

Robert Kreitner
Angelo Kinicki

SIXTH EDITION

ORGANIZATIONAL BEHAVIOR



Organizational Behavior

Sixth Edition

Robert Kreitner

Angelo Kinicki

Both of Arizona State University



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ORGANIZATIONAL BEHAVIOR

Published by McGraw-Hill/Irwin, a business unit of The McGraw-Hill Companies, Inc.
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This book is printed on acid-free paper.

domestic 3 4 5 6 7 8 9 0 DOW/DOW 0 9 8 7 6 5 4
international 2 3 4 5 6 7 8 9 0 DOW/DOW 0 9 8 7 6 5 4

ISBN 0-07-253525-3

Publisher: *John E. Biernat*
Executive editor: *John Weimeister*
Managing developmental editor: *Laura Hurst Spell*
Marketing manager: *Lisa Nicks*
Producer, Media technology: *Mark Molsky*
Senior project manager: *Kimberly D. Hooker*
Senior production supervisor: *Rose Hepburn*
Lead designer: *Matthew Baldwin*
Photo research coordinator: *Judy Kausal*
Photo research: *Sarah Evertson*
Supplement producer: *Betty Hadala*
Senior digital content specialist: *Brian Nacik*
Cover designer: *Srdjan Savanovic*
Cover image: ©Richard Jackson Photography
Typeface: *10/12 Times Roman*
Compositor: *Carlisle Communications, Ltd.*
Printer: *R. R. Donnelley*

Library of Congress Cataloging-in-Publication Data

Kreitner, Robert.

Organizational behavior / Robert Kreitner, Angelo Kinicki.—6th ed.
p. cm.

Includes bibliographical references and index.

ISBN 0-07-253525-3 (alk. paper)—ISBN 0-07-121479-8 (international : alk. paper)

1. Organizational behavior. I. Kinicki, Angelo. II. Title.

HD58.7 .K766 2004

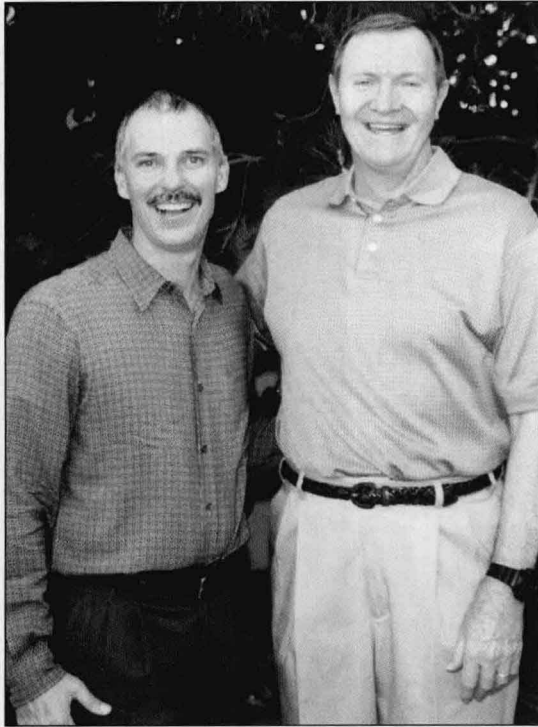
658.3—dc21

2002041071

INTERNATIONAL EDITION ISBN 0-07-121479-8

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About the Authors



ROBERT KREITNER, PhD (pictured right) is an Emeritus Professor of Management at Arizona State University and a member of the ASU College of Business Faculty Hall of Fame. Prior to joining ASU in 1975, Bob taught at Western Illinois University. He also taught organizational behavior at the American Graduate School of International Management (Thunderbird). Bob is a popular speaker who has addressed a diverse array of audiences worldwide on management topics. Bob has authored articles for respected journals such as *Organizational Dynamics*, *Business Horizons*, and *Journal of Business Ethics*. He also is the co-author (with Fred Luthans) of the award-winning book *Organizational Behavior Modification and Beyond: An Operant and Social Learning Approach*, and the author of *Management*, 9th edition, a best-selling introductory management text.

Among his consulting and executive development clients have been American Express, SABRE Computer Services, Honeywell, Motorola, Amdahl, the Hopi Indian Tribe, State Farm Insurance, Goodyear Aerospace, Doubletree Hotels, Bank One-Arizona, Nazarene School of Large Church Management, US Steel, and Allied-Signal. In 1981–82 he served as Chairman of the Academy of Management's Management Education and Development Division. Bob grew up in western New York State. After a four-year enlistment in the US Coast Guard, including service on the icebreaker EASTWIND in Antarctica, Bob attended the University of Nebraska–Omaha on a football scholarship. Bob also holds an MBA from the University of Nebraska–Omaha and a PhD from the University of Nebraska–Lincoln. While working on his PhD in Business at Nebraska, he spent

six months teaching management courses for the University in Micronesia. In 1996, Bob taught two courses in Albania's first-ever MBA program (funded by the US Agency for International Development and administered by the University of Nebraska–Lincoln). He taught a summer leadership program in Switzerland from 1995 to 1998. Bob and his wife, Margaret, live in Phoenix with three cats and a pet starling. They enjoy travel, hiking, woodcarving, and fishing.

ANGELO KIMICKI is a Professor and Dean's Council of 100 Distinguished Scholar at Arizona State University. He joined the faculty in 1982, the year he received his doctorate in business administration from Kent State University. His specialty is Organizational Behavior.

Angelo is recognized for both his research and teaching. He has published over 75 articles in a variety of leading academic and professional journals, and has coauthored three textbooks. Angelo's success as a researcher also resulted in his selection to serve on the editorial review boards for the *Academy of Management Journal*, *Journal of Vocational Behavior*, and the *Journal of Management*. He received the All Time Best Reviewer Award from the *Academy of Management Journal* for the period of 1996–1999. Angelo's outstanding teaching performance resulted in his selection as the Graduate Teacher of the Year and the Undergraduate Teacher of the Year in the College of Business at Arizona State University. He also was acknowledged as the Instructor of the Year for Executive Education from the Center for Executive Development at Arizona State University.

One of Angelo's strengths is his ability to teach students at all levels within a university. He uses an interactive environment to enhance undergraduates' understanding about management and organizational behavior. He focuses MBAs on applying management concepts to solve complex problems; PhD students learn the art and science of conducting scholarly research.

Angelo also is a busy consultant and speaker with companies around the world. His clients are many of the *Fortune* 500 companies as well as a variety of entrepreneurial firms. Much of his consulting work focuses on creating organizational change aimed at increasing organizational effectiveness and profitability. One of Angelo's most important and enjoyable pursuits is the practical application of his knowledge about management and organizational behavior.

Angelo and his wife Joyce have enjoyed living in the beautiful Arizona desert for 21 years, but are natives of Cleveland, Ohio. They enjoy traveling, golfing, and hiking.



With love to Margaret, my forever hiking buddy on life's winding trail.

—B.K.

To Joyce and Nala: Joyce, I would not be who I am without you. I treasure your continued love, friendship, support, positive energy, and excellent cooking. Nala's unconditional love is a source of energy that always lifts my spirits.

—A.K.

Preface

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

Although this Sixth Edition of *Organizational Behavior* is aimed at undergraduate business students in similarly named courses, previous editions have proven highly versatile. *Organizational Behavior* has been used effectively in MBA programs, executive education and management development programs, and industrial and organizational psychology programs around the world. (Note: A special European edition is available.) This textbook is the culmination of our combined half-century of teach-

ing experience and research into organizational behavior and management in the United States, Pacific Rim, and Europe. Thanks to detailed feedback from students, professors, and practicing managers, this Sixth Edition is more refined and better organized. Many new changes have been made in this edition, reflecting new research evidence, new management techniques, and the fruits of our own learning process.

Organizational Behavior, Sixth Edition, is a product of the *total quality management* (TQM) process described in Chapter 1. Specifically, it is *user driven* (as a result of carefully listening to our readers), developed through close *teamwork* between the authors and the publisher, and the product of *continuous improvement*. Our TQM approach has helped us achieve a difficult combination of balances. Among them are balances between theory and practice, solid content and interesting coverage, and instructive detail and readability. Students and instructors say they want an up-to-date, relevant, and interesting textbook that actively involves the reader in the learning process. Our efforts toward this end are evidenced by many new topics and real-life examples, a stimulating art program, timely new cases and boxed inserts, end-of-chapter experiential exercises for both individuals and teams, and more than two dozen exercises integrated into the text. We realize that reading a comprehensive textbook is hard work, but we also firmly believe the process should be interesting (and sometimes fun).

Structural Improvements in the Sixth Edition

Part One in this Sixth Edition provides a foundation of understanding as well as a cultural context for the study of organizational behavior. In Parts Two through Four, the material flows from micro (individuals) to macro (groups and organizations) topics. Once again, we have tried to achieve a workable balance between micro and macro topics. As a guide for users of the previous edition, the following structural changes need to be noted:

- This Sixth Edition is one chapter shorter than the fifth edition. There are now four major parts, down from five.
- Ethics coverage has been improved, expanded, and featured in a separate Learning Module following Chapter 1. Like a normal chapter, Learning Module A includes a real-life opening vignette, an International OB box, an OB Exercise, and a Group Exercise. New in this edition are Ethical Dilemmas at the end of each chapter to give students the opportunity to wrestle with today's tough ethical issues.
- Self-management now is covered in Chapter 5 in conjunction with self-concept.
- Chapter 6 is a new chapter covering personal values, attitudes, abilities, and job satisfaction. It expands our treatment of key individual differences in Chapter 5.
- Chapter 8, one of the two motivation chapters, now features a major new section on intrinsic motivation and rewards.
- As requested by reviewers, Chapter 10 on improving performance with feedback and rewards now includes a major section on positive reinforcement.
- Learning organizations are now covered in Chapter 18 and stress is covered in Chapter 19.
- The Learning Module on Research Methods in OB has been moved to the end of the text.

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New and Expanded Coverage

Our readers and reviewers kindly tell us how much they appreciate our efforts to keep this textbook up-to-date and relevant. Toward that end, you will find the following new topics featured in the Sixth Edition: Human capital and social capital (Chapter 1), Learning Module A: Expanded coverage of ethics, Nine cultural dimensions and leadership lessons from the GLOBE project (Chapter 4), Work-versus-family life conflict and balance (Chapter 6), Major new section on intrinsic motivation (Chapter 8), Improving decisions through knowledge management (Chapter 11), and Cialdini's six principles of influence and persuasion (Chapter 16). In addition, this edition includes significantly improved coverage of the following topics:

Chapter 1

Human and social capital, Internet/E-business revolution

Chapter 2

Workforce demographics for 2000–2010

Chapter 3

Socialization tactics, development networks underlying mentoring

Chapter 4

How culture overrides national boundaries, cultural paradoxes, nine cultural dimensions and leadership lessons from the GLOBE project, tips for landing a foreign assignment

Chapter 5

Branden's six pillars of self-esteem, the proactive personality, four characteristics of emotional intelligence, emotional contagion, emotional labor

Chapter 6

Work-versus-family life balance and conflicts, cognitive and behavioral components of attitudes, Ajzen's theory of planned behavior, organizational commitment, job involvement, withdrawal cognitions, costs of employee turnover, job satisfaction/job performance research update

Chapter 7

Golem effect (how leader's low expectations hurt performance)

Chapter 8

Alderfer's ERG theory of needs, major new section on intrinsic motivation/rewards, sense of meaningfulness/choice/competence/progress

Chapter 9

Equity and interactional justice

Chapter 10

Modern incentive pay plans

Chapter 11

Assumptions of rational decision making, improving decisions through knowledge management, tacit versus explicit knowledge, advantages and disadvantages of group-aided decision making

Chapter 12

Social skills for building social capital, social exchanges in the workplace, behavioral categories of sexual harassment

Chapter 13

Knowledge/skills/abilities (KSAs) for team players, how to manage virtual teams, empowering self-managed teams

Chapter 14

Conflict metaphors and meaning

Chapter 15

New list of male and female communication differences

Chapter 16

Cialdini's six principles of influence and persuasion, keeping organizational politics within bounds

Chapter 17

Contrasting 360-degree ratings of leadership for women and men, leadership traits identified by famous leaders, updated path-goal theory of leadership

Chapter 18

New model of environmental uncertainty

Chapter 19

Commitment to change, resilience to change, primary and secondary appraisal of stress.

In keeping with the curriculum recommendations from AACSB International (The Association to Advance Collegiate Schools of Business; www.aacsb.edu) for greater attention to managing in a global economy, managing cultural diversity, improving product/service quality, and making ethical decisions, we feature this coverage:

- A full chapter on international organizational behavior and cross-cultural management (Chapter 4). Comprehensive new coverage from the landmark GLOBE project. To ensure integrated coverage of international topics, 21 all-new boxed features titled “International Organizational Behavior” can be found in this Sixth Edition.
- Chapter 2 offers comprehensive and up-to-date coverage of managing diversity. Principles of total quality management (TQM) and the legacy of W Edwards Deming are discussed in Chapter 1 to establish a quality-improvement context for the entire textbook. Also, many quality-related examples have been integrated into the textual presentation.
- As outlined next, this Sixth Edition includes comprehensive coverage of ethics-related concepts, cases, and issues.

[illegible]

Learning Module A

Ethics and Organizational Behavior

Renee Hinton says it was hard enough when she was laid off last August from Global Crossing Ltd. after 14 years with the company and its predecessor. But when the former fiber-optic darling declared bankruptcy... [in 2002], it dragged the systems manager into bankruptcy, too.

Like thousands of other laid-off employees, Ms. Hinton was required to take her severance package in spread-out payments rather than a lump sum. With the company's bankruptcy filing, those payments stopped. Medical benefits also were terminated. Many of the workers' 401(k) retirement plans, loaded with Global Crossing shares, became nearly worthless as the stock price plunged.

But for many Global Crossing executives, the outcome has been quite different... Global Crossing's new chief executive, John Legere, received a \$3.5 million signing bonus when he took the job in October [2001]—even though he was already employed as CEO of Asia Global Crossing, a separately traded affiliate... At about the same time, Asia Global Crossing and Global Crossing forgave a \$10 million loan to Mr. Legere, and Global Crossing eased the terms of an \$8 million loan to Thomas Casey, Global's departing chief executive, according to filings the company made with the government.

The company also moved up its last pay date by a week so that executives and others still employed at Global could get paid before the company declared bankruptcy... Severance payments to the already laid-off workers weren't paid.

Furthermore, in recent months Global Crossing made 11th-hour lump-sum pension payouts totaling \$15 million to high-ranking executives, most of them no longer with the company.¹

For Discussion:
Was Global Crossing acting ethically? Explain your rationale.

The opening vignette highlights the relationship between decision making and ethical behavior. It also underscores the fact that top management's ethical or unethical behavior can significantly affect the lives of employees such as Renee Hinton. Ethics and ethical behavior are receiving greater attention today. This interest is partly due to reported cases of questionable or potentially unethical behavior involving companies like Global Crossing, Enron, Tyco, and Arthur Andersen and the associated costs of unethical behavior.

For instance, US industries lose about \$400 billion a year from unethical and criminal behavior. Another nationwide survey revealed that 20% of the respondents were asked to do something that violated their ethical standards: 41% complied.² Unethical behavior is a relevant issue for all employees. It occurs from the bottom to the top of an organization. For example, a recent survey of 1,000 senior-level executives revealed that as many as one-third lied on their resumes.³ Maybe this result should not be surprising because there are more benefits to lying, such as a higher salary and stock

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Comprehensive Ethics Coverage

Ethics is covered early and completely in Learning Module A (following Chapter 1) to set a proper moral tone for managing people at work. Ethical issues are raised throughout the text. New to this Sixth Edition are 19 Ethical Dilemmas (one following each chapter). They raise hard-hitting ethical issues, ask tough questions, and have corresponding interpretations on our Web site at www.mhhe.com/kreitner. These Ethical Dilemmas, along with chapter-opening vignettes and chapter-closing cases on the likes of Enron are constant reminders of the importance of ethical management.

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Part Three

Group and Social Processes

Ethical Dilemma



Sexy but Sexless Relationships?

Situation

You're the ground crew manager in Chicago for a major commercial airline company. During lunchtime in your office, you run across a curious article while browsing *Fair Company* magazine's Web archives. You begin to read:

"You're intensely together on a project, things are going well, and the adrenaline gets pumping," says David R. Elyer. "The chemistry feels right, but you don't want to mess up your personal or professional relationships by having an affair. You recognize that you've got something good here, and you set limits on your behavior."

Can you have a sexy but sexless relationship? Researchers are embracing a new notion that sexual attraction between co-workers may not be bad. It may, in fact, be beneficial.

Elyer and Andrea P. Baridon, authors of three books on men and women in the workplace and senior staff members of the National Center for Higher Education in Washington, propose an unconventional alternative to an illicit affair. Instead of giving in to sexual attraction, you manage it. They call the relationship *More than Friends, Less than Lovers*—the title of a book they published in 1991.²⁷

The article goes on to say researchers have found men and women using "sexual synergy" to achieve goals in the

workplace. Five tips are offered for keeping these close, but not too close, relationships within bounds.

What is your reaction? (Explain the ethical reasoning for your choice.)

1. Hmmm. A little harmless flirting might boost productivity and be good for morale.
2. This is a surefire invitation to sexual harassment abuses and charges. What a stupid idea! (Tip: Refer back to Table 12-5, Behavioral Categories of Sexual Harassment.)
3. I should discuss this with our human resource department to check our stance on workplace romances and their relationship to our sexual harassment policy.
4. I could pass a copy of this article around to see if we have a problem with sexual harassment.
5. Invent other options. Discuss.

For an interpretation of this situation, visit our Web site, www.mhhe.com/kreitner.

Fresh Cases and Features

Our continuing commitment to an up-to-date and relevant textbook is evidenced by the number of new features and cases.

www.southwest.com

When Herb Kelleher, the legendary co-founder of Southwest Airlines, turned over his CEO title to Jim Parker in 2001, *Harvard Business Review* reported the following question-and-answer session with Southwest's leadership team.

Everybody thinks they understand the Southwest model but few airlines, if any, have been able to replicate it. How do you account for your success?

Colleen Barrett [President] There have been a lot of Southwest wannabes, but they have not succeeded. I don't say it with pride because I don't like to see them fail. They have not religiously stuck to what they say they are going to be. People Express forgot who it was going to be and destroyed itself. We don't forget, and we don't let our

people forget. You have to talk and talk and talk to your people all the time.

John Denton [Executive VP, Corporate Services] Also, those companies don't understand the distinction between controlling costs and being cheap. There is a need to invest.

Ron Ricks [VP, Government Affairs] We invest in our people. We have competitive, if not superior, wage and benefits packages. They look like it may pose a high cost up front, but it is cost-effective in the long run, with good people.

Libby Jarman [VP, People] We spend more money to recruit and train than any other airline. We take time to find the right people to hire at all levels within our organization, and we spend time training them. We really believe

(from left to right)
Southwest Airlines CEO
Jim Parker, President
Colleen Barrett, and co-
founder and chairman
Herb Kelleher.
(AP/Wide World Photos)



Every chapter opens with a real-name, real-world vignette to provide an interesting and relevant context for the material at hand. All 19 chapter-opening vignettes are new. They highlight male and female role models as well as US and foreign companies.

OB Exercise What Are the Strategies for Breaking the Glass Ceiling?


Instructions

Read the 13 career strategies shown below that may be used to break the glass ceiling. Next, rank order each strategy in terms of its importance for contributing to the advancement of a woman to a senior management position. Rank the strategies from 1 (most important) to 13 (least important). Once this is completed, compute the gap between your rankings and those provided by the women executives who participated in this research. Their rankings are presented in endnote 30 at the back of the book.³⁰ In computing the gaps, use the absolute value of the gap. (Absolute values are always positive, so just ignore the sign of your gap.) Finally, compute your total gap score. The larger the gap, the greater the difference in opinion between you and the women executives. What does your total gap score indicate about your recommended strategies?

Strategy	My Rating	Survey Rating	Gap	
			Your Rating	Survey Rating
1. Develop leadership outside office	_____	_____	_____	_____
2. Gain line management experience	_____	_____	_____	_____
3. Network with influential colleagues	_____	_____	_____	_____
4. Change companies	_____	_____	_____	_____
5. Be able to relocate	_____	_____	_____	_____
6. Seek difficult or high visibility assignments	_____	_____	_____	_____
7. Upgrade educational credentials	_____	_____	_____	_____
8. Consistently exceed performance expectations	_____	_____	_____	_____
9. Move from one functional area to another	_____	_____	_____	_____
10. Initiate discussion regarding career aspirations	_____	_____	_____	_____
11. Have an influential mentor	_____	_____	_____	_____
12. Develop style that men are comfortable with	_____	_____	_____	_____
13. Gain international experience	_____	_____	_____	_____

SOURCE: Strategies and data were taken from B. R. Rogers, B. Townsend, and M. Martin, "Gender Gap in the Executive Suite: CEOs and Female Executives Report on Breaking the Glass Ceiling," *Academy of Management Executive*, February 1996, pp. 28-42.

Twenty-eight OB Exercises are distributed throughout the text to foster personal involvement and greater self-awareness. Nine of the built-in OB Exercises are new.



International OB

<http://www.womeninpolitics.org>

The Glass Ceiling Exists around the World

1. Out of 180 countries, only 11 are headed by women.
2. 13% of members of national parliaments worldwide are women.
3. 7% of the world's cabinet ministers are women.
4. 1% of the world's assets are in the name of women.
5. 70% of people in the lowest poverty—living on less than \$1 per day—are women.
6. 855,000,000 people in the world are illiterate, and 70% of them are women.
7. There is no country in the world where women's pay is equal to that of men.
8. While women occupy about 33% of all managerial and administrative positions in the developed world, they possess 15% and 13% of these positions in Africa and in Asia and the Pacific.
9. In Silicon Valley, for every 100 shares of stock options owned by a man, one share is owned by a woman.

SOURCES: These statistics were obtained from www.onlinewomeninpolitics.org/statistics.htm, updated April 2, 2002; and www.learningpartnership.org/facts/human.html, updated January 1, 2002.

All 21 of the **International OB** boxed features are new.

OB in Action Case Study

Enron's Organizational Culture Contributed to Its Financial and Legal Problems²¹

BusinessWeek For most of the 1990s, CEOs at Old Economy companies struggled to turn slow-moving organizations into nimbler, more flexible outfits. Failure cost chiefs their jobs at General Motors, Eastman Kodak, Westinghouse, and a host of other behemoths. Truth is, real transformations are the exception rather than the rule. Changing the core values, the attitudes, the fundamental relationships of a vast organization is overwhelmingly difficult. General Electric Co.'s John F. Welch and IBM's Louis V. Gerstner Jr. have been lionized for having led two of the very few successful makeovers.

That's why an army of academics and consultants descended on Enron in the late 1990s and held it up as a paragon of management virtue. Enron seemed to have transformed itself from a stodgy regulated utility to a fast-moving enterprise where performance was paramount. The Harvard case study put it simply enough: "Enron's transformation: From gas pipelines to New Economy powerhouse."

If only that were true. Many of the same academics are now scurrying to distill the cultural and leadership lessons from the debacle. Their conclusion so far: Enron didn't fail just because of improper accounting or alleged corruption

at the top. It also failed because of its entrepreneurial culture—the very reason Enron attracted so much attention and acclaim. The unrelenting emphasis on earnings growth and individual initiative, coupled with a shocking absence of the usual corporate checks and balances, tipped the culture from one that rewarded aggressive strategy to one that increasingly relied on unethical corner-cutting. In the end, too much leeway was given to young, inexperienced managers without the necessary controls to minimize failures. This was a company that simply placed a lot of bad bets on businesses that weren't so promising to begin with. . . .

Skilling's (Jeff Skilling, Enron's former CEO) recipe for changing the company was right out of the New Economy playbook. Layers of management were wiped out. Hundreds of outsiders were recruited and encouraged to bring new thinking to a tradition-bound business. The company abolished seniority-based salaries in favor of more highly leveraged compensation that offered huge cash bonuses and stock option grants to top performers. Young people, many just out of undergraduate or MBA programs, were handed extraordinary authority, able to make \$5 million decisions without higher approval.

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Sixteen of the chapter-closing OB in Action Case Studies are new.

Four new end-of-part video cases, based on relevant "Manager's Hot Seat" videos, provide structured exercises for incorporating interactive videos into classroom instruction. To achieve a high degree of realism, McGraw-Hill/Irwin created these videos around the concept of having real-life managers deal with challenging hypothetical situations without the aid of a script. Each video has two parts, both of which are followed by the guest manager's view of what went right and wrong in the "hot seat." These video exercises pose the question: "What would you do in the hot seat?"



OB in Action Video Case

A Clash of Styles at Midnight Visions?

Total run time for both parts: 14 minutes, 10 seconds.

About the Manager's Hot Seat video series: To achieve a high degree of realism, McGraw-Hill/Irwin created these videos around the concept of having real-life managers deal with challenging hypothetical situations without the aid of a script. Each Manager's Hot Seat video has two parts. Both parts are followed by the guest manager's view of what went right and wrong in the "hot seat." What would you do in the manager's hot seat?

Characters: Guest manager Pilar Grimault's real-life job as marketing director for the Spanish Broadcasting System serves her well in her "hot seat" role as senior account manager at Midnight Visions, a New York-based advertising agency. Grimault moved into upper management two years ago after a successful stint as creative director at the company's London office. She is a strong manager who is well liked by most and feared by some. Miguel Valentino, 26, has been a rapidly rising star during his four years with the company. He was promoted to senior creative designer a year and a half ago and is perceived as creative, energetic, and sometimes arrogant. The two have had an uneven working relationship, sometimes great and other times rocky.

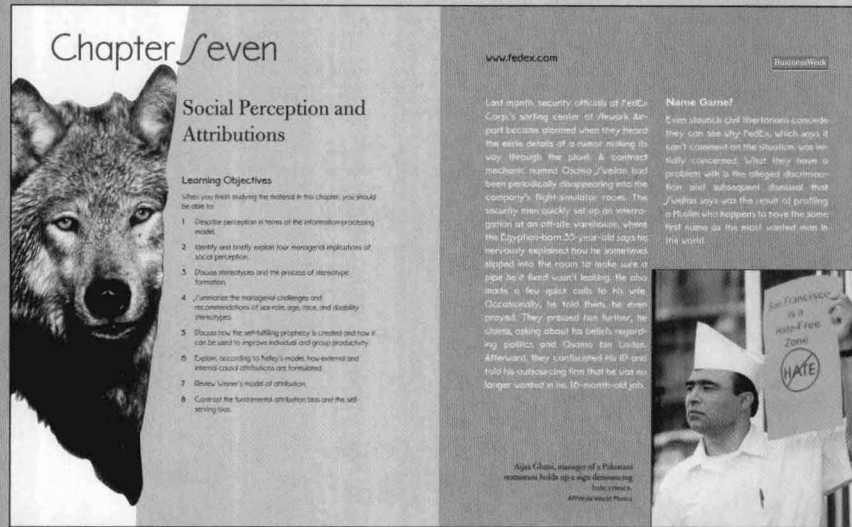
Situation: In Part 1, Grimault has a meeting with Valentino to review his performance on the large and important accounts he is handling. Grimault feels she needs to watch Valentino more closely because his zealous style goes over the top sometimes. For example, the Jezebel account was a creative success, but the client complained about budget overruns. Grimault wants to help Valentino mature into a more effective manager without stifling his creative energy.

Links to textual material: Chapter 5: self-concept, personality, and emotions. Chapters 8 and 9: motivation. Chapter 10: feedback and positive reinforcement. Learning Module B: performance appraisal.

Pedagogical and Cooperative Learning Features

The Sixth Edition of *Organizational Behavior* is designed to be a complete teaching/learning tool that captures the reader's interest and imparts useful knowledge. Some of the most significant pedagogical features of this text are:

- Classic and modern topics are given balanced treatment in terms of the latest and best available theoretical models, research evidence, and practical applications.
- Several concise learning objectives open each chapter to focus the reader's attention and serve as a comprehension check.
- A colorful and lively art program includes captioned photographs and figures.
- Hundreds of real-world examples involving large and small, public and private organizations have been incorporated into the textual material to make this edition up-to-date, interesting, and relevant.



Chapter 7 Social Perception and Attributions

An Information-Processing Model of Perception

Perception is a cognitive process that enables us to interpret and understand our surroundings. Recognition of objects is one of this process's major functions. For example, both people and animals recognize familiar objects in their environments. You would recognize a picture of your best friend, dogs and cats can recognize their food dishes or a favorite toy. Reading involves recognition of visual patterns representing letters in the alphabet. People must recognize objects to meaningfully interact with their environment. But since OB's principal focus is on people, the following discussion emphasizes *social perception* rather than object perception.

The study of how people perceive one another has been labeled *social cognition* and *social information processing*. In contrast to the perception of objects, social cognition is the study of how people make sense of other people and themselves. It focuses on how ordinary people think about people and how they think they think about people...

Research on social cognition also goes beyond naive psychology. The study of social cognition entails a fine-grained analysis of how people think about themselves and others, and it leans heavily on the theory and methods of cognitive psychology.⁴

Let us now examine the fundamental processes underlying perception.

Four-Stage Sequence and a Working Example

Perception involves a four-stage information processing sequence (hence, the label "information processing"). Figure 7-1 illustrates a basic information-processing model. Three of the stages in this model—selective attention/comprehension, encoding and simplification, and storage and retention—describe how specific information and environmental stimuli are observed and stored in memory. The fourth and final stage, retrieval and response, involves turning mental representations into real-world judgments and decisions.

Figure 7-1 Perception: An Information-Processing Model

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Keep the following everyday example in mind as we look at the four stages of perception. Suppose you were thinking of taking a course in, say, personal finance. Three professors teach the same course, using different types of instruction and testing procedures. Through personal experience, you have come to prefer good professors who rely on the case method of instruction and essay tests. According to the information-processing model of perception, you would likely arrive at a decision regarding which professor to take as follows:

Stage 1: Selective Attention/Comprehension

People are constantly bombarded by physical and social stimuli in the environment. Since they do not have the mental capacity to fully comprehend all this information, they selectively perceive subsets of environmental stimuli. This is where attention plays a role. **Attention** is the process of becoming consciously aware of something or someone. Attention can be focused on information either from the environment or from memory. Regarding the latter situation, if you sometimes find yourself thinking about totally unrelated events or people while reading a textbook, your memory is the focus of your attention. Research has shown that people tend to pay attention to salient stimuli.

Salient Stimuli Something is *salient* when it stands out from its context. For example, a 250-pound man would certainly be salient in a women's aerobics class but not at a meeting of the National Football League Players' Association. Salience is determined by several factors, including:

- Being novel (the only person in a group of that race, gender, hair color, or age).
- Being bright (wearing a yellow shirt).
- Being unusual for that person (behaving in an unexpected way, such as a person with a fear of heights climbing a steep mountain).
- Being unusual for a person's social category (such as a company president driving a motorcycle to work).
- Being unusual for people in general (driving 20 miles per hour in a 55-mph speed zone).

(During the 2000 U.S. Open, Tiger Woods, who is Asian, won the tournament. He was a highly salient sight during the event.)

Internet Exercise

www.bls.gov

This chapter discussed a variety of demographic statistics that underlie the changing nature of the US workforce. We discussed how a glass ceiling is affecting the promotional opportunities and pay for women and people of color. We also reviewed the mismatch between educational attainment and occupational requirements. We did not, however, discuss the employment opportunities within your chosen field of study. The purpose of this exercise is for you to conduct a more thorough examination of statistics related to the workforce as a whole and for statistics pertaining to your career goals. Visit the Web site for the Bureau of Labor Statistics at www.bls.gov, and review information pertaining to the "US Economy at a Glance" and "Occupations." In particular, look at reports and tables pertaining to average hourly

earnings, unemployment, and statistics shown in the occupational outlook handbook.

Questions

1. To what extent are income levels rising? Determine whether differences exist by race and gender.
2. Do unemployment rates vary by race? Identify which racial groups are advantaged and disadvantaged.
3. What occupational categories are projected to experience the greatest growth in employment opportunities?
4. What are the employment prospects for your chosen field of study or targeted job? Be sure to identify job opportunities and projected wages. Are you happy with your career choice?

Personal Awareness and Growth Exercise

How Strong Is Your Motivation to Manage?

Objectives

1. To introduce a psychological determinant of managerial success.
2. To assess your readiness to manage.
3. To discuss the implications of motivation to manage, from the standpoint of global competitiveness.

Introduction

By identifying personal traits positively correlated with both rapid movement up the career ladder and managerial effectiveness, John B. Miner developed a psychometric test for measuring what he calls motivation to manage. The

questionnaire assesses the strength of seven factors related to the temperament (or psychological makeup) needed to manage others. One word of caution. The following instrument is a shortened and modified version of Miner's original. Our version is for instructional and discussion purposes only. Although we believe it can indicate the general strength of your motivation to manage, it is *not* a precise measuring tool.

Instructions

Assess the strength of each of the seven dimensions of *your own* motivation to manage by circling the appropriate numbers on the 1 to 7 scales. Then add the seven circled numbers to get your total motivation to manage score.

Group Exercise

Timeless Advice

Objectives

1. To get to know some of your fellow students.
2. To put the management of people into a lively and interesting historical context.
3. To begin to develop your teamwork skills.

Introduction

Your creative energy, willingness to see familiar things in unfamiliar ways, and ability to have fun while learning are keys to the success of this warm-up exercise. A 20-minute, small-group session will be followed by brief oral presentations and a general class discussion. Total time required is approximately 40 to 45 minutes.

- A contingency management theorist.
- Marcus Buckingham (end-of-chapter case study).
- A Japanese auto company executive.
- The chief executive officer of IBM in the year 2030.
- Commander of the Starship Enterprise II in the year 3001.
- Others, as assigned by your instructor.

Use your imagination, make sure everyone participates, and try to be true to any historical facts you've encountered. Attempt to be as specific and realistic as possible. Remember, the idea is to provide advice about managing people from another point in time (or from a particular point of view at the present time).

- Women play a prominent role throughout this text, as is befitting their large and growing presence in the workplace. Lots of female role models are included. Special effort has been devoted to uncovering research insights about relevant and important gender-related differences.
- Key terms are emphasized in bold print where they are first defined and featured in the adjacent margins for review purposes.
- A "Summary of Key Concepts" feature at the end of each chapter restates the chapter learning objectives and concisely answers them.
- Ten discussion questions at the end of every chapter challenge the reader to explore the personal and practical implications of what has just been covered. These questions also are useful for classroom discussion and cooperative learning.
- The Internet Exercises found at the end of each chapter have been completely updated for the Sixth Edition, offering more interactivity, variety, and link durability. These exercises encourage and aid students in navigating the Internet to learn more about topics and organizations covered in the text. The Internet Exercises also can serve as a valuable tool for cooperative learning when students team up to track down relevant new information.
- Thirty-eight end-of-chapter exercises foster hands-on experiential and cooperative learning. Every chapter is concluded with a Personal Awareness and Growth Exercise and a Group Exercise. Each exercise has learning objectives, an introduction, clear instructions, and discussion questions to facilitate interaction and learning.

Comprehensive Supplement Package

For Instructors

The **Instructor's Presentation CD** includes an instructor's manual, test bank, computerized test bank, PowerPoint, and video clips.

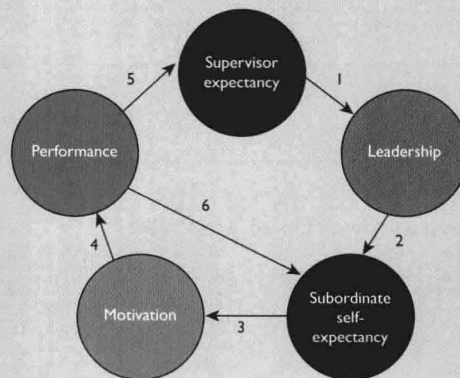
Prepared by Kim J Wade of Washington State University, each **instructor's manual** chapter includes: chapter summary, lecture outline, discussion questions for international OB boxes, opening case solution, OB in action case solution, personal awareness and growth exercise notes, group exercise notes, list of resources, 1-2 lecturettes, 1-2 additional exercises (including an integrative case featuring fictional manager Roberta), transparency masters and handouts corresponding to lecture materials and exercises. The manual also contains integrative video case teaching notes, video teaching notes, and transparency masters for highlighting key text concepts.

Also prepared by Kim J Wade, the **test bank** contains approximately 1500 questions, with an emphasis on testing concepts rather than memorizing definitions.

A collection of **chapter-by-chapter** videos from NBC News, PBS NewsHour, and the Management Video Library illustrates text concepts and cases, featuring newsworthy people and organizations, such as Pike Place World Famous Fish, and MTV/Viacom China Manager Li Yifei. Programs linked to specific cases and examples in the book are indicated by a video icon. Four **"Manager's Hot Seat"** videos are also available for use with the part-ending OB in Action Video Cases also including Mustang Jeans: Doing Business Across Cultures, A Clash of Styles at Midnight Visions, Group Dynamics at TechBox, and Virtual Disagreement at Saber Union.

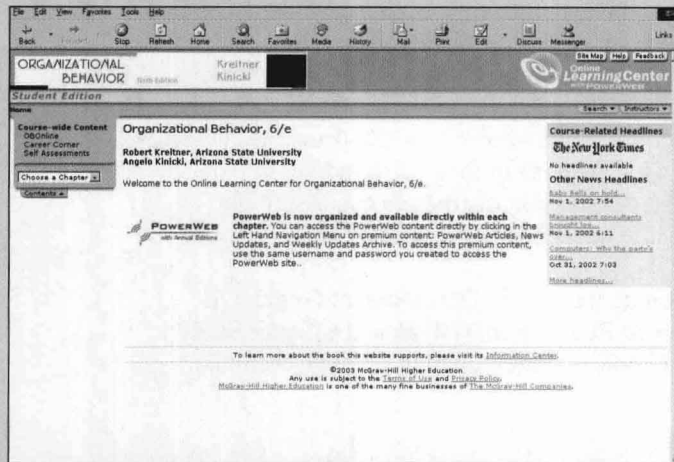
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A Model of the Self-Fulfilling Prophecy



7-11
Figure 7-2

Now two sets of **PowerPoint** slides are available for every chapter: one set recaps key concepts, tables, and figures from the text, and another provides supplemental examples, charts, and data from outside sources to enhance lecture presentations.



The Online Learning Center (OLC) is a website that follows the text chapter-by-chapter. As students read the book, they can go online to take self-grading quizzes, review material, or work through interactive exercises. OLCs can be delivered multiple ways – professors and students can access them directly through the text-book website, through PageOut, or within a course management system (i.e. WebCT, Blackboard, TopClass, or eCollege.)

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For Students

Student Resource CD

With every new copy of the text, students receive a Student Resource CD filled with study aids, enrichment exercises, and reference materials. OB Online Exercises help students learn more about their personal management skills and preferences. The Pike Place Fish Market Video Case illustrates how OB principles helped Pike Place transform itself from an ordinary fish market into a world-renowned tourist destination. Instructors can assign the video case and discussion questions in preparation for classroom discussion.

Other resources include the Career Development Guide; OB Online Exercises; How to Read *BusinessWeek* and Chapter Study, Review, and Research Tools (quizzes, chapter reviews, weblinks).

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