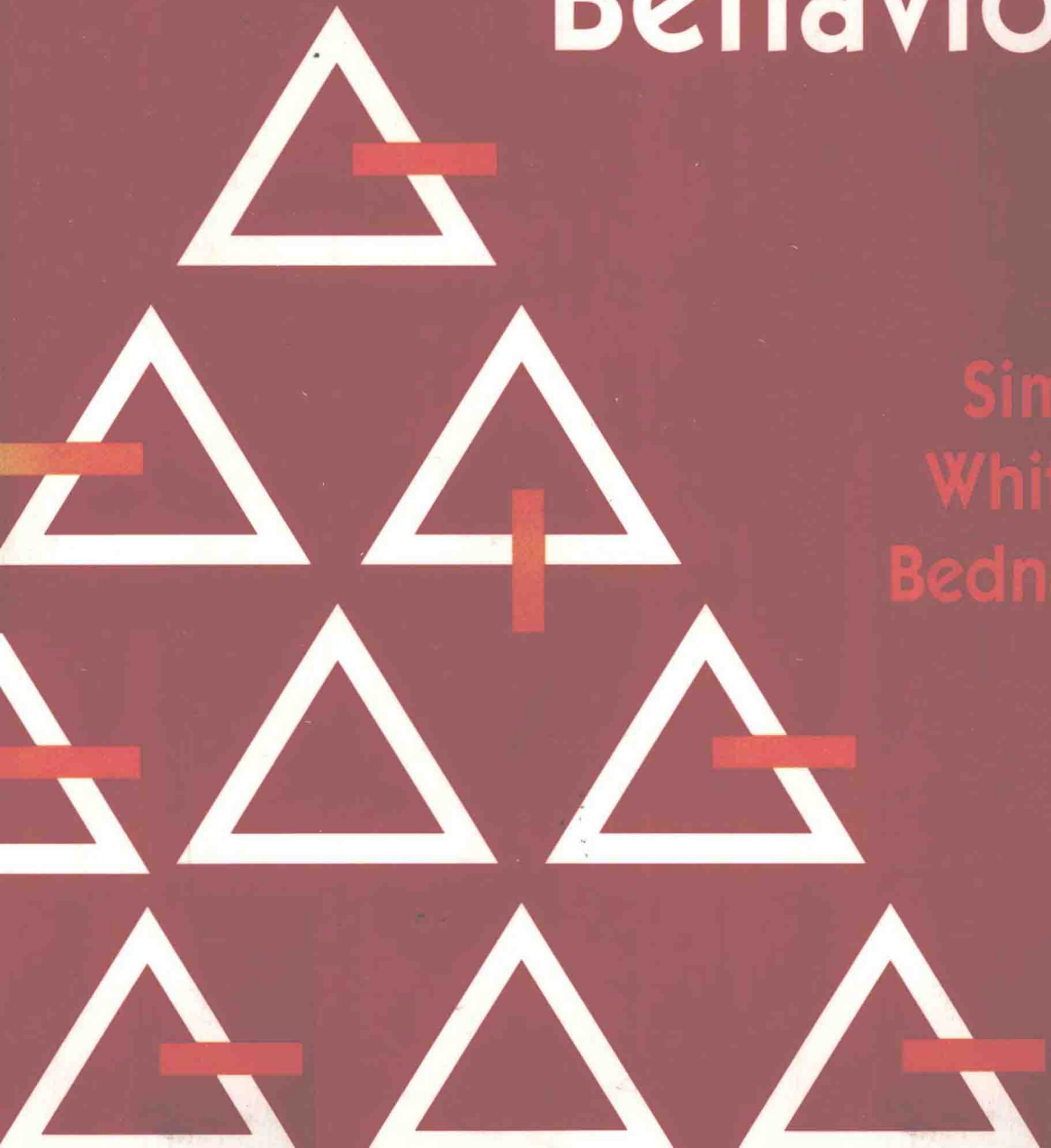


Readings in Organizational Behavior

Sims
White
Bednar



READINGS IN ORGANIZATIONAL BEHAVIOR

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READINGS IN ORGANIZATIONAL BEHAVIOR

Preface

Readings in Organizational Behavior is a collection of articles relating to organizational behavior, with an emphasis on acquainting the reader with recent discussions on key issues affecting organizations. Whether we realize it or not, we are all affected by the effectiveness with which the organizations in our society operate. Therefore, individuals at all levels of the organization must shoulder the responsibility for making organizations work as they should. Organizations must remain economically viable, or they will cease to exist. At the same time, organizations must respond to the demands of the environment. Those interested in improving the productivity and performance of organizations will find an abundance of information from which to draw in this book.

This collection of readings was designed primarily to be used in conjunction with *Organizational Behavior: Understanding and Managing People at Work* by Donald D. White and David A. Bednar. The organizational arrangement parallels that of the textbook; however, the universal nature of the reading selections makes this book suitable for use with other leading Organizational Behavior books on the market. The readings are realistic, providing a “feel” for behavior in organizations. The criteria used for selection of this material were timeliness and relevancy for the organizational practitioner. As such, the content serves as an excellent reading list for both current and aspiring organizational practitioners, who have a desire to grasp the wealth of ideas associated with the study of organizations. Consequently, articles from such publications as *Management Review*, *Fortune*, *Personnel*, *Personnel Journal*, and *The Academy of Management Executive* make up a major portion of this collection.

A special thanks from Professor Sims goes to mentors and colleagues, including Professor David Kolb of Case Western Reserve University and Herrington Bryce of the College of William and Mary, who were instrumental in encouraging his professional growth and development. The administrative support

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We would like to take this opportunity to acknowledge the authors and publishers of these articles who have given permission for them to be reproduced. Our appreciation is extended to the Allyn and Bacon staff, particularly John D. Peters, Senior Editor, Carol Alper, and the individuals charged with pulling the final product together.

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The Rise of the New Organization—Doing Business in the 1990s: It Was Never Like This Before

ROBERT W. GODDARD

AS WE ENTER THE DECADE of the 1990s, we will see many changes in the corporate world—in fact, some of these changes have already become a part of our business lives.

The coming period is one of dynamic cultural and economic revitalization, involving a flowering of human and corporate productivity, according to William F. Miller, president of SRI International, a research and consulting firm.

What is absolutely clear is that powerful forces are streaming together to alter the organization, revising its outlook, changing its character and, in the process, transforming us all.

“The work of the future,” Dr. Isaac Asimov, author, scientist and futurist, predicts, “will be creation. . . . People will judge you not by how long you work or how many routine units you turn out, but rather by how much of what you do is useful, by how much you increase the joy of the world.”

These forces underlie the movements we have been seeing toward automation, employee involvement, and new management styles.

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AUTOMATION

The number of robots throughout the country has grown to an estimated 150,000, and the number of electronic workstations stands at 25 to 30 million. This technological revolution has flattened bureaucracies, altered controls and has fundamentally changed the relationship between employees and their jobs, managements and organizations.

At Liberty Mutual Companies, 12,000 computer terminals in 350 company locations are linked to a central data processing center via satellite and 60,000 miles of communications lines. This teleprocessing system handles four million messages a day and is able to collect, store, produce and transmit all types of company data needed by employees, managers, customers and regulators.

This explosion of information technology and new automation has radically altered the way we work, market our products and services, communicate, train and perform tasks.

Facsimile machines, electronic mail, personal computers with modems and other communications systems are now moving messages, effecting transactions, monitoring productivity, providing training and creating the electronic office.

The same criterion may well apply to corporations. The main concern of the rich one-fifth of the world has shifted from accumulation of capital to finding ways of getting people to work together happily and innovatively in the work place. The global trend has been growing volatility, instability, vulnerability risk and uncertainty has increased the need for flexibility, creativity and entrepreneurship.

Automated factories with the potential for continuous operation, plus the high cost of capital, are pushing more companies into around-the-clock shifts.

Automation is giving managers the opportunity to soften traditional work arrangements, increase cross-training among employees, and have more flexibility with assignments.

Our quantum leap in the ability to move information has reduced the need to relocate people. This leap is, however, moving people into more intellectual, higher-level jobs. These two trends are sharply increasing the amount and degree of training needed by employees who change assignments more frequently, acquire an ever-higher level of technical sophistication and assume greater control over the quality of their work. Much of this training is being delivered directly through desktop terminals.

The number of people working at home is increasing. Consistent with the shift toward flexible hours, this trend will grow as the number of information jobs increases.

Problems of motivation, management and of corporate and social reorganization are making this shift both prolonged and painful. However, the huge amounts now spent on real estate, the high cost of commuting, automotive and industrial pollution and a changing family structure is coaxing companies to move their work from large-scale, centralized workplaces to smaller, local work centers such as employees' homes.

EMPLOYEE INVOLVEMENT

With computers taking over the humdrum work of the world, and knowledge and information becoming our leading commodities, along with the need for employees capable of discretion and resourcefulness growing, people are becoming free to do the things that only people can do—create.

Companies are inverting their hierarchical pyramids, decentralizing their decision making and moving accountability to where the work takes place.

Some companies have implemented total quality-control systems. These include overlapping problem-solving teams at all organizational levels, early employee involvement in product development, recognition programs and appraisal systems that measure progress toward shared goals, and a marketing and financial strategy of quality before profits.

Other companies have established networking management systems that provide lateral, horizontal, multidirectional and overlapping linkages of people. Employees may have several bosses. Functions such as purchasing and quality control are the responsibility of a committee or council, not hierarchical staffs.

Employees are encouraged to challenge superiors and are expected to participate in discussions as equals, even though major decisions are the ultimate responsibility of top managers.

In the corporation of the 1990s, organizational charts, rank, seniority, functional specialization and other bureaucratic vehicles are de-emphasized. New structures promote the flow of ideas, build trust and a unity of purpose, tap the energy and creativity of the workforce, and translate ideas into new products, processes and services.

Workforce conditions, rules and procedures are increasingly being planned and administered by management-employee committees. Temporary and interdisciplinary task forces with real power are being formed to attack and solve organizational problems.

Salary is being based on modules of work done rather than attendance. As work within corporations becomes more entrepreneurial, achievement-oriented employees will be amply motivated to make full use of their talent and drive. One way already adopted in some companies is to pay people according to the skills they acquire giving them an incentive to learn new ones and qualify for a greater number of jobs in the workplace.

The work environment in many companies has been reshaped to improve risk taking and innovation. Local autonomy, tolerance of failure and the task-force system are now commonplace. Other changes underway include overlapping job responsibilities, new rewards for innovative work and assignment of projects to entrepreneurial individuals who “bid” for them.

People are retaining their full mental and physical capabilities into their 60s, 70s and 80s. Thus, the traditional path of working to 65, followed by retirement, is disappearing. Individuals now work at two, three or four careers during their lifetimes, and alternate between periods of work and schooling. Given the need for a much higher level of technical sophistication and a long life with multiple

careers, an important function of business will be preparing people to undertake new careers.

NEW MANAGEMENT STYLES

The 1990s manager is a teacher, consultant, counselor and facilitator—not an order-giver.

At many companies, the use of self managed work teams has reduced the need for authoritarian control. First-line supervisors now coach people, help plan, approve organizational direction and make sure that direction is clear. They concentrate on production improvement and problem solving rather than discipline.

Everywhere, managers are beginning to see their function in terms of improving the human organization of their firms and coming to grips with their new, multifaceted leadership role.

A growing number of companies have turned to entrepreneurial, decentralized units that can react swiftly to opportunities and problems.

A major management function is to link the right resources for productivity, putting the right heads together in problem solving groups that cut across traditional divisions of labor. Managers will supervise these teams, protecting, instructing, prodding and developing the members. They will make sure that everyone's voice is heard and everyone has access to all the information needed to come up with a good solution.

Managers are under increasing pressure to broaden their knowledge base. In the 1990s, companies will need generalists—not specialists. They will need managers who know how to set goals and motivate others. The 1990s manager needs to understand complex financial issues and can slug it out in the marketplace. These implementers need to be familiar with computers, and know how to use technology to improve their products.

THE DECADE AHEAD

The 1980s were marked by massive reductions in management layers to simplify chains of command. Companies have slashed staffs as computers have taken over information gathering, and have pushed decision making down to those closest to the marketplace.

The managers who weathered this shakeup have more autonomy and oversee much smaller staffs. They are rewarded under compensation systems that swing with the results, operate under a work ethic with the sting of accountability, and are much more subject to retraining.

In the 1990s, the management profession will be far less secure than in the past, but much more rewarding for those managers who stay attuned to the vast array of opportunities that are developing in all sectors of the economy.

Robert W. Goddard is director of publications in the personnel development department of Liberty Mutual Insurance Group, Boston, Mass. Opinions expressed are those of the author only.

Changing Unethical Organizational Behavior

RICHARD P. NIELSEN

"To be, or not to be: that is the question: Whether 'tis nobler in the mind to suffer The slings and arrows of outrageous fortune, Or to take arms against a sea of troubles, And by opposing end them?" William Shakespeare, Hamlet

WHAT ARE THE IMPLICATIONS of Hamlet's question in the context of organizational ethics? What does it mean to be ethical in an organizational context? Should one suffer the slings and arrows of unethical organizational behavior? Should one try to take arms against unethical behaviors and by opposing, end them?

The consequences of addressing organizational ethics issues can be unpleasant. One can be punished or fired; one's career can suffer, or one can be disliked, considered an outsider. It may take courage to oppose unethical and lead ethical organizational behavior.

How can one address organizational ethics issues? Paul Tillich, in his book *The Courage to Be*, recognized, as Hamlet did, that dire consequences can result from standing up to and opposing unethical behavior. Tillich identified two approaches: *being* as an individual and *being* as a part of a group.¹

In an organizational context, these two approaches can be interpreted as follows: (1) Being as an individual can mean intervening to end unethical organizational behaviors by working against others and the organizations performing the unethical behaviors; and (2) being as a part can mean leading an ethical organizational change by working with others and the organization. These approaches are not mutually exclusive; rather, depending on the individual, the organization,

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the relationships, and the situation, one or both of these approaches may be appropriate for addressing ethical issues.

BEING AS AN INDIVIDUAL

According to Tillich, the courage to be as an individual is the courage to follow one's conscience and defy unethical and/or unreasonable authority. It can even mean staging a revolutionary attack on that authority. Such an act can entail great risk and require great courage. As Tillich explains, "The anxiety conquered in the courage to be. . . in the productive process is considerable, because the threat of being excluded from such a participation by unemployment or the loss of an economic basis is what, above all, fate means today. . . ."²

According to David Ewing, retired executive editor of the *Harvard Business Review*, this type of anxiety is not without foundation.

There is very little protection in industry for employees who object to carrying out immoral, unethical or illegal orders from their superiors. If the employee doesn't like what he or she is asked to do, the remedy is to pack up and leave. This remedy seems to presuppose an ideal economy, where there is another company down the street with openings for jobs just like the one the employee left.³

How can one *be* as an individual, intervening against unethical organizational behavior? Intervention strategies an individual can use to change unethical behavior include: (1) secretly blowing the whistle within the organization; (2) quietly blowing the whistle, informing a responsible higher-level manager; (3) secretly threatening the offender with blowing the whistle; (4) secretly threatening a responsible manager with blowing the whistle outside the organization; (5) publicly threatening a responsible manager with blowing the whistle; (6) sabotaging the implementation of the unethical behavior; (7) quietly refraining from implementing an unethical order or policy; (8) publicly blowing the whistle within the organization; (9) conscientiously objecting to an unethical policy or refusing to implement the policy; (10) indicating uncertainty about or refusing to support a cover-up in the event that the individual and/or organization gets caught; (11) secretly blowing the whistle outside the organization; or (12) publicly blowing the whistle outside the organization. Cases of each strategy are considered below.

Cases

1. *Secretly blowing the whistle within the organization.* A purchasing manager for General Electric secretly wrote a letter to an upper-level manager about his boss, who was soliciting and accepting bribes from subcontractors. The

boss was investigated and eventually fired. He was also sentenced to six months' imprisonment for taking \$100,000 in bribes, in exchange for which he granted favorable treatment on defense contracts.⁴

2. Quietly blowing the whistle to a responsible higher-level manager. When Evelyn Grant was first hired by the company with which she is now a personnel manager, her job included administering a battery of tests that, in part, determined which employees were promoted to supervisory positions. Grant explained:

There have been cases where people will do something wrong because they think they have no choice. Their boss tells them to do it, and so they do it, knowing it's wrong. They don't realize there are ways around the boss. . . . When I went over his [the chief psychologist's] data and analysis, I found errors in assumptions as well as actual errors of computation. . . . I had two choices: I could do nothing or I could report my findings to my supervisor. If I did nothing, the only persons probably hurt were the ones who 'failed' the test. To report my findings, on the other hand, could hurt several people, possibly myself.

She quietly spoke to her boss, who quietly arranged for a meeting to discuss the discrepancies with the chief psychologist. The chief psychologist did not show up for the meeting; however, the test battery was dropped.⁵

3. Secretly threatening the offender with blowing the whistle. A salesman for a Boston-area insurance company attended a weekly sales meeting during which the sales manager instructed the salespeople, both verbally and in writing, to use a sales technique that the salesman considered unethical. The salesman anonymously wrote the sales manager a letter threatening to send a copy of the unethical sales instructions to the Massachusetts insurance commissioner and the *Boston Globe* newspaper unless the sales manager retracted his instructions at the next sales meeting. The sales manager did retract the instructions. The salesman still works for the insurance company.⁶

4. Secretly threatening a responsible manager with blowing the whistle outside the organization. A recently hired manager with a San Francisco Real Estate Development Company found that the construction company his firm had contracted with was systematically not giving minorities opportunities to learn construction management. This new manager wrote an anonymous letter to a higher-level real estate manager threatening to blow the whistle to the press and local government about the contractor unless the company corrected the situation. The real estate manager intervened, and the contractor began to hire minorities for foremen-training positions.⁷

5. Publicly threatening a responsible manager with blowing the whistle. A woman in the business office of a large Boston-area university observed that one middle-level male manager was sexually harassing several women in the office.