



# Organizational Behavior

SEVENTH EDITION

Robert Kreitner  
Angelo Kinicki

MCCRAW-HILL NOT FOR RESALE  
DONATION 09ASAO9



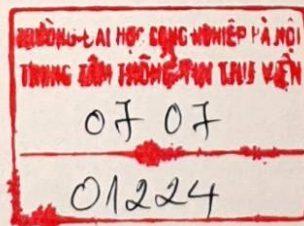
# Organizational Behavior

Seventh Edition

Robert Kreitner

Angelo Kinicki

Both of Arizona State University



 **McGraw-Hill**  
**Irwin**

Boston Burr Ridge, IL Dubuque, IA Madison, WI New York San Francisco St. Louis  
Bangkok Bogotá Caracas Kuala Lumpur Lisbon London Madrid Mexico City  
Milan Montreal New Delhi Santiago Seoul Singapore Sydney Taipei Toronto



# Preface

Things move very fast in today's Internet-linked global economy. Competition is intense. Speed, cost, and quality are no longer the trade-offs they once were (meaning improvement in one came at the expense of one or both of the others). Today's customers want immediate access to high-quality products and services at a reasonable price. Thus, managers are challenged to simultaneously speed up the product creation and delivery cycle, cut costs, and improve quality. (And to do so in an ethical manner.) Regardless of the size and purpose of the organization and the technology involved, *people* are the common denominator when facing this immense challenge. Success or failure hinges on the ability to attract, develop, retain, motivate, and lead a diverse array of appropriately skilled people. *The human factor drives everything.* To know more about workplace behavior is to gain a valuable competitive edge. The purpose of this textbook is to help present and future organizational participants better understand and manage people at work.

Although this seventh edition of *Organizational Behavior* is aimed at undergraduate business students in similarly named courses, previous editions have proven highly versatile. *Organizational Behavior* has been used effectively in MBA programs, executive education and management development programs, and industrial and organizational psychology programs around the world. (Note: A special European edition is

available.) This textbook is the culmination of our combined 60 years of teaching experience and research of organizational behavior and management in the United States, Pacific Rim, and Europe. Thanks to detailed feedback from students, professors, and practicing managers, this seventh edition is shorter, more refined, and better organized. Many new changes have been made in this edition, reflecting new research evidence, new management techniques, and the fruits of our own learning process.

*Organizational Behavior*, seventh edition, is *user driven* (as a result of carefully listening to our readers). It was developed through close *teamwork* between the authors and the publisher and is the product of *continuous improvement*. This approach has helped us achieve a difficult combination of balances. Among them are balances between theory and practice, solid content and interesting coverage, and instructive detail and readability. Students and instructors say they want an up-to-date, relevant, and interesting textbook that actively involves the reader in the learning process. Our efforts toward this end are evidenced by many new topics and real-life examples, a stimulating art program, timely new cases and boxed inserts, end-of-chapter experiential exercises for both individuals and teams, and 23 exercises integrated into the text. We realize that reading a comprehensive textbook is hard work, but we also firmly believe the process should be interesting (and sometimes fun).



# Brief Contents

## Part One

### The World of Organizational Behavior 1

#### Chapter One

Organizational Behavior: The Quest for  
People-Centered Organizations 2

#### Learning Module A

Ethics and Organizational Behavior 31

#### Chapter Two

Managing Diversity: Releasing Every  
Employee's Potential 44

#### Chapter Three

Organizational Culture, Socialization, and  
Mentoring 74

#### Chapter Four

International OB: Managing across Cultures 106

## Part Two

### Individual Behavior in Organizations 137

#### Chapter Five

Self-Concept, Personality, Abilities, and  
Emotions 138

#### Learning Module B (Web)

Self-Management

#### Chapter Six

Values, Attitudes, and Job Satisfaction 172

#### Chapter Seven

Social Perception and Attributions 204

#### Chapter Eight

Foundations of Motivation 234

#### Chapter Nine

Improving Job Performance with Goals,  
Feedback, Rewards, and Positive  
Reinforcement 268

#### Learning Module C (Web)

Performance Appraisal

## Part Three

### Group and Social Processes 301

#### Chapter Ten

Group Dynamics 302

#### Chapter Eleven

Teams and Teamwork 338

#### Chapter Twelve

Individual and Group Decision Making 370

#### Chapter Thirteen

Managing Conflict and Negotiation 404

## Part Four

### Organizational Processes 435

#### Chapter Fourteen

Communication in the Internet Age 436

#### Chapter Fifteen

Influence Tactics, Empowerment,  
and Politics 474

#### Chapter Sixteen

Leadership 506

#### Learning Module D (Web)

Additional Leadership Models

#### Chapter Seventeen

Creating Effective Organizations 542

#### Chapter Eighteen

Managing Change and Stress 576

#### Learning Module E (Web)

Research Methods in Organizational  
Behavior



# Contents

Preface ix

## Part One

### The World of Organizational Behavior 1



#### Chapter One Organizational Behavior: The Quest for People-Centered Organizations 2

- Welcome to the World of OB 5
  - Organizational Behavior: An Interdisciplinary Field 5
  - Some FAQs about Studying OB 5
- Real World/Real People *An Entrepreneur's Odyssey: Lawyer, Baker, Manager* 7
- A Historical Perspective of OB 7
  - The Human Relations Movement 8
  - The Quality Movement 10
- Real World/Real People *Toyota Wrote the Book on Continuous Improvement* 11
  - The Internet and E-Business Revolution 12
  - The Age of Human and Social Capital 12
- Real World/Real People *What Some Companies Are Doing to Build Human and Social Capital* 15
  - The Emerging Area of Positive Organizational Behavior (POB) 15
- The Managerial Context: Getting Things Done with and through Others 17
  - What Do Managers Do? A Skills Profile 17
- Real World/Real People *Managers' Egos Take a Back Seat at JetBlue Airways* 19
  - 21st-Century Managers 19
- The Contingency Approach: Applying Lessons from Theory, Research, and Practice 20
  - Learning from Theory 22
  - Learning from Research 22
  - Learning from Practice 23
- A Topical Model for Understanding and Managing OB 24
- Summary of Key Concepts 25
- Discussion Questions 26
  - OB in Action Case Study *IBM's Donna Riley Strives for "Collaborative Influence"* 26

- Personal Awareness and Growth Exercise *How Strong Is Your Motivation to Manage?* 28
- Group Exercise *Timeless Advice* 29
- Ethical Dilemma *Liar! Liar!* 30
- Learning Module A *Ethics and Organizational Behavior* 31



#### Chapter Two Managing Diversity: Releasing Every Employee's Potential 44

- Defining Diversity 47
  - Layers of Diversity 47
  - Affirmative Action and Managing Diversity 48
- Real World/Real People *Wegmans Effectively Manages Diversity* 51
- Building the Business Case for Managing Diversity 51
  - Increasing Diversity in the Workforce 52
- OB Exercise *What Are the Strategies for Breaking the Glass Ceiling?* 53
- Real World/Real People *Juliette Katz Is Underemployed* 57
- Real World/Real People *Ernst & Young Implements Program to Keep Women on the Path to Partnership* 59
  - The Positive and Negative Effects of Diverse Work Environments 61
- Barriers and Challenges to Managing Diversity 64
- Real World/Real People *Sexual Harassment Is a Growing Problem in China* 65
- Ann Morrison Identifies Specific Diversity Initiatives 66
  - Accountability Practices 66
  - Development Practices 67
  - Recruitment Practices 67
- Summary of Key Concepts 67
- Discussion Questions 68
  - OB in Action Case Study *Many Older Employees Now Work for Younger Bosses* 69
- Personal Awareness and Growth Exercise *How Does Your Diversity Profile Affect Your Relationships with Other People?* 70



- Group Exercise Managing Diversity-Related Interactions* 71
- Ethical Dilemma An Employee Sues Georgia Power for Race Discrimination* 73



### Chapter Three Organizational Culture, Socialization, and Mentoring 74

- Organizational Culture: Definition and Context 76
- Dynamics of Organizational Culture 77
- Layers of Organizational Culture 77
- Real World/Real People *Williams-Sonoma's Espoused Values Focus on Employees, Customers, Shareholders, and Ethical Behavior* 79
- Manifestations of Organizational Culture 79
- OB Exercise** *Manifestations of Organizational Culture at Setpoint* 80
- Four Functions of Organizational Culture 81
- Types of Organizational Culture 82
- Outcomes Associated with Organizational Culture 84
- Developing High-Performance Cultures 85
- What Types of Culture Enhance an Organization's Financial Performance? 85
- How Cultures Are Embedded in Organizations 88
- The Organizational Socialization Process 91
- A Three-Phase Model of Organizational Socialization 91
- Real World/Real People *Sedona Center Relies on Current Employees for Anticipatory Socialization* 93
- Practical Application of Socialization Research 94
- Embedding Organizational Culture through Mentoring 95
- Functions of Mentoring 96
- Developmental Networks Underlying Mentoring 96
- Personal and Organizational Implications 97
- Real World/Real People *Blue Cross and Blue Shield of North Carolina (BCBSNC) Effectively Implements a Mentoring Program* 98
- Summary of Key Concepts* 98
- Discussion Questions* 99
- OB in Action Case Study GE's CEO, Jeffrey Immelt, Is Changing the Organization's Culture to Help Grow the Company* 100
- Personal Awareness and Growth Exercise Have You Been Adequately Socialized?* 101
- Group Exercise Assessing the Organizational Culture at Your School* 103

- Ethical Dilemma Arthur Andersen's Pursuit of Consulting Income Created Ethical Challenges in Its Auditing Operations* 104



### Chapter Four International OB: Managing across Cultures 106

- Culture and Organizational Behavior 108
- Societal Culture Is Complex and Multilayered 109
- Culture Is a Subtle but Pervasive Force 109
- Real World/Real People *Intel's Ethnographers Help Tap Foreign Markets* 110
- Culture Overrides National Boundaries 110
- A Model of Societal and Organizational Cultures 112
- Ethnocentrism: A Cultural Roadblock in the Global Economy 113
- Real World/Real People *Big, Wide World 101 for Tim Wright* 114
- Toward Greater Cross-Cultural Awareness and Competence 114
- Cultural Paradoxes Require Cultural Intelligence 114
- High-Context and Low-Context Cultures 115
- Real World/Real People *Relationships and Guanxi Matter When Doing Business in China* 116
- Nine Cultural Dimensions from the GLOBE Project 117
- OB Exercise** *What Is Your Cultural Profile?* 118
- Individualism versus Collectivism 119
- Cultural Perceptions of Time 121
- Interpersonal Space 121
- Religion 122
- Practical Insights from Cross-Cultural Management Research 123
- The Hofstede Study: How Well Do US Management Theories Apply in Other Countries? 123
- Leadership Lessons from the GLOBE Project 124
- Preparing Employees for Successful Foreign Assignments 125
- Why Do US Expatriates Fail on Foreign Assignments? 125
- A Bright Spot: North American Women on Foreign Assignments 126
- Avoiding OB Trouble Spots in Foreign Assignments 126
- Real World/Real People *A Taste of India in Silicon Valley* 128
- Summary of Key Concepts* 130
- Discussion Questions* 131



*OB in Action Case Study It Takes a Village—  
and a Consultant* 132

*Personal Awareness and Growth Exercise How Do  
Your Work Goals Compare Internationally?* 133

*Group Exercise Looking into a Cultural  
Mirror* 134

*Ethical Dilemma 3M Tries to Make a  
Difference in Russia* 134

## Part Two

### Individual Behavior in Organizations 137



#### Chapter Five

Self-Concept, Personality,  
Abilities, and Emotions 138

Self-Concept 142

Self-Esteem 142

Self-Efficacy 144

*Real World/Real People How Hispanic Business  
Magazine's 2004 Woman of the Year Developed High  
Self-Efficacy* 145

Self-Monitoring 147

**OB Exercise** *What Are Your Self-Monitoring  
Tendencies?* 149

Organizational Identification: *A Social Aspect of  
Self-Concept with Ethical Implications* 149

*Real World/Real People Former Enron Employee  
Paid a Big Price for Her Organizational  
Identification* 150

Personality: Concepts and Controversy 150

The Big Five Personality Dimensions 151

The Proactive Personality 152

*Real World/Real People Cashing in on a  
Proactive Personality* 152

Issue: What about Personality Testing in the  
Workplace? 152

Issue: Why Not Just Forget about Personality? 153

Locus of Control: Self or Environment? 154

**OB Exercise** *Where Is Your Locus of Control?* 155

Abilities (Intelligence) and Performance 156

Intelligence and Cognitive Abilities 157

Do We Have Multiple Intelligences? 159

Emotions: An Emerging OB Topic 160

Positive and Negative Emotions 160

Developing Emotional Intelligence 162

Practical Research Insights about Emotional

Contagion and Emotional Labor 162

*Real World/Real People Emotional Intelligence  
Keeps These Executives on an Even Keel* 164

*Summary of Key Concepts* 165

*Discussion Questions* 166

*OB in Action Case Study What Drives Sherri  
Heckenast?* 166

*Personal Awareness and Growth Exercise  
How Do You Score on the Big Five Personality  
Factors?* 167

*Group Exercise Anger Control Role Play* 169

*Ethical Dilemma Hot Heads!* 171

*Learning Module B (Web) Self-Management*



#### Chapter Six

Values, Attitudes, and Job  
Satisfaction 172

Personal Values 174

Instrumental and Terminal Values 175

*Real World/Real People David Neeleman, CEO  
of JetBlue, Reconciles His Value System* 175

Value Conflicts 176

Work versus Family Life Conflict 177

**OB Exercise** *Personal Values Clarification* 178

**OB Exercise** *How Family-Supportive Is Your  
Employer* 181

Attitudes 182

The Nature of Attitudes 182

How Stable Are Attitudes? 183

What Happens When Attitudes and Reality Collide?

Cognitive Dissonance 183

Attitudes Affect Behavior via Intentions 184

Key Work Attitudes 186

Organizational Commitment 188

*Real World/Real People Chuck Carothers and  
Irene Tse Commit to Their Jobs, Careers, and the  
Thrill of Achievement* 188

Job Involvement 191

Job Satisfaction 192

The Causes of Job Satisfaction 192

**OB Exercise** *How Satisfied Are You with Your  
Present Job?* 193

*Real World/Real People Lockheed Martin Uses  
Surveys to Assess Employees' Job Satisfaction and  
Improve Employee Engagement* 194

Major Correlates and Consequences of Job  
Satisfaction 195

*Summary of Key Concepts* 198

*Discussion Questions* 199



- Group Structure and Composition 319
  - Functional Roles Performed by Group Members 319
  - Group Size 320
  - Effects of Men and Women Working Together in Groups 322
- Threats to Group Effectiveness 325
  - The Asch Effect 325
- Real World/Real People *An Entrepreneur and Consultant Questions Loyalty* 325
  - Groupthink 327
  - Social Loafing 328

- Summary of Key Concepts* 330
- Discussion Questions* 330
- OB in Action Case Study A 10-Year Retrospective of the Challenger Space Shuttle Disaster: What It Groupthink?* 331
- Personal Awareness and Growth Exercise Is This a Mature Work Group or Team?* 333
- Group Exercise A Committee Decision* 334
- Ethical Dilemma Do Things My Way, or Hit the Highway!* 336



## Chapter Eleven Teams and Teamwork 338

- Work Teams: Types, Effectiveness, and Stumbling Blocks 340
  - A General Typology of Work Teams 341
- Real World/Real People *Toss Your Egos Overboard* 343
  - Effective Work Teams 344
  - Why Do Work Teams Fail? 345
- Effective Teamwork through Cooperation, Trust, and Cohesiveness 347
  - Cooperation 348
  - Trust 350
- Real World/Real People *Trust Is Everything for the "Bun Lady"* 351
  - Cohesiveness 352
- Teams in Action: Quality Circles, Virtual Teams, and Self-Managed Teams 354
  - Quality Circles 355
  - Virtual Teams 356
  - Self-Managed Teams 357
- OB Exercise** *Measuring Work Group Autonomy* 358
- Real World/Real People *Cross-Functional Teamwork Gives Motorola Cell Phones Pizzazz* 359
- Team Building 361

- Real World/Real People *Executive MBA Building at China's Tsinghua University* 361
  - The Goal of Team Building: High-Performance Teams 362
  - Developing Team Members' Self-Management Skills 362

- Summary of Key Concepts* 363
- Discussion Questions* 364
- OB in Action Case Study GE's Global Virtual Team Wants to Reap the Wind* 364
- Personal Awareness and Growth Exercise How Trusting Are You?* 365
- Group Exercise Student Team Development Project* 367
- Ethical Dilemma Sexy but Sexless Relationships?* 369



## Chapter Twelve Individual and Group Decision Making 370

- Models of Decision Making 372
  - The Rational Model 372
- Real World/Real People *Michael Dell and Kevin Rollins Make Decisions Collaboratively* 375
  - Simon's Normative Model 375
- Dynamics of Decision Making 377
  - Improving Decision Making through Effective Knowledge Management 378
- Real World/Real People *Hackensack University Medical Center Uses Medically Based Knowledge Management Systems to Treat Patients* 379
  - General Decision-Making Styles 380
  - Escalation of Commitment 381
  - The Role of Intuition in Decision Making 383
- Real World/Real People *John Martin Uses Intuition and Rationality to Solve a Problem* 385
- Group Decision Making 386
  - Group Involvement in Decision Making 386
- OB Exercise** *Assessing Participation in Group Decision Making* 387
  - Advantages and Disadvantages of Group-Aided Decision Making 388
  - Group Problem-Solving Techniques 390
- Real World/Real People *Engineers at Starkey Laboratories Design Products with Information-Sharing Software* 392
- Creativity 393
  - Definition and Stages 393



- A Model of Organizational Creativity and Innovation 394
- Real World/Real People *Quest Diagnostics Measures and Rewards Creativity* 397
- Summary of Key Concepts* 397
- Discussion Questions* 398
- OB in Action Case Study IDEO Uses Its Creative Product Design Process to Help Companies Improve Their Products and Customer Service* 399
- Personal Awareness and Growth Exercise What Is Your Decision-Making Style?* 400
- Group Exercise Ethical Decision Making* 402
- Ethical Dilemma Are Lawyers at Vinson & Elkins Partly Responsible for Enron's Collapse?* 403



### Chapter Thirteen

#### Managing Conflict and Negotiation 404

- Conflict: A Modern Perspective 406
  - The Language of Conflict: Metaphors and Meaning 407
  - A Conflict Continuum 408
  - Functional versus Dysfunctional Conflict 409
  - Why People Avoid Conflict 409
- Real World/Real People *A Friendly Corporate Tug-of-War* 409
  - Antecedents of Conflict 410
  - Desired Conflict Outcomes 410
- Types of Conflict 411
  - Personality Conflict 411
  - Intergroup Conflict 412
  - Cross-Cultural Conflict 415
- Managing Conflict 416
  - Stimulating Functional Conflict 416
- Real World/Real People *The Founder of Patagonia Shakes Things Up* 417
  - Alternative Styles for Handling Dysfunctional Conflict 419
- Real World/Real People *Burger King's CEO, Gregory D Brennenman, Knows When to Use the Hammer* 420
  - Third-Party Interventions 420
  - Practical Lessons from Conflict Research 422
- Negotiation 423
  - Two Basic Types of Negotiation 423
- OB Exercise** *The Conflict Iceberg* 424
- Real World/Real People *Time Warner's CEO, Dick Parsons, Got Some Win-Win Advice* 425

- Ethical Pitfalls in Negotiation 425
- Practical Lessons from Negotiation Research 425
- Conflict Management and Negotiation: A Contingency Approach 426
- Summary of Key Concepts* 428
- Discussion Questions* 429
- OB in Action Case Study Pulp Friction at Weyerhaeuser* 429
- Personal Awareness and Growth Exercise What Is Your Primary Conflict-Handling Style?* 430
- Group Exercise Bangkok Blowup—A Role-Playing Exercise* 431
- Ethical Dilemma Fight Night for the Cubicle Dwellers?* 433

### Part Four

#### Organizational Processes 435



### Chapter Fourteen

#### Communication in the Internet Age 436

- Basic Dimensions of the Communication Process 439
  - A Perceptual Process Model of Communication 439
  - Barriers to Effective Communication 442
- Real World/Real People *What Really Goes on during Conference Calls?* 442
- Interpersonal Communication 444
- OB Exercise** *What Is Your Business Etiquette?* 445
  - Assertiveness, Aggressiveness, and Nonassertiveness 446
- Real World/Real People *Jorge Blanco Changes His Communication Style for the Situation and Individuals Involved* 447
  - Sources of Nonverbal Communication 447
  - Active Listening 450
  - Women and Men Communicate Differently 451
- Organizational Communication 454
  - Formal Communication Channels: Up, Down, Horizontal, and External 454
- Real World/Real People *Effective Employee Suggestion Systems Reap Substantial Benefits* 455
  - Informal Communication Channels:
    - The Grapevine 456
    - Choosing Media: A Contingency Perspective 458
    - Communication Distortion 460
- Communication in the Computerized Information Age 461



- Real World/Real People *Electronics Gone Crazy!* 462
- Internet/Intranet/Extranet 462
  - Electronic Mail 463
  - Handheld Devices 465
  - Blogs 466
  - Videoconferencing 466
  - Group Support Systems 467
  - Telecommuting 467
- Summary of Key Concepts* 468
- Discussion Questions* 469
- OB in Action Case Study Is Information Technology More of a Help or Hindrance?* 470
- Personal Awareness and Growth Exercise Assessing Your Listening Skills* 471
- Group Exercise Practicing Different Styles of Communication* 472
- Ethical Dilemma Are Camera Cell Phones Creating Ethical Problems?* 473



### Chapter Fifteen

#### Influence Tactics, Empowerment, and Politics 474

- Organizational Influence Tactics: Getting One's Way at Work 477
- Nine Generic Influence Tactics 477
  - Three Possible Influence Outcomes 478
- Real World/Real People *Edward S Lampert, the Brains behind the Kmart and Sears Deal, Is a Very Persuasive Guy!* 478
- Practical Research Insights 479
  - How to Do a Better Job of Influencing and Persuading Others 480
- Social Power 481
- Dimensions of Power 482
- Real World/Real People *Deposed CEO Carly Fiorina Still Has Power* 483
- OB Exercise** *What Is Your Self-Perceived Power?* 484
- Research Insights about Social Power 484
  - Using Power Responsibly and Ethically 485
- Empowerment: From Power Sharing to Power Distribution 486
- A Matter of Degree 486
  - Participative Management 487
  - Delegation 488

- Real World/Real People *The CEO of Abercrombie & Fitch Co., Mike Jeffries, Hates to Delegate* 489
- Empowerment: The Research Record and Practical Advice 490
- Organizational Politics and Impression Management 492
- Definition and Domain of Organizational Politics 492
  - Political Tactics 494
  - Impression Management 496
- OB Exercise** *How Much Do You Rely on Upward Impression Management Tactics?* 498
- Research Evidence on Organizational Politics and Impression Management 498
  - Managing Organizational Politics 499
- Real World/Real People *Jorma Ollila, CEO of Finland's Nokia, Hangs Up on Organizational Politics* 500

- Summary of Key Concepts* 500
- Discussion Questions* 501
- OB in Action Case Study A Retired US Marine Corps General Wages War on Hunger in Chicago* 502
- Personal Awareness and Growth Exercise How Political Are You?* 503
- Group Exercise You Make Me Feel So Good!* 504
- Ethical Dilemma Your Job: Up in Smoke?* 505



### Chapter Sixteen

#### Leadership 506

- What Does Leadership Involve? 509
- Leadership Defined 509
- Approaches to Leadership 509
- Leading versus Managing 511
- Real World/Real People *Best Buy Uses Multiple Programs to Develop Its Leaders* 512
- Trait and Behavioral Theories of Leadership 512
- Trait Theory 512
- Real World/Real People *Anne Mulcahy Is a Credible Leader* 514
- Real World/Real People *How Would You Like to Work for These Managers?* 516
- Behavioral Styles Theory 517
- Situational Theories 519
- Fiedler's Contingency Model 519
  - Path-Goal Theory 521
- Real World/Real People *Sony's President, Ryoji Chubachi, Uses Multiple Leader Behaviors to Get the Job Done* 524



The Full-Range Theory of Leadership: From Laissez-Faire to Transformational Leadership	524
How Does Transformational Leadership Transform Followers?	525
Research and Managerial Implications	527
Additional Perspectives on Leadership	528
The Leader-Member Exchange (LMX) Model of Leadership	528
OB Exercise <i>Assessing Your Leader-Member Exchange</i>	529
Shared Leadership	530
Real World/Real People <i>Shared Leadership Means Life or Death at Mayo Clinic</i>	531
Level 5 Leadership	532
Servant-Leadership	534
The Role of Followers in the Leadership Process	536
<i>Summary of Key Concepts</i>	537
<i>Discussion Questions</i>	538
<i>OB in Action Case Study Leadership Lessons from CEOs at Hewlett-Packard, Procter &amp; Gamble, United Technologies, and IBM</i>	538
<i>Personal Awareness and Growth Exercise How Ready Are You to Assume the Leadership Role?</i>	539
<i>Group Exercise Exhibiting Leadership within the Context of Running a Meeting</i>	540
<i>Ethical Dilemma Doug Durand's Staff Engages in Questionable Sales Activities</i>	541
Learning Module D (Web) <i>Additional Leadership Modules</i>	



## Chapter Seventeen

### Creating Effective Organizations 542

Organizations: Definition and Perspectives 545

What Is an Organization? 545

Organization Charts 546

An Open-System Perspective of Organizations 547

Real World/Real People *Switzerland's ABB Encourages Open-System Thinking at Its Tennessee Power Technologies Unit* 549

Learning Organizations 549

The Changing Shape of Organizations 550

New-Style versus Old-Style Organizations 550

Three New Organizational Patterns 551

Real World/Real People <i>When It Comes to Outsourcing, How Much Is Too Much?</i>	553
Organizational Effectiveness (and the Threat of Decline)	554
Generic Organizational-Effectiveness Criteria	555
Real World/Real People <i>Starbucks' Founder and Chairman, Howard Schultz, Brewed Up a Grand Vision</i>	555
Multiple Effectiveness Criteria: Some Practical Guidelines	558
The Ever-Present Threat of Organizational Decline	558
Real World/Real People <i>How Coke Lost Its Fizz</i>	559
The Contingency Approach to Organizational Design	560
Differentiation and Integration: The Lawrence and Lorsch Study	561
Mechanistic versus Organic Organizations	563
Three Important Contingency Variables: Technology, Size, and Strategic Choice	565
The Effect of Technology on Structure—Woodward and Beyond	566
Organizational Size and Performance	566
Strategic Choice and Organizational Structure	568
Real World/Real People <i>CEO Jean-Pierre Garnier Strives for Smallness within Bigness at Britain's GlaxoSmithKline</i>	569

*Summary of Key Concepts* 570

*Discussion Questions* 571

*OB in Action Case Study Shaking Up Intel's Insides* 571

*Personal Awareness and Growth Exercise*

*Organization Design Field Study* 572

*Group Exercise Stakeholder Audit Team* 573

*Ethical Dilemma Burger King Serves Up a High-Calorie Strategy* 574



## Chapter Eighteen

### Managing Change and Stress 576

Forces of Change 578

External Forces 579

Real World/Real People *Marathon Oil Experiences IBM's New Service Strategy* 580

Internal Forces 581

Models and Dynamics of Planned Change 582

Types of Change 582



- Real World/Real People** *Wal-Mart Created Competitive Advantage through Operational Innovations* 583
- Lewin's Change Model 584
  - A Systems Model of Change 585
  - Kotter's Eight Steps for Leading Organizational Change 588
  - Creating Change through Organization Development 589
- Understanding and Managing Resistance to Change** 591
- Why People Resist Change in the Workplace 591
- Real World/Real People** *Can a Foreigner Successfully Run Sony?* 593
- Research on Resistance to Change 594
- OB Exercise** *Does Your Commitment to a Change Initiative Predict Your Behavioral Support for the Change?* 595
- Alternative Strategies for Overcoming Resistance to Change 596
- OB Exercise** *Assessing an Organization's Readiness for Change* 597
- Dynamics of Stress** 598
- Defining Stress 599
  - A Model of Occupational Stress 599
  - Moderators of Occupational Stress 602
- Real World/Real People** *Social Support Helps Amanda Albertelli Cope with Divorce* 603
- OB Exercise** *Where Are You on the Type A-B Behavior Continuum?* 606
- Stress-Reduction Techniques 606
- Summary of Key Concepts** 608
- Discussion Questions** 609
- OB in Action Case Study** *GM Must Change to Survive* 610
- Personal Awareness and Growth Exercise**
- Applying the Systems Model of Change** 611
- Group Exercise** *Creating Change at General Motors* 612
- Ethical Dilemma** *What Would You Do if Your Boss Had a Serious Mental Illness?* 614
- Learning Module E (Web)** *Research Methods in Organizational Behavior*
- Video Cases** VC1
- Photo Credits** PC1
- Endnotes** EN1
- Glossary** G1
- Index** 11