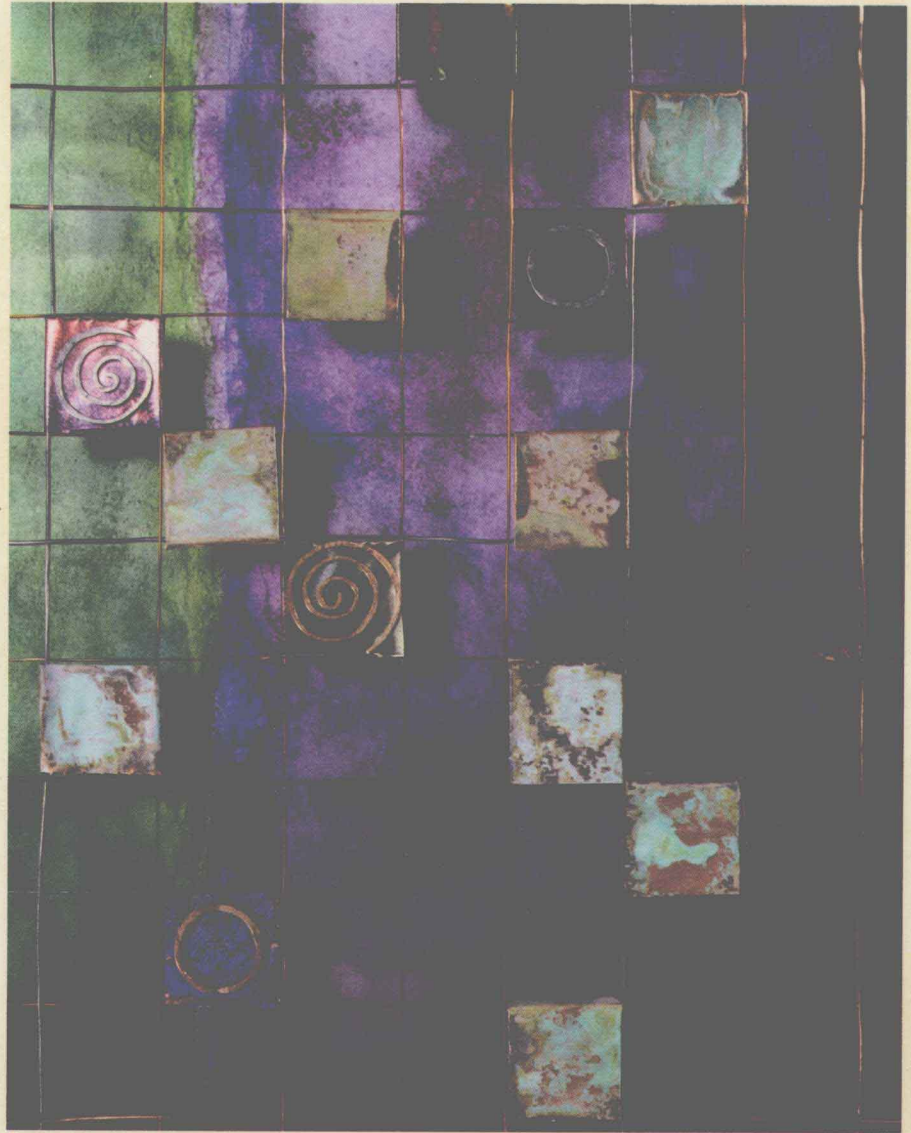


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Securing Competitive Advantage

FOURTH EDITION

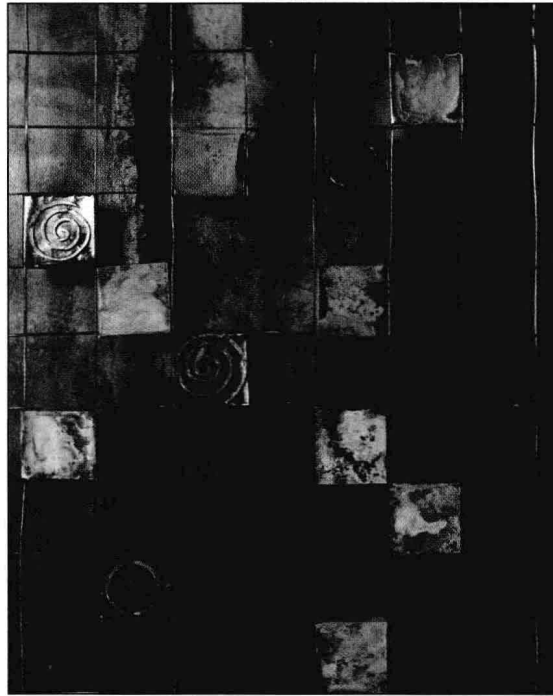


JOHN A. WAGNER III
JOHN R. HOLLENBECK

ORGANIZATIONAL BEHAVIOR

Securing Competitive Advantage

FOURTH EDITION



JOHN A. WAGNER III

JOHN R. HOLLENBECK

both of Michigan State University

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To Mary Jane, Allison, Jillian, and Andrew Wagner

To Patty, Jennifer, Marie, Tim, and Jeff Hollenbeck

P R E F A C E

In today's business environment, competition arises when other organizations seek to do what your company does, only better. Advantage is gained when you can do something your competitors find difficult to duplicate. Competitive advantage is further secured when competitors cannot duplicate your company's special ability at all.

We contend—based on solid research evidence—that an especially strong source of competitive advantage rests in the hands of the people who make up your organization. One of the most effective ways to secure competitive advantage is to make the best use of the knowledge, skills, and other human assets possessed by your company's employees. No other firm has the same people as yours. Therefore, no other company can duplicate the range of products and services requiring the particular capabilities of the members of your firm. Managing organizational behavior is thus essential to the process of gaining and sustaining competitive advantage. This statement is a central theme of our book.

COMMON SENSE OR VALUABLE INSIGHT?

Over the years, we have taught courses on management and organizational behavior, and we have also talked regularly with others who have taught similar courses in companies, schools, and universities throughout the world. In our experiences and conversations, we've noticed a recurring lament: Although the management of organizational behavior is a topic whose importance should be evident, students often don't take courses on organizational behavior that seriously. One typical student reaction is to argue that organizational behavior is little more than common sense. Another is to suggest that management and organizational behavior are soft subjects, lacking much in the way of hard facts and figures. A third is to claim that organizational behavior is nothing but theory and research and not at all about anything real or practical.

All three of these reactions are mistaken. When sufficiently understood, the field of organizational behavior is a valuable source of practical insight that managers can use to improve the workings of their own firms and to thrive where others might fail. Nonetheless, in trying to determine the reason for the existence of such negative reactions, we've found that they *are* reasonably accurate reactions of the way organizational behavior is treated in many contemporary textbooks. In some instances, textbook authors have avoided deep coverage. In others, they have failed to build any sense of challenge. In yet others, authors have resisted making the appropriate connection between theory and practice. All of these failings have driven down the substance, factuality, and utility of textbooks. All have contributed to the false perception that organizational behavior is simplistic and of little use.

Despite this trend, we know through personal experience that students *do* have the ability to excel when challenged to learn something meaningful. We know that properly presented materials can motivate exceptional student performance. Thus, we have developed a textbook that requires students to think and take seriously what it has to say. This challenge, we believe, is the key to reversing the all-too-prevalent tendency to underestimate the importance of understanding how to manage organizational behavior.

NEW TO THE FOURTH EDITION

As in earlier editions, our writing during the process of preparing the fourth edition was guided by two primary goals: first, to cover the field of organizational behavior thoroughly and accurately, and second, to offer you, the student, solid guidance in using the theories and concepts that we discuss. With these two objectives before us, we created a set of tools that will help you acquire the skills and expertise you'll need to be an effective manager in the complex work world. In particular, as you read our book, you'll find a variety of examples of real people and familiar companies that are included to help make the text's theories and concepts more concrete and memorable. Important points are highlighted in figures and tables to stimulate and reinforce the learning experience. Each chapter also includes end-of-chapter summary material and review questions designed to help you understand and remember what you've learned while reading our book.

Instructors and students currently demand comprehensive textbooks. For this reason, in preparing the fourth edition we've also integrated experiential exercises and cases into the central chapters of our book. Along with the diagnostic questions that accompany these chapters and the summary models presented at various points, the exercises and cases included in the fourth edition afford students the opportunity to use what they have learned from our book to solve realistic business problems in a classroom setting, allowing them to develop useful skills as students that will help them succeed as managers outside of the classroom.

Also new to this edition are extended discussions of teamwork and team building (Chapter 9) and intranet communication (Chapters 13 and 14) that reflect ongoing developments in contemporary organizations. Tasks that were once accomplished by individuals working alone and coordinated by massive hierarchies are today performed increasingly by self-managed groups connected together by computerized information systems. The implications of this change are immense, and they are considered carefully in our book. All other presentations are updated to reflect advances in theory and practice that have occurred since the writing of the third edition. As a result, the fourth edition presents a thoroughly contemporary overview of the field of organizational behavior.

SUPPLEMENTARY MATERIALS

Instructor's Manual

Designed to provide support for instructors new to the course, as well as innovative materials for more experienced professors, the *Instructor's Manual* contains chapter outlines, detailed lecture outlines, answers to the end-of-chapter questions, teaching notes, and answers to the exercises and supplementary case materials.

Test Bank and Computerized Test Bank

The *Test Bank* includes more than 1500 true/false, multiple choice, and discussion questions. The *Computerized Test Bank* allows instructors to select and edit test items from the printed *Test Bank* as well as an unlimited number of their own questions. Up to 99 versions of each test can be printed.

PowerPoint CD-ROM Presentation Software

This innovative presentation tool enables instructors to customize their own multimedia classroom presentations. Instructors can use the material as is or expand and modify it for individual classes.

Videos

A complete set of videos shows students how organizations are dealing with issues such as diversity in the workforce, the importance of individuals in the larger organization, motivation, communication, teamwork, organizational structure, and organizational change.

Online Course

The integrated Web-based learning environment combines the text with the vast resources of the Internet and the convenience of anytime learning. It provides a set of design tools to help instructors manage course content, a set of communication tools to facilitate online classroom collaboration, and a set of administrative tools for tracking and managing students' progress.

AN INVITATION

By reading this book, you are committing yourself to learn how to manage organizational behavior. We can't think of anything more important for you to understand. In return for this commitment, we extend a special invitation to you, our newest student. We want to know how you like our book and how you feel about the field of organizational behavior. We encourage you to contact us with your ideas, especially your suggestions for making improvements to future editions. Please write to us at:

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John A. Wagner III
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ABOUT THE AUTHORS

John A. Wagner III is Professor and Chair of the Department of Management in the Eli Broad College of Business and Graduate School of Management at Michigan State University. Professor Wagner received his Ph.D. degree in Business Administration from the University of Illinois at Urbana-Champaign in 1982. He has taught undergraduate and graduate courses in management, organizational behavior, and organization theory.

Professor Wagner is a member of the review boards of *Administrative Science Quarterly* and the *Academy of Management Review* and is Editor of *Advances in Qualitative Organization Research*. He is a member of the Academy of Management and the American Psychological Association. In 1989 Professor Wagner was co-recipient of the Scholarly Achievement Award conferred by the Human Resources Division of the Academy of Management. In 1993 he received the Research Methods Division's Walter de Gruyter Best Paper Award.

Professor Wagner's research is in the fields of organizational behavior and organization theory. His publications have examined the efficacy of participatory decision making, the effects of individualism-collectivism on cooperation and performance, the effects of size on the performance of groups and organizations, and the long-term effects of incentive payment on group productivity.

John R. Hollenbeck received his Ph.D. in Management and Organizational Behavior from New York University in 1984. He is currently Eli Broad Professor of Management in the Eli Broad College of Business and Graduate School of Management at Michigan State University, where he teaches organizational behavior, human resource management, and organizational research methods at both the undergraduate and graduate levels.

Professor Hollenbeck was the first recipient, in 1992, of the Ernest J. McCormick Award for Early Contributions to the field of Industrial and Organizational Psychology and was a Teacher-Scholar Award winner in 1987 at Michigan State University. He is a Fellow of the American Psychological Association and has served on the editorial boards of journals including the *Journal of Applied Psychology*, *Academy of Management Journal*, *Organizational Behavior and Human Decision Processes*, and the *Journal of Management*. Professor Hollenbeck is currently Editor of *Personnel Psychology*.

Professor Hollenbeck has published in the areas of organizational behavior and human resource management. His current research focuses on self-regulation theories of work motivation, employee separation and acquisition processes, and team decision making and performance.

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