

# ORGANIZATIONAL BEHAVIOR

*Fifth Edition*



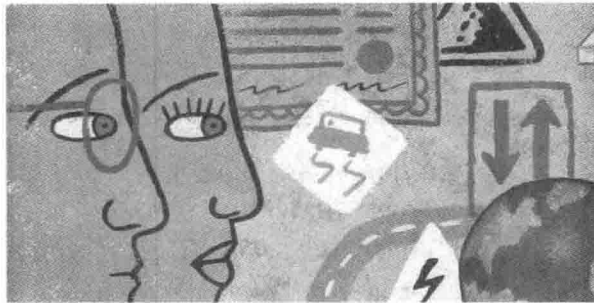
*A Diagnostic Approach*

JUDITH R. GORDON

# ORGANIZATIONAL BEHAVIOR

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*To Steve  
and Brian, Laurie, and Michael  
With All My Love*

# Preface

All around the world, organizations are remaking themselves as they respond to the challenges presented by the global economy. These exciting changes are reflected throughout this revision, beginning with its title. This edition offers a new face to *A Diagnostic Approach to Organizational Behavior*. Retitled, *Organizational Behavior: A Diagnostic Approach*, the fifth edition

has been significantly rewritten to present a fresh appearance, with a strong emphasis on theory, research, and practical applications in organizational behavior. The book includes extensive real-world examples and is intended to help students meet the challenges created by the increasing complexity and globalization of management.

## IMPORTANT CONTENT AREAS

The fifth edition incorporates the most current thinking in each area of organizational behavior. Note particularly the inclusion of the following topics:

- total quality management
- learning organizations
- impact of information technology
- reengineering
- horizontal, modular, and virtual organizations
- global competitiveness
- social cognition
- the diverse work force
- family-friendly organizations
- state-of-the-art reward systems
- cognitive biases in decision making
- self-managing teams
- electronic media and communication
- gender-based leadership styles

- the negotiation process
- innovation in organizations

The book offers extensive examples of real-world organizations that have applied the theories and principles presented. Thus, the book attempts to help students understand current organizational practices within the context of organizational theory and empirical research. The book draws from both the current and historical organizational behavior literature. The endnotes document primarily the research and thinking of the last decade but also include classics of organizational behavior.

Besides traditional text materials, this book includes cases and hands-on exercises. This format allows students to apply the theory they learn to real-world and simulated organizational situations. The book is designed for students of organizational behavior at all levels. Undergraduate students, graduate students, and practitioners all can study it to enrich their understanding of human behavior and improve their effectiveness as organizational members.

## THE DIAGNOSTIC APPROACH

The fifth edition retains the dual emphasis of previous editions. It focuses on *diagnosis*: describing, understanding,

and explaining behavior in organizations. And it considers *action*: controlling, managing, or influencing behavior.



The book continues the fourth edition's emphasis on a strong integration of issues associated with managing in a global economy and leading a multicultural work force. It also considers the ethical responsibilities of organizational members and leaders.

The diagnostic approach encourages the application of diverse conceptual and theoretical frameworks to analyzing an organizational situation. The complexity of organizations and their environments makes it unlikely that any one theory will provide a definitive answer to all questions about how people in organizations act. The equity theory of motivation differs from reinforcement theory. The trait theory of leadership differs from situational theories. Numerous ways of classifying organizational structure—by means of coordination, type of specialization, or sets of alliances, for example—exist. Yet, the various theories can complement each other. Each can provide insight into individual, group, and organizational functioning and lead to more effective managerial behavior. Understanding theories of communication, group development, individual needs, conflict, leadership, and power, among others, improves the understanding of group problem solving. Knowing theories of motivation, learning, and communication helps managers identify issues of work design. Focusing on diverse facets of behavior improves diagnosis and ultimately action. Students are also encouraged to carefully consider the implications of organizations functioning in a multinational and multicultural environment.

The viewpoint of this book assumes that more than one perspective can be right. Thus, understanding an organizational situation requires the ability to analyze it in a number of ways, rather than to assume that any one expla-

nation is adequate. The use of *triangulation*, the taking of a multiperspective viewpoint, to more completely understand a situation and to reinforce the accuracy of the diagnosis is a significant feature of the diagnostic approach. Students are encouraged to utilize triangulation by viewing a situation from a variety of theoretical perspectives as a way of increasing their understanding of behavior and using this enriched understanding to improve action.

The thorough internalization of new theories and concepts for regular use in observing and understanding behavior follows as a result of practice in diagnosis. More effective action can then occur, since more effective action follows more accurate diagnosis. Of course, experienced managers do not try all approaches in each situation. They choose the tools that fit and are helpful. As students become more practiced in using the diagnostic approach, they too become more adept at immediately selecting the appropriate frameworks to apply.

This book presents several processes for practicing diagnosis and action. First, students are asked to analyze a situation using various theoretical perspectives one at a time. Second, they are presented with a complex case study and asked to identify diverse perspectives that help understand the events in the case. They analyze the situation from the various perspectives and ultimately suggest action on the basis of the perspectives. Finally, students are asked to observe their own and others' behavior in organizational simulations, analyze it from diverse perspectives, and consider the implications for action. The book encourages the use of a multifaceted pedagogy, where materials presented in text and activities provide mutual reinforcement and practice in using the diagnostic approach.

## ORGANIZATION OF THE BOOK

The book begins with an introductory chapter that describes the diagnostic approach and illustrates it using numerous historical perspectives on organizational behavior. The book next discusses, in Part II, individual behavior. It then moves, in Part III, to an examination of interactions among individuals in group behavior and teamwork, which builds on knowledge of individual behavior and individual interactions. Finally, in Part IV, the book presents organizational issues. This discussion incorporates our knowledge of individuals and groups. Thus the organization of the book reflects a key feature of the diagnostic approach: viewing behavior from an increasing number of different

but complementary, more complex but elaborating perspectives.

More specifically, in Part I, Chapter 1 sets the stage by defining the diagnostic approach. The first chapter also details various historical perspectives on behavior in organizations, concluding with a discussion of the contingency perspective that is the foundation of the diagnostic approach.

Chapter 2 begins Part II, which focuses on individual behavior, by describing perception, attribution, and learning. Chapter 3 introduces perspectives related to the diverse work force, including individual personality and ca-

reer development. Chapter 4 presents various theories of motivation.

Chapter 5, which begins Part III, discusses self-managing teams and group dynamics. Chapter 6 examines decision making. Chapter 7 looks at communication. Chapter 8 explores the impact of leadership on organizational behavior. Chapter 9 considers power and conflict in organizations. Chapter 10 concludes the discussion of group behavior by looking at the process of negotiation and intergroup behavior, thus providing a transition to organizational issues.

In Part IV, large-scale organizational issues are discussed and prescriptions for changing organizations are emphasized. Chapter 11 discusses an organization's culture, and presents Total Quality Management and learning

organizations as examples. Chapter 12 investigates work design, technology, and innovation. Chapter 13 describes options for structuring organizations. Chapter 14 examines the factors that influence the choice of design option. Chapter 15 concludes the book with a discussion of organizational change and organizational effectiveness.

The book is designed to be versatile in its use. Each chapter includes a presentation of key theories or concepts regarding a particular topic, and cases and exercises that allow the application of the theoretical perspectives to diverse situations. Each chapter includes a summary of the textual material as well as concluding comments intended to integrate the text with the outcomes of the case discussions and exercises.

## SPECIAL FEATURES OF THE FIFTH EDITION

*Real-World Examples.* Each chapter includes numerous organizational examples in an array of companies, such as IBM, General Motors, Ben & Jerry's Ice Cream, United Parcel Service, and so on. These are highlighted with a special design feature in the text. Reviewing the examples allow students to better understand the application of course theories in real organizations.

*Opening Cases.* Each chapter begins with a real-world situation that illustrates the major topics presented. The case is integrated into the text and provides a real-world backdrop for discussing theories and concepts.

*Cases.* These offer the unique advantage of allowing students to experience a real-life situation without leaving the classroom. As in real-life situations, the complexity of the human actions provides a significant challenge to the students' diagnostic skills. We can analyze the behavior that occurs and offer solutions for improving individual, group, and/or organizational effectiveness without suffering the consequences of inaccurate diagnosis or inappropriate recommendations. Students are encouraged first to list the facts of the case. They then identify the key managerial and behavioral issues in the situation. In problem situations they next specify the symptoms that indicate problems exist, as well as describe and show other evidence of the problems in the case. In all situations they

then apply relevant theoretical models to diagnose the situation more thoroughly. They conclude by offering a prescription or plan for managerial action, directed at acting effectively or remedying a problem situation.

*Video Cases.* This edition includes a series of video clips drawn from ABC News programs. The instructor can use these as the basis of class discussion. The text includes an exercise based on each video case.

*Exercises.* Students can practice responding to situations similar to those they might experience as a member of an organization. The exercises may call for students to make certain decisions, redesign jobs, or plan ways to correct a dysfunctional situation. Students may be asked to participate in roleplays, where they act the part of a character in a work situation. Or they may be asked to complete self-assessment questionnaires or interviews. Also, students may be asked to participate in other activities that encourage the description and diagnosis of their own and others' behavior followed by the prescription and implementation of effective action.

*Diagnostic Questions.* Each chapter includes a set of diagnostic questions drawn from the theories and concepts presented. These questions can guide students, in their future roles as managers and employees, in applying the material presented to real-world situations.

## ACKNOWLEDGMENTS

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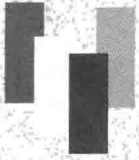
My deepest thanks go to my family, who cheerfully tolerated the long hours required to write a book with a rapidly approaching deadline. I dedicate this book to them.

*Judith R. Gordon*



# ORGANIZATIONAL BEHAVIOR

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# Chapter 1

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## Chapter Outline

- **Organizational Behavior at General Motors**
- **Organizational Behavior Defined and Studied**
  - Methods of Data Collection**
  - Research Methods**
- **An Historical Perspective on Organizational Behavior**
  - Structural Perspectives**
  - Behavioral Perspectives**
  - Integrative Perspectives**
- **Organizational Issues for the Twenty-First Century**
  - The Global Arena**
  - Total Quality Management**
  - Advances in Information Technology**
  - Ethical Action in Organizations**
  - Managing a Diverse Work Force**
- **The Diagnostic Approach**
  - Description**
  - Diagnosis**
  - Prescription**
  - Action**
- **Organization of This Book**
- **Summary**
- **Diagnostic Questions**

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