



C A N A D I A N

ORGANIZATIONAL BEHAVIOUR

THIRD EDITION

STEVEN L. McSHANE

C A N A D I A N

ORGANIZATIONAL BEHAVIOUR

THIRD EDITION

STEVEN L. McSHANE



McGraw-Hill
Ryerson

Toronto New York Burr Ridge Bangkok Bogotá Caracas
Lisbon London Madrid Mexico City Milan New Delhi
Seoul Singapore Sydney Taipei

McGraw-Hill Ryerson Limited

A Subsidiary of The McGraw-Hill Companies



Canadian Organizational Behaviour
Steven L. McShane
Third Edition

Copyright © 1998 McGraw-Hill Ryerson Limited, a Subsidiary of The McGraw-Hill Companies. All rights reserved. Previous editions © 1995 and 1992 by Richard D. Irwin, a Times Mirror Higher Education Group Inc. company. No part of this publication may be reproduced or transmitted in any form or by any means, or stored in a data base or retrieval system, without the prior written permission of McGraw-Hill Limited, or in the case of photocopying or other reprographic copying, a licence from CANCOPY (the Canadian Licensing Agency), 6 Adelaide Street East, Suite 900, Toronto, Ontario, M5C 1H6.

Any request for photocopying, recording, or taping of any of this publication shall be directed in writing to CANCOPY.

CANCOPY

ISBN: 0-07-560316-0

2 3 4 5 6 7 8 9 10 GTC 7 6 5 4 3 2 1 0 9 8

Printed and bound in Canada

Care has been taken to trace ownership of copyright material contained in this text; however, the publisher will welcome any information that enables them to rectify any reference or credit for subsequent editions.

SENIOR SPONSORING EDITOR: Evelyn Veitch
ASSOCIATE EDITOR: Elke Price
DEVELOPMENTAL EDITOR: Karina TenVeldhuis
PRODUCTION EDITOR: Geraldine Kikuta
COPY EDITOR: Liba Berry
PRODUCTION CO-ORDINATOR: Nicla Dattolico
COVER & TEXT DESIGN: Dave Murphy/ArtPlus Limited
COVER ILLUSTRATION/PHOTO: Art Wolfe/Tony Stone Images
PAGE MAKE-UP: Valerie Bateman/ArtPlus Limited
PRINTER: Transcontinental Group

Canadian Cataloguing in Publication Data

McShane, Steven Lattimore
Canadian organizational behaviour

3rd ed.

Includes index.

ISBN 0-07-560316-0

1. Organizational behaviour. 2. Organizational behaviour — Canada I. Title

HD58.7.M32 1998

658.3

C97-932693-1

Dedicated with love and devotion to Donna,
and to our wonderful daughters,
Bryton and Madison

About the Author

Steven L. McShane is Professor and Director of Graduate Programs in SFU's Faculty of Business Administration. He is a Past President of the Administrative Sciences Association of Canada, has been Organizational Behaviour Division Chair in that association, and was recently a visiting scholar at the University of Western Australia.

Along with writing *Canadian Organizational Behaviour*, 3rd ed., Steve has published numerous research articles on wrongful dismissal, pay equity, business media representativeness, labour union participation, and related topics. Steve is also a frequent commentator in the media on organizational behaviour and human resource management issues.

Steve earned his Ph.D. at Michigan State University, a Master of Industrial Relations from the University of Toronto, and a Bachelor of Arts from Queen's University. He lives in the Vancouver area with his wife and two daughters.



P R E F A C E

Virtual teams. “New deal” employment relationships. Intellectual capital. Computer-based information technology. Emotional intelligence. Contingent workforce. Nonterritorial offices. These are a few of the dramatic, exciting, and sometimes disturbing changes that are occurring in today’s workplace. *Canadian Organizational Behaviour*, Third Edition helps you ride this wave of change by discussing these emerging issues as well as their theoretical foundations. This book also provides detailed descriptions of other theories that help you understand and influence behaviour in organizations.

Canadian Organizational Behaviour has become the most widely read organizational behaviour textbook in Canada. Instructors and reviewers say that this textbook keeps students informed and interested. Organizational behaviour concepts are presented clearly and concisely. The book provides a distinctly Canadian orientation and connects organizational behaviour concepts with reality through meaningful examples. The third edition of *Canadian Organizational Behaviour* continues to embrace the following four philosophies: a Canadian orientation, theory-practice link, OB knowledge for everyone, and contemporary theory foundation.

Canadian Orientation

Canadian Organizational Behaviour, Third Edition, has been written specifically for the Canadian audience, although it may be used effectively in other countries (just as American texts have been used in Canada and elsewhere for so many years). This book includes several Canadian cases and makes solid use of Canadian scholarship in organizational behaviour. The Canadian orientation is most apparent in the Canadian examples that appear throughout the book. For example, you will read about organizational memory loss at the city of Ottawa, improving customer service at Canadian Pacific Hotels and Resorts Ltd., goal setting at Kanke Restaurants, employee loyalty at WestJet Airlines, self-directed work teams at Pratt & Whitney Canada’s Halifax plant, organizational politics at Intercontinental Packers, and shifting to a “new deal” employment relationship at Petro-Canada Ltd.

Without losing its Canadian orientation, *Canadian Organizational Behaviour*, Third Edition, also provides more international material than in previous editions. For instance, you will learn about communicating change at CEMEX in Mexico, practising action learning at Britvic in the United Kingdom, team building among Coca-Cola executives in Mainland China, forming a team-based structure at Oticon Holding A/S in Denmark, conflict following a merger of two banks in Japan, job design at Kellogg’s in Australia, and managing stress at securities firm Phatra Thanakit in Thailand.

Theory-Practice Link

Canadian Organizational Behaviour, Third Edition, relies on real-life examples to help students understand organizational behaviour concepts more easily. Along with Perspectives, this edition applies the theory-practice link with more in-text anecdotes and captioned photos. The value of this theory-practice link philosophy is well known among educators and trainers. Anecdotes effectively communicate the relevance and excitement of this field by bringing abstract concepts closer to reality. The stories found throughout this book also make interesting reading, such as how all 400

employees at Richmond Savings Credit Union were able to participate in a week-long organizational change session, how SaskTel employees rebelled when an organization development intervention got too personal, and how employee involvement at Windsor Factory Supply is so strong that employees even vote for the company president!

Organizational Behaviour Knowledge for Everyone

A distinctive feature of *Canadian Organizational Behaviour*, Third Edition, is that it is written for everyone in organizations, not just traditional “managers.” The philosophy of this book is that everyone who works in and around organizations needs to understand and make use of organizational behaviour knowledge. The new reality is that people throughout the organization — systems analysts, production employees, accounting professionals — are assuming more responsibilities as companies remove layers of bureaucracy and give teams more autonomy over their work. This book helps every employee make sense of organizational behaviour, and gives them the tools to work more effectively within organizations.

Contemporary Theory Foundation

The first two editions of *Canadian Organizational Behaviour* were respected for their solid foundation of contemporary organizational behaviour scholarship. By thoroughly searching the recent literature on every major OB topic, the third edition has maintained those standards. As you can see in the notes, each chapter is based on dozens of articles, books, and other sources, a large percentage of them published within the past five years. This literature update has produced numerous content changes throughout *Canadian Organizational Behaviour*, Third Edition, which we describe next.

Changes to the Third Edition

Canadian Organizational Behaviour, Third Edition, has been substantially changed and improved. The first thing that might catch your eye is that this edition of the book is in full colour. In fact, *Canadian Organizational Behaviour*, Third Edition, is the first all-Canadian OB textbook published in colour, thereby continuing the textbook’s history of breaking new ground. (*Canadian Organizational Behaviour* was the first all-Canadian organizational behaviour textbook [1992] and apparently the first OB textbook anywhere to include a full PowerPoint® presentation package [1995].) Although we like to think that the content of this book keeps students interested, the colourful graphics and photographs in this edition will certainly help convey the excitement of this field of study.

Instructors will notice that several chapters have been reorganized so that the book is more closely aligned with their preferred sequence of topics. For instance, organizational culture now has its own chapter. Individual and team decision making have been combined, as have the topics of employee involvement and quality management. Every chapter has been substantially updated with new conceptual and anecdotal material. All of the chapter-opening vignettes and over one-half of the Perspectives are new. Several dozen new photographs appear throughout the textbook to further illustrate organizational behaviour concepts and issues.

Based on a substantial literature search, *Canadian Organizational Behaviour*, Third Edition, includes numerous content changes and significantly updated references in every chapter. The following are some of the emerging concepts and issues introduced or expanded in this edition:

- *Chapter 1: Introduction to the Field of Organizational Behaviour* Intellectual capital and organizational learning are fully described. Several emerging trends in OB — changing workforce, new employment relationship, work teams, and computer technologies — are introduced.
- *Chapter 2: Individual Behaviour and Learning in Organizations* Expanded coverage of individual learning through reinforcement, feedback, social learning, and experiential learning. Implicit learning and action learning are briefly introduced.
- *Chapter 3: Foundations of Employee Motivation* New issues in goal setting are covered. More discussion of cultural issues with motivation.
- *Chapter 4: Applied Motivation Practices* Includes a new section on the emerging concept of self-motivating, including self-talk and mental imagery. Fuller discussion on the trouble with reward systems. Agency theory is briefly introduced.
- *Chapter 5: Stress Management* New material on family-friendly workplace practices. Brief discussion of workplace aggression and stress.
- *Chapter 6: Perception and Personality in Organizations* Full discussion of social identity theory, which has become the prominent theory of social perception. New or expanded information on the “Big Five” personality dimensions, mental models, and ethical issues with stereotyping.
- *Chapter 7: Emotions and Values in the Workplace* Work attitude material has been updated to reflect current OB writing on workplace emotions. The emerging topics of emotional labour and emotional intelligence are described. Updated coverage of organizational commitment as well as cross-cultural values.
- *Chapter 8: Communicating in Organizational Settings* Expanded discussion of electronic mail and other computer-mediated communication. Concepts of emotional contagion and nonterritorial offices are introduced.
- *Chapter 9: Team Dynamics* The emerging concept of virtual teams is introduced. Fuller discussion of the trouble with teams.
- *Chapter 10: Employee Involvement and Quality Management* Open book management is described. Expanded discussion of benchmarking, concurrent engineering, the limitations of quality management, and cross-cultural issues with employee involvement.
- *Chapter 11: Decision Making in Organizations* Creativity in decision making receives expanded coverage. Individual and team decision-making concepts are integrated into one chapter. Updated material on brainstorming and electronic brainstorming.
- *Chapter 12: Organizational Power and Politics* Gender differences in organizational politics, as well as sexual harassment as an abuse of power, are briefly discussed. Revised discussion of forms of organizational politics.
- *Chapter 13: Organizational Conflict and Negotiation* New material is presented on cultural and gender differences in conflict management styles. Clarification of task-oriented versus socio-emotional conflict.
- *Chapter 14: Organizational Leadership* This edition provides a more critical evaluation of path-goal and transformational leadership theories. Recent extensions to path-goal theory are introduced.

- *Chapter 15: Organizational Change and Development* Cross-cultural concerns with organization development are discussed more fully. The change process model now includes discussion on the need to create an urgency for change.
- *Chapter 16: Organizational Culture* This edition provides a separate chapter on organizational culture. The process of merging two corporate cultures receives expanded coverage.
- *Chapter 17: Employment Relationship and Career Dynamics* This edition adds a new section on the psychological contract, including the emerging “new deal” relationship of employability. Another new section discusses OB issues surrounding the contingent workforce.
- *Chapter 18: Organizational Structure and Design* The section on network organizational structures is expanded, including brief coverage of affiliate networks.

Along with these changes, *Canadian Organizational Behaviour*, Third Edition, expands gender and cross-cultural issues in organizational behaviour. For instance, we examine gender differences in communication, organizational politics, and conflict management styles. Cross-cultural issues are found in the discussion of employee motivation, employee involvement, conflict management styles, and organization development practices. This edition continues to recognize ethical issues in various organizational behaviour topics, such as monitoring employee performance, stereotyping employees, using peer pressure, engaging in organizational politics, and applying organization development practices.

Learning Elements

Canadian Organizational Behaviour, Third Edition, supports employee learning through several innovative pedagogical practices. We believe that these learning elements will make reading this book more enjoyable, and make the OB material more memorable.

Photos and Cartoons Dozens of colourful photographs and cartoons have been carefully selected and placed throughout so that organizational behaviour concepts are brought to life (with a little humour here and there). Each photograph includes a caption to describe how it relates to the text. A photograph also accompanies the opening vignette to each chapter to give it more visual meaning.

Perspectives and In-Text Examples Each chapter includes Perspectives — stories that describe specific organizational incidents in Canada and elsewhere. These anecdotes are strategically placed near the relevant organizational behaviour concepts, and the text clearly links them to these concepts. The text of each chapter also includes numerous real-life examples to further strengthen the theory-practice link.

Practice Sessions New to this edition, a practice session at the end of each part of the book gives students the opportunity to practise true-false, multiple-choice, and written-answer questions. These questions are similar to those found in the test bank. Appendix C provides answers to all five practice sessions.

Margin Notes and End-of-Text Glossary The book tries to avoid unnecessary jargon, but the field of organizational behaviour (as with every other discipline) has its own language. To help you learn this language, key terms are highlighted in bold print and brief definitions appear in the margin. These definitions also appear in an alphabetical glossary at the end of the book.

Cases and Experiential Exercises Every chapter includes one case and at least one experiential exercise. Several additional cases appear at the end of the book. The cases encourage you to use organizational behaviour knowledge as a tool to diagnose and solve organizational problems. The experiential exercises involve you in activities where you either experience organizational behaviour or practise your OB knowledge in entertaining and informative ways.

Graphic Exhibits Colourful graphic exhibits created with recent computer technologies are placed throughout each chapter to help you visualize key elements of OB models or integrate different points made in the text.

Indexes A corporate index, name index, and subject index are included at the end of the book to help you search for relevant information and make *Canadian Organizational Behaviour* a valuable source for years to come.

Chapter Summary and Discussion Questions Each chapter closes with a summary and list of discussion questions. The chapter summary highlights important material, while the discussion questions help you to check your understanding of key points in the chapter.

Learning Objectives and Chapter Outline Several learning objectives and an outline of the main topic headings are listed at the beginning of each chapter to guide you through the key points of the material to follow.

Supplementary Materials

Canadian Organizational Behaviour, Third Edition, includes a variety of supplemental materials to help instructors prepare and present the material in this textbook more effectively.

PowerPoint® Presentations Instructors who adopt *Canadian Organizational Behaviour*, Third Edition, receive, on request, a PowerPoint presentation package. This package includes a complete file of PowerPoint “slides” for each chapter, as well as a PowerPoint Viewer software to display this colourful material on your microcomputer. Each PowerPoint file has several overheads relating to the chapter, complete with builds and transitions. Most files include one or more photographs from the textbook.

Instructor’s Manual The *Instructor’s Manual* includes a wealth of information for instructors. Each chapter in the manual presents the learning objectives, glossary of highlighted words, a chapter summary, complete lecture outline (in larger typeface!), solutions to the end-of-chapter discussion questions, notes for the case and experiential exercises, one or more supplemental lectures, summary sheets for the PowerPoint file, and a list of related video programs. The *Instructor’s Manual* also includes a very large set of transparency masters, some cases and exercises not found in the textbook, and notes for the end-of-text cases.

Computerized Test Bank A computerized test bank includes dozens of multiple-choice and true-false questions for each chapter. It also includes several essay questions. Instructors receive special software that lets them design their own examinations from the test bank questions. It also lets instructors edit test items and add their own questions to the test bank.

Video Package We live in the age of television, so it isn’t surprising that students appreciate video programs to punctuate the lectures, cases, and other pedagogical

devices used in the organizational behaviour class. McGraw-Hill Ryerson has several organizational behaviour video programs in its library, copies of which are available to adopters of *Canadian Organizational Behaviour*, Third Edition. Several Canadian videos have also been developed or selected specifically for this book.

Canadian Organizational Behaviour Web Site Students and instructors can visit this web site to gain access to a variety of aids and support.

Acknowledgements

Next to a supportive family, the most important ingredient for writing a textbook is the support, guidance, and friendship of colleagues. I am fortunate to have colleagues at Simon Fraser University who continually teach me new ideas and support me in my writing projects. I would especially like to thank my organizational behaviour colleagues in the Faculty of Business Administration: Mark Wexler, Rosalie Tung, Dean Tjosvold, Larry Pinfield, Stephen Havlovic, Carolyn Egri, and Gervase Bushe. I also owe a special debt of gratitude to former dean Stan Shapiro for being a superb role model, and to incoming dean John Waterhouse for continuing to provide this support and patience.

Several colleagues from other colleges and universities across Canada provided valuable feedback and suggestions as reviewers of *Canadian Organizational Behaviour*, Third Edition. Their comments significantly improved the quality of the final product: Robert Cameron, Lakehead University; Joan Condie, Sheridan College; Claude Dupuis, University of Calgary; Susan FitzRandolph, Ryerson Polytechnic University; Kristi Harrison, Centennial College; Barbara Shannon, Seneca College; Verlie Thomas, Mount Royal College; Pat Sniderman, Ryerson Polytechnic University; and Judith Zacharias, University of Manitoba.

I would also like to extend my gratitude to the following colleagues who provided valuable input in the previous two editions of this book: Brenda Bear, Northern Alberta Institute of Technology; Donna Bentley, Northern Alberta Institute of Technology; Ron Burke, York University; Richard Foggo, Southern Alberta Institute of Technology; Beth Gilbert, University of New Brunswick, Saint John; Brian Harrocks, Algonquin College; Jack Ito, University of Regina; Jacques Plamondon, Northern Alberta Institute of Technology; Anwar Rashid, Ryerson Polytechnic University; John Redston, Red River Community College; Pat Sniderman, Ryerson Polytechnic University; Paul Tambeau, Conestoga College; Judy Wahn, University of Saskatchewan.

The students in my BUS272 classes deserve special mention. They have been very supportive as I lectured on new OB concepts, introduced new cases and exercises, tested new examination questions, and experimented with computer-based overheads. My BUS272 class typically has more than 200 people who come from all age groups and walks of life. I could not ask for a better setting to put this book to the test. Through their enthusiasm for this project and favourable ratings of the book, BUS272 students have doubled my energy.

Canadian Organizational Behaviour, Third Edition, is very much a team effort. I would like to extend my appreciation to Yvonne Chan and Patti Moen for tracking down research articles and to Andrew Rae for scouting for photographs. The efforts of Lenard Reid, who worked on the first two editions of the book, are still apparent and I am grateful for the opportunity to work with him. Other research assistants who contributed to previous editions include Michelle Berner, Anne Courtney, Tammi Mason, Henrick Jorgennsen, and Karim Karmali. Sadly, Anne Courtney passed away recently. She will be very much missed, but never forgotten.

Evelyn Veitch (Senior Sponsoring Editor), Karina TenVeldhuis (Developmental Editor), Elke Price (Associate Editor), Geraldine Kikuta (Production Editor), and Liba Berry (Copy Editor) provided excellent service and support throughout this third edition. Evelyn had the vision to see new directions for the textbook. Karina has the most incredible diplomatic skills for keeping textbook authors on schedule. Liba's keen copy-editing skills made *Canadian Organizational Behaviour*, Third Edition, the most error-free book I have written. Geraldine and Elke kept the production process flowing smoothly toward the publication date. Thanks to you all! I would also like to extend my continued thanks to Rod Banister for planting the original seed that resulted in the first edition of *Canadian Organizational Behaviour*.

Finally, I am forever indebted to my wife and best friend, Donna McClement, and to our wonderful daughters, Bryton and Madison. Their love and support give special meaning to my life. I dedicate this book to them.

CONTENTS IN BRIEF

Preface xxix

Part 1 Introduction 1

1 Introduction to the Field of Organizational Behaviour 2

Part 2 Individual Behaviour 27

2 Individual Behaviour and Learning in Organizations 28

3 Foundations of Employee Motivation 58

4 Applied Motivation Practices 84

5 Stress Management 116

Part 3 Individual and Interpersonal Processes 143

6 Perception and Personality in Organizations 144

7 Emotions and Values in the Workplace 172

8 Communicating in Organizational Settings 198

Part 4 Team Processes 229

9 Team Dynamics 230

10 Employee Involvement and Quality Management 258

11 Decision Making in Organizations 284

12 Organizational Power and Politics 312

13 Organizational Conflict and Negotiation 336

14 Organizational Leadership 360

Part 5 Organizational Processes 389

15 Organizational Change and Development 390

16 Organizational Culture 416

17 Employment Relationship and Career Dynamics 436

18 Organizational Structure and Design 460

Additional Cases 490

Appendix A Theory Building and the Scientific Method 505

Appendix B Vroom-Jago Decision Tree 514

Appendix C Answers to Practice Session Questions 516

Glossary 520

Indexes 588

CONTENTS

Preface xxix

PART 1

INTRODUCTION 1

Chapter 1 Introduction to the Field of Organizational Behaviour 2

The Field of Organizational Behaviour 4

What are Organizations? 4

Why Study Organizational Behaviour? 5

Satisfying the need to predict 5

Adopting more accurate theories of reality 5

Controlling organizational events 5

Emerging Trends in Organizational Behaviour 6

The changing workforce 6

The “new deal” employment relationship 7

Teams, teams, and more teams 8

Computer technology and OB 9

The Five Anchors of Organizational Behaviour 9

The Multidisciplinary Anchor 9

The Scientific Method Anchor 11

The Contingency Anchor 11

The Multiple Levels of Analysis Anchor 11

The Open Systems Anchor 11

Organizational Knowledge and Learning 13

Perspective 1.1 British Airways Flies High With Systems Thinking 14

Organizational Learning 15

Knowledge Acquisition 15

Individual learning 16

Environmental scanning 16

Grafting 16

Experimentation 16

Knowledge Dissemination 17

Knowledge Utilization 17

Organizational Memory 17

Perspective 1.2 City of Ottawa Loses Some Organizational Memory 18

Organization of This Book 19

Chapter Summary 21

Discussion Questions 22

Chapter Case An Untimely Incident at Ancol Ltd. 23

Experiential Exercise It All Makes Sense? 24

Practice Session for Part 1 25

PART 2

INDIVIDUAL BEHAVIOUR 27

Chapter 2 Individual Behaviour and Learning in Organizations 28

Model of Individual Behaviour and Performance 30

Employee Motivation 31

Ability 31

Role Perceptions 32

Situational Contingencies 33

Perspective 2.1 Situational Contingencies Reduce Waste at Bell Canada 33

Types of Work-Related Behaviour 33

Joining the organization 33

Remaining with the organization 34

Maintaining work attendance 35

Performing required tasks 35

Exhibiting organizational citizenship 35

Learning in Organizations 36

Learning Explicit and Tacit Knowledge 37

*Perspective 2.2 Kao Infosystems Canada Boosts Productivity
Through Continuous Learning 37*

OB Modification: Learning Through Reinforcement 38

A-B-Cs of OB Modification 38

Contingencies of Reinforcement 39

Comparing reinforcement contingencies 40

Schedules of Reinforcement 41

Shaping Complex Behaviour 43

OB Mod in Practice 43

Limitations of OB Mod 43

*Perspective 2.3 Marine Atlantic Sails Through Rough Waters with
OB Mod and Feedback 44*

Learning Through Feedback 44

Feedback Sources 45

Giving Feedback Effectively 46

Seeking Feedback 47

Ethics of Employee Monitoring 47

Social Learning Theory: Learning by Observing 48

Behavioural Modelling 48

Behaviour modelling and self-efficacy 49

Learning Behaviour Consequences 49

Self-Reinforcement 49

Learning Through Experience 50

Practising Learning Through Experience 51

Chapter Summary 51

Discussion Questions 52

Chapter Case Pushing Paper Can Be Fun 53

Experiential Exercises

Task Performance Exercise 54

Assessing Your Self-Efficacy 56

Chapter 3 Foundations of Employee Motivation 58

Content Theories of Motivation	60
Maslow's Needs Hierarchy Theory	60
Alderfer's ERG Theory	61
McClelland's Theory of Learned Needs	62
<i>Learning needs</i>	63
Practical Implications of Content Motivation Theories	63
<i>Perspective 3.1 Motivating Generation-X</i>	64
Process Theories of Motivation	64
Expectancy Theory of Motivation	64
Expectancy Theory Model	65
<i>E→P expectancy</i>	65
<i>P→O expectancy</i>	65
<i>Outcome valences</i>	66
Predicting Work Effort: An Organizational Example	66
<i>Perspective 3.2 Pacing Yourself at Saskatoon's Department of Parks and Relaxation</i>	67
Expectancy Theory in Practice	67
<i>Increasing E→P expectancies</i>	68
<i>Increasing P→O expectancies</i>	69
<i>Increasing outcome valences</i>	69
Does Expectancy Theory Fit Reality?	69
Equity Theory	70
Outcome/Input Ratio	70
Comparison Other	71
Equity Evaluation	71
Consequences of Inequity	71
Equity Theory in Practice	73
Goal Setting	73
<i>Perspective 3.3 Fair Pay in the Executive Suite</i>	74
Characteristics of Effective Goals	75
<i>Specific goals</i>	75
<i>Results-oriented goals</i>	75
<i>Challenging goals</i>	75
<i>Goal Commitment</i>	76
<i>Participation in goal formation (sometimes)</i>	77
<i>Goal feedback</i>	77
Goal-Setting Applications and Limitations	77
Comparing Motivation Theories	77
Are Motivation Theories Culture Bound?	77
Chapter Summary	79
Discussion Questions	80
Chapter Case Steelfab Ltd.	80
Experiential Exercise Bonus Decision-Making Exercise	81

Chapter 4 Applied Motivation Practices 84

Reward Systems	86
Membership and Seniority-Based Rewards	87
<i>Advantages and disadvantages</i>	87

Job Status-Based Rewards	87
<i>Advantages and disadvantages</i>	87
Competency-Based Rewards	88
<i>Advantages and disadvantages</i>	88
Performance-Based Rewards	89
<i>Individual rewards</i>	89
<i>Team rewards</i>	90
Perspective 4.1 Campbell Soups Up Its Team Rewards	90
<i>Organizational rewards</i>	91
The Trouble with Rewards	92
<i>Measure performance accurately</i>	93
<i>Recognize and adjust for situational contingencies</i>	93
<i>Use team rewards for interdependent jobs</i>	93
<i>Ensure rewards are valued</i>	94
<i>Watch out for unintended consequences</i>	94
Job Design	94
Job Design and Work Efficiency	95
Perspective 4.2 When Rewards Go Wrong	95
Scientific Management	96
Problems with Job Specialization	97
Job Design and Work Motivation	98
Core Job Characteristics	99
Critical Psychological States	100
Individual Differences	100
Increasing Work Motivation Through Job Design	100
Job Rotation	100
Job Enlargement	101
Job Enrichment	102
<i>Empowering employees</i>	102
Perspective 4.3 Empowering Staff at Dufferin Game Room	103
<i>Forming natural work units</i>	103
<i>Establishing client relationships</i>	104
Job Design Prospects and Problems	104
Obstacles in Job Design	104
Motivating Yourself Through Self-Leadership	105
Personal Goal Setting	105
Constructive Thought Patterns	106
<i>Self-talk</i>	106
<i>Mental imagery</i>	107
Designing Natural Rewards	107
Self-Monitoring	108
Self-Reinforcement	108
Self-Leadership in Practice	108
Chapter Summary	109
Discussion Questions	109
Chapter Case Vêtements Ltée	110
Experiential Exercises	
<i>Is Student Work Enriched?</i>	111
<i>Assessing Your Self-Leadership</i>	113