to put ideas on paper in a clear, unambiguous fashion, they’re not likely to last. Stories of bad writers who’ve been shown the door early in their careers are legion. Managers’ principal objective, at least during the first few years of their career, is to keep their name out of such stories. Remember: those who are most likely to notice the quality and skill in managers’ written documents are the very people most likely to matter to managers’ future.

Managers do most of their own writing and editing. The days when managers could lean back and thoughtfully dictate a letter or memo to a skilled secretarial assistant are mostly gone. Some senior executives know how efficient dictation can be, especially with a top-notch administrative assistant taking shorthand, but how many managers have that advantage today? Very few, mostly because buying a computer and printer is substantially cheaper than hiring another employee. Managers at all levels of most organizations draft, review, edit, and dispatch their own correspondence, reports, and proposals.

Documents take on lives of their own. Once it’s gone from the manager’s desk, it isn’t theirs anymore. When they sign a letter and put it in the mail, it’s no longer their letter—it’s the property of the person or organization it was sent to. As a result, the recipient is free to do as she sees fit with the writing, including using it against the sender. If the ideas are ill-considered or not well expressed, others in the organization who are not especially sympathetic to the manager’s views may head for the copy machine with the manager’s work in hand. The advice for managers is simple: do not mail the first draft, and do not ever sign your name to a document you are not proud of.

Communication Is Invention

Without question, communication is a process of invention. Managers literally create meaning through communication. A company, for example, is not in default until a team of auditors sits down to examine the books and review the matter. Only after extended discussion do the accountants conclude that the company is, in fact, in default. It is their discussion that creates the outcome. Until that point, default was simply one of many possibilities.

The fact is managers create meaning through communication. It is largely through discussion and verbal exchange—often heated and passionate—that managers decide who they wish to be: market leaders, takeover artists, innovators, or defenders of the economy. It is only through communication that meaning is created for shareholders, employees, customers, and others. Those long, detailed, and intense discussions determine how much the company will declare in dividends this year, whether the company is willing to risk a strike or labor action, and how soon to roll out the new product line customers are asking for. Additionally, it is important to note that managers usually figure things out by talking about them as much as they talk about the things they have already figured out. Talk serves as a wonderful palliative: justifying, analyzing, dissecting, reassuring, and analyzing the events that confront managers each day.

Information Is Socially Constructed

If we are to understand just how important human discourse is in the life of a business, several points seem especially important.

Information is created, shared, and interpreted by people. Meaning is a truly human phenomenon. An issue is only important if people think it is. Facts are facts only if we can agree upon their definition. Perceptions and assumptions are as important as

truth itself in a discussion about what a manager should do next.²² Information never speaks for itself. It is not uncommon for a manager to rise to address a group of her colleagues and say, “The numbers speak for themselves.” Frankly, the numbers never speak for themselves. They almost always require some sort of interpretation, some sort of explanation or context. Do not assume that others see the facts in the same way managers do, and never assume that what is seen is the truth. Others may see the same set of facts or evidence but may not reach the same conclusions. Few things in life are self-explanatory.

Context always drives meaning. The backdrop to a message is always of paramount importance to the listener, viewer, or reader in reaching a reasonable, rational conclusion about what she sees and hears. What’s in the news these days as we take up this subject? What moment in history do we occupy? What related or relevant information is under consideration as this new message arrives? We cannot possibly derive meaning from one message without considering everything else that surrounds it.

A messenger always accompanies a message. It is difficult to separate a message from its messenger. We often want to react more to the source of the information than we do to the information itself. That’s natural and entirely normal. People speak for a reason, and we often judge their reasons for speaking before analyzing what they have to say. Keep in mind that, in every organization, message recipients will judge the value, power, purpose, intent, and outcomes of the messages they receive by the source of those messages as much as by the content and intent of the messages themselves. If the messages managers send are to have the impact hoped for, they must come from a source the receiver knows, respects, and understands.

Managers’ Greatest Challenge

Every manager knows communication is vital, but every manager also seems to “know” that she is great at it. Managers’ greatest challenge is to admit to flaws in their skill set and work tirelessly to improve them. First, managers must admit to the flaws.

Larkin and Larkin write, “Deep down, managers believe they are communicating effectively. In ten years of management consulting, we have never had a manager say to us that he or she was a poor communicator. They admit to the occasional screw-up, but overall, everyone, without exception, believes he or she is basically a good communicator.”²³

Managers’ Task as Professionals

As a professional manager, the first task is to recognize and understand one’s strengths and weaknesses as a communicator. Until these communication tasks at which one is most and least skilled are identified, there will be little opportunity for improvement and advancement.

Foremost among managers’ goals should be to improve existing skills. Improve one’s ability to do what is done best. Be alert to opportunities, however, to develop new skills. Managers should add to their inventory of abilities to keep themselves employable and promotable.

Two other suggestions come to mind for improving managers’ professional standing. First, acquire a knowledge base that will work for the years ahead. That means speaking with and listening to other professionals in their company, industry, and community. They should be alert to trends that could affect their company’s products and services, as well as their own future.

It also means reading. Managers should read at least one national newspaper each day, including the *Wall Street Journal*, the *New York Times*, or the *Financial Times*, as well as a local newspaper. Their reading should include weekly news magazines, such as *U.S. News & World Report*, *Bloomberg’s Business Week*, and the *Economist*. Subscribe to monthly magazines such as *Fast Company* and *Fortune*. And they should read at least one new hardcover title a month. A dozen books each year is the bare minimum on which one should depend for new ideas, insights, and managerial guidance.

Managers’ final challenge is to develop the confidence needed to succeed as a manager, particularly under conditions of uncertainty, change, and challenge.

ethics in practice

Disney and H-1B Visas

On January 30, 2015, The Walt Disney Company laid off 250 of its IT workers. In a letter to the laid-off workers, Disney outlined the conditions for receipt of a “stay bonus,” which would entitle each worker to a lump-sum payment of 10% of her annual salary.

Of course, there was a catch. Only those workers who trained their replacements over a 90-day period would receive the bonus. One American worker in his 40s who agreed to Disney’s severance terms explained how it worked in action:

“The first 30 days was all capturing what I did. The next 30 days, they worked side by side with me, and the last 30 days, they took over my job completely. I had to make sure they were doing my job correctly.”

To outside observers, this added insult to injury. It was bad enough to replace U.S. workers with cheaper, foreign labor. But to ask, let alone strong-arm, the laid-off workers into training their replacements seemed a bit much.

However unfortunate, layoffs are commonplace. But this was different. From the timing to the apparent neglect of employee pride, the sequence of events struck a nerve. For many, the issue was simple, and Disney’s actions seemed wrong at a visceral level. As criticism mounted, it became clear that this story would develop legs. Disney had a problem.

For David Powers and Leo Perrero, each a 10-year information technology (IT) veteran at Disney, the invitation came from a vice president of the company. It had to be good news, the men thought. After all, they were not far removed from strong performance reviews—perhaps they would be awarded performance bonuses. Well, not exactly. Leo Perrero, one of the summoned workers, explains what happened next.

“I’m in the room with about two-dozen people, and very shortly thereafter an executive delivers the news that all of our jobs are ending in 90 days, and that we have 90 days to train our replacements or we won’t get a bonus that we’ve been offered.”

Powers explained the deflating effect of the news: “When a guillotine falls down on you, in that moment you’re dead . . . and I was dead.”

These layoffs and the hiring of foreign workers under the H-1B program lay at the center of this issue. Initially introduced by the Immigration and Nationality Act of 1965, subsequent modifications produced the current iteration of the H-1B visa program in 1990. Importantly, at that time, the United States faced a shortage of skilled workers necessary to fill highly technical jobs. Enter the H-1B visa program as the solution. This program permits U.S. employers to temporarily employ foreign workers in highly specialized occupations. “Specialty occupations” are defined as those in the fields of architecture, engineering, mathematics, science, medicine, and others that require technical and skilled expertise.

Congress limited the number of H-1B visas issued to 85,000 per year. That total is divided into two subcategories: “65,000 new H-1B visas issued for overseas workers in professional or specialty occupation positions, and an additional 20,000 visas available for those with an advanced degree from a U.S. academic institution.” Further, foreign workers are not able to apply for an H-1B visa. Instead, a U.S. employer must petition on their behalf no earlier than six months before the starting date of employment.

In order to be eligible for an employer to apply a foreign worker for an H-1B visa, the worker needed to meet certain requirements, such as an employee-employer relationship with the petitioning U.S. employer and a position in a specialty occupation related to the employee’s field of study, where the employee must meet one of the following criteria: a bachelor’s degree or the foreign equivalent of a bachelor’s degree, a degree that is standard for the position, or previous qualified experience within the specialty occupation.

If approved, the initial term of the visa is three years, which may be extended an additional three years. While residing in the United States on an H-1B visa, a worker may apply to become a permanent resident and receive a green card, which would entitle the worker to remain indefinitely.

U.S. employers are required to file a Labor Condition Application (LCA) on behalf of each foreign worker they seek to employ. That application must be approved by the U.S. Department of Labor. The LCA requires the employer to assure that the foreign worker will be paid a wage and be provided working conditions and benefits that meet or exceed the local prevailing market and to assure that the foreign worker will not displace a U.S. worker in the employer’s workforce.

Given these representations, U.S. employers have increasingly been criticized for abuse of the H-1B program. Most significantly, there is rising sentiment that U.S. employers are displacing domestic workers in favor of cheaper foreign labor. Research indicates that a U.S. worker's salary for these specialty occupations often exceeds \$100,000, while that of a foreign worker is roughly \$62,000 for the very same job. The latter figure is telling, since \$60,000 is the threshold below which a salary would trigger a penalty.

Disney faced huge backlash and negative press because of the layoffs and hiring of foreign workers. Because of this, Disney had communication challenges, both internally and externally.

Disney executives framed the layoffs as part of a larger plan of reorganization intended to enable its IT division to focus on driving innovation. Walt Disney World spokesperson Jacquie Wahler gave the following explanation:

"We have restructured our global technology organization to *significantly increase our cast member focus on future innovation and new capabilities*, and are continuing to work with leading technical firms to maintain our existing systems as needed." (Italics added for emphasis.)

That statement is consistent with a leaked memo drafted by Disney Parks and Resort CIO Tilak Mandadi, which he sent to select employees on November 10, 2014 (not including those who would be laid off), to explain the rationale for the impending layoffs. The memo read, in part, as follows:

"To enable a majority of our team to *shift focus to new capabilities*, we have executed five new managed services agreements to support testing services and application maintenance. Last week, we began working with both our internal subject matter experts and the suppliers to start transition planning for these agreements. We expect knowledge transfer to start later this month and last through January. Those Cast Members who are involved will be contacted in the next several weeks."

Responding to the critical *New York Times* article, Disney represented that when all was said and done, the company had in fact produced a net jobs increase. According to Disney spokesperson Kim Prunty:

"Disney has created almost 30,000 new jobs in the U.S. over the past decade, and the recent changes to our parks' IT team resulted in a larger organization with 70 additional in-house positions in the U.S. External support firms are responsible for complying with all applicable employment laws for their employees."

New jobs were promised due to the restructuring, Disney officials said, and employees targeted for termination were pushed to apply for those positions. According to a confidential Disney source, of the approximately 250 laid-off employees, 120 found new jobs within Disney, 40 took early retirement, and 90 were unable to secure new jobs with Disney.

On June 11, 2015, Senator Richard Durbin of Illinois and Senator Jeffrey Sessions of Alabama released a statement regarding a bipartisan letter issued to the attorney general, the Department Homeland Security, and the Department of Labor.

"A number of U.S. employers, including some large, well-known, publicly-traded corporations, have laid off thousands of American workers and replaced them with H-1B visa holders To add insult to injury, many of the replaced American employees report that they have been forced to train the foreign workers who are taking their jobs. That's just plain wrong and we'll continue to press the Administration to help solve this problem."

On July 7, 2015, *The Daily Caller* reported that the Department of Labor had commenced investigations of Disney after having received several formal complaints from laid-off workers. According to the report, Department of Labor personnel reached out to the former Disney workers to conduct phone interviews regarding names of displaced employees as well as typical salaries for the positions. Disney declined to comment on the report.

In response to request for comment on the communications issues raised by the Disney layoffs and aftermath, *New York Times* columnist Julia Preston shared the following exclusive analysis:

"I would say Disney's handling of those lay-offs is a case study in how not to do things. But in the end it's not about the communications, it's about the company. Those layoffs showed a company that was not living up to its core vaunted family values and no amount of shouting by their communications folks could change the facts of what happened."

Questions for Discussion

1. Is it ethical for U.S. companies to lay off workers and hire foreign workers under the H-1B program? Should foreign countries restrict the hiring of foreign workers that meet their workforce requirements?
2. Discuss the internal and external communications that Disney employed in this situation. The examples here are of the formal written communications. What should Disney have been communicating verbally to their employees and externally?

Sources: Preston, Julia, *Pink Slips at Disney. But First, Training Foreign Replacements*, The New York Times June 3, 2015, www.nytimes.com/2015/06/04/us...train-foreign-replacements.html; Vargas, Rebecca, *EXCLUSIVE: Former Employees Speak Out About Disney's Outsourcing of High-Tech Jobs*, WWSB ABC 7 (Oct. 28, 2015), http://www.mysuncoast.com/news/local...lusive-former-employees-speak-out-about-disney-s-outsourcing-of-article_d8867148-7d8c-11e5-ae40-fb05081380c1.html; Boyle, Mathew, *Ahead of GOP Debate, Two Ex-Disney Workers Displaced by H1B Foreigners Speak Out for First Time*, Breitbart.com, October 28, 2015, <http://www.breitbart.com/big-government...isney-workers-displaced-by-h1b-foreigners-speak-out-for-first-time>; Sandra Pedicini, *Tech Workers File Lawsuits Against Disney Over H-1B Visas*, Orlando Sentinel, published January 25, 2016, accessed February 6, 2016, available at <http://www.orlandosentinel.com/busin...125-story.html>; U.S. Citizenship and Immigration Services, *Understanding H-1B Requirements*, accessed February 6, 2016, available at <https://www.uscis.gov/eir/visa-guide...standing-h-1b-requirements>; May, Caroline, Sessions, Durbin: Department Of Labor Has Launched Investigation Into H-1B Abuses, Breitbart.com (June 11, 2015), <http://www.breitbart.com/big-government/2015/06/11/sessions-durbin-department-of-labor-has-launched-investigation-into-h-1b-abuses/>; Stoltzfoos, Rachel, *Feds Investigate Disney, HCL America Over January Layoffs*, The Daily Caller (July 7, 2015), dailycaller.com/2015/07/07/fe...-over-january-layoffs/#ixzz41DY4x8Dy; Email from Julia Preston, National Immigration Correspondent, The New York Times, to Bryan Shannon, co-author of this case study, dated February 10, 2016.

concept check

- What are the four components of communication discussed in this section?
- Why is it important to understand your limitations in communicating to others and in larger groups?
- Why should managers always strive to improve their skills?

2.8: The Power of Nonverbal Communications

Types of Nonverbal Communication

This week you were introduced to nonverbal communication. Watch this 12:56 video to learn how you can be more effective by being aware of how information is communicated:

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3: IMPACT OF ATTITUDE

3.1: Overview

3.2: Guiding Questions

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3.3.1: The Perceptual Process

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3.3.3: Attributions - Interpreting the Causes of Behavior

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3.5: Conformity, Compliance, and Obedience

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3.7: Barriers to Effective Communication

3.8: Communication Barriers

3.1: Overview

Module 3: Overview

Within this module, students will explore the formation of attitudes and examine the correlation between attitudes and behaviors; both individually and amongst teams. In addition, we will examine common barriers to communication.

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3.2: Guiding Questions

Module 3: Guiding Questions

Consider the following questions as you review the learning materials this week:

- Why might people perceive the same situation differently?
- How are workplace attitudes formed?
- How do attitudes impact behaviors?
- How do individuals influence team behaviors?
- Why does the communication channel that is used matter?
- What are the barriers to communicating effectively?

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3.3: PERCEPTION AND JOB ATTITUDES



Exhibit 3.1 (Credit: Quinn Dombroski/ flickr/ Attribution-ShareAlike 2.0 Generic (CC BY-SA 2.0))

After reading this chapter, you should be able to answer these questions:

1. How do differences in perception affect employee behavior and performance?
2. How can managers and organizations minimize the negative impact of stereotypes and other barriers to accurate social perception in interpersonal relations?
3. How do people attribute credit and blame for organizational events?
4. How can a work environment characterized by positive work attitudes be created and maintained?
5. How can managers and organizations develop a committed workforce?

3.3.1: The Perceptual Process

3.3.2: Barriers to Accurate Social Perception

3.3.3: Attributions - Interpreting the Causes of Behavior

3.3.4: Work-Related Attitudes

3.3.5: Glossary

3.3.6: Summary of Learning Outcomes

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3.3.8: Management Skills Application Exercises

3.3.9: Managerial Decision Exercises

3.3.10: Critical Thinking Case

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3.3.1: The Perceptual Process

exploring perceptions affect workplace harmony

Personal Perceptions Affect Workplace Harmony

Conflict was a feeling that James and Chaz were familiar with in their workplace. It was just a matter of time before their differences bubbled up to form a real hardship on themselves as well as their management teams.

Chaz is anxious to get ahead, really focused on how fast he can accelerate his career. In order to showcase his tenacity, he stays extra hours and often takes on extra assignments from upper management and doesn't seem to mind. James, on the other hand, is content in his position and believes that if he does his regular job, he will be seen a stable part of the team and will be rewarded for his everyday efforts. James views Chaz's behavior as "kissing up" and resents Chaz for his extra efforts because it may make his own work look bad. James doesn't give a thought to the personal reasons why Chaz may be acting that way, and instead ends up treating Chaz poorly, with a short temper every time they have to work together.

Chaz talks to his manager, Jerry, about the way that he is being treated by James. He explains that he has been having some personal troubles at home, his wife is expecting, and they are trying to save for the new addition to their family. Chaz is feeling pressure to work hard and showcase his talents in order to get a raise. He also expresses his feelings against James, mainly that he shouldn't be scrutinized for going above and beyond when his colleagues may just decide to do the minimum requirements. Jerry understands, and he appreciates Chaz coming to him with his concerns. They talk about ways to measure Chaz's extra efforts and plan a conversation during their annual review period to discuss his raise again. Jerry also suggests that Chaz talk with James to alleviate some of the negative behavior he is experiencing. He feels that if James understood the reasons behind Chaz's actions, he may be less jealous and feel less threatened by him.

Questions:

1. How can an individual's perceptions be a challenge in the workplace?
2. What can James do in the future to address Chaz in a different manner and better understand his actions?
3. What do you think Jerry could have done differently to help his employees overcome their differences and work more efficiently together?

1. How do differences in perception affect employee behavior and performance?

By **perception**, we mean the process by which one screen, selects, organizes, and interprets stimuli to give them meaning.¹ It is a process of making sense out of the environment in order to make an appropriate behavioral response. Perception does not necessarily lead to an accurate portrait of the environment, but rather to a unique portrait, influenced by the needs, desires, values, and disposition of the perceiver. As described by Kretch and associates,² an individual's perception of a given situation is not a photographic representation of the physical world; it is a partial, personal construction in which certain objects, selected by the individual for a major role, are perceived in an individual manner. Every perceiver is, as it were, to some degree a nonrepresentational artist, painting a picture of the world that expresses an individual view of reality.

The multitude of objects that vie for attention are first selected or screened by individuals. This process is called **perceptual selectivity**. Certain of these objects catch our attention, while others do not. Once individuals notice a particular object, they then attempt to make sense out of it by organizing or categorizing it according to their unique frame of reference and their needs. This second process is termed **perceptual organization**. When meaning has been attached to an object, individuals are in a position to determine an appropriate response or reaction to it. Hence, if we clearly recognize and understand we are in danger from a falling rock or a car, we can quickly move out of the way.

Because of the importance of perceptual selectivity for understanding the perception of work situations, we will examine this concept in some detail before considering the topic of social perception.

Perceptual Selectivity: Seeing What We See

As noted above, **perceptual selectivity** refers to the process by which individuals select objects in the environment for attention.

Without this ability to focus on one or a few stimuli instead of the hundreds constantly surrounding us, we would be unable to process all the information necessary to initiate behavior. In essence, perceptual selectivity works as follows (see **Exhibit 3.2**). The individual is first exposed to an object or stimulus—a loud noise, a new car, a tall building, another person, and so on. Next, the individual focuses attention on this one object or stimulus, as opposed to others, and concentrates his efforts on understanding or comprehending the stimulus. For example, while conducting a factory tour, two managers came across a piece of machinery. One manager’s attention focused on the stopped machine; the other manager focused on the worker who was trying to fix it. Both managers simultaneously asked the worker a question. The first manager asked why the machine was stopped, and the second manager asked if the employee thought that he could fix it. Both managers were presented with the same situation, but they noticed different aspects. This example illustrates that once attention has been directed, individuals are more likely to retain an image of the object or stimulus in their memory and to select an appropriate response to the stimulus. These various influences on selective attention can be divided into external influences and internal (personal) influences (see **Exhibit 3.3**).



Exhibit 3.2 The Process of Perceptual Selectivity

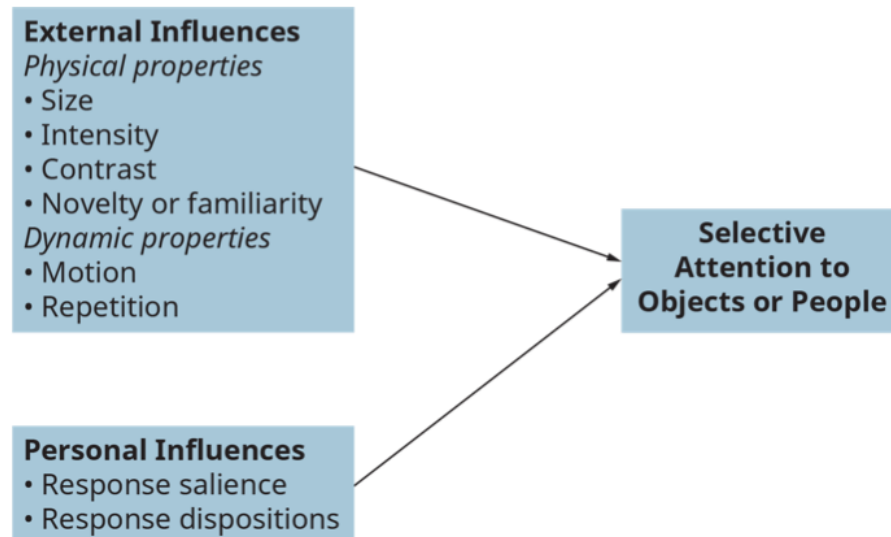


Exhibit 3.3 Major Influences on Selective Attention

External Influences on Selective Attention

External influences consist of the characteristics of the observed object or person that activate the senses. Most external influences affect selective attention because of either their physical properties or their dynamic properties.

Physical Properties. The physical properties of the objects themselves often affect which objects receive attention by the perceiver. Emphasis here is on the unique, different, and out of the ordinary. A particularly important physical property is *size*. Generally, larger objects receive more attention than smaller ones. Advertising companies use the largest signs and billboards allowed to capture the perceiver’s attention. However, when most of the surrounding objects are large, a small object against a field of large objects may receive more attention. In either case, size represents an important variable in perception. Moreover, brighter, louder, and more colorful objects tend to attract more attention than objects of less *intensity*. For example, when a factory foreman yells an order at his subordinates, it will probably receive more notice (although it may not receive the desired response) from workers. It must be remembered here, however, that intensity heightens attention only when compared to other comparable stimuli. If the foreman always yells, employees may stop paying much attention to the yelling. Objects that *contrast* strongly with the background against which they are observed tend to receive more attention than less-contrasting objects. An example of the contrast principle can be seen in the use of plant and highway safety signs. A terse message such as “Danger” is lettered in black against a yellow or orange background. A final physical characteristic that can heighten perceptual awareness is the *novelty* or *unfamiliarity* of the object. Specifically, the unique or unexpected seen in a familiar setting (an executive of a

conservative company who comes to work in Bermuda shorts) or the familiar seen in an incongruous setting (someone in church holding a can of beer) will receive attention.

Dynamic Properties. The second set of external influences on selective attention are those that either change over time or derive their uniqueness from the order in which they are presented. The most obvious dynamic property is *motion*. We tend to pay attention to objects that move against a relatively static background. This principle has long been recognized by advertisers, who often use signs with moving lights or moving objects to attract attention. In an organizational setting, a clear example is a rate-buster, who shows up his colleagues by working substantially faster, attracting more attention.

Another principle basic to advertising is *repetition* of a message or image. Work instructions that are repeated tend to be received better, particularly when they concern a dull or boring task on which it is difficult to concentrate. This process is particularly effective in the area of plant safety. Most industrial accidents occur because of careless mistakes during monotonous activities. Repeating safety rules and procedures can often help keep workers alert to the possibilities of accidents.

Personal Influences on Selective Attention

In addition to a variety of external factors, several important personal factors are also capable of influencing the extent to which an individual pays attention to a particular stimulus or object in the environment. The two most important personal influences on perceptual readiness are **response salience** and **response disposition**.

Response Salience. This is a tendency to focus on objects that relate to our *immediate* needs or wants. Response salience in the work environment is easily identified. A worker who is tired from many hours of work may be acutely sensitive to the number of hours or minutes until quitting time. Employees negotiating a new contract may know to the penny the hourly wage of workers doing similar jobs across town. Managers with a high need to achieve may be sensitive to opportunities for work achievement, success, and promotion. Finally, female managers may be more sensitive than many male managers to condescending male attitudes toward women. Response salience, in turn, can distort our view of our surroundings. For example, as Ruch notes:

"Time spent on monotonous work is usually overestimated. Time spent in interesting work is usually underestimated. . . . Judgment of time is related to feelings of success or failure. Subjects who are experiencing failure judge a given interval as longer than do subjects who are experiencing success. A given interval of time is also estimated as longer by subjects trying to get through a task in order to reach a desired goal than by subjects working without such motivation."³

Response Disposition. Whereas response salience deals with immediate needs and concerns, **response disposition** is the tendency to recognize familiar objects more quickly than unfamiliar ones. The notion of response disposition carries with it a clear recognition of the importance of past learning on what we perceive in the present. For instance, in one study, a group of individuals was presented with a set of playing cards with the colors and symbols reversed—that is, hearts and diamonds were printed in black, and spades and clubs in red. Surprisingly, when subjects were presented with these cards for brief time periods, individuals consistently described the cards as they expected them to be (red hearts and diamonds, black spades and clubs) instead of as they really were. They were predisposed to see things as they always had been in the past.⁴

Thus, the basic perceptual process is in reality a fairly complicated one. Several factors, including our own personal makeup and the environment, influence how we interpret and respond to the events we focus on. Although the process itself may seem somewhat complicated, it in fact represents a shorthand to guide us in our everyday behavior. That is, without perceptual selectivity we would be immobilized by the millions of stimuli competing for our attention and action. The perceptual process allows us to focus our attention on the more salient events or objects and, in addition, allows us to categorize such events or objects so that they fit into our own conceptual map of the environment.

expanding around the globe

Which Car Would You Buy?

When General Motors teamed up with Toyota to form California-based New United Motor Manufacturing Inc. (NUMMI), they had a great idea. NUMMI would manufacture not only the popular Toyota Corolla but would also make a GM car called the Geo Prizm. Both cars would be essentially identical except for minor styling differences. Economies of scale and high quality

would benefit the sales of both cars. Unfortunately, General Motors forgot one thing. The North American consumer holds a higher opinion of Japanese-built cars than American-made ones. As a result, from the start of the joint venture, Corollas have sold rapidly, while sales of Geo Prizms have languished.

With hindsight, it is easy to explain what happened in terms of perceptual differences. That is, the typical consumer simply perceived the Corolla to be of higher quality (and perhaps higher status) and bought accordingly. Not only was the Prizm seen more skeptically by consumers, but General Motors' insistence on a whole new name for the product left many buyers unfamiliar with just what they were buying. Perception was that main reason for lagging sales; however, the paint job on the Prizm was viewed as being among the worst ever. As a result, General Motors lost \$80 million on the Prizm in its first year of sales. Meanwhile, demand for the Corolla exceeded supply.

The final irony here is that no two cars could be any more alike than the Prizm and the Corolla. They are built on the same assembly line by the same workers to the same design specifications. They are, in fact, the same car. The only difference is in how the consumers perceive the two cars—and these perceptions obviously are radically different.

Over time, however, perceptions did change. While there was nothing unique about the Prizm, the vehicle managed to sell pretty well for the automaker and carried on well into the 2000s. The Prizm was also the base for the Pontiac Vibe, which was based on the Corolla platform as well, and this is one of the few collaborations that worked really well.

Sources: C. Eitheim, "10 Odd Automotive Brand Collaborations (And 15 That Worked)," *Car Culture*, January 19, 2019; R. Hof, "This Team-Up Has It All—Except Sales," *Business Week*, August 14, 1989, p. 35; C. Eitheim, "15 GM Cars With The Worst Factory Paint Jobs (And 5 That'll Last Forever)," *Motor Hub*, November 8, 2018.

Social Perception in Organizations

Up to this point, we have focused on an examination of basic perceptual processes—how we see objects or attend to stimuli. Based on this discussion, we are now ready to examine a special case of the perceptual process—**social perception** as it relates to the workplace. Social perception consists of those processes by which we perceive other people.⁵ Particular emphasis in the study of social perception is placed on how we interpret other people, how we categorize them, and how we form impressions of them.

Clearly, social perception is far more complex than the perception of inanimate objects such as tables, chairs, signs, and buildings. This is true for at least two reasons. First, people are obviously far more complex and dynamic than tables and chairs. More-careful attention must be paid in perceiving them so as not to miss important details. Second, an accurate perception of others is usually far more important to us personally than are our perceptions of inanimate objects. The consequences of misperceiving people are great. Failure to accurately perceive the location of a desk in a large room may mean we bump into it by mistake. Failure to perceive accurately the hierarchical status of someone and how the person cares about this status difference might lead you to inappropriately address the person by their first name or use slang in their presence and thereby significantly hurt your chances for promotion if that person is involved in such decisions. Consequently, social perception in the work situation deserves special attention.

We will concentrate now on the three major influences on social perception: the characteristics of (1) the person being perceived, (2) the particular situation, and (3) the perceiver. When taken together, these influences are the dimensions of the environment in which we view other people. It is important for students of management to understand the way in which they interact (see **Exhibit 3.4**).

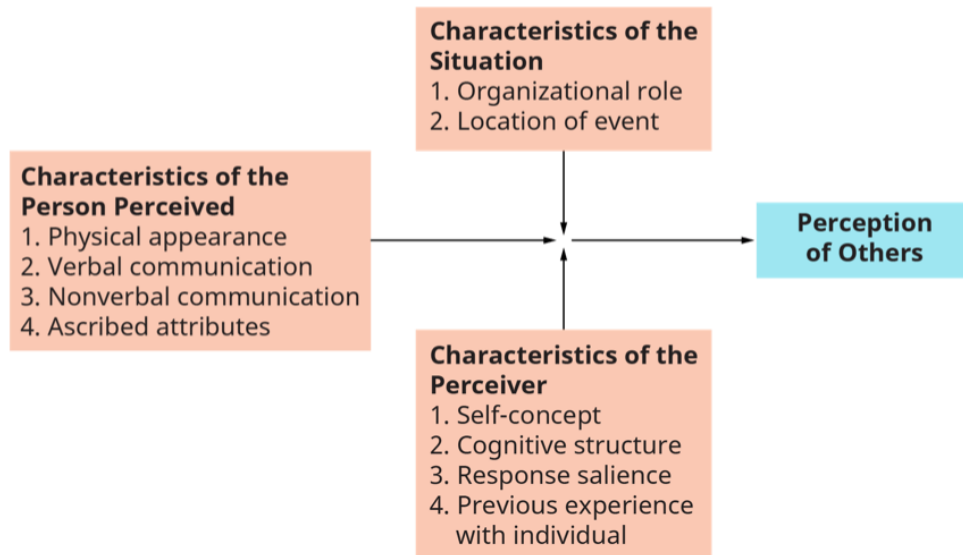


Exhibit 3.4 Major Influences on Social Perception in Organizations

The way in which we are evaluated in social situations is greatly influenced by our own unique sets of personal characteristics. That is, our dress, talk, and gestures determine the kind of impressions people form of us. In particular, four categories of personal characteristics can be identified: (1) physical appearance, (2) verbal communication, (3) nonverbal communication, and (4) ascribed attributes.

Physical Appearance. A variety of physical attributes influence our overall image. These include many of the obvious demographic characteristics such as age, sex, race, height, and weight. A study by Mason found that most people agree on the physical attributes of a leader (i.e., what leaders *should* look like), even though these attributes were not found to be consistently held by actual leaders. However, when we see a person who appears to be assertive, goal-oriented, confident, and articulate, we infer that this person is a natural leader. Another example of the powerful influence of physical appearance on perception is clothing. People dressed in business suits are generally thought to be professionals, whereas people dressed in work clothes are assumed to be lower-level employees.

Verbal and Nonverbal Communication. What we say to others—as well as how we say it—can influence the impressions others form of us. Several aspects of verbal communication can be noted. First, the *precision* with which one uses language can influence impressions about cultural sophistication or education. An *accent* provides clues about a person's geographic and social background. The *tone of voice* used provides clues about a speaker's state of mind. Finally, the *topics* people choose to converse about provide clues about them.

Impressions are also influenced by nonverbal communication—how people behave. For instance, facial expressions often serve as clues in forming impressions of others. People who consistently smile are often thought to have positive attitudes.⁷ A whole field of study that has recently emerged is **body language**, the way in which people express their inner feelings subconsciously through physical actions: sitting up straight versus being relaxed, looking people straight in the eye versus looking away from people. These forms of expressive behavior provide information to the perceiver concerning how approachable others are, how self-confident they are, or how sociable they are.

Ascribed Attributes. Finally, we often ascribe certain attributes to a person before or at the beginning of an encounter; these attributes can influence how we perceive that person. Three ascribed attributes are status, occupation, and personal characteristics. We ascribe *status* to someone when we are told that he or she is an executive, holds the greatest sales record, or has in some way achieved unusual fame or wealth. Research has consistently shown that people attribute different motives to people they believe to be high or low in status, even when these people behave in an identical fashion.⁸ For instance, high-status people are seen as having greater control over their behavior and as being more self-confident and competent; they are given greater influence in group decisions than low-status people. Moreover, high-status people are generally better liked than low-status people. *Occupations* also play an important part in how we perceive people. Describing people as salespersons, accountants, teamsters, or research scientists conjures up distinct pictures of these various people before any firsthand encounters. In fact, these pictures may even determine whether there can be an encounter.

Characteristics of the Situation

The second major influence on how we perceive others is the situation in which the perceptual process occurs. Two situational influences can be identified: (1) the organization and the employee's place in it, and (2) the location of the event.

Organizational Role. An employee's place in the organizational hierarchy can also influence his perceptions. A classic study of managers by Dearborn and Simon emphasizes this point. In this study, executives from various departments (accounting, sales, production) were asked to read a detailed and factual case about a steel company.⁹ Next, each executive was asked to identify the major problem a new president of the company should address. The findings showed clearly that the executives' perceptions of the most important problems in the company were influenced by the departments in which they worked. Sales executives saw sales as the biggest problem, whereas production executives cited production issues. Industrial relations and public relations executives identified human relations as the primary problem in need of attention.

In addition to perceptual differences emerging horizontally across departments, such differences can also be found when we move vertically up or down the hierarchy. The most obvious difference here is seen between managers and unions, where the former see profits, production, and sales as vital areas of concern for the company whereas the latter place much greater emphasis on wages, working conditions, and job security. Indeed, our views of managers and workers are clearly influenced by the group to which we belong. The positions we occupy in organizations can easily color how we view our work world and those in it. Consider the results of a classical study of perceptual differences between superiors and subordinates.¹⁰ Both groups were asked how often the supervisor gave various forms of feedback to the employees. The results, shown in **Table 3.1**, demonstrate striking differences based on one's location in the organizational hierarchy.

Differences in Perception between Supervisors and Subordinates		
Types of Recognition	Frequency with Which Supervisors Give Various Types of Recognition for Good Performance	
	As Seen by Supervisors	As Seen by Subordinates
Gives privileges	52%	14%
Gives more responsibility	48	10
Gives a pat on the back	82	13
Gives sincere and thorough praise	80	14
Trains for better jobs	64	9
Gives more interesting work	51	5
Source: Adapted from R. Likert, <i>New Patterns in Management</i> (New York: McGraw Hill, 1961), p. 91.		

Table 3.1

Location of Event. Finally, how we interpret events is also influenced by where the event occurs. Behaviors that may be appropriate at home, such as taking off one's shoes, may be inappropriate in the office. Acceptable customs vary from country to country. For instance, assertiveness may be a desirable trait for a sales representative in the United States, but it may be seen as being brash or coarse in Japan or China. Hence, the context in which the perceptual activity takes place is important.

Characteristics of the Perceiver

The third major influence on social perception is the personality and viewpoint of the perceiver. Several characteristics unique to our personalities can affect how we see others. These include (1) self-concept, (2) cognitive structure, (3) response salience, and (4) previous experience with the individual.¹¹

Self-Concept. Our self-concept represents a major influence on how we perceive others. This influence is manifested in several ways. First, when we understand ourselves (i.e., can accurately describe our own personal characteristics), we are better able to perceive others accurately. Second, when we accept ourselves (i.e., have a positive self-image), we are more likely to see favorable

characteristics in others. Studies have shown that if we accept ourselves as we are, we broaden our view of others and are more likely to view people uncritically. Conversely, less secure people often find faults in others. Third, our own personal characteristics influence the characteristics we notice in others. For instance, people with authoritarian tendencies tend to view others in terms of power, whereas secure people tend to see others as warm rather than cold.¹² From a management standpoint, these findings emphasize how important it is for administrators to understand themselves; they also provide justification for the human relations training programs that are popular in many organizations today.

Cognitive Structure. Our cognitive structures also influence how we view people. People describe each other differently. Some use physical characteristics such as tall or short, whereas others use central descriptions such as deceitful, forceful, or meek. Still others have more complex cognitive structures and use multiple traits in their descriptions of others; hence, a person may be described as being aggressive, honest, friendly, *and* hardworking. (See the discussion in Individual and Cultural Differences on cognitive complexity.) Ostensibly, the greater our cognitive complexity—our ability to differentiate between people using multiple criteria—the more accurate our perception of others. People who tend to make more complex assessments of others also tend to be more positive in their appraisals.¹³ Research in this area highlights the importance of selective managers who exhibit high degrees of cognitive complexity. These individuals should form more accurate perceptions of the strengths and weaknesses of their subordinates and should be able to capitalize on their strengths while ignoring or working to overcome their weaknesses.

Response Saliency. This refers to our sensitivity to objects in the environment as influenced by our particular needs or desires. Response saliency can play an important role in social perception because we tend to see what we *want* to see. A company personnel manager who has a bias against women, minorities, or handicapped persons would tend to be adversely sensitive to them during an employment interview. This focus may cause the manager to look for other potentially negative traits in the candidate to confirm his biases. The influence of positive arbitrary biases is called the **halo effect**, whereas the influence of negative biases is often called the *horn effect*. Another personnel manager without these biases would be much less inclined to be influenced by these characteristics when viewing prospective job candidates.

Previous Experience with the Individual. Our previous experiences with others often will influence the way in which we view their current behavior. When an employee has consistently received poor performance evaluations, a marked improvement in performance may go unnoticed because the supervisor continues to think of the individual as a poor performer. Similarly, employees who begin their careers with several successes develop a reputation as fast-track individuals and may continue to rise in the organization long after their performance has leveled off or even declined. The impact of previous experience on present perceptions should be respected and studied by students of management. For instance, when a previously poor performer earnestly tries to perform better, it is important for this improvement to be recognized early and properly rewarded. Otherwise, employees may give up, feeling that nothing they do will make any difference.

Together, these factors determine the impressions we form of others (see **Exhibit 3.4**). With these impressions, we make conscious and unconscious decisions about how we intend to behave toward people. Our behavior toward others, in turn, influences the way they regard us. Consequently, the importance of understanding the perceptual process, as well as factors that contribute to it, is apparent for managers. A better understanding of ourselves and careful attention to others leads to more accurate perceptions and more appropriate actions.

concept check

1. How can you understand what makes up an individual's personality?
2. How does the content of the situation affect the perception of the perceiver?
3. What are the characteristics that the perceiver can have on interpreting personality?

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8. J. W. Thibaut and H. W. Riecker, "Authoritarianism, Status, and the Communication of Aggression," *Human Relations*, 1955, 8, pp. 95–120.
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11. Levine and Shefner, op. cit.
12. Ibid.
13. K. J. Frauenfelder, "A Cognitive Determinant of Favorability of Impression," *Journal of Social Psychology*, 1974, 94, pp. 71–81.

Table 3.1 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Exhibit 3.2 The Process of Perceptual Selectivity (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Exhibit 3.3 Major Influences on Selective Attention (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Exhibit 3.4 Major Influences on Social Perception in Organizations (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

3.3.2: Barriers to Accurate Social Perception

2. How can managers and organizations minimize the negative impact of stereotypes and other barriers to accurate social perception in interpersonal relations?

In the perceptual process, several barriers can be identified that inhibit the accuracy of our perception. These barriers are (1) stereotyping, (2) selective perception, and (3) perceptual defense. Each of these will be briefly considered as it relates to social perception in work situations (see **Table 3.2**).

Barriers to Accurate Perception of Others	
Barrier	Definition
Stereotyping	A tendency to assign attributes to people solely on the basis of their class or category
Selective perception	A process by which we systematically screen out or discredit information we don't wish to hear and focus instead on more salient information
Perceptual defense	A tendency to distort or ignore information that is either personally threatening or culturally unacceptable

Table 3.2 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Stereotyping

One of the most common barriers in perceiving others at work is **stereotyping**. A stereotype is a widely held generalization about a group of people. Stereotyping is a process in which attributes are assigned to people solely on the basis of their class or category. It is particularly likely to occur when one meets new people, since very little is known about them at that time. On the basis of a few prominent characteristics such as sex, race, or age, we tend to place people into a few general categories. We ascribe a series of traits to them based upon the attributes of the category in which we have put them. We assume that older people are old-fashioned, conservative, obstinate, and perhaps senile. We view professors as absentminded, impractical, idealistic, or eccentric.

One explanation for the existence of stereotypes has been suggested by Jain, Triandis, and Weick.¹⁴ They argue that stereotypes may be to some extent based upon fact. People tend to compare other groups with their own group, accentuating minor differences between groups to form a stereotype. For example, older people as a group may indeed be more conservative or more old-fashioned. These traits then become emphasized and attributed to particular older individuals.

At least three types of stereotype can be found in organizations: those dealing with age, race, and gender. Age stereotypes can be found throughout organizations. A recent study by¹⁵ found that there are still clear stereotypes of older employees. They are thought to be (1) more resistant to organizational change, (2) less creative, (3) less likely to take calculated risks, (4) lower in physical capacity, (5) less interested in learning new techniques, and (6) less capable of learning new techniques. When asked to make personnel decisions concerning older people, the business students generally followed several trends. First, they gave older people lower consideration in promotion decisions. Older people also received less attention and fewer resources for training and development. Finally, older people tended to be transferred to other departments instead of confronted by their superiors when a problem with their performance emerged.

Similar problems arise for people from different racial or cultural backgrounds and for gender. A particular problem in many companies today is that of attitudes toward women as managers or executives. Although succeeding in a managerial position is always difficult, the job is all the harder if your coworkers, superiors, or subordinates are not supportive.

expanding around the globe

To See Ourselves as Others See Us

In considering stereotyping in organizations, it may be interesting to examine how people in different countries and cultures see others around the world. Specifically, we should note that “foreigners” often hold certain stereotypes of what a “typical” American looks and acts like. Look, for example, at **Table 3.3**. This table shows how people in seven countries around the globe view the typical American. Note the sizable differences in perceptions.

Foreign Observations of Americans

The following are quotations from foreign visitors to the United States:

India: “Americans seem to be in a perpetual hurry. Just watch the way they walk down the street. They never allow themselves the leisure to enjoy life; there are too many things to do.”

Kenya: “Americans appear to us rather distant. They are not really as close to other people—even fellow Americans—as Americans overseas tend to portray. It’s almost as if an American says, ‘I won’t let you get too close to me.’ It’s like building a wall.”

Turkey: “Once we were out in a rural area in the middle of nowhere and saw an American come to a stop sign. Though he could see in both directions for miles and no traffic was coming, he still stopped!”

Colombia: “The tendency in the United States to think that life is only work hits you in the face. Work seems to be the one type of motivation.”

Indonesia: “In the United States everything has to be talked about and analyzed. Even the littlest thing has to be ‘Why, Why, Why?’ I get a headache from such persistent questions.”

Ethiopia: “The American is very explicit; he wants a ‘yes’ or ‘no.’ If someone tries to speak figuratively, the American is confused.”

Iran: “The first time . . . my [American] professor told me, ‘I don’t know the answer, I will have to look it up,’ I was shocked. I asked myself, ‘Why is he teaching me?’ In my country a professor would give the wrong answer rather than admit ignorance.”

Source: J. Feig and G. Blair, *There Is a Difference*, 2nd ed. (Washington: Meridian House International). Meridian House International is an organization that conducts intercultural training for visitors to the United States and for Americans going abroad.

Table 3.3

When examining these comments, consider the extent to which you think these perceptions and stereotypes are accurate or inaccurate. Why do people in different countries form such divergent opinions of our country? How do their perceptions color the behavior and effectiveness of American managers working abroad? On the basis of this assessment, you might want to reassess your own stereotypes of people in different countries. How accurate do you think your own stereotypes have been?

Selective Perception

Selective perception is the process by which we systematically screen out information we don't wish to hear, focusing instead on more salient information. Saliency here is obviously a function of our own experiences, needs, and orientations. The example of the Dearborn and Simon¹⁶ study of managers described earlier provides an excellent glimpse of selective perception. Production managers focused on production problems to the exclusion of other problems. Accountants, personnel specialists, and sales managers were similarly exclusive. Everyone saw his own specialty as more important in the company than other specialties.

Another example of selective perception in groups and organizations is provided by Miner.¹⁷ Miner summarizes a series of experiments dealing with groups competing on problem-solving exercises. Consistently, the groups tended to evaluate their own solutions as better than the solutions proposed by others. Such findings resemble a syndrome found in many research organizations. There is a frequent tendency for scientists to view ideas or products originating outside their organization or department as inferior and to judge other researchers as less competent and creative than themselves. This is often referred to as the "Not-Invented-Here" syndrome. Similar patterns of behavior can be found among managers, service workers, and secretaries.

Perceptual Defense

A final barrier to social perception is **perceptual defense**.¹⁸ Perceptual defense is founded on three related principles:

1. Emotionally disturbing or threatening stimuli have a higher recognition threshold than neutral stimuli.
2. Such stimuli are likely to elicit substitute perceptions that are radically altered so as to prevent recognition of the presented stimuli.
3. These critical stimuli arouse emotional reactions even though the stimuli are not recognized.

In other words, through perceptual defense we tend to distort or ignore information that is either personally threatening or culturally unacceptable. Because emotionally disturbing stimuli have a higher recognition threshold, people are less likely to fully confront or acknowledge the threat. Instead, they may see entirely different or even erroneous stimuli that are safer. Even so, the presence of the critical stimulus often leads to heightened emotions despite the lack of recognition. For instance, suppose that during a contract negotiation for an assembly plant, word leaked out that because of declining profits, the plant might have to close down permanently. Anxious workers might ignore this message and instead choose to believe the company management is only starting false rumors to increase their leverage during wage negotiations. Even if the leverage claim is accepted by the workers as truth, strong emotional reactions against the company can be expected.

One effect of perceptual defense is to save us from squarely facing events that we either do not wish to handle or may be incapable of handling. We dissipate our emotions by directing our attention to other (substitute) objects and hope the original event that distressed us will eventually disappear.

Perceptual defense is especially pronounced when people are presented with a situation that contradicts their long-held beliefs and attitudes. In a classic study of perceptual defense among college students, Haire and Grunes presented the students with descriptions of factory workers. Included in these descriptions was the word *intelligent*. Because the word was contrary to the students' beliefs concerning factory workers, they chose to reject the description by using perceptual defenses.¹⁹ Four such defense mechanisms can be identified.²⁰

1. *Denial*. A few of the subjects denied the existence of intelligence in factory workers.
2. *Modification and distortion*. This was one of the most frequent forms of defense. The pattern was to explain away the perceptual conflict by joining intelligence with some other characteristics—for instance, "He is intelligent but doesn't possess initiative to rise above his group."
3. *Change in perception*. Many students changed their perception of the worker because of the intelligence characteristic. Most of the change, however, was very subtle—for example, "cracks jokes" became "witty."
4. *Recognition, but refusal to change*. A very few students explicitly recognized the conflict between their perception of the

worker and the characteristic that was confronting them. For example, one subject

stated, “The trait seems to be conflicting . . . most factory workers I have heard about aren’t too intelligent.”

Perceptual defense makes any situation in which conflict is likely to be present more difficult. It creates blind spots, causing us to fail to hear and see events as they really are. The challenge for managers is to reduce or minimize the perception of threat in a situation so these defenses are not immediately called into play. This can be accomplished by reassuring people that things that are important to them will not be tampered with, or by accentuating the positive.

concept check

1. What are the barriers that can inhibit the accuracy of our perception?
2. What are the cultural factors that can influence perception?
3. What is perceptual defense, and what are examples of the mechanisms that can be identified?

14. R. Jain, H. C. Triandis, and C. W. Weick, *Managing Research, Development and Innovation: Managing the Unmanageable*, 3rd Edition (New York: Wiley, 2010).

15. C. von Hippel, et al, “Age-based stereotype threat and work outcomes: Stress appraisals and ruminations as mediators,” *Psychology and Aging*, February 2019, pp. 68-84.

16. Dearborn and Simon, op. cit.

17. J. B. Miner, *Organizational Behavior 2: Essentials Theories of Process and Structure* (Routledge, 2015).

18. Levine and Shefner, op. cit.

19. M. Haire and W. Grunes, “Perceptual Defenses: Processes Protecting an Organized Perception of Another’s Personality,” *Human Relations*, 1950, 3, pp. 403-412.

20. Ibid., p. 409.

Table 3.2 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Table 3.3 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

3.3.3: Attributions - Interpreting the Causes of Behavior

3. How do people attribute credit and blame for organizational events?

A major influence on how people behave is the way they interpret the events around them. People who feel they have control over what happens to them are more likely to accept responsibility for their actions than those who feel control of events is out of their hands. The cognitive process by which people interpret the reasons or causes for their behavior is described by **attribution theory**.²¹ Specifically, "attribution theory concerns the process by which an individual interprets events as being caused by a particular part of a relatively stable environment."²²

Attribution theory is based largely on the work of Fritz Heider. Heider argues that behavior is determined by a combination of internal forces (e.g., abilities or effort) and external forces (e.g., task difficulty or luck). Following the cognitive approach of Lewin and Tolman, he emphasizes that it is *perceived* determinants, rather than actual ones, that influence behavior. Hence, if employees perceive that their success is a function of their own abilities and efforts, they can be expected to behave differently than they would if they believed job success was due to chance.

The Attribution Process

The underlying assumption of attribution theory is that people are motivated to understand their environment and the causes of particular events. If individuals can understand these causes, they will then be in a better position to influence or control the sequence of future events. This process is diagrammed in **Exhibit 3.5**. Specifically, attribution theory suggests that particular behavioral events (e.g., the receipt of a promotion) are analyzed by individuals to determine their causes. This process may lead to the conclusion that the promotion resulted from the individual's own effort or, alternatively, from some other cause, such as luck. Based on such cognitive interpretations of events, individuals revise their cognitive structures and rethink their assumptions about causal relationships. For instance, an individual may infer that performance does indeed lead to promotion. Based on this new structure, the individual makes choices about future behavior. In some cases, the individual may decide to continue exerting high levels of effort in the hope that it will lead to further promotions. On the other hand, if an individual concludes that the promotion resulted primarily from chance and was largely unrelated to performance, a different cognitive structure might be created, and there might be little reason to continue exerting high levels of effort. In other words, the way in which we perceive and interpret events around us significantly affects our future behaviors.

Internal and External Causes of Behavior

Building upon the work of Heider, Harold Kelley attempted to identify the major antecedents of internal and external attributions.²³ He examined how people determine—or, rather, how they actually perceive—whether the behavior of another person results from internal or external causes. Internal causes included ability and effort, whereas external causes include luck and task ease or difficulty.²⁴ Kelley's conclusion, illustrated in **Exhibit 3.6**, is that people actually focus on three factors when making causal attributions:

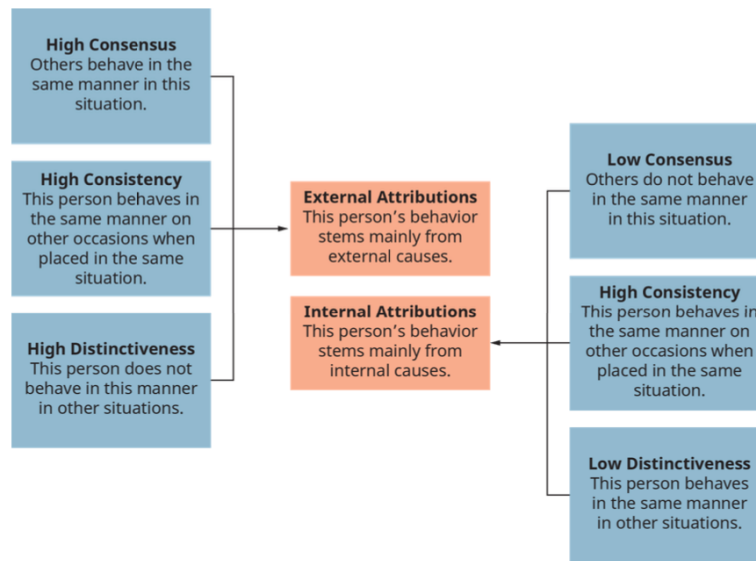


Exhibit 3.6 Causes of Internal and External Attributions

1. **Consensus.** The extent to which you believe that the person being observed is behaving in a manner that is consistent with the behavior of his or her peers. High consensus exists when the person's actions reflect or are similar to the actions of the group; low consensus exists when the person's actions do not.
2. **Consistency.** The extent to which you believe that the person being observed behaves consistently—in a similar fashion—when confronted on other occasions with the same or similar situations. High consistency exists when the person repeatedly acts in the same way when faced with similar stimuli.
3. **Distinctiveness.** The extent to which you believe that the person being observed would behave consistently when faced with different situations. Low distinctiveness exists when the person acts in a similar manner in response to different stimuli; high distinctiveness exists when the person varies his or her response to different situations.

How do these three factors interact to influence whether one's attributions are internal or external? According to the exhibit, under conditions of high consensus, high consistency, and high distinctiveness, we would expect the observer to make external attributions about the causes of behavior. That is, the person would attribute the behavior of the observed (say, winning a golf tournament) to good fortune or some other external event. On the other hand, when consensus is low, consistency is high, and distinctiveness is low, we would expect the observer to attribute the observed behavior (winning the golf tournament) to internal causes (the winner's skill).

In other words, we tend to attribute the reasons behind the success or failure of others to either internal or external causes according to how we interpret the underlying forces associated with the others' behavior. Consider the example of the first female sales manager in a firm to be promoted to an executive rank. How do you explain her promotion—luck and connections or ability and performance? To find out, follow the model. If she, as a sales representative, had sold more than her (male) counterparts (low consensus in behavior), consistently sold the primary product line in different sales territories (high consistency), and was also able to sell different product lines (low distinctiveness), we would more than likely attribute her promotion to her own abilities. On the other hand, if her male counterparts were also good sales representatives (high consensus) and her sales record on secondary products was inconsistent (high distinctiveness), people would probably attribute her promotion to luck or connections, regardless of her sales performance on the primary product line (high consistency).



Exhibit 3.7 Golf

Attributional Bias

One final point should be made with respect to the attributional process. In making attributions concerning the causes of behavior, people tend to make certain errors of interpretation. Two such errors, or **attribution biases**, should be noted here. The first is called the **fundamental attribution error**. This error is a tendency to *underestimate* the effects of external or situational causes of behavior and to *overestimate* the effects of internal or personal causes. Hence, when a major problem occurs within a certain department, we tend to blame people rather than events or situations.

The second error in attribution processes is generally called the **self-serving bias**. There is a tendency, not surprisingly, for individuals to attribute success on an event or project to their own actions while attributing failure to others. Hence, we often hear sales representatives saying, “I made the sale,” but “They stole the sale from me” rather than “I lost it.” These two biases in interpreting how we see the events around us help us understand why employees looking at the same event often see substantially different things.

concept check

1. What is attribution theory? Describe the attribution process.
2. What are the internal and external causes of attribution?

21. H. H. Kelley, “The Process of Causal Attributions,” *American Psychologist*, February 1973, pp. 107–128; F. Forsterling, “Attributional Retraining: A Review,” *Psychological Bulletin*, November 1985, pp. 495–512; B. Weiner, *Human Motivation* (New York: Holt, Rinehart and Winston, 1980).

22. Kelley, op. cit., p. 193.

23. Ibid.

24. Ibid.

Exhibit 3.6 Causes of Internal and External Attributions Adapted from Nyla Branscombe and Robert A. Baron. *Social Psychology*. Fourteenth Edition, 2016, Pearson. (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Exhibit 3.7 Golf What internal and external attributions can you make about this golfer who is celebrating a hole in one? (Notice the untied shoe.) (Credit: John Fink/ flickr/ Attribution 2.0 Generic (CC BY 2.0))

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3.3.4: Work-Related Attitudes

5. How can managers and organizations develop a committed workforce?

When we apply the concept of attitudes to work settings, we have to specify which attitude we are concerned with. Although a variety of work-related attitudes can be identified, the one receiving the most attention is job satisfaction. As this is one of the most widely studied concepts in organizational behavior, we will examine it here in some detail.

Job Involvement and Organizational Commitment

First, however, we should introduce two job attitudes that should also be recognized: job involvement and organizational commitment. **Job involvement** refers to the extent to which a person is interested in and committed to assigned tasks. This is not to say that the person is “happy” (or satisfied) with the job, only that he feels a certain responsibility toward ensuring that the job itself is done correctly and with a high standard of competence. Here the focus of the attitude is the job itself.³⁰

Organizational commitment, on the other hand, represents the relative strength of an individual's identification with and involvement in an organization.³¹ Commitment can be characterized by three factors: (1) a strong belief in and acceptance of the organization's goals and values, (2) a willingness to exert considerable effort on behalf of the organization, and (3) a strong desire to maintain membership in the organization. When viewed this way, commitment represents something beyond mere passive loyalty to the company. Instead, it involves an active relationship with the organization in which individuals are willing to give something of themselves in order to help the company succeed and prosper. A careful reading of the research on keys to the success of many Japanese firms will highlight the importance played by a committed work force. Now we turn to the third work attitude of job satisfaction.

Job Satisfaction

Job satisfaction may be defined as “a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience.”³² It results from the perception that an employee's job actually provides what he values in the work situation.

Several characteristics of the concept of job satisfaction follow from this definition. First, satisfaction is an emotional response to a job situation. It can be fully understood only by introspection. As with any attitude, we cannot observe satisfaction; we must infer its existence and quality either from an employee's behavior or verbal statements.

Second, job satisfaction is perhaps best understood in terms of discrepancy. Several writers have pointed to the concept of job satisfaction as being a result of how much a person wants or expects from the job compared to how much he actually receives.³³ People come to work with varying levels of job expectations. These expectations may vary not only in quality (different people may value different things in a job), but also in intensity. On the basis of work experiences, people receive outcomes (rewards) from the job. These include not only extrinsic rewards, such as pay and promotion, but also a variety of intrinsic rewards, such as satisfying coworker relations and meaningful work. To the extent that the outcomes received by an employee meet or exceed expectations, we would expect the employee to be satisfied with the job and wish to remain. On those occasions when outcomes actually surpass expectations, we would expect employees to reevaluate their expectations and probably raise them to meet available outcomes. However, when outcomes do not meet expectations, employees are dissatisfied and may prefer to seek alternative sources of satisfaction, either by changing jobs or by placing greater value on other life activities, such as outside recreation.

Dimensions of Job Satisfaction. It has been argued that job satisfaction actually represents several related attitudes. So, when we speak of satisfaction, we must specify “satisfaction with what?” Research has suggested that five job dimensions represent the most salient characteristics of a job about which people have affective responses. These five are:

1. **Work itself.** The extent to which tasks performed by employees are interesting and provide opportunities for learning and for accepting responsibility.
2. **Pay.** The amount of pay received, the perceived equity of the pay, and the method of payment.
3. **Promotional opportunities.** The availability of realistic opportunities for advancement.
4. **Supervision.** The technical and managerial abilities of supervisors; the extent to which supervisors demonstrate consideration for and interest in employees.

5. **Coworkers.** The extent to which coworkers are friendly, technically competent, and supportive.

Although other dimensions of job satisfaction have been identified, these five dimensions are used most often when assessing various aspects of job attitudes in organizations.

Measurement of Job Satisfaction. Probably the most common attitude surveys in organizations today focus on job satisfaction. Satisfaction is considered by many managers to be an important indicator of organizational effectiveness, and therefore it is regularly monitored to assess employee feelings toward the organization. By far the most common means of assessing satisfaction is the rating scale. Rating scales represent direct verbal self-reports concerning employee feelings; they have been widely used in companies since the 1930s. Several job satisfaction scales exist. One of the most popular is the Minnesota Satisfaction Questionnaire (MSQ). This instrument uses a Likert-response format to generate satisfaction scores on 26 scales, including satisfaction with compensation, promotion opportunities, coworkers, recognition, and so forth. You can assess your scoring on a short version of this instrument in the assessment section of this chapter.

The MSQ and similar rating scales have several advantages for evaluating levels of job satisfaction. First, they are relatively short and simple and can be completed by large numbers of employees quickly. Second, because of the generalized wording of the various terms, the instruments can be administered to a wide range of employees in various jobs. It is not necessary to alter the questionnaire for each job classification. Finally, extensive normative data (or norms) are available. These norms include summaries of the scores of thousands of people who have completed the instruments. Hence, it is possible for employers in other organizations to determine relative standings.

However, although rating scales have many virtues compared to other techniques, at least two drawbacks must be recognized. First, as with any self-report inventory, it is assumed that respondents are both willing and able to describe their feelings accurately. As noted by several researchers,³⁴ people often consciously or unconsciously distort information that they feel is damaging and enhance information that they feel is beneficial. For example, it is possible that employees who think their supervisors may see the results of their questionnaire may report overly favorable job attitudes.

A second problem with rating scales is the underlying assumption that questionnaire items mean the same thing to all people. There may, in fact, not be a common interpretation across individuals. Even so, rating scales have proved to be helpful in assessing satisfaction in various aspects of the job situation. Managers can use the results to identify potential problem areas and to generate discussions and action plans of how to correct aspects of jobs or the organization that are causing unacceptable levels of dissatisfaction.

customer satisfaction and quality

How Satisfied Are Employees?

If you've ever flown on Southwest Airlines, you can tell something is different just from the first interaction with their employees. From the flight attendants, to the pilot's announcements, and even to their customer service representatives, they have a cheerful disposition, and contrary to popular belief, this isn't an act.

In 2017, Southwest Airlines announced that it would be sharing their \$586 million in profits with its 54,000 employees, given them a bonus of approximately 13.2 percent on average. This doesn't account for the extra \$351 million that they contributed to the employee's 401(k) plans either. This is just one of the many ways that Southwest has given back to their employees in a day and age when minimum wage for even qualified candidates seems like a fight.

Southwest CEO Gary Kelly reflects that "Our people-first approach, which has guided our company since it was founded, means our company does well, our people do really, really well. Our people work incredibly hard and deserve to share in Southwest's success." With this attitude, it is no wonder the employees on and off your flight are showing their satisfaction in their everyday attitudes. The year 2017 was the 43rd year that Southwest shared its profits with their people. While compensation ranks among one of the most attributed traits of a company to help with employee satisfaction, it goes much deeper than that to keep motivation high.

At Southwest, they rank employees first and customers second. They create a culture of fun and inclusive core values that help to give their employees a sense of community and belonging. When their employees are motivated and take pride in what they do, they are able to give their best to their customers every day, which accounts for their highly ranked customer satisfaction results on surveys each year.

Sources: Dahl, Darren, "Why do Southwest Employees Always Seem so Happy," *Forbes*, July, 28, 2017, www.forbes.com/sites/darrend...loyees-always-seem-so-happy/#3cba8dbc59b0; Martin, Emmie, "A major airline says there's something it values more than its customers, and there's a good reason why," *Business Insider*, July 29, 2015, <https://www.businessinsider.com/sout...s-first-2015-7>; Ramdas, Shreesha, "The Southwest Way to Employee Satisfaction: Flying High Like the High Flier," *Customer Think*, May 12, 2018, (<http://customerthink.com/the-southwe...like-the-high-flier/>).

Questions:

1. Oftentimes it is hard to stay at the top. What considerations should Southwest take to maintain their employee satisfaction and keep improving?
2. Not all companies can share profits. What would you suggest to a new company that is just starting off to help gain high employee satisfaction?

concept check

1. How can organizations foster positive job involvement and instill positive attitudes in their employees?
2. What are the dimensions of job satisfaction?

-
30. T. Lodahl and M. Kejner, "The Definition and Measurement of Job Involvement," *Journal of Applied Psychology*, 1965, 49, pp. 24–33.
 31. R. T. Mowday, L. W. Porter, and R. M. Steers, *Employee-Organization Linkages: The Psychology of Employee Commitment, Absenteeism and Turnover* (New York: Academic Press, 1982).
 32. E. A. Locke, "The Nature and Causes of Job Satisfaction," in M. D. Dunnette, ed., *Handbook of Industrial and Organizational Psychology* (Chicago: Rand McNally, 1976).
 33. L. W. Porter and R. M. Steers, "Organizational, Work, and Personal Factors in Employee Turnover and Absenteeism," *Psychological Bulletin*, 1973, 80, pp. 151–176.
 34. B. M. Staw, *Intrinsic and Extrinsic Motivation* (Morristown, N. J.: General Learning Press, 1976)

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Affect Dealing with a person's feelings toward the person or object.

Attitude A predisposition to respond in a favorable or unfavorable way to objects or persons in one's environment.

Attribution biases Covers both the fundamental attribution error and the self-serving bias.

Attribution theory Concerns the process by which an individual interprets events as being caused by a particular part of a relatively stable environment.

Behavioral justification The need to ensure that one's behaviors are consistent with their attitudes toward the event.

Body language The manner in which people express their inner feelings subconsciously through physical actions such as sitting up straight versus being relaxed or looking people straight in the eye versus looking away from people.

Cognitive consistency The need for behavioral justification to ensure that a person's behaviors are consistent with their attitudes toward an event.

Cognitive dissonance Finding one's self acting in a fashion that is inconsistent with their attitudes and experiencing tension and attempting to reduce this tension and return to a state of cognitive consistency.

Dispositional approach Argues that attitudes represent relatively stable predispositions to respond to people or situations around them.

Fundamental attribution error The tendency to *underestimate* the effects of external or situational causes of behavior and to *overestimate* the effects of internal or personal causes.

Halo effect The influence of positive arbitrary biases.

Job involvement Refers to the extent to which a person is interested in and committed to assigned tasks.

Job satisfaction A pleasurable or positive emotional state resulting from the appraisal of one's job or job experience.

Organizational commitment Represents the relative strength of an individual's identification with and involvement in an organization.

Perception The process by which one screens, selects, organizes, and interprets stimuli to give them meaning.

Perceptual defense A defense that perceives emotionally disturbing or threatening stimuli as having a higher recognition threshold than neutral stimuli. Such stimuli are likely to elicit substitute perceptions that are radically altered so as to prevent recognition of the presented stimuli that arouse emotional reactions even though the stimuli are not recognized.

Perceptual organization When meaning has been attached to an object, individuals are in a position to determine an appropriate response or reaction to it.

Perceptual selectivity Refers to the process by which individuals select objects in the environment for attention.

Response disposition The tendency to recognize familiar objects more quickly than unfamiliar ones.

Response salience The tendency to focus on objects that relate to our *immediate* needs or wants.

Selective perception The process by which we systematically screen out information we don't wish to hear, focusing instead on more salient information.

Self-serving bias The tendency for individuals to attribute success on an event or project to their own actions while attributing failure to others.

Situational approach This approach argues that attitudes emerge as a result of the uniqueness of a given situation.

Social perception Consists of those processes by which we perceive other people. **Social-information-processing approach**

Asserts that attitudes result from “socially constructed realities” as perceived by the individual.

Stereotyping A tendency to assign attributes to people solely on the basis of their class or category.

3.3.6: Summary of Learning Outcomes

3.1 The Perceptual Process

1. How do differences in perception affect employee behavior and performance?

One of the key determinants of people's behavior in organizations is how they see and interpret situations and people around them. It is vital for anyone (manager or subordinate) who desires to be more effective to understand the critical aspects of context, object, and perceiver that influence perceptions and interpretations and the relationship between these and subsequent attitudes, intentions, and behaviors. This understanding will not only facilitate the ability to correctly understand and anticipate behaviors, but it will also enhance the ability to change or influence that behavior. Perception is the process by which individuals screen, select, organize, and interpret stimuli in order to give them meaning. Perceptual selectivity is the process by which individuals select certain stimuli for attention instead of others. Selective attention is influenced by both external factors (e.g., physical or dynamic properties of the object) and personal factors (e.g., response salience). Social perception is the process by which we perceive other people. It is influenced by the characteristics of the person perceived, the perceiver, and the situation.

3.2 Barriers to Accurate Social Perception

2. How can managers and organizations minimize the negative impact of stereotypes and other barriers to accurate social perception in interpersonal relations?

Stereotyping is a tendency to assign attributes to people solely on the basis of their class or category. Selective perception is a process by which we systematically screen or discredit information we don't wish to hear and instead focus on more salient information. Perceptual defense is a tendency to distort or ignore information that is either personally threatening or culturally unacceptable.

3.3 Attributions: Interpreting the Causes of Behavior

3. How do people attribute credit and blame for organizational events?

Attribution theory concerns the process by which individuals attempt to make sense of the cause-effect relationships in their life space. Events are seen as being either internally caused (that is, by the individual) or externally caused (that is, by other factors in the environment). In making causal attributions, people tend to focus on three factors: consensus, consistency, and distinctiveness. The fundamental attribution error is a tendency to underestimate the effects of external or situational causes of behavior and overestimate the effects of personal causes.

The self-serving bias is a tendency for people to attribute success on a project to themselves while attributing failure to others.

3.4 Attitudes and Behavior

4. How can a work environment characterized by positive work attitudes be created and maintained?

An attitude can be defined as a predisposition to respond in a favorable or unfavorable way to objects or persons in one's environment. There are two theories concerning the manner in which attitudes are formed. The first, called the dispositional approach, asserts that attitudes are fairly stable tendencies to respond to events in certain ways, much like personality traits. Thus, some people may be happy on almost any job regardless of the nature of the job. The second, called the situational approach, asserts that attitudes result largely from the particular situation in which the individual finds himself. Thus, some jobs may lead to more favorable attitudes than others. The social-information-processing approach to attitudes is a situational model that suggests that attitudes are strongly influenced by the opinions and assessments of coworkers. Cognitive consistency is a tendency to think and act in a predictable manner. Cognitive dissonance occurs when our actions and our attitudes are in conflict. This dissonance will motivate us to attempt to return to a state of cognitive consistency, where attitudes and behaviors are congruent.

3.5 Work-Related Attitudes

5. How can managers and organizations develop a committed workforce?

Job involvement refers to the extent to which an individual is interested in his or her assigned tasks. Organizational commitment refers to the relative strength of an individual's identification with and involvement in a particular organization. Job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience.

3.3.7: Chapter Review Questions

1. Describe how the basic perceptual process works. Why should managers understand this process?
2. How can variations in social perception affect everyday work behavior? Provide an example to illustrate.
3. What can managers do to reduce the incidences of stereotyping in the workplace?
4. How does the attributional process work? Provide an example to show why this process is so important in understanding organizational behavior.
5. How do attributional biases work? What can managers do to reduce such biases?
6. What are the differences between job involvement, organizational commitment, and job satisfaction? Are all three influenced by the same factors?
7. What are the major reasons for job satisfaction? What are the primary consequences of dissatisfaction?
8. Explain.

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3.3.8: Management Skills Application Exercises

1. In order to understand how response salience works, you may want to complete this self-assessment. Read the passage, and rate it on its comprehensibility. Does it make sense to you? Next, look at the appropriate frame of reference given in **Appendix B**. Now read the passage again, and rate it for its comprehensibility. Does it make more sense now that you have a specific frame of reference?

Can You Understand This Passage?

Instructions: The procedure is actually quite simple. First you arrange things into different groups. Of course, one pile may be sufficient depending on how much there is to do. If you have to go somewhere else due to lack of facilities that is the next step, otherwise you are pretty well set. It is important not to overdo things. That is, it is better to do too few things at once than too many. In the short run this may not seem important, but complications can easily arise. A mistake can be expensive as well. At first the whole procedure will seem complicated. Soon, however, it will become just another facet of life. It is difficult to foresee any end to the necessity for this task in the immediate future, but then one never can tell. After the procedure is completed one arranges the materials into different groups again. Then they can be put into their appropriate places. Eventually they will be used once more and the whole cycle will then have to be repeated. However, that is part of life.

Comprehensive Scale				
Very incomprehensible		Neutral	Very comprehensible	
1	2	3	4	5
Adapted from "Contextual Prerequisites for Understanding: Some Investigations of Comprehension and Recall" by John D. Bransford and Marcia K. Johnson, in <i>Journal of Verbal Learning and Verbal Behavior</i> , December 1972, p. 722.				

2. How Do You Feel About Women Executives?

Instructions: This instrument focuses on your attitudes toward women in executive positions. For each item, circle the number that best represents your feelings concerning women executives in organizations. Be completely honest with yourself in responding. For a scoring key, refer to **Appendix B**.

	Strongly Disagree			Strongly Agree		
1. It is high time we had more women in executive positions.	1	2	3	4	5	
2. Women make just as good managers as men.	1	2	3	4	5	
3. Women often fail to have the same level of technical competence as men.	1	2	3	4	5	
4. Women executives should receive the same respect and trust as their male counterparts.	1	2	3	4	5	
5. Men tend to be better suited for managerial positions than women.	1	2	3	4	5	
6. Women are too emotional to succeed in top-level management.	1	2	3	4	5	
7. Women have a hard time supervising the work of male subordinates.	1	2	3	4	5	
8. I would prefer not to work for a female manager.	1	2	3	4	5	
9. Success as an executive has nothing to do with one's gender.	1	2	3	4	5	
10. Many women executives get to the top either because of affirmative action pressure or connections.	1	2	3	4	5	

3. Examples of the MSQ for two scales (compensation and recognition) can be seen in this self-assessment. If you wish to complete this sample questionnaire, simply refer to a (paid or unpaid) job that you have had and answer the questionnaire. To score the instrument, refer to **Appendix B**.

Are You Satisfied with Your Job?

Instructions: Answer each of the ten questions by circling the numbers that best describe how satisfied or dissatisfied you are with the particular item. Then sum your results for questions 1–5 and 6–10 separately.

	Very Dissatisfied			Very Satisfied		
1. The way I am noticed when I do a good job	1	2	3	4	5	
2. The way I get full credit for the work I do	1	2	3	4	5	
3. The recognition I get for the work I do	1	2	3	4	5	
4. The way they usually tell me when I do my job well	1	2	3	4	5	
5. The praise I get for doing a good job	1	2	3	4	5	
6. The amount of pay for the work I do	1	2	3	4	5	
7. The chance to make as much money as my friends	1	2	3	4	5	
8. How my pay compares with that for similar jobs in other companies	1	2	3	4	5	
9. My pay and the amount of work I do	1	2	3	4	5	
10. How my pay compares with that of other workers	1	2	3	4	5	
Adapted from David J. Weiss, Rene V. Dawis, George W. England, and Lloyd H. Lofquist, <i>Manual for the Minnesota Satisfaction Questionnaire</i> (Minneapolis: Industrial Relations Center, University of Minnesota).						

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3.3.9: Managerial Decision Exercises

1. You remember from your Organizational Behavior class that several assessments to increase one's self-awareness, like the Minnesota Multiphasic Personality Inventory that you read about in this chapter and is profiled in the Managerial Skill Application Exercises of this chapter, were very beneficial for you as an understanding of your emotional intelligence, values, cognitive style, and ability to cope with change. You have been assigned to a team that will interview both internal and external candidates for a new sales manager position for the California region, which is a position at the same level organizationally as your present position. During the initial orientation meeting, one of the team members—the manager of a distribution center for the organization—says, “I like to use the results of the Myers-Briggs Types Indicator assessment to screen applicants for this position, and since sales managers should be extroverts and should possess sensing, thinking, and judging skills, we should only consider ESTJ types.” Your boss, the national sales manager, asks you to write a report on whether the selection process should only consider ESTJ types and to provide it to the team for discussion. Write a report and share it for discussion with a team of students in this class who will assume the role of the hiring interview team.

2. Recall a meeting that you recently had, such as a team presentation of a case analysis. What were your impressions of what happened in the planning of the presentation and how things like the assignment of roles and timetables for subsequent meetings and deliverables unfolded. What were the behaviors of the others at the meeting, and why do you think they acted as they did? Finally, how do you think that others perceived your behavior at the meeting? After you have recorded these recollections, meet with another attendee of that meeting. Ask them these questions, and record what they say happened at that meeting and what they thought of the behavior of the participants, including you. Let them know that this is for your class and you want them to be as honest as possible. As they are answering, record their recollections and do not interrupt or offer possible corrections. Finally, compare your recollections and notes with those of the interviewee and use the knowledge from this chapter to assess the differences and similarities in perception and attribution.

3. As a way to measure job satisfaction, ask someone at a local business the following questions:

- a. What is your job title, and what do you do in your own words? How do these match up to tasks, duties, and responsibilities in your job description?
- b. Are you satisfied with the work that you do?
- c. How satisfied are you with the training and supervision that you receive?
- d. How satisfied are you with the people that you work with?
- e. Are you happy with your salary?
- f. Are you happy with the benefits that are offered as part of the job?
- g. Do you see any possibilities for advancement in the organization?
- h. What are your general feelings about your employer?
- i. Do you have any additional comments regarding how you feel about your job?

Write an assessment of this individual's job satisfaction and what a supervisor and organization could do to improve the level of job satisfaction for their employees.

3.3.10: Critical Thinking Case

Stereotypes at Pitney Bowes

Many times, we think of stereotypes or discrimination only being an issue when it comes to things like gender, race, or religion. However, at Pitney Bowes Inc., the toughest stereotype to overcome is age.

Brigitte Van Den Houte starts her day in the normal way; however, she has taken a keen focus on persuading employees in their 20s that they have a future at Pitney Bowes.

For almost 100 years, Pitney Bowes, founded in 1920, has been all about commerce. But as the world turned to technology, the definition of what that meant for the traditional postage-meter equipment company had to change as well.

One of the biggest challenges of this ever-changing technological world is how the generations of employees can step aside from their stereotypes and understand one another to better work effectively.

At Pitney Bowes, their proactive approach puts younger colleagues with older colleagues in a mentoring situation. This is not the typical older mentor to younger mentor setup, however. Every few months, Houte arranges for the younger employees to spend the day with a seasoned executive with the plan of sharing experiences and ideas and offering advice. Houte states, “the old way of working no longer works,” and she’s right.

With over one-third of the workforce aging to 50 or older and millennials (young people aged 22–37) being the largest workforce group, it is imperative to put stereotypes aside and learn to work together. One big mistake for a manager would be to focus on the age difference rather than on what skills each person individually can bring to the table. Stereotypes such as “older individuals don’t know about technology” or “millennials are constantly job hopping and feel entitled” are put aside at Pitney Bowes in order to get the job done. With a more proactive approach, the range of variables within each generation can be utilized in the most effective way possible for an organization.

Questions:

1. What are other ways that a company can utilize a multigenerational team to their advantage?
2. What challenges does a multigenerational team pose for management?
3. What should the company and management team consider when attracting new employees of all
4. generations?

Sources: Hymowitz, Carol, “The Tricky Task of Managing the New, Multigenerational Workplace,” *The Wall Street Journal*, August 12, 2018, <https://www.wsj.com/articles/the-tri...s&page=1&pos=9>; Ault, Nicole, “Don’t Trust Anyone Over 21,” *The Wall Street Journal*, August 22, 2018, <https://www.wsj.com/articles/dont-tr...s&page=1&pos=1>.

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3.4: Unconscious Bias

Unconscious Bias and Perception

Within your textbook reading this week, you learned about barriers that impact the accurate perception of others, such as stereotyping, selective perception, and perceptual defense. Watch the following 10:33 video and consider how unconscious bias can perpetuate these inaccurate perceptions in the hiring process:

How can you ensure that you do not allow unconscious bias to inhibit the accuracy of your perceptions?

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3.5: Conformity, Compliance, and Obedience

Learning Objectives

- Explain the Asch effect
- Define conformity and types of social influence
- Describe Stanley Milgram's experiment and its implications
- Define groupthink, social facilitation, and social loafing

In this section, we discuss additional ways in which people influence others. The topics of conformity, social influence, obedience, and group processes demonstrate the power of the social situation to change our thoughts, feelings, and behaviors. We begin this section with a discussion of a famous social psychology experiment that demonstrated how susceptible humans are to outside social pressures.

Conformity

Solomon **Asch** conducted several experiments in the 1950s to determine how people are affected by the thoughts and behaviors of other people. In one study, a group of participants was shown a series of printed line segments of different lengths: *a*, *b*, and *c* (See figure 12.17). Participants were then shown a fourth line segment: *x*. They were asked to identify which line segment from the first group (*a*, *b*, or *c*) most closely resembled the fourth line segment in length.

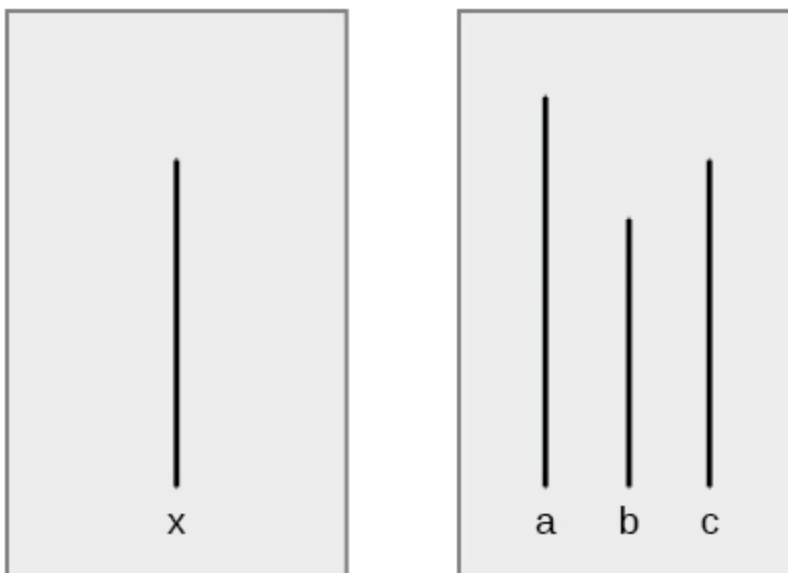


Figure 12.17 These line segments illustrate the judgment task in Asch's conformity study. Which line on the right—a, b, or c—is the same length as line x on the left?

Each group of participants had only one true, naïve subject. The remaining members of the group were confederates of the researcher. A **confederate** is a person who is aware of the experiment and works for the researcher. Confederates are used to manipulate social situations as part of the research design, and the true, naïve participants believe that confederates are, like them, uninformed participants in the experiment. In Asch's study, the confederates identified a line segment that was obviously shorter than the target line—a wrong answer. The naïve participant then had to identify aloud the line segment that best matched the target line segment.

How often do you think the true participant aligned with the confederates' response? That is, how often do you think the group influenced the participant, and the participant gave the wrong answer? Asch (1955) found that 76% of participants conformed to group pressure at least once by indicating the incorrect line. **Conformity** is the change in a person's behavior to go along with the group, even if he does not agree with the group. Why would people give the wrong answer? What factors would increase or decrease someone giving in or conforming to group pressure?

The **Asch effect** is the influence of the group majority on an individual's judgment.

What factors make a person more likely to yield to group pressure? Research shows that the size of the majority, the presence of another dissenter, and the public or relatively private nature of responses are key influences on conformity.

- The size of the majority: The greater the number of people in the majority, the more likely an individual will conform. There is, however, an upper limit: a point where adding more members does not increase conformity. In Asch's study, conformity increased with the number of people in the majority—up to seven individuals. At numbers beyond seven, conformity leveled off and decreased slightly (Asch, 1955).
- The presence of another dissenter: If there is at least one dissenter, conformity rates drop to near zero (Asch, 1955).
- The public or private nature of the responses: When responses are made publicly (in front of others), conformity is more likely; however, when responses are made privately (e.g., writing down the response), conformity is less likely (Deutsch & Gerard, 1955).

The finding that conformity is more likely to occur when responses are public than when they are private is the reason government elections require voting in secret, so we are not coerced by others (See figure 12.18). The **Asch effect** can be easily seen in children when they have to publicly vote for something. For example, if the teacher asks whether the children would rather have extra recess, no homework, or candy, once a few children vote, the rest will comply and go with the majority. In a different classroom, the majority might vote differently, and most of the children would comply with that majority. When someone's vote changes if it is made in public versus private, this is known as compliance. Compliance can be a form of conformity. Compliance is going along with a request or demand, even if you do not agree with the request. In Asch's studies, the participants complied by giving the wrong answers, but privately did not accept that the obvious wrong answers were correct.



Figure 12.18 Voting for government officials in the United States is private to reduce the pressure of conformity. (credit: Nicole Klaus)

Now that you have learned about the Asch line experiments, why do you think the participants conformed? The correct answer to the line segment question was obvious, and it was an easy task. Researchers have categorized the motivation to conform into two types: normative social influence and informational social influence (Deutsch & Gerard, 1955).

In **normative social influence**, people conform to the group norm to fit in, to feel good, and to be accepted by the group. However, with **informational social influence**, people conform because they believe the group is competent and has the correct information, particularly when the task or situation is ambiguous. What type of social influence was operating in the Asch conformity studies? Since the line judgment task was unambiguous, participants did not need to rely on the group for information. Instead, participants complied to fit in and avoid ridicule, an instance of normative social influence.

An example of informational social influence may be what to do in an emergency situation. Imagine that you are in a movie theater watching a film and what seems to be smoke comes in the theater from under the emergency exit door. You are not certain that it is smoke—it might be a special effect for the movie, such as a fog machine. When you are uncertain you will tend to look at the behavior of others in the theater. If other people show concern and get up to leave, you are likely to do the same. However, if others seem unconcerned, you are likely to stay put and continue watching the movie (See figure 12.19).



(a)



(b)

Figure

12.19 People in crowds tend to take cues from others and act accordingly. (a) An audience is listening to a lecture and people are relatively quiet, still, and attentive to the speaker on the stage. (b) An audience is at a rock concert where people are dancing, singing, and possibly engaging in activities like crowd surfing. (credit a: modification of work by Matt Brown; credit b: modification of work by Christian Holmér)

How would you have behaved if you were a participant in Asch's study? Many students say they would not conform, that the study is outdated, and that people nowadays are more independent. To some extent this may be true. Research suggests that overall rates of conformity may have reduced since the time of Asch's research. Furthermore, efforts to replicate Asch's study have made it clear that many factors determine how likely it is that someone will demonstrate conformity to the group. These factors include the participant's age, gender, and socio-cultural background (Bond & Smith, 1996; Larsen, 1990; Walker & Andrade, 1996).

Link to Learning

Watch this [video of a replication of the Asch experiment](#) to learn more.

Stanley Milgram's Experiment

Conformity is one effect of the influence of others on our thoughts, feelings, and behaviors. Another form of social influence is obedience to authority. **Obedience** is the change of an individual's behavior to comply with a demand by an authority figure. People often comply with the request because they are concerned about a consequence if they do not comply. To demonstrate this phenomenon, we review another classic social psychology experiment.

Stanley **Milgram** was a social psychology professor at Yale who was influenced by the trial of Adolf Eichmann, a Nazi war criminal. Eichmann's defense for the atrocities he committed was that he was "just following orders." Milgram (1963) wanted to test the validity of this defense, so he designed an experiment and initially recruited 40 men for his experiment. The volunteer participants were led to believe that they were participating in a study to improve learning and memory. The participants were told that they were to teach other students (learners) correct answers to a series of test items. The participants were shown how to use a device that they were told delivered electric shocks of different intensities to the learners. The participants were told to shock the learners if they gave a wrong answer to a test item—that the shock would help them to learn. The participants gave (or believed they gave) the learners shocks, which increased in 15-volt increments, all the way up to 450 volts. The participants did not know that the learners were confederates and that the confederates did not actually receive shocks.

In response to a string of incorrect answers from the learners, the participants obediently and repeatedly shocked them. The confederate learners cried out for help, begged the participant teachers to stop, and even complained of heart trouble. Yet, when the researcher told the participant-teachers to continue the shock, 65% of the participants continued the shock to the maximum voltage and to the point that the learner became unresponsive (See figure 12.20). What makes someone obey authority to the point of potentially causing serious harm to another person?

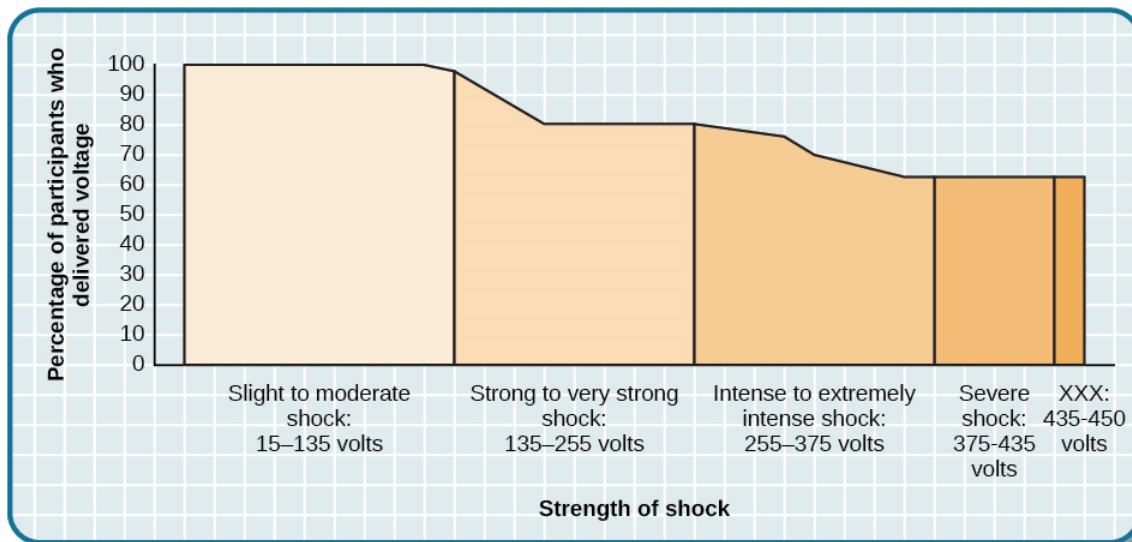


Figure 12.20 The

Milgram experiment showed the surprising degree to which people obey authority. Two out of three (65%) participants continued to administer shocks to an unresponsive learner.

Several variations of the original **Milgram** experiment were conducted to test the boundaries of obedience. When certain features of the situation were changed, participants were less likely to continue to deliver shocks (Milgram, 1965). For example, when the setting of the experiment was moved to an office building, the percentage of participants who delivered the highest shock dropped to 48%. When the learner was in the same room as the teacher, the highest shock rate dropped to 40%. When the teachers' and learners' hands were touching, the highest shock rate dropped to 30%. When the researcher gave the orders by phone, the rate dropped to 23%. These variations show that when the humanity of the person being shocked was increased, obedience decreased. Similarly, when the authority of the experimenter decreased, so did obedience.

This case is still very applicable today. What does a person do if an authority figure orders something done? What if the person believes it is incorrect, or worse, unethical? In a study by Martin and Bull (2008), midwives privately filled out a questionnaire regarding best practices and expectations in delivering a baby. Then, a more senior midwife and supervisor asked the junior midwives to do something they had previously stated they were opposed to. Most of the junior midwives were obedient to authority, going against their own beliefs.

Groupthink

When in group settings, we are often influenced by the thoughts, feelings, and behaviors around us. Whether it is due to normative or informational social influence, groups have power to influence individuals. Another phenomenon of group conformity is groupthink. **Groupthink** is the modification of the opinions of members of a group to align with what they believe is the group consensus (Janis, 1972). In group situations, the group often takes action that individuals would not perform outside the group setting because groups make more extreme decisions than individuals do. Moreover, groupthink can hinder opposing trains of thought. This elimination of diverse opinions contributes to faulty decision by the group.

DIG DEEPER: Groupthink in the U.S. Government

There have been several instances of groupthink in the U.S. government. One example occurred when the United States led a small coalition of nations to invade Iraq in March 2003. This invasion occurred because a small group of advisors and former President George W. Bush were convinced that Iraq represented a significant terrorism threat with a large stockpile of weapons of mass destruction at its disposal. Although some of these individuals may have had some doubts about the credibility of the information available to them at the time, in the end, the group arrived at a consensus that Iraq had weapons of mass destruction and represented a significant threat to national security. It later came to light that Iraq did not have weapons of mass destruction, but not until the invasion was well underway. As a result, 6000 American soldiers were killed and many more civilians died. How did the Bush administration arrive at their conclusions? Here is a video of Colin Powell discussing the information he had, 10 years after his famous United Nations speech,

<https://www.youtube.com/watch?v=vU6KMYIDyWc> ("Colin Powell regrets," 2011).

Do you see evidence of groupthink?

Why does groupthink occur? There are several causes of groupthink, which makes it preventable. When the group is highly cohesive, or has a strong sense of connection, maintaining group harmony may become more important to the group than making sound decisions. If the group leader is directive and makes his opinions known, this may discourage group members from disagreeing with the leader. If the group is isolated from hearing alternative or new viewpoints, groupthink may be more likely. How do you know when groupthink is occurring?

There are several symptoms of groupthink including the following:

- perceiving the group as invulnerable or invincible—believing it can do no wrong
- believing the group is morally correct
- self-censorship by group members, such as withholding information to avoid disrupting the group consensus
- the quashing of dissenting group members' opinions
- the shielding of the group leader from dissenting views
- perceiving an illusion of unanimity among group members
- holding stereotypes or negative attitudes toward the out-group or others' with differing viewpoints (Janis, 1972)

Given the causes and symptoms of groupthink, how can it be avoided? There are several strategies that can improve group decision making including seeking outside opinions, voting in private, having the leader withhold position statements until all group members have voiced their views, conducting research on all viewpoints, weighing the costs and benefits of all options, and developing a contingency plan (Janis, 1972; Mitchell & Eckstein, 2009).

Group Polarization

Another phenomenon that occurs within group settings is group polarization. **Group polarization** (Teger & Pruitt, 1967) is the strengthening of an original group attitude after the discussion of views within a group. That is, if a group initially favors a viewpoint, after discussion the group consensus is likely a stronger endorsement of the viewpoint. Conversely, if the group was initially opposed to a viewpoint, group discussion would likely lead to stronger opposition. Group polarization explains many actions taken by groups that would not be undertaken by individuals. Group polarization can be observed at political conventions, when platforms of the party are supported by individuals who, when not in a group, would decline to support them. A more everyday example is a group's discussion of how attractive someone is. Does your opinion change if you find someone attractive, but your friends do not agree? If your friends vociferously agree, might you then find this person even more attractive?

Social traps refer to situations that arise when individuals or groups of individuals behave in ways that are not in their best interest and that may have negative, long-term consequences. However, once established, a social trap is very difficult to escape. For example, following World War II, the United States and the former Soviet Union engaged in a nuclear arms race. While the presence of nuclear weapons is not in either party's best interest, once the arms race began, each country felt the need to continue producing nuclear weapons to protect itself from the other.

Social Loafing

Imagine you were just assigned a group project with other students whom you barely know. Everyone in your group will get the same grade. Are you the type who will do most of the work, even though the final grade will be shared? Or are you more likely to do less work because you know others will pick up the slack? Social loafing involves a reduction in individual output on tasks where contributions are pooled. Because each individual's efforts are not evaluated, individuals can become less motivated to perform well. Karau and Williams (1993) and Simms and Nichols (2014) reviewed the research on social loafing and discerned when it was least likely to happen. The researchers noted that social loafing could be alleviated if, among other situations, individuals knew their work would be assessed by a manager (in a workplace setting) or instructor (in a classroom setting), or if a manager or instructor required group members to complete self-evaluations.

The likelihood of social loafing in student work groups increases as the size of the group increases (Shepperd & Taylor, 1999). According to Kamau and Williams (1993), college students were the population most likely to engage in social loafing. Their study also found that women and participants from collectivistic cultures were less likely to engage in social loafing, explaining that

their group orientation may account for this.

College students could work around social loafing or “free-riding” by suggesting to their professors use of a flocking method to form groups. Harding (2018) compared groups of students who had self-selected into groups for class to those who had been formed by flocking, which involves assigning students to groups who have similar schedules and motivations. Not only did she find that students reported less “free riding,” but that they also did better in the group assignments compared to those whose groups were self-selected.

Interestingly, the opposite of social loafing occurs when the task is complex and difficult (Bond & Titus, 1983; Geen, 1989). In a group setting, such as the student work group, if your individual performance cannot be evaluated, there is less pressure for you to do well, and thus less anxiety or physiological arousal (Latané, Williams, & Harkens, 1979). This puts you in a relaxed state in which you can perform your best, if you choose (Zajonc, 1965). If the task is a difficult one, many people feel motivated and believe that their group needs their input to do well on a challenging project (Jackson & Williams, 1985).

Deindividuation

Another way in which a group presence can affect our performance is social loafing. **Social loafing** is the exertion of less effort by a person working together with a group. Social loafing occurs when our individual performance cannot be evaluated separately from the group. Thus, group performance declines on easy tasks (Karau & Williams, 1993). Essentially individual group members loaf and let other group members pick up the slack. Because each individual's efforts cannot be evaluated, individuals become less motivated to perform well. For example, consider a group of people cooperating to clean litter from the roadside. Some people will exert a great amount of effort, while others will exert little effort. Yet the entire job gets done, and it may not be obvious who worked hard and who didn't.

The Table 12.2 below summarizes the types of social influence you have learned about in this chapter.

Table 12.2 Types of Social Influence

Type of Social Influence	Description
Conformity	Changing your behavior to go along with the group even if you do not agree with the group
Compliance	Going along with a request or demand
Normative social influence	Conformity to a group norm to fit in, feel good, and be accepted by the group
Informational social influence	Conformity to a group norm prompted by the belief that the group is competent and has the correct information
Obedience	Changing your behavior to please an authority figure or to avoid aversive consequences
Groupthink	Group members modify their opinions to match what they believe is the group consensus
Group polarization	Strengthening of the original group attitude after discussing views within a group
Social facilitation	Improved performance when an audience is watching versus when the individual performs the behavior alone
Social loafing	Exertion of less effort by a person working in a group because individual performance cannot be evaluated separately from the group, thus causing performance decline on easy tasks

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3.6: Communication Channels

Learning Objectives

1. Understand how communication channels affect communication.
2. Recognize different communication directions within organizations.

The channel, or medium, used to communicate a message affects how accurately the message will be received. Verbal, written, and nonverbal communications have different strengths and weaknesses. In business, the decision to communicate verbally or in written form can be a powerful one. In addition, a smart manager is aware of the nonverbal messages conveyed by either type of communication—as noted earlier, only 7% of verbal communication comes from the words themselves.

Information Richness

Channels vary in their *information richness*. Information-rich channels convey more nonverbal information. As you may be able to guess from our earlier discussion of verbal and written communications, verbal communications are richer than written ones. Research shows that effective managers tend to use more information-rich communication channels than less effective managers (Allen & Griffeth, 1997; Fulk & Boyd, 1991; Yater & Orlowski, 1992). The figure below illustrates the information richness of different information channels.

Information Channel	Information Richness
Face-to-face conversation	High
Videoconferencing	High
Telephone conversation	High
E-mails	Medium
Handheld devices	Medium
Blogs	Medium
Written letters and memos	Medium
Formal written documents	Low
Spreadsheets	Low

Figure 3.6.1: Information Richness

Adapted from information in Daft, R. L., & Lenge, R. H. (1984). Information richness: A new approach to managerial behavior and organizational design. In B. Staw & L. Cummings (Eds.), *Research in organizational behavior* (Vol. 6, pp. 191–233). Greenwich, CT: JAI Press; and Lengel, R. H., & Daft, D. L. (1988). The selection of communication media as an executive skill. *Academy of Management Executive*, 11, 225–232.

Like face-to-face and telephone conversation, videoconferencing has high information richness because Receivers and Senders can see or hear beyond just the words—they can see the Sender’s body language or hear the tone of their voice. Handheld devices, blogs, and written letters and memos offer medium-rich channels because they convey words and pictures/photos. Formal written documents, such as legal documents, and spreadsheets, such as the division’s budget, convey the least richness because the format is often rigid and standardized. As a result, nuance is lost.

In business, the decision to communicate verbally or in written form can be powerful. In addition, a smart manager is aware of the nonverbal messages conveyed by either type of communication—as noted earlier, only 7% of a verbal communication comes

from the words themselves.

When determining whether to communicate verbally or in writing, ask yourself: *Do I want to convey facts or feelings?* Verbal communications are a better way to convey feelings. Written communications do a better job of conveying facts.

Picture a manager making a speech to a team of 20 employees. The manager is speaking at a normal pace. The employees appear interested. But how much information is being transmitted? Not as much as the speaker believes! Humans listen much faster than they speak. The average public speaker communicates at a speed of about 125 words a minute. And that pace sounds fine to the audience. (In fact, anything faster than that probably would sound weird. To put that figure in perspective, someone having an excited conversation speaks at about 150 words a minute.) On the basis of these numbers, we could assume that the employees have more than enough time to take in each word the manager delivers. And that's the problem. The average person in the audience can hear 400–500 words a minute (Lee & Hatesohl, 2008). The audience has *more than enough time* to hear. As a result, they will each be processing many thoughts of their own, on totally different subjects, while the manager is speaking. As this example demonstrates, oral communication is an inherently flawed medium for conveying specific facts. Listeners' minds wander! It's nothing personal—in fact, it's totally physical. In business, once we understand this fact, we can make more intelligent communication choices based on the kind of information we want to convey.

The key to effective communication is to match the communication channel with the goal of the communication (Barry & Fulmer, 2004). For example, written media may be a better choice when the Sender wants a record of the content, has less urgency for a response, is physically separated from the Receiver, doesn't require a lot of feedback from the Receiver, or the Message is complicated and may take some time to understand. Oral communication, however, makes more sense when the Sender is conveying a sensitive or emotional Message, needs feedback immediately, and does not need a permanent record of the conversation. Use the guide provided for deciding when to use written versus verbal communication.

Use Written Communication When:	Use Verbal Communication When:
conveying facts	conveying emotion and feelings
the message needs to become part of a permanent file	the message does not need to be permanent
there is little time urgency	there is time urgency
you do not need immediate feedback	you need immediate feedback
the ideas are complicated	the ideas are simple or can be made simple with explanations

Figure 3.6.2: Guide for When to Use Written Versus Verbal Communication

use written forms when conveying facts, need a record, not urgen, do not need immediate feedback and ideas are complex. Use verbal communication when conveying emotions, message is ephemeral, time urgent, ideas are simple

Business Use of E-Mail

The growth of e-mail has been spectacular, but it has also created challenges in managing information and an ever-increasing speed of doing business. Over 100 million adults in the United States use e-mail regularly (at least once a day) (Taylor, 2002). Internet users around the world send an estimated 60 billion e-mails every day, and many of those are spam or scam attempts (CNET, 2006). That makes e-mail the second most popular medium of communication worldwide, second only to voice. A 2005 study estimated that less than 1% of all written human communications even reached paper—and we can imagine that this percentage has gone down even further since then (Isom, 2005). To combat the overuse of e-mail, companies such as Intel have even instituted “no e-mail Fridays” where all communication is done via other communication channels. Learning to be more effective in your e-mail communications is an important skill. To learn more, check out the business e-mail do's and don'ts.

Business E-Mail Do's and Don'ts

1. DON'T send or forward chain e-mails.
2. DON'T put anything in an e-mail that you don't want the world to see.
3. DON'T write a Message in capital letters—this is the equivalent of SHOUTING.
4. DON'T routinely “cc” everyone all the time. Reducing inbox clutter is a great way to increase communication.
5. DON'T hit Send until you spell-check your e-mail.
6. DO use a subject line that summarizes your Message, adjusting it as the Message changes over time.
7. DO make your request in the first line of your e-mail. (And if that's all you need to say, stop there!)
8. DO end your e-mail with a brief sign-off such as, “Thank you,” followed by your name and contact information.
9. DO think of a work e-mail as a binding communication.
10. DO let others know if you've received an e-mail in error.

Source: Adapted from information in Leland, K., & Bailey, K. (2000). *Customer service for dummies*. New York: Wiley; Information Technology Services (1997). Top 10 email dos and top ten email don'ts. Retrieved July 1, 2008, from the University of Illinois at Chicago Medical Center Web site: www.uic.edu/hsc/uicmc/its/customers/email-tips.htm; Kawasaki, G. (2006, February 3). The effective emailer. Retrieved July 1, 2008, from *How to Change the World* Web site: blog.guykawasaki.com/2006/02/the_effective_e.html.

An important, although often ignored, rule when communicating emotional information is that e-mail's lack of richness can be your loss. As we saw in the chart above, e-mail is a medium-rich channel. It can convey facts quickly. But when it comes to emotion, e-mail's flaws make it far less desirable a choice than oral communication—the 55% of nonverbal cues that make a conversation comprehensible to a listener are missing. E-mail readers don't pick up on sarcasm and other tonal aspects of writing as much as the writer believes they will, researchers note in a recent study (Kruger, 2005).

The Sender may believe she has included these emotional signifiers in her Message. But, with words alone, those signifiers are not there. This gap between the form and content of e-mail inspired the rise of emoticons—symbols that offer clues to the emotional side of the words in each Message. Generally speaking, however, emoticons are not considered professional in business communication.

You might feel uncomfortable conveying an emotionally laden message verbally, especially when the message contains unwanted news. Sending an e-mail to your staff that there will be no bonuses this year may seem easier than breaking the bad news face-to-face, but that doesn't mean that e-mail is an effective or appropriate way to deliver this kind of news. When the Message is emotional, the Sender should use verbal communication. Indeed, a good rule of thumb is that the more emotionally laden messages require more thought in the choice of channel and how they are communicated.

Direction of Communication Within Organizations

Information can move horizontally, from a Sender to a Receiver, as we've seen. It can also move vertically, down from top management or up from the front line. Information can also move diagonally between and among levels of an organization, such as a Message from a customer service representative up to a manager in the manufacturing department, or a Message from the chief financial officer sent down to all department heads.

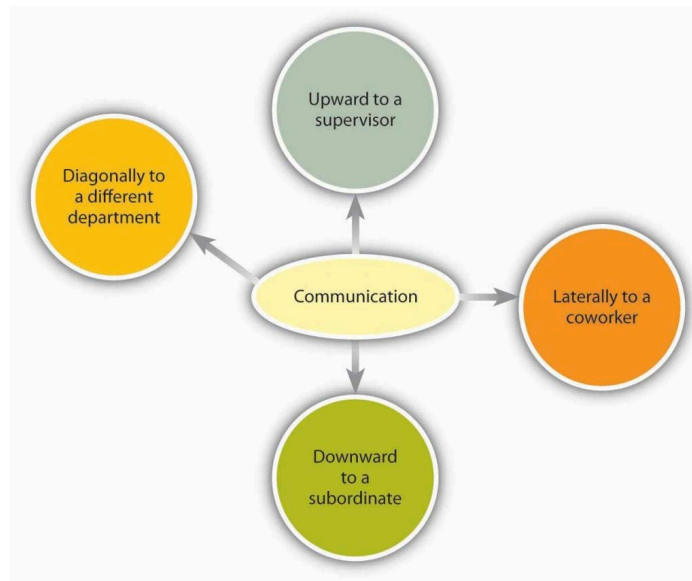


Figure 3.6.3: Communication flows in many different directions within an organization.

There is a chance for these arrows to go awry, of course. As Mihaly Csikszentmihalyi, author of best-selling books such as *Flow*, has noted, “In large organizations the dilution of information as it passes up and down the hierarchy, and horizontally across departments, can undermine the effort to focus on common goals.” Managers need to keep this in mind when they make organization design decisions as part of the organizing function.

The organizational status of the Sender can affect the Receiver’s attentiveness to the Message. For example, consider: A senior manager sends a memo to a production supervisor. The supervisor, who has a lower status within the organization, is likely to pay close attention to the Message. The same information, conveyed in the opposite direction, however, might not get the attention it deserves. The Message would be filtered by the senior manager’s perception of priorities and urgencies.

Requests are just one kind of communication in business. Other communications, both verbal or written, may seek, give, or exchange information. Research shows that frequent communications with one’s supervisor is related to better job performance ratings and overall organizational performance (Snyder & Morris, 1984; Kacmar, et. al., 2003). Research also shows that lateral communication done between peers can influence important organizational outcomes such as turnover (Krackhardt & Porter, 1986).

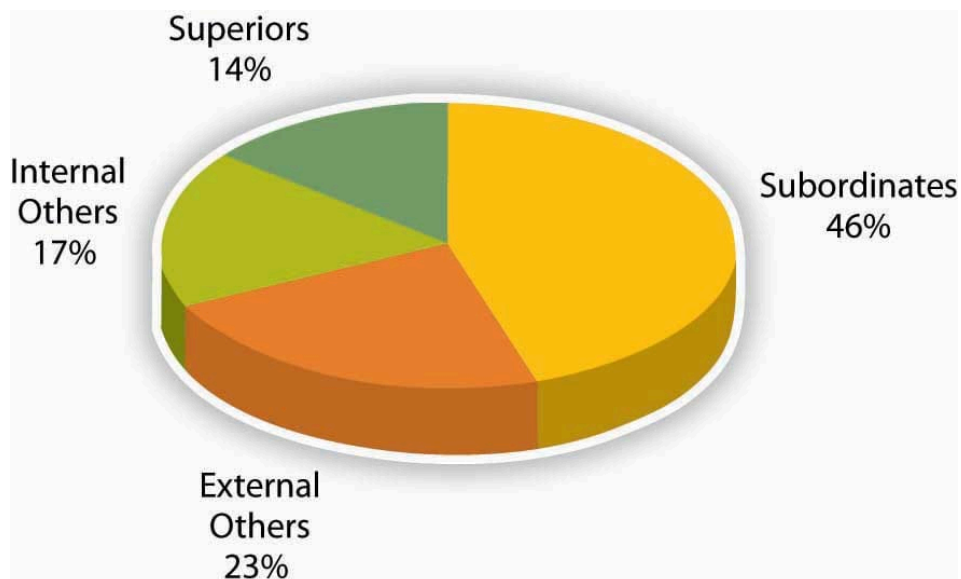


Figure 3.6.4: Who Managers Spend Time Communicating with at Work Adapted from information in Luthans, F., & Larsen, J. K. (1986). How managers really communicate. *Human Relations*, 39, 161–178.

External Communications

External communications deliver specific business messages to individuals outside an organization. They may announce changes in staff or strategy, earnings, and more. The goal of an external communication is to create a specific Message that the Receiver will understand and share with others. Examples of external communications include the following:

Press Releases

Public relations professionals create external communications about a client's product, services or practices for specific Receivers. These Receivers, it is hoped, will share the Message with others. In time, as the Message is passed along, it should *appear* to be independent of The Sender, creating the illusion of an independently generated consumer trend, public opinion, and so on.

The Message of a public relations effort may be *b2b* (business to business), *b2c* (business to consumer), or media related. The Message can take different forms. Press releases try to convey a newsworthy message, real or manufactured. It may be constructed like a news item, inviting editors or reporters to reprint the Message in part, or as a whole, with or without acknowledgment of the Sender's identity. Public relations campaigns create Messages over time, through contests, special events, trade shows, and media interviews in addition to press releases.

Ads

Advertising places external business Messages before target Receivers through media buys. A media buy is a fee that is paid to a television network, Web site, or magazine by an advertiser for an on-air, site, or publication ad. The fee is based on the perceived value of the audience who watches, reads, or frequents the space where the ad will appear.

In recent years, Receivers have begun to filter advertiser's Messages, a phenomenon that is perceived to be the result of the large amount of ads the average person sees each day and a growing level of consumer wariness of paid Messaging. Advertisers, in turn, are trying to create alternative forms of advertising that Receivers won't filter. The *advertorial* is one example of an external communication that combines the look of an article with the focused Message of an ad. Product placements in videos, movies, and games are other ways that advertisers strive to reach Receivers with commercial Messages.

Web Pages

A Web page's external communication can combine elements of public relations, advertising, and editorial content, reaching Receivers on multiple levels and in multiple ways. Banner ads, blogs, and advertiser-driven "click-through" areas are just a few of the elements that allow a business to deliver a Message to a Receiver online. The perceived flexibility of online communications can impart a less formal (and, therefore, more believable) quality to an external communication. A Message relayed in a daily blog post will reach a Receiver differently than if it is delivered in an annual report, for example. The popularity and power of blogs is growing, with 11% of *Fortune* 500 companies having official blogs (up from 4% in 2005). In fact, blogs have become so important to some companies as Coca-Cola, Kodak, and Marriott that they have created official positions within their organizations titled "Chief Blogging Officer (Workforce, 2008)."

The "real-time" quality of Web communications may appeal to Receivers who might filter out a traditional ad and public relations message because of its "prefab" quality. Despite their "spontaneous" feel, many online pages can be revisited in perpetuity. For this reason, clear and accurate external communications are as vital for online use as they are in traditional media.

Customer Communications

Customer communications can include letters, catalogs, direct mail, e-mails, text messages, and telemarketing messages. Some Receivers automatically filter bulk messages like these. Others will be receptive. The key to a successful external communication to customers is to convey a business message in a personally compelling way—dramatic news, a money-saving coupon, and so forth.

Key Takeaway

Different communication channels are more or less effective at transmitting different kinds of information. Some types of communication are information rich while others are medium rich. In addition, communications flow in different directions within organizations. A major internal communication channel is e-mail, which is convenient but needs to be handled carefully. External communication channels include PR/press releases, ads, Web pages, and customer communications such as letters and catalogs.

Exercises

1. How could you use your knowledge of communication richness to be more effective in your own communications?
2. What are the three biggest advantages and disadvantages you see regarding technology and communications?
3. Explain the difference between internal and external communications in an organization, giving examples of each.

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3.7: Barriers to Effective Communication

Understanding Barriers to Effective Communication

Regardless of the communication channel that you use, barriers to communication exist. Understanding potential barriers and working to minimize them is important to ensure your messages are received as intended. To learn more:

Watch this 1:36 video, you will be introduced to common barriers to effective communication:

Consider how you can work to reduce the impact of these barriers in your communications.

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3.8: Communication Barriers

Learning Objectives

1. Understand different ways that the communication process can be sidetracked.
2. Understand the problem of poor listening and how to promote active listening.

Barriers to Effective Communication

Communicating can be more of a challenge than you think, when you realize the many things that can stand in the way of effective communication. These include filtering, selective perception, information overload, emotional disconnects, lack of source familiarity or credibility, workplace gossip, semantics, gender differences, differences in meaning between Sender and Receiver, and biased language. Let's examine each of these barriers.

Filtering

Filtering is the distortion or withholding of information to manage a person's reactions. Some examples of filtering include a manager who keeps her division's poor sales figures from her boss, the vice president, fearing that the bad news will make him angry. The old saying, "Don't shoot the messenger!" illustrates the tendency of Receivers (in this case, the vice president) to vent their negative response to unwanted Messages on the Sender. A gatekeeper (the vice president's assistant, perhaps) who doesn't pass along a complete Message is also filtering. The vice president may delete the e-mail announcing the quarter's sales figures before reading it, blocking the Message before it arrives.

As you can see, filtering prevents members of an organization from getting a complete picture of the way things are. To maximize your chances of sending and receiving effective communications, it's helpful to deliver a Message in multiple ways and to seek information from multiple sources. In this way, the effect of any one person's filtering the Message will be diminished.

Since people tend to filter bad news more during upward communication, it is also helpful to remember that those below you in an organization may be wary of sharing bad news. One way to defuse the tendency to filter is to reward employees who clearly convey information upward, regardless of whether the news is good and bad.

Here are some of the criteria that individuals may use when deciding whether to filter a Message or pass it on:

- Past experience: Was the Sender rewarded for passing along news of this kind in the past, or was she criticized?
- Knowledge, perception of the speaker: Has the Receiver's direct superior made it clear that "no news is good news?"
- Emotional state, involvement with the topic, level of attention: Does the Sender's fear of failure or criticism prevent him from conveying the Message? Is the topic within his realm of expertise, increasing his confidence in his ability to decode it, or is he out of his comfort zone when it comes to evaluating the Message's significance? Are personal concerns impacting his ability to judge the Message's value?

Once again, filtering can lead to miscommunications in business. Each listener translates the Message into his or her own words, creating his or her own version of what was said (Alessandra, 1993).

Selective Perception

Selective perception refers to filtering what we see and hear to suit our own needs. This process is often unconscious. Small things can command our attention when we're visiting a new place—a new city or a new company. Over time, however, we begin to make assumptions about the way things are on the basis of our past experience. Often, much of this process is unconscious. "We simply are bombarded with too much stimuli every day to pay equal attention to everything so we pick and choose according to our own needs (Pope, 2008)." Selective perception is a time-saver, a necessary tool in a complex culture. But it can also lead to mistakes.

Think back to the earlier example conversation between Bill, who was asked to order more toner cartridges, and his boss. Since Bill found his boss's to-do list to be unreasonably demanding, he assumed the request could wait. (How else could he do everything else on the list?) The boss, assuming that Bill had heard the urgency in her request, assumed that Bill would place the order before returning to the other tasks on her list.

Both members of this organization were using selective perception to evaluate the communication. Bill's perception was that the task of ordering could wait. The boss's perception was that her time frame was clear, though unstated. When two selective perceptions collide, a misunderstanding occurs.

Information Overload

Information overload can be defined as "occurring when the information processing demands on an individual's time to perform interactions and internal calculations exceed the supply or capacity of time available for such processing (Schick, et. al., 1990)." Messages reach us in countless ways every day. Some are societal—advertisements that we may hear or see in the course of our day. Others are professional—e-mails, and memos, voice mails, and conversations from our colleagues. Others are personal—messages and conversations from our loved ones and friends.

Add these together and it's easy to see how we may be receiving more information than we can take in. This state of imbalance is known as information overload. Experts note that information overload is "A symptom of the high-tech age, which is too much information for one human being to absorb in an expanding world of people and technology. It comes from all sources including TV, newspapers, and magazines as well as wanted and unwanted regular mail, e-mail and faxes. It has been exacerbated enormously because of the formidable number of results obtained from Web search engines (PC Magazine, 2008)." Other research shows that working in such fragmented fashion has a significant negative effect on efficiency, creativity, and mental acuity (Overholt, 2001).

Going back to our example of Bill. Let's say he's in his cubicle on the phone with a supplier. While he's talking, he hears the chime of e-mail alerting him to an important message from his boss. He's scanning through it quickly, while still on the phone, when a coworker pokes his head around the cubicle corner to remind Bill that he's late for a staff meeting. The supplier on the other end of the phone line has just given Bill a choice among the products and delivery dates he requested. Bill realizes he missed hearing the first two options, but he doesn't have time to ask the supplier to repeat them all or to try reconnecting to place the order at a later time. He chooses the third option—at least he heard that one, he reasons, and it seemed fair. How good was Bill's decision amid all the information he was processing at the same time?

Emotional disconnects

Emotional disconnects happen when the Sender or the Receiver is upset, whether about the subject at hand or about some unrelated incident that may have happened earlier. An effective communication requires a Sender and a Receiver who are open to speaking and listening to one another, despite possible differences in opinion or personality. One or both parties may have to put their emotions aside to achieve the goal of communicating clearly. A Receiver who is emotionally upset tends to ignore or distort what the Sender is saying. A Sender who is emotionally upset may be unable to present ideas or feelings effectively.

Lack of Source Credibility

Lack of source familiarity or credibility can derail communications, especially when humor is involved. Have you ever told a joke that fell flat? You and the Receiver lacked the common context that could have made it funny. (Or yes, it could have just been a lousy joke.) Sarcasm and irony are subtle, and potentially hurtful, commodities in business. It's best to keep these types of communications out of the workplace as their benefits are limited, and their potential dangers are great. Lack of familiarity with the Sender can lead to misinterpreting humor, especially in less-rich information channels like e-mail. For example, an e-mail from Jill that ends with, "Men, like hens, should boil in vats of oil," could be interpreted as antimal if the Receiver didn't know that Jill has a penchant for rhyme and likes to entertain coworkers by making up amusing sayings.

Similarly, if the Sender lacks credibility or is untrustworthy, the Message will not get through. Receivers may be suspicious of the Sender's motivations ("Why am I being told this?"). Likewise, if the Sender has communicated erroneous information in the past, or has created false emergencies, his current Message may be filtered.

Workplace gossip, also known as the grapevine, is a lifeline for many employees seeking information about their company (Kurland

& Pelled, 2000). Researchers agree that the grapevine is an inevitable part of organizational life. Research finds that 70% of all organizational communication occurs at the grapevine level (Crampton, 1998).

Employees trust their peers as a source of Messages, but the grapevine's informal structure can be a barrier to effective communication from the managerial point of view. Its grassroots structure gives it greater credibility in the minds of employees than information delivered through official channels, even when that information is false.

Some downsides of the office grapevine are that gossip offers politically minded insiders a powerful tool for disseminating communication (and self-promoting miscommunications) within an organization. In addition, the grapevine lacks a specific Sender, which can create a sense of distrust among employees—who is at the root of the gossip network? When the news is volatile, suspicions may arise as to the person or persons behind the Message. Managers who understand the grapevine's power can use it to send and receive Messages of their own. They also decrease the grapevine's power by sending official Messages quickly and accurately, should big news arise.

Semantics

Semantics is the study of meaning in communication. Words can mean different things to different people, or they might not mean anything to another person. For example, companies often have their own acronyms and buzzwords (called business jargon) that are clear to them but impenetrable to outsiders. For example, at IBM, GBS is focusing on BPTS, using expertise acquired from the PwC purchase (which had to be sold to avoid conflicts of interest in light of SOX) to fend off other BPO providers and inroads by the Bangalore tiger. Does this make sense to you? If not, here's the translation: IBM's Global Business Services (GBS) division is focusing on offering companies Business Process Transformation Services (BPTS), using the expertise it acquired from purchasing the management consulting and technology services arm of PricewaterhouseCoopers (PwC), which had to sell the division because of the Sarbanes-Oxley Act (SOX, enacted in response to the major accounting scandals like the Enron). The added management expertise puts it above business process outsourcing (BPO) vendors who focus more on automating processes rather than transforming and improving them. Chief among these BPO competitors is Wipro, often called the “Bangalore tiger” because of its geographic origin and aggressive growth.

Given the amount of Messages we send and receive every day, it makes sense that humans try to find shortcuts—a way to communicate things in code. In business, this code is known as jargon. Jargon is the language of specialized terms used by a group or profession. It is common shorthand among experts and if used sensibly can be a quick and efficient way of communicating. Most jargon consists of unfamiliar terms, abstract words, nonexistent words, acronyms, and abbreviations, with an occasional euphemism thrown in for good measure. Every profession, trade, and organization has its own specialized terms (Wright, 2008). At first glance, jargon seems like a good thing—a quicker way to send an effective communication, the way text message abbreviations can send common messages in a shorter, yet understandable way. But that's not always how things happen. Jargon can be an obstacle to effective communication, causing listeners to tune out or fostering ill-feeling between partners in a conversation. When jargon rules the day, the Message can get obscured.

A key question to ask before using jargon is, “Who is the Receiver of my Message?” If you are a specialist speaking to another specialist in your area, jargon may be the best way to send a message while forging a professional bond—similar to the way best friends can communicate in code. For example, an information technology (IT) systems analyst communicating with another IT employee may use jargon as a way of sharing information in a way that reinforces the pair's shared knowledge. But that same conversation should be held in standard English, free of jargon, when communicating with staff members outside the IT group.

Online Follow-Up

Here is a Web site of 80 buzz words in business:

www.amanet.org/movingahead/editorial2002_2003/nov03_80buzzwords.htm

and a discussion of why slang is a problem:

sbinfoCanada.about.com/od/speakforsuccesscourse/a/speechlesson5.htm.

Gender Differences

Gender differences in communication have been documented by a number of experts, including linguistics professor Deborah Tannen in her best-selling book *You Just Don't Understand: Women and Men in Conversation* (Tannen, 1991). Men and women work together every day. But their different styles of communication can sometimes work against them. Generally speaking, women like to ask questions before starting a project, while men tend to “jump right in.” A male manager who’s unaware of how many women communicate their readiness to work may misperceive a ready employee as not ready.

Another difference that has been noticed is that men often speak in sports metaphors, while many women use their home as a starting place for analogies. Women who believe men are “only talking about the game” may be missing out on a chance to participate in a division’s strategy and opportunities for teamwork and “rallying the troops” for success (Krotz, 2008).

“It is important to promote the best possible communication between men and women in the workplace,” notes gender policy adviser Dee Norton, who provided the above example. “As we move between the male and female cultures, we sometimes have to change how we behave (speak the language of the other gender) to gain the best results from the situation. Clearly, successful organizations of the future are going to have leaders and team members who understand, respect and apply the rules of gender culture appropriately (Norton, 2008).”

Being aware of these gender differences can be the first step in learning to work with them, as opposed to around them. For example, keep in mind that men tend to focus more on competition, data, and orders in their communications, while women tend to focus more on cooperation, intuition, and requests. Both styles can be effective in the right situations, but understanding the differences is a first step in avoiding misunderstandings based on them.

Differences in meaning often exist between the Sender and Receiver. “*Mean what you say, and say what you mean.*” It’s an easy thing to say. But in business, what do those words mean? Different words mean different things to different people. Age, education, and cultural background are all factors that influence how a person interprets words. The less we consider our audience, the greater our chances of miscommunication will be. When communication occurs in the cross-cultural context, extra caution is needed given that different words will be interpreted differently across cultures and different cultures have different norms regarding nonverbal communication. Eliminating jargon is one way of ensuring that our words will convey real-world concepts to others. Speaking to our audience, as opposed to about ourselves, is another. Nonverbal Messages can also have different meanings.

Table 3.8.1 Gestures Around the Globe

 Figure 3.8.1	1. “V” for victory. Use this gesture with caution! While in North America it signs victory or peace, in England and Australia it means something closer to “take this!”
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Figure 3.8.2

2. *The “OK” gesture.* While in North America it means things are going well, in France it means a person is thought to be worthless, in Japan it refers to money, and in Brazil, Russia, and Germany it means something really not appropriate for the workplace.



Figure 3.8.3

3. The *“thumbs up”* means one in Germany, five in Japan, but a good job in North America. This can lead to confusion.



Figure 3.8.4

4. *“Hook ‘em horns.”* This University of Texas rallying call looks like the horns of a bull. However, in Italy it means you are being tricked, while in Brazil and Venezuela it means you are warding off evil.



Figure 3.8.5

5. *Waving your hand.* In much of Europe waving your hand indicates a disagreement. However, in North America it is routinely used as a way to signal greetings or to get someone's attention.

Adapted from information in Axtell, R. E. (1998). *Gestures: The do's and taboos of body language around the world*. New York: John Wiley.

Managers who speak about “long-term goals and profits” to a staff that has received scant raises may find their core Message (“You’re doing a great job—and that benefits the folks in charge!”) has infuriated the group they hoped to inspire. Instead, managers who recognize the “contributions” of their staff and confirm that this work is contributing to company goals in ways “that will benefit the source of our success—our employees as well as executives,” will find their core Message (“You’re doing a great job—we really value your work”) is received as opposed to being misinterpreted.

Biased language can offend or stereotype others on the basis of their personal or group affiliation. The figure below provides a list of words that have the potential to be offensive in the left-hand column. The right-hand column provides more neutral words that you can use instead (Ashcraft & Mumby, 2003; Swift, 2007).

Avoid	Consider Using
black attorney	attorney
businessman	business person
chairman	chair or chairperson
cleaning lady	cleaner or maintenance worker
male nurse	nurse
manpower	staff or personnel
secretary	assistant or associate

Figure 3.8.6 Avoiding Biased Language

Effective communication is clear, factual, and goal-oriented. It is also respectful. Referring to a person by one adjective (a *brain*, a *diabetic*, an *invalid*) reduces that person to that one characteristic. Language that belittles or stereotypes a person poisons the communication process. Language that insults an individual or group based on age, ethnicity, sexual preference, or political beliefs violates public and private standards of decency, ranging from civil rights to corporate regulations.

The effort to create a neutral set of terms to refer to heritage and preferences has resulted in a debate over the nature of “political correctness.” Proponents of political correctness see it as a way to defuse the volatile nature of words that stereotyped groups and individuals in the past. Critics of political correctness see its vocabulary as stilted and needlessly cautious.

Many companies offer new employees written guides on standards of speech and conduct. These guides, augmented by common sense and courtesy, are solid starting points for effective, respectful workplace communication. Tips for appropriate workplace speech include but are not limited to

- Alternating the use of “he” and “she” when referring to people in general.
- Relying on human resources-generated guidelines.
- Remembering that terms that feel respectful or comfortable to us may not be comfortable or respectful to others.

Poor Listening and Active Listening

Former Chrysler CEO Lee Iacocca lamented, “I only wish I could find an institute that teaches people how to listen. After all, a good manager needs to listen at least as much as he needs to talk (Iacocca & Novak, 1984).” Research shows that listening skills are related to promotions (Sypher, et. al., 1989). A Sender may strive to deliver a Message clearly. But the Receiver’s ability to listen effectively is equally vital to effective communication. The average worker spends 55% of her workdays listening. Managers listen up to 70% each day. But listening doesn’t lead to understanding in every case. Listening takes practice, skill, and concentration.

According to University of San Diego professor Phillip Hunsaker, “The consequences of poor listening are lower employee productivity, missed sales, unhappy customers, and billions of dollars of increased cost and lost profits. Poor listening is a factor in low employee morale and increased turnover because employees do not feel their managers listen to their needs, suggestions, or complaints (Alessandra, et. al., 1993).” Clearly, if you hope to have a successful career in management, it behooves you to learn to be a good listener.

Alan Gulick, a Starbucks spokesperson, puts better listening to work in pursuit of better profits. If every Starbucks employee misheard one \$10 order each day, he calculates, their errors would cost the company a billion dollars annually. To teach its employees to listen, Starbucks created a code that helps employees taking orders hear the size, flavor, and use of milk or decaf coffee. The person making the drink echoes the order aloud.

How can you improve your listening skills? The Roman philosopher Cicero said, “Silence is one of the great arts of conversation.” How often have we been in conversation with someone else where we are not really listening but itching to convey our portion? This behavior is known as “rehearsing.” It suggests the Receiver has no intention of considering the Sender’s Message and intends to respond to an earlier point instead. Clearly, rehearsing is an impediment to the communication process. Effective communication relies on another kind of listening: active listening.

Active listening can be defined as giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times (Onet Center, 2008). Active listening creates a real-time relationship between the Sender and the Receiver by acknowledging the content and receipt of a Message. As we’ve seen in the Starbucks example, repeating and confirming a Message’s content offers a way to confirm that the correct content is flowing between colleagues. The process creates a bond between coworkers while increasing the flow and accuracy of messaging.

Carl Rogers, founder of the “person-centered” approach to psychology, formulated five rules for active listening:

1. Listen for message content
2. Listen for feelings
3. Respond to feelings
4. Note all cues
5. Paraphrase and restate

The good news is that listening is a skill that can be learned (Brownell, 1990). The first step is to decide that we want to listen. Casting aside distractions, such as by reducing background or internal noise, is critical. The Receiver takes in the Sender’s Message silently, without speaking. Second, throughout the conversation, show the speaker that you’re listening. You can do this nonverbally by nodding your head and keeping your attention focused on the speaker. You can also do it verbally, by saying things like, “Yes,” “That’s interesting,” or other such verbal cues. As you’re listening, pay attention to the Sender’s body language for additional cues about how they’re feeling. Interestingly, silence plays a major role in active listening. During active listening, we are trying to understand what has been said, and in silence, we can consider the implications. We can’t consider information and reply to it at the same time. That’s where the power of silence comes into play. Finally, if anything is not clear to you, ask questions. Confirm that you’ve heard the message accurately, by repeating back a crucial piece like, “Great, I’ll see you at 2 p.m. in my office.” At the end of the conversation, a “thank you” from both parties is an optional but highly effective way of acknowledging each other’s teamwork.

In summary, active listening creates a more dynamic relationship between a Receiver and a Sender. It strengthens personal investment in the information being shared. It also forges healthy working relationships among colleagues by making Speakers and Listeners equally valued members of the communication process.

Key Takeaway

Many barriers to effective communication exist. Examples include filtering, selective perception, information overload, emotional disconnects, lack of source familiarity or credibility, workplace gossip, semantics, gender differences, differences in meaning between Sender and Receiver, and biased language. The Receiver can enhance the probability of effective communication by engaging in active listening, which involves (1) giving one's full attention to the Sender and (2) checking for understanding by repeating the essence of the Message back to the Sender.

Exercises

1. Most people are poor listeners. Do you agree or disagree with this statement? Please support your position.
2. Please share an example of how differences in shared meaning have affected you.
3. Give an example of selective perception.
4. Do you use jargon at or in your classes? If so, do you think it helps or hampers communication? Why or why not?
5. In your experience, how is silence used in communication? How does your experience compare with the recommended use of silence in active listening?

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4: ORGANIZATIONAL STRUCTURES

4.1: Overview

4.2: Guiding Questions

4.3: Types of Organizational Structures

4.4: Why It Matters - Culture and Diversity

4.5: Influences on Organizational Culture

4.6: Apply a Growth Mindset

4.1: Overview

Module 4: Overview

Within this module, students will be introduced to common types of organizations and review important concepts relative to cultivating a growth mindset.

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4.2: Guiding Questions

Module 4: Guiding Questions

Consider the following questions as you review the learning materials this week:

- What are the most common organizational structures?
- Why is it important to understand organizational culture?
- How is organizational culture influenced?
- What are the characteristics of a growth mindset?

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4.3: Types of Organizational Structures

Organizational Structures

Companies are in business to provide goods or perform services. Yet, how work and people are managed can differ widely between organizations, even those in the same industry. The following 16:46 video identifies the most common structures utilized by organizations:

After watching the video, consider the following questions:

- Which organizational structure would you prefer to work within as an employee?
- Which would you prefer as a manager?
- Why would the way we communicate with others differ based upon the organizational structure we are working in?

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4.4: Why It Matters - Culture and Diversity

Why does a manager need to understand organizational culture and employee diversity?

If you get the culture right, most of the other stuff will just take care of itself

—Tony Hsieh, CEO of Zappos.com

Imagine for a moment that you have just been promoted to CEO of Zappos.com, a major online shoe and clothing shop. Where should you immediately focus your attention? Finance? Marketing? Maybe improving supply chain operations? Although all of these areas are important, Tony Hsieh, the current CEO of Zappos.com, believes that defining and maintaining the organizational culture is key. In fact, as you read in the earlier quote, he believes that the right culture will enable the other functional areas of business to succeed.



Zappos.com CEO Tony Hsieh believes organizational culture is key to a company's success.

Why is culture so important? Think for a moment about teams that you have been a part of in the past. These could be teams at work, school, or even sports. Also think about how you felt as a member of the team. Now consider two questions: Did you share the same goals, desires, and values as the other members of the team? Did you feel like an important part of the team, and were you committed to its success?

There is a high probability that you had the same answer to both questions, whether yes or no. For example, if you shared the same values as others on the team, then you likely were highly committed to the group's goals.

This is the strategic advantage of having a culture that resonates throughout the entire organization. It leads to a highly motivated team that is success-focused. It's so important that Zappos.com lists on its corporate web page the Zappos 10 Core Values. It includes the following:

- Deliver WOW Through Service
- Embrace and Drive Change
- Create Fun and A Little Weirdness
- Be Adventurous, Creative, and Open-Minded
- Pursue Growth and Learning
- Build Open and Honest Relationships With Communication
- Build a Positive Team and Family Spirit
- Do More With Less
- Be Passionate and Determined
- Be Humble

By clearly defining its culture, Zappos.com is able to recruit the right people and have them focus on the right things. As you

work through this module, you will gain a better understanding of the importance of an organization's culture as a competitive advantage. Additionally, you will understand how to maintain culture over time or how implement cultural change if needed. Finally, you will come to see both the opportunities and challenges faced by promoting diversity within the culture.

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4.5: Influences on Organizational Culture

Learning Objectives

- Discuss the sources of culture in an organization.
- Explain the methods for maintaining a culture.
- List the visible signs of culture.

No matter where you work, you will experience organizational culture. Employees can usually tell from the get-go if their place of employment is serious or fun, people-oriented or results-oriented. But how did the culture get started? How do employees get to know about the corporate culture and help to keep it in place?

Sources of Culture in an Organization

Founders

When a company is founded, there is usually a single individual or group of individuals involved. The founder or founders have a vision for their new company—and that vision helps to form the corporate culture. In some cases, the founder is very intentional about creating a particular culture; he or she may actually want to create a business in which, for example, innovation or teamwork is valued. In other cases, the founder's personality unintentionally forms the culture.

Some individual founders have such strong personalities and values that the company continues to reflect their goals even as it grows—and even after the founder dies. Walt Disney, for example, modeled leadership, teamwork, and innovation so that, even today, the Disney Corporation is built around the values and assumptions of its founder.

Another good example of the way that founders' values create corporate culture is Ben and Jerry's Ice Cream. Founders Ben Cohen and Jerry Greenfield started out to create a company with strong social values—and they succeeded. The company started in 1978, but even today the company continues to focus on sustainability, environmental activism, social activism, and charity.

Industry

It's one thing to be creative, innovative, and fun in the hospitality or entertainment business. But that type of culture won't work well in an industry that's built around regulations and policies that cannot be changed or bent. Industries such as pharmaceuticals and nuclear power require attention to detail and cannot tolerate a "creative" approach to following rules. True, a pharmaceutical company can be people-oriented to a degree, but its willingness to support the individual needs of employees must be secondary to its absolute compliance with regulations and the law.

Methods for Maintaining Corporate Culture

Why do some companies maintain their culture whereas others see it fall apart? The answer lies in how the company goes about recruiting, hiring, onboarding, and training its employees.

- **Recruiting.** To find employees who will fit into the corporate culture, recruiters must look in the right places. When looking for upper-level managers, recruiters should look at corporations with a similar culture to their own. When looking for entry-level employees, recruiters should tap college programs or websites that reflect their corporate culture.
- **Hiring.** When interviewing job candidates, managers and human resources managers must spend some time assessing the candidate's assumptions and values. Is this person a collaborator or a competitor? Are candidates detail-oriented or innovative? Candidates whose personal assumptions and values match the corporate culture are much more likely to help maintain that culture over time.
- **Onboarding.** The "onboarding" process is really a new employee orientation process. During onboarding, human resources personnel help the new employee get to know company policies and practices. It's during onboarding, for example, that a new employee may learn that each team puts together a skit for the company holiday party or that bonuses can be earned as

a result of exceeding sales goals.

- **Training.** Training can be both formal and informal. Whereas formal training may teach new employees how to use company software or systems, informal training may involve one-on-one conversations with peers and managers. During those conversations, new employees learn how the company culture manifests itself in the workplace. For example, they may learn that everyone—even bad players—take part in departmental softball games, or that recycling is a “must” in the lunchroom. All these subtle bits of information add up to an understanding of corporate culture.

Once an employee is hired, he or she may feel comfortable or uncomfortable in the new workplace. Typically, those employees who feel “at home” in the corporate culture tend to stick around, whereas those who feel like outsiders tend to leave at the first good opportunity.

Visible Signs of Culture



What does having a large space for informal employee meetings and encounters say about an organization's culture?

When you walk into a business setting, you should be able to see visible signs of the business's organizational culture. If you spend a few weeks on the job, you should see even more. Here are just a few things to look out for:

- **How employees dress.** Most employers have some kind of dress code. Some are quite casual whereas others require more formal clothing. In a minority of businesses there is no dress code at all, and employees are welcome to wear short, sleeveless tops, and even flip-flops to work.
- **Snack areas and candy jars.** How people-oriented is your business? In some workplaces, employees have all-day access to snack bars, free soft drinks, coffee, and other goodies. Candy jars are also a sign that a business is open to people-oriented treats.
- **Plaques and awards.** In some businesses, plaques and awards honoring employees are placed front and center. Some honor individuals as “employee of the month,” whereas others recognize specific achievements such as “most sales made in a month.”
- **Mission statement.** In many corporations, the organizational mission is posted on every floor. The mission is intended to remind employees why they are there and what their goals and attitudes should be.
- **Events and rituals.** Many workplaces have customs or rituals that become obvious within just a couple of weeks on the job. Whether it's “happy hour Friday,” “dress down Tuesday,” or weekly update meetings, employees quickly learn the routines.
- **Physical layout and décor.** When you walk into a workplace, what do you see? In some offices, gray cubicles dominate; in others, the workspace is wide open. In some businesses, individuals are encouraged to bring in and show off photos, posters, and plants; in others employees are asked to keep personal items to a minimum.

Recognizing the culture is the beginning of adapting to it and, perhaps, using it to persuade management to your ideas.

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4.6: Apply a Growth Mindset

Growth Mindset and Your Academic Pursuits

Revisit the significance of a growth mindset as it pertains to your academic pursuits...

In any academic endeavor, you will encounter times when you are faced with obstacles or difficulties. Perhaps you are taking a course that you are finding particularly difficult. Perhaps you received some difficult feedback in a grade that was lower than you expected. How can you move ahead in a way that prepares you for success?

Everyone encounters setbacks at times. When this happens, you have a choice of possible responses. Some people respond to setbacks by concluding that they may lack the ability to complete the course successfully. Others respond by concluding that the course or instructor is unfair, and blame their setback on an external force beyond their control. These responses are associated with what is called a *fixed mindset*.

Others respond to setbacks and negative feedback by asking what they can learn from the experience. Their focus is less on achieving a specific grade or result, and more on learning as much as possible from their experiences in college. Individuals with this mindset, which is called a *growth mindset* are more able to recover from setbacks and to go on to achieve greater success.

How do these two mindsets compare?

Growth mindset	Fixed mindset
• Intelligence is not fixed, but it can be developed over time • Difficult tasks are worth pursuing • Feedback, even if it offers correction, is beneficial to support future growth	• Intelligence is fixed, and cannot be changed • If a task is difficult, it should be discontinued • Negative feedback should be avoided or minimized

A growth mindset is associated with successful learning. Why? The growth mindset principles are supported by what we know about the brain and learning. Adult brains continue to develop over time through learning. Working to master complex material results in the development of additional neural connections. In other words, by learning difficult material, you can actually become smarter. If you believe that you are able to succeed by working hard, you are more able to persevere through the difficult moments in learning, and continue to make progress towards your learning goals. ^[2] ^[3]

Source: "Adopting a Growth Mindset"

Then, take some time to consider how employees of an organization that values a growth mindset would collaborate with others within a variety of organizational structures.

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5: WORKPLACE CULTURE

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5.4: Diversity in Organization

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5.4.13: Critical Thinking Case

5.5: Inclusion Starts With I

5.6: What is Culture Fit?

5.7: 5 Ways to Listen Better

5.1: Overview

Module 5: Overview

Within this module, students will explore cultural differences among organizations and learn the significance of promoting inclusivity and belonging. In addition, we will examine culturally relevant listening practices.

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5.2: Guiding Questions

Module 5: Guiding Questions

Consider the following questions as you review the learning materials this week:

- Why does culture vary among organizations?
- What are the advantages of a diverse workforce?
- What are the challenges of managing a diverse workforce?
- Why are inclusivity and belonging important in the workplace?
- How can active listening help to promote inclusivity and belonging amongst coworkers?

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5.3: Organizational Culture

Three Levels of Organizational Culture

Begin by watching this 10:55 video that discusses the three levels of organizational culture that were identified by Edgar Schein:

Within the video, the cultures of two prominent organizations were discussed. Have you ever stopped to consider cultural differences at the organizations that you have worked at?

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5.4: DIVERSITY IN ORGANIZATION



Exhibit 5.1 (Credit: rawpixel/ Pixabay/ (CC BY 0))

Learning Outcomes

After reading this chapter, you should be able to answer these questions:

1. What is diversity?
2. How diverse is the workforce?
3. How does diversity impact companies and the workforce?
4. What is workplace discrimination, and how does it affect different social identity groups?
5. What key theories help managers understand the benefits and challenges of managing the diverse workforce?
6. How can managers reap benefits from diversity and mitigate its challenges?
7. What can organizations do to ensure applicants, employees, and customers from all backgrounds are valued?

5.4.1: An Introduction to Workplace Diversity

5.4.2: Diversity and the Workforce

5.4.3: Diversity and Its Impact on Companies

5.4.4: Challenges of Diversity

5.4.5: Key Diversity Theories

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5.4.12: Managerial Decision Exercise

5.4.13: Critical Thinking Case

5.4.1: An Introduction to Workplace Diversity

exploring managerial careers

Dr. Tamara A. Johnson, Assistant Chancellor for Equity, Diversity, and Inclusion at University of Wisconsin-Eau Claire

Dr. Tamara Johnson's role as assistant chancellor for equity, diversity, and inclusion at the University of Wisconsin-Eau Claire involves supervising and collaborating with various campus entities to ensure their operations continue to support the university's initiatives to foster diversity and equity within the university community. Dr. Johnson oversees the Affirmative Action, Blugold Beginnings (pre-college program), Gender and Sexuality Resource Center, Office of Multicultural Affairs, Ronald E. McNair Program, Services for Students with Disabilities, Student Support Services, University Police, and Upward Bound units and leads campus-wide initiatives to educate and train faculty, students, and staff about cultural awareness, diversity, and institutional equity.

Dr. Johnson's journey to her current role began more than 20 years ago when she worked as a counselor for the Office of Multicultural Student Affairs at the University of Illinois. Her role in this office launched her on a path through university service—Dr. Johnson went on to work as the associate director for University Career Services at Illinois State University, the director for multicultural student affairs at Northwestern University, and the director for faculty diversity initiatives at the University of Chicago. As faculty at the Chicago School of Professional Psychology, Argosy University, and Northwestern University, Dr. Johnson taught counseling courses at the undergraduate, master's, and doctorate levels.

Dr. Johnson's work at the University of Wisconsin-Eau Claire involves developing a program and protocols to ensure all faculty and staff across the institution receive baseline diversity training. In addition, one of her goals is to include criteria related to diversity factors in the evaluations of all faculty/ staff. A primary issue that she seeks to address is to increase the awareness of the challenges experienced by underrepresented students. This includes individuals who may come from backgrounds of low income, students of color, first-generation students, and other marginalized groups such as lesbian, gay, bisexual, and transgender students. Dr. Johnson understands the importance of creating initiatives to support individuals in those groups so their specific concerns may be addressed in multiple ways. As you will learn in this chapter, when leaders proactively create an inclusive and supportive climate that values diversity, benefits are produced that result in positive outcomes for organizations.

What is diversity?

Diversity refers to identity-based differences among and between two or more people¹ that affect their lives as applicants, employees, and customers. These identity-based differences include such things as race and ethnicity, gender, sexual orientation, and age. Groups in a society based on these individual differences are referred to as **identity groups**. These differences are related to discrimination and disparities between groups in areas such as education, housing, healthcare, and employment. The term **managing diversity** is commonly used to refer to ways in which organizations seek to ensure that members of diverse groups are valued and treated fairly within organizations² in all areas including hiring, compensation, performance evaluation, and customer service activities. The term *valuing diversity* is often used to reflect ways in which organizations show appreciation for diversity among job applicants, employees, and customers.³ **Inclusion**, which represents the degree to which employees are accepted and treated fairly by their organization,⁴ is one way in which companies demonstrate how they value diversity. In the context of today's rapidly changing organizational environment, it is more important than ever to understand diversity in organizational contexts and make progressive strides toward a more inclusive, equitable, and representative workforce.

Three kinds of diversity exist in the workplace (see Table 5.4.1.1). **Surface-level diversity** represents an individual's visible characteristics, including, but not limited to, age, body size, visible disabilities, race, or sex.⁵ A collective of individuals who share these characteristics is known as an identity group. **Deep-level diversity** includes traits that are non-observable such as attitudes, values, and beliefs.⁶ **Hidden diversity** includes traits that are deep-level but may be concealed or revealed at the discretion of individuals who possess them.⁷

These hidden traits are called **invisible social identities**⁸ and may include sexual orientation, a hidden disability (such as a

mental illness or chronic disease), mixed racial heritage,⁹ or socioeconomic status. Researchers investigate these different types of diversity in order to understand how diversity may benefit or hinder organizational outcomes.

Diversity presents challenges that may include managing dysfunctional conflict that can arise from inappropriate interactions between individuals from different groups. Diversity also presents advantages such as broader perspectives and viewpoints. Knowledge about how to manage diversity helps managers mitigate some of its challenges and reap some of its benefits.

Table 5.4.1.1: Types of Diversity

Surface level diversity	Diversity in the form of characteristics of individuals that are readily visible including, but not limited to age, body size, visible disabilities, race or sex
Deep level diversity	Diversity in characteristics that are nonobservable such as attitudes, values and beliefs, such as religion
Hidden diversity	Diversity in characteristics that are deep level but may be concealed or revealed at discretion by individuals who possess them such as sexual orientation

concept check

- What is diversity?
- What are the three types of diversity encountered in the workplace?

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5.4.2: Diversity and the Workforce

How diverse is the workforce?

In 1997, researchers estimated that by the year 2020, 14% of the workforce would be Latino, 11% Black, and 6% Asian.¹⁰ Because of an increase in the number of racial minorities entering the workforce over the past 20 years, most of those projections have been surpassed as of 2016, with a workforce composition of 17% Hispanic or Latino of any race, followed by 12% Black and 6% Asian (see **Exhibit 5.4.2.1**). American Indians, Alaska Natives, Native Hawaiians, and Other Pacific Islanders together made up a little over 1% of the labor force, while people of two or more races made up about 2% of the labor force.¹¹ Women constitute approximately 47% of the workforce compared to approximately 53% for men,¹² and the average age of individuals participating in the labor force has also increased because more employees retire at a later age.¹³ Although Whites still predominantly make up the workforce with a 78% share,¹⁴ the U.S. workforce is becoming increasingly more diverse, a trend that presents both opportunities and challenges. These demographic shifts in the labor market affect the workforce in a number of ways due to an increasing variety of workers who differ by sex, race, age, sexual orientation, disability status, and immigrant status.

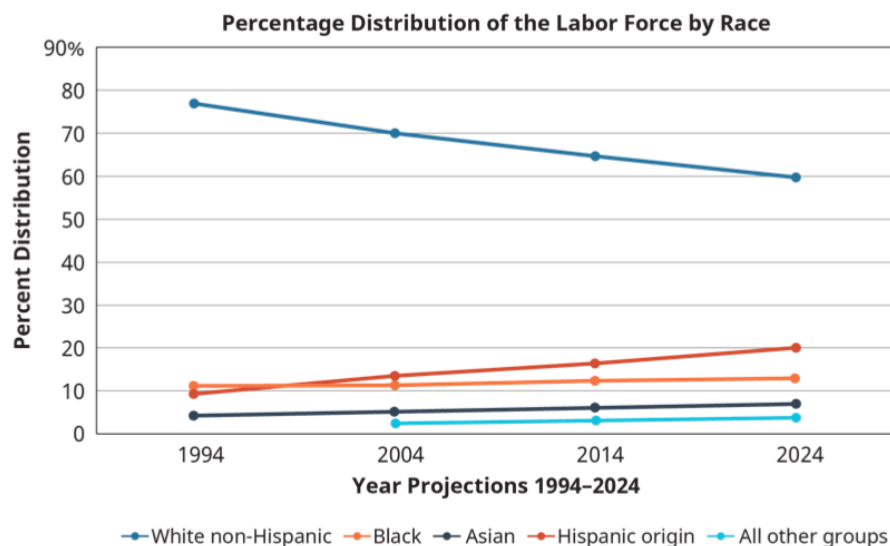


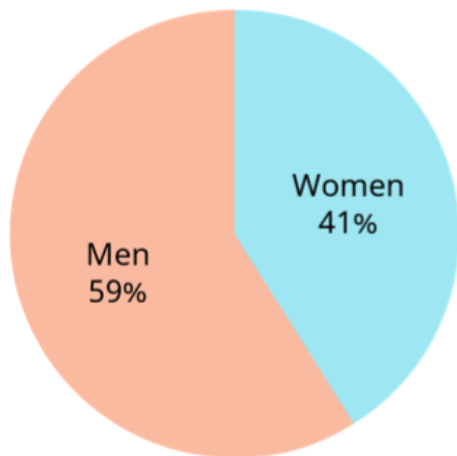
Exhibit 5.4.2.1 Percentage distribution of the labor force by race

Gender

Increasingly more women are entering the workforce.¹⁵ Compared to 59% in 1977, the labor force participation rate for men is now approximately 53% and is expected to decrease through 2024 to 52%.¹⁶ As the labor force participation rate decreases for men, the labor force growth rate for women will be faster. Their percentage of the workforce has steadily risen, as can be seen in **Exhibit 5.4.2.2**, which compares the percentage of the workforce by gender in 1977 to 2017.¹⁷

Although more women are entering the labor force and earning bachelor's degrees at a higher rate than men,¹⁸ women still face a number of challenges at work. The lack of advancement opportunities awarded to qualified women is an example of a major challenge that women face called the **glass ceiling**,¹⁹ which is an invisible barrier based on the prejudicial beliefs that underlie organizational decisions that prevent women from moving beyond certain levels within a company. Additionally, in organizations in which the upper-level managers and decision makers are predominantly men, women are less likely to find mentors, which are instrumental for networking and learning about career opportunities. Organizations can mitigate this challenge by providing mentors for all new employees. Such a policy would help create a more equal playing field for all employees as they learn to orient themselves and navigate within the organization.

**Percentage of Workforce Employed
by Sex 1977**



**Percentage of Workforce Employed
by Sex 2017**

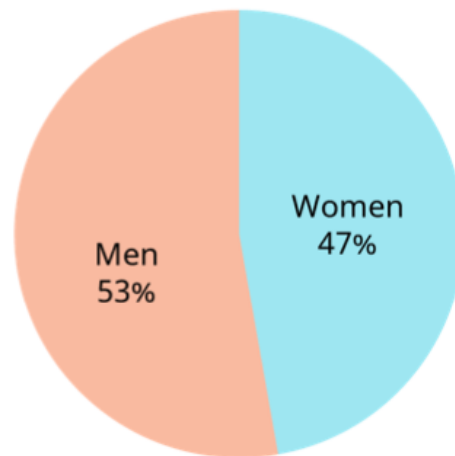


Exhibit 5.4.2.2 Percentage Distribution of the Labor Force by Sex

One factor that greatly affects women in organizations is **sexual harassment**. Sexual harassment is illegal, and workers are protected from it by federal legislation.²⁰ Two forms of sexual harassment that can occur at work are quid pro quo and hostile environment.²¹ Quid pro quo harassment refers to the exchange of rewards for sexual favors or punishments for refusal to grant sexual favors. Harassment that creates a hostile environment refers to behaviors that create an abusive work climate. If employees are penalized (for example by being demoted or transferred to another department) for refusing to respond to repeated sexual advances, quid pro quo sexual harassment has taken place. The telling of lewd jokes, the posting of pornographic material at work, or making offensive comments about women, in general, are examples of actions that are considered to create a hostile work environment. According to the Equal Employment Opportunity Commission, sexual harassment is defined as the “unwelcome sexual advances, requests for sexual favors, and other verbal or physical harassment of a sexual nature. Harassment can also include offensive remarks about a person’s sex.”²² Although both men and women can be sexually harassed, women are sexually harassed at work more often.²³ In addition, Black and other minority women are especially likely to be subjected to sexual discrimination and harassment.²⁴



Exhibit 5.4.2.3 Tamara Johnson

It is in the organization’s best interest to prevent sexual harassment from occurring. Ways to do this include companies providing ongoing (e.g., annual) training so that employees are able to recognize sexual harassment. Employees should know

what constitutes acceptable and unacceptable behavior and what channels and protocols are in place for reporting unacceptable behaviors. Managers should understand their role and responsibilities regarding harassment prevention, and a clear and understandable policy should be communicated throughout the organization.

Just as gender-based discrimination is illegal and inappropriate, so is discrimination or mistreatment based on pregnancy, childbirth, or related medical conditions. While organizations may have different policies regarding maternity and paternity leave, they must comply with both the Pregnancy Discrimination Act and the Family Medical Leave Act.

Race

Another important demographic shift in workforce diversity is the distribution of race. (Note that we are using categories defined by the U.S. Census Bureau. It uses the term “Black (African American)” to categorize U.S. residents. In this chapter, we use the term “Black.”)

While the White non-Hispanic share of the workforce continues to shrink, the share of racial and ethnic minority groups will continue to grow.²⁵ Specifically, Hispanics and Asians will grow at a faster rate than other racial minorities, and Hispanics are projected to make up almost one-fifth of the labor force by 2024.²⁶ The projected changes in labor force composition between 2014 and 2024 are as follows:

White non-Hispanic participation in the labor force will decline by 3%. Other groups' share of the labor force is expected to increase: Black (10.1%), Hispanic/Latino (28%), Asian (23.2%), and Other groups (i.e., multiracial, American Indian, Alaska Native, Native Hawaiian, and Other Pacific Islanders) labor force share is expected to increase by 22.2%.²⁷ With the workforce changing, managers will need to be mindful of issues employees encounter that are uniquely tied to their experiences based on race and ethnicity, including harassment, discrimination, stereotyping, and differential treatment by coworkers and decision-makers in organizations.

Discrimination Against Black Employees

Race is one of the most frequent grounds for discrimination.²⁸ Although Blacks do not make up the largest share of the workforce for racial minorities, research studies show they face discrimination more often than other racial minorities. As a matter of fact, some experts believe that hiring discrimination against Blacks has not declined over the past 25 years while workplace discrimination against other racial minority groups has declined.²⁹

ethics in practice

Discrimination in the Sharing Economy—#AirbnbWhileBlack

Airbnb, a popular home-sharing website founded in San Francisco in 2008, offers millions of homes for short-term rental in more than 190 countries. This company has revolutionized the sharing economy in the same way that ride-sharing services such as Uber and Lyft have, and according to the company, the site's drive to connect hosts and potential renters has been able to contribute to the quality of life of both homeowners and travelers. According to Airbnb's press releases and information campaigns, their services can reduce housing costs for travelers on a budget and can provide unique experiences for adventurous travelers who wish to have the flexibility to experience a city like a local. The organization also claims that most of its users are homeowners looking to supplement their incomes by renting out rooms in their homes or by occasionally renting out their whole homes. According to a statement, most of the listings on the site are rented out fewer than 50 nights per year.

Despite the carefully crafted messages Airbnb has presented to the public, in 2016 the company came under intense scrutiny when independent analyses by researchers and journalists revealed something startling: While some Airbnb hosts did in fact use the services only occasionally, a significant number of hosts were using the services as though they were hotels. These hosts purchased a large number of properties and continuously rented them, a practice that affected the availability of affordable housing in cities and, because these hosts were not officially registered as hoteliers, made it possible for Airbnb hosts to avoid paying the taxes and abiding by the laws that hotels are subject to.

Title II of the Civil Rights Act of 1964 mandates that hotels and other public accommodations must not discriminate based on race, national origin, sex, or religion, and Title VIII of the Civil Rights Act of 1968 (also known as the Fair Housing Act [FHA]) prohibits discrimination specifically in housing. However, Airbnb's unique structure allows it to circumvent those laws. The company also claims that while it encourages hosts to comply with local and federal laws, it is absolved from responsibility if any of its hosts break these laws. In 2017, researcher Ben Edelman conducted a field experiment and found that Airbnb users looking to rent homes were 16% less likely to have their requests to book accepted if they had traditionally African American sounding names like Tamika, Darnell, and Rasheed.

These findings, coupled with a viral social media campaign, #AirbnbWhileBlack, in which users claimed they were denied housing requests based on their race, prompted the state of California's Department of Fair Employment and Housing (DFEH) to file a complaint against the company. In an effort to resolve the complaint, Airbnb reported banning any hosts who were found to have engaged in discriminatory practices, and they hired former U.S. Attorney General Eric Holder and former ACLU official Laura Murphy to investigate any claims of discrimination within the company.³⁰ In 2016, Airbnb released a statement outlining changes to company practices and policies to combat discrimination, and while they initially resisted demands by the DFEH to conduct an audit of their practices, the company eventually agreed to an audit of roughly 6,000 of the hosts in California who have the highest volume of properties listed on the site.

Discussion Questions

1. What are some efforts companies in the sharing economy can take before problems of discrimination threaten to disrupt operations?
2. Should Airbnb be held responsible for discriminatory actions of its hosts?

Sources: AirBnB Press Room, accessed December 24, 2018, <https://press.atairbnb.com/about-us/>; "Airbnb's data shows that Airbnb helps the middle class. But does it?", *The Guardian*, accessed December 23, 2018, www.theguardian.com/technology/2018/dec/23/airbnb-middle-class-survey; and Quittner, Jeremy, "Airbnb and Discrimination: Why It's All So Confusing", *Fortune*, June 23, 2016, <http://fortune.com/2016/06/23/airbnb-discrimination-laws/>.

Currently, White men have higher participation rates in the workforce than do Black men,³¹ and Black women have slightly higher participation rates than White women.³² Despite growth and gains in both Black education and Black employment, a Black person is considerably more likely to be unemployed than a White person, even when the White person has a lower level of education³³ or a criminal record.³⁴

Blacks frequently experience discrimination in the workplace in spite of extensive legislation in place to prohibit such discrimination. Research has shown that stereotypes and prejudices about Blacks can cause them to be denied the opportunity for employment when compared to equally qualified Whites.³⁵ It is estimated that about 25% of businesses have no minority workers and another 25% have less than 10% minority workers.³⁶ In terms of employed Blacks, research has shown that, regardless of managers' race, managers tended to give significantly higher performance ratings to employees who were racially similar to them. Because Whites are much more likely to be managers than Blacks, this similarity effect tends to advantage White employees over Black employees.³⁷ Blacks are also significantly more likely to be hired in positions that require low skills, offer little to no room for growth, and pay less. These negative employment experiences affect both the mental and physical health of Black employees.³⁸

Hispanic/Latino

Hispanics are the second-fastest-growing minority group in the United States behind Asians,³⁹ and they make up 17% of the labor force.⁴⁰ Despite this and the fact that Hispanics have the highest labor participation rate of all the minority groups, they still face discrimination and harassment in similar ways to other minority groups. (Note that we are again using the categories as defined by the U.S. Census Bureau, which predominantly uses the term "Hispanic" to refer to people of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin.)

Hispanics can be of any race.⁴¹ As a matter of fact, increasingly more Hispanics are identifying racially as White. In 2004 almost half of Hispanics identified themselves racially as White, while just under half identified themselves as "some other race."⁴² More

than 10 years later, approximately 66% of Hispanics now identify themselves racially as White while only 26% identify themselves as “some other race.”⁴³ The remaining Hispanic population, totaling approximately 7%, identify as either Black, American Indian, Asian, Alaskan Native, Pacific Islander, or Native Hawaiian.⁴⁴

Why would a minority identity group identify racially as White? A Pew study found that the longer Hispanic families lived in the United States, the more likely they were to claim White as their race even if they had not done so in the past.⁴⁵ This suggests that upward mobility in America may be perceived by some Hispanics to be equated with “Whiteness.”⁴⁶ Consequently, Hispanics who self-identify racially as White experience higher rates of education and salary, and lower rates of unemployment.⁴⁷ Additionally, only 29% of Hispanics polled by the Pew Hispanic Center believe they share a common culture.⁴⁸ According to the Pew Research Center, this finding may be due to the fact that the Hispanic ethnic group in the United States is made up of at least 14 Hispanic origin groups (such as Puerto Rican, Cuban, Spanish, Mexican, Dominican, and Guatemalan, among many others.)⁴⁹ Each of these groups has its own culture with different customs, values, and norms.

These cultural differences among the various Hispanic groups, combined with different self-perceptions of race, may also affect attitudes toward their workplace environment. For example, one study found that the absenteeism rate among Blacks was related to the level of diversity policies and activities visible in the organization, while the absenteeism rate among Hispanics was similar to that of Whites and not related to those diversity cues.⁵⁰ Results from this study suggest that managers need to be aware of how diversity impacts their workplace, namely addressing the relationship between Hispanic job seekers or workers and organizational outcomes concerning diversity policies as it may differ from that of other racial minorities.

Asian and Asian American

Asians are the fastest-growing ethnic group in the United States, growing 72% between 2000 and 2015.⁵¹ Compared to the rest of the U.S. population overall, households headed by Asian Americans earn more money and are more likely to have household members who hold a bachelor's degree.⁵² However, there is a wide range of income levels among the Asian population that differs between the more than 19 groups of Asian origin in the United States.⁵³

Similar to other racial and ethnic minority groups, Asians are stereotyped and face discrimination at work. Society through media often stereotypes Asian men as having limited English-speaking skills and as being highly educated, affluent, analytical, and good at math and science.⁵⁴ Asian women are often portrayed as weak and docile.⁵⁵ For Asian women, and other minority women as well, social stereotypes depicting them as exotic contribute to reports of sexual harassment from women minority groups.⁵⁶

The **model minority myth**⁵⁷ is a reflection of perceptions targeting Asians and Asian Americans that contrast the stereotypes of “conformity” and “success” of Asian men with stereotypes of “rebelliousness” and “laziness” of other minority men. It also contrasts the stereotyped “exotic” and “obedient” nature of Asian women against the stereotypical beliefs that White women are “independent” and “pure.”⁵⁸ These perceptions are used not only to invalidate injustice that occurs among other racial minorities, but also to create barriers for Asian and Asian Americans seeking leadership opportunities as they are steered toward “behind the scenes” positions that require less engagement with others. These stereotypes also relegate Asian women into submissive roles in organizations, making it challenging for Asian men and women to advance in rank at the same rate as White male employees.⁵⁹

Multiracial

Although the U.S. Census Bureau estimates that approximately 2% of the U.S. population describes themselves as belonging to more than one race, the Pew Research Center estimates that number should be higher, with around 7% of the U.S. population considered multiracial.⁶⁰ This is due to the fact that some individuals may claim one race for themselves even though they have parents from different racial backgrounds. To complicate matters even more, when collecting data from multiracial group members, racial identity for individuals in this group may change over time because race is a social construct that is not necessarily based on a shared culture or country of origin in the same way as ethnicity. As a result, multiracial individuals (and Hispanics) have admitted to changing their racial identity over the course of their life and even based on the situation. Approximately 30% of multiracial individuals polled by the Pew Research Center say that they have varied between viewing themselves as belonging to one race or belonging to multiple races. Within the group polled, the order in which they first racially identified as belonging to one racial group versus belonging to more than one group varied.⁶¹

Despite the fact that multiracial births have risen tenfold between 1970 and 2013,⁶² their participation in the labor force is only 2%.⁶³ Additionally, multiracial individuals with a White racial background are still considered a racial minority unless they identify themselves solely as White, and approximately 56% of them on average say they have been subjected to racial jokes and slurs.⁶⁴ Discrimination also varies when multiracial groups are broken down further, with Black-American Indians having the highest percentage of individuals reporting discrimination and White-Asians having the lowest percentage.⁶⁵

At work, multiracial employees are sometimes mistaken for races other than their own. If their racial minority background is visible to others, they may experience negative differential treatment. Sometimes they are not identified as having a racial or ethnic minority background and are privy to disparaging comments from unsuspecting coworkers about their own race, which can be demoralizing and can lead to lower organizational attachment and emotional strain related to concealing their identity.⁶⁶

Other Groups

Approximately 1% of the labor force identifies as American Indian, Alaska Native, Native Hawaiian or Pacific Islander, or some other race.⁶⁷

Age

The age distribution of an organization's workforce is an important dimension of workplace diversity as the working population gets older. Some primary factors contributing to an older population include the aging of the large Baby Boomer generation (people born between 1946 and 1964), lower birth rates, and longer life expectancies⁶⁸ due to advances in medical technology and access to health care. As a result, many individuals work past the traditional age of retirement (65 years old) and work more years than previous generations in order to maintain their cost of living.

Exhibit 5.4.2.4 compares the percentage of the population over the age of 65 to those under the age of 18 between 2010 and 2016. The number of older individuals has increased and is projected to reach 20.6% by the year 2030 while the number of younger individuals has steadily decreased within that time period. These numbers imply that organizations will increasingly have employees across a wide range of ages, and cross-generational interaction can be difficult to manage. Although older workers are viewed as agreeable and comfortable to work with, they are also stereotyped by some employees as incompetent⁶⁹ and less interested in learning new tasks at work compared to younger workers.⁷⁰ Studies have found support for the proposition that age negatively relates to cognitive functioning.⁷¹ However, if managers offer less opportunity to older workers solely because of declining cognitive functioning, it can be detrimental to organizational performance because older workers outperform younger workers on a number of other job performance measures. Compared to younger workers, older workers are more likely to perform above their job expectations and follow safety protocols. They are also less likely to be tardy, absent, or abuse drugs or alcohol at work compared to their younger counterparts.

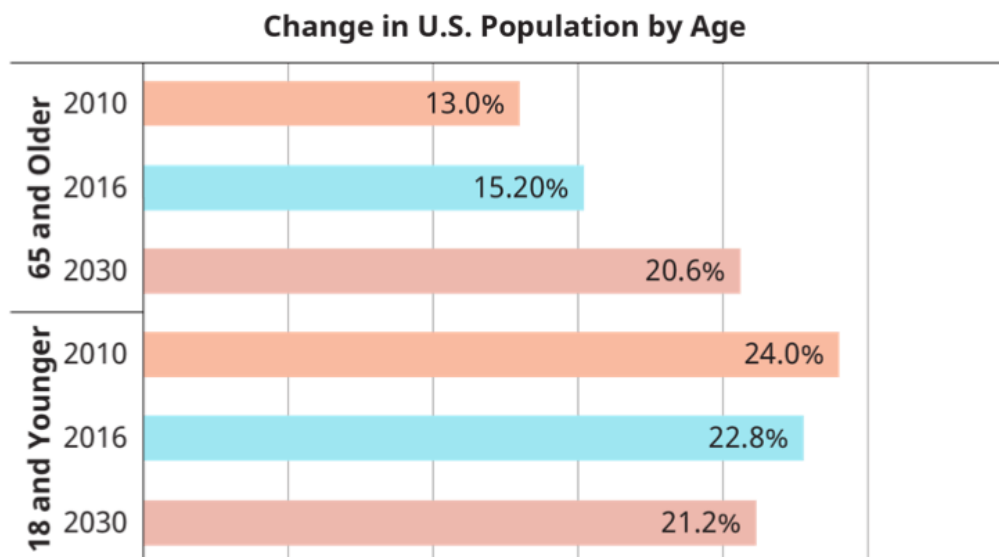


Exhibit 5.4.2.4 Change in U.S. population by age

Sexual Orientation and Gender Identity

Sexual orientation diversity is increasing in the workforce.⁷² However, only 21 states and Washington D.C. prohibit discrimination based on sexual orientation.⁷³ Without federal protection, individuals who do not live in these states could be overlooked for employment or fired for their sexual orientation unless their employer has policies to protect them.⁷⁴ Many employers are beginning to understand that being perceived as inclusive will make them more attractive to a larger pool of job applicants.⁷⁵ So although the Civil Rights Act does not explicitly provide federal protection to lesbian, gay, bisexual and transgender, and queer/questioning (LGBTQ) employees, more than half of the Fortune 500 companies have corporate policies that protect sexual minorities from discrimination at work and offer domestic-partner benefits.⁷⁶

Unfortunately, the percentage of hate crimes relating to sexual orientation discrimination has increased.⁷⁷ Indeed, LGBTQ employees are stigmatized so much that in a recent study, researchers found that straight-identifying participants were more attracted to employers with no job security to offer them compared to gay-friendly employers.⁷⁸ In other words, individuals would waive job security to avoid working with sexual minorities. Also, compared to heterosexuals, sexual minorities have higher education levels⁷⁹ but still face hiring and treatment discrimination frequently.⁸⁰

LGBTQ employees are often faced with the decision of whether or not to be truthful about their sexual orientation at work for fear of being stigmatized and treated unfairly. The decision to not disclose is sometimes called **passing**, and for some it involves a great risk of emotional strain that can affect performance.⁸¹ Individuals who pass may distance themselves from coworkers or clients to avoid disclosure about their personal life. This behavior can also result in decreased networking and mentoring opportunities, which over time can limit advancement opportunities. The decision to be transparent about sexual orientation is sometimes called **revealing**.⁸² Just like passing, revealing has its own set of risks including being ostracized, stigmatized, and subjected to other forms of discrimination at work. However, compared to passing, the benefits of building relationships at work and using their identity as a catalyst for tolerance and progressive organizational change may outweigh the risks when LGBTQ employees decide to reveal. The decision to "come out" should be made exclusively by the individual; "outing" someone else as any sexual orientation or gender identity is considered highly inappropriate and hurtful, and may have employment-related consequences.

Research shows that when local or state laws are passed to prevent sexual orientation discrimination, incidents of workplace discrimination decrease.⁸³ This same effect occurs when firms adopt policies that protect the rights of sexual minority employees.⁸⁴ By creating a safe and inclusive work environment for LGBTQ employees, companies can create a culture of tolerance for all employees regardless of their sexual orientation or gender identity.

managing change

Blind Recruiting

An increasing number of companies are testing a new and innovative way of recruiting. *Blind recruiting* is a process by which firms remove any identifying information about applicants during the recruitment process. An example of this may include anonymous applications that omit fields requesting information such as an applicant's name or age. Using computer application technology, some companies like Google administer surveys to their anonymous applicants that measure the abilities required for the job before they are considered in the next step of the recruitment process. Alternatively, companies may request that applicants remove identifying information such as names and address from their resumes before applying for positions. As resumes are received, hiring managers can assign a temporary identification number.

Although more companies are using this method of recruiting, the idea is not new for symphony orchestras, many of which have been using blind auditioning since the 1970s. In some instances musicians audition behind screens so they are evaluated only by their music. This process removes bias associated with race and gender because the performer cannot be seen and only heard. A study investigating this practice examined 11 symphony orchestras that varied on the use of blind auditions. Researchers found that blind auditions increased the likelihood that a woman would be hired by between 25 and 46%. A recruitment process like this can help organizations attract more candidates, hire the best talent, increase their workplace diversity, and avoid discrimination liability.

Discussion Questions

1. Should all companies use blind recruiting in place of traditional recruiting, or are there exceptions that must be considered?
2. If blind recruiting helps eliminate bias during the recruitment process, then what does that say about social media platforms such as Linked In that are commonly used for recruiting applicants? Will using those platforms expose companies to greater liability compared to using more traditional means of recruiting?
3. How does blind recruiting help organizations? How may it hinder organizations?

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Immigrant Workers

Every year a new record is set for the time it takes to reach the U.S. cap of H-1B visas granted to employers.⁸⁵ H-1B visas are a type of **work visa**, a temporary documented status that authorizes individuals to permanently or temporarily live and work in the United States.⁸⁶ As a result of the demand for work visas by employers, the number of immigrant workers in the U.S. workforce has steadily grown within the last decade from 15% in 2005 to 17% in 2016.⁸⁷ Compared to those born in the United States, the immigrant population in America is growing significantly faster.⁸⁸ This is partly because of the U.S. demand for workers who are proficient in math and science⁸⁹ and wish to work in America.

Although a huge demand for immigrant labor exists in the United States, immigrant labor exploitation occurs, with immigrant employees receiving lower wages and working longer hours compared to American workers.⁹⁰ Foreign-born job seekers are attracted to companies that emphasize work visa sponsorship for international employees, yet they are still mindful of their vulnerability to unethical employers who may try to exploit them. For example, Lambert and colleagues found that some of the job-seeking MBA students from the Philippines in their study believed that companies perceived to value international diversity and sponsor H-1B visas signaled a company wishing to exploit workers.⁹¹ Others believed that those types of companies might yield diminishing returns to each Filipino in the company because their token value becomes limited. In news stories, companies have been accused of drastically shortchanging foreign student interns on their weekly wages.⁹² In another case, Infosys, a technology consulting company, paid \$34 million to settle allegations of visa fraud due to suspicion of underpaying foreign workers to

increase profits.⁹³

Other Forms of Diversity at Work

Workers with disabilities are projected to experience a 10% increase in job growth through the year 2022.⁹⁴ This means that more public and corporate policies will be revised to allow greater access to training for workers with disabilities and employers.⁹⁵ Also, more companies will use technology and emphasize educating employees about physical and mental disabilities as workplace accommodations are used more often.

In the past, the United States has traditionally been a country with citizens who predominantly practice the Christian faith. However, over the past almost 30 years the percentage of Americans who identify as Christian has significantly decreased—by approximately 12%. Over that same time period, affiliation with other religions overall increased by approximately 25%.⁹⁶ The increase in immigrant workers from Asian and Middle Eastern countries means that employers must be prepared to accommodate religious beliefs other than Christianity. Although federal legislation protects employees from discrimination on the basis of race, religion, and disability status, many employers have put in place policies of their own to deal with the variety of diversity that is increasingly entering the workforce.

concept check

- How is diversity defined in relation to the workplace?
- What are the components that make up a diverse workplace and workforce?

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Exhibit 5.4.2.1 Percentage distribution of the labor force by race (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)

Exhibit 5.4.2.2 Percentage Distribution of the Labor Force by Sex (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)

Exhibit 5.4.2.3 Tamara Johnson The treatment of women in business has become a hot topic in corporate boardrooms, human resources departments, and investment committees. Tamara Johnson, who is profiled in the opening feature to this chapter, moves beyond simply acknowledging widespread discrimination to focusing on solutions. Also on the agenda: the need to improve diversity and inclusion across the board and breaking through the glass ceiling. (Credit: Tamara Johnson/ Attribution 2.0 Generic (CC BY 2.0))

Exhibit 5.4.2.4 Change in U.S. population by age (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)

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5.4.3: Diversity and Its Impact on Companies

How does diversity impact companies and the workforce?

Due to trends in globalization and increasing ethnic and gender diversity, it is imperative that employers learn how to manage cultural differences and individual work attitudes. As the labor force becomes more diverse there are both opportunities and challenges to managing employees in a diverse work climate. Opportunities include gaining a competitive edge by embracing change in the marketplace and the labor force. Challenges include effectively managing employees with different attitudes, values, and beliefs, in addition to avoiding liability when leadership handles various work situations improperly.

Reaping the Advantages of Diversity

The business case for diversity introduced by Taylor Cox and Stacy Blake outlines how companies may obtain a competitive advantage by embracing workplace diversity.⁹⁷ Six opportunities that companies may receive when pursuing a strategy that values diversity include cost advantages, improved resource acquisition, greater marketing ability, system flexibility, and enhanced creativity and better problem solving (see **Exhibit 5.4.3.1**).



Exhibit 5.4.3.1 Managing Cultural Diversity

Cost Advantages

Traits such as race, gender, age, and religion are protected by federal legislation against various forms of discrimination (covered later in this chapter). Organizations that have policies and procedures in place that encourage tolerance for a work climate of diversity and protect female and minority employees and applicants from discrimination may reduce their likelihood of being sued due to workplace discrimination. Cox and Blake identify this decreased liability as an opportunity for organizations to reduce potential expenses in lawsuit damages compared to other organizations that do not have such policies in place.

Additionally, organizations with a more visible climate of diversity experience lower turnover among women and minorities compared to companies that are perceived to not value diversity.⁹⁸ Turnover costs can be substantial for companies over time, and diverse companies may ameliorate turnover by retaining their female and minority employees. Although there is also research showing that organizations that value diversity experience a higher turnover of White employees and male employees compared to companies that are less diverse,⁹⁹ some experts believe this is due to a lack of understanding of how to effectively manage diversity. Also, some research shows that Whites with a strong ethnic identity are attracted to diverse organizations similarly to non-Whites.¹⁰⁰

Resource Acquisition

Human capital is an important resource of organizations, and it is acquired through the knowledge, skills, and abilities of employees. Organizations perceived to value diversity attract more women and minority job applicants to hire as employees. Studies show that women and minorities have greater job-pursuit intentions and higher attraction toward organizations that promote workplace diversity in their recruitment materials compared to organizations that do not.¹⁰¹ When employers attract minority applicants, their labor pool increases in size compared to organizations that are not attractive to them. As organizations attract more job candidates, the chances of hiring quality employees increases, especially for jobs that demand highly skilled labor. In summary, organizations gain a competitive advantage by enlarging their labor pool by attracting women and minorities.

Marketing

When organizations employ individuals from different backgrounds, they gain broad perspectives regarding consumer preferences of different cultures. Organizations can gain insightful knowledge and feedback from demographic markets about the products and services they provide. Additionally, organizations that value diversity enhances their reputation with the market they serve, thereby attracting new customers.

System Flexibility

When employees are placed in a culturally diverse work environment, they learn to interact effectively with individuals who possess different attitudes, values, and beliefs. Cox and Blake contend that the ability to effectively interact with individuals who differ from oneself builds *cognitive flexibility*, the ability to think about things differently and adapt one's perspective. When employees possess cognitive flexibility, system flexibility develops at the organizational level. Employees learn from each other how to tolerate differences in opinions and ideas, which allows communication to flow more freely and group interaction to be more effective.

Creativity and Problem Solving

Teams from diverse backgrounds produce multiple points of view, which can lead to innovative ideas. Different perspectives lead to a greater number of choices to select from when addressing a problem or issue.

Life experience varies from person to person, sometimes based on race, age, or sex. Creativity has the opportunity to flourish when those experiences are shared. Diverse teams not only produce more alternatives, but generate a broader range of perspectives to address tasks and problems. One way in which diverse teams enhance problem-solving ability is by preventing **groupthink**,¹⁰² a dysfunction in decision-making that occurs in homogeneous groups as a result of group pressures and group members' desire for conformity and consensus. Diverse group membership prevents groupthink because individuals from varied backgrounds with different values, attitudes, and beliefs can test the assumptions and reasoning of group members' ideas.

Aligning Diversity Programs with an Organization's Mission and Strategic Goals

Diversity helps organizations perform best when it is aligned with a specific business strategy. For example, when companies use heterogeneous management teams that are directed by an entrepreneurial strategy focusing on innovation, the companies' productivity increases.

When an entrepreneurial strategy is not present, however, team diversity has little effect on productivity.¹⁰³ An entrepreneurial strategy includes innovation that reflects a company's commitment to being creative, supporting new ideas, and supporting experimentation as a way to gain a competitive advantage. In other words, managers may properly utilize the multiple perspectives that emerge from heterogeneous teams by integrating them as a resource for pursuing the overall strategy of the organization.

Using Human Resources Tools Strategically

To effectively align diversity with an organization's strategy, the human resources function must be able to engage employees at dynamic levels. Using a strategic human resources management approach to an organization can successfully integrate diversity with the organization's goals and objectives.¹⁰⁴ **Strategic human resources management (SHRM)** is a system of activities arranged to engage employees in a manner that assists the organization in achieving a sustainable competitive advantage. SHRM practices vertically integrate with the mission and strategy of the organization while horizontally integrating human resources activities across its functional areas. By doing so, a unique set of resources can be made available to specific to the needs of the organization. Furthermore, when human resources becomes a part of the strategic planning process instead of just providing ancillary services, improved communication, knowledge sharing, and greater synergy between decision makers can occur within the organization to improve organizational functioning.

The **resource-based view** of the firm has been used to support the argument for diversity because it demonstrates how a diverse workforce can create a sustainable competitive advantage for organizations. Based on the resource-based view of the firm, when companies possess resources that are rare, valuable, difficult to imitate, and non-substitutable, a sustained competitive advantage can be attained.¹⁰⁵ The SHRM approach assumes that human capital—the current and potential knowledge, skills, and abilities of employees—is instrumental to every organization's success and sustainability and longevity.

If a diverse composition of employees within organizations is rare, employing minorities in positions of leadership is even rarer. One exception is Northern Trust, an investment management firm that was recently listed on Forbes magazine's 2018 Best Employers for Diversity list.¹⁰⁶ Thirty-eight percent of Northern Trust's top executives are women, which is impressive because it matches the average percentage of women in full-time one-year MBA programs over the past five years.¹⁰⁷ The average for S&P 500 companies is just 27%. In addition, African Americans make up 23% of Northern Trust's board, which also demonstrates the commitment Northern Trust has to diversity. This rare degree of diversity helps Northern Trust become an employer of choice for minorities and women. In turn, attracting minority applicants increases the labor pool available to Northern Trust and increases its ability to find good talent.



Exhibit 5.4.3.2 Bank staff watching presentation

Diverse companies may capitalize on the multiple perspectives that employees from different backgrounds contribute to problem solving and idea generation. In group settings, members from collectivist cultures from Asia and South America, for example, engage with others on tasks differently than members from North America. Similarly, Asians, Blacks, and Hispanics usually act more collectively and engage more interdependently than Whites, who are generally more individualistic. More harmonious working interactions benefit group cohesion and team performance,¹⁰⁸ and employees can grasp better ways of doing things when there is a diverse population to learn from.

For a company to attain a sustained competitive advantage, its human resource practices must be difficult to copy or imitate. As we will see later in the chapter, companies may hold one of three perspectives on workplace diversity. The integration and learning

perspective results in the best outcomes for employees and the organization. However, it is not easy to become an employer that can effectively manage diversity and avoid the challenges we learned about earlier in this chapter. Historical conditions and often-complex interplay between various organizational units over time can contribute to a company's ability to perform effectively as a diverse organization. Best practices for targeting diverse applicants or resolving conflicts based on cultural differences between employees may occur organically and later become codified into the organizational culture. Sometimes, however, the origin of diversity practices is unknown because they arose from cooperation among different functional areas (e.g., marketing and human resources working strategically with leadership to develop recruitment ideas) that occurred so long ago that not even the company itself, let alone other companies, could replicate the process.

Diversity and Organizational Performance

Research indicates that having diversity in an organization produces mixed results for its success. Some studies show a positive relationship, some show a negative relationship, and others show no relationship between diversity and performance. Some researchers believe that although findings regarding a direct relationship between diversity and success in the marketplace may be inconsistent, the relationship may be due to other variables not taken into account.

Taking the resource-based view perspective, Richard and colleagues demonstrated that racially diverse banking institutions focused on innovation experienced greater performance than did racially diverse banks with a low focus on innovation.¹⁰⁹ These findings suggest that for the potential of racial diversity to be fully realized, companies should properly manage the system flexibility, creativity, and problem-solving abilities used in an innovative strategy. Other studies show that when top management includes female leadership, firm performance improves when organizations are innovation driven.¹¹⁰

concept check

- What are the challenges and opportunities that diversity provides to companies?
- What are the responsibilities of human resources regarding diversity?
- Can diversity be a strategic advantage to organizations?

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Exhibit 5.6 Managing Cultural Diversity (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)

Exhibit 5.7 Bank staff watching presentation The Disability Awareness Players present to the staff at Northern Trust. (Credit: JJ's List/ flickr/ Attribution 2.0 Generic (CC BY 2.0))

5.4.4: Challenges of Diversity

What is workplace discrimination, and how does it affect different social identity groups?

Although diversity has its benefits, there are also challenges that managers must face that can only be addressed with proper leadership. Some of the most common challenges observed in organizations and studied in research include lower organizational attachment and misunderstanding work diversity initiatives and programs.

Lower Organizational Attachment

Although diversity programs attract and retain women and minorities, they may have the opposite effect on other, nonminority employees. When diversity is not managed effectively, White and male employees can feel alienated from or targeted by the organization as diversity programs are put in place. A study that examined 151 work groups across three large organizations investigated whether the proportion of group membership based on race or sex affected the group members' absentee rates, psychological attachment to their work group, and turnover intentions,¹¹¹ three factors that play significant roles in an employee's attachment to their organization. Results showed a positive relationship between group heterogeneity and lower organizational attachment, higher turnover intentions, and greater frequency of absences for men and for White group members. In other words, as work group diversity increased, White employees and male employees felt less attached to the organization and were more likely to quit. Because heterogeneous groups improve creativity and judgement, managers should not avoid using them because they may be challenging to manage. Instead, employers need to make sure they understand the communication structure and decision-making styles of their work groups and seek feedback from employees to learn how dominant group members may adjust to diversity.

Legal Challenges and Diversity

The legal system is used to combat discrimination. Among the ways that we will cover here are reverse discrimination, workplace discrimination, harassment, age discrimination, disability discrimination, national origin discrimination, pregnancy discrimination, race/color discrimination, religious discrimination, sex-based discrimination and other forms of discrimination.

Reverse Discrimination

As research shows, workplace discrimination against women and racial or ethnic minorities is common. **Reverse discrimination** is a term that has been used to describe a situation in which dominant group members perceive that they are experiencing discrimination based on their race or sex. This type of discrimination is uncommon, but is usually claimed when the dominant group perceives that members of a protected (diverse) class of citizens are given preference in workplace or educational opportunities based not on their merit or talents, but on a prescribed preferential treatment awarded only on the basis of race or sex.

Research conducted in the 1990s shows that only six federal cases of reverse discrimination were upheld over a four-year period (1990–1994), and only 100 of the 3,000 cases for discrimination over that same four-year period were claims of reverse discrimination.¹¹² Interestingly, a recent poll administered by the Robert Wood Johnson Foundation and the Harvard T.H. Chan School of Public Health found that a little more than half of White Americans believe that White people face discrimination overall, and 19% believe they have experienced hiring discrimination due to the color of their skin.¹¹³ This misperception stems in part from the recalibration of the labor force as it becomes more balanced due to increased equal employment opportunities for everyone. Members of dominant identity groups, Whites and men, perceive fewer opportunities for themselves when they observe the workforce becoming more diverse. In reality, the workforce of a majority of companies is still predominantly White and male employees. The only difference is that legislation protecting employees from discrimination and improvements in equal access to education have created opportunities for minority group members when before there were none.

Workplace Discrimination

Workplace discrimination occurs when an employee or an applicant is treated unfairly at work or in the job- hiring process due to an identity group, condition, or personal characteristic such as the ones mentioned above. Discrimination can occur through marital status, for example when a person experiences workplace discrimination because of the characteristics of a person to whom they are married. Discrimination can also occur when the offender is of the same protected status of the victim, for example when someone discriminates against someone based on a national origin that they both share.

The **Equal Employment Opportunity Commission** (EEOC) was created by Title VII of the Civil Rights Act of 1964 with the primary goal of making it illegal to discriminate against someone in the workplace due to their race, national origin, sex, disability, religion, or pregnancy status.¹¹⁴ The EEOC enforces laws and issues guidelines for employment-related treatment. It also has the authority to investigate charges of workplace discrimination, attempt to settle the charges, and, if necessary, file lawsuits when the law has been broken.

All types of workplace discrimination are prohibited under different laws enacted and enforced by the EEOC, which also considers workplace harassment and sexual harassment forms of workplace discrimination and mandates that men and women must be given the same pay for equal work.¹¹⁵

The provision for equal pay is covered under the **Equal Pay Act of 1963**, which was an amendment to the Fair Labor Standards Act of 1938. Virtually all employers are subject to the provisions of the act, which was an attempt to address pay inequities between men and women. More than 50 years later, however, women still earn about 80 cents to every dollar that men earn, even while performing the same or similar jobs.¹¹⁶

Harassment

Harassment is any unwelcome conduct that is based on characteristics such as age, race, national origin, disability, sex, or pregnancy status. Harassment is a form of workplace discrimination that violates Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, and the Americans with Disabilities Act of 1990.¹¹⁷

Sexual harassment specifically refers to harassment based on a person's sex, and it can (but does not have to) include unwanted sexual advances, requests for sexual favors, or physical and verbal acts of a sexual nature. Though members of any sex can be the victim of sexual harassment, women are the primary targets of this type of harassment.¹¹⁸

Age Discrimination

Age discrimination consists of treating an employee or applicant less favorably due to their age. The **Age Discrimination in Employment Act (ADEA)** forbids discrimination against individuals who are age 40 and above. The act prohibits harassment because of age, which can include offensive or derogatory remarks that create a hostile work environment.¹¹⁹

Disability Discrimination

A person with a disability is a person who has a physical or mental impairment that limits one or more of the person's life actions. **Disability discrimination** occurs when an employee or applicant who is covered by the **Americans with Disabilities Act (ADA)** is treated unfavorably due to their physical or mental disability. The ADA is a civil rights law that prohibits discrimination in employment, public services, public accommodations, and telecommunications against people with disabilities.¹²⁰ To be covered under the ADA, individuals must be able to perform the essential functions of their job with or without reasonable accommodations. Research has shown that reasonable accommodations are typically of no or low cost (less than \$100) to employers.¹²¹

National Origin Discrimination

National origin discrimination involves treating someone unfavorably because of their country of origin, accent, ethnicity, or appearance. EEOC regulations make it illegal to implement an employment practice or policy that applies to everyone if it has a negative impact on people of a certain national origin. For example, employers cannot institute an "English-only" language policy

unless speaking English at all times is essential to ensure the safe and efficient operation of the business. Employers also cannot mandate employees be fluent in English unless fluency in English is essential to satisfactory job performance. The EEOC also prohibits businesses from hiring only U.S. citizens or lawful residents unless the business is required by law to do so.¹²²

Pregnancy Discrimination

Pregnancy discrimination involves treating an employee or applicant unfairly because of pregnancy status, childbirth, or medical conditions related to pregnancy or childbirth. The **Pregnancy Discrimination Act (PDA)** prohibits any discrimination as it relates to pregnancy in any of the following areas: hiring, firing, compensation, training, job assignment, insurance, or any other employment conditions. Further, certain conditions that result from pregnancy may be protected under the ADA, which means employers may need to make reasonable accommodations for any employee with disabilities related to pregnancy.

Under the **Family and Medical Leave Act (FMLA)**, new parents, including adoptive and foster parents, may be eligible for 12 weeks of unpaid leave (or paid leave only if earned by the employee) to care for the new child. Also, nursing mothers have the right to express milk on workplace premises.¹²³

Race/Color Discrimination

Race/color discrimination involves treating employees or applicants unfairly because of their race or because of physical characteristics typically associated with race such as skin color, hair color, hair texture, or certain facial features.

As with national origin discrimination, certain workplace policies that apply to all employees may be unlawful if they unfairly disadvantage employees of a certain race. Policies that specify that certain hairstyles must or must not be worn, for example, may unfairly impact African American employees, and such policies are prohibited unless their enforcement is necessary to the operations of the business.¹²⁴

Religious Discrimination

Religious discrimination occurs when employees or applicants are treated unfairly because of their religious beliefs. The laws protect those who belong to traditional organized religions and those who do not belong to organized religions but hold strong religious, ethical, or moral beliefs of some kind. Employers must make reasonable accommodations for employees' religious beliefs, which may include flexible scheduling or modifications to workplace practices. Employees are also permitted accommodation when it comes to religious dress and grooming practices, unless such accommodations will place an undue burden on the employer. Employees are also protected from having to participate (or not participate) in certain religious practices as terms of their employment.¹²⁵

Sex-Based Discrimination

Sex-based discrimination occurs when employees or applicants are treated unfairly because of their sex. This form of discrimination includes unfair treatment due to gender, transgender status, and sexual orientation. Harassment and policies that unfairly impact certain groups protected under sex discrimination laws are prohibited under EEOC legislation.¹²⁶

The key diversity-related federal laws are summarized in **Table 5.4.4.1**.

Table 5.4.4.1: Key Diversity Related Legislation

Title VII of the Civil Rights Act of 1964	Created the Equal Employment Opportunity Commission with the primary role of making it illegal to discriminate against someone in the workplace due to their race, national origin, sex, disability, religion or pregnancy status
Equal Pay Act of 1963	Mandates that men and women must be given the same pay for equal work
Age Discrimination in Employment Act (ADEA)	Forbids discrimination against individuals who are age 40 and above

Americans with Disabilities Act (ADA)	Prohibits discrimination against people with disabilities in employment, public services, public accommodations and in telecommunications
Pregnancy Discrimination Act (PDA)	Prohibits any discrimination as it relates to pregnancy, including hiring, firing, compensation, training, job assignment, insurance or any other employment conditions
Family and Medical Leave Act (FMLA)	Grants new parents up to 12 weeks of paid or unpaid leave to care for the new child and gives nursing mothers the right to express milk on workplace premises

Other Types of Discrimination

Beyond the key types of discrimination outlined by the EEOC, diversity and management scholars have identified other types of discrimination that frequently impact certain identity groups more than others. **Access discrimination** is a catchall term that describes when people are denied employment opportunities because of their identity group or personal characteristics such as sex, race, age, or other factors. **Treatment discrimination** describes a situation in which people are employed but are treated differently while employed, mainly by receiving different and unequal job-related opportunities or rewards.¹²⁷ Scholars have also identified a form of discrimination called **interpersonal** or **covert discrimination** that involves discrimination that manifests itself in ways that are not visible or readily identifiable, yet is serious because it can impact interpersonal interactions between employees, employees and customers, and other important workplace relationships.

This type of discrimination poses unique challenges because it is difficult to identify. For example, one study examining customer service and discrimination found that obese customers were more likely to experience interpersonal discrimination than average-weight customers. Salespersons spent less time interacting with obese customers than average-weight customers, and average-weight customers reported more positive interactions with salespeople when asked about standard customer service metrics such as being smiled at, receiving eye contact, and perceived friendliness.¹²⁸

concept check

- What is the role of the EEOC?
- What are the types of discrimination encountered in the workplace?

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5.4.5: Key Diversity Theories

What key theories help managers understand the benefits and challenges of managing the diverse workforce?

Many theories relevant to managing the diverse workforce center on an individual's reactions (such as categorization and assessment of the characteristics of others) to people who are different from the individual. Competing viewpoints attempt to explain how diversity is either harmful or beneficial to organizational outcomes.

- The **cognitive diversity hypothesis** suggests that multiple perspectives stemming from the cultural differences between group or organizational members result in creative problem solving and innovation.
- The **similarity-attraction paradigm** and **social identity theory** hold that individuals' preferences for interacting with others like themselves can result in diversity having a negative effect on group and organizational outcomes.
- The **justification-suppression model** explains under what conditions individuals act on their prejudices.

Cognitive Diversity Hypothesis

Some research shows that diversity has no relationship to group performance, and some shows that there is a relationship. Of the latter research, some shows a negative relationship (greater diversity means poorer group performance, less diversity means better group performance) and some shows a positive relationship.

These various findings may be due to the difference in how diversity can affect group members. **Cognitive diversity** refers to differences between team members in characteristics such as expertise, experiences, and perspectives.¹²⁹ Many researchers contend that physical diversity characteristics such as race, age, or sex (also known as bio-demographic diversity) positively influence performance because team members contribute unique cognitive attributes based on their experiences stemming from their demographic background.¹³⁰

There is research that supports the relationship between group performance and task-related diversity as reflected in characteristics not readily detectable such as ability, occupational expertise, or education. However, the relationship between bio-demographic diversity and group performance has produced mixed results.¹³¹ For example, Watson and colleagues studied the comparison of group performance between culturally homogeneous and culturally heterogeneous groups. Groups were assigned business cases to analyze, and their group performance was measured over time based on four factors: the range of perspectives generated, the number of problems identified in the case, the number of alternatives produced, and the quality of the solution. Overall performance was also calculated as the average of all the factors. The factors were measured at four intervals: Interval 1 (at 5 weeks), Interval 2 (at 9 weeks), Interval 3 (at 13 weeks), and Interval 4 (at 17 weeks).

For Intervals 1 and 2, the overall performance of homogeneous groups was higher than heterogeneous groups. However, by Intervals 3 and 4, there were no significant differences in overall performance between the groups, but the heterogeneous group outperformed the homogeneous group in generating a greater range of perspectives and producing a greater number of alternatives.

This research suggests that although homogeneous groups may initially outperform culturally diverse groups, over time diverse groups benefit from a wider range of ideas to choose from when solving a problem. Based on the cognitive diversity hypothesis, these benefits stem from the multiple perspectives generated by the cultural diversity of group members. On the other hand, it takes time for members of diverse groups to work together effectively due to their unfamiliarity with one another, which explains why homogeneous groups outperform heterogeneous groups in the early stages of group functioning. (This is related to the similarity-attraction paradigm, discussed in the next section.) Other studies have shown that ethnically diverse groups cooperate better than homogeneous groups at tasks that require decision-making and are more creative and innovative. While homogeneous groups may be more efficient, heterogeneous groups sacrifice efficiency for effectiveness in other areas.

Similarity-Attraction Paradigm

The cognitive diversity hypothesis explains how diversity benefits organizational outcomes. The similarity-attraction paradigm explains how diversity can have negative outcomes for an organization.

Some research has shown that members who belong to diverse work units may become less attached, are absent from work more often, and are more likely to quit.¹³² There is also evidence that diversity may produce conflict and higher employee turnover. Similarity-attraction theory is one of the foundational theories that attempts to explain why this occurs; it posits that individuals are attracted to others with whom they share attitude similarity.¹³³

Attitudes and beliefs are common antecedents to interpersonal attraction. However, other traits such as race, age, sex, and socioeconomic status can serve as signals to reveal deep-level traits about ourselves. For example, numerous studies investigating job-seeker behaviors have shown that individuals are more attracted to companies whose recruitment literature includes statements and images that reflect their own identity group. One study showed that companies perceived to value diversity based on their recruitment literature are more attractive to racial minorities and women compared to Whites.¹³⁴ Another study showed that when organizations use recruitment materials that target sexual minorities, the attraction of study participants weakened among heterosexuals.¹³⁵ Even foreign-born potential job candidates are more attracted to organizations that depict international employees in their job ads.¹³⁶

Social Cognitive Theory

Social cognitive theory is another theory that seeks to explain how diversity can result in negative outcomes in a group or organization. Social cognitive theory suggests that people use categorization to simplify and cope with large amounts of information. These categories allow us to quickly and easily compartmentalize data, and people are often categorized by their visible characteristics, such as race, sex, and age. Thus, when someone sees a person of a particular race, automatic processing occurs and beliefs about this particular race are activated. Even when the person is not visible, he or she can be subject to this automatic categorization. For example, when sorting through resumes a hiring manager might engage in sex categorization because the person's name provides information about the person's sex or racial categorization because the person's name provides information about their race.¹³⁷ **Stereotypes** are related to this categorization and refer to the overgeneralization of characteristics about large groups. Stereotypes are the basis for prejudice and discrimination. In a job-related context, using categorization and stereotyping in employment decision-making is often illegal. Whether illegal or not, this approach is inconsistent with a valuing-diversity approach.

Social Identity Theory

Social identity theory is another explanation of why diversity may have a negative outcome. Social identity theory suggests that when we first come into contact with others, we categorize them as belonging to an in-group (i.e., the same group as us) or an out-group (not belonging to our group).¹³⁸ We tend to see members of our in-group as heterogeneous but out-group members as homogeneous. That is, we perceive out-group members as having similar attitudes, behaviors, and characteristics (i.e., fitting stereotypes).

Researchers posit that this perspective may occur because of the breadth of interactions we have with people from our in-group as opposed to out-groups. There is often strong in-group favoritism and, sometimes, derogation of out-group members. In some cases, however, minority group members do not favor members of their own group.¹³⁹ This may happen because of being continually exposed to widespread beliefs about the positive attributes of Whites or men and to common negative beliefs about some minorities and women. When in-group favoritism does occur, majority-group members will be hired, promoted, and rewarded at the expense of minority-group members, often in violation of various laws.

Schema Theory

Schema theory explains how individuals encode information about others based on their demographic characteristics.¹⁴⁰ Units of information and knowledge experienced by individuals are stored as having patterns and interrelationships, thus creating schemas that can be used to evaluate one's self or others. As a result of the prior perceived knowledge or beliefs embodied in

such schemas, individuals categorize people, events, and objects. They then use these categories to evaluate newly encountered people and make decisions regarding their interaction with them.

Based on schema theory, employees develop schemas about coworkers based on race, gender, and other diversity traits. They also form schemas about organizational policies, leadership, and work climates. Schemas formed can be positive or negative and will affect the attitudes and behaviors employees have toward one another.

Justification-Suppression Model

The **justification-suppression model** explains the circumstances in which prejudiced people might act on their prejudices. The process by which people experience their prejudice is characterized as a “two-step” process in which people are prejudiced against a certain group or individual but experience conflicting emotions in regard to that prejudice and are motivated to suppress their prejudice rather than act upon it.¹⁴¹ Theory about prejudice suggests that all people have prejudices of some sort, that they learn their prejudices from an early age, and that they have a hard time departing from them as they grow older. Prejudices are often reinforced by intimate others, and individuals use different methods to justify those prejudices.

Most people will attempt to suppress any outward manifestations of their prejudices. This suppression can come from internal factors like empathy, compassion, or personal beliefs regarding proper treatment of others. Suppression can also come from societal pressures; overt displays of prejudice are no longer socially acceptable, and in some cases are illegal.

At times, however, prejudiced individuals will look for reasons to justify acting on their prejudiced beliefs. Research has shown people are more likely to act in prejudiced ways when they are physically or emotionally tired, when they can do so and remain anonymous, or when social norms are weak enough that their prejudiced behavior will not be received negatively.

concept check

- What are the theories that can help managers understand diversity?

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5.4.6: Benefits and Challenges of Workplace Diversity

How can managers reap benefits from diversity and mitigate its challenges?

Much theoretical work has espoused the benefits of workplace diversity, but empirical studies have often had conflicting results, which have shown researchers that certain conditions can affect how successful initiatives to increase and enhance workplace diversity are. Managers can work to make sure that the efforts and initiatives they enact to increase diversity in the workplace come from a perspective that ensures and strives for equity and fairness, and not simply from the perspective of only benefitting the company's bottom line. By approaching diversity and diversity issues in a thoughtful, purposeful way, managers can mitigate the challenges posed by a diverse workforce and enhance the benefits a diverse workforce can offer.

Three Perspectives on Workplace Diversity

Ely and Thomas's work on cultural diversity was designed to theoretically and empirically support some of the hypothesized relationships between diversity and workplace outcomes. Their research yielded a paradigm that identifies three perspectives regarding workplace diversity:¹⁴² integration and learning, access and legitimacy, and discrimination and fairness.

The Integration-and-Learning Perspective

The **integration-and-learning perspective** posits that the different life experiences, skills, and perspectives that members of diverse cultural identity groups possess can be a valuable resource in the context of work groups. Under this perspective, the members of a culturally diverse workgroup can use their collective differences to think critically about work issues, strategies, products, and practices in a way that will allow the group to be successful in its business operations. The assumption under this perspective is that members of different cultural identity groups can learn from each other and work together to best achieve shared goals. This perspective values cultural identity and strongly links diversity of the group to the success of the firm.

Downfalls of the integration-and-learning perspective can be that White members of the work group can feel marginalized when they are not asked to join in on diversity-related projects or discussions. Similarly, workforce members of color might experience burnout if they are always expected to work on those projects and discussions that specifically deal with diversity issues.

The Access-and-Legitimacy Perspective

The **access-and-legitimacy perspective** focuses on the benefit that a diverse workforce can bring to a business that wishes to operate within a diverse set of markets or with culturally diverse clients. Work groups that operate under this perspective are doing so in order to gain access to diverse markets and because their diversity affords them some level of legitimacy when attempting to gain access to diverse markets. This type of workplace diversity is more of a functional type of diversity that does not attempt to integrate or value diversity at the business's core. The danger of this diversity perspective is that it can limit the roles of certain minority groups by valuing members of these groups only because they can increase the access to diverse markets and clients and not because they can make other potentially valuable contributions.¹⁴³

The Discrimination-and-Fairness Perspective

The **discrimination-and-fairness perspective** stems from a belief that a culturally diverse workforce is a moral duty that must be maintained in order to create a just and fair society. This perspective is characterized by a commitment to equal opportunities in hiring and promotions, and does not directly link a work group's productivity or success with diversity. Many times firms operating under this perspective will have a spoken or unspoken assumption that assimilation into the dominant (White) culture should take place by the members of other cultural identity groups. One drawback of this perspective is that because it measures progress by the recruitment and retention of diverse people, employees of traditionally underrepresented groups can feel devalued. Often, assimilation is pushed on diverse employees under the guise of reducing conflict or in an effort to demonstrate that differences

between cultural identity groups are unimportant.¹⁴⁴ Exhibit 5.4.6.1: shows the degrees of effectiveness and benefits for each perspective

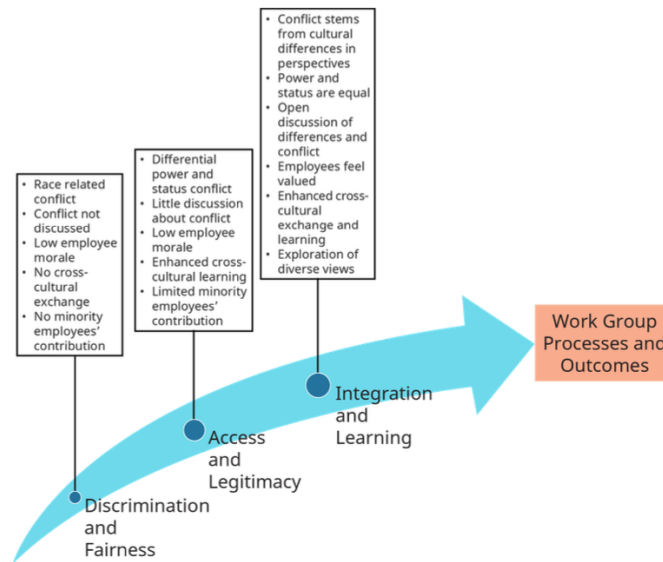


Exhibit 5.4.6.1:

Concept Check

- How can managers reap the benefits of diversity?
- How can managers mitigate the challenges of diversity?
- What is the access-and-legitimacy perspective? Differentiate it from the discrimination-and-fairness perspective.

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Exhibit 5.8 Cultural Diversity Perspectives at Work Source: Adapted from Ely, Robin J., and David A. Thomas. "Cultural diversity at work: The effects of diversity perspectives on work group processes and outcomes." *Administrative science quarterly*. 46.2 (2001): 229-273.

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5.4.7: Recommendations for Managing Diversity

What can organizations do to ensure applicants, employees, and customers from all backgrounds are valued?

Organizations that are committed to equality and inclusion must take steps to combat the examples of discrimination and harassment that have been covered in this chapter. And they must take steps to make diversity a goal in the pre-employment stages as well as in the post-employment stages. Anyone with managerial or supervisory responsibilities should pay careful attention to hiring and performance-rewarding practices, and make sure to rely on relevant information for making decisions and ignore race-based stereotypes. The following are examples of what leaders and organizations can do make sure employees feel valued.

Interview Selection Process

To ensure fairness for all applicants, organizations should use **highly structured interviews** during the selection process to avoid bias based on race or gender.¹⁴⁵ Highly structured interviews consists of the following 15 characteristics: “(1) job analysis, (2) same questions, (3) limited prompting, (4) better questions, (5) longer interviews, (6) control of ancillary information, (7) limited questions from candidates, (8) multiple rating scales, (9) anchored rating scales, (10) detailed notes, (11) multiple interviewers, (12) consistent interviewers, (13) no discussion between interviews, (14) training, and (15) statistical prediction.”¹⁴⁶ Similarity bias can occur when interviewers prefer interviewees with whom they share similar traits. Organizations can mitigate this challenge if all 15 characteristics of a structured interview are used consistently with each job applicant.

Diversified Mentoring Relationships

Thanks to the rapid growth of international travel and globalization, managers are often called upon to manage a workforce that is increasingly diverse. Research has shown that racially and ethnically diverse firms have better financial performance than more homogeneous firms, because, as mentioned, employees from different backgrounds and with different experiences can give the firm a competitive advantage in various ways. It is necessary, however, that managers and those in positions of power are adequately equipped to manage diverse workforces in ways that are beneficial to all. **Diversified mentoring relationships** are relationships in which the mentor and the mentee differ in terms of their status within the company and within a larger society. The differences could be in terms of race, gender, class, disability, sexual orientation, or other status. Research has found that these types of relationships are mutually beneficial and that the mentor and the mentee both have positive outcomes in terms of knowledge, empathy, and skills related to interactions with people from different power groups.¹⁴⁷

managerial leadership

Diversity Training Programs

As the workforce becomes increasingly more diverse, managers will face a major challenge in understanding how to manage diversity. One of many decisions to be made is whether an organization should offer diversity training and, if so, what topics and issues should be addressed based on the organizational goals.

There has been a debate over the effectiveness of corporate diversity training since the Civil Rights Act of 1964 helped prompt corporate diversity training with the organizational goal of simply being compliant with the law. Prior research shows that it can be effective, ineffective, or even detrimental for employees, but as diversity training has evolved through the years, it has become an important factor in helping employers manage diversity.

In the 1980s through the late 1990s, diversity training evolved from focusing solely on compliance to addressing the needs of women and minorities as they entered the workforce at a faster rate. Unfortunately, this type of training was perceived by Whites and men as singling them out as the problem; sometimes such training was even formatted as “confession” sessions for White employees to express their complicity in institutional racism. Not unexpectedly, this type of training would often backfire and would further separate employees from each other, the exact opposite of its intention.

Recently, diversity training has evolved to focus on (1) building cultural competencies regarding fellow employees, (2) valuing differences, and (3) learning how diversity helps make better business decisions. This perspective toward diversity training is more effective than simply focusing on causes of a lack of diversity and the historical roots of discrimination. Understanding how to comply with the law is still important, but training has a greater effect when the other factors are also included.

A recent study investigated various diversity-training methods, including having participants engage in activities on perspective taking and goal setting. For perspective-taking activities, participants were asked to write a few sentences about the challenges they believed minority group members might experience. Goal-setting activities involved writing specific and measurable goals related to workplace diversity such as crafting future policies or engaging in future behaviors. Researchers found that when these activities were used as a diversity-training method, pro-diversity attitudes and behavioral intentions persisted months later.

Issues regarding employee sexual orientation have also been introduced into corporate diversity training in recent years. Because employees’ religious beliefs are protected by Title VII of the Civil Rights Act, employers should be sensitive to balancing the rights of lesbian, gay, and bisexual employees and employees’ religious rights. Attempting to protect the rights of one group and not be perceived to disrespect another is a difficult situation for managers. In order to mitigate any backlash from some employees, employers should seek feedback from all groups to learn the best ways to accommodate them, and should assess the organizational climate. Additionally, managers should explain how diversity based on sexual orientation aligns with the company’s strategic objectives and explain the company’s legal position with supportive reasoning. Lastly, based on their organizational climate and how it reshapes itself over time, some companies may wish to address diversity training on sexual orientation in a voluntary training separate from other diversity issues.

Sources: Young, Cheri A., Badiyah Haffeejee, and David L. Corsun. "Developing Cultural Intelligence and Empathy Through Diversified Mentoring Relationships." *Journal of Management Education* (2017): 1052562917710687; Bezrukova, K., Jehn, K.A., & Spell, C.S. (2012). Reviewing diversity training: Where we have been and where we should go. *Academy of Management Learning & Education*, 11 (2): 207-227; Anand, R., & Winters, M. (2008). A retrospective view of corporate diversity training from 1964 to the present. *Academy of Management Learning & Education*, 7 (3): 356-372; Lindsey, A., King, E., Membere, A., & Cheung, H.K. (July 28, 2017). Two types of diversity training that really work. *Harvard Business Review*.

Discussion Questions:

1. Why do you believe diversity training is resisted by some employees?
2. Do you believe there will always be a need for workplace diversity training?
3. How would you determine what types of diversity training are needed at your company?

Visible Leadership

Another key to ensure that employees are treated fairly is utilizing appropriate leadership strategies.¹⁴⁸ Leadership must sincerely value variety of opinions, and organizational culture must encourage openness and make workers feel valued. Organizations must also have a well-articulated and widely understood mission and a relatively egalitarian, nonbureaucratic structure. Having such a work environment will ensure that the attitudes and values of employees are aligned with those of the organization. In this way, culture serves as a control mechanism for shaping behaviors.

Strategies for Employees

Individuals can increase positive employment outcomes by obtaining high levels of education because for all groups education is a predictor of employment and increased earnings. Individuals can also seek employment in larger firms, which are more likely to have formal hiring programs and specific diversity provisions in place. Individuals of any race or ethnic background can also take steps to eliminate discrimination by being aware of their own personal stereotypes or biases and taking steps to challenge

and address them.

concept check

- How can managers ensure fairness in the interviewing and selection process regarding diversity?
- What is the role of leadership regarding diversity?

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deep-level diversity Diversity in characteristics that are nonobservable such as attitudes, values, and beliefs, such as religion.

diversity Identity-based differences among and between people that affect their lives as applicants, employees, and customers.

hidden diversity Differences in traits that are deep-level and may be concealed or revealed at discretion by individuals who possess them.

identity group A collective of individuals who share the same demographic characteristics such as race, sex, or age.

inclusion The degree to which employees are accepted and treated fairly by their organization.

invisible social identities Membership in an identity group based on hidden diversity traits such as sexual orientation or a nonobservable disability that may be concealed or revealed.

managing diversity Ways in which organizations seek to ensure that members of diverse groups are valued and treated fairly within organizations.

surface-level diversity Diversity in the form of characteristics of individuals that are readily visible, including, but not limited to, age, body size, visible disabilities, race, or sex.

glass ceiling An invisible barrier based on the prejudicial beliefs of organizational decision-makers that prevents women from moving beyond certain levels within a company.

model minority myth A stereotype that portrays Asian men and women as obedient and successful and is often used to justify socioeconomic disparities between other racial minority groups.

passing The decision to not disclose one's invisible social identity.

revealing The decision to disclose one's invisible social identity.

sexual harassment Harassment based on a person's sex, and can (but does not have to) include unwanted sexual advances, requests for sexual favors, or physical and verbal acts of a sexual nature.

work visa A temporary documented status that authorizes individuals from other countries to permanently or temporarily live and work in the United States.

groupthink A dysfunction in decision-making that is common in homogeneous groups due to group pressures and group members' desire for conformity and consensus.

strategic human resources management (SHRM) System of activities arranged to engage employees in a manner that assists the organization in achieving a sustainable competitive advantage.

resource-based view Demonstrates how a diverse workforce can create a sustainable competitive advantage for organizations.

reverse discrimination Describes a situation in which dominant group members perceive that they are experiencing discrimination based on their race or sex.

Equal Pay Act of 1963 An amendment to the Fair Labor Standards Act of 1938.

harassment Any unwelcome conduct that is based on characteristics such as age, race, national origin, disability, sex, or pregnancy status.

sexual harassment Harassment based on a person's sex; it can (but does not have to) include unwanted sexual advances, requests for sexual favors, or physical and verbal acts of a sexual nature.

age discrimination Treating an employee or applicant less favorably due to their age.

Age Discrimination in Employment Act (ADEA) Forbids discrimination against individuals who are age 40 and above,

including offensive or derogatory remarks that create a hostile work environment.

disability discrimination Occurs when an employee or applicant is treated unfavorably due to their physical or mental disability.

Americans with Disabilities Act (ADA) Prohibits discrimination in employment, public services, public accommodations, and telecommunications against people with disabilities.

national origin discrimination Treating someone unfavorably because of their country of origin, accent, ethnicity, or appearance.

pregnancy discrimination Treating an employee or applicant unfairly because of pregnancy status, childbirth, or medical conditions related to pregnancy or childbirth.

Pregnancy Discrimination Act (PDA) Prohibits any discrimination as it relates to pregnancy in hiring, firing, compensation, training, job assignment, insurance, or any other employment conditions.

Family and Medical Leave Act (FMLA) Provides new parents, including adoptive and foster parents, with 12 weeks of unpaid leave (or paid leave only if earned by the employee) to care for the new child and requires that nursing mothers have the right to express milk on workplace premises.

race/color discrimination Treating employees or applicants unfairly because of their race or because of physical characteristics typically associated with race such as skin color, hair color, hair texture, or certain facial features.

religious discrimination When employees or applicants are treated unfairly because of their religious beliefs.

sex-based discrimination When employees or applicants are treated unfairly because of their sex, including unfair treatment due to gender, transgender status, or sexual orientation.

access discrimination A catchall term that describes when people are denied employment opportunities because of their identity group or personal characteristics such as sex, race, or age.

covert discrimination (interpersonal) An interpersonal form of discrimination that manifests in ways that are not visible or readily identifiable.

Equal Employment Opportunity Commission An organization that enforces laws and issues guidelines for employment-related treatment according to Title VII of the Civil Rights Act of 1964.

treatment discrimination A situation in which people are employed but are treated differently while employed, mainly by receiving different and unequal job-related opportunities or rewards.

workplace discrimination Unfair treatment in the job hiring process or at work that is based on the identity group, physical or mental condition, or personal characteristic of an applicant or employee.

cognitive diversity Differences between team members regarding characteristics such as expertise, experiences, and perspectives.

social identity theory Self-concept based on an individual's physical, social, and mental characteristics.

stereotypes Overgeneralization of characteristics about groups that are the basis for prejudice and discrimination.

schema theory Explains how individuals encode information about others based on their demographic characteristics.

justification-suppression model Explains the circumstances in which prejudiced people might act on their prejudices.

cognitive diversity hypothesis Multiple perspectives stemming from the cultural differences between group or organizational members result in creative problem-solving and innovation.

similarity-attraction paradigm Individuals' preferences for interacting with others like themselves can result in diversity having a negative effect on group and organizational outcomes.

justification-suppression model Explains under what conditions individuals act on their prejudices.

integration-and-learning perspective Posits that the different life experiences, skills, and perspectives that members of diverse cultural identity groups possess can be a valuable resource in the context of workgroups.

access-and-legitimacy perspective Focuses on the benefits that a diverse workforce can bring to a business that wishes to operate within a diverse set of markets or with culturally diverse clients.

discrimination-and-fairness perspective A culturally diverse workforce is a moral duty that must be maintained in order to create a just and fair society.

diversified mentoring relationships Relationships in which the mentor and the mentee differ in terms of their status within the company and within larger society.

highly structured interviews Interviews that are being structured objectively to remove bias from the selection process.

5.4.9: Summary of Learning Objectives

An Introduction to Workplace Diversity

What is diversity?

Diversity refers to identity-based differences among and between people that affect their lives as applicants, employees, and customers. Surface-level diversity represents characteristics of individuals that are readily visible, including, but not limited to, age, body size, visible disabilities, race, or sex. Deep-level diversity includes traits that are nonobservable such as attitudes, values, and beliefs. Finally, hidden diversity includes traits that are deep-level but may be concealed or revealed at the discretion of individuals who possess them.

Diversity and the Workforce

How diverse is the workforce?

In analyzing the diversity of the workforce, several measures can be used. Demographic measures such as gender and race can be used to measure group sizes. Measures of such things as discrimination toward specific groups can be analyzed to gauge the diversity of the workforce. Other measures of diversity in the workforce can include examination of differences in age and sexual orientation.

Diversity and Its Impact on Companies

How does diversity impact companies and the workforce?

The demography of the labor force is changing in many ways as it becomes racially diverse and older and includes more women and individuals with disabilities. Diversity affects how organizations understand that employing people who hold multiple perspectives increases the need to mitigate conflict between workers from different identity groups, enhances creativity and problem-solving in teams, and serves as a resource to create a competitive advantage for the organization.

Challenges of Diversity

What is workplace discrimination, and how does it affect different social identity groups?

Workplace discrimination occurs when an employee or an applicant is treated unfairly at work or in the job-hiring process due to an identity group, condition, or personal characteristics such as age, race, national origin, sex, disability, religion, or pregnancy status. The Equal Employment Opportunity Commission enforces laws and legislation related to individuals with those protected statuses.

Harassment is any unwelcome conduct that is based on the protected characteristics listed above. Sexual harassment refers specifically to harassment based on a person's sex, and it can (but does not have to) include unwanted sexual advances, requests for sexual favors, or physical and verbal acts of a sexual nature.

Key Diversity Theories

What key theories help managers understand the benefits and challenges of managing a diverse workforce?

The cognitive-diversity hypothesis suggests that multiple perspectives stemming from the cultural differences between groups or

organizational members result in creative problem solving and innovation. The similarity-attraction paradigm and social identity theory explains how, because individuals prefer to interact with others like themselves, diversity may have a negative effect on the group and organizational outcomes. The justification-suppression model explains under what conditions individuals act on their prejudice.

Benefits and Challenges of Workplace Diversity

How can managers reap benefits from diversity and mitigate their challenges?

By approaching diversity and diversity issues in a thoughtful, purposeful way, managers can mitigate the challenges posed by a diverse workforce and enhance the benefits a diverse workforce can offer.

Managers can work to make sure that the efforts and initiatives they enact to increase diversity in the workplace come from a perspective that ensures and strives for equity and fairness, not simply one that will benefit the company's bottom line.

Using an integration-and-learning perspective strongly links diversity to the work and success of the firm by viewing cultural identity, different life experiences, skills, and perspectives from members of diverse cultural identity groups as a valuable resource.

Recommendations for Managing Diversity

What can organizations do to ensure applicants, employees, and customers from all backgrounds are valued?

Organizations should use objective and fair recruitment and selection tools and policies.

Leadership should make employees feel valued, be open to varied perspectives, and encourage a culture of open dialogue. Women and racial minorities can increase positive employment outcomes by pursuing higher levels of education and seeking employment in larger organizations. All individuals should be willing to listen, empathize with others, and seek to better understand sensitive issues that affect different identity groups.

5.4.10: Chapter Review Questions

1. Define the three types of diversity and compare them using examples for each type.
2. How are the demographics of the workforce changing?
3. What are some major challenges that women face in organizations?
4. What is the model minority myth? How does it compare to how Blacks and Hispanics are stereotyped?
5. What are some benefits of hiring older workers?
6. Why would an employee “pass” or “reveal” at work? What are the positive and negative consequences of doing so?
7. Explain the six benefits of workplace diversity described by Cox and Blake’s business case for diversity.
8. Compare how the cognitive diversity hypothesis and the similarity-attraction paradigm relate to diversity outcomes.
9. Based on the justification-suppression model, explain why individuals act on their prejudicial beliefs.
10. Describe the challenges that managers must face when managing diversity.
11. How can employees ensure they are compliant with the laws and legislation enforced by the EEOC?
12. What are some recommendations for managing diversity?

5.4.11: Managerial Skills Application Exercise

1. Do you agree that diversity can be a source of greater benefit than harm to organizations? Why or why not?
2. Have you ever worked in a diverse team setting before? If so, did you encounter any attitudes or behaviors that could potentially cause conflict? If not, how would you manage conflict stemming from diversity?
3. List three organizational goals you would implement to create an organizational culture of diversity and inclusion.
4. Have you or has someone you know experienced discrimination? How did that affect you or that person emotionally, physically, or financially?
5. Pick an identity group (e.g., gay, Black, or woman) other than your own. Imagine and list the negative experiences and interactions you believe you might encounter at work. What policies or strategies could an organization implement to prevent those negative experiences from occurring?
6. Provide a concrete example of how different perspectives stemming from diversity can positively impact an organization or work group. You may use a real-life personal example or make one up.

5.4.12: Managerial Decision Exercise

1. As a manager for a hospital, you oversee a staff of marketing associates. Their job is to find doctors and persuade them to refer their patients to your hospital. Associates have a very flexible work schedule and manage their own time. They report to you weekly concerning their activities in the field. Trusting them is very important, and it is impossible to track and confirm all of their activities. Your assistant, Nancy, manages the support staff for the associates, works very closely with them, and often serves as your eyes and ears to keep you informed as to how well they are performing.

One day, Nancy comes into your office crying and tells you that your top-performing associate, Susan, has for the past few weeks repeatedly asked her out to dinner and she has repeatedly refused. Susan is a lesbian and Nancy is not. Today, when she refused, Susan patted her on the bottom and said, "I know, you are just playing hard to get."

After Nancy calms down, you tell her that you will fill out the paperwork to report a sexual harassment case. Nancy says that she does not want to report it because it would be too embarrassing if word of the incident got out. To impress upon you how strongly she feels, she tells you that she will consider resigning if you report the incident. Nancy is essential to the effective operation of your group, and you dread how difficult it would be to get things done without her assisting you.

What do you do? Do you report the case, lose Nancy's trust, and jeopardize losing a high-performing employee? Or do you not report it, thereby protecting what Nancy believes to be her right to privacy?

2. Recently your company has begun to promote its diversity efforts, including same-sex (and heterosexual) partner benefits and a nonharassment policy that includes sexual orientation, among other things. Your department now has new posters on the walls with photos of employees who represent different aspects of diversity (e.g., Black, Hispanic, gay). One of your employees is upset about the diversity initiative and has begun posting religious scriptures condemning homosexuality on his cubicle in large type for everyone to see. When asked to remove them, your employee tells you that the posters promoting diversity offend Christian and Muslim employees. What should you do?
3. You are a recently hired supervisor at a paper mill factory. During your second week on the job, you learn about a White employee who has been using a racial slur during lunch breaks when discussing some of her Black coworkers with others. You ask the person who reported it to you about the woman and learn that she is an older woman, around 67 years old, and has worked at the factory for more than 40 years. You talk to your boss about it, and he tells you that she means no harm by it, she is just from another era and that is just her personality. What would you do in this situation?
4. You are a nurse manager who oversees the triage for the emergency room, and today is a slow day with very few patients. During the downtime, one of your subordinates is talking with another coworker about her new boyfriend. You observe her showing her coworkers explicit images of him that he emailed her on her phone. Everyone is joking and laughing about the ordeal. Even though it appears no one is offended, should you address it? What would you say?
5. You work for a company that has primarily Black and Hispanic customers. Although you employ many racial minorities and women, you notice that all of your leaders are White men. This does not necessarily mean that your organization engages in discriminatory practices, but how would you know if your organization was managing diversity well? What information would you need to determine this, and how would you collect it?
6. Your company's founder believes that younger workers are more energetic and serve better in sales positions. Before posting a new job ad for your sales division, he recommends that you list an age requirement of the position for applicants between ages 18 and 25. Is his recommendation a good one? Why or why not?
7. You work for a real estate broker who recently hired two gay realtors, Steven and Shauna, to be a part of the team. During a staff meeting, your boss mentions an article she read about gay clients feeling ostracized in the real estate market. She tells the new employees she hired them to help facilitate the home-buying process for gay buyers and sellers. She specifically instructs them to focus on recruiting gay clients, even telling them that they should pass along any straight customers to one of the straight realtors on the team. A few weeks later, Shauna reports that she has made her first sale to a straight couple that is expecting a baby. During the next staff meeting, your boss congratulates Shauna on her sale but again reiterates that Shauna and Steven should pass along straight clients to another realtor so they can focus on recruiting gay clients. After the meeting, Shauna tells you that she thinks it is unfair that she should have to focus on gay clients and that she is thinking of filing a discrimination complaint with HR. Do you think that Shauna is correct in her assessment of the situation? Is there merit to your boss's desire to have the gay realtors focus on recruiting gay clients? What might be a better solution to help gay clients feel more comfortable in the home-buying and -selling process?

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5.4.13: Critical Thinking Case

Uber Pays the Price

Nine years ago, Uber revolutionized the taxi industry and the way people commute. With the simple mission “to bring transportation—for everyone, everywhere,” today Uber has reached a valuation of around \$70 billion and claimed a market share high of almost 90% in 2015. However, in June 2017 Uber experienced a series of bad press regarding an alleged culture of sexual harassment, which is what most experts believe caused their market share to fall to 75%.

In February of 2017 a former software engineer, Susan Fowler, wrote a lengthy post on her website regarding her experience of being harassed by a manager who was not disciplined by human resources for his behavior. In her post, Fowler wrote that Uber’s HR department and members of upper management told her that because it was the man’s first offense, they would only give him a warning. During her meeting with HR about the incident, Fowler was also advised that she should transfer to another department within the organization. According to Fowler, she was ultimately left no choice but to transfer to another department, despite having specific expertise in the department in which she had originally been working.

As her time at the company went on, she began meeting other women who worked for the company who relayed their own stories of harassment. To her surprise, many of the women reported being harassed by the same person who had harassed her. As she noted in her blog, “It became obvious that both HR and management had been lying about this being his ‘first offense.’” Fowler also reported a number of other instances that she identified as sexist and inappropriate within the organization and claims that she was disciplined severely for continuing to speak out. Fowler eventually left Uber after about two years of working for the company, noting that during her time at Uber the percentage of women working there had dropped to 6% of the workforce, down from 25% when she first started.

Following the fallout from Fowler’s lengthy description of the workplace on her website, Uber’s chief executive Travis Kalanick publicly condemned the behavior described by Fowler, calling it “abhorrent and against everything Uber stands for and believes in.” But later in March, Uber board member Arianna Huffington claimed that she believed “sexual harassment was not a systemic problem at the company.” Amid pressure from bad media attention and the company’s falling market share, Uber made some changes after an independent investigation resulted in 215 complaints. As a result, 20 employees were fired for reasons ranging from sexual harassment to bullying to retaliation to discrimination, and Kalanick announced that he would hire a chief operating officer to help manage the company. In an effort to provide the leadership team with more diversity, two senior female executives were hired to fill the positions of chief brand officer and senior vice president for leadership and strategy.

Critical Thinking Questions:

1. Based on Cox’s business case for diversity, what are some positive outcomes that may result in changes to Uber’s leadership team?
2. Under what form of federal legislation was Fowler protected?
3. What strategies should have been put in place to help prevent sexual harassment incidents like this from happening in the first place?

Sources: Uber corporate Website, <https://www.uber.com/newsroom/company-info/> (February, 2017); Marco della Cava, “Uber has lost market share to Lyft during crisis,” *USA Today*, June 13, 2017, <https://www.usatoday.com/story/tech/...als/102795024/>; Tracey Lien, “Uber fires 20 workers after harassment investigation,” *Los Angeles Times*, Jun 6, 2017, <http://www.latimes.com/business/la-f...606-story.html>; Susan Fowler, “Reflecting On One Very, Very Strange Year At Uber,” February 19, 2017, <https://www.susanjowler.com/blog/20...e-year-at-uber>.

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5.5: Inclusion Starts With I

Diversity in the Workforce

Within your textbook reading this week, you learned about the importance of diversity in the workforce. An inclusive workplace where employees feel they belong is important to building a culture that values diversity. Watch this powerful 3:28 video:

As you watched the video, did you notice yourself identifying with one or more of the individuals? Did you notice any unexpected biases that you may have?

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5.6: What is Culture Fit?

Culture Fit and Culture Add

You have learned that an organization's culture and the diversity of its workforce are both important factors in an organization's success. How do managers consider the importance of both when hiring new employees? Watch the following 3:59 video, which introduces the terms 'culture fit' and 'culture add':

After watching the video, can you think of additional examples of 'culture add' that would be important for a manager to consider?

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5.7: 5 Ways to Listen Better

Active Listening

Active listening is important to effective communication. Watch the 7:50 video presented by Julian Treasure to learn why listening has become problematic and ideas for improvement:

After watching the video, consider the following questions:

- Why does the speaker indicate that conscious listening always creates understanding?
- How can conscious listening help to remove cultural barriers and promote inclusivity and belonging amongst coworkers?

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6: THE USE OF POWER

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6.4: The 5 Bases of Power

6.5: Creating Ethical Cultures in Business

6.1: Overview

Module 6: Overview

Within this module, students will explore the classification of power and the ethical and unethical use of power in business.

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6.2: Guiding Questions

Module 6: Guiding Questions

Consider the following questions as you review the learning materials this week:

- How is power exhibited in the workplace?
- What are the five bases of power?
- How does the use of power influence employee behaviors?
- How can power and politics lead to unethical behaviors?
- Why is it important to use power ethically?

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6.3: ORGANIZATIONAL POWER AND POLITICS

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6.3.1: Chapter Introduction



Figure 6.3.1.1 **Meeting** (Credit: United States Mission Geneva/ flickr/ Attribution 2.0 Generic (CC BY 2.0))

Learning Outcomes

After reading this chapter, you should be able to answer these questions:

1. How do power bases work in organizational life?
2. How do you recognize and account for the exercise of counterpower and make appropriate use of strategic contingencies in interunit or interorganizational relations?
3. How do managers cope effectively with organizational politics?
4. How do you recognize and limit inappropriate or unethical political behavior where it occurs?

exploring managerial careers

Power Play at General Electric

For years, General Electric has been the pillar of manufacturing standards and stood as an icon for the American economy. Despite its strong history, CEO woes and a power struggle from within during the past few years have started to unravel the company's control.

Jeff Immelt, long-time CEO, was respected and revered for his discipline. However, this mentality took its toll and led to declines and complacency. The struggling company wanted change and desperately needed growth; it appointed John Flannery. Shortly after the appointment of Flannery, the new CEO pulled a change of his own as well—firing half of the company's board.

This type of move was almost unheard of, and the purge as presented was planning to cut dividends and slash less profitable business lines. The pressure from investors was felt immediately by Flannery, and this move was a desperate attempt to regain some footing and remain atop the industry standard.

Fast forward to 2018: after only one year on the job, the board decided it was done waiting for the turnaround and took drastic action, ousting Flannery and absorbing \$23 billion in loss from the process.

The tumultuous and fast-paced changing tech-dominated economy of the 21st century showcases the harsh realities in this GE change of power. “The market didn’t even give the company the benefit of the doubt that things would work,” said Ivan Feinseth, chief investment officer at Tigress Financial Partners. “Flannery’s plan hasn’t worked.” The market favors tech companies such as Google and Amazon rather than traditional manufacturers. And the new CEO, Lawrence Culp, will have an uphill battle to take over all of the woes of GE. As the first outsider to take over leadership, he has a lot to prove as well. His successes at Danaher preceded him and the company’s stock has soared since the change occurred, already showing a positive impact.

Sources

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T. Heath and J. McGregor, “General Electric, fallen icon of corporate stability, names first outsider as CEO,” *Washington Post*, October 2, 2018, <https://www.washingtonpost.com/busin...=.0111eb2c36ea>;

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T. Rivas, “GE’s New CEO Inherits a Troubled Kingdom. Here’s What He Has to Do Now,” *Barons*, October 2, 2018, www.barrons.com/articles/ges...to-do-now-1538495223.

Although the circumstances of the changes in leadership at GE may be unique, the exercise of power and political behavior in organizations is certainly not. Power and politics are the lifeblood of most organizations, and, as a result, informed managers need to understand power dynamics. In fact, organizations are composed of coalitions and alliances of different parties that continually compete for available resources. As such, a major influence on how decisions are made is the distribution of power among the decision makers. Unequal distribution of power in organizations can have a critical impact on many aspects of work life, including employee motivation, job satisfaction, absenteeism and turnover, and stress. Hence, an awareness of the nature and pervasiveness of power and politics is essential for a better understanding of these other behavioral processes.

The concept of power is closely related to the concepts of authority and leadership. It is important to understand when one method of influence ceases and another begins. For example, when does a manager stop using legitimate authority in a work situation and start using unauthorized power?

Finally, on an individual level, many people attempt to exercise influence in organizations by using power tactics. An awareness of such tactics helps managers to recognize them and to take appropriate actions. Keep in mind that attempts by others to exercise power do not have to be successful. A number of mechanisms are available to countermand or neutralize influence attempts. Knowledge of these strategies gives a manager greater latitude in his response to power plays by others.

In short, power and political processes in organizations represent a topic of central importance to students of organizational behavior. Along with other group processes, such as communication and decision-making, power and politics can considerably influence both the behavior and the attitudes of employees at various levels of the organization. In addition, they can further influence the extent to which various units within the organization secure the necessary resources for task accomplishment and ultimate organizational success. In short, General Electric is not alone.

6.3.2: Power in Interpersonal Relations

How do power bases work in organizational life?

In this chapter, we will examine various aspects of power and politics in organizations, beginning with the topic of power in interpersonal relations. Here, power is defined and distinguished from the related concepts of authority and leadership, and several bases of power and aspects of power dependency are discussed. Although these aspects of power also relate to group situations, they are more germane to interpersonal relations.

What Is Power?

Numerous definitions of power abound in the literature on organizations. One of the earliest was suggested by Max Weber, the noted German sociologist, who defined **power** as “the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance.” Similarly, Emerson wrote, “The power of actor A over actor B is the amount of resistance on the part of B which can be potentially overcome by A.” Following these and other definitions, we will define *power* for our purposes as an interpersonal relationship in which one individual (or group) has the ability to cause another individual (or group) to take an action that would not be taken otherwise.

In other words, power involves one person changing the behavior of another. It is important to note that in most organizational situations, we are talking about *implied* force to comply, not necessarily actual force. That is, person A has power over person B if person B believes that person A can, in fact, force person B to comply.

Power, Authority, and Leadership

Clearly, the concept of power is closely related to the concepts of authority and leadership (see Figure 6.3.2.1). In fact, power has been referred to by some as “informal authority,” whereas authority has been called “legitimate power.” However, these three concepts are not the same, and important differences among the three should be noted.

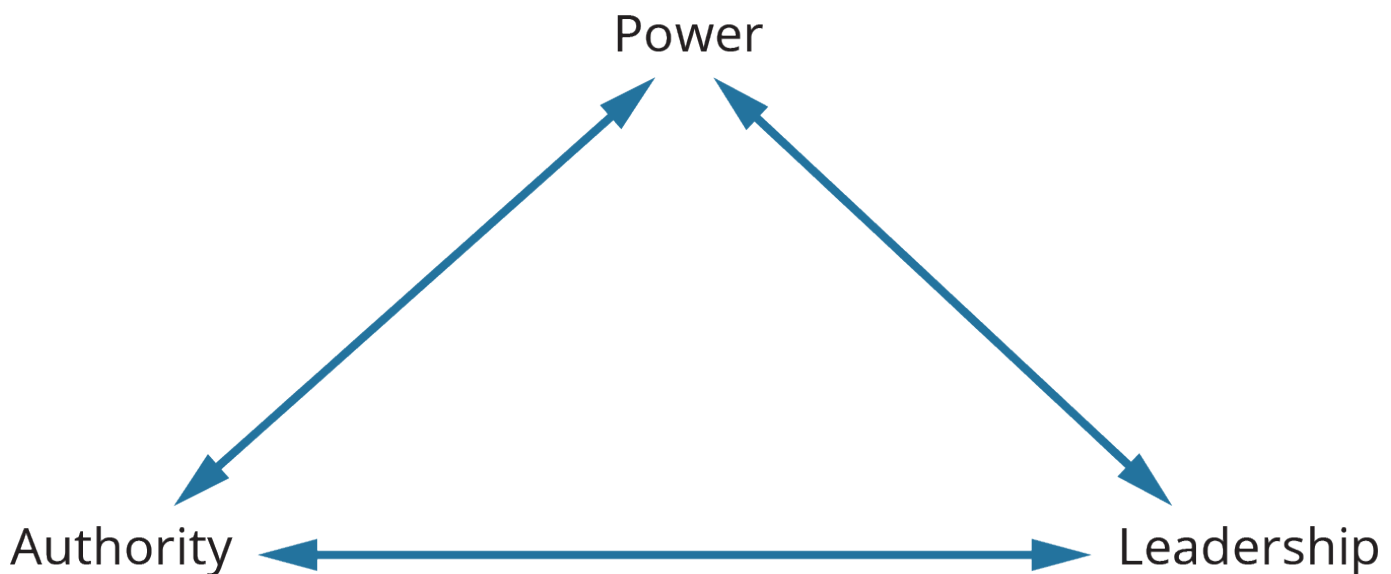


Figure 6.3.2.1 **Three Major Types of Influence** (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

As stated previously, power represents the capacity of one person or group to secure compliance from another person or group. Nothing is said here about the right to secure compliance—only the ability. In contrast, **authority** represents the right to seek compliance by others; the exercise of authority is backed by legitimacy. If a manager instructs a secretary to type certain letters, he presumably has the authority to make such a request. However, if the same manager asked the secretary to run personal errands, this would be outside the bounds of the legitimate exercise of authority. Although the secretary may still act on this

request, the secretary's compliance would be based on power or influence considerations, not authority.

Hence, the exercise of authority is based on group acceptance of someone's right to exercise legitimate control. As Grimes notes, "What legitimates authority is the promotion or pursuit of collective goals that are associated with group consensus. The polar opposite, power, is the pursuit of individual or particularistic goals associated with group compliance."

Finally, **leadership** is the ability of one individual to elicit responses from another person that go beyond required or mechanical compliance. It is this voluntary aspect of leadership that sets it apart from power and authority. Hence, we often differentiate between headship and leadership. A department head may have the right to require certain actions, whereas a leader has the ability to inspire certain actions. Although both functions may be served by the same individual, such is clearly not always the case.

Types of Power

If power is the ability to secure compliance by others, how is such power exercised? On what is it based? At least two efforts have been made to identify the bases of power. One model has been proposed by Etzioni, identifying three types of power. In fact, it is argued that organizations can be classified according to which of the three types of power is most prevalent. **Coercive power** involves forcing someone to comply with one's wishes. A prison organization is an example of a coercive organization. **Utilitarian power** is power based on performance-reward contingencies; for example, a person will comply with a supervisor in order to receive a pay raise or promotion. Business organizations are thought to be essentially utilitarian organizations. Finally, **normative power** rests on the beliefs of the members in the right of the organization to govern their behavior. An example here would be a religious organization.

Bases of Power

Although useful for comparative analysis of divergent organizations, this model may have limited applicability, because most business and public organizations rest largely on utilitarian power. Instead, a second model, developed by French and Raven, of the **bases of power** may be more helpful. French and Raven identified five primary ways in which power can be exerted in social situations.

Referent Power. In some cases, person *B* looks up to or admires person *A*, and, as a result, *B* follows *A* largely because of *A*'s personal qualities, characteristics, or reputation. In this case, *A* can use **referent power** to influence *B*. Referent power has also been called *charismatic power*, because allegiance is based on interpersonal attraction of one individual for another. Examples of referent power can be seen in advertising, where companies use celebrities to recommend their products; it is hoped that the star appeal of the person will rub off on the products. In work environments, junior managers often emulate senior managers and assume unnecessarily subservient roles more because of personal admiration than because of respect for authority.

Expert Power. **Expert power** is demonstrated when person *A* gains power because *A* has knowledge or expertise relevant to *B*. For instance, professors presumably have power in the classroom because of their mastery of a particular subject matter. Other examples of expert power can be seen in staff specialists in organizations (e.g., accountants, labor relations managers, management consultants, and corporate attorneys). In each case, the individual has credibility in a particular—and narrow—area as a result of experience and expertise, and this gives the individual power in that domain.

Legitimate Power. **Legitimate power** exists when person *B* submits to person *A* because *B* feels that *A* has a right to exert power in a certain domain. Legitimate power is really another name for authority, as explained earlier. A supervisor has a right, for instance, to assign work. Legitimate power differs from reward and coercive power in that it depends on the official position a person holds, and not on his or her relationship with others.

Legitimate power derives from three sources. First, prevailing cultural values can assign power to some group. In Japan and Korea, for instance, older employees derive power simply because of their age. Second, legitimate power can be attained as a result of the accepted social structure. For example, many Western European countries, as well as Japan, have royal families that serve as a cornerstone to their societies. Third, legitimate power may be designated, as in the case of a board of directors choosing a new company president or a person being promoted into a managerial position. Whatever the reason, people exercise legitimate power because subordinates assume they have a right to exercise it. A principal reason given for the downfall of the shah of Iran is that the people came to first question and then denounce his right to legitimate power.

Reward Power. **Reward power** exists when person *A* has power over person *B* because *A* controls rewards that *B* wants. These

rewards can cover a wide array of possibilities, including pay raises, promotions, desirable job assignments, more responsibility, new equipment, and so forth. Research has indicated that reward power often leads to increased job performance as employees see a strong performance-reward contingency. However, in many organizations, supervisors and managers really do not control very many rewards. For example, salary and promotion among most blue-collar workers is based on a labor contract, not a performance appraisal.

Coercive Power. *Coercive power* is based primarily on fear. Here, person *A* has power over person *B* because *A* can administer some form of punishment to *B*. Thus, this kind of power is also referred to as punishment power. As Kipnis points out, coercive power does not have to rest on the threat of violence. “Individuals exercise coercive power through a reliance upon physical strength, verbal facility, or the ability to grant or withhold emotional support from others. These bases provide the individual with the means to physically harm, bully, humiliate, or deny love to others.” Examples of coercive power in organizations include the ability (actual or implied) to fire or demote people, transfer them to undesirable jobs or locations, or strip them of valued perquisites. Indeed, it has been suggested that a good deal of organizational behavior (such as prompt attendance, looking busy, avoiding whistle-blowing) can be attributed to coercive, not reward, power. As Kipnis explains, “Of all the bases of power available to man, the power to hurt others is possibly the most often used, most often condemned and most difficult to control.”

Behavioral Consequences of Power

We have seen, then, that at least five bases of power can be identified. In each case, the power of the individual rests on a particular attribute of the power holder, the follower, or their relationship. In some cases (e.g., reward power), power rests in the superior; in others (e.g., referent power), power is given to the superior by the subordinate. In all cases, the exercise of power involves subtle and sometimes threatening interpersonal consequences for the parties involved. In fact, when power is exercised, employees have several ways in which to respond. These are shown in Figure 6.3.2.2.

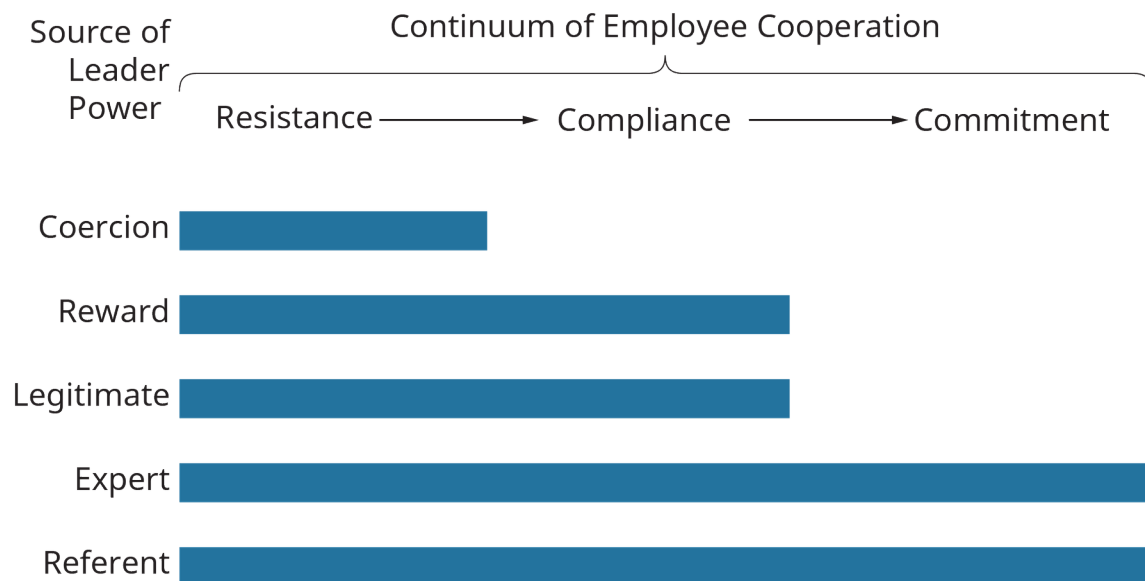


Figure 6.3.2.2 **Employee Reactions to Bases of Power** (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

If the subordinate accepts and identifies with the leader, his behavioral response will probably be one of *commitment*. That is, the subordinate will be motivated to follow the wishes of the leader. This is most likely to happen when the person in charge uses referent or expert power. Under these circumstances, the follower believes in the leader's cause and will exert considerable energies to help the leader succeed.

A second possible response is *compliance*. This occurs most frequently when the subordinate feels the leader has either legitimate power or reward power. Under such circumstances, the follower will comply, either because it is perceived as a duty or because a reward is expected; but commitment or enthusiasm for the project is lacking. Finally, under conditions of coercive power, subordinates will more than likely use resistance. Here, the subordinate sees little reason—either altruistic or material—for cooperating and will often engage in a series of tactics to defeat the leader's efforts.

Power Dependencies

In any situation involving power, at least two persons (or groups) can be identified: the person attempting to influence others and the target or targets of that influence. Until recently, attention focused almost exclusively on how people tried to influence others. Only recently has attention been given to how people try to nullify or moderate such influence attempts. In particular, we now recognize that the extent to which influence attempts are successful is determined in large part by the **power dependencies** of those on the receiving end of the influence attempts. In other words, all people are not subject to (or dependent upon) the same bases of power. What causes some people to be more submissive or vulnerable to power attempts? At least three factors have been identified.

Subordinate's Values. To begin, person *B*'s values can influence his susceptibility to influence. For example, if the outcomes that *A* can influence are important to *B*, then *B* is more likely to be open to influence than if the outcomes were unimportant. Hence, if an employee places a high value on money and believes the supervisor actually controls pay raises, we would expect the employee to be highly susceptible to the supervisor's influence. We hear comments about how young people don't really want to work hard anymore. Perhaps a reason for this phenomenon is that some young people don't place a high value on those things (for example, money) that traditionally have been used to influence behavior. In other words, such complaints may really be saying that young people are more difficult to influence than they used to be.

Nature of Relationship Between *A* and *B*. In addition, the nature of the relationship between *A* and *B* can be a factor in power dependence. Are *A* and *B* peers or superior and subordinate? Is the job permanent or temporary? A person on a temporary job, for example, may feel less need to acquiesce, because he won't be holding the position for long. Moreover, if *A* and *B* are peers or good friends, the influence process is likely to be more delicate than if they are superior and subordinate.

Counterpower. Finally, a third factor to consider in power dependencies is **counterpower**. The concept of counterpower focuses on the extent to which *B* has other sources of power to buffer the effects of *A*'s power. For example, if *B* is unionized, the union's power may serve to negate *A*'s influence attempts. The use of counterpower can be clearly seen in a variety of situations where various coalitions attempt to bargain with one another and check the power of their opponents.

Figure 6.3.2.3 presents a rudimentary model that combines the concepts of bases of power with the notion of power dependencies. As can be seen, *A*'s bases of power interact with *B*'s extent of power dependency to determine *B*'s response to *A*'s influence attempt. If *A* has significant power and *B* is highly dependent, we would expect *B* to comply with *A*'s wishes.

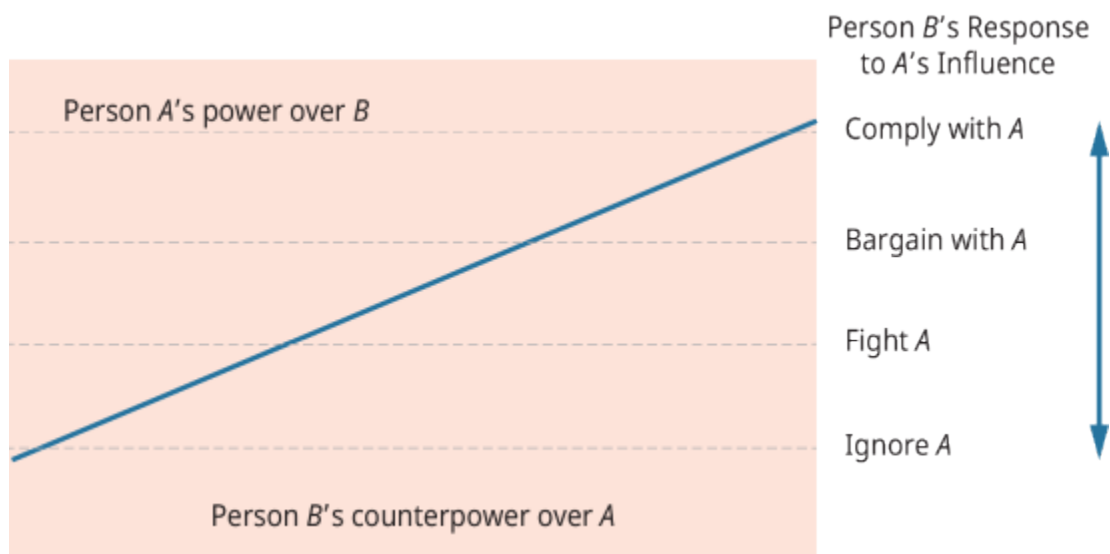


Figure 6.3.2.3 **Typical Response Patterns in Dyadic Power Relationships** (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

If *A* has more modest power over *B*, but *B* is still largely power dependent, *B* may try to bargain with *A*. Despite the fact that *B* would be bargaining from a point of weakness, this strategy may serve to protect *B*'s interests better than outright compliance. For instance, if your boss asked you to work overtime, you might attempt to strike a deal whereby you would get compensatory time off at a later date. If successful, although you would not have decreased your working hours, at least you would not have

increased them. Where power distribution is more evenly divided, *B* may attempt to develop a cooperative working relationship with *A* in which both parties gain from the exchange. An example of this position is a labor contract negotiation where labor-management relations are characterized by a balance of power and a good working relationship.

If *B* has more power than *A*, *B* will more than likely reject *A*'s influence attempt. *B* may even become the aggressor and attempt to influence *A*. Finally, when *B* is not certain of the power relationships, he may simply try to ignore *A*'s efforts. In doing so, *B* will discover either that *A* does indeed have more power or that *A* cannot muster the power to be successful. A good illustration of this last strategy can be seen in some companies' responses to early governmental efforts to secure equal opportunities for minorities and women. These companies simply ignored governmental efforts until new regulations forced compliance.

managerial leadership

Administrative Assistants: The Power Behind the Throne

It is relatively easy to see the power of managers. They often have the ability to hire and fire, make important decisions, sign contracts, spend money, and so forth. They are, in fact, powerful entities within a corporation. What may be less apparent, however, is the power that managers' executive or administrative assistants (EA) often have. In fact, if you want to discover just how powerful secretaries are, think of what would happen if they were not there. Most paperwork would not get done, many important decisions would not be made, and the organization would eventually grind to a halt.

The EA is intertwined with a very important piece of privileged information and requires the person to be highly detail oriented and have incredible soft skills and to be more than just technologically savvy. Many tech companies are paying top dollar to procure the right person for the job. Base salaries for executive assistants in the Bay area have been reportedly starting at \$80–100K base.

Highly skilled EAs have become increasingly hard to recruit and retain, causing their power to increase. Despite the salary, there is often a negative connotation with the role of "assistant." "There's definitely a stigma" about the title, says 32-year-old Shana Larson, one of four EAs at Pinterest, the San Francisco visual discovery company. But for Shana, who holds a master's degree from the University of Southern California, after the initial transition period, she felt that it was the best career decision to make—a long-term career with growth opportunities.

EAs represent a true example of counterpower within the organization. Yes, their bosses have power over them; but at the same time, they have considerable power over their bosses. Secretaries—the word is derived from the Latin word meaning "keeper of secrets"—are often privy to considerable confidential information. They routinely handle private calls, correspondence, and reports. They often serve as the manager's sounding board for new ideas, and they more than likely know how the boss feels about coworkers and superiors. This knowledge, along with stereotypes, stigmas, and increased scarcity, gives high-quality EAs considerable leverage in dealing with their bosses and their organizations.

Questions:

1. As a new manager who receives an assistant, what are important considerations to consider when starting in the role?
2. What other stigmas or stereotypes can occur with support roles in the workplace? How does this affect your personal feelings about taking a support role for a company in the future?
3. Why is it important for CEOs and other organizational powers to understand the innate power of an administrative assistant as part of the holistic picture to understand the company environment as a whole?

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concept check

1. Define what Power is.
2. What are the components that constitute power in organizations?

6.3.3: Uses of Power

2. How do you recognize and account for the exercise of counterpower and make appropriate use of strategic contingencies in interunit or interorganizational relations?

As we look around organizations, it is easy to see the manifestations of power almost anywhere. In fact, there are a wide variety of power-based methods used to influence others. Here, we will examine three aspects of the use of power: commonly used power tactics in organizations, symbols of managerial power, and the ethical use of power.

Common Power Tactics in Organizations

As noted above, many power tactics are available for use by managers. However, as we will see, some are more ethical than others. Here, we look at some of the more commonly used power tactics found in both business and public organizations.

Controlling Access to Information. Most decisions rest on the availability of relevant information, so persons *controlling access to information* play a major role in decisions made. A good example of this is the common corporate practice of pay secrecy. Only the personnel department and senior managers typically have salary information—and power—for personnel decisions.

Controlling Access to Persons. Another related power tactic is the practice of *controlling access to persons*. A well-known factor contributing to President Nixon's downfall was his isolation from others. His two senior advisers had complete control over who saw the president. Similar criticisms were leveled against President Reagan.

Selective Use of Objective Criteria. Very few organizational questions have one correct answer; instead, decisions must be made concerning the most appropriate criteria for evaluating results. As such, significant power can be exercised by those who can practice *selective use of objective criteria* that will lead to a decision favorable to themselves. According to Herbert Simon, if an individual is permitted to select decision criteria, he needn't care who actually makes the decision. Attempts to control objective decision criteria can be seen in faculty debates in a university or college over who gets hired or promoted. One group tends to emphasize teaching and will attempt to set criteria for employment dealing with teacher competence, subject area, interpersonal relations, and so on. Another group may emphasize research and will try to set criteria related to number of publications, reputation in the field, and so on.

Controlling the Agenda. One of the simplest ways to influence a decision is to ensure that it never comes up for consideration in the first place. There are a variety of strategies used for *controlling the agenda*. Efforts may be made to order the topics at a meeting in such a way that the undesired topic is last on the list. Failing this, opponents may raise a number of objections or points of information concerning the topic that cannot be easily answered, thereby tabling the topic until another day.

Using Outside Experts. Still another means to gain an advantage is *using outside experts*. The unit wishing to exercise power may take the initiative and bring in experts from the field or experts known to be in sympathy with their cause. Hence, when a dispute arises over spending more money on research versus actual production, we would expect differing answers from outside research consultants and outside production consultants. Most consultants have experienced situations in which their clients fed them information and biases they hoped the consultant would repeat in a meeting.

Bureaucratic Gamesmanship. In some situations, the organizations own policies and procedures provide ammunition for power plays, or **bureaucratic gamesmanship**. For instance, a group may drag its feet on making changes in the workplace by creating red tape, work slowdowns, or **"work to rule."** (Working to rule occurs when employees diligently follow every work rule and policy statement to the letter; this typically results in the organization's grinding to a halt as a result of the many and often conflicting rules and policy statements.) In this way, the group lets it be known that the workflow will continue to slow down until they get their way.

Coalitions and Alliances. The final power tactic to be discussed here is that of **coalitions** and *alliances*. One unit can effectively increase its power by forming an alliance with other groups that share similar interests. This technique is often used when multiple labor unions in the same corporation join forces to gain contract concessions for their workers. It can also be seen in the tendency of corporations within one industry to form trade associations to lobby for their position. Although the various members of a coalition need not agree on everything—indeed, they may be competitors—sufficient agreement on the problem under consideration is necessary as a basis for action.

Although other power tactics could be discussed, these examples serve to illustrate the diversity of techniques available to those interested in acquiring and exercising power in organizational situations. In reviewing the major research carried out on the topic of power, Pfeffer states:

If there is one concluding message, it is that it is probably effective, and it is certainly normal that these managers do behave as politicians. It is even better that some of them are quite effective at it. In situations in which technologies are uncertain, preferences are conflicting, perceptions are selective and biased, and information processing capacities are constrained, the model of an effective politician may be an appropriate one for both the individual and for the organization in the long run.

Symbols of Managerial Power

How do we know when a manager has power in an organizational setting? Harvard professor Rosabeth Moss Kanter has identified several of the more common symbols of managerial power. For example, managers have power to the extent that they can intercede favorably on behalf of someone in trouble with the organization. Have you ever noticed that when several people commit the same mistake, some don't get punished? Perhaps someone is watching over them.

Moreover, managers have power when they can get a desirable placement for a talented subordinate or get approval for expenditures beyond their budget. Other manifestations of power include the ability to secure above-average salary increases for subordinates and the ability to get items on the agenda at policy meetings.

And we can see the extent of managerial power when someone can gain quick access to top decision makers or can get early information about decisions and policy shifts. In other words, who can get through to the boss, and who cannot? Who is "connected," and who is not?

Finally, power is evident when top decision makers seek out the opinions of a particular manager on important questions. Who gets invited to important meetings, and who does not? Who does the boss say "hello" to when he enters the room? Through such actions, the organization sends clear signals concerning who has power and who does not. In this way, the organization reinforces or at least condones the power structure in existence.

The Ethical Use of Power

People are often uncomfortable discussing the topic of power, which implies that somehow they see the exercise of power as unseemly. On the contrary, the question is not whether power tactics are or are not ethical; rather, the question is *which* tactics are appropriate and which are not. The use of power in groups and companies is a fact of organizational life that all employees must accept. In doing so, however, all employees have a right to know that the exercise of power within the organization will be governed by ethical standards that prevent abuse or exploitation.

Several guidelines for the ethical use of power can be identified. These can be arranged according to our previous discussion of the five bases of power, as shown in Table 6.3.3.1. As will be noted, several techniques are available that accomplish their aims without compromising ethical standards. For example, a manager using reward power can verify subordinate compliance with work directives, ensure that all requests are both feasible and reasonable, make only ethical or proper requests, offer rewards that are valued by employees, and ensure that all rewards for good performance are credible and reasonably attainable.

The Ethical Use of Power	
Basis of Power	Guidelines for Use
Referent power	• Treat subordinates fairly • Defend subordinates' interests • Be sensitive to subordinates' needs, feelings • Select subordinates similar to oneself • Engage in role modeling
Source: Adapted from Gary A. Yukl, <i>Leadership in Organizations</i> , 8 th edition 2013 (Englewood Cliffs, N.J.; Pearson), pp. 44–58.	

The Ethical Use of Power	
Basis of Power	Guidelines for Use
Expert power	• Promote image of expertise • Maintain credibility • Act confident and decisive • Keep informed • Recognize employee concerns • Avoid threatening subordinates' self-esteem
Legitimate power	• Be cordial and polite • Be confident • Be clear and follow up to verify understanding • Make sure request is appropriate • Explain reasons for request • Follow proper channels • Exercise power regularly • Enforce compliance • Be sensitive to subordinates' concerns
Reward power	• Verify compliance • Make feasible, reasonable requests • Make only ethical, proper requests • Offer rewards desired by subordinates • Offer only credible rewards
Coercive power	• Inform subordinates of rules and penalties • Warn before punishing • Administer punishment consistently and uniformly • Understand the situation before acting • Maintain credibility • Fit punishment to the infraction • Punish in private
Source: Adapted from Gary A. Yukl, <i>Leadership in Organizations</i> , 8 th edition 2013 (Englewood Cliffs, N.J.; Pearson), pp. 44–58.	

Table 6.3.3.1 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Even coercive power can be used without jeopardizing personal integrity. For example, a manager can make sure that all employees know the rules and penalties for rule infractions, provide warnings before punishing, administer punishments fairly and uniformly, and so forth. The point here is that managers have at their disposal numerous tactics that they can employ without crossing over into questionable managerial behavior. In view of the increasing number of lawsuits filed by employees for harmful practices, it seems wise for a manager to consider his behaviors before acting; this will help ensure the highest ethical standards.

Ethics in practice

Investing the Challenger Disaster

The January 1986 explosion of the space shuttle Challenger, at a cost of seven lives, has been analyzed from several managerial standpoints: poor decision-making, poor management control, and poor leadership have all been blamed. We can also see in this tragedy an example of the unethical use of organizational power.

It has been determined that the explosion that doomed the space shuttle was caused by poorly designed seals on the booster rockets. The boosters were manufactured by Morton Thiokol, a major defense contractor. When the U.S. Congress initiated its investigation of the causes of the disaster, it found several disturbing facts. To begin with, several Morton Thiokol engineers had warned that the boosters were unsafe early in the design stage, but no one listened. Once the boosters were in production, engineers again warned of possible problems, but to no avail. The company kept the information quiet.

Equally disturbing was the fact that after two company engineers testified in the congressional hearing, they were abruptly transferred to undesirable assignments elsewhere in the company. When asked by Congress whether they thought their transfers were in retaliation for their whistleblowing, both engineers responded yes. One noted, “I feel I was set aside so I would not have contact with the people from NASA.” The company had, in effect, used its power to try to isolate those who talked freely with the congressional investigators. In its defense, Morton Thiokol responded that it had demoted no one as a result of the investigation. “We’ve changed a lot of duties . . . because we’re reorganizing,” a management representative said.

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concept Check

1. How is power used in organizations?
2. How can managers use strategy to counteract the negative use of power in organizations?

6.3.4: Political Behavior in Organizations

How do managers cope effectively with organizational politics?

Closely related to the concept of power is the equally important topic of politics. In any discussion of the exercise of power—particularly in intergroup situations—a knowledge of basic political processes is essential. We will begin our discussion with this in mind. Next, on the basis of this analysis, we will consider political strategies for acquiring, maintaining, and using power in intergroup relations. Finally, we look at ways to limit the impact of political behavior in organizations.

What Is Politics?

Perhaps the earliest definition of politics was offered by Lasswell, who described it as who gets what, when, and how. Even from this simple definition, one can see that politics involves the resolution of differing preferences in conflicts over the allocation of scarce and valued resources. Politics represents one mechanism to solve allocation problems when other mechanisms, such as the introduction of new information or the use of a simple majority rule, fail to apply. For our purposes here, we will adopt Pfeffer's definition of politics as involving “those activities taken within organizations to acquire, develop, and use power and other resources to obtain one's preferred outcomes in a situation in which there is uncertainty or dissensus about choices.”

In comparing the concept of politics with the related concept of power, Pfeffer notes:

If power is a force, a store of potential influence through which events can be affected, politics involves those activities or behaviors through which power is developed and used in organizational settings. Power is a property of the system at rest; politics is the study of power in action. An individual, subunit or department may have power within an organizational context at some period of time; politics involves the exercise of power to get something accomplished, as well as those activities which are undertaken to expand the power already possessed or the scope over which it can be exercised.

In other words, from this definition it is clear that political behavior is activity that is initiated for the purpose of overcoming opposition or resistance. In the absence of opposition, there is no need for political activity. Moreover, it should be remembered that political activity need not necessarily be dysfunctional for organization-wide effectiveness. In fact, many managers often believe that their political actions on behalf of their own departments are actually in the best interests of the organization as a whole. Finally, we should note that politics, like power, is not inherently bad. In many instances, the survival of the organization depends on the success of a department or coalition of departments challenging a traditional but outdated policy or objective. That is why an understanding of organizational politics, as well as power, is so essential for managers.

Intensity of Political Behavior

Contemporary organizations are highly political entities. Indeed, much of the goal-related effort produced by an organization is directly attributable to political processes. However, the intensity of political behavior varies, depending upon many factors. For example, in one study, managers were asked to rank several organizational decisions on the basis of the extent to which politics were involved. Results showed that the most political decisions (in rank order) were those involving interdepartmental coordination, promotions and transfers, and the delegation of authority. Such decisions are typically characterized by an absence of established rules and procedures and a reliance on ambiguous and subjective criteria.

On the other hand, the managers in the study ranked as least political such decisions as personnel policies, hiring, and disciplinary procedures. These decisions are typically characterized by clearly established policies, procedures, and objective criteria.

On the basis of findings such as these, it is possible to develop a typology of when political behavior would generally be greatest and least. This model is shown in Figure 6.3.4.1. As can be seen, we would expect the greatest amount of political activity in situations characterized by high uncertainty and complexity and high competition among employees or groups for scarce resources. The least politics would be expected under conditions of low uncertainty and complexity and little competition among employees over resources.

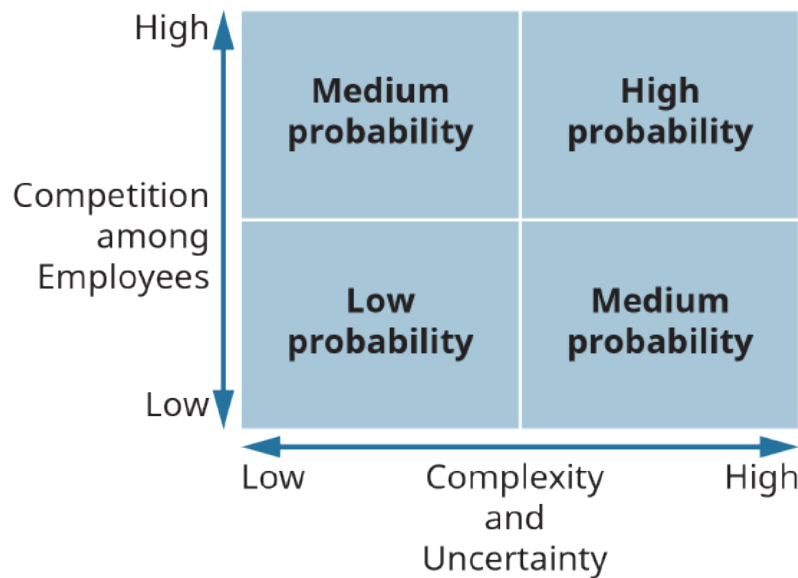


Figure 6.3.4.1 **Probability of Political Behavior in an Organization** Source: Adapted from “The Use and Abuse of Corporate Politics” by Don R. Beeman and Thomas W. Sharkey. Reprinted from *Business Horizons*, March–April 1987. (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Reasons for Political Behavior

Following from the above model, we can identify at least five conditions conducive to political behavior in organizations. These are shown in Table 6.3.4.1, along with possible resulting behaviors. The conditions include the following:

1. *Ambiguous goals.* When the goals of a department or organization are ambiguous, more room is available for politics. As a result, members may pursue personal gain under the guise of pursuing organizational goals.
2. *Limited resources.* Politics surfaces when resources are scarce and allocation decisions must be made. If resources were ample, there would be no need to use politics to claim one’s “share.”
3. *Changing technology and environment.* In general, political behavior is increased when the nature of the internal technology is nonroutine and when the external environment is dynamic and complex. Under these conditions, ambiguity and uncertainty are increased, thereby triggering political behavior by groups interested in pursuing certain courses of action.
4. *Nonprogrammed decisions.* A distinction is made between programmed and nonprogrammed decisions. When decisions are not programmed, conditions surrounding the decision problem and the decision process are usually more ambiguous, which leaves room for political maneuvering. Programmed decisions, on the other hand, are typically specified in such detail that little room for maneuvering exists. Hence, we are likely to see more political behavior on major questions, such as long-range strategic planning decisions.
5. *Organizational change.* Periods of organizational change also present opportunities for political rather than rational behavior. Efforts to restructure a particular department, open a new division, introduce a new product line, and so forth, are invitations to all to join the political process as different factions and coalitions fight over territory.

Because most organizations today have scarce resources, ambiguous goals, complex technologies, and sophisticated and unstable external environments, it seems reasonable to conclude that a large proportion of contemporary organizations are highly political in nature. As a result, contemporary managers must be sensitive to political processes as they relate to the acquisition and maintenance of power in organizations. This brings up the question of why we have policies and standard operating procedures (SOPs) in organizations. Actually, such policies are frequently aimed at reducing the extent to which politics influence a particular decision. This effort to encourage more “rational” decisions in organizations was a primary reason behind Max Weber’s development of the bureaucratic model. That is, increases in the specification of policy statements often are inversely related to political efforts, as shown in Figure 6.3.4.2. This is true primarily because such actions reduce the uncertainties surrounding a decision and hence the opportunity for political efforts.

Conditions Conducive to Political Behavior	
Prevailing Conditions	Resulting Political Behaviors
Ambiguous goals	Attempts to define goals to one's advantage
Limited resources	Fight to maximize one's share of resources
Dynamic technology and environment	Attempts to exploit uncertainty for personal gain
Nonprogrammed decisions	Attempts to make suboptimal decisions that favor personal ends
Organizational change	Attempts to use reorganization as a chance to pursue own interests and goals

Table 6.3.4.1 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

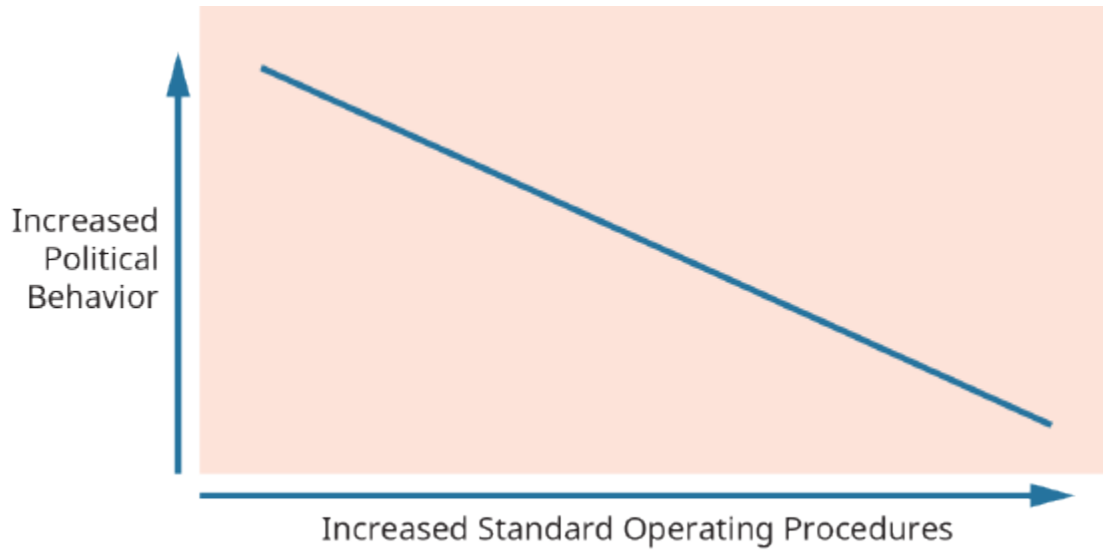


Figure 6.3.4.2 **Relationship Between Company Standard Operating Procedures and Political Behavior** (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)



Figure 6.3.4.3. **Open Office Corner Office** Corner offices are considered desirable because they have windows on two exterior walls, as opposed to a typical office with only one window or none at all. They are usually assigned to the head of the organization or division. The open office concept has been around for some time and has evolved as technology has reduced the need to have access to stored paper records of a fixed phone or office computer. Having no walls, no doors, and shared workspaces is designed to achieve increased communication and flow of ideas amongst employees, but there is concern that an open concept decreases employees' job satisfaction and decreases privacy, which also affects productivity. (Attribution; Nic Bastian (Corner office) Loozerboy (Open Concept)/ flickr/ Attribution 2.0 Generic (CC BY 2.0))

managerial Leadership

Technology, Innovation, and Politics in Performance Appraisals

Developing a strategy for a performance appraisal is an important step for any company, and keeping out political bias is a main concern as well. Unfortunately, many times there is no way around bringing some bias into a performance appraisal situation. Managers often think of the impact that their review will have on the employee, how it will affect their relationship, and what it means for their career in the future. There are a lot of games played in the rating process and whether managers admit it or not, they may be guilty of playing them. Many companies, such as Adobe, are looking at ways that they can revamp the process to eliminate potential biases and make evaluations fairer.

In 2012, Adobe transformed its business, changing its product cycle; while undergoing process changes, Adobe understood that there needed to be a cultural shift as well. It announced the “Check-in” review process to allow for faster feedback, as well as an end to their outdated annual review process. With the faster-paced reality of their product cycles and subscription-based model in technology, this made complete sense.

This process established a new way of thinking, allowing for two-way communication to become the norm between managers and employees. They were able to have frequent candid conversations, approaching the tough subjects in order make improvements rather than waiting until an annual review and letting bad performance go unchecked or good performance go unnoticed. Eliminating a once-a-year cycle of review also eliminates the issue of politics creeping into the process. Managers are able to think critically about the performance, working alongside their employees to better the outcome rather than worrying about having a tough conversation and the bad result that may follow—and having to live with the fallout. Employees also are given chances to provide feedback and their own personal evaluation, which then is discussed with the manager. They review the items together, and what is formally submitted is agreed upon, rather than set in stone. The addition of the employee feedback is another great way to reduce the insertion of politics or bias in the review.

In result of this change, Adobe’s employees showed higher engagement and satisfaction with their work, consistently improving. They no longer had negative surprises in their annual review and were able to adjust priorities and behaviors to become more effective workers.

Questions:

1. What are important considerations to eliminate potential political bias in a performance review?
2. Why was Adobe successful in the changes that they implemented in their performance review process?
3. What other positive outcomes could be achieved from an ongoing feedback model versus annual performance review?

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K. Duggan, "Six Companies That Are Redefining Performance Management," *Fast Company*, December 15, 2015, <https://www.fastcompany.com/3054547/...nce-management>.

Political Strategies in Intergroup Relations

Up to this point, we have explained the related concepts of power and politics primarily as they relate to interpersonal behavior. When we shift our focus from the individual or interpersonal to the intergroup level of analysis, the picture becomes somewhat more complicated. In developing a portrait of how political strategies are used to attain and maintain power in intergroup relations, we will highlight two major aspects of the topic. The first is the relationship between power and the control of critical resources. The second is the relationship between power and the control of critical resources where the second is the relationship between power and the control of strategic activities. Both will illustrate how subunit control leads to the acquisition of power in organizational settings.

Power and the Control of Critical Resources

On the basis of what has been called the resource dependence model, we can analyze intergroup political behavior by examining how critical resources are controlled and shared.²¹ That is, when one subunit of an organization (perhaps the purchasing department) controls a scarce resource that is needed by another subunit (for example, the power to decide what to buy and what not to buy), that subunit acquires power. This power may be over other subunits within the same organization or over subunits in other organizations (for example, the marketing units of other companies that are trying to sell to the first company). As such, this unit is in a better position to bargain for the critical resources it needs from its own or other organizations. Hence, although all subunits may contribute something to the organization as a whole, power allocation within the organization will be influenced by the relative importance of the resources contributed by each unit. To quote Salancik and Pfeffer,

Subunit power accrues to those departments that are most instrumental in bringing or in providing resources which are highly valued by the total organization. In turn, this power enables these subunits to obtain more of those scarce and critical resources allocated within the organization.

Stated succinctly, power derived from acquiring resources is used to obtain more resources, which in turn can be employed to produce more power—"the rich get richer."²²

To document their case, Salancik and Pfeffer carried out a major study of university budget decisions. The results were clear. The more clout a department had (measured in terms of the department's ability to secure outside grants and first-rate graduate students, plus its national standing among comparable departments), the easier it was for the department to secure additional university resources. In other words, resources were acquired through political processes, not rational ones.²³

Power and the Control of Strategic Activities

In addition to the control of critical resources, subunits can also attain power by gaining control over activities that are needed by others to complete their tasks. These critical activities have been called strategic contingencies. A contingency is defined by Miles as “a requirement of the activities of one subunit that is affected by the activities of other subunits.”²⁴ For example, the business office of most universities represents a strategic contingency for the various colleges within the university because it has veto or approval power over financial expenditures of the schools. Its approval of a request to spend money is far from certain. Thus, a contingency represents a source of uncertainty in the decision-making process. A contingency becomes strategic when it has the potential to alter the balance of interunit or interdepartmental power in such a way that interdependencies among the various units are changed.

Perhaps the best way to illustrate this is to consider the example of power distribution in various organizations attempting to deal with a major source of uncertainty—the external environment. In a classic study by Lawrence and Lorsch, influence patterns were examined for companies in three divergent industries: container manufacturing, food processing, and plastics. It was found that in successful firms, power distribution conformed to the firm’s strategic contingencies. For example, in the container-manufacturing companies, where the critical contingencies were customer delivery and product quality, the major share of power in decision-making resided in the sales and production staffs. In contrast, in the food-processing firms, where the strategic contingencies focused on expertise in marketing and food sciences, major power rested in the sales and research units. In other words, those who held power in the successful organizations were in areas that were of central concern to the firm and its survival at a particular time. The functional areas that were most important for organizational success were under the control of the decision makers. For less-successful firms, this congruence was not found.

The changing nature of strategic contingencies can be seen in the evolution of power distribution in major public utilities. Many years ago, when electric companies were developing and growing, most of the senior officers of the companies were engineers. Technical development was the central issue. More recently, however, as utilities face greater litigation, government regulation, and controversy over nuclear power, lawyers are predominant in the leadership of most companies. This example serves to emphasize that “subunits could inherit and lose power, not necessarily by their own actions, but by the shifting contingencies in the environment confronting the organization.”²⁵

To better understand how this process works, consider the model shown in [Exhibit 13.8](#). This diagram suggests that three factors influence the ability of one subunit (called A) over another (called B). Basically, it is argued that subunit power is influenced by (1) A’s ability to help B cope with uncertainty, (2) the degree to which A offers the only source of the required resource for B, and (3) the extent to which A’s contributions are central to organizational success. Let us consider each of these separately.

A diagram illustrates the strategic contingencies model of subunit power.

Exhibit 13.8 A Strategic Contingencies Model of Subunit Power (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Ability to Cope with Uncertainty. According to advocates of the strategic contingencies model of power, the primary source of subunit power is the unit’s ability to help other units cope with uncertainty. In other words, if our group can help your group reduce the uncertainties associated with your job, then our group has power over your group. As Hickson and his colleagues put it:

Uncertainty itself does not give power; coping gives power. If organizations allocate to their various subunits task areas that vary in uncertainty, then those subunits that cope most effectively with the most uncertainty should have most power within the organization, since coping by a subunit reduces the impact of uncertainty on other activities in the organization, a shock absorber function.²⁶

As shown in [Exhibit 13.8](#) above, three primary types of coping activity relating to uncertainty reduction can be identified. To begin, some uncertainty can be reduced through steps by one subunit to prevent or forestall uncertainty for the other subunit. For example, if the purchasing group can guarantee a continued source of parts for the manufacturing group, it gains some power over manufacturing by forestalling possible uncertainty surrounding production schedules. Second, a subunit’s ability to cope with uncertainty is influenced by its capacity to provide or collect information. Such information can forewarn of probable disruptions or problems, so corrective action can be taken promptly. Many business firms use various forecasting techniques to predict sales, economic conditions, and so forth. The third mechanism for coping with uncertainty is the unit’s ability to absorb pressures that actually impact the organization. For instance, if one manufacturing facility runs low on raw materials and a second facility can supply it with needed materials, this second facility effectively reduces some of the uncertainty of the first facility—and in the process gains influence over it.

In short, subunit A gains power over B subunit if it can help B cope with the contingencies and uncertainties facing it. The more dependent B is upon A to ensure the smooth functioning of the unit, the more power A has over B.

Nonsubstitutability of Coping Activities. Substitutability is the capacity for one subunit to seek needed resources from alternate sources. Two factors influence the extent to which substitutability is available to a subunit. First, the availability of alternatives must be considered. If a subunit can get the job done using different products or processes, it is less susceptible to influence. In the IBM-compatible personal computer market, for example, there are so many vendors that no one can control the market. On the other hand, if a company is committed to a Macintosh and iPad computing environment, only one vendor (Apple Computer) is available, which increases Apple's control over the marketplace.

Second, the replaceability of personnel is important. A major reason for the power of staff specialists (personnel managers, purchasing agents, etc.) is that they possess expertise in a specialized area of value to the organization. Consider also a reason for closed-shop union contracts: they effectively reduce the replaceability of workers.

Thus, a second influence on the extent of subunit power is the extent to which subunit A provides goods or services to B for which there are no (or only a few) substitutes. In this way, B needs A in order to accomplish subunit objectives.

Centrality of Coping Activities. Finally, one must consider the extent to which a subunit is of central importance to the operations of the enterprise. This is called the subunit's work centrality. The more interconnected subunit A is with other subunits in the organization, the more "central" it is. This centrality, in turn, is influenced by two factors. The first is workflow pervasiveness—the degree to which the actual work of one subunit is connected with the work of the subunits. If subunit B cannot complete its own tasks without the help of the work activities of subunit A, then A has power over B. An example of this is an assembly line, where units toward the end of the line are highly dependent upon units at the beginning of the line for inputs.

The second factor, workflow immediacy, relates to the speed and severity with which the work of one subunit affects the final outputs of the organization. For instance, companies that prefer to keep low inventories of raw materials (perhaps for tax purposes) are, in effect, giving their outside suppliers greater power than those companies that keep large reserves of raw materials.

When taken as a whole, then, the strategic contingency model of intergroup power suggests that subunit power is influenced when one subunit can help another unit reduce or cope with its uncertainty, the subunit is difficult to replace, or the subunit is central to continued operations. The more these three conditions prevail, the more power will become vested in the subunit. Even so, it should be recognized that the power of one subunit or group can shift over time. As noted by Hickson and his colleagues, "As the goals, outputs, technologies, and markets of organizations change, so, for each subunit, the values of the independent variables [such as coping with uncertainty, nonsubstitutability, and centrality] change, and the patterns of power change."²⁷ In other words, the strategic contingency model suggested here is a dynamic one that is subject to change over time as various subunits and groups negotiate, bargain, and compromise with one another in an effort to secure a more favorable position in the organizational power structure.

Managerial Leadership

The Politics of Innovation

A good example of the strategic contingencies approach to the study of power and politics can be seen in a consideration of organizational innovation. It has long been recognized that it is easier to invent something new from outside an organization than to innovate within an existing company. As a result, a disproportionate share of new products originates from small businesses and entrepreneurs, not the major corporations with all the resources to innovate. Why? Much of the answer can be found in politics.

When a person or group has a new idea for a product or service, it is often met with a barrage of resistance from different sectors of the company. These efforts are motivated by the famous "not-invented-here syndrome," the tendency of competing groups to fight over turf, and the inclination to criticize and destroy any new proposal that threatens to change the status quo. Other groups within the company simply see little reason to be supportive of the idea.

This lack of support—indeed, hostility—occurs largely because within every company there is competition for resources. These resources can include money, power, and opportunities for promotion. As one consultant noted, "One person's innovation is another person's failure." As a result, there is often considerable fear and little incentive for one strategic group within a company to cooperate with another. Because both groups usually need each other for success, nothing happens. To the extent that politics could be removed from such issues, far more energy would be available to capitalize on an innovative idea and get it to market before the competition.

Sources: M. Z. Taylor, *The Politics of Innovation*, (New York: Oxford University Press), 2017; B. Godin, "The Politics of Innovation:

Why Some Countries Are Better Than Others at Science and Technology by Mark Zachary Taylor (review)," Technology and Culture, April 2018; W. Kiechel, "The Politics of Innovation," Fortune, April 11, 1988, p. 131.

Concept Check

1. What is politics and political behavior in organizations?

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6.3.5: Limiting the Influence of Political Behavior

4. How do you recognize and limit inappropriate or unethical political behavior where it occurs?

The final topic we will examine concerns ways in which people and groups can attempt to lessen the impact of political behavior. Clearly, politics in organizations cannot be eliminated. Yet to some extent, the negative aspects of it can be neutralized if managers carefully monitor the work environment and take remedial action where necessary. Part of this issue was discussed above, in the section on counterpower. Beyond this, however, several strategies can be identified that can help manage organizational politics. As shown in **Table 13.3**, four basic strategies can be used.²⁸

First, efforts can be made to reduce the uncertainty in the organization through clarifying job responsibilities, bases for evaluations and rewards, and so forth. The less ambiguity in the system, the less room there is for dysfunctional political behavior. Second, managers can try to reduce interpersonal or intergroup competition by using impartial standards for resource allocation and by emphasizing the superordinate goals of the entire organization—toward which all members of the organization should be working. Third, managers can attempt to break up existing political fiefdoms through personnel reassignment or transfer or by changing the reward system to encourage interunit cooperation. Finally, managers can work to prevent the development of future fiefdoms through training programs, selection and promotion, and reward distribution.

To the extent that employees see the organization as a fair place to work and to the extent that clear goals and resource allocation procedures are present, office politics should subside, though not disappear. In organizations where politics prosper, in fact, you are likely to find a reward system that encourages and promotes such behavior. The choice is up to the organization.

Limiting the Effects of Political Behavior
To Reduce System Uncertainty • Make clear what are the bases and processes for evaluation. • Differentiate rewards among high and low performers. • Make sure the rewards are as immediately and directly related to performance as possible.
To Reduce Competition • Try to minimize resource competition among managers. • Replace resource competition with externally oriented goals and objectives.
To Break Existing Political Fiefdoms • Where highly cohesive political empires exist, break them apart by removing or splitting the most dysfunctional subgroups. • If you are an executive, be keenly sensitive to managers whose mode of operation is the personalization of political patronage. First, approach these persons with a directive to "stop the political maneuvering." If it continues, remove them from the positions and preferably from the company.
To Prevent Future Fiefdoms • Make one of the most important criteria for promotion an apolitical attitude that puts organizational ends ahead of personal power ends.
Source: Adapted from "The Use and Abuse of Corporate Politics," by Don R. Beeman and Thomas W. Sharkey. Reprinted from <i>Business Horizons</i>, March–April 1987 by the Foundation for the School of Business at Indiana University.

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concept check

- How can managers limit inappropriate and unethical behavior in the organization?

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Authority Represents the right to seek compliance by others.

Bases of power The five bases of power are referent, expert, legitimate, reward, and coercive power.

Bureaucratic gamesmanship A situation where the organizations own policies and procedures provide ammunition for power plays.

Coalition A situation where one unit can effectively increase its power by forming an alliance with other groups that share similar interests.

Coercive power Involves forcing someone to comply with one's wishes.

Counterpower Focuses on the extent to which person *B* has other sources of power to buffer the effects of person *A*'s power.

Expert power Occurs when person *A* gains power because *A* has knowledge or expertise relevant to person *B*.

Leadership The ability of one individual to elicit responses from another person that go beyond required or mechanical compliance.

Legitimate power Exists when person *B* submits to person *A* because *B* feels that *A* has a right to exert power in a certain domain.

Normative power Rests on the beliefs of the members in the right of the organization to govern their behavior.

Politics Involves those activities taken within an organization to acquire, develop, and use power and other resources to attain preferred outcomes in a situation in which there is uncertainty and disagreement over choices.

Power The probability that one actor within a social relationship will be in a position to carry out his own will despite resistance.

Power dependencies A state where all people are not subject to (or dependent upon) the same bases of power.

Referent power A state where allegiance is based on interpersonal attraction of one individual for another.

Resource dependence When one subunit of an organization controls a scarce resource that is needed by another subunit, that subunit acquires power.

Reward power Exists when person *A* has power over person *B* because *A* controls rewards that *B* wants. These rewards can cover a wide array of possibilities, including pay raises, promotions, desirable job assignments, more responsibility, new equipment, and so forth.

Strategic contingencies A requirement of the activities of one subunit that is affected by the activities of other subunits.

Utilitarian power Power based on performance-reward contingencies; for example, a person will comply with a supervisor in order to receive a pay raise or promotion.

Work centrality The more interconnected subunit *A* is with other subunits in the organization, the more central it is.

Work to rule Occurs when employees diligently follow every work rule and policy statement to the letter; this typically results in the organization's grinding to a halt as a result of the many and often conflicting rules and policy statements.

Workflow immediacy Relates to the speed and severity with which the work of one subunit affects the final outputs of the organization.

Workflow pervasiveness The degree to which the actual work of one subunit is connected with the work of the subunits.

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6.3.7: Summary of Learning Outcomes

13.1 Power in Interpersonal Relations

1. How do power bases work in organizational life?

We might think of power like a car battery and influence as the current that actually gets the starter motor to turn over. There are many potential sources of power such as knowledge, information, and money. But just as the car battery unconnected cannot start an engine, these sources of power do not by themselves cause others to do anything. Actually, influencing others is achieved by possessing, or having others believe you possess, resources that they desire and depend upon and for which substitutes are not easily obtained and then establishing behavioral contingencies in the direction of the behaviors you desire to evoke.

Power is an interpersonal relationship in which one person or group has the ability to cause another person or group to take an action that it would not have taken otherwise.

There are five basic kinds of power: (1) referent, (2) expert, (3) legitimate, (4) reward, and (5) coercive.

Depending upon which kind of power is employed, the recipient of a power effort can respond with commitment, compliance, or resistance.

13.2 Uses of Power

2. How do you recognize and account for the exercise of counterpower and make appropriate use of strategic contingencies in interunit or interorganizational relations?

Power dependency is the extent to which a person or group is susceptible to an influence attempt. Included here is the notion of counterpower, or the ability of the subordinate to exercise some power and buffer the influence attempt of another.

Common power tactics include controlling access to information, controlling access to persons, the selective use of objective criteria, controlling the agenda, using outside experts, bureaucratic gamesmanship, and forming coalitions and alliances.

The resource dependence model suggests that one unit within an organization has power over another unit when the first unit controls scarce and valued resources needed by the second unit.

The strategic contingencies model asserts that one unit has power over another when the first group has the ability to block the second group's goal attainment—that is, when it controls some strategic contingency needed by the second group to complete its task.

13.3 Political Behavior in Organizations

3. How do managers cope effectively with organizational politics?

Politics involves those activities taken within an organization to acquire, develop, and use power and other resources to attain preferred outcomes in a situation in which there is uncertainty and disagreement over choices.

Political behavior is more likely to occur when (1) there are ambiguous goals, (2) there is a scarcity of resources, (3) nonroutine technology and a complex external environment are involved, (4) nonprogrammed decisions are being considered, and (5) organizational change is occurring.

13.4 Limiting the Influence of Political Behavior

4. How do you recognize and limit inappropriate or unethical political behavior where it occurs? Political behavior can be reduced or minimized in organizations through four techniques: (1) reducing organization uncertainty, (2) reducing interunit competition, (3) breaking up political fiefdoms, and (4) preventing the development of future fiefdoms.

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6.3.8: Chapter Review Questions

1. Compare and contrast power, authority, and leadership.
2. Identify five bases of power, and provide an example of each. Which base (or bases) of power do you feel would be most commonly found in organizations?
3. Discuss the concept of power dependencies. What is the relationship between power dependencies and bases of power?
4. What is counterpower? Provide an example of counterpower from your own experience.
5. Why is it important to understand political behavior in organizations?
6. Define politics. How does politics differ from power?
7. Compare and contrast the resource dependence model of power and politics with the strategic contingency model.
8. Identify several specific power tactics in organizations, and provide an example of each.
9. Why is it important that the exercise of power and politics be handled in an ethical fashion? What might happen if employees felt that managers were using power in an unethical fashion?

6.3.9: Management Skills Application Exercises

1. You might find it interesting to look at your own bases of power in an organization you have worked with. To do this, simply think of your present or past job, and complete this self-assessment. When you have finished, refer to **Appendix B** for scoring procedures.

What Are Your Bases of Power?

Instructions: Using a current or former job, answer each of the following items by circling the response that most suits your answer.

	Strongly Disagree			Strongly Agree		
1. I always try to set a good example for other employees.	1	2	3	4	5	
2. My coworkers seem to respect me on the job.	1	2	3	4	5	
3. Many employees view me as their informal leader at work.	1	2	3	4	5	
4. I know my job very well.	1	2	3	4	5	
5. My skills and abilities help me a lot on this job.	1	2	3	4	5	
6. I continually try to improve the way I do my job.	1	2	3	4	5	
7. I have considerable authority in my job.	1	2	3	4	5	
8. Decisions made at my level are critical to organizational success.	1	2	3	4	5	
9. Employees frequently ask me for guidance.	1	2	3	4	5	
10. I am able to reward people at lower levels in the organization.	1	2	3	4	5	
11. I am responsible for evaluating those below me.	1	2	3	4	5	
12. I have a say in who gets a bonus or pay raise.	1	2	3	4	5	
13. I can punish employees at lower levels.	1	2	3	4	5	
14. I check the work of lower-level employees.	1	2	3	4	5	
15. My diligence helps to reduce the errors of others on the job.	1	2	3	4	5	

2. It might be interesting for you to evaluate your own level of political behavior. To do this, complete this self-assessment. When you have finished, score your questionnaire according to the procedure outlined in **Appendix B**.

How Political Are You?

Instructions: To determine your political appreciation and tendencies, please answer the following questions. Select the answer that better represents your behavior or belief, even if that particular behavior or belief is not present all the time.

1. You should make others feel important through an open appreciation of their ideas and work.

___ True
___ False

2. Because people tend to judge you when they first meet you, always try to make a good first impression.	___ True ___ False
3. Try to let others do most of the talking, be sympathetic to their problems, and resist telling people that they are totally wrong.	___ True ___ False
4. Praise the good traits of the people you meet and always give people an opportunity to save face if they are wrong or make a mistake.	___ True ___ False
5. Spreading false rumors, planting misleading information, and backstabbing are necessary, if somewhat unpleasant, methods to deal with your enemies.	___ True ___ False
6. Sometimes it is necessary to make promises that you know you will not or cannot keep.	___ True ___ False
7. It is important to get along with everybody, even with those who are generally recognized as windbags, abrasive, or constant complainers.	___ True ___ False
8. It is vital to do favors for others so that you can call in these IOUs at times when they will do you the most good.	___ True ___ False
9. Be willing to compromise, particularly on issues that are minor to you but important to others.	___ True ___ False
10. On controversial issues, it is important to delay or avoid your involvement if possible.	___ True ___ False

Source: Adapted from Joseph F. Byrnes, "Connecting Organizational Politics and Conflict Resolution," *Personnel Administrator*, June 1986, p.49.

6.3.10: Managerial Decision Exercises

1. You have recently been promoted to the position of president of the division from your current role as VP of accounting and finance. Many people thought that the VP of sales and marketing would get the position, but you and he had always been friendly, and you thought that things would go smoothly. After about six months in the new position, you notice that he has been fighting you in small and subtle ways. You recognize his value, so you decide to let things play out and even mention other possibilities for promotion within the organization that he could apply for and that you would be supportive. After 11 months, things have not improved, and you are considering letting your colleague go. You are hesitant, however, because your organization needs a strong sales and marketing department. What should you do? If this power struggle continues, how do you think it will affect the larger organization?

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6.3.11: Critical Thinking Case

The Ohio Connection

Janey worked as an executive assistant to a product manager at her company: Ohio Connection. Overall, she loved her job; she was happy to work with a company that provided great benefits, and she found enjoyment in her day-to-day work. She had the same product manager boss for years, but last year, her manager left Ohio Connection and retired. Recently her new manager has been treating her unfairly and showcasing bullying behavior.

Yesterday, Janey came into work, and her boss decided to use their power as her manager and her “superior” to demand that she stay late to cover for him, correct reports that he had made mistakes on, and would not pay her overtime. She was going to be late to pick up her son from soccer practice if she stayed late; she told him this, and he was not happy.

Over subsequent days, her boss consistently would make comments about her performance, even though she had always had good remarks on reviews, and created a very negative work environment. The next time she was asked to stay late, she complied for fear of losing her job or having other negative impacts on her job. Janey’s situation was not ideal, but she didn’t feel she had a choice.

Questions:

1. What type of power did Janey’s boss employ to get her to do the things that he wanted her to do?
2. What negative consequences are apparent in this situation and other situations where power is not balanced in the workplace?
3. What steps should Janey take to counteract the power struggle that is occurring with her new manager?

Sources: A. Morin, “How to Prevent a Workplace Bully from taking Your Power,” *Inc.*, June 25, 2018, <https://www.inc.com/amy-morin/how-to-our-power.html>; V. Giang, “The 7 Types Of Power That Shape The Workplace,” *Business Insider*, July 31, 2013, <https://www.businessinsider.com/the-7-types-of-power-that-shape-the-workplace-2013-7>; B. Weinstein, “10 Tips for Dealing with a Bully Boss,” *CIO*, accessed October 13, 2018, https://www.cio.com.au/article/198499/10_tips_dealing_bully_boss/.

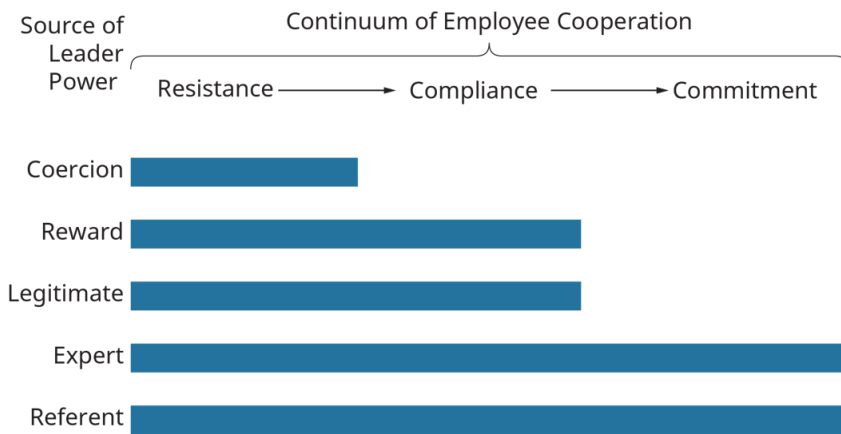
6.4: The 5 Bases of Power

Five Bases of Power

This week, you learned that there are five primary bases of power. Watch this 12:06 video, which provides additional insight into each type of power:

Review the image below and notice how employees typically react to the base of power exhibited.

Exhibit 13.3 Employee Reactions to Bases of Power



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Source: [Employee Cooperation Continuum](#)

Consider your past work experiences. Can you identify the bases of power utilized by your current or previous managers? Were your reactions similar to the continuum shown?

6.5: Creating Ethical Cultures in Business

Ethical Business Cultures

You learned about the ethical use of power and ways to recognize and limit unethical political behavior. Sometimes when we are faced with difficult situations, we know what the ethical decision would be, but we need courage to execute it, due to the fear of organizational power and politics. Watch this with 8:24 video where Brooke Deterline speaks about creating ethical cultures in business.

Consider how the use of power and political behaviors would differ in an organizational culture that values ethical decision-making vs. one that does not promote it.

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7: GROWTH MINDSET REFLECTION

7.1: Overview

7.2: Guiding Questions

7.3: Review Growth vs Fixed Mindset

7.4: Growth Mindset Reflection Activity

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7.1: Overview

Module 7: Overview

Within this module, students will reflect upon their own growth mindset.

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7.2: Guiding Questions

Module 7: Guiding Questions

Consider the following questions as you review the learning materials this week:

- How do the thoughts of a fixed mindset differ from the thoughts of a growth mindset?
- How can a fixed mindset be transformed into a growth mindset?

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7.3: Review Growth vs Fixed Mindset

Review: Growth Mindset and Fixed Mindset

When it comes to cultivating a growth mindset, we all have room for improvement. How can you continue to work towards improving upon your mindset?

First: Let's review the differences between a growth mindset and a fixed mindset:

Then, compare common responses for each mindset on the graphic below. Consider how you tend to react in certain situations. Be honest with yourself as you reflect upon where you are and how you can grow your mindset.

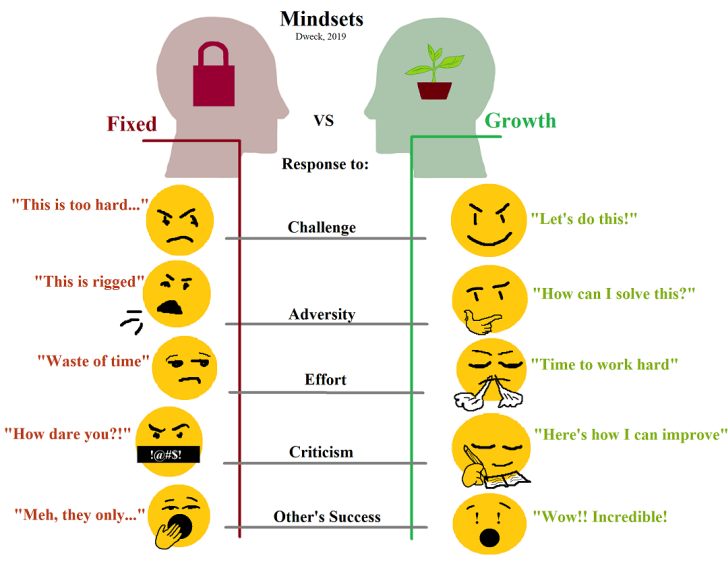


Image Source: [Mindset Comparison](#)

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7.4: Growth Mindset Reflection Activity

Reflect on Your Level of Growth Mindset

Reflecting on areas of your own life can be extremely powerful in helping you transform a fixed mindset into a growth mindset.

Within this activity, you will be asked to reflect on areas of your life where you tend to think from a fixed mindset and explore how you can transform your thinking by applying what you have learned about cultivating a growth mindset.

Mindset Reflection

Very few people always have a strict fixed or growth mindset. Often, we tend to lean one way or another in certain situations. For example, a person trying to improve their ability in a sport they enjoy may exhibit all of the growth mindset traits and characteristics, but they find themselves blocked in a fixed mindset when they try to learn something in another area like computer programming or geometry.

Recognizing our tendencies and working to improve our approach is key to cultivating a growth mindset.

Within this two-step assignment, you will be asked to reflect on some areas where you tend to find yourself hindered by a fixed mindset and select one of those areas to explore further.

Step 1: Reflect on the questions below and provide your answer in the space provided:

Question:	Type your response below:
1. In what areas of your life have you noticed that you tend to respond with a fixed mindset, rather than a growth mindset? List at least three areas that you have identified.	
2. Select one of the areas that you identified above. Which area will you explore further?	

Step 2: Using the table below, identify how you can change your behavior. In other words, what could you do to move from a fixed mindset to a growth mindset?

Growth Characteristic:	What can you do to adopt a growth mindset? Type your response below:
Embrace challenges	

Persist despite challenges	
See effort as a path to success	
Learn from criticism	
Find learning and inspiration in the success of others	

For example, perhaps you were trying to learn to play a musical instrument. In the “Embrace challenges” row, you might pursue a growth path by trying to play increasingly more difficult songs rather than sticking to the easy ones you have already mastered. In the “Learn from criticism” row, you might take someone’s comment about a weakness in timing as a motivation for you to practice with a metronome.

Source: [“Stay Positive”](#)

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