

ESSENTIALS OF  
*Organizational*  
BEHAVIOR  
FIFTH EDITION



*Stephen P. Robbins*

# **E**ssentials of Organizational Behavior

**Fifth Edition**

**Stephen P. Robbins**

**San Diego State University**



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*With thanks to my friends in*  
**The Organizational Behavior  
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# Preface

This book originated from a conversation I had with a colleague back in the early 1980s. He was frustrated by the lack of teaching-material options for his course in organizational behavior. “I don’t need one of those 700-page books with all the bells and whistles,” he told me. “I wish there was a short, concise OB text that gave students just the essentials.” The lightbulb went on in my head. Maybe he wasn’t alone. Maybe a lot of instructors would like an alternative OB text. I had already written one of those books “with all the bells and whistles.” Why couldn’t I take the key concepts out of that book, rewrite and massage that material, and create a unique alternative to the comprehensive OB textbook?


Fifteen years later, I can attest that my colleague was not alone. The first four editions of this book have been used by more than 100,000 students. They’ve been widely used in Canada, Europe, and Asia, as well as the United States. This book has also been translated into Danish and Chinese. Users of past editions tell me they’ve found this book to be ideally suited for use in short courses and executive programs and as a companion to experiential, skill development, case, or readings books.

But that’s all in the past. You can’t rest on yesterday’s accomplishments. So let me highlight the changes I’ve made in this fifth edition.

- The entire text has been updated. I’ve added new examples and expanded the referencing of research findings.
- There are two new chapters in this edition. Chapter 5 (“Motivation: From Concepts to Applications”) provides practical applications of motivation concepts introduced in Chapter 4. A new chapter on work teams has also been added (Chapter 8).
- The two chapters on organization structure and design from the previous edition have been condensed into a single chapter and completely rewritten (see Chapter 13).
- The chapter on individual decision making (Chapter 6) has been rewritten to emphasize the behavioral aspects of decision making.
- The discussion of group decision making has been moved from the chapter on communication to the one on group behavior (Chapter 7).
- New material has been included on TQM, reengineering, technology, empowerment, coping with “temporariness,” declining employee loyalty, the Myers-Briggs Type Indicator, the Big-Five model of personality, virtual and boundaryless organizations, and 360-degree performance appraisals.

- Readers will also find that the end-of-text index is now combined with a glossary to create a single source for finding key terms, definitions, and topics.

I conclude by acknowledging those who suggested improvements for this edition. Special thanks are extended to Gail Hankins of North Carolina State University, Jane Gibson of Southeastern University, Sherry Moss of Florida International University, and Nancy Nightingale of International College for their helpful comments. And, of course, I thank the people at Prentice-Hall—especially Lisamarie Brassini, David Shafer, Jo-Ann Deluca, and Lynne Breitfeller—for overseeing the production and marketing of this book.

A handwritten signature in black ink, reading "Stephen P. Robbins". The signature is fluid and cursive, with the first name "Stephen" being more prominent and the last name "Robbins" following in a similar style.

Stephen P. Robbins

# C ontents

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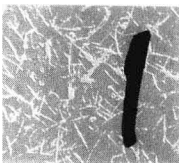
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# Introduction to Organizational Behavior

*After reading this chapter, you should be able to:*

1. Define organizational behavior (OB)
2. Identify the primary behavioral disciplines contributing to OB
3. Describe the three goals of OB
4. List the major challenges and opportunities for managers to use OB concepts
5. Explain the key elements in total quality management (TQM)
6. Discuss why work force diversity has become an important issue in management
7. Explain how managers and organizations are responding to the problem of employee ethical dilemmas

When I ask managers to describe their most frequent or troublesome problems, the answers I get tend to exhibit a common theme. The managers most often describe *people* problems. They talk about their bosses' poor communication skills, subordinates' lack of motivation, conflicts between employees in their department, overcoming employee resistance to a departmental reorganization, and similar concerns.

Because a manager's job is inherently one of working with and through other people—bosses, peers, and subordinates—good “people skills” are a valuable, even necessary asset, in solving these problems. This book has been written to help managers, and potential managers, develop these people skills.



# The Field of Organizational Behavior

The study of people at work is generally referred to as the study of organizational behavior. Let's begin, then, by defining the term *organizational behavior* and briefly reviewing its origins.

## Definition

**Organizational behavior (OB)** is the systematic study of the actions and attitudes that people exhibit within organizations. Let's look at the key parts of this definition.

Each of us regularly uses intuition, or our "gut feelings," in trying to explain phenomena. For instance, a friend catches a cold and we're quick to remind him that he "didn't take his vitamins," "doesn't dress properly," or that "it happens every year when the seasons change." We're not really sure why he caught cold, but that doesn't stop us from offering our intuitive analysis. The field of OB seeks to replace intuitive explanations with systematic study: that is, the use of scientific evidence gathered under controlled conditions and measured and interpreted in a reasonably rigorous manner to attribute cause and effect. The objective, of course, is to draw accurate conclusions. So the field of OB—its theories and conclusions—is based on a large number of systematically designed research studies.

What does OB systematically study? Actions (or behaviors) and attitudes! But not *all* actions and attitudes. Three types of behavior have proved to be important determinants of employee performance: *productivity*, *absenteeism*, and *turnover*. The importance of productivity is obvious. Managers clearly are concerned with the quantity and quality of output that each employee generates. But absence and turnover—particularly excessively high rates—can adversely affect this output. In terms of absence, it's hard for an employee to be productive if he or she isn't at work. In addition, high rates of employee turnover increase costs and tend to place less experienced people into jobs.

Organizational behavior is also concerned with *employee job satisfaction*, which is an attitude. Managers should be concerned with their employees' job satisfaction for three reasons. First, there may be a link between satisfaction and productivity. Second, satisfaction appears to be negatively related to absenteeism and turnover. Finally, it can be argued that managers have a humanistic responsibility to provide their employees with jobs that are challenging, intrinsically rewarding, and satisfying.

The last part of our OB definition that needs elaboration is the term *organization*. The fields of psychology and sociology are well-known disciplines that study behavior, but they do not concentrate solely on work-related issues. In contrast, OB is specifically concerned with work-related behavior—and *that* takes place in organizations. An **organization** is a formal structure of planned coordination, involving two or more people, in order to achieve a common goal. It is characterized by authority relationships and some degree of division of labor. So OB encompasses the behavior of people in such diverse organizations as manufacturing and service firms; schools; hospitals; churches; military units; charitable organizations; and local, state, and federal government agencies.

## Contributing Disciplines

Organizational behavior is applied behavioral science and, as a result, is built upon contributions from several behavioral disciplines. The predominant areas are psychology, sociology, social psychology, anthropology, and political science. As we shall learn, psychology's contributions have been mainly at the individual or micro level of analysis, whereas the latter disciplines have contributed to our understanding of macro concepts—group processes and organization. Exhibit 1-1 provides an overview of the contributions made toward a distinct field of study: organizational behavior.

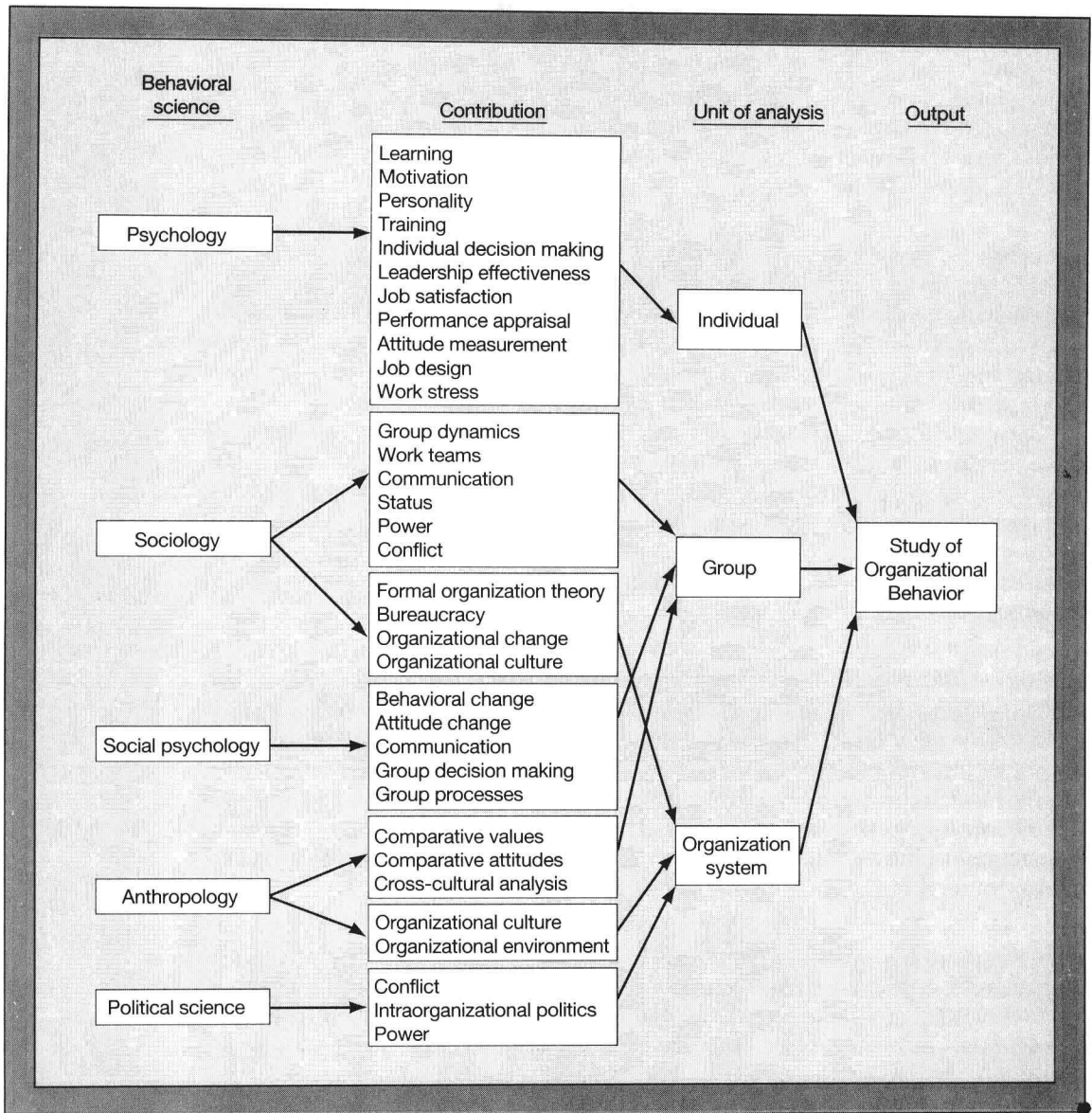
**Psychology.** **Psychology** is the science that seeks to measure, explain, and sometimes change the behavior of humans and other animals. Psychologists concern themselves with studying and attempting to understand *individual* behavior. Those who have contributed and continue to add to the knowledge of OB are learning theorists, personality theorists, counseling psychologists, and, most important, industrial and organizational psychologists.

Early industrial psychologists concerned themselves with problems of fatigue, boredom, and any other factor relevant to working conditions that could impede efficient work performance. More recently, their contributions have been expanded to include learning, perception, personality, training, leadership effectiveness, needs and motivational forces, job satisfaction, decision-making processes, performance appraisals, attitude measurement, employee-selection techniques, job design, and work stress.

**Sociology.** Whereas psychologists focus on the individual, sociologists study the social system in which individuals fill their roles; that is, **sociology** studies people in relation to their fellow human beings. Sociologists have made their greatest contribution to OB through their study of group behavior in organizations, particularly formal and complex organizations. Areas within OB that have received valuable input from sociologists include group dynamics, design of work teams, organizational culture, formal organization theory and structure, bureaucracy, communications, status, power, and conflict.

**Social Psychology.** **Social psychology** is an area within psychology, blending concepts from psychology and sociology. It focuses on the influence of people on one another. One of the major areas receiving considerable investigation by social psychologists has been *change*—how to implement it and how to reduce barriers to its acceptance. In addition, social psychologists have made significant contributions in measuring, understanding, and changing attitudes, communication patterns, the ways in which group activities can satisfy individual needs, and group decision-making processes.

**Anthropology.** **Anthropology** is the study of societies to learn about human beings and their activities. The work of anthropologists on cultures and environments, for instance, has helped us understand differences in fundamental values, attitudes, and behavior between people in different countries and within organizations. Much of our current understanding of organizational culture,



**Exhibit 1-1**  
Toward an OB Discipline

organizational environments, and differences between national cultures is the result of the work of anthropologists or those using their methods.

**Political Science.** Although frequently overlooked, the contributions of political scientists are significant to the understanding of behavior in organizations. **Political science** is the study of the behavior of individuals and groups within a political environment. Specific topics of concern to political scientists include structuring conflict, allocation of power, and how people manipulate power for individual self-interest.

## Goals of Organizational Behavior

What does OB seek to do? We know it is concerned with developing people skills, but what precisely are its goals? The goals of OB are to help you to *explain, predict, and control* human behavior.

### *Explanation*

When we seek answers to *why* an individual or a group of individuals did something, we are pursuing the explanation objective. It is probably the least important of the three goals, from a management perspective, because it occurs after the fact. Yet, if we are to understand a phenomenon, we must begin by trying to explain it. We can then use this understanding to determine a cause. For example, if a number of valued employees resign, we undoubtedly want to know why, in order to determine if it was something that could have been prevented. Obviously, employees quit their jobs for many reasons, but if the explanation for a high quit rate is inadequate pay or boring jobs, managers often can take actions that will correct this situation in the future.

### *Prediction*

The goal of prediction focuses on future events. It seeks to determine what outcomes will result from a given action. A manager of a small factory who attempts to assess how employees will respond to the installation of new robotic equipment is engaging in a predictive exercise. On the basis of a knowledge of OB, the manager can predict certain behavioral responses to the change. Of course, there are various ways to implement a major change, so the manager is likely to assess employee responses to several change interventions. In this way, the manager can anticipate which approaches will generate the least degree of employee resistance and use that information in making his or her decision.

### *Control*

The most controversial goal is using OB knowledge to control behavior. When a manager asks, for instance, "What can I do to make Dave put out more effort on his job?" that manager is concerned with control.

Why is control controversial? Most of us live in democratic societies, which are built upon the concept of personal freedom. Therefore, the idea that one person should attempt to get others to behave in a certain way, when the subjects of that control may be unaware that their behavior is being manipulated, has been viewed in some circles as unethical and repugnant. That OB offers technologies that facilitate the control of people is a fact. Whether those technologies should be used in organizations becomes an ethical question. You should be aware, however, that the control objective is frequently seen by managers as the most valuable contribution that OB makes toward their effectiveness on the job.

## *C*hallenges and Opportunities for OB: A Managerial Perspective

The ability to explain, predict, and control organizational behavior has never been more important to managers. A quick look at a few of the dramatic changes now taking place in organizations supports this claim. For instance, the typical employee is getting older; there are more and more women and nonwhites in the workplace; corporate restructuring and cost cutting are severing the bonds of loyalty that historically tied many employees to their employers; and global competition is requiring employees to become more flexible and to learn to cope with rapid change and innovation.

In short, there are a lot of challenges and opportunities today for managers to use OB concepts. In this section, we'll review some of the most critical issues confronting managers for which OB offers solutions—or at least some meaningful insights toward solutions.

### *Improving Quality and Productivity*

Tom Rossi manages in a tough business. He runs a light-bulb plant in Mattoon, Illinois, for General Electric. His business has seen tough competition from manufacturers in the United States, Europe, Japan, and even China. To survive, he's had to cut fat, increase productivity, and improve quality. And he's succeeded. During a recent five-year period, the Mattoon plant has averaged annual cost-productivity improvements of approximately eight percent. By focusing on continuous improvement, streamlining processes, and cost cutting, GE's Mattoon plant has remained viable and profitable.

More and more managers are confronting the challenges that Tom Rossi is facing. They are having to improve their organization's productivity and the quality of the products and services they offer. Toward improving quality and productivity, they are implementing programs such as total quality management and reengineering—programs that require extensive employee involvement.

As Exhibit 1-2 describes, **total quality management (TQM)** is a philosophy of management that is driven by the constant attainment of customer satisfaction through the continuous improvement of all organizational processes.<sup>1</sup> TQM has implications for OB because it requires employees to rethink what they do and become more involved in workplace decisions.

1. Intense focus on the *customer*. The customer includes not only outsiders who buy the organization's products or services but also internal customers (such as shipping or accounts payable personnel) who interact with and serve others in the organization.
2. Concern for *continual improvement*. TQM is a commitment to never be satisfied. "Very good" is not good enough. Quality can always be improved.
3. Improvement in the *quality of everything* the organization does. TQM uses a broad definition of *quality*. The term applies not only to the final product but also to how the organization handles deliveries, how rapidly it responds to complaints, how politely the phones are answered, and the like.
4. Accurate *measurement*. TQM uses statistical techniques to measure every critical performance variable in the organization's operations. These performance variables are then compared against standards or benchmarks to identify problems, the problems are traced to their roots, and the causes are eliminated.
5. *Empowerment of employees*. TQM involves the people on the line in the improvement process. Teams are widely used in TQM programs as empowerment vehicles for finding and solving problems.

## Exhibit 1-2

### What Is Total Quality Management?

In times of rapid and dramatic change, it's sometimes necessary to approach improving quality and productivity from the perspective of "How would we do things around here if we were starting over from scratch?" That, in essence, is the approach of *reengineering*. It asks managers to reconsider how work would be done and their organization structured if they were starting over.<sup>2</sup> To illustrate the concept of reengineering, consider a manufacturer of rollerskates. His product is essentially a shoe with wheels beneath it. The typical rollerskate was a leather boot with shoe laces, attached to a steel platform that held four wooden wheels. If our manufacturer took a continuous improvement approach to change, he would look for small, incremental improvements that he could introduce in his product. For instance, he might consider adding hooks to the upper part of the boot for fast lacing, or changing the weight of leather used for improved comfort, or using different ball bearings to make the wheels spin more smoothly. Now most of us are familiar with in-line skates. They represent a reengineering approach to rollerskates. The goal was to come up with a skating device that could improve skating speed, mobility, and control. Rollerblades provided those goals in a completely different type of shoe. The upper was made of injected plastic, made popular in skiing. Laces were replaced by easy-close clamps. And the four wheels, set in pairs of two, were replaced by four to six in-line plastic wheels. The reengineered result, which didn't look much like the traditional rollerskate, proved universally superior. The rest, of course, is history. In-line skates have revolutionized the roller-skate business.

Our point is that today's managers understand that the success of any effort at improving quality and productivity must include their employees. These



employees will not only be a major force in carrying out changes but increasingly will actively participate in planning those changes. OB offers important insights into helping managers work through these changes.

### *Improving People Skills*

We opened this chapter by demonstrating how important people skills are to managerial effectiveness. We said that “this book has been written to help managers, and potential managers, develop these people skills.”

As you proceed through this text, we’ll present relevant concepts and theories that can help you explain and predict the behavior of people at work. In addition, you’ll also gain insights into specific people skills that you can use on the job. For instance, you’ll learn a variety of ways to motivate people, how to be a better communicator, and how to create more effective teams.

### *Managing Work Force Diversity*

One of the most important and broad-based challenges currently facing U.S. organizations is adapting to people who are different. The term we use for describing this challenge is **work force diversity**.

Work force diversity means that organizations are becoming more heterogeneous in terms of gender, race, and ethnicity. But the term encompasses anyone who varies from the “norm.” In addition to the more obvious groups—women, African-Americans, Hispanic-Americans, Asian-Americans—it also includes the physically disabled, gays and lesbians, and the elderly.

We used to take a “melting pot” approach to differences in organizations, assuming that people who were different would somehow automatically want to assimilate. But we now recognize that employees don’t set aside their cultural values and lifestyle preferences when they come to work. The challenge for organizations, therefore, is to make themselves more accommodating to diverse groups of people by addressing their different lifestyles, family needs, and work styles. The melting pot assumption is being replaced by one that recognizes and values differences.

Haven’t organizations always included members of diverse groups? Yes, but they were such a small percentage of the work force that no one paid much attention to them. Moreover, it was assumed that these minorities would seek to blend in and assimilate. The bulk of the pre-1980s work force were male Caucasians working full time to support a nonemployed wife and school-aged children. Now such employees are the true minority! Currently, forty-five percent of the U.S. labor force are women. Minorities and immigrants make up twenty-two percent.<sup>3</sup> As a case in point, Hewlett-Packard’s work force is nineteen percent minorities and forty percent women. A Digital Equipment Corporation plant in Boston provides a partial preview of the future. The factory’s 350 employees include men and women from forty-four countries who speak nineteen languages. When plant management issues written announcements, they are printed in English, Chinese, French, Spanish, Portuguese, Vietnamese, and Haitian Creole.

Work force diversity has important implications for management practice. Managers will need to shift their philosophy from treating everyone alike to rec-

ognizing differences and responding to those differences in ways that will ensure employee retention and greater productivity—while, at the same time, not discriminating. Diversity, if positively managed, can increase creativity and innovation in organizations as well as improve decision making by providing different perspectives on problems.<sup>4</sup> When diversity is not managed properly, there is potential for higher turnover, more difficult communication, and more interpersonal conflicts.

### *Responding to Globalization*

Management is no longer constrained by national borders. Burger King is owned by a British firm, and McDonald's sells hamburgers in Moscow. Exxon, a so-called American company, receives almost seventy-five percent of its revenues from sales outside the United States. Toyota makes cars in Kentucky; General Motors makes cars in Brazil; and Ford (which owns part of Mazda) transfers executives from Detroit to Japan to help Mazda manage its operations. These examples illustrate that the world has become a global village. In turn, managers have to become capable of working with people from different cultures.

Globalization affects a manager's people skills in at least two ways. First, if you're a manager you're increasingly likely to find yourself in a foreign assignment. You'll be transferred to your employer's operating division or subsidiary in another country. Once there, you'll have to manage a work force that is likely to be very different in needs, aspirations, and attitudes from the ones you were used to back home. Second, even in your own country, you're going to find yourself working with bosses, peers, and subordinates who were born and raised in different cultures. What motivates you may not motivate them. Your style of communication may be straightforward and open, but they may find this style uncomfortable and threatening. To work effectively with these people, you'll need to understand their culture, how it has shaped them, and how to adapt your management style to their differences. In the next chapter, we'll provide some frameworks for understanding differences among national cultures. Further, as we discuss OB concepts throughout this book, we'll focus on how cultural differences might require managers to modify their practices.

### *Empowering People*

If you pick up any popular business periodical nowadays, you'll read about the reshaping of the relationship between managers and those they're supposedly responsible for managing. You'll find managers being called coaches, advisers, sponsors, or facilitators. In many organizations, employees are now called associates. And there's a blurring between the roles of managers and workers.<sup>5</sup> Decision making is being pushed down to the operating level, where workers are being given the freedom to make choices about schedules and procedures and to solve work-related problems. In the 1980s, managers were encouraged to get their employees to *participate* in work-related decisions. Now, managers are going considerably further by allowing employees full control of their work. Self-managed teams, where workers operate largely without bosses, have become the rage of the 1990s.

What's going on? What's going on is that managers are *empowering employees*. They are putting employees in charge of what they do. And in so doing,



managers are having to learn how to give up control, and employees are having to learn how to take responsibility for their work and make appropriate decisions. In later chapters, we'll show how empowerment is changing leadership styles, power relationships, the way work is designed, and the way organizations are structured.

### *Stimulating Innovation and Change*

Whatever happened to W. T. Grant, Gimbel's, and Eastern Airlines? All these giants went bust! Why have other giants, such as General Motors, Sears, Westinghouse, Boeing, and AT&T, implemented huge cost-cutting programs and eliminated thousands of jobs? To *avoid* going bust!

Today's successful organizations must foster innovation and master the art of change or they'll become candidates for extinction. Victory will go to those organizations that maintain their flexibility, continually improve their quality, and beat their competition to the marketplace with a constant stream of innovative products and services. Domino's single-handedly brought on the demise of thousands of small pizza parlors whose managers thought they could continue doing what they had been doing for years. Fox Television has successfully stolen a major portion of the under-25 viewing audience from their much larger network rivals through innovative programming including *The Simpsons*, *Beverly Hills 90210*, and *Melrose Place*.

An organization's employees can be the impetus for innovation and change or they can be a major stumbling block. The challenge for managers is to stimulate employee creativity and tolerance for change. The field of OB provides a wealth of ideas and techniques to aid in realizing these goals.

### *Coping with "Temporariness"*

Managers have always been concerned with change. What's different nowadays is the length of time between change implementations. In the past, managers needed to introduce major change programs once or twice a decade. Today, change is an ongoing activity for most managers. The concept of continuous improvement, for instance, implies constant change.

Managing in the past could be characterized by long periods of stability, interrupted occasionally by short periods of change. Managing today would be more accurately described as long periods of ongoing change, interrupted occasionally by short periods of stability! The world that most managers and employees face today is one of permanent "temporariness." The actual jobs that workers perform are in a permanent state of flux. So workers need to continually update their knowledge and skills to perform new job requirements. For example, production employees at companies such as Caterpillar, Chrysler, and Reynolds Metals now need to know how to operate computerized production equipment. That was not part of their job description fifteen years ago. Work groups are also increasingly in a state of flux. In the past, employees were assigned to a specific work group, and that assignment was relatively permanent. There was a considerable amount of security in working with the same people day in and day out. That predictability has been replaced by temporary work groups,