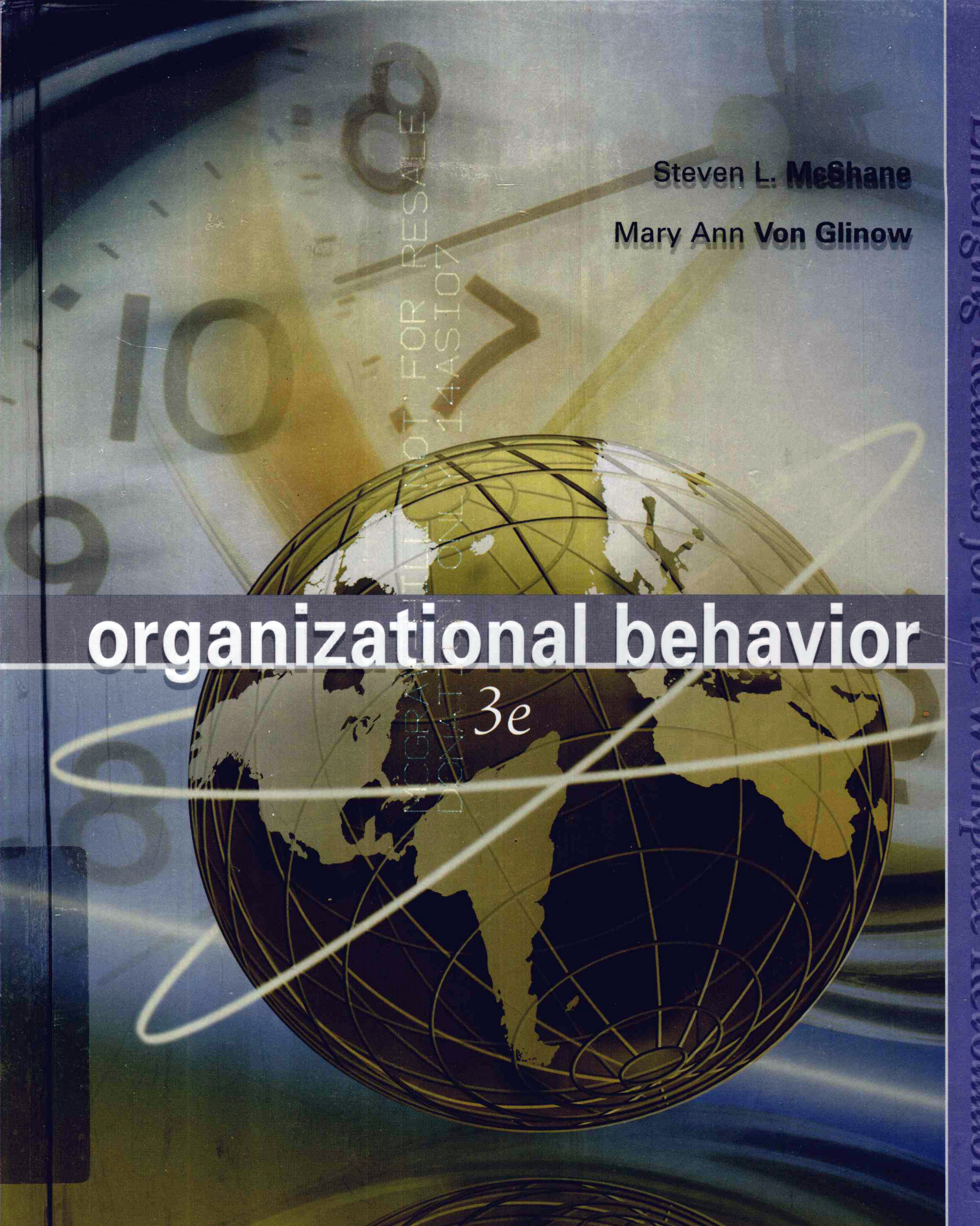


Steven L. McShane

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organizational behavior

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ORGANIZATIONAL BEHAVIOR:
EMERGING REALITIES FOR THE WORKPLACE REVOLUTION

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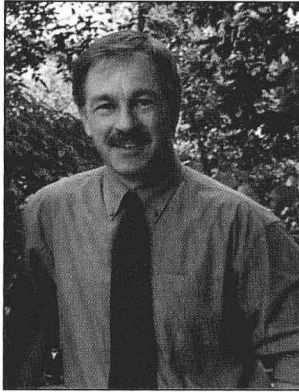
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Steven L. McShane

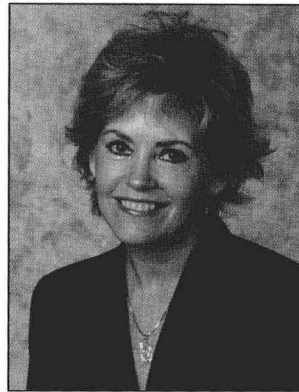
Steven L. McShane is Professor of Management in the Graduate School of Management at the University of Western Australia (UWA). He has also served on the business faculties at Simon Fraser University and Queen's University in Canada. Steve receives high teaching

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Steve is also the author of *Canadian Organizational Behavior*, 5th edition (McGraw-Hill, 2004), Canada's best-selling OB textbook. He is co-author with Professor Tony Travaglione of *Organisational Behaviour on the Pacific Rim* (McGraw-Hill, 2003), which became the second best-selling OB book in that region within its first year of publication. Steve has published several dozen articles and conference papers on informal and structural knowledge management, the socialization of new employees, gender bias in job evaluation, wrongful dismissal, media bias in business magazines, emotions in decision making, and other diverse topics.

Along with teaching and writing, Steve enjoys his leisure time swimming, bodyboard surfing, canoeing, skiing, and traveling with his wife and two daughters.



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Dr. Von Glinow has authored over 70 journal articles and eleven books. Her most recent includes *Organizational Learning Capability* by Oxford University Press, 1999 (in Chinese and Spanish translation) which won a Gold Book Award from the Ministry of Economic Affairs in Taiwan in 2002. She heads an international consortium of researchers delving into "Best International Human Resource Management Practices," and her research in this arena won an award from the American Society for Competitiveness' Board of Trustees.

Mary Ann consults to a number of domestic and multinational enterprises, and serves as a mayoral appointee to the Shanghai Institute of Human Resources in China. Since 1989, she has been a consultant in General Electric's "Workout" and "Change Acceleration Program" including "Coaching to Management." Her clients have included Asia Development Bank, American Express, Burger King, Pillsbury, The Aetna, State of Florida, TRW, Rockwell Int'l, Motorola, N.Y. Life, Amoco, Lucent, and Joe's Stone Crabs, to name a few.

Dedicated with love and devotion to Donna,
and to our wonderful daughters,
Bryton and Madison

— S.L.M. —

To my family and my virtual,
globally-distributed family!

— M.A.V.G. —

Welcome to a new era of organizational behavior! Virtual teams are replacing committees. Values and self-leadership are replacing command-and-control supervision. Knowledge is replacing infrastructure. Companies are looking for employees with emotional intelligence, not just technical smarts. Globalization has become the mantra of corporate survival. Co-workers aren't down the hall; they're at the other end of an Internet connection located somewhere else on the planet.

Organizational Behavior, Third Edition, is written in the context of these emerging workplace realities. This edition explains how emotions guide employee motivation, attitudes, and decisions; how values have become the new resource to shape workplace behavior; how a person's social identity relates to team dynamics, stereotyping, and organizational culture; and how appreciative inquiry has become one of the emerging strategies for organizational change. This book also presents the new reality that organizational behavior is not just for managers; it is relevant and useful to anyone who works in and around organizations.

GLOBAL ORIENTATION

Love it or hate it, globalization is part of the emerging reality of organizations. The opening chapter of *Organizational Behavior*, Third Edition, reflects this situation by introducing the topic of globalization in the context of OB concepts. Global issues are also highlighted throughout this book—cross-cultural values and ethics (Chapter 2), job satisfaction and emotional responses in different societies (Chapter 4), the relevance of motivation concepts across cultures (Chapter 5), attitudes toward money in various cultures (Chapter 6), employee stress from overwork in Japan (Chapter 7), cross-cultural issues in the success of self-directed work teams and the prevalence of virtual teams (Chapter 10), problems with cross-cultural communication (Chapter 11), cultural values and expectations as a factor in the preferred influence tactics (Chapter 12), cross-cultural conflict (Chapter 13), preferred leadership styles across cultures (Chapter 14), and cross-cultural issues in organizational change (Chapter 17) are just some examples.

To further emphasize the emerging reality of globalization, every chapter has one or more *Global Connections* features that link OB concepts to organizational incidents around the world. For example, you will read how an increasing number of young people in Japan are dramatically altering the traditional employment relationship by becoming “freeters,” how a German advertising and Web design firm is gaining attention by adopting a no-nonsense “back to work” corporate culture, how nonverbal communication narrowly avoided a potentially deadly incident during the war in Iraq, how employees in Argentina are saving their jobs by taking over the businesses abandoned by their employers, and how people throughout Asia are trying out new forms of team building.

LINKING THEORY WITH REALITY

Every chapter of *Organizational Behavior*, Third Edition, is filled with real-life examples to make OB concepts more meaningful and reflect the relevance and excitement of this field. For example, you will read how Wall Street brokerage firms are putting employees into teams for better customer service, how Hewlett-Packard created a more performance-oriented corporate culture by acquiring Compaq, how the president of New York's Central Park Conservancy improved her perceptions of employees by literally walking in their shoes, how high-involvement cross-functional teams assisted the dramatic turnaround of Nissan Motor Company, and how Pixar Animation Studios designed its new campus headquarters to improve employee communications.

These real-life stories appear in many forms. Every chapter of this book is filled with photo captions and in-text anecdotes about work life in this new millennium. Each chapter also includes *Connections*, a special feature that “connects” OB concepts with real organizational incidents. Case studies in each chapter and video case studies in each part also connect OB concepts to the emerging workplace realities. These stories provide representation across the United States and around the planet. Moreover, these examples cover a wide range of industries—from software to government, and from small businesses to the Fortune 500.

ORGANIZATIONAL BEHAVIOR KNOWLEDGE FOR EVERYONE

Another distinctive feature of *Organizational Behavior*, Third Edition, is that it is written for everyone in organizations, not just “managers.” The new reality is that people throughout the organization—systems analysts, production employees, accounting professionals—are assuming more responsibilities as companies remove layers of bureaucracy and give nonmanagement staff more autonomy over their work. Consequently, the philosophy of this book is that everyone who works in and around organizations needs to understand and make use of organizational behavior knowledge.

CONTEMPORARY THEORY FOUNDATION

Organizational Behavior, Third Edition, has a solid foundation of contemporary and classic scholarship. You can see this in the references. Each chapter is based on dozens of articles, books, and other sources. The most recent literature receives thorough coverage, resulting in what we believe is the most up-to-date organizational behavior textbook available. These references also reveal that we reach out to information systems, marketing, and other disciplines for new ideas. At the same time, this textbook is written for students, not the scholars whose work is cited. Consequently, you will read about the conceptual and applied implications of leading research, but not detailed descriptions of those studies. Also, the names of researchers or their affiliations are rarely mentioned in the text. The philosophy of this textbook is to present OB scholarship in ways that students will remember long after the final examination.

Organizational Behavior was the first textbook in this field to discuss workplace emotions, social identity theory, appreciative inquiry, search conferences, the employee-customer-profit chain model, and several other groundbreaking topics. This edition continues to present innovative and con-

temporary ideas, including the latest knowledge on individualism-collectivism, innate drives theory, Schwartz's values model, counterproductive work behaviors, learning orientation, virtual teams, workaholism, executive coaching, emotions in decision making, and several other topics.

CHANGES TO THE THIRD EDITION

Organizational Behavior, Third Edition, is the result of reviews over the past three years by more than 140 organizational behavior scholars and teachers in several countries. This feedback, along with a continuous scan of relevant literature, has resulted in numerous improvements. First, you will notice significant changes to the textbook structure. Guided by extensive reviewer feedback, the chapters are more clearly organized around individual, team, and organizational levels of analysis. The early chapters focus on individual differences, with the more stable characteristics (values, personality) presented before the more fluid characteristics (emotions, attitudes). This edition also has two chapters on teams; integrates decision making, creativity, and employee involvement into one chapter; moves employment and career topics closer to related material throughout the textbook; and moves organizational change to the book's final chapter.

Along with structural improvements, this edition presents more experiential learning support than ever before. In particular, this edition nearly doubles the number of self-assessments and includes a CD where students can complete these assessments more efficiently. *Organizational Behavior* is one of the few books with comprehensive cases, and this edition further supports instructor requests for more of these lengthier cases. You will also find several new cases and team exercises in each chapter of the book.

Almost every chapter has been substantially updated with new conceptual and anecdotal material. Here are some of the most significant improvements within each chapter of this edition:

- *Chapter 1: Introduction to the Field of Organizational Behavior*—The section on trends in OB now includes discussion of corporate social responsibility, as well as completely rewritten subsections on globalization and information technology in the context of organizational behavior. The systematic research anchor now recognizes grounded theory methodology, and the chapter adds new information on telecommuting as well as OB and the bottom line
- *Chapter 2: Individual Behavior, Values, and Personality*—This completely rewritten chapter places the most stable individual differences (values, personality) near the beginning of the book. It also includes groundbreaking research on individualism and collectivism, Schwartz's model (which dominates current values literature), a new section on values congruence, and new information on counterproductive work behaviors. This chapter also includes updated information on ethical principles and employee competencies.
- *Chapter 3: Perception and Learning in Organizations*—This completely rewritten chapter logically combines perceptions and learning. Minimizing stereotyping bias, practicing self-fulfilling prophecy, and empathy are revised and updated based on new literature. Social identity theory is also updated here to reflect the rapidly growing OB literature on this subject.

- *Chapter 4: Workplace Emotions and Attitudes*—This significantly revised chapter offers the most up-to-date definition and model of emotions, emotional labor, and emotional intelligence. The chapter also introduces groundbreaking ideas from neurology and evolutionary psychology on the dual rational-emotional processes in attitudes and behavior. This edition also includes the exit-voice-loyalty-neglect (EVLN) model of job satisfaction, important new research on the relationship between job satisfaction and job performance, new information on effects of surface versus deep acting emotional labor on emotional dissonance, and updated information on organizational commitment.
- *Chapter 5: Motivation in the Workplace*—Innate drives theory, one of the most important conceptual developments in employee motivation, is introduced in this chapter. This edition also has a new section on organizational justice, including full discussion on procedural justice as a source of motivation. Executive coaching and the integration of goal setting with feedback are also new features of this chapter.
- *Chapter 6: Applied Performance Practices*—This appropriately renamed chapter includes a new section on empowerment, updated information on self-leadership in practice, and discussion of the balanced scorecard.
- *Chapter 7: Work-Related Stress and Stress Management*—This popular chapter includes new information on workaholism, as well as updates on the job burnout model, work hours as a stressor, and work-life balance.
- *Chapter 8: Decision Making and Creativity*—Based on the preferences of reviewers, this completely rewritten chapter integrates decision making, creativity, and employee involvement, and precedes our discussion of team dynamics. The chapter includes new information on the dual rational-emotional processes in decision making, in both identifying problems and making choices. It also presents a new model of employee involvement in decision making, new information on implicit favorite and information processing distortion in decision making, and more explicit identification and critique of the “rational” and “bounded rationality” decision-making processes.
- *Chapter 9: Foundations of Team Dynamics*—The topic of teams is now split into two chapters with new material, as requested by several reviewers. This chapter includes new details about the potential benefits of teams as well as Belbin’s team roles. It also updates coverage of types of teams, team composition, and task interdependence.
- *Chapter 10: Developing High-Performance Teams*—This new chapter integrates the topics of self-directed work teams, virtual teams, team trust, team decision making, and team building. It provides the latest knowledge on virtual teams, including why they exist and how to design them more effectively. The chapter also updates information on constructive conflict in team decision making as well as challenges to self-directed work teams.
- *Chapter 11: Communicating in Teams and Organizations*—This chapter is reorganized for a more logical flow of topics from interpersonal to organizational-level concepts. It also updates the sections on direct communication with top management, the effect of information technologies on the organizational grapevine, and communication issues in work space design.

- *Chapter 12: Power and Influence in the Workplace*—This chapter offers an entirely new presentation and orientation on the types of influence in the workplace. It also adds a new section on contingencies of influence tactics, and it improves the connection between influence and organizational politics. The chapter also describes how *guanxi* in Asia and *blat* in Russia serve as influence tactics through the exchange process.
- *Chapter 13: Conflict and Negotiation in the Workplace*—This chapter introduces new information on constructive versus socioemotional conflict. The chapter also offers new information on conflict management styles, time deadlines in negotiation, and third-party conflict resolution.
- *Chapter 14: Leadership in Organizational Settings*—This chapter introduces new research on cross-cultural issues in leadership, including findings from the GLOBE leadership project. It updates information on integrity, emotional intelligence, and other leadership competencies. It also updates writing about implicit leadership theory, the debate on transformational versus charismatic leadership, and how women and men are evaluated as leaders.
- *Chapter 15: Organizational Structure and Design*—This chapter offers new information on divisional structures, including the general decline of geographic divisional structures. It also includes updated information on network structures as well as centralization-decentralization.
- *Chapter 16: Organizational Culture*—Along with numerous updated references and examples, this chapter revises information on ethics and corporate culture. It also incorporates information on organizational socialization.
- *Chapter 17: Organizational Change*—This chapter features several structural changes to streamline the information and improve the flow of topics. In particular, it has a new section on three approaches to organizational change (action research, appreciative inquiry, parallel learning structures). The chapter updates information on creating an urgency to change, search conferences as a change process, types of change agents, the action research approach to organizational change, and the appreciative inquiry approach to organizational change. This chapter also completes the book with an overview of strategies for personal development in organizational settings.

SUPPORTING THE LEARNING PROCESS

The changes described above refer only to the text material. *Organizational Behavior*, Third Edition, also has improved technology supplements, cases, videos, team exercises, and self-assessments. The detailed Walkthrough on the following pages highlights the many learning features available to you and your students with *Organizational Behavior*.

STUDENT-FOCUSED LEARNING FEATURES

With its core philosophy being “OB is for everyone,” every chapter of **Organizational Behavior** is filled with innovative features and exercises to help students learn and apply the knowledge they’ve gained from chapter material.

LEARNING OBJECTIVES

A topical guide for the student, **Learning Objectives** tell them what they should and will know after completing the chapter.

chapter 2

Individual Behavior, Values, and Personality

Learning Objectives

After reading this chapter, you should be able to:

- Diagram the MARS model.
- Describe three basic ways to match individual competencies to job requirements.
- Identify five types of individual behavior in organizations.
- Define values and explain why values congruence is important.
- Define the six main values that vary across cultures.
- List four ethical principles.
- Explain how moral intensity, ethical sensitivity, and the situation influence ethical behavior.
- Identify the “Big Five” personality dimensions.
- Summarize the personality concepts behind the Myers-Briggs Type Indicator.
- Explain how personality relates to Holland’s model of vocational choice.

It is no accident that the Container Store is a runaway leader in the hypercompetitive retail business. The Dallas-based seller of customized storage products pays attention to several key drivers to ensure that employees provide unflagging customer service. The Container Store begins by carefully selecting job applicants who are conscientious and embrace customer service values. To attract and keep this talent, the company pays 50 percent or more than typical retail salaries and maintains a respectful culture. “We are absolute wild-eyed fanatics when it comes to only hiring great people,” says president and CEO Kip Tindell, who cofounded the Container Store with partner and chairman Garrett Boone. “One of our Foundation Principles™ is that one great person is equal to three good people in terms of business productivity.”

Once hired, full-time employees receive 241 hours of training during their first year, compared to under a dozen hours for frontline staff at most other retailers. This training provides more than specialized skills and knowledge to analyze customer storage needs. It also teaches fundamental values that encourage employees to go beyond the customer’s short-term expectations. “Helping people is an obligation on our part,” says Boone. “It’s not a religious imperative. It’s an ethical imperative to really help that person to the best of your ability.”

The Container Store also motivates employees beyond generous pay and benefits. Team members in each store collectively set goals and provide supportive feedback in the daily “huddle.” Employees also call in to a special celebration voice mail system to tell stories about co-workers who went above and beyond the call of duty. To create a sense of ownership and involvement, employees receive ongoing information about the company and have a lot of freedom to make decisions. “A funny thing happens when you take the time to educate your employees, pay them well, and treat them as equals,” says Kip Tindell. “You end up with extremely motivated and enthusiastic people.” ■



The Container Store is a role model for applying the key drivers of employee performance in customer service.

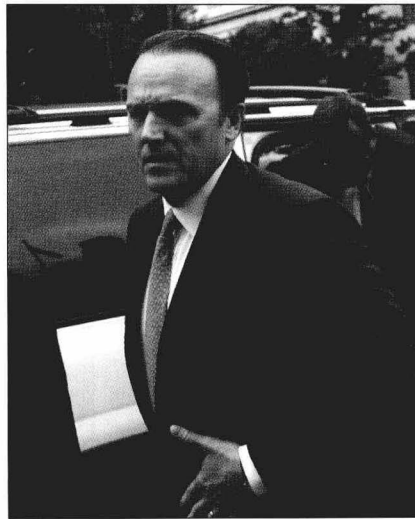
OPENING VIGNETTE

Each chapter begins with an engaging **opening vignette** that sets the stage for the chapter. These brief but interesting case studies introduce students to critical issues, challenge their preconceptions, and highlight some of today’s hottest companies.

When Rewards Go Wrong

There is an old saying that "what gets rewarded, gets done." But what companies reward isn't always what they had intended for employees to do. Here are a few dramatic examples:

- Stock options are supposed to motivate executives to improve corporate performance. Instead, they seem to motivate some leaders to inflate stock values through dodgy accounting practices. For example, according to U.S. government authorities, HealthSouth founder and former CEO Richard Scrusby demanded that his accounting staff artificially prop up profits at the nation's largest outpatient medical provider. When some employees urged him to abandon these questionable schemes, Scrusby refused, reportedly saying "Not until I sell my stock!" HealthSouth narrowly avoided bankruptcy after the company's true financial health became public.
- Integrated steel companies often rewarded managers for increased labor efficiency. The lower the labor hours required to produce a ton of steel, the larger the manager's bonus. Unfortunately, steel firms usually didn't count the work of outside contractors in the formula, so the reward system motivated managers to hire expensive contractors in the production process. By employing more contractors, the cost of production actually increased, not decreased.
- Toyota rewards its dealerships based on customer satisfaction surveys, not just car sales. What Toyota discovered, however, is that this motivates dealers to increase satisfaction scores, not customer satisfaction. One Toyota dealership received high ratings because it offered



U.S. government authorities claim that stock options motivated former HealthSouth CEO Richard Scrusby (shown) and other executives to engage in dodgy accounting practices rather than improve stockholder value for the long term.

CONNECTIONS

Connections boxes connect OB concepts with real organizational incidents.

GLOBAL CONNECTIONS

Providing the student with a link to the international arena, Global Connections boxes go beyond the borders of the United States to show how companies in other countries are tackling emerging workplace realities.

Protesting Unfair "Fat Cat" Pay in the United Kingdom

Cats have become an increasingly common sight at corporate annual general meetings throughout the United Kingdom. More precisely, dozens of people have been dressing up as "fat cats" in business suits as a way of protesting the generous paychecks of British executives. Labor unions are behind many of these antics, but institutional investors and private shareholders are also expressing their feelings of unfairness by voting against executive remuneration.

Over half of GlaxoSmithKline's shareholders opposed a U.S.\$35 million golden parachute that chief executive Jean-Pierre Garnier would be paid if fired from the pharmaceutical giant. A larger percentage of shareholders also opposed or abstained from voting for overly generous pay packages for executives at advertising group WPP and engineering group BAE Systems. Whitbread is under pressure to change contracts of its senior executives after the National Association of Pension Funds called on shareholders to abstain from voting on executive remuneration packages at the British bakery giant.

Critics say there is plenty of reason for the theatrics and shareholder unrest against executive pay. John Weston was ousted as chief executive of BAE Systems after the company lost more than \$1 billion and its stock price hit a 10-year low. In spite of these failings, Weston was sent out the door with a U.S.\$2.3 million payout and nearly \$6 million pension guarantee.

Corus chief executive Sir Brian Moffat was awarded a 130 percent pay increase soon after the Anglo-Dutch metals group announced huge financial losses and a 12-month pay



British protesters express their anger over unfair executive pay by dressing as "fat cats" in business suits outside the company's annual general meetings.

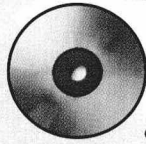
freeze for its workforce. "How do Corus bosses explain their wage freeze for workers while gifting fortunes to themselves?" asks Paul Flynn, the member of Parliament in South Wales, where Corus has cut back or closed steel production.

Sources: J. Boxell, "Investor Protest Threatens to Force Whitbread to Cut Executive Contracts," *Financial Times* (London), June 18, 2003, p. 25; W. Wallace, "British Shareholders Battle 'American-Style' Exec Pay," *Los Angeles Times*, June 2, 2003, Part 3, p. 5; "Handfuls of Protesters Decrying 'Fat Cat' Paycheques," *Canadian Press*, May 25, 2003; "Heads, They Win," *The Guardian* (London), May 9, 2003; "Bosses' Pay Sparks Anger," *BBC News*, April 5, 2002.

END-OF-CHAPTER MATERIAL GEARED TOWARD APPLICATION

SELF-ASSESSMENTS

Experiential exercises and self-assessments represent an important part of the active learning process. *Organizational Behavior*, Third Edition, offers one or two team exercises in every chapter. Many of these learning activities are not available in other organizational behavior textbooks, such as "Where in the World are We?" (Chapter 8) and "A Cross-Cultural Communication Game" (Chapter 11). This edition has nearly **four dozen self-assessments** in the book or on the student CD. The CD icon shown above signals that the assessment can be found interactively on the Student CD-Rom. The self-assessments featured personalize the meaning of several organizational behavior concepts, such as workaholism, corporate culture preferences, self-leadership, empathy, stress, creative disposition, and tolerance of change.



SELF-ASSESSMENT EXERCISE 6.4

ASSESSING YOUR SELF-LEADERSHIP

Purpose This exercise is designed to help you understand self-leadership concepts and to assess your self-leadership tendencies.

Instructions Indicate the extent to which each statement in this instrument describes you very well or does not describe you at all. Complete each item honestly to get the best estimate of your level of overall self-leadership as well as scores on each of the subscales.

SELF-ASSESSMENT EXERCISE 6.5

STUDENT EMPOWERMENT SCALE

Purpose This exercise is designed to help you understand the dimensions of empowerment and to assess your level of empowerment as student.

Instructions Empowerment is a concept that applies to people in a variety of situations. This instrument is specifically adapted to your position as a student at this college or university. Indicate the extent to which you agree or disagree with each statement in this instrument. Then request the results, which provide an overall score as well as scores on each of the dimensions of empowerment. Complete each item honestly to get the best estimate of your level of empowerment.

TEAM EXERCISES

TEAM EXERCISE 7.3

STAGE FRIGHT!

Purpose This exercise is designed to help you to diagnose a common stressful situation and determine how stress management practices apply to this situation.

Background Stage fright—including the fear of public speaking—is one of the most stressful experiences many people have in everyday life. According to some estimates, nearly three-quarters of us frequently get stage fright, even when speaking or acting in front of a small audience. Stage fright is an excellent topic for this team activity on stress management because the psychological and physiological symptoms of stage fright are really symptoms of stress. In other words, stage fright is the stress experience in a specific context involving a public audience. Based on the personal experiences of team members, your team is asked to identify the symptoms of stage fright and to determine specific stress management activities that effectively combat stage fright.

Instructions

- **Step 1**—Students are organized into teams, typically four to six students per team. Ideally, each team should have one or more people who acknowledge that they have experienced stage fright.
- **Step 2**—Each team's first task is to identify the symptoms of stage fright. The best way to organize these symptoms is to list three categories of stress outcomes described in the textbook: physiological, psychological, and behavioral. The stage fright symptoms may be different from the stress symptoms described in the textbook, but the three broad categories should be relevant. Teams should be prepared to identify several symptoms and then one or two specific examples of stress symptoms based on personal experience of team members. (Please remember: virtual students are not required to share their experiences to the entire class.)
- **Step 3**—Each team's second task is to identify specific strategies people could apply to minimize stage fright. The categories of stress management practices in the textbook will likely provide a template in which to organize the stage fright management activities. Each team should document several strategies to minimize stage fright and be able to share one or two specific examples to the class.
- **Step 4**—The class will congregates to share each team's analysis of symptoms and strategies to stage fright. This information is then compared to the stress and stress management practices described in the textbook.

SELF-ASSESSMENT EXERCISE 7.4

TIME STRESS SCALE

Purpose This self-assessment is designed to help you to identify your level of time-related stress.

Instructions Read each of the following statements and indicate your level of agreement with each statement. 1 = Yes, 2 = No, 3 = Do you plan to slow down.

DISCUSSION QUESTIONS

Discussion Questions

1. Identify three reasons why motivating employees is becoming increasingly challenging.
2. Harvard Business School professors Lawrence and Nohria recently proposed four fundamental human drives. Relate these innate drives to Maslow's needs hierarchy theory and Alderfer's ERG theory. How are they similar? How do they differ?
3. Use all three components of expectancy theory to explain why some employees are motivated to show up for work during a snowstorm whereas others make no effort to leave their home.
4. What are the limitations of expectancy theory in predicting an individual's work effort and behavior?
5. Several service representatives are upset that the newly hired representative with no previous experience will be paid \$1,000 a year above the usual starting salary in the pay range. The department manager explained that the new hire would not accept the entry-level rate, so the company raised the offer by \$1,000. All five representatives currently earn salaries near the top of the scale (\$10,000 higher), although they all started the minimum starting salary a few years earlier. Use equity theory to explain why the five service representatives feel inequity in this situation.
6. Using your knowledge of the characteristics of effective goals, establish two meaningful goals related to your performance in this class.
7. When do employees prefer feedback from nonsocial rather than social sources? Explain why nonsocial sources are preferred under these conditions.
8. Inequity can occur in the classroom as well as in the workplace. Identify classroom situations in which you experienced feelings of inequity. What can instructors do to maintain an environment that fosters both distributive and procedural justice?

BUSINESS WEEK CASE STUDIES

Found at the end of each chapter, *BusinessWeek* case studies introduce the online full-text article and provide critical thinking questions for class discussion or assignments. These cases encourage students to understand and diagnose real-world issues using organizational behavior knowledge. For example, one case study challenges students to analyze how specific collaborative technology at Lockheed Martin Aeronautics facilitates virtual teams (Chapter 10). Another case study asks students to identify the influence tactics used to deter a manager at TAP Pharmaceutical Products from blowing the whistle on corporate wrongdoing (Chapter 12).

CASE STUDY 5.1

BUDDY'S SNACK COMPANY
 By Russell Casey, Clayton State University, and Gloria Thompson, University of Phoenix

Buddy's Snack Company is a family-owned company located in the Rocky Mountains. Buddy Forest started the business in 1951 by selling homemade potato chips out of the back of his pickup truck. Nowadays, Buddy's is a \$36 million snack food company that is struggling to regain market share lost to Frito-Lay and other fierce competitors. In the early 1980s, Buddy passed the business on to his son, Buddy Jr., who is currently grooming his son, Mark, to succeed himself as head of the company.

Six months ago, Mark joined Buddy's Snacks as a salesperson and after four months was quickly promoted to sales manager. Mark recently graduated from a local university with an M.B.A. in marketing, and Buddy Jr. was hoping that Mark would be able to implement strategies that could help turn the company around. One of Mark's initial strategies was to introduce a new sales performance management system. As part of this approach, any salesperson who receives a below-average performance rating would be required to attend a mandatory coaching session with his/her supervisor. Mark Forest is hoping that these coaching sessions will motivate his employees to increase their sales. This case describes the reaction of three salespeople who have been required to attend a coaching session because of their low performance over the previous quarter.

Lynda Lewis
 Lynda is a hard worker who takes pride in her work ethic. She has spent a lot of time reading the training material and reviewing training techniques, viewing training materials, and accompanying her supervisor on her sales calls. Lynda has no problem

failure to make quota during this period results not from lack of effort but just from the economy. She is hopeful that she will turn around in the next quarter.

Lynda is upset with Mark for having to attend the coaching session because this time in three years that her sales quota has not been met. Although Lynda is willing to accept that the coaching sessions will be helpful, she is not sure that the coaching sessions will be helpful. Lynda is a dedicated employee, she has worked hard to rearrange the family's schedule to accommodate her work. Her efforts are being perceived by Mark as a salesperson who has not received a "good job" for those efforts. The end result has left Lynda unmotivated and unsure of her future with the company.

Michael Benjamin
 Michael is happy to have his job at Buddy's Snack Company, although he really doesn't like sales work that much. Michael accepted the position because he felt that he would be able to work hard and would have a lot of free time. Michael was sent to coaching because his customer satisfaction rating was low; in fact, they were the lowest in the company. Michael tends to give "canned" responses to customers.

CASE STUDY 7.2

RETHINKING THE RAT RACE

BusinessWeek Long work hours. They have become a badge of honor, a sign of status and importance. The harder you work, the higher your rise on the corporate ladder. Rather than free us from work, technology has eroded the boundaries between work and leisure. Even if Americans can't bring themselves to take more official time off from the job, they will increasingly demand that the job be more accommodating to their personal time. They may work until midnight, but they also want the right to surf the Web at work or spend more time chatting with co-workers.

This *BusinessWeek* case study looks at shifting expectations regarding hours of work and work-life balance. This article speculates about whether office life in the future will mix work and leisure together as much as these two are getting mixed together at home. Read this *BusinessWeek* article at www.mhhe.com/mhhe/mcshane3e and prepare for the discussion questions below.

Discussion Questions

1. What are the main reasons presented in the article why Americans work so many hours each year?
2. In your opinion, will the blurring of work and leisure at home and in the work increase or decrease stress levels? Explain your answer.

Source: D. Brady, "Rethinking the Rat Race," *BusinessWeek* August 26, 2002, p. 142.

CHAPTER CASES AND ADDITIONAL END-OF-TEXT CASES

Every chapter includes at least one short case study that challenges students to diagnose issues and apply ideas from that chapter. Additional comprehensive cases appear at the end of the book. Several cases are new to this book and are written by instructors around the United States and from other countries. Other cases, such as Arctic Mining Consultants, are classics that have withstood the test of time.

SUMMARY AND KEY TERMS

Chapter Summary

Money and other financial rewards are a fundamental part of the employment relationship. They potentially fulfill existence, relatedness, and growth needs. Money generates emotions and attitudes which vary across cultures. People (particularly men) also tend to identify themselves in terms of their wealth.

Organizations reward employees for their membership and seniority, job status, competencies, and performance. Membership-based rewards attract job applicants and seniority-based rewards reduce turnover, but these reward structures discourage turnover among those who remain. Rewards based on performance. Rewards based on performance maintain internal equity and motivate employees to compete for promotions. However, rewards are inconsistent with market conditions and encourage employees to compete and can lead to organizational politics. Based rewards are becoming increasingly

cause they improve workforce flexibility and are consistent with the emerging idea of employability. But competency-based rewards tend to be subjectively measured and can result in higher costs as employees spend more time learning new skills.

Awards/bonuses, commissions, and other individual performance-based rewards have existed for centuries and are widely used. Many companies are

Key Terms

autonomy, p. 187
 balanced scorecard, p. 180
 employee stock ownership plan (ESOP), p. 179
 empowerment, p. 191
 gainsharing plan, p. 179
 job characteristics model, p. 186
 job design, p. 184
 job enlargement, p. 189
 job enrichment, p. 189
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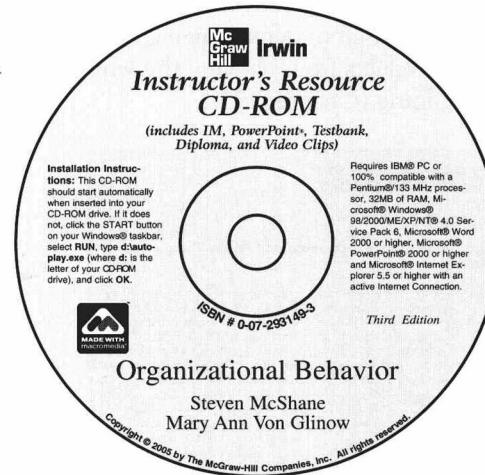
job specialization, p. 184
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INSTRUCTOR SUPPLEMENTS

Organizational Behavior, Third Edition, includes a variety of **supplemental materials** to help instructors prepare and present the material in this textbook more effectively.

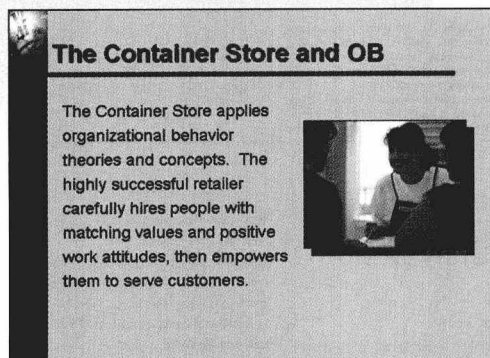
INSTRUCTOR'S CD-ROM

The Instructor's CD-Rom contains the **Instructor's Manual**, the **Computerized Test Bank**, **PowerPoint presentation**, and additional downloads of **art from the text**. Written by Steve McShane, the IM includes the learning objectives, glossary of key terms, a chapter synopsis, complete lecture outline with thumbnail images of corresponding PowerPoint slides, suggested solutions to the end-of-chapter discussion questions, and comments on photo caption critical thinking questions. It also includes teaching notes for the chapter case(s), additional cases, team exercises, and self-assessments and transparency masters. Many chapters include supplemental lecture notes and suggested videos. The Test Bank includes more than 2,400 multiple-choice, true/false, and essay questions. Steve McShane wrote all questions, the majority of which have been tested in class examinations. Each question identifies the relevant page reference and difficulty level.



POWERPOINT

Organizational Behavior includes a complete set of **PowerPoint Presentation** files, with at least 18 slides relating to each chapter. These slides have received high praise for their clean design, use of graphics, and inclusion of some photos from the textbook.



VIDEOS (ISBN: 0-07-293150-7)

The new video collection features PBS and CBC footage, and original business documentaries that relate to examples and cases in the text.

VIDEO DVD (ISBN: 0-07-294694-6)

To give professors more choice in delivery of the video footage, the entire video collection for *Organizational Behavior* can be found on the Video DVD.



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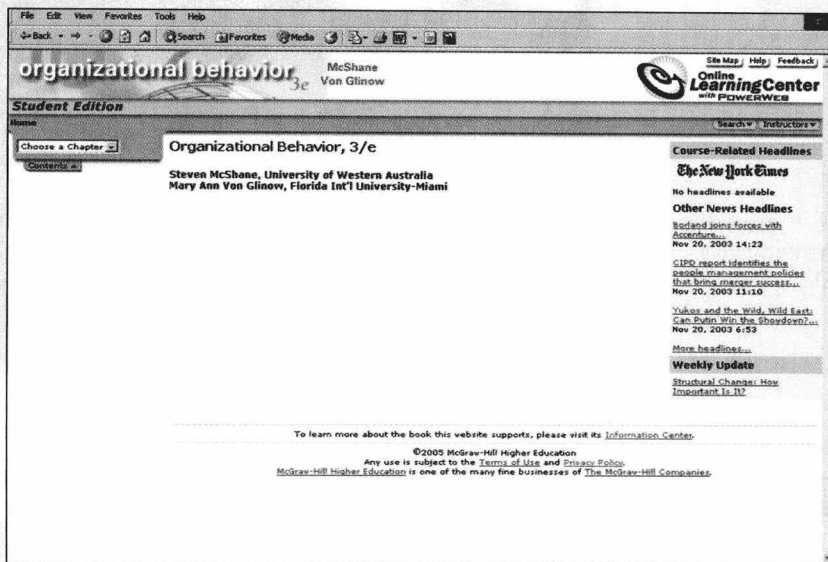
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