# Preface

After decades of using organizational behavior (OB) textbooks, I realized they were not communicating the right message for today's students. They memorized theories and dutifully wrote them down on exams, but I felt they were missing out on how to apply these theories to become a better leader. Students want takeaway skills they can put into practice immediately. A new approach to teaching OB is needed, and this textbook shows students how to be effective leaders and managers in organizations. With a focus on leadership and management development, students will go beyond memorizing theories and will apply the most relevant concepts to effectively motivate followers, lead their teams, and champion organizational change.

I have researched leadership for over 40 years. During 5 of those years, I was an acting dean at a major research university undergoing change. With this position, I put OB concepts into practice every day—I hired people, motivated them, set goals, and did annual performance appraisals. I helped employees, students, and faculty cope with organizational change. I am once again in an administrative leadership role as Associate Dean for Faculty in the Miami Herbert Business School. I look forward to learning about how trends in *organizational behavior*, such as remote work, the digital transformation, and artificial intelligence, are shaping the workplace. Based upon my research and the practical experience as an administrator with several direct reports, I began to look at my courses differently. I wanted to translate our rich evidence base into skills that managers can use every day. I also wanted to show how managers can become effective leaders through applications of course concepts. My process to achieve this was to start incorporating more skill-based assessments, role-plays, and team activities into each class meeting. Feedback from students was extremely positive, and many cited these exercises as high points in their learning experience in my course evaluations. I decided to write a textbook that reviewed OB theory and distilled the most relevant concepts for the development of effective leaders in organizations. Keeping a sharp focus on what the evidence base in OB supports, I continue to search for and developed exercises and activities that reinforce the key takeaways from each area I taught.

This "essentials" book is not a condensed version of a larger OB textbook. It was written with an eye toward the fundamentals every managerial leader needs to know and how to apply them. I used an evidence-based approach, making prescriptions based on research. Theories are reviewed critically, and students are encouraged to think critically about what they read. End-of-chapter assessments and activities make the linkage from theory to practice for students. For example, Chapter 9 includes an activity in which students role-play giving a performance appraisal. Based on my practical experience, performance appraisal is one of the most challenging scenarios a new manager faces. The activity is realistic and encourages students to practice

the skill set of how to provide feedback in an effective way. This textbook fills another need by adopting an integrative OB textbook approach with a framework of leadership and management development throughout. Each section begins with a "map" of the field of OB that allows instructors to create integrated learning modules that can be used in courses of varying lengths (for example, 6-week courses and 15-week courses). References are made to other chapters in multiple places so students can see the connections across topics in OB. For example, Chapter 8 discusses core concepts in motivation and refers to the chapter immediately following, which focuses on the role of rewards in motivating followers. As a set, these two chapters comprise a learning module on "leaders as motivators."

The cases at the end of each chapter cover a wide range of organizational situations, including small businesses, hospitals, large corporations, and many other types of organizations. My colleagues and I have tested the cases and exercises with students, and they resonate with both MBAs and undergraduates. New cases have been developed on artificial intelligence, leadership in the NBA, Taylor Swift's power, and the stress impacts on small businesses during COVID-19. Regardless of the career paths students choose, they will find these assessments and activities valuable as they develop leadership and management skills.

## Target Audiences

I have written this book to be appropriate for upper-level undergraduate courses and MBA core courses in OB. Case studies and exercises will prepare students at all levels for today's workplace. The content and activities have been carefully written so students can respond to discussion questions and assessments. For undergraduates, the role-plays and team activities at the end of the chapters are particularly valuable. This experiential approach to learning supports the application of OB fundamentals, and the activities are interesting and fun. Textbook reviews have also indicated that this textbook will work very well in industrial/organizational psychology courses as well as courses in higher education leadership. In writing the textbook, I kept in mind that some OB courses are being offered in hybrid or online formats. The features of this textbook support these formats (for example, all boxed inserts, case studies, and activities have discussion questions that can be answered by students and submitted as assignments).

### Approach

I always wanted a concise OB textbook that did certain things for my students. This textbook was written with three guiding principles:

1. An *evidence-based management approach* to the field of OB so practice recommendations are grounded in research.
2. Emphasis on *critical thinking* in Chapter 1 and throughout the textbook so students can evaluate the strengths and weaknesses of research before they move to practice applications.

3. A focus on *leadership development* for managers—so rather than just memorizing theories, students apply them to cases and a variety of activities at the end of each chapter, including activities, role-plays, and case studies.

## Evidence-Based Management

Hundreds of references to classic and current OB research are used in this textbook to build a new way of looking at the research as the foundation for leadership development. The evidence-based management approach is described in detail in Chapter 1. The coverage of research is comprehensive, with a focus on the most important topics managers need to become effective leaders. These are the topics I have selected to teach for over 40 years to undergraduate, MBA, and executive MBA students. This textbook offers a research-based approach that translates theory into practice, focusing on the contemporary approaches rather than the historical/classical approaches. Most students are less interested in historical development of theory and more interested in theories they can apply to be more effective leaders. There is far less emphasis on theories that don't have solid research support than other textbooks that I have used and read. In fairness, certain topics are noted for their contribution to broad-based understanding of OB, followed by a critical assessment of the research support.

## Critical Thinking

Over the years, I have heard colleagues lament, "Our students don't think critically." One day while teaching, it occurred to me that I had never actually included a lecture on critical thinking—what it is and why it is important. It wasn't in my OB textbook. I researched critical thinking and started to lecture on it in my class lectures. I began to see a difference in how my students approached the material in my courses. The quality of classroom discussion improved, and students began to really discuss strengths and weaknesses of theory and develop relevant examples as applications. Their answers on essay questions went beyond memorization to demonstration of understanding concepts, plus providing examples to show they could apply them as managers.

It just makes sense that we teach our students about critical thinking, and this is a major theme of this textbook. Critical thinking is defined and discussed in detail in Chapter 1 so students will understand what it is and why it is important for a managerial leader to think critically.

## Developing Principled Leaders

I have an extensive background studying the importance of leadership within organizations, in addition to holding positions of leadership at several points in my career. Leadership core concepts are covered in the textbook in Chapter 6; however, while I believe this is foundational to a leadership and management development approach to OB, this chapter might be assigned earlier as many OB instructors do (this book is written to have such flexibility). In addition to a full chapter on leadership and ethical leadership highlights, each chapter includes

a section discussing leadership implications in the context of the topic being discussed, as well as end-of-chapter activities designed to enhance students' understanding of leadership and their own leadership styles and tendencies. In this edition of the textbook, a theme throughout is the development of principled leaders with a focus on ethical decision-making. Examples of this theme throughout the textbook follow. The Chapter 1 opening discusses CEO departures due to ethics scandals. In Chapter 7, the What's #Trending in OB box discusses "Power and Ethics: Making Tough Choices." The Research in Action box for Chapter 12 (Communication) discusses artificial intelligence-mediated communication (AI-MC) and ethical challenges, including individuals' privacy. Chapter 15 includes the Research in Action box "Ethical Leadership During Organizational Change."

### Trends in Organizational Behavior

Along with the three guiding principles of evidence-based management, critical thinking, and leadership development, this textbook also touches upon emerging topics in OB. Throughout the chapters, there is an emphasis on globalization and cross-cultural OB. For example, cross-cultural differences in stress are compared in Chapter 15. Finally, in a number of places, positive psychology is integrated into the presentation of OB topics. For example, mindfulness is discussed as a coaching strategy for managing emotions and moods in the leadership implications section of Chapter 3. A boxed feature, What's #Trending in OB?, is included in each chapter to highlight a current trend in the field that people are talking about (often on social media). For example, the Chapter 8 box, "Putting the Past Behind You: Performance Resets and Motivation," discusses cutting-edge research on how people can let go of poor performance, which hinders their future performance. Throughout the textbook, discussion of artificial intelligence impacts on the workplace have been highlighted. For example, in Chapter 12, a boxed feature on AI-mediated communication has been added. Expanded discussion of the digital transformation and remote work has been incorporated throughout the textbook.

## Features

### Learning Objectives

The learning objectives included at the beginning of each chapter highlight the key topics covered in the chapter and note the skills students will develop after reading. These learning objectives are directly tied to main headings within the chapter and can be used to measure and assess students' understanding of chapter material.

### Chapter-Opening Vignette

Each chapter begins with a research-based challenge facing managers, based upon empirical data, often from national polls or consulting firms. For example, Chapter 7 discusses what it feels like to have power, based on research. These highlights are intended to get the students' attention so they immediately see the relevance of the material in the chapter that follows.

Chapter 11 highlights the costs of workplace conflict in terms of both dollars and employee well-being. Chapter 15 opens with a discussion of leading change in a VUCA world—that is, the volatile, uncertain, complex, and ambiguous one we live in today.

## What's #Trending in OB? and Research in Action Boxes

Within each chapter, there are two types of boxed inserts to enhance the application of the material to the student's development as a leader—What's #Trending in OB? and Research in Action. What's #Trending in OB? highlights current applications of OB research in real organizations or consulting examples. For example, in Chapter 5, the What's #Trending in OB? box discusses the use of artificial intelligence to improve leaders' decision-making. Research in Action vignettes demonstrate how OB research translates to leadership practice. An example is a short discussion of current research on the rise of workplace incivility that asks the question of whether we need to "send in Miss Manners." Included in each of these boxed features are discussion questions that will stimulate the student's thinking on the application and can be used for in-class discussion. These discussion questions may be assigned prior to class to encourage students to read and apply the highlighted practice and research in these inserts, and the boxed inserts can be integrated into class discussions to show how practice and research use OB theories. For online learning, the discussion questions can be assigned for discussion board posts.

## Critical Thinking Questions

To support critical thinking throughout the course, critical thinking questions are integrated within the textbook. These questions encourage students to pause, think, and then apply the material just covered to an organizational challenge for leaders. For instructors teaching online courses, these questions can be assigned to check the student comprehension of assigned textbook readings.

## Key Terms

Key terms featured in each chapter have been set in color throughout the text. Students will be able to quickly search for and locate these key terms.

## The Toolkit

Each chapter contains a "toolkit" in which the student will apply the concepts covered within that chapter. Each chapter's toolkit contains the following features:

- **Key Terms** highlighted within the chapter.
- The **Toolkit Activities,** which are team exercises or role-plays in which the students interact with other students to apply the material. I have used these exercises in my classes, and I am pleased to provide them all in one package so you don't have to search for them and copy them for class.

- A short **Case Study** illustrating one or more concepts from the chapter. These cases are followed by discussion questions that can be assigned prior to in-class case discussion.
- At least one interactive **Self-Assessment,** including personality tests or leadership assessments. Self-assessments are available online only in the Sage Vantage platform.

## New to This Edition

For this edition, I retained the features that have made *Essentials of Organizational Behavior: An Evidence-Based Approach* successful in its third edition, while updating with current research and strengthening the evidence-based approach:

- *Updated chapter scenarios*—As in the last edition, all the chapters start with a scenario that features research on an interesting real-world problem based on research or practice.
- *Updated Leadership Implications*—The Leadership Implications at the end of each chapter have been retained and expanded.
- *Critical Thinking Questions*—Critical Thinking Questions in the chapters have been revised or added to reflect changes in the content of the chapters.
- *Updated What's #Trending in OB? and Research in Action boxes*—Updated boxes on What's #Trending in OB? have been added for each chapter. Research in Action boxes have been retained and updated or replaced as features.
- *New Toolkit Activities*—Both instructors and students responded positively to the Toolkit Activities, and additional Toolkit items have been added. Based upon feedback from instructors (particularly in the online environment), Discussion Questions have been added for all Toolkit Activities and Case Studies.
- *New and updated Case Studies*—Cases have been either replaced or expanded in length. Cases cover current issues in organizational behavior such as "Perspective Taking: Health Versus Wealth During the COVID-19 Pandemic."

## Updated Chapters

Each chapter has been thoroughly updated to include new developments, new scholarship, and recent events in organizational behavior.

### Chapter 1: What Is Organizational Behavior?

- Updated opening vignette on the crises in organizations leading to increased CEO turnover.
- Updated Research in Action box focusing on the application of evidence-based management (EBM) to increase donations to universities. New example of EBM in practice added.

- Updated coverage of outcomes in OB that include thriving.
- New research on "The Great Resignation" and the workplace following the COVID-19 pandemic.
- Key trends and new research on employee well-being.
- Updated What's #Trending in OB? box on "Organizational Behavior in the Gig Economy."
- New Case Study on "Ghosting in the Workplace."

### Chapter 2: Personality and Person–Environment Fit

- Updated opening vignette on the personality effect in Unicorns (a privately held start-up company with a value of over $1 billion) with a profile of Adam Neumann at WeWork.
- New example of how a company might use the MBTI in practice.
- New example of how the Big Five personality traits apply to teamwork.
- New research that includes TikTok added to What's #Trending in OB? box on "Personality Traits and Social Media Addiction."
- New research on the Dark Triad.
- New example of self-monitoring at work.
- New research on resilience, which is positive adaptation to adversity, during the COVID-19 pandemic.
- New research on psychological capital during the global COVID-19 pandemic.
- New example of good person–job fit.

### Chapter 3: Emotions and Moods

- Updated research in opening vignette, "Does Lack of Sleep Make You Grumpy?" with discussion of the negative effects of lack of sleep during the COVID-19 pandemic.
- New research on moods is discussed. An example to clarify the distinction between emotions and moods added.
- New research on affective events theory and the effects of affect and mood on performance added, discussing the role of leader emotions on the quality of leader–member relationships. New research on affective job spin.
- Updated research on moral emotions.
- New research on the broaden-and-build model, including discussion of mindfulness.

- Updated resesarch on the effects of affect on creativity during the COVID-19 pandemic added to the Research in Action box. New discussion question.
- New research on gratitude at work.
- New research on emotional labor during the COVID-19 pandemic.
- New research on emotional intelligence and leadership added.
- New research on emotional regulation.
- Updated research added to the What's #Trending in OB? box "Is It OK to Cry at Work?"
- New research on social contagion effects in social media.
- New research on mindful coaching.

## Chapter 4: Attitudes and Job Satisfaction

- Updated opening vignette with 2022 Conference Board job satisfaction report data (and a new figure).
- A new workplace example of cognitive dissonance.
- New research on generational differences, gender, and trans employee job satisfaction.
- Updated Research in Action box, "More Than Job Satisfaction: What's Your Calling?" New research on occupational calling during the COVID-19 pandemic added (e.g., health care and technology). New discussion question added.
- New discussion of income satiation.
- New examples of exit, voice, loyalty, and neglect approach to job dissatisfaction added, as well as new research.
- New research added to the What's #Trending in OB? Box "Your Attitude May Derail Your Job Search." New discussion question.
- New research on job security and organizational commitment during the COVID-19 pandemic.
- New research on job involvement during the COVID-19 pandemic.
- Expanded and updated research on employee engagement and two new figures added from Gallup and HR.com added.
- New research on perceived organizational support during COVID-19.
- New example of creating meaning at work (leadership implications).

## Chapter 5: Perception, Decision-Making, and Problem-Solving

- New research for the chapter opening, "Would You Be Happier if You Were Richer?"
- New research on cognitive bias. Research on biases toward the skills of remote workers.
- New research on the availability bias and social media.
- New research on contrast effects; example of contrast effects at work.
- New research on the halo effect.
- Examples of how decision-making affects performance updated with new "make-or-break" decisions, including Facebook, Star Wars, Floyd Mayweather, and Harry Potter.
- New discussion of VUCA environments (volatile, uncertain, complex, and ambiguous).
- New research on prospect theory during COVID-19.
- Example of a wicked organizational problem.
- New research on using AI in decision-making added to the What's #Trending in OB? Box "Using Big Data Analytics to Improve Decisions." New discussion question.
- New research on hindsight bias during the COVID-19 pandemic.
- New research on the "dark side" of creativity.
- New research on AI and ethics added to the Leadership Implications focusing on making ethical decisions.
- Case Study updated: "Making Decisions Using Artificial Intelligence at Lufthansa." New example of the AI assistant Sifty that makes booking trips more efficient.

## Chapter 6: Leadership

- Updated opening vignette with new 20239 Edelman Trust Barometer data (and a new figure).
- New research on the need for leadership adaptability during COVID-19.
- New section: Implicit Leadership Theory.
- New research on leader-member exchange and practical implications.
- New research added to the What's #Trending in OB? Box, "Is Narcissism Good for Business?"
- New research on proactivity added to the Research in Action Box. New discussion question.

- New research on inclusive leadership.
- New research on followership, including followership during COVID-19.
- New critical thinking questions on attributions in leadership.
- New research on trust during COVID-19. New review and summary of research on trust repair.
- New figure for the Full Range of Leadership model.
- New Leadership Implications: Leading Through Paradox, highlighting paradoxical leadership.
- New Case Study: "Cynt Marshall: Game Changing" (CEO of the Dallas Mavericks).

## Chapter 7: Power and Politics

- Opening updated on what it's like to have power.
- New research on AI and the erosion of expert power.
- New research on influence tactics.
- New research added to Research in Action Box on power and voice. New discussion question.
- New research on impression management in virtual work environments.
- New research on perceptions of politics.
- New research on benefits of being ethical to the What's #Trending in OB? Box, "Power and Ethics: Making Tough Choices."
- New Case Study: "Taylor Swift's Power in the Music Industry."

## Chapter 8: Motivation: Core Concepts

- Updated research on grit during COVID-19 in chapter opening.
- New review of Herzberg's theory of motivation.
- New research on goal-setting streaks. New research on regulatory goal focus and learning goals.
- New research on job characteristics: cross-cultural differences and COVID-19 changes. New research on job redesign using AI.
- New research on job crafting and lowered stress at work.
- New research on equity and organizational justice.

- Updated research in Research in Action Box, "Who Cares About Fairness?"
- New What's #Trending in OB? box, "Putting the Past Behind You: Performance Resets and Motivation."
- New research on the passionate Pygmalion effect.
- New research on motivation to lead added to Leadership Implications.

## Chapter 9: Motivation: Applications

- Updated research on the meaning of money and gift exchange in chapter opening, including discussion of the "warm glow" effect.
- New research on organizational behavior modification using AI.
- New discussion of problems with extrinsic rewards added to the Research in Action Box, "Why the Carrot and Stick May Not Always Work."
- New example of self-deterimination.
- Updated research on pay dispersion, including new key term, *pay information disclosure*.
- Steps for effective performance management list.
- New research added to the What's Trending in OB? box, "New Directions in Performance Reviews: Beyond the Bell Curve."
- Discussion of the unique challenges faced by MNCs in performance management.
- List of problems with feedback added. New research on feedback seeking.
- Updated discussion of remote working with discussion of the shift due to COVID-19.
- New Case Study, "Motivating a Remote Workforce With Buffer Example."

## Chapter 10: Group Processes and Teams

- Updated chapter opening, "Does Trust Impact Team Performance?" with new research and new key term, *team resilience*.
- New research on team norms and new key term, *team reflection*.
- New research on extra effort in teams.
- New research on team innovation.
- New research on team coaching and cohesion added to Research in Action box.
- New examples of groupthink.

- New discussion of virtual brainstorming.
- New research added to What's #Trending in OB? box, "Distributed Virtual Work Teams."
- New research and discussion on the digital transformation.
- New discussion of the challenges of diversity in teams.
- New Leadership Implications: The Team of Teams Approach with new Figure.

## Chapter 11: Managing Conflict and Negotiation

- Updated opening vignette with new statistics on the costs of workplace conflict.
- Updated research on why managers are not equipped to handle conflict.
- New research on task and relationship conflict. New research on emotional intelligence and conflict resolution.
- New list of warning signs of dysfunctional conflict added to the What's #Trending in OB? box, "Minefields in Managing Organizational Conflict."
- New research on incivility, workplace aggression, and abusive supervision.
- New research on workplace violence, including violence against health care workers during COVID-19.
- New research on conflict resolution in teams.
- New discussion of the use of AI for dispute resolution.
- New discussion of competencies needed for negotiation and new figure.
- Expanded discussion of power in negotiation.
- New research on emotions and negotiation.
- New research on cross-cultural negotiation.
- New research on perspective taking in conflict resolution and negotiation added to Leadership Implications.
- New research added to the Case Study, "Perspective Taking: Health Versus Wealth During the COVID-19 Pandemic."

## Chapter 12: Organizational Communication

- New research added to opening vignette on "thin-slicing" includes a discussion of perceptions of personal networks after a brief thin-slice video.
- Cautionary notes on the Shannon-Weaver model of communication added.

- Updated research on communication apprehension (CA) during COVID-19 finding that those with CA are more comfortable communicating online.
- New research on language proficiency among international students.
- New research on active listening by leaders.
- New research on communication networks during COVID-19. New discussion of Zoom fatigue.
- Updated research on crisis communication during the COVID-19 pandemic added to the What's #Trending in OB? box, "Organizational Communication During a Crisis."
- New research on how communication flows lead to employee loyalty.
- New research on grapevine communication after a coworker is terminated.
- New Research in Action Box, "AI-Mediated Communication."
- New section, "The Digital Workplace," discusses the "dark side" of the digital workplace.
- New research on text messaging, social networking, and videoconferencing, including updated statistics on usage.
- New research on cross-cultural communication, including a new table illustrating differences and similarities in nonverbal communication in China and the United States.
- Updated Leadership Implications includes discussion of framing meaning during the COVID-19 pandemic using the Norwegian government example.

### Chapter 13: Uniqueness and Employee Belonging

- Updated opening vignette on trends impacting belonging in organizations with new research including trends on progress in wage disparity.
- New research on challenges and benefits of uniqueness and belonging.
- New research review of team deep-level diversity.
- Updated research on generations in the workplace.
- New research added to the What's #Trending in OB? box, "Managing Someone Older Than Yourself."
- Expanded discussion of the contributions and limitations of the Hofstede model.
- New research on cultural tightness–looseness impacts on mortality rates during COVID-19.
- New research on cultural intelligence impacts on virtual teams.

- New research review of personality impacts on expatriate adjustment. Also research on expatriate family adjustments.
- New Leadership Implications with updated Procter & Gamble mission statement.

## Chapter 14: Organizational Culture

- New statistics on Warby Parker added to the opening vignette, "The Team Culture at Warby Parker."
- Updated research on organizational growth mindset, the relationship of organizational culture to organizational performance, and socialization.
- New figure for Schein's Levels of Culture.
- New discussion of remote work policy at Buffer added to the What's #Trending in OB? box on transparent organizational cultures. New discussion question on remote work.
- New research on clan and adhocracy cultures. New discussion of cybersecurity subculture.
- New research on socialization and onboarding of remote workers during COVID-19.
- Symbols employed during the COVID-19 pandemic, such as surgical masks.
- New discussion of emotional culture.
- New Research in Action Box, "Benefits of Innovation Climates."
- Expanded discussion new research on ethical climate.
- Updated Toolkit Activity 14.1 to compare organizational cultures and Goldman Sachs and Patagonia. New discussion question.
- Updates to the Case Study, "Changing the Culture at Boeing," discussing the 737 MAX crisis. New discussion question.

## Chapter 15: Leading Change and Stress Management

- New statistics added to the opening vignette, "Leading Change in a VUCA (Volatile, Uncertain, Complex, Ambiguous) World," with quote on VUCA from 7-11 CEO. Discussion of the impacts of AI.
- Example of revolutionary change of Ford Motor Company's shift to producing affordable electric cars.
- Example of planned change by Starbucks to eliminate single-use cups.
- Updated review of research on organizational development.
- Discussion of appreciative inquiry during COVID-19.

- Added discussion of green human resource management to the section on sustainability.
- New research on workplace stress during COVID-19.
- New statistics on workplace stress and employee mental health.
- New figure—Pre- and Post-Pandemic Stress Level Comparison by Age—as well as statistics on stress during the pandemic.
- New research on global stress and coping during the COVID-19 pandemic.
- New research added to the What's #Trending in OB? Box, "The Sunday Scaries," which describes how worry, fear, and anxiety about the upcoming workweek begin for some people on Sunday afternoon.
- New data on employee assistance programs.
- Updated Leadership Implications section, including research on leader communication during COVID-19.
- Updated Case Study, "Organizational Change at Amazon," with new statistics and discussion of Project Kuiper, which will create a global satellite broadband network.
- New Case Study, "Stress Impacts on Small Businesses During COVID-19."

## Appendix 2: Organizational Structure

- New Appendix, "Organizational Structure," that covers classic and current issues in organizational design.
- Begins with noting that jobs are building blocks for sociotechnical system design.
- Presents organizational charts for functional, product, geographical, and matrix organizational structures.
- Discusses the virtual organization with an example of Airbnb.
- Includes discussion of restructuring and downsizing.
- Covers the dimensions of organizational design: specialization, formalization, centralization, standardization, and complexity, with a summary table and examples.
- Highlights the chain-of-command and span of control in organizational design.
- Discusses Mintzberg's forms of organizational structure, including figure and summary table.
- Includes coverage of management hierarchies with a table, Levels of Management.
- Includes Critical Thinking Questions, Summary, and Key Terms.

## Additional Teaching Resources

Visit **collegepublishing.sagepub.com** and navigate to the Resources tab on your book's page to find the teaching materials designed to accompany this textbook. On this site, you will find this array of materials that will save you time and to help you keep students engaged:

- **Learning management system** cartridges that easily integrate with your course management system so student test results and graded assignments seamlessly flow into your gradebook
- **Test banks**, aligned to Bloom's Taxonomy, that provide a diverse range of test items, including multiple choice, true/false, and essay questions
- **Lecture notes** that provide an outline and the key concepts in each chapter to aid in lecture preparation
- **PowerPoint® slides** that offer a flexible, accessible, and customizable solution for creating multimedia lectures
- **Tables and figures from the book** are available to support lecture preparation and class discussions
- **Sample course syllabi** include suggested models for structuring your course

# Chapter 1

# What Is Organizational Behavior?

## Learning Objectives

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

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

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

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

**1.4** Discuss five types of outcome variables studied in OB.

**1.5** Compare the levels of analysis in OB research.

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

## A Crisis in Organizations?

What do the leaders of Juul, McDonald's, and Papa Johns Pizza have in common? They were all fired from their boards of directors.

Companies most often did not disclose reasons for their CEOs' departure, with 629 cases (33% of all CEO exits), up from 23% in 2022. Another 395 CEOs retired in 2023, accounting for 21% of all exits, down slightly from 25% in 2022. Just over 100 (101 or 5%) left for "new opportunities," a slight decrease from the 7% who left for that reason in 2022. Fifty-four CEOs found new positions within their companies last year, usually heading another division or location within the umbrella company, while 326 (17%) of CEOs "stepped down" into other C-level, advisory, or board roles. During the same period last year, 22% of CEOs "stepped down" into some sort of board or advisory role within their organizations.

Historically, CEOs are fired for lack of company performance. The challenging economy in recent years appears to be contributing to this trend. This is what happened with Juul. The CEO of Juul, Kevin Burns, was let go during the media attention to the company's marketing practices and because of rising pressure from regulators regarding the health risks of e-cigarettes. The company became a lightning rod for media attention and began pulling e-cigarette flavors from the market in response to the reports.

Recently, CEOs are also getting fired for ethical reasons. Some examples of these reasons are sexual misconduct, fraud, bribery, and insider trading.

In November 2019, Steve Easterbrook was fired as the CEO of McDonald's. He had been running the company since 2015. However, the board stated that he violated company policy and "demonstrated poor judgment involving a recent consensual relationship with an employee." Easterbrook had been doing a great job as CEO. He modernized the look of McDonald's restaurants and added popular digital menu boards. The company began using high-tech methods such as artificial intelligence to improve drive-thru performance and increase sales.

Scandals now account for more departures than in the past. This may reflect changes in vigilance by the government, society, and pressures from the #MeToo movement to hold managers accountable. Three CEOs left their posts due to allegations of professional misconduct in December 2023 for a total of 13 last year, nearly triple the five CEOs who left for that reason since 2020.

In addition to sexual harassment, racial insensitivity was another reason for CEO failure to maintain integrity in a diverse environment. Another leader fired by his board was Papa Johns chairman and founder, John Schnatter, who stepped down as CEO following backlash for using a racial slur during a conference call.

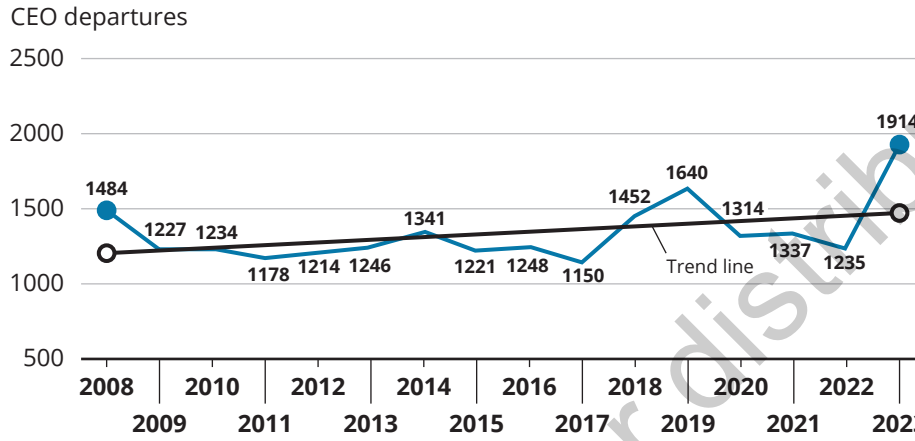
## What Is Going On With CEO Leadership?

According to a study conducted by Challenger, Gray and Christmas,[1] a record number of CEOs at the world's 2,500 largest companies departed their jobs during 2023, a 55% increase from 2022. Last year's total is the highest on record, surpassing the previous record of 1,640 CEO exits in 2019. Most of these were planned retirements, but in 20% of the situations, the CEOs were forced out.

The study looked at CEO changes for companies with a minimum of 10 employees that have been in business for at least 2 years. The data for CEO departures for the past 10 years is shown in Figure 1.1. The dotted line represents the overall trend in CEO departures over time. Note that the level of departures in 2018 was as high as in 2008—the year of the banking crisis and Great Recession.

The trend continued into 2020. CEO turnover increased 37% from the 160 who left their posts in December to 219. The January 2020 total was 39.5% higher than the 157 CEOs who left their posts in the same month in 2019.[2] According to Andrew Challenger, vice president of Challenger, Gray, & Christmas,

**Figure 1.1 ▪ CEO Departures, 2008–2023**




*Source:* Based on data reported in Challenger, Gray & Christmas. (2024). *Year-end CEO turnover report*.

January is typically a busy month for CEO turnover, as companies make leadership changes after assessing business conditions at the end of the fiscal year. January is the beginning of the fiscal year for many companies and a good time to make decisions about the direction of the company.[3]

David Waddell from Yahoo Finance's *The First Trade* agrees: "We seem to be having a leadership recession, be it political or corporate." Waddell thinks that with rising uncertainty on the trade and political fronts, companies could be looking for a different type of CEO.

The CEO leadership crisis indicates that there is a great need for future leaders to understand the nuances of human behavior. There is also an increasing need for leaders to behave ethically. The field known as organizational behavior (OB) addresses these and other leadership challenges.

*Sources:* Based on Challenger, Gray, & Christmas (2024); Sozzi, B. (2019); Wiener-Bronner, D. (2019).

## What Is Organizational Behavior?

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

OB is a relatively young field in comparison to areas in the field of medicine—and even psychology from which it draws. There were management practices in place since the early 1900s with Frederick Taylor's approach to "scientific management," which was the study of how work could be designed to make production work (particularly assembly lines) more efficient.[4] Most scholars agree, however, that OB originated with the human relations movement[5] ignited by the Hawthorne studies (conducted between 1927 and 1932), which led to a focus on the role of human behavior in organizations. The Hawthorne studies were two studies conducted by Australian-born psychologist Elton Mayo at the Western Electric Company near Chicago.[6]

Mayo spent most of his career at Harvard University and was interested in how to increase productivity in assembly lines. The first study was designed to examine the effects of lighting in the plants on worker productivity. However, the research team had a surprise. Productivity *increased* rather than decreased when the lights were being dimmed. Perplexed by this finding, researchers interviewed the workers and learned that they appreciated the attention of the research team and felt that they were receiving special treatment. The productivity then *declined* after the researchers left the plant. This has been called the **Hawthorne effect** and refers to positive responses in attitudes and performance when researchers pay attention to a group of workers. The emergence of strong feelings of affiliation and trust due to the interactions and trust among the workers resulted in what Mayo called *spontaneous collaboration*.[7]

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

The Hawthorne researchers concluded that the human element in organizations was more important than previously thought, and they learned that workers want attention. This is still relevant today. For example, recent studies demonstrate that when employers provide gifts to employees (termed *empathy wages*) it elicits feelings of gratitude from them.[8] The human relations movement followed the Hawthorne studies, and OB emerged as a distinct field of study in the 1950s. The term *organizational behavior* first appeared in 1957 in a book by Chris Argyris, *Personality and Organization: The Conflict Between System and the Individual*.[9] Today, OB researchers have PhDs from psychology departments (in the area of industrial and organizational psychology) and business schools. They teach from the research base on OB and conduct research that addresses important challenges facing organizational leaders today.

## Disciplines Contributing to Organizational Behavior

There are several disciplines that contribute to the study of OB. Studies of individual differences such as personality (Chapter 2 of this textbook) draw from the fields of psychology and specifically industrial and organizational psychology. These fields also contribute to our understanding of human performance. Individual reactions to work, such as emotions and attitudes, not only draw from psychology research but also from social psychology. Motivation theory has been influenced by psychology as well as economics. Understanding decision-making (Chapter 5) draws from economic theory. Research on leaders as influencers and motivators (Section III)

draws from applied social psychology. **Applied social psychology** is the study of how people interact in groups and addresses significant challenges facing leaders as organizations use teams to get things done (Chapter 10). Trends such as the need to compete in a global marketplace, organizational restructuring, and rapid changes in technology have resulted in the need to lead through change. Research in the areas of sociology and anthropology helps us understand organizational culture and leading change. OB is an applied field of study aimed at problem-solving for organizational leaders. Thus, OB is a multidisciplinary field that draws upon the best ideas and research from several disciplines.

The goal of OB as a field is to improve the functioning of the organization and how employees experience their work. For example, OB researchers study how job satisfaction affects employee well-being. Another example is how a leader's vision affects follower motivation and performance toward goals. A third example is how perceptions of politics at work might lead to an employee quitting the organization (this is called *turnover*). Low productivity and turnover cost organizations millions of dollars. Beyond the impact on costs, employee well-being is a major concern for forward-thinking organizations today. OB researchers develop guidelines that directly address such challenges. Based on research, leaders can make better decisions to make their organization more effective and better places to work. It's important for OB researchers to translate their evidence into practical guidelines for managers to follow. Next, the journey from theory to practical applications is discussed.

## From Theory to Practice

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

1. **Description:** What does the process look like?
2. **Prediction:** Will the process occur again? If so, when?
3. **Explanation:** Why is this happening?
4. **Control:** Can we change whether this happens?

For example, the forecasting of extra workers needed for a toy store during the holiday season is an important process for ensuring the best customer service. Human resource managers understand how many customers will visit the store based upon prior holiday seasons (in other words, a theory) and can describe their need for extra workers. This theory is also high on explanation since the store managers have some understanding of why customers visit their store and when volume increases. Prediction is important because managers need to project with some accuracy how many extra seasonal workers they will need to hire to ensure that customers will be served and not have long wait times at the cash registers. However, hiring forecasts are not always accurate, resulting in unhappy customers or the hiring of too many seasonal workers who wait idly for customers to visit. In this example, the science is moderate for prediction. For control, one could say that the science is low because there are many reasons why customers may not visit the store that are outside of the organization's control (e.g., customers may be able to purchase the

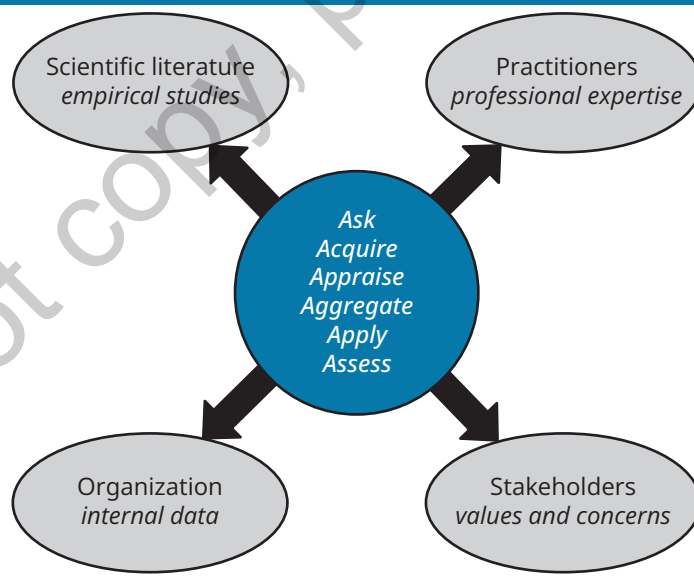
toys online). This example illustrates why theories are so important to applied science. The better the initial understanding of how many workers will be needed, the better the store manager should be able to predict how many seasonal workers to hire for the season and for how long. Theories are important to OB as a science since theory is translated to management practice.

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

## Evidence-Based Management

The term *evidence-based* was originally employed in the field of medicine to guide how doctors make decisions regarding patient care. EBM improves a leader's decisions by disciplined application of the most relevant and current scientific evidence. Although many definitions of EBM are available, this is the most frequently quoted and widely used:[10] EBM means making decisions about the management of employees, teams, or organizations through the conscientious, explicit, and judicious use of four sources of information, as shown in Figure 1.2. Examples of these sources follow for a manager addressing the problem of having too many employees quit their jobs.

**Figure 1.2 ▪ Sources of Information Used in EBM**




*Source:* Barends, E., Rousseau, D. M., & Briner, R. B. (2014). *Evidence-based management: The basic principles*. Center for Evidence-Based Management.

1. **The best available scientific evidence**—for example, the manager reads research published on OB on the reasons why people quit their jobs
2. **The best available organizational evidence**—for example, the manager conducts exit interviews with people who have recently quit their jobs
3. **The best available experiential evidence**—for example, the manager asks other managers to provide their intuition regarding what causes people to quit the organization
4. **Organizational values and stakeholders' concerns**—for example, the impact on the human resources department that must constantly post jobs and recruit employees to replace the ones who have quit; other stakeholders are the employees who experience reasons to quit their jobs

How can a leader use these sources of evidence to make better decisions? First, leaders must have the ability (basic skills and competencies), motivation (behavioral beliefs, behavioral control, and normative beliefs), and opportunity (support that overcomes barriers) to practice EBM.[11] For example, EBM was applied to an operational problem in a hospital. This research concluded that the "fit" between the decision-maker and the organizational context enables more effective evidence-based processes.[12]

Leader involvement at all levels is essential for EBM to work in practice,[13] as well as collaboration with researchers.[14] A review of EBM concluded that there have been creative applications of the principles that have informed managers and that collaborations between researchers and managers have created new knowledge.[15] In today's world of information overload from the news media and social media, people seem to hunger for evidence-based information. For example, some of the most watched TED talks are based on social science research. The knowledge found in TED talks has had far more reach than the original published work would ever have had.[16]

## Research in Action

### Using Evidence to Increase Donations to Universities

Universities are interested in increasing donations from their alumni. Donations from former students help fund important building projects, upgrade existing facilities, support student organizations, and increase student scholarships. A report from *Giving USA* states that the total contributions to higher education were $46.73 billion in 2018, a 7.2% increase from the previous year. That's a lot of support for universities. Alumni donations have remained relatively stable at about 25% of total donations since 2009.

How could a university increase donations from former students? Alumni often have strong emotional connections to their alma mater and fondly remember their experiences during their time there. Fundraisers want to tap into these positive feelings when they ask for donations. Can evidence-based management help?

A team of researchers at Texas A&M University followed EBM principles to learn how to increase annual giving from former students. They wondered if directed donations

would increase the propensity to give and the amount of the donation. Here are the steps they followed:

1. *Best available scientific evidence*—Researchers reviewed the literature on fundraising. Some laboratory experiments suggested that directed giving would increase donations.
2. *Best available organizational evidence*—Since directed giving allows the donor to target their gifts to specific organizations or functions, fundraisers believe that donors would like to give to the specific school or college they graduated from rather than a general fund.
3. *Best available experiential evidence*—Researchers hypothesized that directed giving would increase donations. Expert opinions expressed in the articles found in the literature review suggested that it would.
4. *Organizational values and stakeholder concerns*—Universities need to increase giving to have the funds to help faculty provide a better learning experience. Donations support student organizations and increase scholarships. Students are also stakeholders—this means you!

To determine if directed giving works, researchers employed EBM with a field experiment. A *field experiment* enables researchers to rule out alternative explanations for findings and establish cause-and-effect relationships. Prospective donors were presented with either an opportunity to donate to the unrestricted Annual Fund or an opportunity to donate to the Annual Fund and direct some or all of their donation toward the academic college from which they graduated. For example, business school graduates could have their entire donation go to increase scholarships for business students.

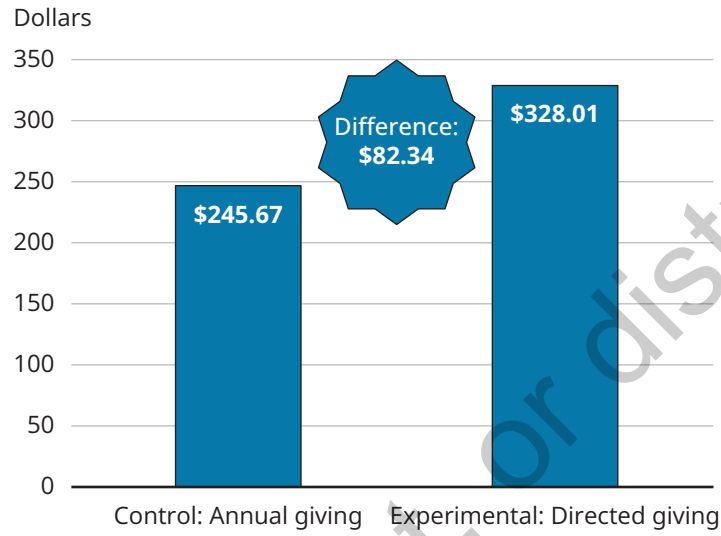
The experiment consisted of two groups: Annual Fund Only and Directed Giving. Both groups were sent emails explaining the mission of Texas A&M University and asking for support for its initiatives through a monetary donation. The emails sent were identical, including the subject line, with one exception: The Directed Giving group was also given the option of sending their gift to the college from which they had graduated. The control group did not have this option. For the control group, the email ask only gave the Annual Fund as the recipient of donations.

The research showed that directed giving did not determine whether a person gave. However, the amount of the donation was significantly larger when the donor could specify the college where their donation went. In other words, people gave more when they knew that their money was going to the college from which they had graduated. As Figure 1.3 shows, they gave an average of $82.34 more when they could direct their money to their college.

The application of EBM in this field experiment clearly showed that having a choice in giving mattered. Overall, the Association of Former Students raised approximately $40,000 more by allowing for choice through directed giving.

Recently, Hanover Research surveyed around 1,000 U.S. college alumni to better understand the behavior of donors, why they give, and which individuals are most likely to donate. Within the report, it was found that 69% of alumni chose not to donate back to their university, as they felt their gift would not make an impact. Although a large portion of alumni did not donate, 31% of alumni did and often repeatedly. The report focused on the donor's habits. When focusing on how to increase donations, the survey highlighted the importance of making it clear that the donator's gift would make a difference. The study showed that universities must create clear connections to how the alumni can help.

**Figure 1.3 ▪ Average Donations for Annual Fund Giving Compared to Directed Giving**




*Sources:* Based on data reported in Eckel, C. C., Herberich, D. H., & Meer, J. (2017). A field experiment on directed giving at a public university. *Journal of Behavioral and Experimental Economics, 66*, 66–71.

## Discussion Questions

1. Explain why people are more likely to give money when they know their donation will go to a specific college. How could universities make donations even more specific? Provide an example.
2. How can the implications for practice based on the field experiment be extended? For example, what guidelines would you provide to volunteers who make phone calls to ask for donations?
3. What are the strengths of using field experiments to solve organizational challenges? What are the weaknesses?
4. Design an experiment to increase a different voluntary activity such as donations to a blood bank using EBM principles.

*Sources:* Adapted from Eckel, C. C., Herberich, D. H., & Meer, J. (2017). A field experiment on directed giving at a public university. *Journal of Behavioral and Experimental Economics, 66*, 66–71; Hazelrigg, N. (2019). Larger donations, fewer donors. https://www.insidehighered.com/news/2019/06/20/donations-colleges-are-number-donors-down; Lynn, M. (2022, November 17). *The 2022 state of alumni giving report* (pp. 4–8). Hanover Research. https://www.hanoverresearch.com/reports-and-briefs/the-2022-state-of-alumni-giving-report/?org=higher-education; Schmidt, W. (2019). *4 ways to drive donations like universities*. https://www.classy.org/blog/alumni-donors/

The following standards may be applied by leaders using EBM to ask questions and challenge their thinking about their organizations:[17]

1. **Stop treating old ideas as if they were brand new.** This has resulted in a cynical workforce that may view innovations from leaders as short-term fads (e.g., employees may not see any difference between the "empowerment" trend in the 1980s and the "engagement" trend of today). Progress cannot be made by treating old ideas as new ones.

2. **Be suspicious of "breakthrough" studies and ideas.** Question whether some new ideas in management are groundbreaking, and be wary of claims about new management principles that may be overstated.[18] For example, a breakthrough idea in the 1980s was *management by walking around* (MBWA). The idea seemed like a good one: Managers should walk around performing random work checks and networking with employees. But some employees viewed this as micromanaging by a boss that did not trust them. Other employees wondered, "Doesn't my boss have anything to do?" Today, with many employees who work from home, the idea may not even be useful since employees are not in the same location as their manager.[19]

3. **Develop and celebrate collective brilliance.** In theory, a diverse collection of independent decision-makers (although not expert) makes better predictions on the average compared to an expert decision-maker. This is the premise of James Surowiecki's best-selling book *The Wisdom of Crowds*.[20] Have you watched the TV game show *Who Wants to Be a Millionaire?* In a sense, this is how the "ask the audience" choice on the game show works, based on the premise of developing and using collective brilliance. A contestant can choose to ask the audience for help answering a question, and the audience votes. The contestant then sees the percentage of people who chose each answer. It's interesting to see that often the audience is right. The contestant is thus gathering the collective brilliance of a random group of decision-makers.

4. **Emphasize drawbacks as well as virtues.** An interesting example of this is the marketing of a McDonald's dessert named "Sundae Bloody Sundae" as a Halloween promotion for two-for-one sundaes. The term *Bloody Sunday* was used to describe a massacre that resulted in 19 deaths in Northern Ireland on January 30, 1972. The promotion was heavily criticized in social media posts. Clearly, a marketing person at McDonald's believed that the promotion was clever, but there was a lack of pointing out the drawbacks to the ad, which resulted in terrible press and social media posts calling the ad "an epic #prfail."[21]

5. **Use success (and failure) stories to illustrate sound practices but not in place of a valid research method.** For example, Circuit City went bankrupt in 2009 but was rated a "great company" in the now-classic book *Good to Great*.[22] An updated analysis

done by McKinsey of great companies in business books revealed that Circuit City struggled to outperform the Standard & Poor's 300 stock index.[23] The lesson here is that, no matter how great a company is, care must be taken not to simply copy what they do in today's changing business environment.

6. **Adopt a neutral stance toward ideologies and theories.** An example of this is that most management "gurus" are from North America (e.g., Peter Drucker, Tom Peters, Ken Blanchard). In a global world, EBM demands that we question whether ideology developed in North America applies abroad. EBM would also suggest that we search for theories developed overseas to locate experts from other countries with important ideas. It is important to think critically when we encounter ideology and theory.

Let's look at a real workplace example of EBM. Sarah leads a marketing team in a technology company. She noticed a decline in the performance of the marketing campaigns her team was running. Instead of relying on intuition or making hasty decisions, she decided to take an evidence-based approach to identify and address the issues.

1. Data analysis: Sarah started by analyzing relevant data, including campaign analytics, customer feedback, and market trends. She used tools to track key performance indicators (KPIs) such as conversion rates, click-through rates, and customer engagement metrics.
2. Identifying patterns: After analyzing the data, Sarah identified patterns and trends that indicated a decrease in customer engagement and a rise in customer complaints. This information provided her with a clearer understanding of the challenges her team was facing.
3. Root cause analysis: Sarah conducted a thorough root cause analysis to determine the reasons behind the decline in performance. This involved discussing findings with team members, surveying customers, and examining external factors such as changes in the competitive landscape.
4. Collaborative decision-making: Instead of making unilateral decisions, Sarah involved her team in the decision-making process. She organized collaborative meetings where team members could share their perspectives and insights based on the evidence gathered. This approach helped in building a consensus on the necessary changes.
5. Implementing solutions: Based on the evidence and insights gathered, Sarah implemented targeted solutions to address the identified issues. This might involve adjusting the targeting strategy, refining messaging, or optimizing the use of marketing channels based on the data-driven findings.
6. Continuous monitoring: Sarah didn"t stop at the implementation phase. She continued to monitor the impact of the changes by regularly reviewing updated

data and performance metrics. This allowed her to assess the effectiveness of the implemented solutions and make further adjustments if necessary.

7. Measuring success: Over time, as the team applied evidence-based strategies, the marketing campaign performance improved. Sarah measured success by comparing the current KPIs with baseline metrics and ensuring that the positive trends were sustained.
8. By adopting an evidence-based management approach, Sarah not only addressed the performance challenges effectively but also fostered a culture of data-driven decision-making within her team, contributing to long-term success and improvement in overall performance.

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

## What Is Critical Thinking?

Critical thinking "calls for persistent effort to examine any belief or supposed form of knowledge in the light of evidence that supports it and the further conclusions to which it tends."[24] Critical thinking is a mode of thinking about a problem we face in which the problem solver improves the quality of the process by applying rigorous standards. The process has been described as having three interrelated parts:

1. The *elements of thought* (reasoning)
2. The *intellectual standards* that applied to the elements of reasoning
3. The *intellectual traits* associated with a cultivated critical thinker that result from the consistent and disciplined application of the intellectual standards to the elements of thought[25]

Critical thinking requires the decision-maker in an organization to apply a complex skill set to solve the problem at hand. A set of guidelines for critical thinking is shown in Table 1.1[26] Critical thinking is, in short, self-directed, self-disciplined, self-monitored, and self-corrective thinking. It requires rigorous standards of problem-solving and a commitment to overcome the inclination to think that we have all the answers.[27] One study demonstrated that students' attitudes toward and beliefs about critical thinking skills are related to their GPA due to effective argumentation and reflective thinking.[28]

**Table 1.1 ▪ Critical Thinking Skills**

| | |
|---|---|
| Logic | ● Rely on reason<br>● Weigh the evidence |
| Reflection | ● Examine assumptions<br>● Recognize biases |
| Dual processing | ● Consider different points of view<br>● Be willing to start over when new evidence suggests it is necessary |
| Attention to detail | ● Research many sources<br>● Be comprehensive |
| Decision-making | ● Make tentative decisions<br>● Develop contingency plans |

*Source:* Kurland, D. (2000). *Critical thinking skills.*

When it comes to asking questions, some of the best ideas come from a book by Ian Mitroff called *Smart Thinking for Crazy Times: The Art of Solving the Right Problems.*[29] Mitroff warns us about solving the wrong problems even though leaders solve them with great precision in organizations. This happens because they don't ask the right questions. So, what questions should a manager be asking? Here's a list of basic questions facing all organizations (and ones we should be asking frequently):

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

Throughout this textbook, you will be presented with critical thinking questions. These questions will help you pause, reflect on what you have read, and evaluate the information to refine your critical thinking skills.

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

## Applying Critical Thinking to Theories in Organizational Behavior

One of the most influential books in OB is *The Human Side of Enterprise* by Douglas McGregor (1960). This book was influential because it presented the idea that leader behaviors are influenced by the leaders' fundamental assumptions and beliefs about human nature. Most managers are not aware of their underlying assumptions; thus, their influence on behavior is pervasive yet hard to detect. These assumptions are divided into pessimistic (Theory X) and optimistic (Theory Y) views of human nature. **Theory X** leaders assume that people are basically lazy, don't like to work, and avoid responsibility. This type of manager's related behaviors includes being directive, engaging in surveillance, and coercion. In contrast, **Theory Y** leaders assume that people are internally motivated, like to work, and will accept responsibility. These managers' related behaviors are to allow discretion and participation and the encouragement of creativity on the job.

McGregor's book was voted the fourth-most influential management book of the 20th century in a poll of top management scholars. McGregor's theory continues to hold an important position in OB research due to the implication that it is important for leaders to understand their subconscious fundamental assumptions about how human beings relate to work.

**Critical Thinking Questions: Why do you think that Theories X/Y have had such a strong influence on understanding leadership? Can you think of other assumptions that managers may hold in their subconscious mind that influence how they treat their followers?**

# Outcomes in Organizational Behavior

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

## Performance

Productivity (or **job performance**) is one of the most important outcomes in OB. Performance can be actual performance as collected in organizational records (e.g., the number of forms correctly processed in an insurance company), or it may be rated by supervisors or peers (e.g., the supervisor rates the employee's work quality on a scale of 1 to 7, with 1 being *poor* and 7 being

*outstanding*). **Organizational citizenship behavior (OCB)** is the worker's willingness to go above and beyond what is required in their job description to help others at work.[30,31] OCB is performance beyond the expectations of a person's job description—extra-role performance. OCB is enhanced by the climate within an organization (human relations, innovation, and achievement motivation).[32] While OCB is often studied as an important performance outcome variable, it has been shown that OCB predicts outcomes as well. A large-scale review of the OCB literature found that OCB predicts employee performance, reward-allocation decisions, and a variety of withdrawal-related criteria (employee turnover intentions, actual turnover, and absenteeism).[33]

## Attitudes

An attitude is a person's general disposition toward something. Social scientists measure all types of attitudes by asking questions and using response scales (known as Likert scales), which often range from *strongly disagree* to *strongly agree*. Answer the questions in Table 1.2, which is based on

**Table 1.2 ▪ Attitude Toward the Environment**

**Instructions: Answer the following questions using the scale below by circling the response that best represents your attitude toward the environment.**

**Strongly Disagree Mildly Disagree Unsure Mildly Agree Strongly Agree**

**1.** We are approaching the limit of the number of people the Earth can support.
Strongly Disagree Mildly Disagree Unsure Mildly Agree Strongly Agree

**2.** When humans interfere with nature, it often produces disastrous consequences.
Strongly Disagree Mildly Disagree Unsure Mildly Agree Strongly Agree

**3.** Humans are severely abusing the environment.
Strongly Disagree Mildly Disagree Unsure Mildly Agree Strongly Agree

**4.** Plants and animals have as much right as humans to exist.
Strongly Disagree Mildly Disagree Unsure Mildly Agree Strongly Agree

**5.** Despite our special abilities, humans are still subject to the laws of nature.
Strongly Disagree Mildly Disagree Unsure Mildly Agree Strongly Agree

**6.** The Earth is like a spaceship with very limited room and resources.
Strongly Disagree Mildly Disagree Unsure Mildly Agree Strongly Agree

**7.** The balance of nature is very delicate and easily upset.
Strongly Disagree Mildly Disagree Unsure Mildly Agree Strongly Agree

**8.** If things continue on their present course, we will soon experience a major ecological catastrophe.
Strongly Disagree Mildly Disagree Unsure Mildly Agree Strongly Agree

*Source:* Adapted from Shoukry, S. H., Saad, S. G., Eltemsahi, A. M., & Abolfotouh, M. A. (2012). Awareness, attitude, and concerns of workers and stakeholders of an environmental organization toward the environment. *SAGE Open*, October–December, 1–10.

a measure of a person's attitudes toward environmental protection. What is your attitude toward the environment? Did you find yourself agreeing or disagreeing in response to the questions?

Measuring work-related attitudes is an important aspect of OB research, and **job satisfaction** has long been studied as an outcome variable. Measures of job satisfaction are common and date back to the 1930s. Another example of a job attitude is loyalty to an organization, known as **organizational commitment**, which is another key attitude that has proven to be important because it is related to job satisfaction and is one of the strongest predictors of turnover.[34,35,36] Organizational commitment is an employee's relationship with the organization for which they work.[37] In other words, OB researchers can measure a person's loyalty, and this predicts whether or not they will quit in the future. Also, a lack of loyalty results in people being absent from work more often. Uncommitted workers are less motivated and perform at lower levels.[38] Research shows that employees who are told that they aren't on the "fast track" for promotions have lower organizational commitment.[39] That is, the identification of "rising stars" motivates the chosen ones, but this selectivity can undermine the loyalty of others not viewed as having high potential. Organizations might consider more inclusive approaches that emphasize different types of career paths.

Another contemporary outcome variable that is gaining research attention is **employee engagement**.[40] *Employee engagement* can be defined as "a relatively enduring state of mind referring to the simultaneous investment of personal energies in the experience or performance of work."[41] Employees who are enthusiastic about their work become totally immersed in daily job activities.[42] In Chapter 4, you will learn more about these and other work attitudes and how they are studied in OB research.

## Employee Well-Being

In addition to job satisfaction, researchers are also interested in other indicators of **employee well-being**. Some studies examine outcomes such as emotional exhaustion, psychosomatic health complaints, and physical health symptoms.[43] Recent research has shown that leaders not doing their job (i.e., passive leadership) undermines employee well-being because having a weak leader increases role stress and depletes employees' psychological resources for coping with the stress.[44] Another study found that being asked to do an illegitimate task predicted lower employee well-being (lower self-esteem and job satisfaction with increased anger and depression). An illegitimate task is one that is outside of the boundaries of a person's job: "For example, an administrative assistant asked to care for an executive's child while the executive attends a meeting may be feeling 'this is not my job!'"[45] The recommendations from these two studies for leaders seem clear: Being passive will affect your followers' well-being negatively, but so will assigning tasks that are inappropriate.

Some key trends and findings in the research on employee well-being follow:

1. Remote work impact: The COVID-19 pandemic significantly accelerated the adoption of remote work, leading to increased focus on understanding its impact on employee well-being. Studies explored factors like isolation, the blurring of work–life boundaries, and the need for effective communication and support structures in remote work environments.

2. Mental health awareness: There was a heightened awareness of mental health in the workplace. Research emphasized the importance of destigmatizing mental health issues, promoting open conversations, and providing resources and support to employees.
3. Flexible work arrangements: Studies indicated that flexible work arrangements, such as flexible hours and compressed workweeks, positively influenced employee well-being by allowing for better work–life balance and increased autonomy.
4. Workplace culture and leadership: The role of organizational culture and leadership in fostering employee well-being gained attention. Research suggested that supportive leadership, clear communication, and a positive workplace culture contribute significantly to overall employee satisfaction and well-being.
5. Well-being programs: Organizations increasingly implemented well-being programs and initiatives. These ranged from fitness and wellness programs to mental health support services, highlighting the recognition that employee well-being is a crucial component of organizational success.
6. Technology and well-being: The impact of technology on employee well-being was a subject of investigation. While technology brought flexibility, it also raised concerns about constant connectivity and potential burnout. Researchers explored strategies to mitigate these negative effects.
7. Diversity, equity, and inclusion (DEI): Studies examined the connection between diversity, equity, and inclusion initiatives and employee well-being. Inclusive workplaces were found to contribute positively to the overall satisfaction and mental health of employees.

Well-being has emerged as an important outcome variable in OB, and recent research has extended this to the concept of thriving.

## Thriving

**Thriving** is defined as "the psychological state in which individuals experience both a sense of vitality and learning."[46] Vitality reflects a feeling of being alive. Learning is the person's belief that they are growing and improving. Thriving reduces job burnout and reports of health problems (and fewer visits to the doctor). Leaders play an important role by inspiring their followers, which helps them to thrive and reduces burnout.[47] Thriving also predicts job performance above other attitude measures (job satisfaction and organizational commitment).[48] Organizations can promote thriving in their employees by allowing them to make their own decisions regarding their work, providing information about the organization's mission, reducing rude behavior, providing feedback, and fostering a climate that supports diversity.[49] Thriving is related to psychological safety in which employees feel that they can offer innovative ideas without being criticized.[50,51] Thus, by increasing the opportunities for employees to thrive, leaders can tap into the potential of employees and unleash their creativity. This is particularly the case when employees trust the organization and feel connected to others in their work environment through strong relationships.[52]

Research on thriving is a relatively new area of OB. However, a review of 73 independent samples (21,739 employees) concluded that thriving is an important component of employee well-being at work.[53] Results showed that thriving at work is associated with employee engagement. Thriving is also related to supportive relationships with coworkers and supervisors. The review supports the findings that thriving reduces feelings of stress and burnout and is related to organizational commitment. The review supported the relationship between thriving and job performance as well.

Researchers conducted a study[54] of nursing students during the COVID-19 pandemic, which disrupted both education and health care. In late May 2020, students wrote letters describing their experiences. They reported experiences of extreme change and challenges they faced, but also thriving due to the pandemic. Many students wrote narratives of thriving by finding life's silver linings during the pandemic. One student wrote,

> While my quarantine has not seemed as fun as some other people's quarantines have seemed, I think I am kind of killing it! I have learned so much, and I am still getting closer to my goals. . . . I kept up with school, I kept up with exercising, ate well, still had some time for myself (not enough), and I am getting excited for my future. . . . I think the best thing we can do is try to find the positives during these times, and during all situations in life. (p. 3442)

The letters were one of the keys to increasing student resiliency by reflecting on events. While the letters often started by describing stress and challenges, many ended on a positive note, and the students' decisions to pursue a career in health care to help others was reinforced during the pandemic.

## Motivation

Classic views on motivation describe both extrinsic and intrinsic motivation as being equally important. *Extrinsic motivation* is based on the rewards from the organization's compensation system such as pay and bonuses. *Intrinsic motivation*, on the other hand, is related to the value of the work itself.[55] As with attitudes, motivation has been studied as an outcome variable but also as an independent variable that predicts productivity. **Prosocial motivation** assesses the degree to which employees behave in a way that benefits society[56]—in other words, how much employees are motivated to behave in ways that help other people. For example, an employee may have prosocial motivation to coach a newly hired coworker who is floundering during the first few weeks on the job. The effects of prosocial motivation are strong, and employees are proactive at work even when their supervisors discourage prosocial behaviors.[57] Thus, the motivation to help others may result in employees going against the negative behavior of their managers. These findings have implications for understanding how best to motivate employees. You will learn more about motivation and rewards in Chapters 8 and 9.

## Employee Withdrawal

As noted earlier, an employee quitting the organization is costly in terms of the money and time spent to recruit, hire, and train replacements. There is much research in OB on the reasons why employees think about quitting (**turnover intentions**) and actual **turnover**.[58] The availability of

outside employment opportunities is a factor, but thoughts of quitting may be related to other outcomes, such as lower job satisfaction and engagement. Moreover, if the economy improves and the job market improves with it, workers may eventually leave for other opportunities. Another costly form of employee withdrawal is **absenteeism** since workers may not come to work when they are dissatisfied and there are few alternative jobs available.

The COVID-19 pandemic gave rise to new forms of employee withdrawl. Texas A&M professor Anthony Klotz coined the term "**The Great Resignation**," based on the large numbers of people quitting during the pandemic.[59] According to the U.S. Bureau of Labor Statistics (BLS), an all-time record of 24 million employees left their jobs between April and September 2021.[60] Toxic corporate culture given as the top reason for quitting, and this was 10.4 times more important than money as cause. By 2022, the new phrase of "quiet quitting" was popularized by TikTok. This describes employees who put in the minimum amount of work needed to meet job demands. Once again, poor work culture was the reason plus managers' poor interpersonal skills. Zenger and Folkman (2022) studied data from 13,000 employee ratings of 2,801 managers and found that poor management was to blame for quiet quitting. Managers rated the highest in balancing results with a concern for others' needs had 62% of their employees willing to go the extra mile and only 3% quiet quitting. The least effective managers had 3 to 4 times as many employees quiet quitting. It seems that the lack of employee motivation was due to the actions of their manager. Better understanding of organizational behavior may be one way for managers to reduct the great resignation and quiet quitting.

Another form of employee withdrawl that has emerged in recent years is ghosting. **Ghosting** is a phenomenon that has become increasingly prevalent in the business world. It involves abruptly and without explanation cutting off all communication between employees and employers, or between businesses and customers. *Ghosting* is defined as "the termination of all communication without any explanation or reason."[61] In organizations, ghosting is a strategy used to stop an employee or customer from asking questions about policies or decisions. It may also be a way that employees or customers avoid having their performance or actions evaluated.

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

## Levels of Analysis in Organizational Behavior

Individual behavior in an organization may be influenced by processes at different levels in the organization. There are four different levels of analysis:

- Individual
- Team
- Organizational
- Industry

The most basic level is the **individual level**. For example, an individual's personality and experiences would explain much of their behavior, and differences in these variables among people would help explain why people behave differently. Other differences in people's behavior occur at the dyad (or two-party) level. An example would be the behavior of a mentor and a protégé. Still other sources include group- and **team-level** influences on individual behavior. An example would be a team that has high-performance norms that encourage a team member to perform at their best. Additional influences on individual behavior may come from the **organizational level**. For example, in organizations with strong cultures, the cultural characteristics can have a profound influence on an individual member's behavior (you will learn more about organizational culture in Chapter 14). There is also the **industry level** of analysis where comparisons are made across different industries, which is more typical for research in strategic management than OB. However, this level is included here to provide a complete listing of levels of analysis in organizational research. All levels may influence employee performance in organizations, and this is discussed in the next section.

## How OB Research Increases Employee Performance

The chapters in this book will address all the levels that may influence individual behavior and will show how processes at one level may affect processes at another level. For example, a positive organizational culture may increase the commitment of individuals to their work and, in turn, their performance. Table 1.3 provides examples of hypotheses at the different levels of analysis discussed previously. This table illustrates how OB research at all levels may help leaders improve employee performance. There are many influences on employee performance including the economy. See the What's #Trending in OB? box for a discussion of how the gig economy is influencing organizational behavior and productivity.

**Table 1.3 ▪ Examples of How Organizational Behavior Research Relates to Performance**

| Level | Example Organizational Behavior Hypothesis |
|---|---|
| Individual | The personality characteristic of conscientiousness is positively related to employee performance. |
| Dyad | High-quality relationships with bosses lead to higher employee performance. |
| Group and team | Team conflict is negatively related to employee performance. |
| Organizational | A strong, positive organizational culture is positively related to employee performance. |
| Industry | Employee performance is higher in the financial services industry compared with government organizations. |
| Economy | Employee performance is higher when the economy is doing poorly. |

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

## What's #Trending in OB?

### Organizational Behavior in the Gig Economy

The future of work may look very different from how it does today. The economy has had a significant influence on OB in recent years. The *gig economy* (also known as freelancing) has arisen as a major workforce trend. Why do they call this "gig"? The gig economy is a free-market system in which organizations of all sizes hire independent contractors instead of full-time workers. This describes the emerging work model where freelancers are employed and paid per job (or gig), often through a website or app such as Uber and Lyft drivers. Another example of gig employment is when research participants are paid by answering surveys at online marketplaces such as MTurk. Gig work is performed on a fixed-term contract basis on demand. The gig economy grew rapidly in the United States, from 10% of the work done in 2005 to 36% in 2019 (this is 55 million gig workers). The pandemic boosted the number of employees in the gig economy starting in 2020. Based on the latest count at the end of the fourth quarter in 2023, 9.1 million people in the United States are reported by the Bureau of Labor Statistics to be self-employed. And this has held steady. An industry report provided by Upwork and the Freelancers Union found that gig workers are working a lot—a total of 1 billion hours per week in 2018. It is projected that the gig economy will be 50% of the workforce by 2027 if the trend continues.

The gig economy is growing because it benefits both organizations and workers/contractors. Organizations value the flexibility of hiring workers on a contract or part-time basis to meet their workloads. Organizations save costs in terms of fringe benefits provided to full-time workers—a study conducted by MetLife reported that only 4% of gig workers received employer-paid medical insurance and only 5% had an employer-sponsored retirement plan. Gig workers benefit from flexible work hours and the ability to take vacations when they want. Some gig workers are supplementing their income with a second job. Another challenge for gig employees is that they must be disciplined and they must market themselves. To thrive in the gig economy, these workers must be proactive and resilient in managing their careers.

Working in the gig economy may not be for everyone. The work is often transient, and workers may move from job to job without building work experience since they perform many different jobs that may not be related. In addition, the work is often performed alone without connections to others. Some feel like strangers to other coworkers since they are not permanent employees. For example, a survey conducted by Deloitte showed that nearly half of gig workers feel lonely and disconnected from other people.

Are gig workers happy? Despite the anxieties of being lonely and not having medical and retirement benefits, the study conducted by MetLife found that almost half

(47%) of gig workers reported that they gain fulfillment and self-worth from freelancing. Forty-five percent of them said they have more job satisfaction compared to their prior non-gig work. The study also supported the idea that the gig economy will continue to grow: 67% of full-time employees in the survey stated that they are interested in gig work instead of their current jobs. Another study conducted by Statista found that 81% of part-time gig employees enjoy "being their own boss" and being able to set their own work schedules. They also value being able to work from anywhere—you often see gig workers in coffee shops working on their laptop computers. In sum, gig workers value freedom and the ability to do work that is consistent with their values—where they want and when they want.

Recent research by the Pew Research Center found that the reasons for worker interests in the gig economy have been consistent over the past few years. The study found that within the 10,348 U.S. adults surveyed, 16% earned money through online gigs. It seems that the younger generation is taking advantage of the booming gig jobs. Three in ten 18- to 29-year-olds reported earning money through online gig jobs. The majority of these jobs are side jobs, and 58% reported that these jobs were needed to meet basic needs. Gig employees continue to praise their gig jobs for the flexibility and sense of entrepreneurship that is provided, but many have also been critical of the lack of benefits and job security that gig work does not provide.

## Discussion Questions

1. Discuss the influence of technology on the rise of the gig economy. What other forces do you think have given rise to this level of gig workers?
2. Do you agree that the trend of gig workers will continue to grow? Discuss the pros and cons of gig work for (a) organizations and (b) employees.
3. Do you feel that gig jobs should provide employee benefits? Job security? Explain your position.
4. Would you consider gig work instead of full-time employment after you graduate? If you are currently employed full-time, would you switch? Explain your reasons.

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*Sources:* Aleksandric, M. (2024). 20+ gig economy statistics for 2024: The state of gig work. https://finmasters.com/gig-economy-statistics/#gref; Anderson, M. (2021, December 8). *The state of gig work in 2021.* Pew Research Center: Internet, Science & Tech. https://www.pewresearch.org/internet/2021/12/08/the-state-of-gig-work-in-2021/; Ashford, S. J., Caza, B. B., & Reid, E. M. (2018). From surviving to thriving in the gig economy: A research agenda for individuals in the new world of work. *Research in Organizational Behavior, 38*, 23–41. https://doi.org/10.1016/j.riob.2018.11.001; Deloitte (2016). *Evolving workforce survey.* https://www2.deloitte.com/content/dam/Deloitte/us/Documents/about-deloitte/us-dlife-evolving-workforce-survey.pdf; Duffin, E. (2019). *Leading reasons for doing freelance work in the United States in 2019.* https://www.statista.com/statistics/530887/top-ten-reasons-for-freelance-work-us/; MetLife (2019). *The gig economy: Opportunities, challenges, and employer strategies.* https://www.metlife.com/employee-benefit-trends/ebts-gig-economy-2019/; Milenkovic, M. (2019). *The future of employment: 30 telling gig economy statistics.* https://www.smallbizgenius.net/by-the-numbers/gig-economy-statistics/; Stoddard-Graham, L. (2019). *The gig economy is here to stay: Here's how everyone can benefit.* https://qz.com/work/1736119/the-gig-economys-here-to-stay/?utm_campaign=Metlife-2019Q1-B3&utm_medium=qz-paid&utm_source=facebook; Swaniker, P. (2018). *The gig economy is here to stay but it is not without risks: Here's what you need to know.* https://medium.com/@PeterSwaniker/the-gig-economy-is-here-to-stay-but-its-not-without-risks-here-s-what-you-need-to-know-9e5efdb8ad93; U.S. Department of Labor Statistics (2024). Nonagricultural self-employment rate at 5.7 percent in fourth quarter 2023. https://www.bls.gov/opub/ted/2024/nonagricultural-self-employment-rate-at-5-7-percent-in-fourth-quarter-2023.htm#:~:text=In%20the%20fourth%20quarter%202023,percentage%20of%20total%20nonagricultural%20employment.

## Plan for This Textbook

There are numerous challenges facing leaders of organizations today. Most organizations are experiencing rates of change unlike anything we have seen in the past.[62] External pressures have been created from mergers, downsizing, restructuring, and layoffs as organizations strive to remain competitive or even survive. Other external forces are global competition, product obsolescence, new technology, government mandates, and demographic changes in the workforce itself. The rise of the gig economy will present new opportunities and challenges for leaders.

Leaders must effectively communicate to followers, peers, and bosses. Managing poor performance is one of the most challenging tasks a manager must do. As noted at the beginning of this chapter, the changes organizations have undergone have resulted in followers who are filled with cynicism and doubt about their leaders and organization.[63] Ethics scandals in business have fueled the perception that leaders have lost the credibility to lead their organizations in a principled way.

By now, you have realized that OB is a problem-focused discipline aimed at making organizations more effective. Your ability as a leader will be enhanced through knowledge of the theory and applications from OB research. Each chapter in this book will review the essential and most current theory and research and relate them to how you can develop your leadership skills. At the end of each chapter, there are tools for your "toolkit," where you will directly apply the theories through cases and exercises. At the end of this chapter, Toolkit Activity 1.1 is a personal leadership development plan where you can apply the concepts and research covered in the textbook to your own development as a leader by setting goals and specific behavior strategies to meet them. For example, a student who set a specific goal to improve their coaching of other students they tutor in accounting would formulate specific coaching behaviors and commit to engaging in them once per week. To gain feedback, the student would have the tutored students rate their coaching behavior by providing a yes or no answer to the following statement after each tutoring session: My tutor provides specific knowledge that has improved my accounting performance. Since leaders are expected to be coaches, this process should help the student improve their coaching skills for the future.

The figure on the opening page of Section I shows an overview of the entire book and how the material is tied together to impact the challenges of shaping organizational culture and leading change. Leadership is a theme that runs throughout the book, with each chapter concluding with implications for leaders. This introductory chapter has provided an overview of EBM and critical thinking that should be applied to all the following chapters. Next, the importance of understanding individuals in organizations is covered in Chapters 2 through 5, including personality, emotions and moods, job attitudes, perception, and decision-making. The next section addresses the leader's role as an influencer and motivator (Chapters 6–9). First, leadership is covered, highlighting evidence-based recommendations for you to follow to become effective. Organizations are political entities, and the role of power and politics is discussed in Chapter 7. The role of leaders as motivators is covered next in Chapters 8 and 9. Following this, the role of leaders as relationship builders is covered in Chapters 10 through 13, which builds upon the core leadership theories covered in Chapter 6 (leadership). Section IV addresses the topics of teams, conflict, organizational communication, diversity, and leading across cultures.

Finally, the role of leaders as change agents is discussed in Chapters 14 and 15, which cover organizational culture, leading change, and stress management. As you read this book, refer to this figure as a map of how to organize the vast amount of theory and research on OB that has been generated for decades. It won't seem so overwhelming if you can place the material in the four broad groupings as shown in the figure. This textbook generally follows the levels of analysis noted in the current chapter: individuals, dyads (leadership and influence), groups, and organizations. It will not address the industry level.

## Leadership Implications: Thinking Critically

The goal of this book and your OB course is for you to become a more effective leader in organizations. To accomplish this, you will need to learn to think critically about the material you encounter. This may go against your intuition, which tells you to "see what you want to see" and confirm what you already believe. For example, you may think that OB is just all "touchy-feely" stuff that has no practical value. Try to keep an open mind and overcome any biases or preconceived ideas you may have about leadership or management. As you complete the chapters in this textbook, ask yourself the following questions:

- Do the theories help you understand behavior in organizations?
- How well does the framework predict behavior in organizations?
- What are alternative explanations for the outcomes predicted by the theory?
- How well does the theory consider the effects of context (i.e., situations) on outcomes?
- Does the theory consider multiple levels of analysis?
- How strong is the evidence presented?
- How can leaders apply the research to improve outcomes in organizational behavior such as employee job performance and well-being?

A critical thinking filter has already been applied to the OB literature since this book includes the most relevant and evidence-based theory and research. You will need to think critically yourself and decide whether this approach will be a useful one for you to adopt into your leadership skill set. Throughout this textbook, you will be challenged to apply your own critical thinking skills based upon your own experiences with behavior in organizations and your study of this book. This is the **evidence-based approach** to learning OB. For example, Toolkit Activity 1.2 tests your experiential evidence—what you already know about OB. To aid in this process, you will find Critical Thinking Questions to challenge you to think critically about the material throughout the book. You may choose to read further from the Suggestions for Further Reading or conduct your own research on topics you find particularly interesting. Complete the activities in the Toolkit sections to apply the material to your own leadership development. In this chapter, the activity is for you to start a Personal Leadership Development Plan where you can log the most useful approaches and develop plans to track your progress. The Case Studies found at the end of each chapter encourage you to apply organizational science to a real-world problem. For this chapter, the case study describes how

Google uses EBM to make decisions regarding the challenges of managing people in the organization. By studying the chapters and completing the activities and case study questions, this book should serve as a point of departure for your growth as you become an effective organizational leader with a comprehensive understanding of behavior in organizations.

## Key Terms

absenteeism
applied social psychology
critical thinking
employee engagement
employee well-being
evidence-based approach
evidence-based management (EBM)
ghosting
Hawthorne effect
individual level
industry level
job performance
job satisfaction
organizational behavior (OB)
organizational citizenship behavior (OCB)
organizational commitment
organizational level
prosocial motivation
team level
The Great Resignation
Theory X
Theory Y
thriving
turnover
turnover intentions

## Toolkit Activity 1.1 Personal Leadership Development Plan

As you study the evidence-based research in this textbook, use the following development plan to tie the concepts to specific action plans and measurable outcomes that you find most useful.

Name: _____

Date: _____

### Leadership Development Plan

**Table 1.4 ▪ Leadership Development Plan**

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

### Plan Detail

Complete the following for each of the goals listed previously.

1. **Goals:** This section is where you enter your development objectives. These objectives should be written so they read as goals you desire to achieve—for example, "I want to improve my team communication skills."
   a. **Connection to course material:** This section is where you tie each of your development objectives into the material you learned in this course. This will reinforce course material and help translate it into practice. For example, you would write a few paragraphs relating the exercises or material on communication to why you find that your listening skills need development. Be specific (e.g., cite exercises, articles, material from text or lecture). Fill out this chart: 1A to 3A.
   b. **Behavior strategies and frequency:** This section is the "how" portion. How will you achieve your goals?

How often will you perform these tasks? This is the heart of your development plan. You should create specific strategies that will push you toward the completion of your goals—for example, "Practice active listening once a day." Fill out this chart for each goal: 1B to 3B (Tables 1.5–1.7).

### GOAL 1B

**Table 1.5 ▪ Chart 1B**

| Time Frame | Behavior Strategy to Practice | Time Required |
|---|---|---|
| All the time | ☐ | |
| Weekly | ☐ | |
| Biweekly | ☐ | |
| Monthly | ☐ | |

### GOAL 2B

**Table 1.6 ▪ Chart 2B**

| Time Frame | Behavior Strategy to Practice | Time Required |
|---|---|---|
| All the time | ☐ | |
| Weekly | ☐ | |
| Biweekly | ☐ | |
| Monthly | ☐ | |

### GOAL 3B

**Table 1.7 ▪ Chart 3B**

| Time Frame | Behavior Strategy to Practice | Time Required |
|---|---|---|
| All the time | ☐ | |
| Weekly | ☐ | |
| Biweekly | ☐ | |
| Monthly | ☐ | |

**Measurable outcome:** This section helps you measure your success toward each goal.

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

### Discussion Questions

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

## Toolkit Activity 1.2 Assessing Your Experiential Evidence Base

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

**Table 1.8 ▪ Assessing Your Experiential Evidence Base**

| | True | False |
|---|---|---|
| **1.** A happy worker is a productive worker. | _____ | _____ |
| **2.** Larger teams perform better because there are more people to do the work. | _____ | _____ |
| **3.** Performance appraisals have high accuracy. | _____ | _____ |
| **4.** People perform better when asked to do their best. | _____ | _____ |
| **5.** When trust is broken with your leader, it is best to take the blame and apologize. | _____ | _____ |
| **6.** Money is the best motivator. | _____ | _____ |

(*Continued*)

**Table 1.8 ▪ Assessing Your Experiential Evidence Base (*Continued*)**

| | True | False |
|---|---|---|
| **7.** Leaders should treat everyone the same in their work group. | _____ | _____ |
| **8.** A work group can be "moody." | _____ | _____ |
| **9.** Group spirit improves team decisions. | _____ | _____ |
| **10.** Conflict in organizations should be minimized. | _____ | _____ |
| **11.** Models developed in the United States will work anywhere. | _____ | _____ |
| **12.** It's best to commit to a course of action and follow through no matter what. | _____ | _____ |

## Answers

1. True. What is important is what the worker is happy about, but generally, happier people are more productive. You'll learn why in Chapter 4.
2. False. In fact, larger teams underperform due to increased conflict, free riding, and other group dysfunctions. Research shows that there is an optimal group size for high performance, and you will learn what it is in Chapter 10.
3. False. There are several perceptual biases that can affect how a leader evaluates followers. You need to be aware of them so you can guard against these errors, and you will know about them after reading Chapter 5.
4. False. While this seems intuitive, people achieve higher performance when the leader gives them a specific goal rather than a "do your best" goal. You will read more on the motivating properties of goals in Chapter 8.
5. False. Research on trust repair shows that admitting guilt may not be the best strategy. You will learn what the research shows you should do in Chapter 6.
6. False. While this may surprise you, pay may decrease intrinsic motivation. You will learn about how to best reward employees in Chapter 9.
7. False. Research on the leader–member exchange (LMX) model of leadership shows that effective leaders treat each follower differently based upon their skills, motivation, and need for development on the job. You will read more about this in Chapter 6.
8. True. What? Yes, it can. Multilevel research has shown that negative affect (a "blue" mood) can be aggregated to the group level—and it affects group functioning. You will learn more about this in Chapter 3.
9. False. While cohesion can be a positive force in teams, it does not always result in the best decisions. Too much group spirit can result in groupthink and impair a group's decision-making. You will read about this and other group dysfunctions in Chapter 10.

10. False. Research shows that some conflict can be healthy since it can generate interest and challenge for followers. In Chapter 11, you will learn more about how to harness conflict and channel it toward increased motivation.

11. False. Research on cultural differences indicates that we need to consider cultural values before we generalize research findings from one country to another. You will learn about cross-cultural differences in Chapter 13.

12. False. While it is important to commit to goals, research shows that escalation of commitment to a failing course of action is a decision trap. Learn how to avoid this and other traps in Chapter 5.

### Discussion Questions

1. How did you do? Were you surprised by some of the research evidence on these topics?
2. Which of these topics are particularly of interest to you? Why?
3. Did you feel that you had to guess at some of these?

OB research takes the guesswork out of being an effective leader! So keep reading!

## Case Study 1.1 Addressing Ghosting in the Workplace

Workplace ghosting is a phenomenon in which an employee unexpectedly ends contact with another employee or client—or the other way around. The term originates from the online dating world, and it is used to describe situations in which employees and employers ignore the other party instead of sending a formal rejection or notice. In today's dynamic environment, abruptly ceasing communication or failing to show up for work-related commitments results in poor morale, damaged company reputations, and lower productivity. There is an ethical issue with ghosting at work. Companies that ghost appear to lack transparency and moral responsibility to treat their employees and customers with respect. Ghostign leads to a lack of trust and loyalty from employees and customers.

Additionally, there is also an ethical issue. Companies that ghost deprive their employees and customers of the opportunity to give their opinion or provide feedback. This can reduce the quality of the company's service or products.

The COVID-19 pandemic seems to have made the problem even more prevalent according to a recent survey conducted by Indeed, which found that 76% of employers say they have been ghosted in the past 12 months.

A midsized marketing agency located in California, MarketSolutions Inc., tackled the challenges posed by ghosting within their organization. MarketSolutions is a digital marketing company providing marketing consultancy, web design, search engine optimization, social media marketing, email marketing, and Google ads.

MarketSolutions had been experiencing a concerning trend of candidates and employees ghosting interviews, meetings, and even their employment commitments. This behavior not only disrupted workflow but also strained relationships with clients and damaged the company's reputation.

MarketSolutions faced the following challenges due to ghosting:

**Disrupted operations**: Ghosting led to sudden gaps in project teams, causing delays in deliverables and hampering productivity.

**Client dissatisfaction**: Unfilled positions and unreliable team members resulted in missed deadlines and compromised project quality, leading to client dissatisfaction and potential loss of business.

**Cultural impact**: The prevalence of ghosting fostered a culture of distrust and instability within the organization, affecting morale and employee engagement.

MarketSolutions took proactive measures to address ghosting and its impact on the workplace:

**Transparent communication**: The company emphasized transparent communication throughout the recruitment process, setting clear expectations for both candidates and employees regarding roles, responsibilities, and communication protocols.

**Streamlined onboarding**: To mitigate early-stage ghosting, MarketSolutions Inc. revamped their onboarding process, providing new hires with comprehensive training and mentorship to ensure they felt valued and supported from the outset.

**Feedback mechanisms**: The company implemented feedback mechanisms to gather insights from employees regarding their experiences and concerns, allowing them to address underlying issues contributing to ghosting behavior.

These strategies yielded positive outcomes for MarketSolutions:

**Reduced ghosting incidents**: Transparent communication and improved onboarding procedures resulted in a decrease in ghosting incidents, as candidates and employees felt more informed and engaged in the organization.

**Improved client satisfaction**: With fewer disruptions to operations, MarketSolutions Inc. saw an improvement in client satisfaction, as projects were completed more efficiently and with higher quality.

**Enhanced workplace culture**: By fostering open communication and addressing underlying issues, MarketSolutions cultivated a more positive and inclusive workplace culture, strengthening employee morale and retention.

Addressing ghosting in the workplace requires proactive measures to foster transparent communication, streamline processes, and cultivate a supportive organizational culture. Through their efforts, the company was able to mitigate the negative impacts of ghosting and create a more resilient and cohesive work environment.

## Discussion Questions

1. Describe some reasons why employees engage in ghosting. Why would an employee not follow up with a client or miss a meeting without notifying the other person?
2. Provide an example of a situation when you have been ghosted. How did this make you feel? What did you do about it?
3. Of the solutions implemented by MarketSolutions, which one do you think was the most important and why?
4. Explain how ghosting would negatively affect the profitability of a company.

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*Sources:* Groeneveld, N. (2023); Rajic, A. (2022); Thredlkeld, K. (2021).

# Chapter 2

# Personality and Person–Environment Fit

## Learning Objectives

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

**2.1** Define *personality* and discuss the role of heredity.

**2.2** Discuss the benefits and limitations of using the Myers-Briggs Type Indicator in organizations.

**2.3** List and explain the five factors in the Big Five theory of personality.

**2.4** Compare and contrast the Type A and Type B behavior patterns.

**2.5** Develop an example of a job that would benefit from risk-taking.

**2.6** Summarize the elements of psychological capital.

**2.7** Compare and contrast person–organization fit and person–job fit.

## The Personality Effect in Unicorns

A *unicorn* is a term used in the venture capital industry to describe a privately held start-up company with a value of over $1 billion. A unicorn you have likely heard about is WeWork. The company leases private offices for teams of all sizes. The office space has a distinct type of décor that includes glass walls and natural lighting that is aimed at inspiring team creativity.

WeWork was a rising star in part due to the charismatic personality of one of the cofounders, Adam Neumann. Under Neumann's leadership, WeWork grew rapidly and provided coworking office space in commercial buildings in more than 120 cities in nearly 40 countries. The story is an example of the powerful impact of personality on the emergence of unicorns and their ability to attract investors.

Neumann does not fit the expectations of what the founder of a multibillion-dollar company would look like or be like. He is 6 feet 3 inches tall and has long, dark hair. Neumann told his employees that the new company had a single, grand mission: "To elevate the world's consciousness." His charisma and inspiring speeches were a big motivator for WeWork's employees. They put in long hours at work with relatively low pay because they believed they were part of the next great tech start-up company. As the company valuation rose, they dreamed of becoming millionaires.

The company had a party atmosphere, which appealed to the young workers. They had parties after work that lasted for hours. The company became famous for having a "Summer Camp" with events such as yoga, axe throwing, and drum circles. Musical artists, including the Chainsmokers and the Weeknd, were flown in.

In June 2019, the company was valued at $47 billion. However, when the company filed its initial public offering (IPO) paperwork in mid-August, large losses were revealed. WeWork lost the confidence of investors and stopped their plan to go public. Much of the public criticism centered on Neumann's unconventional management style and lavish spending on perks for himself and the employees. Did Neumann go too far?

The company ran out of cash. Neumann had practically run it into the ground. In September 2019, Neumann announced that he was stepping down as CEO, saying he was becoming "a significant distraction" to WeWork's IPO plans. In October, he left the board of directors with a $1.7 billion buyout deal. By November 2019, the company reported that it had lost $1.25 billion on revenue of $934 million. That month, they announced layoffs of 4,000 employees.

WeWork, backed by The SoftBank-Back company, has been in financial turmoil since its plan to go public in 2019 went extremely wrong after corporate governance lapses, major losses, and poor management style by Neumann. The company went public in 2021 but at a much-reduced valuation and has continued to lose money for the Japanese investors, Softbank. The company has continued to fall into a downward spiral. Numerous executives have departed along with the new CEO, Sandeep Mathrani, and three board members. The company's downfall can also be partially attributed to the COVID-19 pandemic that made shared office space less attractive and needed.

SoftBank's company head, Masayoshi Son, personally backed Neumann, bailing WeWork out of debt in 2019 with $10 billion following the IPO. In the WeWork investment, SoftBank took billions of dollars in losses. Son reported regretting his support for the company, stating his "judgment was poor in many ways and I am reflecting deeply on that."

In March 2023, WeWork cut a deal to help with their debt by $1.5 billion. The deal helped WeWork report a smaller net loss of $349 million in the second quarter report compared to the loss of $577 million in 2022. WeWork still went through $646 million in cash within the first 6 months of the year. WeWork planned to help aid its financial downfall by shoring up liquidity by cutting rent, controlling expenses, and reducing member churn. WeWork as a company has continued to struggle financially since 2019 and many speculations of bankruptcy have circled.

WeWork appears to have been saved from bankruptcy temporarily, following the departure of Neumann. Critics have noted that the rapid rise of WeWork, and its even faster demise, raises serious questions about the "cult of personality" that has been gaining traction in venture capital investing. Investors are looking for industry disrupters, but some of these unicorns are gaining investor confidence based more on the charming personalities of the founders than their actual value.

The WeWork case shows that personality can play a huge role in the emergence of start-ups. We can all think of examples of CEOs with powerful personalities. Personality affects organizational behavior in several ways. It's important for leaders to understand the variety of facets of personality that have been studied and how they relate to organizational effectiveness.

*Sources:* Coppola. (2019); Ganapavaram, A., & Tiwary, S. (2023, August 9). Once worth $47 billion, WeWork shares near zero after bankruptcy warning. Reuters. *https://*www.reuters.com/business/wework-raises-going-concern-doubt-shares-tank-2023-08-08/; Leskin. (2019); O'Brien. (2019); WeWork. (n.d.); Rosoff and Shin. (2019); Wiedman. (2019).

## What Is Personality?

Understanding your own **personality**—and the personalities of others—is critical. Personality is *relatively stable* over the life course. Personality has been defined as "regularities in feeling, thought and action that are characteristic of an individual."[1] Also, personality matters because it is linked to organizational behavior (OB). It affects our work habits and how we interact with our coworkers. However, personality isn't like many other areas of OB where the manager can influence the outcomes by intervention. It must be *understood*, and leaders must often work with personality differences rather than try to change people. As the example of Adam Neumann at WeWork suggests, a real question is whether the company will be able to name a successor with the right personality traits to lead the organization to success. Next, we discuss research that addresses whether personality can change.

### Research in Action

#### Leaders: Are They Born or Made?

With the research on twins reared apart and evidence from the Big Five personality theory relating personality traits to leader emergence in groups, one question that arises is whether leaders are born to greatness or if leadership can be acquired by anyone. This is one of the most frequently asked questions about leadership and traits. There are arguments on both sides of this issue among scholars of organizational behavior.

For example, research suggests genetic factors contribute as much as 40% to the explanation of transformational leadership. This suggests that much of charismatic, visionary leadership is an inborn trait. One leadership study compared genetic samples of approximately 4,000 employees with career information. They took DNA samples and then examined whether employees supervised other people in leadership roles. They learned that there was a significant association between genetics and leadership.

On the other hand, many people believe that transformational leadership can be learned, and experimental research has shown that leaders can be trained to exhibit charismatic behaviors. Also, followers responded positively to leaders that have been trained, and their performance increased. An integrative perspective suggests that leaders have certain inborn traits that predispose them to self-select into leadership positions. For example, an employee who exhibits extraversion might be more likely to pursue a high-level position in an organization. Once hired into a leadership role, these people may respond to leadership training better than those who are not as interested in becoming leaders.

A recent study based on two leadership theories, authentic leadership theory and the born versus made, shed additional light on the topic. The study focused on the role of trigger events and leadership crucibles in the formation of leaders. Study participants completed the Authentic Leadership Questionnaire (ALQ). Only participants who where high on authentic leadership (scoring between 64 and 80 on the test) remained in the study. The participants were then interviewed about their leadership development. Results showed that trigger events are extremely significant in leadership development. This suggests more evidence that leaders are often made and developed rather than born. Additional research reviewed the literature and explains that people, even on both sides of the argument of whether leaders are trained or born, agree with the sentiment that training plays an important role in developing leaders even if there are inherent skills that leaders need. Training programs may help build great leaders.

In sum, leadership is most likely a combination of inborn traits and learned behavior. Leadership expert Ron Riggio believes that leaders are mostly made, and recent research supports this position. He estimates that leadership is about one-third born and two-thirds made. The implications for organizations are to carefully select those hired into leadership and then provide the training needed to enhance leader effectiveness. Those with innate leadership skills have an advantage, but an individual may be able to enhance their leadership capabilities by learning about the behaviors that comprise effective leadership and then practicing the behavioral skills needed.

## Discussion Questions

1. In your opinion, is leadership innate (hereditary) or learned (through training, for example)? Support your position.
2. If leadership is both innate and learned, as some researchers believe, what do you think is the best way to identify leadership potential?
3. Given the research that suggests that training makes a difference, what type of leadership training would you recommend to complement the leader selection process?

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*Sources:* Arvey, R. D., Rotundo, M., Johnson, W., Zhang, Z., & McGue, M. (2006). The determinants of leadership role occupancy: Genetic and personality factors. *Leadership Quarterly, 17,* 1–20; Brown, C., Njouondo, E., Viltz, D., & Bell, R. (2023, May 8). *Effective leaders are trained-not born!*.

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Can a brilliant engineer who is introverted change their personality and become an extraverted visionary leader? In other words, are personality traits inborn or learned? This question has been addressed by the famous **Minnesota twin studies**. To conduct this research, twins born in Minnesota from 1936 through 1955 were asked to join a registry.[2] Identical twins (monozygotic and dizygotic reared apart; MZAs and DZAs, respectively) were confirmed through birth records, and 80% of the surviving pairs were recruited for participation in psychological studies. Twins were reared apart for various reasons (e.g., adoption). These twins tell us a great deal about the contribution of heredity compared to the environment. A study showed that 50% of the variation in occupational choice (whether a person becomes a dentist or a soldier, for example) is due to heredity.[3] Most people are surprised to learn this. Another study of twins showed that 40% of the variance in values related to work motivation could be attributed to heredity.[4] A review of research on personality change does suggest that it may be possible for some personality traits to change.[5] This may be due to self-development (e.g., engaging in therapy), organizational events (e.g., a job change), or an event outside of the workplace (e.g., marriage or divorce).

The implications for a leader are that, while personality might change, it is probably fairly stable over time. Instead of trying to change a coworker's personality, it is perhaps better to learn about personality differences, understand how different personalities operate at work, and then learn to work effectively with different types. Psychologists have developed inventories (personality tests) to assess personality differences. These tests are useful in training programs on conflict resolution and team building. One such test is the Myers-Briggs Type Indicator.

## Myers-Briggs Type Indicator

The Myers-Briggs Type Indicator (MBTI) is the personality test most often administered to nonpsychiatric populations (i.e., the "well population").[6] The publishers of the MBTI, Consulting Psychologists Press, report that over 2 million people take the MBTI every year, including employees in 89 of the Fortune 100 companies.[7] Because it was developed and normed on "well people," it has been a popular approach with organizations and is used by Hallmark, GE, and many other large organizations in their leadership training and development programs. A study found that managers recognize the MBTI as a brand and trust it.[8]

The MBTI was developed by a mother and daughter team, Katherine Briggs and Isabel Myers-Briggs, following World War II and is based upon the personality theories of Carl Jung.[9] The MBTI is based upon four general personality preferences:

- **Introversion (I) vs. Extraversion (E):** Extraverts tend to be outgoing; introverts tend to be shy.
- **Sensing (S) vs. Intuition (N):** Sensing types tend to be practical; intuitive people tend to be "idea people."
- **Thinking (T) vs. Feeling (F):** Thinking types tend to use logic; feeling types tend to use emotion.
- **Judging (J) vs. Perceiving (P):** Judging types tend to make quick decisions; perceiving types tend to be more flexible.

People who take the MBTI are grouped into 16 personality types based on these characteristics. For example, an ENTP would be extraverted, intuitive, thinking, and perceiving. This person might be attracted to starting their own business, for example. In contrast, an INTJ is introverted, intuitive, thinking, and judging and may be attracted to a scientific career. ISTJs are detail-oriented and practical, whereas ESTJs are organizers and may be comfortable in managerial roles.

## Limitations of the Myers-Briggs Type Indicator

There has been limited research support for the reliability and validity of the MBTI. If you take the test again, you may not receive the same score, and the matter of whether people are classifiable into the 16 categories is questionable.[10,11] However, the MBTI remains the most popular personality test in organizations. Also, it is important to note that the MBTI has not been validated for selection; in other words, its publisher makes it clear that you should not use the MBTI to hire people for particular jobs in an organization.[12] Research has also shown that the MBTI is a weak predictor of leadership.[13]

**Critical Thinking Question: Given the limited research support for the MBTI, what are the concerns regarding organizations continuing to use it?**

## How the Myers-Briggs Type Indicator Is Used in Organizations

The best uses for the MBTI appear to be for conflict resolution and team building, and this is where it is most often used in management training programs and classrooms. The value of the MBTI is that it enables people in organizations to discuss personality differences in their approach to work in a nonjudgmental way. The Myers & Briggs Foundation states that the test may not be a measure of personality, but it does help its users.[14] All the labels in the MBTI are neutral; it is not better or worse to be judging or perceiving, for example. Briggs and

Myers-Briggs titled their book *Gifts Differing*, and this captures the essence of their approach. At the workplace, everyone has something to offer, and it takes all types of people for teams and organizations to be effective. For a leader, this underscores the importance of understanding personality because to build effective teams everyone needs to feel valued to be engaged.

An example of how an company might use the MBTI follows. The company HR director is interested in improving collaboration and productivity among its employees. They administer the MBTI assessment to team members to identify their personality types according to the MBTI framework (e.g., Introversion/Extraversion, Sensing/Intuition, Thinking/Feeling, Judging/Perceiving). Once individuals' personality types are identified, the organization conducts workshops or training sessions facilitated by MBTI-certified professionals. These sessions aim to help team members understand their own personality preferences and those of their colleagues. Through activities and discussions, participants learn about the different ways people communicate, make decisions, and approach tasks based on their personality types. By gaining insights into each other's preferences and tendencies, team members can develop strategies to communicate more effectively, resolve conflicts, and leverage each other's strengths. For example, introverted team members might appreciate having dedicated quiet time for focused work, while extraverted colleagues might thrive in collaborative brainstorming sessions. Ultimately, the goal is to create a more cohesive and understanding team environment where individuals appreciate and respect each other's differences, leading to improved teamwork, innovation, and overall organizational success.

The MBTI is, of course, not the only personality assessment available; next, we discuss another personality theory that has had more research support (although it is currently not as well known as the MBTI to most practicing managers and the general population). This personality assessment is known as the Big Five personality theory.

## The Big Five

After much research examining personality inventories, the developers of the Big Five theory of personality concluded that personality could be summarized using five factors: **openness**, **conscientiousness**, **extraversion**, **agreeableness**, and **neuroticism**.[15] These factors and their definitions are summarized in Table 2.1. Note that the table is organized such that the first letters of these personality traits are an acronym that spells *OCEAN*, and this will help you to remember them.

**Table 2.1 ▪ The Big Five Personality Characteristics**

| Trait | Description |
|---|---|
| Openness | Being curious, original, intellectual, creative, and open to new ideas |
| Conscientiousness | Being organized, systematic, punctual, achievement-oriented, and dependable |
| Extraversion | Being outgoing, talkative, sociable, and enjoying social situations |

(*Continued*)

**Table 2.1 ▪ The Big Five Personality Characteristics (*Continued*)**

| Trait | Description |
|---|---|
| Agreeableness | Being affable, tolerant, sensitive, trusting, kind, and warm |
| Neuroticism | Being anxious, irritable, temperamental, and moody |

*Source:* Barrick, M. R., & Mount, M. K. (2005). Yes, personality matters: Moving on to more important matters. *Human Performance, 18*, 359–372.

*Openness* is a person's willingness to embrace new ideas and new situations. *Conscientiousness* represents the characteristic of being a person who follows through and gets things done. *Extraversion* is a trait of a person who is outgoing, talkative, and sociable, as well as who enjoys social situations. *Agreeableness* is being a nice person in general. Finally, *neuroticism* represents a tendency to be anxious or moody (this trait is often referred to in terms of its opposite: emotional stability). There has been a good deal of research on whether these five traits predict job performance, and results indicate that the conscientiousness dimension best predicts performance on the job (it makes sense that people who are achievement-oriented and dependable would be better employees and also better leaders).[16] This translates into success; conscientiousness is related to job satisfaction, income, and higher occupational status (e.g., being an executive, business owner, or professional).[17] While conscientiousness is the big one in terms of job performance, extraversion also has a moderate but significant relationship to performance, particularly in sales.[18]

Other Big Five traits relate to other positive work outcomes. Research has also shown that emotional stability relates to the ability to cope with stress, and those with higher openness adjust better to organizational change.[19] Given the strong research support for the relationships of the Big Five personality variables to relevant performance and career outcomes, leaders need to know that instruments such as the Big Five inventories successfully predict performance and can be used as one component in making hiring decisions. For this reason, personality research has a great deal of practical utility for organizations. A survey of 755 human resource managers and executives reported that 84.5% of the respondents said their organization employed personality tests for selection of new employees.[20]

An example of the Big Five personality traits at work is in the context of teamwork. Let's consider how each of the Big Five traits might influence team dynamics:

1. **Openness to experience**: Employees high in Openness are likely to be imaginative, curious, and open to new ideas and experiences. In a work environment, they may be more willing to explore innovative solutions, adapt to changes, and suggest creative approaches to problem-solving.

2. **Conscientiousness**: Individuals high in Conscientiousness are typically organized, reliable, and diligent. They tend to set high standards for themselves and strive for excellence in their work. In a team setting, they may take on leadership roles, ensure tasks are completed on time and to a high standard, and contribute to a positive work ethic.

3. **Extraversion**: Extraverted individuals are often sociable, outgoing, and energetic. They thrive in social situations and enjoy interacting with others. In a workplace, they may excel in roles that involve networking, team collaboration, and public speaking. They can also motivate and energize their team members, fostering a dynamic and engaging work environment.
4. **Agreeableness**: Those high in Agreeableness are typically cooperative, empathetic, and considerate of others' feelings. They prioritize harmony and strive to maintain positive relationships. In a team setting, they may act as mediators during conflicts, offer support to their colleagues, and contribute to a supportive and cohesive team culture.
5. **Neuroticism**: Individuals high in Neuroticism may experience higher levels of anxiety, stress, and negative emotions. In a work context, they may be more sensitive to criticism, prone to worry about potential problems, and struggle with managing stress effectively. However, with appropriate support and coping mechanisms, they can still thrive in their roles and contribute positively to the team.

What personality traits predict academic success in college? A study of 875 students conducted in two universities found that conscientiousness and emotional stability were predictive of students' belief in their ability to succeed and get good grades.[21] A review study of the research on the Big Five and academic performance confirmed that conscienciuousness was the strongest predictor of academic success above and beyond cognigitve ability (IQ).[22]

Overall, research on the Big Five personality traits continues to deepen our understanding of human personality and behavior, offering valuable insights into individual differences and their implications for organizations.

**Critical Thinking Question: Do some research and locate another personality test that is used for hiring decisions. Do you believe the use of these tests is fair for the selection of new employees?**

## What's #Trending in OB?

### Personality Traits and Social Media Addiction

Do you constantly check your Snapchat? Instagram? You are not alone if you do. The Pew Research Center reports that 95% of young people have a smartphone, and 45% say they are online "almost constantly." This has given rise to concerns about the overuse of social media. In fact, research shows that social media addiction may be occurring in some users.

Over the past 5 years, there have been a lot of studies assessing how excessive social media use can impact negatively on health. Fortunately, only a small number of people are truly addicted to social media. That said, overuse is associated with a few psychological problems such as anxiety and depression. Most young people access social media through their smartphones, so its use is related to the "fear of missing out"

(FOMO) on what's happening in their social circles. Your personality may determine why you become so tied to social media.

One study had 275 social networking site users who were students at a large North American university. First, they completed the Big Five personality test. Four weeks later, researchers assessed their level of addiction to their favorite social media site. To assess social media addiction, they had students rate statements like "I sometimes neglect important things because of my interest in this social networking website." The study found that three personality traits were associated with social media addiction: neuroticism, conscientiousness, and agreeableness. Neuroticism was positively related to addiction to social media, while conscientiousness and agreeableness were negatively related. The relationship between openness to experience and social media addiction is less clear, with some studies suggesting a positive association and others finding no significant relationship. Open individuals may be drawn to the novelty and diversity of content on social media platforms but may also engage in healthier online behaviors, such as seeking information and self-expression.

One study with a large sample (23,532 Norwegians) found that narcissism was positively related to addictive use of social media and appeared to have a moderate effect after considering factors such as age. Social media outlets such as X, Instagram, and Snapchat are the perfect venues for people who need to boost their egos. They seem to thrive on the number of "likes" they receive.

TikTok use has been found to be more addictive than other apps. And the COVID-19 pandemic made it worse. A study of 765 Italian adolescents who were learning remotely found that TikTok was more addictive than WhatsApp and YouTube during the pandemic. Another study examined problematic TikTok use (addiction) by examining the effects of boredom and distress intolerance. The study included 822 TikTok users from China and found that the inability to tolerate distress explained addiction to TikTok but proneness to boredom did not.

Social media addiction has also been related to the Type D personality. You will learn more about this personality type in the next section. People who are Type D are more likely to experience increased negative emotions and tend not to express their emotions to others. A study of 679 teenagers found that the Type D personality positively correlated with social media addiction. Also, young people with Type D tendencies were more likely to feel psychologically restored after using social media. In other words, they reported feeling refreshed following use of social networking sites.

Social media has connected the world, and there are several benefits. However, there are also some concerns about overuse among young people that may lead to addictive behavior patterns.

## Discussion Questions

1. Discuss the pros and cons of using social media networking sites. Do you feel that the benefits outweigh the costs? Explain your position.
2. Reflect on your personality characteristics discussed in this chapter. Do you feel that you may tend to overuse social media? Which personality traits explain this?
3. Research shows that women use social media more than men (but men tend to play online video games more than women). Explain this difference.

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*Sources:* Anderson, M., & Jiang, J. (2018). *Teens, social media & technology 2018.* Pew Research Center. https://www.pewresearch.org/internet/2018/05/31/teens-social-media-technology-2018/; Andreassen, C. S., Pallesen, S., & Griffiths, M. D. (2017). The relationship between addictive use of social media, narcissism, and self-esteem: Findings from a large national survey. *Addictive*

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## Personality Traits and Health Research

We have heard the phrase "stress kills," but is there any truth to this? Some years ago, cardiologists showed a link between a personality trait called Type A behavior and cardiovascular disease. Their theory was based on observing patients in their waiting room. Some sat patiently reading a magazine, for example, while others sat on the edge of their seats and got up frequently (they literally wore out the edges of the chairs and armrests)! The doctors conducted a study over several weeks and asked questions such as the following:

- Do you feel guilty if you use spare time to relax?
- Do you need to win in order to derive enjoyment from games and sports?
- Do you generally move, walk, and eat rapidly?
- Do you often try to do more than one thing at a time?

Study respondents were then classified into one of three groups: **Type A** (competitive, aggressive), **Type B** (relaxed, easygoing), or **Type C** (nice, hardworking people who try to appease others). By the end of this long-term study, 70% of the men who were classified as Type A had coronary heart disease. This study had several limitations, including that it was only conducted on men who were middle-aged, and the researchers didn't take into account other factors such as the dietary habits of the study participants. However, this study generated media interest and led to additional research. A review of this research indicated that there is an association between Type A behavior (particularly hostility) and heart disease.[23] Examples of hostility-related questions are "Do you get irritated easily?" and "Are you bossy and domineering?"[24] Research has also shown that the Type A behavior pattern (i.e., "stress energized") is exhibited in samples of women as well.[25]

More recently, researchers have discussed an additional personality type and its relationship to health risks: the **Type D** personality. The Type D, also called *the distressed personality*, is a combination of negative affect ("I feel unhappy") and social inhibition ("I am unable to express

myself"). Research has indicated that the rates of recovery were lower for coronary heart disease patients with Type D personality.[26] A review of 10 studies of Type D personality have concluded that "Type D patients are also at increased risk for psychological distress, psychosocial risk factors, impaired quality of life, and seem to benefit less from medical and invasive treatment."[27] Thus, while research on personality and health risk continues, there seems to be a clear association between certain personality traits and higher risk of disease, suppressed immune system functioning, and slower recovery from illnesses.

Figure 2.1 summarizes the four personality types, and you can reflect on the checklists in each cell to get a sense of whether you may fall into Type A, B, C, or D. This may be scary news if you think you may have Type A or D personality characteristics. However, there is some good news. First, being able to express your emotions may also reflect a "healthy" Type A pattern.[28] It is important for people with a Type A personality to be able to talk to another person about the stress they are experiencing. Second, research has shown that having a "hardy" personality (e.g., letting stress roll off your back rather than ruminating on your problems) has been shown to reduce the potential for personality type to affect health.[29,30] Also, social support from family, friends, and coworkers can alleviate some of the detrimental effects of personality traits on health.[31]

**Figure 2.1 ▪ Personality Types A, B, C, and D**

| | |
|---|---|
| TYPE A<br>_____ Hard-driving<br>_____ Competitive<br>_____ Status-conscious<br>_____ Driven to succeed<br>_____ Seemingly achievement-addicted<br>_____ Can be hostile | TYPE B<br>_____ Enjoys the moment<br>_____ Relaxed<br>_____ Laid back<br>_____ Patient<br>_____ Not competitive<br>_____ Not aggressive |
| TYPE C<br>_____ Cooperative<br>_____ Not assertive<br>_____ Predictable and dependable<br>_____ Loyal<br>_____ Suppresses negative emotions<br>_____ Complies with authority | TYPE D<br>_____ Feels unhappy<br>_____ Tends to worry<br>_____ Easily irritated<br>_____ Finds it hard to express opinions<br>_____ Reserved<br>_____ Doesn't like many people around |

*Sources:* Adapted from Denollet, J. (1998). Personality and risk of cancer in men with coronary heart disease. *Psychological Medicine, 28*(4), 991–995; Denollet, J. (2000). Type D personality: A potential risk factor refined. *Journal of Psychosomatic Research, 49*(4), 255–266; Riggio, R. E. (2012). Are you a Type A or Type B personality? Cutting edge leadership.

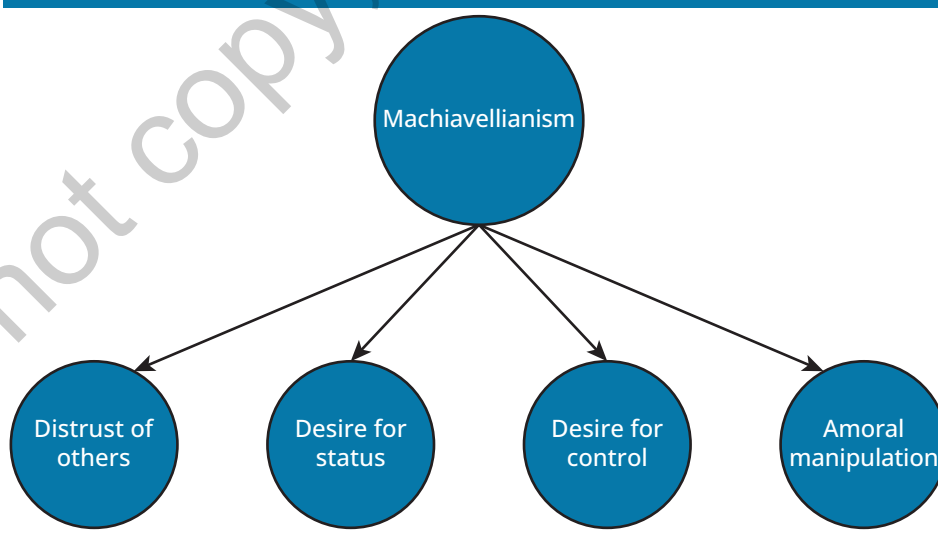
**Critical Thinking Questions: How might knowledge of whether you have the Type A personality affect your decision about taking a job in a high-stress environment? If you were to accept such a position, how would you plan to cope with the stress?**

# Other Relevant Personality Traits

## Machiavellianism

**Machiavellianism** (sometimes abbreviated Mach) is a personality trait describing a person who believes that the end justifies the means. In other words, such a person will do whatever it takes to win. The trait is named for Niccolo Machiavelli, author of *The Prince*,[32] which detailed his strategies for gaining and holding onto power in the 16th century. High-Mach individuals believe that other people can be manipulated and that it is permissible to do so to realize their goals. Research has conceptualized Mach as being composed of a complex set of characteristics: a tendency to distrust others, a willingness to engage in amoral manipulation, a desire to accumulate status for oneself, and a desire to maintain interpersonal control (see Figure 2.2). Thus, Mach appears to involve behaviors as well as internal beliefs and motivations.[33] This research also found that high-Mach employees engage in counterproductive work behaviors (e.g., purposely wasting office supplies). However, they reported lower job satisfaction and experienced more stress on the job. The relationship of Mach and performance was interesting: High-Mach employees' performance improved over time, suggesting that they learn the organization's political system and work themselves into power networks.

**Figure 2.2 ▪ The Structure of Machiavellianism**




*Source:* Dahling, Whitaker, & Levy. (2009).

Despite the positive long-term relationship with performance, Mach has been related to negative outcomes for others. High-Mach behavior has been linked to workplace bullying[34] and abusive supervision.[35] Experiments show that when individuals perceive that they are in a rivalry situation, their high-Mach behavior increased and they falsely inflated their own performance and even deceived their rival for self-gain.[36] Thus, the high-Mach personality may engage in unethical behavior to achieve goals. Remember, they believe that the end justifies the means, even if it involves lying to manipulate others.

Researchers have added to our understanding of high-Mach behavior by articulating a combination of personality traits known as the Dark Triad. The **Dark Triad** is composed of Machiavellianism, narcissism, and psychopathy.[37] **Narcissism** is the expression of grandiosity, entitlement, dominance, and superiority.[38] Narcissists can therefore appear charming or pleasant in the short term but in the long term, they have difficulty trusting others and fail to develop effective working relationships.[39] **Psychopathy** has been described as impulsivity and thrill seeking combined with low empathy and anxiety.[40] Such individuals lack feelings of guilt, are impulsive, and seek immediate gratification of their needs.[41] A study of Dark Triad personality traits and the exercise of power at work found that psychopathy and Machiavellianism were associated with the use of hard tactics such as threats and manipulation. However, Machiavellianism and narcissism were related to reliance on soft tactics such as charm, ingratiation, and giving compliments. This study also found that the Dark Triad pattern results in men using hard tactics (being forceful) more than women.[42] You might be wondering if such toxic employees or "bad guys" win at work. A study of 793 employees in their early careers found that narcissism was positively related to salary, and Machiavellianism was positively related to leadership position and career satisfaction; however, psychopathy was negatively related to all career outcomes. Thus, the Dark Triad as a combination did not predict career satisfaction and success, but individual traits may have a relationship to higher salary.[43]

Dark Triad traits appear to relate differently to work motivation and job attitudes of job satisfaction and organizational commitment. Each Dark Triad trait relates differently to work attitude and work motivation. Narcissism is consistently a positive predictor of work attitude and motivation. Psychopathy relates negatively to job satisfaction and organizational commitment. And Machiavellianism is related to materialistic motivation and achievement motivation.[44]

In sum, individuals high in these traits often display manipulative, self-serving behaviors that can disrupt teamwork, undermine trust, and hinder organizational goals. However, they may also possess qualities like charm and assertiveness that can be advantageous in certain roles, such as leadership or sales. Understanding the Dark Triad can help organizations identify potential risks, improve hiring practices, and implement strategies for managing and mitigating the negative effects of these traits on workplace culture and performance.

## Self-Monitoring

Have you ever known someone who had a chameleon-like personality and adapted to any situation they were in? Such individuals are keenly sensitive to the cues they see in every situation and adapt their behavior to fit in. This is known as **self-monitoring**, defined as

"self-observation and self-control guided by situational cues to social appropriateness."[45] One of the items from the measure of self-monitoring is "I can make impromptu speeches even on topics about which I have almost no information."[46] High self-monitors are very adaptable to situations, and low self-monitors are not able to pretend that they are someone they are not. In other words, low self-monitors are true to themselves and don't take cues to change their behavior from social situations. They are consistent in their display of feelings and attitudes regardless of the situation. For example, a person may give others honest feedback, even if it is hurtful. High self-monitors pay more attention to the actions of others and adjust to fit the situation.[47] For example, this type of person will withhold negative feedback to allow the other person to "save face." In the workplace, high self-monitors receive higher performance ratings and become leaders but have lower organizational commitment.[48] They do, however, develop better working relationships with bosses than low self-monitors, and this helps explain the higher performance ratings they receive.[49] Not surprisingly, they achieve more rapid career mobility since they are able to attain central positions in the powerful networks in the organization.[50]

An example of self-monitoring at work is when an employee regularly assesses their own performance and behavior to ensure they are meeting job expectations and personal goals. Jorge works in a customer service role. He keeps track of his performance metrics, such as average call handling time, customer satisfaction ratings, and resolution rates. He regularly compares his current performance against set targets or benchmarks to identify areas for improvement. After each customer interaction, Jorge takes a moment to reflect on his performance and evaluates whether he effectively addressed the customer's concerns, provided accurate information, and maintained a professional demeanor. He invests time in ongoing learning and development by attending training sessions, reading industry-related articles, and seeks out feedback from his boss. By actively engaging in self-monitoring, Jorge maintains a high level of performance and continuously improves his skills as a customer service representative. This not only benefits his own professional growth but also contributes to the overall success of the team and his company.

Despite the positive outcomes associated with self-monitoring behavior, there may be a downside to this trait. A research study found that high self-monitors may engage in counterproductive work behavior toward the organization (e.g., falsifying a receipt to get reimbursed for more money or taking an additional or longer break than is acceptable). They may reach their goals by doing whatever it takes to win (like high-Mach employees). A research study found that the relationship of self-monitoring to counterproductive work behaviors was especially the case in private settings where the behavior was not visible to others.[51] In other words, they behaved unethically after reading the situation and determined that they could get away with it. High self-monitors may also engage in deception and faking during interviews.[52]

**Critical Thinking Questions: Explain why you think high-Mach and high self-monitoring behaviors are good or bad for organizations. List some other positive and negative consequences of these traits.**

## Resilience

As many as 90% of us will experience at least one serious traumatic event during our lives.[53] Examples include being the victim of a violent crime, a serious automobile accident, or death of a loved one. How quickly do you rebound after you have experienced such an event? Some people bounce back and adjust well. They are not paralyzed by anxiety and function in a healthy way. This trait is known as **resilience**, which is the degree of positive adaptation when faced with adversity.[54]

Like other personality traits, resilience is considered to be a relatively stable characteristic that enables people to face, overcome, and adjust to extreme difficulties.[55] Resilience appears to be complex and includes both personality traits and behaviors that are related to recovery from a significant adverse event.[56] Resilience is thought to have three components:[57]

- Sense of Mastery—a person's optimism, self-efficacy, and adaptability, which are key protective resources
- Sense of Relatedness—a person's ability to develop and rely on relationships, which provides access to support, and comfort, which is also a protective resource
- Emotional Reactivity—the speed and strength of a person's negative emotional response. This affects the level to which the event results in impaired or disrupted functioning in life. This is different from mastery and relatedness, since emotional reactivity is a vulnerability factor rather than a protective resource.

Resilience influences the negative effects of stress after adversity and makes it easier for the person to adapt. A review of 30 studies with a total sample size of 15,609 individuals found that resilience relates to all the Big Five personality characteristics, with the strongest relationships being for emotional stability, extraversion, and conscientiousness.[58] A study of workers faced with job insecurity found that resilience reduced emotional exhaustion and interpersonal counterproductive work behavior.[59] Thus, resilience acts as a buffer when employees experience stressful events at work.

The COVID-19 pandemic was a traumatic event for many employees. Previous research on resilience demonstrated the importance of resilience in enabling individuals to cope and bounce back from crises and unexpected situations like the pandemic. A study conducted during the pandemic looked at job, social, and personal resources underlying employees' resilience and the impact of resilience in stimulating job engagement. Study results revealed significant impacts of how much people had confidence in their job abilities, facilitating conditions like technology support, and family and friends' support on employees' resilience. Resilience was significantly associated with job engagement. However, the study found that management concerns for employees may not make a difference. Nevertheless, management could support their employees' resilience by providing them with the flexibility to spend quality time with their loved ones during challenging situations.[60]

Managers can support resilience at work by fostering a positive work environment, promoting a culture of trust and open communication, providing resources for employee well-being and

professional development, and offering training in stress management and resilience-building skills. Overall, resilience at work is essential for individuals to thrive in today's dynamic and challenging work environments, enabling them to navigate adversity, maintain well-being, and achieve success in their careers. There is some evidence that resilience can be learned. A review of resilience training programs at work found that there is a modest but positive increase in well-being and job performance and a modest decrease in anxiety and stress that can be attributed to training.[61]

University students experience many challenges due to academic workloads, having to both work and attend school, and social pressures from peers. English as a second language may represent a significant challenge for international students.[62] Resilience represents a critical life skill that is essential for students to succeed and experience well-being both at school and in other areas of their lives.[63]

## Risk-Taking

Some people are naturally prone to taking risks, and others are risk averse. **Risk-taking** is defined as "any purposive activity that entails novelty or danger sufficient to create anxiety in most people. Risk-taking can be either physical or social, or a combination of the two."[64] Rock climbers are an example of people who assume the physical aspect of risk-taking. Firefighters take risks that are both social and physical; they risk physical harm, but they also help others, which is social. Entrepreneurs can be considered social risk-takers but not physical. Entrepreneurs have been found to have a higher risk-taking propensity than general managers. Moreover, there are larger differences between entrepreneurs whose primary goal is venture growth versus those who focus on producing family income.[65] A study of the personality traits of entrepreneurs found that they have a high tolerance for risk, even in small gambles.[66]

Risk-taking has been examined in the general population and across cultures. Survey data from 77 countries (147,118 respondents) suggests that risk-taking declines across the life span—as we get older, we take fewer risks. However, there are differences across countries. In countries in which much hardship (e.g., social unrest and economic strife) exists, risk does not decline as the people get older. When resources are scarce, people must continue to assume risk to compete for resources, so risk-taking does not decline as they age.[67]

Research on risk-taking has found that there are some changes over the life span (from age 15 to 85). So, this does suggest that some personality traits may change or be malleable over a long time. You may be wondering if there is any theory or research in OB that suggests that personality traits can change. Some scholars believe that certain personality characteristics are state-like instead of trait-like. **Trait-like** implies that the personality characteristic is relatively stable over time. **State-like**, on the other hand, refers to personality characteristics that are relatively changeable, and a person can develop (or reduce) them through either self-awareness or training. New research suggests that **psychological capital (PsyCap)** characteristics are more stable than fleeting states of mind, but they are open to change. This is an emerging area of study within the movement called positive psychology, and research is showing promising results.

## Psychological Capital

**Positive organizational behavior (POB)**, borrowed from positive organizational scholarship, is an emerging field. POB is "the study and application of positive-oriented human resource strengths and psychological capacities that can be measured, developed, and effectively managed for performance improvement in today's workplace."[68]

In POB, only positive psychological capacities are included. Being state-like versus trait-like, these positive aspects could be developed through performance improvement solutions such as training programs and other engagement interventions (see boxed insert for an example of a training program to increase PsyCap). PsyCap has been shown to be positively related to employee empowerment and engagement.[69] In addition, PsyCap improves proficiency, adaptivity, and proactivity at work.[70]

Fred Luthans and his colleagues have articulated a four-part explanation of PsyCap. Just as we have financial capital, these state-like qualities represent the *value of individual differences* at the workplace. In other words, PsyCap is more than "what you know" or "who you know." It is focused on "who you are" and "who you are becoming."[71] These four characteristics are as follows:

- **Efficacy:** A person's belief that they have the ability to execute a specific task in a given context
- **Optimism:** A positive-outcome outlook or attribution of events, which includes positive emotions and motivation
- **Hope:** The *will* to succeed and the ability to identify and pursue the *path* to success
- **Resiliency:** Coping in the face of risk or adversity; the ability to "bounce back" after a setback[72]

An experimental study asked employees to wear devices that recorded their communication with others at work.[73] The results indicated that employees with higher PsyCap talked with a lot of different people and held long face-to-face conversations. This increased their own feelings of credibility, and their team saw them as more credible as well. Face-to-face conversations were also related to employee well-being.

The four elements of PsyCap predict job performance and satisfaction.[74] Some might argue that high performance causes people to be more optimistic, hopeful, and resilient and to believe more in their own abilities, but a longitudinal study found that PsyCap predicts performance but not the other way around.[75] Training interventions may increase PsyCap.[76] Thus, PsyCap is important for human development, but it is also related to an organization's competitive advantage due to its impact on job performance.[77]

A study of PsyCap and organizational change showed that efficacy, hope, optimism, and resiliency were related to positive emotions at work, which in turn affected the acceptance of organizational change.[78] Experiencing positive emotions enhanced the role of PsyCap in explaining *why* employees were less cynical and showed more citizenship during the change.

A comprehensive review of research on PsyCap (244 studies and over 96,000 participants) found that effective leadership style was positively associated with PsyCap, with empowering and inspiring leadership being the strongest antecedents of PsyCap. PsyCap was positively associated with work engagement and negatively associated with employee stress and burnout. These results varied by country and national culture, suggesting that PsyCap may operate differently in various countries.[79]

The global COVID-19 pandemic shifted the relationship between workers and work. Research has shown that the PsyCap component of hope played an important role during the pandemic and may have reduced The Great Resignation. A review of research on hope and work revealed two key themes (across cultures): (1) Hope is important to thriving workplaces, and (2) hope acts as an important source of resilience during crisis. Taken together, the pandemic spurred more individuals to generate hope in their working lives by setting positive, personally meaningful, and valued goals. They also relied on their willpower and found multiple pathways to meet their goals. Organizations could leverage challenges to create hopeful workplaces where workers can perform well and thrive.[80]

## Person–Environment Fit

Research on **person–environment (PE) fit** has shown that when an individual's personality is aligned with their environment, it results in job satisfaction, organizational commitment, and better performance on the job. Research on PE fit supports the idea that people strive toward fit, and fit is associated with positive individual outcomes such as job satisfaction.[81] Also, employees that fit their work environment are less likely to quit.[82] Leaders can have a positive influence on PE fit by inspiring employees and providing individual support.[83] Following the COVID-19 pandemic, the number of employees working virtually increased significantly. This influenced PE fit by (a) location flexibility, which facilitates managing nonwork demands and access to global careers without relocating, in line with stronger interest in work–family balance; and (b) greater fit for managing the challenges of virtual teamwork due to their stronger preference for collaboration. A review found that women may function better in virtual environments, given their prioritization of work–family balance when choosing their careers.[84]

There are different forms of how a person fits into their work environment, and two types of PE fit are important: person–organization (PO) fit, which is the match between the person and the organization, and person–job (PJ) fit, which is the match between the person and the job.[85]

### Person–Organization Fit

**Person–organization (PO) fit** is viewed as the match between a person's individual values and those of the organization they work for. PO fit is often considered in the context of recruiting employees who will "fit in" with the organizational culture.[86] Organizations seek applicants that embrace their organizational culture and values. Job candidates are interested in working for an organization that has values similar to their own. This is because people are attracted to and trust others that they view as being similar to themselves.[87] Good fit is the result of better communication among employees, increased predictability, interpersonal attraction, and trust

in the organization, with trust being the key component that explains the positive outcomes of PO fit.[88] Research evidence shows that good PO fit is positively related to job satisfaction, organizational commitment, and job performance. Employees feel a sense of psychological ownership for their work because they feel a sense of belonging and experience the organization as a place that makes them feel comfortable, positive, and safe.[89,90] When the fit is right, employees are more engaged with their work.[91] Also, employees that feel they fit well with the values of the organization are also less likely to quit.[92]

The organizational career environment (OCE) influences PO fit. OCE can range from stable and traditional to contemporary, which is more volatile and unpredictable. Organizations can signal whether they provide more traditional or contemporary career paths through recruitment advertisements. A study found that job seekers with stronger preferences for moving up in an organization saw greater PO fit and organizational attractiveness when presented with more contemporary OCE recruitment advertisements, as opposed to more traditional OCE recruitment advertisements. Finding the right fit between a person's preference for career environments plays an important role for workers in a more mobile labor market.[93]

In addition to PO fit, employees want to feel that they have a job that fits their personality. This is known as person–job (PJ) fit.

## Person–Job Fit

One study found that the lack of fit between the person and the job they do significantly relates to higher job burnout and physical symptoms. Thus, poor fit may be detrimental to employee well-being. The authors offer the following scenarios:

> Imagine an accountant who is an outgoing person, enjoys being in people's company and seeks closeness in their social relationships. However, at their workplace, they most of the time work on their own with hardly any contact with colleagues or clients. Thus, their job does not offer many opportunities to socialize and to be in a trusting mutual exchange with other people. And now imagine another employee, a mid-level manager, who is expected to take on responsibility for their team, motivate and supervise their staff members, find compromises between conflicting interests, make personnel decisions—in short, to influence other people. When at their workplace, though, they are out of their element, as they do not like to take center stage and feel awkward in their role as a leader. As different, at first sight, the situation of these two employees might seem, there is one commonality between them: their motivational propensities with respect to the two social motives, namely affiliation and power, do not match with the demands and opportunities their job offers them—that is, a motivational person–environment misfit exists.[94]

The preceding examples demonstrate poor person–job fit. Good **person–job (PJ) fit** occurs when job characteristics are aligned with employees' personalities, motivations, and abilities. The concept of PJ fit also includes the fit with the work group and the supervisor.[95] An example of good PJ fit follows.

Wei is a highly skilled software engineer with a passion for problem-solving and a preference for working independently. He values flexibility and enjoys working in a fast-paced environment. The software development company he applies to is known for its innovative projects and encourages autonomy among its employees. In his interview, Wei learns that the company promotes a culture of autonomy and provides opportunities for employees to work on challenging projects independently. He feels excited about the possibility of contributing his skills to such an environment, and he believes that the company's values align well with his own. After being hired, Wei thrives in his role, enjoys the challenges, and feels fulfilled by the work.

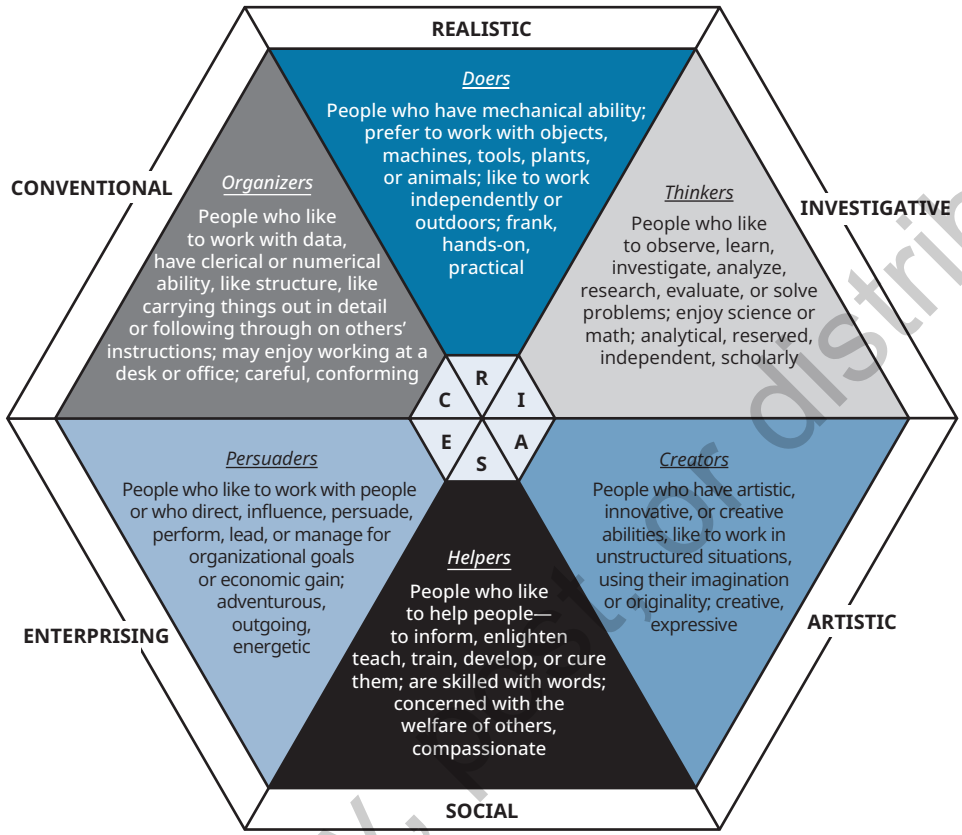
PJ fit is composed of two forms. The first is **demands–abilities (DA) fit**, which refers to the compatibility between the employee's knowledge, skills, and abilities and the demands of the job. In other words, the job characteristics are neither too easy nor too difficult for the abilities of the employee; they match. The second type of fit refers to the extent to which the job supplies the employee's needs and is therefore called **needs–supplies (NS) fit**.[96] This form of PJ fit addresses whether the job fulfills the employee's needs for interesting work and a sense of meaning in their work. A study of 8,458 employees found that a match between the personality traits needed and those supplied by the employees predicted income.[97] In other words, it may pay to find out whether your personality matches your job choice.

## Personality–Job Fit Theory

One of the best researched theories of PJ fit is John Holland's **personality–job fit theory**. He discovered six different personality types and examined occupations that match these types. As shown in Figure 2.3, the personality types are Realistic (R), Investigative (I), Artistic (A), Social (S), Enterprising (E), and Conventional (C). This is sometimes referred to as the RIASEC model, and this acronym is helpful in remembering these personality types. Holland developed a questionnaire known as the Vocational Preference Inventory to assess these personality types and their match to 160 occupational titles. Research evidence supports these six personality types.[98] Personality types that are closer to one another on the hexagon shown in the figure are more similar. Types that are opposite are most dissimilar. For example, realistic people may be more introverted, and they are practical people that get things done. Investigative people are analytical and may enjoy research work. Artistic types are imaginative and may best match with being a musician or writer. Social individuals are more extroverted and may enjoy teaching or social work. Enterprising people are confident and energetic and may match with being a lawyer or owning a small business. Conventional people are conforming and might best match with accounting or corporate management.

**Critical Thinking Questions: Evaluate the personality–fit theory by explaining why you think the personalities adjacent to one another in the hexagon are most similar. Which personality type is most like you? Does this provide insight into which occupations with which you might best fit?**

**Figure 2.3 ▪ Personality–Job Fit Theory**

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A review of 92 studies found that the match between personality traits and job demands significantly predicts job performance.[99] In addition, the research evidence found that PJ fit job knowledge relates to lower turnover intentions.[100] When personality is aligned with the work that we do, it increases our goal direction, vigor, and persistence, resulting in high motivation—this is true for both academic and job performance.[101] The "Fitting in Somewhere Great!" activity (Toolkit Activity 2.1) gives you an opportunity to locate an organization and job and then reflect on your personality traits and how well you will experience PO fit and PJ fit.

## Leadership Implications: Understanding Others

In this chapter, you have learned about several different personality characteristics. You also learned that personality is something that is relatively stable over the life course (the exception might be PsyCap since research has shown that these personality characteristics are state-like

and may be changed through training). As a leader, you may not be able to change the personalities of your boss, your followers, or your peers. Since some of the research evidence (recall the Minnesota twin studies) suggests that personality may be in part hereditary or innate, trying to change another person's personality traits might be a futile effort. Thus, it is important for leaders to understand others and work effectively with different personality types. Leaders can do two important things. One is to examine each applicant's personality type and vocational interests when making hiring decisions. The robust research program on Holland's personality–job fit theory has demonstrated that congruence between the person and the job predicts job performance and reduces the chances that the person will quit. Paying attention to the RIASEC traits during the interview process may help a leader select the applicant that best fits the demands of the job. The second thing that leaders can do is to assess personality characteristics of their team members. There are many self-assessments of personality available at no charge on the internet, however, and there are others that can be purchased and administered by an industrial/organizational psychologist. For example, the MBTI is often used by organizations for conflict resolution and team building.

All leaders want followers who are agreeable and conscientious. However, this chapter has revealed that there are some personality traits that are challenging for a leader to work with on a day-to-day basis. Difficult personality traits are Machiavellianism, narcissism, and perhaps the Type A behavior pattern when taken to an extreme. These types may engage in bullying, explode at work, throw tantrums, and yell. Here is some advice for disarming these difficult personalities at work:[102]

1. Adopt a neutral stance. Picture an inflated balloon that you just let go. Make the sound "fssuuuu" all around the room. Do not interrupt or touch the person.
2. Rise slowly if you are seated; make eye contact, cross your arms, or make a "stop sign" gesture.
3. Snap them out of it by saying their name.
4. Ask for a solution. Say, "Al, I can see this is a big problem for you. What can we do together to help solve it?"
5. Ask them to leave. Say, "I feel overwhelmed right now. I would like you to come back when you're less angry."
6. Leave. Say, "I'm going to leave now, and I'll come back when we can talk about this in a more productive way."

Connie Merritt, in *Disarming Difficult Personalities at Work*, cites a book by Jim Grigsby, *Don't Tick Off the Gators*, who suggests that after you have addressed the outburst from a difficult personality, ask yourself the following questions:

- Did I cause or contribute to the problem by not knowing enough about the other person?
- Did I create the environment that allowed the situation to flourish by ignoring it or hoping it would go away?
- Was the cause of the problem a lack of communication or bad information?

- How did I respond to each event? Did I know "when to hold 'em and when to fold 'em"?
- Can this situation be prevented in the future? What can I learn from this experience?

As a leader, you'll encounter difficult personalities sooner or later. By taking the actions suggested, you should be able to diffuse the situation. Asking the questions listed and thinking critically about the answers may help you to avoid negative encounters with difficult personality types in the future. It's important to own your contributions to the negative behaviors of a person that exhibits the dark side of personality at work.

Personality has the potential for both positive and negative contributions to the workplace. Understanding personality differences is thus essential for leader effectiveness. Personality is like a diamond and has many facets. This chapter has reviewed the personality traits that are most relevant to the workplace. As a leader, you may not be able to change personality, but it is important to assess personality traits of your followers, coworkers, and boss. Then, be ready to act and develop an individualized relationship with them that is based upon their unique personality. If the follower has a difficult personality, be ready to disarm it using the steps already listed. Difficult personalities may have negative moods and engage in emotional outbursts. The next chapter (Chapter 3) discusses the role that emotions and moods play in the workplace.

## Key Terms

agreeableness
conscientiousness
Dark Triad
demands–abilities (DA) fit
extraversion
Machiavellianism
Minnesota twin studies
narcissism
needs–supplies (NS) fit
neuroticism
openness
person–environment (PE) fit
person–job (PJ) fit
person–organization (PO) fit
personality
personality–job fit theory
Positive organizational behavior (POB)
psychological capital (PsyCap)
psychopathy
resilience
risk-taking
self-monitoring
state-like
trait-like
Type A
Type B
Type C
Type D

## Toolkit Activity 2.1 Fitting in Somewhere Great!

1. Explain the difference between person–job fit and person–organization fit.
2. Select a small, medium, or large organization you would like to work for and explain why you would be a good fit there (person–organization fit). For example, you can search for great organizations to work for using search engines or the glassdoor.com best places to work list: https://www.glassdoor.com/Award/Best-Places-to-Work-LST_KQ0,19.htm.

3. What would be your ideal position in this organization? Again, you can search jobs within the organization using search engines or the glassdoor.com list. Explain why this would be a good fit for you (person–job fit).

4. In your responses to Questions 2 and 3, include a discussion of personality traits covered in this chapter, including things such as the following:
   - Big Five Personality Test
   - Type A/Type B behavior pattern
   - Risk-taking
   - Self-monitoring (managing your public image based on cues from others)
   - PsyCap (optimism, hope, self-efficacy, resiliency)
   - RIASEC (Realistic, Investigative, Artistic, Social, Enterprising, Conventional)

For this activity, you will need a high level of self-awareness and some insightful research into the job and organization you select.

### Discussion Questions

1. Why do you want to work for the organization you selected? What factors did you consider after doing your research on what working there would be like?

2. Why do you want to hold the job you selected? Did you consider factors other than how you would fit in there, such as location, pay, or benefits?

3. Which personality traits do you feel are most important regarding how well you would fit in with the organization and job you selected?

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*Source:* Adapted from an exercise developed by Marie Dasborough, University of Miami.

## Case Study 2.1 Whom Would You Hire?

Worldwide Manufacturing Inc. has just weathered intense scrutiny after it was investigated and fined for improper chemical storage and waste disposal. Worldwide is a special-order manufacturer that makes plastic products in whatever shapes and sizes a customer specifies. In order to do so, it makes special molds for each project for pouring and shaping the plastic into the forms requested by customers. Each order takes retooling and reorganizing of the manufacturing floor. To help prevent further issues in the future, the company has decided to add a compliance department that will ensure that not only are EPA regulations followed but also other legal regulations, from proper accounting to ensuring everything is in compliance with OSHA. You have been promoted to be the firm's compliance officer and are now looking to hire several new members of the compliance department, including a compliance manager, a compliance analyst, and an auditor and inspector.

You decide to begin with filling the compliance manager position. A compliance manager is a professional that keeps the legal and ethical integrity of a company intact through policy enforcement and program planning. They make sure all departments of a business

are complying with the rules and regulations the company is required to uphold and should regularly meet with managers in the areas of finance and accounting, cybersecurity, human resources, and operations. Compliance managers are responsible for keeping up-to-date with changing laws that affect the corporate world and are responsible for preparing reports to present to their upper management detailing these laws and how the policies of the company are ensuring that employees are following them. After advertising for 2 weeks on Indeed.com and Monster.com, you've begun to look through résumés. You have two promising candidates who have made it through initial phone interviews, and you have flown them out to meet with you and see the headquarters and manufacturing operations. Now you have to review what you have learned about each candidate and make your decision.

### Aarya Song

Aarya Song grew up on military bases and joined the military after completing high school. Over a 15-year career, Aarya worked with base operations managers on a team that handled everything needed for running a base. She worked in supply chain management, both in procurement and disposal; in facilities planning; in inventory management; and even in operations planning for setting up new bases. All these positions required great organization and time-management skills. In addition, part of Aarya's job was to ensure everything was up to federal regulations and followed local regulations as well. While serving in the military, Aarya earned a bachelor's degree in logistics and later an MBA.

After leaving the military with highest honors, Aarya worked as the transportation manager for an international manufacturer of wind turbines. However, after talking on the phone during the first round of interviews, you have learned that Aarya is now looking for a new job that will provide new challenges.

During the onsite interview, Aarya excitedly chatted with you about how Worldwide could ensure compliance and start building interorganizational teams to ensure companywide compliance. She shared the logic behind these ideas, which you found impressive and well thought out. Your only concern is that Aarya seems to be very direct and no-nonsense, and while a zero-tolerance stance on policy violations is likely needed after the investigation, it may be too rigid for the organization's existing culture.

### Francis Simmonne

Francis grew up in an industrial city and began working in manufacturing while in high school at a plant that made various rubber-based components for automobile assembly. After attending a regional university to learn about engineering for product design, Francis began working as a designer for a firm that designed and manufactured toys. However, Francis was better at helping the men and women on the manufacturing floor fix the problems that arose with making the first batches of new toys. After a few moderately successful products, Francis was promoted to production manager because of the skills he demonstrated on the shop floor. Three years later, Francis started working on an MBA and ended up taking a materials manager position with a construction firm. It was very important in this position that all materials were up to code, and Francis took that responsibility very seriously. Five years later, he took a position

as a work site inspector for the construction company, examining work sites and ensuring all health and safety policies as well as building codes were being followed. While these later positions had increasing responsibility, he did not have any direct reports.

Francis is getting married and is looking to move to the city Worldwide calls home, so he has applied for the compliance manager position. When you spoke on the phone, Francis seemed practical yet reserved, a perception you had reinforced during the site interview. He relies on instinct more than evidence to make decisions, which helps to quickly provide a course of action. However, you have concerns that Francis might not be a firm-enough manager, as he likes to work with the production teams and crews and has done very little direct management of teams or departments.

So now you have a choice: Simmonne or Song? Both candidates have strong points and weak points, and both could do the job.

### Discussion Questions

1. Identify each candidate's personality characteristics using the Big Five and the Myers-Briggs typology.
2. Based on personality, is there a candidate that you think would fit the position better?
3. Why is it important to consider personality in hiring? What other individual differences should you consider in hiring?