

ORGANIZATIONAL BEHAVIOR

CONCEPTS AND APPLICATIONS, 3RD EDITION

G R A Y / S T A R K E



Organizational Behavior

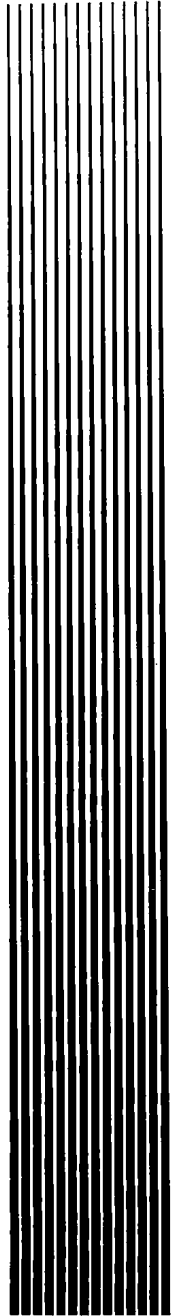
Concepts and Applications

Third Edition

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Our basic objective in this Third Edition is the same as that in the first two editions: *to teach students and managers to think analytically about human behavior in organizations*. In order to apply organizational behavior theories effectively, managers must be able to think in analytical terms about the various theories. Analytical thinking requires an open mind about issues and a willingness to look at research evidence that has been developed on these issues. Much of the first chapter orients the reader to think in analytical terms, a prerequisite, we think, to acquiring the necessary skills for effective use of organizational behavior theory. If nothing else, we hope this book encourages students and managers to be more critical thinkers.

The text is designed to stand on its own as a classroom text for a one-semester or one-quarter undergraduate organizational behavior course or for graduate students who have no behavioral science background. We have left considerable scope for instructors to move about within the areas covered and to supplement our materials with their own. The text assumes no prior knowledge of organizational behavior, although, like any book in the field, students with organizational experience may find it easier to relate to some of the applications and examples. An *Instructor's Manual* is available for those who wish to use our experiences with the material.

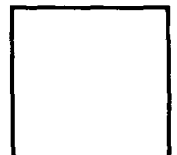
☐ **Changes in the Third Edition**

There are several changes in the third edition. *First*, the material in all chapters of the second edition has been updated. Since the study of organizational behavior is developing rapidly, it is necessary to include the latest theoretical and empirical work in the field. By doing this, students will be able to see more clearly how knowledge about human behavior in organizations is developing.

Second, four new chapters have been added:

Issues and Research Methods in Organizational Behavior—This chapter presents an introductory treatment of some basic issues in organizational behavior and a description of several research methods used to gather data about people in organizations.

Preface



Behavioral Aspects of Decision Making—A description of the important process of decision making in organizations is presented. The way in which human idiosyncracies complicate this process is stressed.

Organizational Politics—Human behavior in organizations is not always rational or directed toward achieving organizational goals. This new chapter analyzes both why people pursue their own goals at the expense of the organization and the overall effect of political behavior on individuals and the organization.

Managing Change—One of the most important and critical activities of management is implementing change. The reasons why people resist change and ways of dealing with this resistance are the focus of this chapter.

Third, the chapters have been organized into four basic sections. Section I, *Foundations of Organizational Behavior*, contains a chapter which introduces the subject of organizational behavior and a chapter on basic research methods in organizational behavior. Section II, *Behavioral Processes in Organizations*, deals with several important processes that occur in organizations, including motivation, organizational behavior modification, structure and behavior, leadership, communication, and decision making. Section III, *Behavioral Consequences in Organizations*, stresses the outcomes of people's behavior, and includes chapters on the informal organization, small group behavior, conflict, and politics. Section IV, *Adapting Organizations to Changing Conditions*, focuses on ways to promote organizational adaptation, and includes chapters on managing change, organizational development, and the future of organizational behavior.

Finally, summaries indicating how actual companies manage people have been added to each chapter; the summaries tell how various theories are applied and how well they are working.

□ Chapter Features

Each chapter contains a variety of features designed to stimulate student interest and understanding of the field of organizational behavior:

Chapter Objectives Each chapter begins with a set of action objectives, which help students anticipate the important points that will be made in the chapter. Once students have finished reading a chapter, they can return to the objectives to determine how well they have mastered the material.

Key Terms The key terms are listed at the start of each chapter. When these terms are encountered in the chapter, they will be recognized as particularly important.

Chapter Outline The order of topics is indicated at the beginning of each chapter. This gives the student an overview of a particular topic (e.g., leadership) and its components.

Opening Incident Each chapter begins with a realistic incident that deals with a specific problem commonly found in organizations. The problem in the opening incident relates directly to the material presented in the chapter.

Boxes Several controversial, humorous, or interesting issues are raised in boxed inserts. These increase student interest in the field of organizational behavior and further motivate them to think analytically about the management of people.

Organizational Reality Since actually dealing with people is an important part of organizational behavior, each chapter contains several “organizational realities.” These are reports of how real companies deal with employees. These realities are ruled inserts which are placed close to the appropriate theoretical material in the chapter.

Applications Most chapters contain an applications section which indicates how the theories discussed in the chapter can be applied to problems commonly found in organizations. In several chapters, there is no separate applications section because the applications are an integral part of the material discussed in the chapter.

Opening Incident Revisited The opening incident is analyzed using the material presented in the chapter. This is yet another vehicle for helping students apply the material they have studied.

Summary The material presented in the chapter is briefly summarized. The summary is not a substitute for reading the chapter, but it does help students recall its main points.

Review Questions These questions are designed to test the students’ ability to recall specific facts, as well as their ability to think analytically about the topics presented in the chapter.

Exercises Two or three exercises are presented at the end of each chapter. These are generally incidents which focus on issues discussed in the chapter. Questions at the end of each incident guide students in their analysis. Comprehensive cases are contained at the back of the book.

☐ **Acknowledgements**

Several individuals and groups have made important contributions to the third edition. Our students have been very helpful. It is always with mixed emotions that we require our students to buy our own book, but they have given us many ideas on how to improve the book. Their feedback has always been frank, open and supportive. We must also recognize the supportive role that our former dean, Dr. John Mundie, and our present dean, Dr. Roland Grandpré, have played from the very start.

Academically speaking, we have received much help from our colleagues, friends, adopters, and reviewers. The feedback from all of them has been invaluable. But despite their assistance, any errors remain our responsibility.

We are grateful to our reviewers, whose comments helped us communicate more effectively: Tom Bateman of Texas A&M University; Mark Hammer of Washington State University; Rick Rogers of Bentley College; Jean McGuire of the University of Massachusetts-Amherst; and Thomas Ingram of the State University of New York-Oswego.

Thanks must also go to our secretarial and word processing staff who helped in this revision: Diana Sokolowski and Sue Harder. Without their help, the revision would not have been completed on schedule.

The alphabetical listing of the authors' names reflects the equal contribution of each.

Jerry L. Gray
Frederick A. Starke

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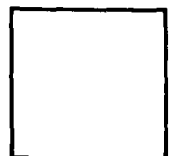
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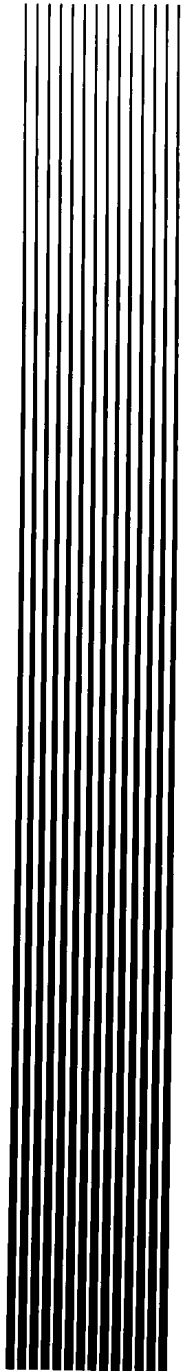
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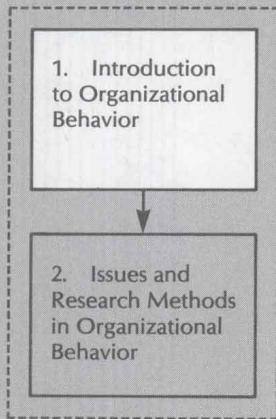
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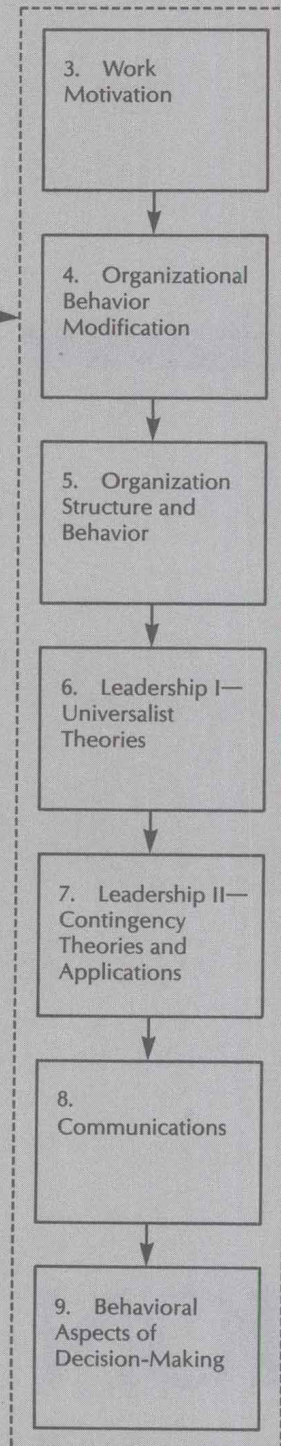
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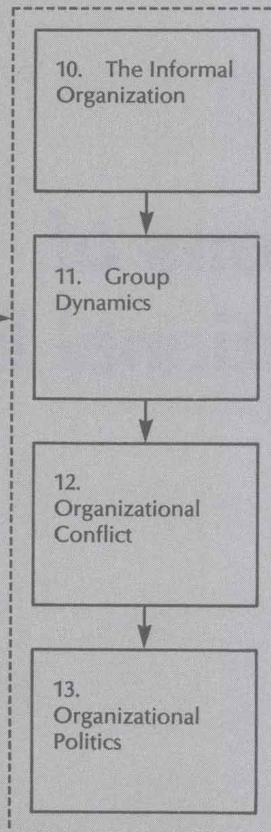
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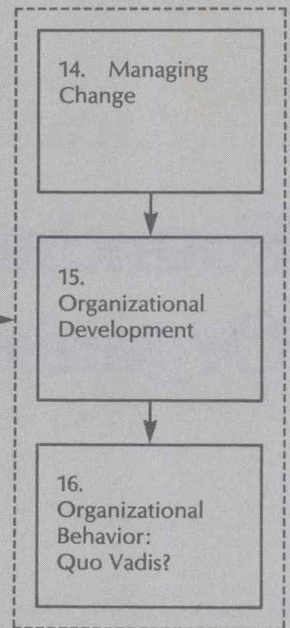
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PROCESSES IN
ORGANIZATIONS



BEHAVIORAL
CONSEQUENCES
IN ORGANIZATIONS



ADAPTING
ORGANIZATIONS
TO CHANGING
CONDITIONS



Introduction to Organizational Behavior

■ Learning Objectives

After studying this chapter, you should be able to:

- ☐ Understand the origins of the study of organizational behavior and how it developed to its current state.
- ☐ Understand what organizational behavior attempts to do for the manager.
- ☐ Understand why the management of people is not an exact science.
- ☐ Understand how organizational behavior can affect your managerial career.

Chapter

1

■ KEY TERMS

Analytical thinking
Scientific management
Human Relations movement
Hawthorne experiments
Technical career
Managerial career

■ CHAPTER OUTLINE

- I. Organizational Behavior: The Subject
 - A. The Manager As an Analyst
- II. The History, Nature, and Scope of Organizational Behavior
 - A. Early History and Background
 - B. The Nature of Organizational Behavior
 - C. The Scope of Organizational Behavior
- III. A Model of Organizational Behavior
 - A. Foundations of Organizational Behavior
 - B. Behavioral Processes in Organizations
 - C. Behavioral Consequences in Organizations
 - D. Adapting Organizations to Changing Conditions
- IV. Summary

Opening Incident—George Skelton

George Skelton, regional sales manager for the Power Manufacturing Company and manager of twenty-five salespeople scattered throughout the state, was seated in his office contemplating several pressing problems when he heard a knock at the door. Martha Clark, the company controller, entered his office and asked to speak with him for a few minutes.

"I've got something here that you're not going to like," she said.

"What's that?" said Skelton.

"I've had my suspicions now for several months, but it's only recently that the evidence is fairly clear. Several of the people in our office thought that some of

the expenses turned in by your staff looked kind of fishy. So we've done some checking and sure enough, some of the expenses have been faked," said Clark.

"You mean some of the salespeople are padding their expense accounts?" asked Skelton.

"Yes. At least the information we have suggests that."

"What are you going to do about it?" Skelton asked.

"I'm not going to do anything," replied Clark, "except to tell the president that I've told you. As far as I'm concerned, it's your responsibility after that." With that, she got up and walked out of Skelton's office.

Skelton was in somewhat of a state of shock for a few minutes. After all, he had hired and trained practically all of the sales staff himself. While some were better at sales than others, he considered all of them to be basically good people. He certainly had never had any problems of this sort with them before. It was then that Skelton realized that he had not even asked Clark which salespeople were padding their accounts.

"Was I afraid to ask for fear of what I might find out?" he thought to himself.

At any rate, Clark was already gone and he would have to find out later. For the time being, he settled back in his chair and contemplated the problem from a general perspective. After giving considerable thought to possible solutions, he came up with the following list:

1. Dismiss the offenders and hope that the example would cause others not to fake expenses in the future;
2. Institute tighter controls over expense accounts for all sales personnel;
3. Ignore the problem for the time being on the grounds that only a few were doing it and it was possibly not an ongoing problem;
4. Eliminate all expense account controls and instruct the sales staff to spend "whatever amount necessary to generate maximum sales";
5. Let the salespeople padding their accounts know they were caught and let them off with a severe warning.

Though all the solutions appeared to have possibilities, after considerable thought, Skelton was at a loss to decide which alternative to choose.

■ ORGANIZATIONAL BEHAVIOR: THE SUBJECT

Why do people behave the way they do? What causes different people to react differently to the same situation? Why are some organizations more successful than others, even though they appear to be managed in the same manner? And why do managers spend so much of their time trying to “figure out what makes people tick”? All of these questions—and more—are the substance of what organizational behavior is all about. An understanding of the behavior of people in organizations has become increasingly important as more and more of us find ourselves involved with organizations and the management of people, not only at work, but in all facets of our lives.

Even though one might not be a manager, it is still important to understand as much as possible about how people behave at work if we want to make our organizational lives more pleasant and productive. Consider the following situations as a few examples that illustrate common patterns of behavior in organizations:

1. The manager of an accounting department finds that the accounting clerks are beginning to make errors in calculations that were seldom made before.
2. A police chief notices an improvement in job attitudes of patrolmen after their supervisor retired and was replaced.
3. The foreman in a production department is faced with consistently high absenteeism on Mondays and Fridays.
4. The director of nursing in a small rural hospital discovers that the surgical nurses resent being transferred temporarily to the hospital information desk during slack periods in the surgical ward.
5. The president of an organization realizes that the vice-presidents seem reluctant to offer new ideas on how the company should be managed.
6. A new employee in the typing pool notices that none of the other typists are acting very friendly.
7. A college dean notices improved communication and greater faculty commitment after a reorganization of the academic unit.
8. The committee chairman of a local volunteer fund-raising drive is informed that most of the volunteers have requested to be dropped from the committee after the current drive is over, even though more funds have been raised than ever before.
9. The personnel manager of a manufacturing organization notices that the company is having increased difficulty recruiting new production workers, even though its wage rate is the highest in the local area.

These examples illustrate the need for understanding behavior at all levels of management and in all types of organizations: manufacturing firms, government agencies, volunteer organizations, the military, churches, service organizations, etc. In virtually all cases, it is desirable, if not imperative, to have the ability both