CHAPTER 1

A STRATEGIC APPROACH TO ORGANIZATIONAL BEHAVIOR

EXPLORING BEHAVIOR IN ACTION
STRATEGIC USE OF HUMAN CAPITAL: A KEY ELEMENT OF ORGANIZATIONAL SUCCESS

Suggested Discussion Questions

1. Proctor and Gamble (P&G) “views work life as a career-long learning and development process.” (page 11). What do you think P & G means by this statement?
2. How does the P&G philosophy on work life compare with the company with which you are familiar, i.e. your present employer?
3. Men’s Wearhouse is consistently profitable, enjoying a sterling reputation with customers and employees alike. With such proof, why would any major retailer not choose to institute similar core workplace beliefs?
4. Men’s Wearhouse managers trust their associates. (page 11). Could this be what any manager who seeks to raise the value of human capital must invest?
5. Associates of Men’s Wearhouse are able to value their contact with customers because leaders of the company value them. How do their customers add to value?
6. If the typical retailer is depending upon the work of people they see as “stuck there and if they could get a better job, they would,” then why not make those jobs better and develop them, as has Men’s Wearhouse?
7. How might negative energy arising from mal-treated associates affect the bottom line where contact with customers is so critical to the sale?

Knowledge Objectives

After studying this chapter, the learner should be able to:

1. Define organizational behavior and explain the strategic approach to OB.
2. Provide a formal definition of organization.
3. Describe the nature of human capital.
4. Discuss the conditions under which human capital is a source of competitive advantage for an organization.
5. Describe positive organizational behavior and explain how it can contribute to associates’ productivity.
6. Explain the five characteristics of high-involvement management and the importance of this approach to management.

Teaching Point on Knowledge Objectives

Teach *being strategic*. This means learners will discover how, in your course, to become important or even essential in relation to the strategy of any organization (including your course) in which they are a member. Stress that each learner is creating and acting with OB knowledge to become a more valued source of human capital. These six knowledge objectives inform students’ initial outlook on why it is going to be well worth investing time and attention to this text and your system for engaging its learning resources. Unlike a course in strategic management, usually taken at the end of a program of study, a strategic approach to organizational behavior is happening in their lives right now. Being strategic is a higher standard for learning practices as they use the resources of the book and your instruction. High-involvement managed organizations place the highest premium for success upon people interacting and performing with a keen sense of shared purpose. Your authors have taken a firm stand. High-involvement management is what your learners need to recognize as their opportunity to lead and be led ethically and well. Run this as a high-involvement course so that learners create first-hand knowledge of what these OB concepts mean in action. Help them use OB concepts to discern in any organizational setting the degree to which people actually matter to those with highest responsibility for running the business. *This Guide* is written OB teacher to OB teacher to encourage *high-involvement teaching*. Suggestions are grounded in the active learning principle that learners will create their own OB knowledge with this text material. They will do so as they experience success in putting this new knowledge into their daily lives.

Honing a Strategic OB Prospect

Chapter One: A Strategic Approach to Organizational Behavior

To hone is to sharpen, to make more intense or effective, or to direct one's attention. Prospect is that which can be seen, something expected, a possibility. *Teach so that learners will direct their own attention to finding strategic possibilities and probabilities in even everyday actions of individuals and groups in any organizational context.* This opening chapter presents an intriguing proposition for engaging learners in this way of thinking with OB concepts. *Strategic leadership* is not a function of a singular level in the organization, meaning it is not reserved for those at the top, which would be the conventional view. It is a matter of focus and behavior. This chapter stresses that strategic leaders (at any level of an organization) think and act strategically. They use skills grounded in OB principles to motivate themselves and others and build trusting relationships. Each leader-learner helps to implement the organization’s strategy, from CEO to front line worker. Here is a teaching extension of this high-involvement management proposition. Start your learners on this strategic thinking path now. The transition will be from: *strategic learner* to *strategic leader* in your class, to strategic
leader-learner as an associate where they work, to strategic leader-learner as manager and on up the levels. Each of these chapters presents an OB subject or topic recognizable in the table of contents in many strong OB textbooks. An important difference, however, can be made by crafting lessons from these pages for honing a learner’s strategic OB prospect and perspective.

**Digital Supplement**

Have students go to Google and search for the vision/mission statements for the following companies (statements are provided):

**General Motors:** “GM’s vision is to be the world leader in transportation products and related services. We will earn our customers’ enthusiasm through continuous improvement driven by the integrity, teamwork, and innovation of GM people.” (Available at many websites, including [http://www.csrglobe.com/login/companies/generalmotors.html](http://www.csrglobe.com/login/companies/generalmotors.html)).

**Proctor & Gamble:**

P&G is its people and the values by which we live.

We attract and recruit the finest people in the world. We build our organization from within, promoting and rewarding people without regard to any difference unrelated to performance. We act on the conviction that the men and women of Procter & Gamble will always be our most important asset. ([http://manonamission.blogspot.com/2005/06/proctor-gambles-pg-mission-statement.html](http://manonamission.blogspot.com/2005/06/proctor-gambles-pg-mission-statement.html)).

**Men’s Wearhouse:**

Our mission at Men's Wearhouse is to maximize sales, provide value to our customers, and deliver top quality customer service, while still having fun and maintaining our values. These values include: nurturing creativity, growing together, admitting to our mistakes, promoting a happy and healthy lifestyle, enhancing a sense of community, and striving towards becoming self-actualized people. ([www.menswearhouse.com](http://www.menswearhouse.com)).

- Have students compare these three companies for similarities.
- What impresses the students about these statements?
- Based upon these statements would your students want to work for them, why or why not?
Suggested Discussion Questions

1. The people who are a part of Apple seem to be attuned to customers in ways that anticipate what they will embrace next as an innovation. How might this openness to customers be fostered by the innovation culture?
2. Discuss the paradox that a technology producer places the highest premium on its people, rather than on their own business and production technologies.
3. Human creativity is needed in any sort of enterprise; yet, at Apple, it is the chief source of their competitive advantage. Their competitors may try to copy their products, but what must they emulate to match or surpass this “creative king”? Many want to work for Apple; what are the benefits of working in an organization that is constantly innovating?

THE ROLE OF HUMAN CAPITAL IN CREATING COMPETITIVE ADVANTAGE

What is your competitive advantage?

Step 1 - Have students list all the skills that they have gained thus far in their undergraduate program or from other work experiences.
Step 2 - Have students review their skills to determine if they view them as valuable, i.e. a particular software skill such as Microsoft Access.
Step 3 - Students should identify their “rare skills”, i.e. fluency in Mandarin Chinese, experience living abroad, etc.
Step 4 - Now have students think about and list those skills and experiences that they have that are not only rare but valuable and difficult to imitate.
Step 5 - At this point have students access the college or university course catalogue. This may be done in the classroom if students have access to computers or for homework. Students should identify the courses that they might add as elective coursework or other university sponsored activities that add to their competitive advantage, i.e. internships, study abroad, etc.
Step 6 - Lastly have students prepare an outline of their current resume, identifying the gaps in “valuable,” “rare,” and “difficult to imitate talents.” What steps might be taken to add these attributes to their resumes?
MANAGERIAL ADVICE
Leveraging Human Capital with Twitter and Other Social Networking Tools: Managing the Tweets (page 24).

1. Assuming social networking tools like Twitter and Facebook are here to stay, how do you see Twitter being used as a positive tool in the organization of which you are a part, i.e. work, school, etc.?
2. Identify ways that these tools can be used to promote the University or the company at which you are currently employed.
3. Go on-line and look at companies or brands that you are familiar with such as Amazon, Apple, or Banana Republic. How are these companies using social networking tools to promote their products? With members of your class, come up with 5 additional ways these tools could positively affect profits.
4. Are there new rules of the workplace that are needed with the introduction and proliferation of these social networking tools? What might they be?

Digital Supplement:
EXperiencing Organizational Behavior
Pixar: An Organization of Happy Innovative People (page 32)

Have students go to the Pixar University website by going to Google where they will find a link to videos for Pixar University. Have them review Pixar University as portrayed in these YouTube videos; “Crazy People Working at Pixar” is one such video. (http://www.youtube.com/watch?v=sogdwFNBvSk&feature=related).

1. How do the managers at Pixar attempt to blend the culture of a high tech industry with the creative side of Pixar. What methods do they use?
2. What might it be like to attend Pixar University?
3. Describe what it might be like to work at Pixar. Support your answer by reviewing at least three YouTube videos on Pixar.
4. One analyst quoted in the text claims Pixar’s culture “out Googled Google.” Go to YouTube and review some videos on Google. For example “Google Headquarter – Amazing Work Place 9/19/07” or “An inside look at Google.” What do you think “out Googling Google” really means?
1. (a) What is organizational behavior? (b) Why is it important for managers and aspiring managers to study OB using a strategic approach? (c) Can the study of a field such as psychology substitute for a strategic approach to organizational behavior? Why or why not?

   a. Organizational behavior is actions taken by individuals and groups in an organizational context. Managerial actions create and sustain this context for carrying out the organization’s strategy. All members of the organization contribute these positive actions (page 13).

   b. The strategic approach to OB involves organizing and managing the people’s knowledge and skills to implement the organization’s strategy and gain a competitive advantage. Managing at any level involves fostering conditions most favorable to people creating and using the best knowledge for achieving performance objectives. Since people are the only source of knowledge (computers provide information), the more deeply a manager understands human behavior in organizations, the better able she or he will be to provide the context for effective work. The study of OB is an efficient means of deepening this critical aspect of managerial knowledge (page 13).

   c. OB integrates knowledge from psychology, social psychology, sociology, cultural anthropology, economics, and other behavioral science disciplines as necessary to describe and explain behavior in organizations. Context and purpose in psychology is incidental to the larger aim of knowledge for knowledge’s sake. Strategic OB centers study on meeting performance demands in a competitive environment by the thoughtful application of human capital (page 16).

2. (a) What makes an organization an organization? (b) What are the defining characteristics?

   a. An organization is a collection of individuals forming a coordinated system of specialized activities for the purpose of achieving certain goals over an extended period of time (page 17).

   b. Defining characteristics are networks of individuals, system, coordinated activities, division of labor, goal orientation, and continuity over time, regardless of changes in individual membership (page 17).

3. What is human capital? Be specific.

   a. Human capital is a critical intangible resource. It is the sum, at any moment, of skills, knowledge, and general attributes of people in an organization. It is garnered and constantly renewed by each member learning what it takes to accomplish goals working cooperatively with others (pages 19-20).
4. **How does human capital provide the basis for competitive advantage?**
   a. When an organization of people can perform a strategic aspect of the work better than competitors, or when they can perform the work in a way that competitors cannot duplicate, competitive advantage results (page 20).
   True competitive advantage is determined by the:
      i. *value* of human capital—the extent that people are capable of producing work that supports the organization’s competitive strategy;
      ii. *rareness* of the skills and talents of the people producing the work;
      iii. *imitability* of these skills and talents, meaning the extent to which they can be copied by competing organizations. (page 22).

5. **What is positive organizational behavior and can it contribute to an associate’s productivity?**
   a. Positive organizational behavior shifts the focus of managing from correcting weaknesses to nurturing individuals’ greatest strengths and helping them to use them for the organization’s advantage. (page 25).
   b. Each associate contributes to the limit of their own sense of self-efficacy. The more one grows in strengths related to the task, the more productive each will be. (page 25).
   c. Humans bring their emotions to work each day. There is no barrier at the door for performance-stifling negativity. Commitment to positive organizational behavior means fostering the positive and thwarting the negative.
   d. Emotional intelligence quotients matter as never before—both the EQ of leaders and followers. High-involvement management requires sustained high-trust levels. Lose trust, lose productivity fast.

6. **(a) What are the five characteristics of high-involvement management?  (b) What evidence exists to support the effectiveness of this approach?**
   a. Overall, high-involvement management is a value shared by all levels of managers in an organization that human capital is the organization’s most important strategic resource and who make their decisions accordingly.
   The five characteristics are:
      i. *Selective hiring* – the foundational decision of choosing the right people. (pages 26-27).
      ii. *Extensive training* – ensuring every member has knowledge to perform standard as well as unique and innovative work processes. (pages 27-28).
      iii. *Decision power* – providing associates with the authority to make or influence some important decisions on their own and with others that give the organization its direction. (page 28).
      iv. *Information sharing* – seeing that all are properly informed in order to make effective decisions. (page 28).
v. *Incentive compensation* – recognizing and rewarding individual and collective performance that brings about strategic results. (page 29).

b. Research studies cited in the chapter compared companies managed with recognized high involvement practices with those managed by conventional practices, placing higher value on money and property than the people who earned them. There were fewer defects, higher productivity, and greater probability of survival in the companies that placed the highest value on developing the people. (pages 29-30).

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**Teaching Point on Knowledge Objectives**

Teach *destination*. Learners will not have truly arrived at the destination of each of these knowledge objectives unless or until they bring them to life in their lives. Then, knowledge will have hit home. Students may be able to give back in writing answers much like those suggested above. This indicates that they have “consumed” the information in this chapter. Does this mean they are now ready to use this as personal working knowledge? Are they showing early signs of appreciating what an associate and manager’s *applied* knowledge means to the short and long-term survival of any business organization? What they think about their own organizational behavior shapes what they do. Learning is creation, not consumption. Give them something to do for which they will have to create and demonstrate their own working knowledge. For example, ask them to come up with a job description for a supervisor whom they would prefer to have working on their behalf to have optimal working conditions. Will they come up with five characteristics of the high-involvement manager in their own words? The proof is in the practice.

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**Key Terms**

*associates*  The workers who carry out the basic tasks. (page 15).

*competitive advantage*  An advantage enjoyed by an organization that can perform some aspect of its work better than competitors can or in a way that competitors cannot duplicate, such that it offers products/services that are more valuable to customers. (page 20).

*high-involvement management*  Involves carefully selecting and training associates and giving them significant decision-making power, information, and incentive compensation. (page 26).

*human capital*  The sum of the skills, knowledge, and general attributes of the people in an organization. (page 20).

*human capital imitability*  The extent to which the skills and talents of an organization’s people can be copied by other organizations. (page 22).
**human capital rareness** The extent to which the skills and talents of an organization’s people are unique in the industry. (page 21).

**human capital value** The extent to which individuals are capable of producing work that supports an organization’s strategy for competing in the marketplace. (page 21).

**managing organizational behavior** Actions focused on acquiring, developing, and applying the knowledge and skills of people. (page 13).

**organization** A collection of individuals forming a coordinated system of specialized activities for the purpose of achieving certain goals over some extended period of time. (page 17).

**organizational behavior** The actions of individuals and groups in an organizational context. (page 13).

**positive organizational behavior** An approach to managing people that nurtures each individual’s greatest strengths and helps people use them to their and the organization’s advantage. (page 25).

**strategic approach to OB** An approach that involves organizing and managing people’s knowledge and skills effectively to implement the organization’s strategy and gain a competitive advantage. (page 13).

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**Teaching Point on Key Terms**

Start learners thinking of these key terms as *lenses*. The strategic OB lens in this and each chapter furnishes the view of the whole organization from 30,000 feet. Within these are the lenses bringing into focus ever closer aspects of human beings living business organizations. Assuming most of your learners are not yet managers, they are now, or soon will be, what our authors call *associates*. They are working at “sea level” inside the operations that deliver the strategic outcomes as promised in the mission of the organization that employs them. Here, contact with customers and production is greatest. It is the line of sight where students can better see, with OB concepts, how things involving people, not machines, are really working. OB lenses give them much closer looks at how people are managing their organizational behavior at sea level. They can think of it as “*see level*”; using these OB lenses to better *see* what is going on around them by which to create new insights. For example, the simple term *associate* is used throughout this book instead of employee. An associate is a person united with another or others in an enterprise, more a partner or colleague than a subordinate is. Looking through this lens of meaning, learners can pause and consider how being thought of by managers as a true associate, rather than just someone providing labor at a cost, reveals what high involvement management means to a workforce. Acting upon the knowledge they create in practice, informed by OB theory, learners will prepare to become high-involvement managers and associates.
Suggested Additional Discussion Questions

1. Students will observe Ann Wood, whose strategic responsibility to her company is to keep the Consumer Products Division correctly aimed at the most promising selling opportunities. How is this knowledge invaluable human capital?

2. She counts on 85 people (on paper) being capable of performing their assigned and emerging tasks, and to share this responsibility with her. How is the human capital stock of her division?

3. Technology breaks down, stalling the analysis for Anil. She promises to invest time not planned for this purpose to help that team recover in time to meet the objective. How is Ann acting to repair the context of her associate’s work?

4. This event uncovers the more complex problem of turnover of high-skilled analysts and the question of incentives. Would Ann have noticed this sooner were she practicing high-involvement management?

5. Moments later, this same issue comes at her from Brooke, whose associates went off track on the matter of pay inequities. What does this suggest about Ann’s record of preparing a context for optimal use of her associate’s knowledge?

6. Does Ann bring all this to Anil Mathur and lay it in his lap, or revise her plan for the day and take action to solve problems by priority? We see that she revised her plan and took action. She is working this through using her own problem-solving skills. What will students make of this?

A Way of Engaging Learners in the Ann Wood Case:

1. Give learners a few moments to re-read the case.
2. Put them in teams of 4-6.
3. Remind them by posting the questions posed in the chapter:
   a. Describe the people-related problems or issues Ann Wood faced during the day. Did she handle these effectively? If not, what do you believe she should have done?
   b. Is Ann Wood a high-involvement manager? If so, provide evidence. If not, how well do you think she’ll perform in her new job as head of marketing?
   c. Assume that Ann Wood wants her managers and associates to be the foundation for her department’s competitive advantages. Use the framework summarized in Exhibit 1-2 in the chapter text to assess the degree to which Ann’s people are a source of competitive advantage at this point in time.
4. Have them share the answers to these three questions before the discussion.
5. **Enhancing exercise: Putting on OB Glasses.** Give them some practice in using the Strategic OB Lens.
a. Post/project Exhibit 1-1 (page 14): Factors and Outcomes of a Strategic Approach to Organizational Behavior, and ask them to find points made in Ann’s story that tie into one or more of the six elements depicted in the boxes. For example, the point where the Internet crashes had adverse impact on the productivity of both the analysts group and Ann’s own productivity (by diverting her time and attention from other priorities).

b. Give them Exhibit 1-1 (page 14) as a worksheet upon which a team scribe may jot down shorthand for each located point.

c. Have a member of each team report to the class what they have in each box.

d. Engage the whole class in dialogue about how this use of the Strategic OB Lens has altered their thinking about the importance of people to company success.

e. If time allows, take them up to the high-level view of the main exhibit (1-4, page 33) and ask them to see how many of the elements in boxes connect to points in this small slice of a company’s life.

f. This time, assign each team one or more of the elements and have them find traces of it in the case. For example, a team is looking for moments of decision making. Point out how she has asked Brooke for a proposal on how to deal with the loss of human capital, rather than snap out a quick decision or take the matter to the next level.

Discussion Questions:

1. Describe the people-related problems or issues Ann Wood faced during the day. Did she handle these effectively? If not, what do you believe she should have done?

   - Do they notice that Ann is one step (international experience) from reaching her goal to become a senior manager? No longer just a successful individual performer, now Ann’s success is being measured by overall results of her whole marketing team.
   - Is the Internet breakdown strictly a technical problem? Will they probe to consider that people may have run this analysis too close to the deadline, leaving no room for such setbacks?
   - Do they pick up on the question of loyalty? Is it about money, or is this a sign that Jackson’s (and/or Ann’s) management style is not inspiring loyalty?
   - Do they question why it appears that this company is not paying talent at market rates? Are they missing the three factors: value, rareness, and imitability?

2. Is Ann Wood a high-involvement manager? If so, provide evidence. If not, how well do you think she’ll perform in her new job as head of marketing?

   - Encourage them to consider, even debate, both sides of this question.
• She has her MBA. She was a successful performer as an associate and first assisting role. She knows the business from a broadened and seasoned perspective. What might the Career Style Inventory (page 35-41) reveal about her?

• Ann may be inclined to be a high-involvement manager, but is she working in a system that supports high-involvement managing? Ask them to apply the five key components (Exhibit 1-3, page 27) to this case to look for positive or negative signs of the prevailing Norwich Enterprises way of managing their strategic organizational behavior.

3. Assume that Ann Wood wants her managers and associates to be the foundation for her department’s competitive advantages. Use the framework summarized in Exhibit 1-2 (page 23) in the chapter text to assess the degree to which Ann’s people are a source of competitive advantage now.

• There is room for disagreement on where her team will fall in this analysis. They may agree that they are valuable, but are their talents rare? Perhaps, for it appears they are able to leave for ‘better jobs.’ Are their talents difficult to imitate? Again, it depends on how sophisticated the analyses and productions the company needs to do are to keep them competitive.

• Students may note that consumer products place her companies on the field of fierce battles for the customer’s buy choices. Thus, if her people fail to rise to the challenge and give the company the information needed to stay out front, then they can put Norwich at a competitive disadvantage.

TEAM EXERCISE
McDonald’s: A High-Involvement Organization? (page 42-43)

Teaching enhancement

Remind the students that their charge in this exercise as “overpaid consultants” is to tell the President how locally managed franchises are measuring up to the standards of high-involvement management. It may be implied that they could be customers of some training and consultation in this approach, if they see it as a path to beating their competitors in the customer service and satisfaction games. Bring up Exhibit 1-3 (page 27) and make sure they have it available during team deliberations. Here are those dimensions:

Selective Hiring: Large pools of applicants are built through advertising, word of mouth, and internal recommendations. Applicants are evaluated rigorously using multiple interviews, tests, and other selection tools. Applicants are selected on the basis of not only skills, but also of fit with culture and mission.

Extensive Training: New associates and managers are thoroughly trained for job skills through dedicated training exercises as well as on-the-job training.
They also participate in structured discussions of culture and mission. Existing associates and managers are expected or required to enhance their skills each year through in-house or outside training and development. Often, existing associates and managers are rotated into different jobs for the purpose of acquiring additional skills.

**Decision Power:** Associates are given authority to make decisions affecting their work and performance. Associates handle only those issues about which they have proper knowledge. Lower-level managers shift from closely supervising work to coaching associates. In addition to having authority to make certain decisions, associates participate in decisions made by lower-level and even middle managers.

**Information Sharing:** Associates are given information concerning a broad variety of operational and strategic issues. Information is provided through bulletin boards, company intranets, meetings, posted performance displays, and newsletters.

**Incentive Compensation:** Associates are compensated partly on the basis of performance. Individual performance, team performance, and business performance all may be considered.

Here are steps in the exercise they will have already seen:

1. Assemble into groups of four to five. Each group will act as a separate Fastalk consulting team.
2. Think about your past visits to McDonald’s. What did you see and experience? How was the food prepared and served? What was the process? Did the employees seem to be happy with their work? Did they seem to be well trained and well suited for the work? Did the supervisor act as a coach or a superior? Your instructor may ask you to visit a McDonald’s in preparation for this exercise and/or to research the organization via the Internet or school library.
3. Assess McDonald’s on each dimension of high-involvement management.
4. Develop recommendations for the president of McDonald’s.
5. Reassemble as a class. Discuss your group’s assessments and recommendations with the rest of the class, and listen to other groups’ assessments. Do you still assess McDonald’s in the same way after hearing from your colleagues in the class?
6. The instructor will present additional points for consideration.

**Additional points for learner consideration:**

- What do they think of the device of having consultants investigate the performance of a business by looking from the customer’s vantage point?
- Did the teams agree from their own experience that McDonald’s is losing ground to competitors such as Burger King, Wendy’s, Dunkin’ Donuts, etc.?
• McDonald’s pioneered the winning food fast (and cheap) strategy back in the 1940’s. ([http://www.aboutmcdonalds.com/mcd/our_company/mcd_history.html](http://www.aboutmcdonalds.com/mcd/our_company/mcd_history.html)). They have continually updated their stores and food preparation technologies. A burger is a burger; what advantage could they gain by focusing on human capital as a strategic resource?
• What is the team’s considered opinion of McDonald’s future success in attracting and developing superior managers at the franchise level?

### WHOLE FOODS CASE CRITICAL THINKING QUESTIONS

**Chapter One Connections: A Strategic Approach to OB (pages 1-8)**

1. Describe how Whole Foods uses human capital as a course of competitive advantage.
   a. *Suggested answer:* Whole Foods’ “people-management system” works to differentiate this company from its many regular store competitors and those in its natural foods niche in particular. While its brick and mortar and its goods are managed to project a distinctive brand, it is the customer experience of its human capital that sets Whole Foods above and apart from the rest. Teams of highly motivated associates effectively custom design their area so that what is sold and how it is sold yields consistently positive customer results. Whole Foods, thus far, has been first to market with practices that attract and retain the best people from their locales. Their future competitive advantage rests upon sustaining and growing their reputation as one of the best companies to work for in America.
   b. *Connection to the Chapter:* Whole Foods associates (or team members, as they are called) are attracted to this work because they are the sorts of people who want to make a positive difference and help their company win. Whole Foods can be selective in hiring and retention because they have a *Best Company to Work For* reputation wherever they open a store. They are the sort of people who earn and value decision-making autonomy, so that they may continually learn and contribute to the innovation process. A front line associate at Whole Foods can make herself fully knowledgeable about the company and where her team’s work fits into the whole picture. This brings out the best in people who are entrusted this way.

2. Identify the aspects of high-involvement management contained in Whole Foods’ approach to managing its associates.
   a. *Suggested answer:* High-involvement management involves carefully selecting and training associates and giving them significant decision-making power, information, and incentive compensation. The self-managed team is the keystone of Whole Foods’ management system. Teams select their own members and have a say in who stays on the team. Their *Declaration of Interdependence* assures that each associate has a
stake in the business as long as they uphold the five core values. Thus, they take informed responsibility for their own successes and failures, as well as the team’s. Team performance is incentivized with bonuses for achieving goals.

b. **Connection to the chapter:** Whole Foods retains its flat organizational structure and makes it work by emphasizing the core values of collaboration and decentralization. The high importance of store-level associates in relation to top management is reinforced by an executive compensation norm of no more than 19 times higher than the lowest paid associate. Whole Foods must constantly innovate to remain first among close competitors in this industry niche. Thus, high-involvement management is not just a style of managing; it is the most strategic way to manage yet. It places the focus on achieving progress by “continuously allowing associates to apply their collective creativity and intellectual capabilities to build a highly competitive and successful organization.” Whole Foods, so far, is a premier model of high-involvement management as introduced in this chapter and across the body of the text.
CHAPTER 2
ORGANIZATIONAL DIVERSITY

EXPLORING BEHAVIOR IN ACTION
Diversity in the Los Angeles Fire Department (pages 47-48)

Suggested Discussion Questions

1. How does Melissa Kelley stand for all “different” persons who have tried, failed, and sometimes succeeded in becoming a member of an organization wherein most have been “most alike”?
2. One might expect the argument that fire fighting is “men’s work” was being made silently by the ways Kelley was treated. Yet, now we have thousands of women U.S. soldiers in the Middle East fighting alongside men. Are they experiencing the same? When they return, are they likely to allow “it’s men’s work” to win the day?
3. LA Fire Department Chiefs were fired; yet Kelley’s and Mathis’ treatment came from the men right there next to them—persons upon whom they had to trust their lives in a fire fight. Is the absence of mention in these accounts of discrimination an indication that such local behaviors go unpunished?
4. Not only did 80 percent of the LAFD women report experiencing acts of discrimination, but also 87 percent of the African Americans did with Latino members not far behind. Is this not a firefight of a different kind—a tragic story of white, Anglo males fighting to keep their power over who gets to share the jobs?
5. Could there be a more compelling vision than to “preserve life…” for those who are being the LAFD each day? Yet, the desire to exclude unlike persons can even override this central reason for the organization to exist at all. This is what managers must face and counteract. What should they do?
6. Culture tells members in unspoken ways what behaviors are allowed and what are not. It states that the new fire chief expects to start a positive culture. Among the behaviors to be disallowed, what is one that could have prevented what happened to Melissa Kelley? What is one that must be allowed and amplified in daily messages?

Knowledge Objectives (page 47)

1. Define organizational diversity and distinguish between diversity management and affirmative action.
2. Distinguish between multicultural, plural, and monolithic organizations.
3. Describe the demographic characteristics of the U.S. population and explain their implications for the composition of the workplace.
4. Discuss general changes occurring in the United States that are increasing the importance of managing diversity effectively.

5. Understand why successfully managing diversity is of extremely important for high-involvement work organizations.

6. Discuss the various roadblocks to effectively managing a diverse workforce.

7. Describe how organizations can successfully manage diversity.

Teaching Point on Knowledge Objectives

Teach resourcefulness. The ability to use means at one’s disposal to meet situations effectively. Remember from chapter one, “A competitive advantage results when an organization can perform some aspect of its work better than competitors can or when it can perform the work in a way that competitors cannot duplicate. By performing the work differently from and better than competitors, the organization offers products/services that are more valuable for the customers.” Therefore, consequently, a diverse workforce is part of those means—a rich source of talent, ideas, and networks of people connections. What does this mean to your learners? They can become one of those sources—ingenious, inventive, and interested. Encourage your learner to self-examine and appreciate what difference she or he brings to work each day. Each learner is one among millions in that social demographic. How does she or he manage to be selected and valued within a diverse group, distinctive in the great swirl of people seeking employment where they will grow? The trend is that one is more likely to be chosen to add to the diversity of a work group. How will meeting these seven knowledge objectives prepare them to know the positive differences they will make to a company’s resourcefulness?

Honing a Strategic OB Prospect
Organizational Diversity

Your learners go through their days moving from organizational setting to organizational setting. They may not particularly notice as a matter of strategic importance the diversity of the groups of people with whom they come into contact on the way to work, at school, or on the job. Encourage them to start seeing these differences among people as a measure of innovative potency. As they move from setting to setting, they might want to jot down the names or types of organizations they traffic and, next to them, note their impressions on this question: Is this organization rich or poor in human capital right now? They will guess richer, if they notice performance of even the simplest tasks with a splash of excellence. They are seeing the outgrowth of a “more committed, satisfied, higher-performing associate.” (page 55). This place is attracting the best talent, practices are working because of better group decision-making, and there are signs of better financial performance for the organization in the atmosphere and ambience of the place. They will guess poorer, if even the simplest task is performed with a splash of cold water in the face of the customer or coworker. In this unfortunate instance, they are seeing the absence of high-involvement managerial behavior featured in this book. These behaviors
squander human capital that could have been grown by the diverse talents of their workforce. Suggest they are sizing up the relative value of the human capital, as a veteran realtor would estimate the housing or commercial property stock as he or she moves through familiar and unfamiliar neighborhoods. They will apply this strategic prospect to personal decisions they make about who to join for greatest success and, one day, who to hire to raise the worth of their organization’s human capital.

**EXPERIENCING ORGANIZATIONAL BEHAVIOR**
Women, Work, and Stereotypes (page 64)

**Suggested Discussion Questions**

1. The presidential candidacy of Senator Hillary Clinton created perhaps the widest and most varied “buzz” on the matter of women with abilities to lead equal to those assumed for the male gender. What have we learned from media and first-hand accounts of stereotyping that her run raised about our awareness of diversity?

2. Could it be that hurling dismissive epitaphs like “babe in business” or “worry her pretty little head” is done more to defend the issuer than to attack the female object of the remark? If so, what is being defended?

3. What if you were to take a count of stereotypic language you hear or read regarding women and attempting to control your attitude toward women? Would finding a higher rate of such attempts to color your attitude than you first imagined change your perspective?

4. Half the U.S. adult population is women. The *Elle* survey reflects a general belief that men are more capable of leading than are women. Must we go on tapping only half the potential pool of leaders, just because we cannot yet shed the notion that they are the “weaker sex,” best able to support men, rather than lead them?

5. **Stereotype until you drop:** A suggested exercise is to divide your class into two gender-mixed groups. Challenge one to brainstorm a list of statements that stereotype women and their readiness to run competitive businesses. Ask the other half of the class to produce a list of statements stereotyping men as business leaders. Tell them that they will need to generate a robust supply in a short period. The winning side will be the one that has more statements “ranking” their assigned gender than the other side. Can you guess which side will run out of statements first? Those stereotyping men are more likely to have less fodder for this context. Discuss why. Tap into what each gender felt in those mixed groups having to provide statements aimed at their own gender. Ask them to explore how these notions came to rest in their own heads in the first place.

**Digital Supplement**
Have students go to Google and research the Catalyst organization.
1. What is the purpose of Catalyst?
2. What has Catalyst accomplishment in helping women in the workplace?
3. What research has Catalyst conducted on best practices in work environment, human resource policies, and employment practices?
4. How has the work of Catalyst influenced other forms of diversity in the workplace?

**MANAGERIAL ADVICE**

**Promoting a Positive Diversity Environment (page 71)**

**Digital Supplement: Examining the Efforts of Deloitte Touche, LLP**


In February 2010, Deloitte & Touche, LLP Women’s Initiative received the 2010 Catalyst award. The Catalyst award honors programs in organizations, which are innovative and effective in advancing women in the workplace. After some 17 years of work Deloitte & Touche, LLP has demonstrated measurable improvement in the lives of the women who work for the company. How did this happen? Why was it done?

1. Have students review the early programs at Deloitte & Touche, LLP, dating back to the late 1990s where the first steps were taken to retain talented women from leaving the firm. What were these programs?

2. If this was done for women at this accounting firm, what can be done for women and other diversity groups at another firm to create a friendly and supportive environment for all of its associates?

**Back to the Knowledge Objectives**

**Suggested Answers**

1. *(a) What is organizational diversity, and (b) how does diversity management differ from affirmative action? (c) Do these kinds of programs have anything in common?*
   a. *Organizational diversity* refers to differences among the individuals in an organization on any relevant dimension. (page 50).
   b. *Affirmative action* is enacted in programs by applying specific measures taken by an organization to ensure fair representation of women and racial and ethnic minorities in the workplace. An affirmative action program may also achieve diversity; however, the intent of affirmative action is to remedy discrimination, while the diversity management programs operate to improve organizational performance. (page 50-51).
   c. *Diversity and affirmative action programs have in common* that societies condition their members to identify similarities and differences in
themselves with others that, when brought into membership of given organizations, can draw them closer to others or drive them apart. Both activities ask people to more deeply examine their own biases and change what is detrimental to the good of the whole.

2. (a) Distinguish between multicultural, plural, and monolithic organizations. (b) How might these organizations differ in the types of the policies they use? (c) For example, how would they differ in terms of staffing practices?
   a. Types
      i. **Multicultural** – organizational culture fosters and values cultural differences so that they are inclusive of all associates. (page 51).
      ii. **Plural** – have somewhat diverse workforces wherein differences are tolerated, rather than valued. (page 51).
      iii. **Monolithic** – homogeneous workforce with little tolerance for diversity. (page 52).
   b. Generally, policies governing how members of the organization are to treat each other will range from high inclusion to high exclusion.
   c. Staffing practices would differ in the scope of the search for new associates and managers from casting the widest possible net for differences to the narrowest possible search for sameness.

3. (a) What trends can be seen in the demographic characteristics of the U.S. workforce? (b) What are the implications of these trends for organizational diversity?
   a. The U.S. workforce is getting older and more diverse in terms of race and ethnicity. The most significant rise in population is persons of Hispanic origin, to nearly one quarter. (pages 52-53).
   b. Trends in customer demographics are influencing organizations to staff with people recognized by customers as being part of their social grouping. Multicultural organizations that manage to have the widest job appeal to talented persons of all kinds and offer what attracts buyers of all kinds will be predictably the most competitive.

4. (a) What other changes are occurring in the U.S. business environments that contribute to the importance of managing diversity effectively? (b) Why do these changes make managing diversity important?
   a. The U.S. business environment is evolving with increasing service economy, increasing globalization, and increasing need for teamwork. (pages 53-54).
   b. Management of diversity is a strategic means of dissolving social barriers among associates and with customers, suppliers, and other stakeholders.

5. (a) Why is successfully managing diversity important to high-involvement work organizations? (b) Give specific examples.
   a. Individual associates gauge their value and the support by their organization and release their energies accordingly. Diverse groups
produce a wider variety of ideas, alternatives, and solutions. Organizations that manage to be diverse, in order to accomplish strategic goals, see more favorable bottom-line results. (pages 55-57).

b. The individual associate whose religious practices are respected and accommodated by others is more likely to become involved in meeting organizational goals than when one is rebuked and teased for holding to their beliefs and standards of practice. The AT&T design group that engaged persons with disabilities produced innovations not otherwise possible. Fortune 500 companies with the highest representation of women in top positions strongly outperformed financially those with poorest representation.

6. What problems do discrimination, prejudice, and stereotyping create in an organization attempting to manage a diverse workforce?

a. Problems (pages 61-69).

i. Discrimination, prejudice, stereotyping, differing social identities, power differentials, communication concerns, and poor structural integration have a negative impact on managing a diverse workforce.

ii. Prejudice wrongly influences how social groups are evaluated, leading to walls being erected between groups.

iii. Discrimination forecloses involvement. Prejudice stereotyping impairs the reasoning needed for effective decision-making by applying oversimplifications about people, rather than obtaining information.

7. How do social identities, power differentials, and poor structural integration affect the successful management of diversity?

a. Effects

i. Social identities have positive bearing on diversity as individuals draw strength and elements of what makes them unique from belonging to social groups that matter to them. However, having a social identify very different from that of the majority presents the challenge to learn how to act authentically with what the majority expects, while holding to the identity that supports the value of being different. It may seem easier to default to in-groups and avoid being in out-groups, but this choice breaks down diversity. (pages 65-66).

ii. Power differentials that come from status ascribed to social group membership act against the individual freely participating in organization-building processes. Associates, particularly those working close to customers, can be an invaluable source of competitive information. Pinned down for their social group membership (e.g. hourly versus salaried workers), they withhold this intelligence from those in the upper echelons. (pages 66-67).
iii. Poor structural integration creates power and status differentials, fosters negative stereotypes, and can engender a sense of hopelessness in the minority groups that have difficulty rising in the company or that are stuck in particular job types (e.g. clerical or labor instead of executive or managerial). This situation creates a similar problem to that of power differentials, where a poorly integrated company may be unable to benefit from the unique perspectives of its otherwise diverse workforce. (pages 67-69).

8. (a) What does a diversity program need in order to be effective? (b) How would you determine if your diversity program was effective?
   a. Program requirements (pages 69-73).
      i. Commitment of organizational leaders who take ownership of diversity initiative and effectively communicate its strategic importance.
      ii. Integration with the strategic plan by stating and enacting measurable ways in which diversity will contribute to the strategic goals, directions, and plans of the organization.
      iii. Associate involvement inclusive of all individuals and types of groups supported by training to develop real value of and respect for diversity as a condition most favorable to personal and organizational excellence.
   b. If the organization is achieving and holding a competitive advantage, then organizational diversity is likely a contributing factor. There would be consistent evidence, operational and product innovation, a wider and deeper pool of candidates for hiring associates, and a larger potential market because its products and services demonstrate understanding the needs of a diverse market of people who can shop the world.

Teaching Points on Knowledge Objectives

Teach courage. This is the state or quality of mind or spirit that enables one to face danger, fear, or vicissitudes with self-possession, confidence, and resolution. It is unlikely that there are learners who will be dispassionate about diversity and disengage from this important information. Yet, there are risks in exposing one’s truer beliefs about people to peers, even in an academic setting. These knowledge objectives do help them formulate objective, business reasons why people must enter into joint-action with others who are, by their own experiential knowledge, different from them. This is also where emotions weigh in. Learners may discover they hold deeply engrained beliefs about people who are unlike them. You are asking them to muster the courage to self-examine and confront possibly dysfunctional views of these others and see others as they view themselves. This chapter comes early in the course. Is there sufficient trust among learners and in you to have them “go deep”? This is not what attaining these knowledge objectives is explicitly asking of your learners. How and when, otherwise, will they start or stay the high road? It may be the best timing for fostering openness by setting the sort
of ground rules for civility and inclusion that rewards courageous reflection in the action of acquiring the benefits of these Knowledge Objectives.

Digital Supplement
Human Resource Management Applications: Walking the Walk—The Case of IBM

What about the big global companies like IBM, what are they doing for diversity? Have students go to Google and look up IBM and diversity. Students will find numerous sites that speak to the diversity efforts of IBM.

Several questions may be used to start the discussion. You may have students do comparisons between companies cited by such organizations as Catalyst for their diversity efforts with companies such as Wal-Mart, which is fighting a class action suit for general patterns of discrimination in pay and promotions.


Questions
1. What is the history of diversity at IBM?
2. What did Tom Watson Jr. do to support diversity at IBM?
3. Was it always a company that looked to diversifying its workforce?
4. What evidence is presented on the IBM website that supports its commitment to diversity of all kinds?
5. Are there companies your students can find that appear to not only talk about diversity in their mission statement but also have programs in place demonstrating their commitment to diversity in their organization?

Additional Materials on Ethics

Here is an additional exercise on ethics, whereby students can draw from the living material of their own work or school day.

My Life as a Story

Learners will have read brief stories of people like Kelley at the LAPD. The story deals with two pivotal events in Kelley’s early days as a fire fighter. It was included and told to make a point about diversity that reinforces the claim that high-involvement management includes managing diversity and is not possible without it. This gripping account of Kelley’s loss of her dream to be just another competent fire fighter told a story in just a few words, so that the reader could picture Kelley being harassed and left in
harms way by people trained and pledged to save lives. Does she react in ways that do harm to these people and ultimately their organization? Her next actions can create a more positive or more negative future for all concerned. It is a moment like countless moments ahead in your learners’ careers that will put their ethicality to a test. How they behave writes the next chapter of their own stories.

1. The objective of this exercise is for learners to conjure in their imaginations just such a pivotal moment from the history of their own direct experience in organizations. Like Kelley, the learner’s life is a story, replete with moments in which one took a stand against discriminatory behavior, for example, and said and did what was right.

2. Ask the learner to compose a similarly brief story of an actual event in their day (or a recent day) that corresponds to their emerging understanding and appreciation of organizational diversity.

3. This can be told privately, just to oneself; semi-privately, in writing to the instructor; or, as an act of courage, told publicly, talking in pairs, small teams, or in writing, posted on the course e-learning platform. The more public the telling, the more the rule to protect the confidentiality of the setting and involved persons should be reinforced.

4. People naturally tell such stories to friends, family, and even strangers. This exercise simply capitalizes on what learners often do to elicit feedback. Thus, debriefing this exercise should be familiar. In this instance, the learner asks questions of those being told within the framework of diversity:
   a. Who was in the right here? Was it me? The other person(s)? Both? Neither?
   b. What difference might it have made if I had acted on the opposite choice?
   c. What am I revealing here about myself? My values and morals?
   d. What impact, if any, did my work surroundings have on my chosen way of acting in this situation? Can I honestly say I was forced to think and act as I did?
   e. Had I been able to turn the clock back to the beginning of my story and live it over, would I have behaved differently?

5. Finally, ask learners to summarize and state highlights (verbally or in writing) of what they learned about the meaning of diversity from the story they are living out day by day. Probe for recognition that strategic organizational behavior is rooted in the ethical and unethical practices of each associate and manager.
**Key Terms**

**ascribed status** Status and power that is assigned by cultural norms and depends on group membership. (page 67).

**discrimination** Behavior that results in unequal treatment of individuals based on group membership. (page 61).

**diversity** A characteristic of a group of two or more people that refers to the differences among those people on any relevant dimension. (page 50).

**multicultural organization** An organization in which the organizational culture values differences. (page 51).

**modern racism** Subtle forms of discrimination that occur despite people knowing it is wrong to be prejudiced against other racial groups and despite believing they are not racist. (page 61).

**monolithic organization** An organization that is homogeneous. (page 52).

**plural organization** An organization that has a diverse workforce and takes steps to be inclusive and respectful of differences, but where diversity is tolerated rather than truly valued. (page 51).

**prejudice** Unfair negative attitudes we hold about people who belong to social or cultural groups other than our own. (page 61).

**social identity** A person’s knowledge that he or she belongs to certain social groups, where belonging to those groups has emotional significance. (page 65).

**stereotype** A generalized set of beliefs about the characteristics of a group of individuals. (page 62).

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**Teaching Point on Key Terms**

Teach *headlining*. Encourage learners to think with key terms to animate *micro-headlines* in their heads. Headlines announce stories unfolding in their own present lives, as well as out there in the business and social world that is the context of their lives.

“Jane Doe suffers a bout of social identity.” Ask your learner “Jane” to talk or write about a moment when she felt ashamed of a peer group acting out in a way that conflicted with her personal identity. Or, “Jack Doe escapes monolith to a Technicolor world” Here you have Jack communicate what it would mean to work in such homogeneity that it would seem like an old black and white movie, until he joined a pluralistic organization with its vibrant colors. (A clip from the film *Pleasantville* would drive this point home.)
Teaching Enhancement

The stated purpose of this assessment is to allow learners to determine if they have had the experience necessary to navigate a diverse environment. It gives them a window into their current ability to be flexible and to work with many different types of people.

1. Stress that this assessment is used in conjunction with this chapter to show them the relevance of their own personal career aspirations to the central theme of the book. How will they become valued members of organizations designed and managed to foster their own growth and others and advance in their careers?
2. Give them the caveat that they are likely to apply many sorts of style indicators as they go forward. While they may agree with the descriptors and see a pattern among those taken, they should not allow these external measures to tell them who they really are. Nor should they use what others reveal to them as their primary career orientations to affix a stereotyping label on them.
3. You have the option of having them do the assessment simply for their own information.
4. Alternatively, this could make a stimulating class event. If you choose this option, ask them to bring the assessment results to the class in which you have budgeted time for discussing them.

AN ORGANIZATIONAL BEHAVIOR MOMENT

Project “Blow Up” (pages 76-77)

Suggested Discussion Questions

1. BSU’s strategy is to bring together promising middle and higher-level managers from around the world for exceptional learning. In retrospect, did the planners anticipate interpersonal conflict?
2. The first year team project is the crucible. This team fell fast into an initial power struggle among members of the A Team. Were this team blow up to be a singularly rare event inside a fundamental practice like the team project, there would be barely a ripple in their high-ranking reputation. It was the first time in over ten years that he knew of someone quitting the program in the first week because of the behavior of the team. Yet, can BSU’s manager, Professor Boswell, in the moment of this negative event, let this go unexamined for possible remedies?
3. Pranarisha’s flight from Team A all the way out of the program, despite the fact that she was enrolled at the request of her NGO, could be rationalized as an overreaction. Might the American members who have already climbed their corporation ladders consider this the usual jockeying for position before settling down?
4. The case teeters on the verge of the strategic significance of the A Team’s abhorrent organizational behavior being discounted. What might be the long-term consequences of this happening?

5. Considering the diversity of the whole group, what was the responsibility of Professor Boswell, along with each member of the A Team, including Pranarisha, to manage with sensitivity to the potentially valuable differences each member brought to the mix?


7. Give them a few moments to re-read the case.

8. Put them in teams of six learners.

9. Remind them by posting the questions posed in the chapter:
   a. What happened with the A Team? Why did the group process breakdown?
   b. What dimensions of diversity were responsible for the conflict?
   c. Describe which barriers to effective diversity management were present in this situation.
   d. What could have been done to manage the group process better?
   e. Have them share the answers to these questions, which each is expected to have thought of before this discussion.

10. Now, have them make the transition from reading and talking about a diverse team of five people to being that very team in a brief role-play.

11. Each member of the team elects to be one of the six characters in this case—the five students and the professor. They may refresh their memories on the characters from their books, or you can provide the descriptions. They can imagine Professor Boswell’s persona.

12. This exercise is called “Rewind. Start over,” because this is what people tend to wish they could do, in hindsight, after something has blown up in their faces.

13. Before they begin, ask them to come to consensus about when, early in that week, it would have been the right time to manage the allocation of project duties with greater sensitivity to and appreciation for the diversity of the A Team.

14. Give them 15 – 20 minutes to play the roles, acting as they believe their character should have interacted with the others and the professor to get them off on firmer footing. You can ask the person playing Pranarisha to be the judge. Will she still flee the program?

15. Ask that the person who plays Pranarisha report to the class if, in this better managed version of her experience in the A Team, she felt differently about the course and the program.

16. Discuss the similarities to and differences between those Pranarisha reported to Professor Boswell.
Enhancement

Should learners be constrained by circumstances which do not allow them to actually go out and attend an event where they may experience firsthand what it feels like to not belong or know the rules, try virtual alternatives?

1. Have them visit and interact in a Web log locale where the “blogging” is on a topic about which they know very little. All they need to do is use Google to search the term “blogs” and there will be a plethora of sites to visit as experimenting interlopers.

2. Have them ask to be invited into an Instant Messaging “buddy group” (free IM access from services like AOL). It should not be difficult to find, among the learners’ acquaintances, someone who is an inveterate IM’er. For example, a pre-teen or teenager may be messaging with half a dozen IM groups simultaneously.

3. Have them ask a professor or campus professional to arrange for them to chime in on an academic or professional list service, preferably in a discipline or field unfamiliar to the learner.

The questions posed to those able to attend actual events can be modified to elicit diversity lessons from those making these virtual visitations.

1. What Internet community did you visit electronically?
2. How was this different from sites you normally populate?
3. How did you feel being in a minority situation? Did different aspects of your self-identity become salient? Do you think others who are in minority situations feel as you did?
4. What did you learn about the group you visited? Do you feel differently about this group now?
5. What did people do that made you feel welcome? What did people do that made you feel self-conscious?
6. Could you be an effective participant in this e-group? How would your differences with (blog, IM, list-serve) members impact on your ability to function in this group?
7. What did you learn about managing diversity from this exercise?
1. Compared to other companies in the service sector, is Whole Foods more or less likely to experience discrimination problems? Explain your answer.
   a. Suggested answer: Unfortunately for countless millions who work in the service sector, retailing wages are kept very low and people are treated by their managers as being expendable. This corrosive work climate could invite discrimination of the kinds outlined in this chapter. Fortunately, Whole Foods provides stark contrast to those most likely to discriminate. Their human capital outlook counts on associates knowing they are welcomed, accepted, and valued for their unique contributions to the whole of Whole Foods. They are selected by teams. If these teams are diverse in makeup, then it is more likely that they will want to hire to expand or at least sustain this diversity. Managers must, of course, watch over this process to assure that the company’s diversity policy is upheld by teams and stores.
   b. Connection to this chapter: A thrust of this chapter is that diversity is a competitive factor and gives an advantage to those companies whose HR practices keep the workforce diverse. Whole Foods counts on this being so. Further, their niche draws from an environmentally and socially conscientious customer and employee base. Were substantiated claims of discrimination in a Whole Foods operation to reach the media and grapevine, it would be so unexpected as to raise alarm. Reputation means far too much to this company to relax their standards and vigilance against discrimination.

2. How could Whole Foods’ democratic model of selection interfere with the development or continuance of a diverse workforce? What should it do to prevent such difficulties?
   a. Potential new associates may apply for any one of 13 teams of the type that operate in most Whole Foods stores. Teams then vote on the prospect, and again, after a trial period. This is all well and good unless teams deteriorate into a dominant group bias that separates the qualities of the person as a performer from characteristics beyond the person’s control such as age, gender, or ethnicity. Prevention rests in teams agreeing to uphold rules and standards of hiring and retention conduct. Since the power to hire is shared by managers with those teams, so must be accountability and responsibility for the results of their collective actions toward new associates. Most associates are recruited in the store locales. Accordingly, Whole Foods must guard against provincial or parochial mindsets hardening in teams. Associates must be educated in the value of widely diverse team membership in all aspects of store success. If they do not see the connection to overall performance, they might stick too closely to hiring people most like themselves.
b. *Connection to the chapter:* Diversity is a group characteristic, not an individual one. Whole Foods is organized around small groups working as teams in all the operational functions of the business. It is not enough for a company with their avowed mission to be socially responsible to point to individuals who are different from others. Their challenge is for all teams to have members different from each other in all the major aspects expected of an employment leader and innovator. Given the diversity of their products and commitment to meeting local product preferences, having a multicultural workforce is consistent with this aim. Whole Foods has set high moral and ethical standards; thus, systematic attention to diversifying their associate base is required from top managers to the store floors. Commitment of high-level managerial leaders to all diversity efforts is easy to watch and assess, given the transparency promised to all associates by the CEO. Lip service will not work at Whole Foods.
CHAPTER 3

ORGANIZATIONAL BEHAVIOR IN A GLOBAL CONTEXT

EXPLORING BEHAVIOR IN ACTION
McDonald’s Thinks Globally and Acts Locally (pages 83-84)

Suggested Discussion Questions:

1. What surprises you in reading how differently non-US customers find their McDonald’s dining experience to be from your own?
2. Why is it important for McDonald’s to keep some things the same anywhere in the world?
3. Americans may think of McDonald’s as an American firm, but with it being in nearly 120 countries now, what is it really?
4. It seems that McDonalds’ core strength of providing fast, clean dining for families is standing the test of many other cultures. Why? Is this a need felt and growing all over the world?
5. If you were charged with opening a chain of McDonald’s in a country where no such fast food brand ever existed, what would you want to know most about the local cultures before you broke ground and composed menus?
6. A message in this Exploring Behavior in Action is to adapt as you go. Yet, each of us is a product of our own national and local cultures. Like McDonald’s, are we prepared to know what to keep as our core identity while replacing other familiar aspects with the unfamiliar but necessary differences in the cultures we enter?

Knowledge Objectives

After reading this chapter, learners should be able to:

1. Define globalization and discuss the forces that influence this phenomenon.
2. Discuss three types of international involvement by associates and managers and describe problems that can arise with each.
3. Explain how international involvement by associates and managers varies across firms.
4. Describe high-involvement management in the international arena, emphasizing the adaptation of this management approach to different cultures.
5. Identify and explain the key ethical issues in international business.
Teaching Point on Knowledge Objectives

Teach *context* as a key word for learning in this chapter. It is defined as the holistic circumstances in which noted and noteworthy events occur. *Noted events* are a focal point for this chapter. What do learners take into account, as they experience an event of work or instruction? Perhaps a majority keeps a somewhat local frame around their views of current and even future events in their work and school lives. A suggested teaching goal here is that learners will begin to take more of the world into account. Ask them to think of it as creating more “mental real estate.” As with McDonald’s, can they imagine why they must make themselves into a global brand, ready to adapt and work anywhere? The Web is, indeed, worldwide. Learners may picture themselves at the end of a wire that goes out to the Internet. Have them imagine that, were they to tug it with super-superhuman strength, it would pull the computers off the desks of people in China, Japan, Spain, Chile, and Peoria, Illinois, USA. This is being connected. The strategic leadership and learning message for their own careers is that competitive circumstances in which they will find themselves working have undergone a sea change. The Internet has made the world flat. It is now a global marketplace for products, services, and jobs. This chapter is not for only those who will choose to work internationally. It is every learner’s responsibility to recognize and integrate the international elements of business processes, practices, and the organizational behavior of people into their day-to-day outlook. There is someone out there on a different continent who is preparing to take away their jobs or, more positively, join with them on a virtual team to accomplish business in both parts of the world. So noted?

Honing a Strategic OB Prospect

**Organizational Behavior in a Global Context:** Engage the imaginations of your learners by suggesting they think of themselves as self-appointed *business anthropologists*. Anthropology is the scientific study of the origin, the behavior, and the physical, social, and cultural development of humans. Challenge them, as grassroots strategic leaders, to seek and spot *anomalies* in the greater organizational context of their work and college studies. Anomalies are departures from what they count as normal ways of doing business. Many of these differences originate from the behaviors and cultures of businesses from all over the world. They interpenetrate domestic customs and practices. As business anthropologists, learners will detect strong-to-faint traces of business done by international enterprise in nearly any product or service within their purview. This chapter exhibits transformation of business from local to global contexts. Learners live and work locally. Yet, the signs of global infiltration into business processes and practices are all around them. It can be part of their duties to exercise a strategic global prospect. The deeper their understanding of how and why customs, rules, norms, and mores of people from all of the habitable continents are emerging in every kind of product they make, sell, or consume, the more your learners will challenge and change their beliefs about the very nature of American business.
EXPERIENCING ORGANIZATIONAL BEHAVIOR

1. The term Glass Border suggests that there are subtle forces holding women back from international assignments. What might some of these be?
2. How strong do you think the pull of the traditional notion that women should not be asked to uproot or live apart from their families is?
3. Would a woman executive be more likely to assign women in her company to international jobs?
4. Reverse this issue. If women were to come from other countries to work in United States units of global firms, wishing to abide by very different customs for women of their countries, how might they be treated as women?

Digital Supplement
This supplement has two parts, the first considers what the lives of working women in countries such as Dubai, India, or China might be like. The second considers the difficulties American women have had and may continue to have in overseas assignments.

Have students go to Google and search using key terms like “percentage of women working in Dubai, India, or China”:

1. What is changing, if anything for these women?
2. What kinds of cultural restrictions are holding these women back or helping them push ahead in terms of employment?


Have students think about the following:
Multinational companies are always looking for good talent. What holds women back from securing these overseas assignments?

There are several online sites devoted to helping women be successful in overseas assignments. After reviewing these sites, have students brainstorm to develop a list of essential factors that would most likely contribute to a woman’s success in these assignments.

Factors should include:
1. Personality characteristics of the individual.
2. Host nations’ attitudes toward women.
3. Cross-cultural training opportunities.
4. Available support for family members.
5. Networking and mentoring opportunities.
Lastly, if this is used as an out of class assignment, you could have each student group select an overseas location and then have the groups compare and contrast these countries in terms of working women and how they are received. Then have the groups look at how well American women might be accepted in managerial jobs in these countries.

**EXPERIENCING ORGANIZATIONAL BEHAVIOR**  
Managing Diverse Culture (page 103)

**Suggested Discussion Questions:**

1. “Cultural Intelligence.” Imagine the benefits one can bring to oneself, others, and her or his organization, were this to be on tap in one’s daily practice. Starting right now, how do you plan to gain and develop Cultural Intelligence?
2. National and regional cultures have, in most parts of the world, taken centuries of human experience to evolve to how they shape lives today. Yet, the new phenomenon of the global corporation seems to place tremendous pressure on people to swap their cultural heritage for a uniform corporate culture. How do you predict these tensions will play out over coming years?
3. Accounts of managers attempting cross-cultural collaboration, only to find that each side is unable to accept and respect the ways of each, tell us that we who are preparing for global work must prepare to go about it very differently. What must some of these different ways to relate cross-culturally be?
4. How important will it be for you to travel to foreign countries to spend enough time to experience first hand and in depth the similarities and differences of your cultural birthright and theirs?

**Key Terms**

- **Cultural intelligence**  Ability to separate the aspects of behavior that are based in culture from those unique to the individual or all humans in general. (page 97).

- **Culture**  Shared values and taken-for-granted assumptions that govern acceptable behavior and thought patterns in a country and give a country much of its uniqueness. (page 86).

- **Culture shock**  A stress reaction involving difficulties coping with the requirements for life in a new country. (page 92).

- **Ethnocentrism**  The belief that one’s culture is better than others. (page 92).

- **Expatriate**  An individual who leaves his or her home country to live and work in a foreign land. (page 91).

- **Glass border**  The unseen but strong discriminatory barrier that blocks many women from opportunities for international assignments. (page 95).
**globalization**  The trend toward a unified global economy where national borders mean relatively little.  (page 86).

**global strategy**  A strategy by which a firm provides standard products and services to all parts of the world while maintaining a strong degree of central control in the home country.  (page 98).

**high-context cultures**  A type of culture where individuals use contextual cues to understand people and their communications and where individuals value trust and personal relationships.  (page 96).

**international ethics**  Principles of proper conduct focused on issues such as corruption, exploitation of labor, and environmental impact.  (page 106).

**low-context cultures**  A type of culture where individuals rely on direct questioning to understand people and their communications and where individuals value efficiency and performance.  (page 96).

**monochronic time orientation**  A preference for focusing on one task per unit of time and completing that task in a timely fashion.  (page 96).

**multidomestic strategy**  A strategy by which a firm tailors its products and services to the needs of each country or region in which it operates and gives a great deal of power to the managers and associates in those countries or regions.  (page 98).

**polychronic time orientation**  A willingness to juggle multiple tasks per unit of time and to have interruptions and an unwillingness to be driven by time.  (page 96).

**swift trust**  A phenomenon where trust develops rapidly based on positive, reciprocated task-related communications.  (page 90).

**transnational strategy**  A strategy by which a firm tailors its products and services to some degree to meet the needs of different countries or regions of the world but also seeks some degree of standardization in order to keep costs reasonably low.  (page 99).

**virtual electronic teams**  Teams that rely heavily on electronically mediated communication rather than face-to-face meetings as the means to coordinate work.  (page 90).
Teaching Point on Key Terms

Teach global business lexicon. How does one come to see as they think of business strategic organizational behavior happening on a global scale? Language. Teach these terms as starters in an essential new language. Ask the learners to hear these key terms as a representative sample of the words coming into the mainstream of the new business conversation. They are reflections of growing global realities and possibilities. Were they to travel to work in a foreign county, not knowing the local language, wouldn’t they be moved to start to learn the language they’d use to get along and get by? Use of these key terms widens their outlooks on the now global arena of business.

Back to the Knowledge Objectives

1. What is globalization?
   a. Globalization is the trend toward a global economy where products, services, people, technologies, and financial capital move relatively freely across national borders. It increased dramatically in the last 20 years of the 20th century. (pages 86-87).

2. (a) What are the three types of international involvement available to associates and managers? (b) What problems can be encountered with each type?
   a. Internationally focused jobs, foreign job assignments, and working with foreign nationals in the home country. (pages 89-97).
   b. Internationally focused jobs: Much of the work is done virtually via technology. Lack of face-to-face contact compounded by language, cultural, and time zone differences add to complexity. Foreign job assignments can bring culture shock, undue stress on personal relationships, and stresses of strong ethnocentrism of locals. Working alongside foreign nationals in the home country means mismatching of high to low context, strong preference for group over individualism, and different senses of time for tasks, monochronic (one at a time) vs. polychronic (multi-tasking).

3. How do opportunities for international involvement differ in firms emphasizing multidomestic, global, and transnational strategies?
   a. In multidomestic firms, because country-based or regionally based units are focused on their own local domains, associates and managers have limited opportunities for international exposure and experience. (page 98).
   b. Global firms offer associates and managers much more opportunity for international involvement, because each unit, wherever it may be located, interacts frequently and intensively with the home country. (pages 98-99).
c. In *transnational* firms, individuals have many opportunities for international involvement, as they interact in a complex network of highly interdependent local and global units. (pages 99-100).

4. (a) What are the key dimensions of national culture that influence the success of high-involvement management? (b) How should high-involvement management be adapted to differences in culture?
   a. Uncertainty avoidance, power distance, individualism, and assertiveness. (pages 100-101).
   b. *Information sharing* must be adjusted to customary levels of uncertainty avoidance to provide the most when people need the most clarity and external direction. *Power distance* must be taken into account in the degree of autonomy applied locally. Low uncertainty avoidance cultures need less direction, while high-assertiveness cultures use autonomy to creatively complete tasks. *Individualism* calls for high autonomy, while collectivism requires more centralized controls. *Assertiveness* varies from high, where high-involvement offers more freedom to the more task-focused people to operate by their own decisions, while low-assertiveness cultures require more attention to soft issues such as team dynamics. (pages 104-105).

5. What are several international standards for ethical behavior by businesses (refer to the Caux Principles)? Briefly, discuss each one.
   [Any three or so of these] (page 108).
   a. Caux Principle #1 – *The responsibility of business* is to create wealth and employment by providing goods and services to consumers at reasonable prices commensurate with quality. Doing so, the business will play a role in improving the lives of all persons connected to the business by sharing the wealth equitably. Continual improvement extends to the communities in which they operate all the way out to the nation.
   b. Caux Principle #2 – *The economic and social impact of business* is demonstrated in gains in countries where business is transacted in the well-being and prosperity of the people, in human development, environmental stability, and in business and social innovation.
   c. Caux Principle #3 – *Business behavior* that, aside from trade secrets, is open, truthful, reliable, and honest, particularly on the international level.
   d. Caux Principle #4 – *Respect for rules* at the domestic and international levels evidenced by fair trade practices, a level playing field for competition, and no skirting of the laws.
   e. Caux Principle #5 – *Support for multilateral trade* as governed by international agreements leading to freer flowing global commerce.
   f. Caux Principle #6 – *Respect for the environment* is revealed in acts to protect and improve, preventing wasteful use of natural resources, and promoting sustainable development.
   g. Caux Principle #7 – *Avoidance of illicit operations* means the business will not allow any corrupt practice as defined at the highest ethical and
legal standards, working with others to eliminate them in the global marketplace.

### Teaching Points on Knowledge Objectives

Teach for engagement. Expect some detachment from world affairs. Learners may read and somewhat memorize the Caux Principles, for example, silently keeping their distance from implications for the quality of lives, even their own. They may think, “What does this have to do with me now? These Principles are ideals remote from my day to day experience.” Show them today’s headlines from the *New York Times*, the *Wall Street Journal*, or the *Financial Times*. Inevitably, there will be stories revealing the penetration of global socio-economic and geopolitical dynamics down to the level of Main Street commerce. Drill down into one news story, selected at random. Ask them to picture the people involved and the communities in which they are living. Have each learner imagine that one of those persons is just their age. What are their prospects for a bright future compared to the learner’s own? Do the global business behaviors featured in this story put their counterpart at risk, in harm’s way, or remove opportunity? Alternatively, does this create opportunity? Are they increasing the viability of businesses in the communities in which they are touching down for employees, raw and finished materials, and capital? Learners will derive greater strategic benefit from this chapter, if they take it personally, connecting emotionally, realizing there is no good reason to pretend they will be able to practice business in anything but a global context.

### Additional Materials on Ethics

#### My Son / My Daughter, the Immigrant

This is an original exercise designed to foster engagement, bringing issues of globalization closer to home, in fact, bringing it right into the family kitchen.

1. Pairs of learners create and role-play a scene that is likely to be played out in kitchens and family rooms across the US. It is the moment that a parent hears an adult son or daughter say they have given up hope of finding a job in the region, even the US, commensurate with her or his college education and proven talent and is aggressively pursuing opportunities in other countries as far away as New Zealand.
2. Note that this is not an instance, when a company based in this home country is hiring to place her or him overseas. That avenue was explored, but companies contacted were outsourcing the jobs, not sending jobholders across the world. *This is a decision to immigrate*, if necessary, to become a citizen in a country that is building a more robust economy. An irony for the parents is that he or she is the child or grandchild of people who once immigrated to the United States for the very same reason.
3. One learner in each pair plays the role of a father or mother of a twenty-six year old son or daughter. The other plays that son or daughter. The interchange begins with:

   “Mom (Dad), I’ve signed on with an international employment agency to be found a job anywhere in the world, where I can be most valued for my abilities and potential, and where I will want to put down roots. By this time next year, I plan to be living as permanently as is possible these days in another country.”

They take it from there. There is not an assigned point of view for the parent. The role player may draw from her or his own values and imagination.

4. The conversation should run about 10 minutes. When time is called, represented by a friend ringing the doorbell, the pair may be 1. At an impasse, 2. In agreement, or 3. Resigned to the situation.

5. The whole class may be put into pairs to invent brief, heart-felt exchanges of views on this matter, voiced in the role-play. Alternatively, a fishbowl method might be tried, whereby: a pair plays the role within a circle of observers.

6. Pairs or teams will discuss what has transpired between parent and adult child. Here are some suggested questions:
   a. How do you feel about how things were left when the doorbell rang?
   b. What was going on inside your mind when playing the parent (or watching the parent being played)?
   c. What was going on inside your mind when playing the son or daughter (or watching the role being played)?
   d. Is this situation far-fetched? Could we be at a point in our domestic economy when our high-potential, well-educated talent will choose to immigrate, rather than be under-employed or have their jobs sourced out from under them?
   e. Could this be you one day, sitting in your family home announcing the firm intention to immigrate?

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**BUILDING YOUR HUMAN CAPITAL**

Assessment of Openness for International Work (pages 112-113)

This instrument orients learners to four aspects of openness to international work.

- Extent of participation in cross-cultural activities
- Extent to which international attitudes are held
- Extent of international activities
- Degree of comfort with cross-cultural diversity

High to low scores indicate interest and aptitude. This is a natural or acquired talent or ability. The assessment is offered in the chapter to help learners more clearly understand
their feelings about international teams and assignments. The preceding exercise, “My Son / My Daughter, the Immigrant,” poses a more radical international transition.

This is the age of globalization, so what do they do about preparing to play on a much wider stage? How does a learner learn and behave so that, if they were to take this same test two years from now, they will have built their interest and aptitude for international work? Invite learners to create their own answers to this question by initiating a process of discovering how people registering high on all four indicators are shaping their lives. This can begin in the class and radiate beyond.

Here is a suggested exercise to stretch the context your learners wrap around their current and future labors. “Meet the Cosmopolites (World Citizens) Among Us”

1. Have learners complete the instrument in class or bring the results to class.
2. Identify the five most internationally ready members—those with high scores on two or more of the aspects of openness with no low scores.
3. Locate each of the five in different places in the classroom. They will be the subjects of informal ‘interviews’ by learners who cluster in equal numbers around each. (Five is an arbitrary number. There should be enough subjects to have only 3-4 people coming to them).
4. Clusters interview their top scorers with the assessment in view, so they may probe some factors more deeply to see what is behind it.
5. Encourage them to also capture reasons why their subject has both interest and aptitude for international work in addition to those on the instrument.
6. Suggest (or assign) learners to follow up by contacting at least one more person they know out in the community who would be willing to take the assessment, then talk about how they are achieving openness.
7. Suggest (or assign) learners to use the four aspects as a framework for developing a personal plan to build their interest and aptitude for working internationally.

AN ORGANIZATIONAL BEHAVIOR MOMENT
Managing in a Foreign Land (Page 114)

Suggested Discussion Questions

1. Just as Joe Spumonti wanted to promote one of his employees to the COO role, none seemed interested. What could Joe have done to arrive at this time with a choice between inside candidates and this outsider, Wolfgang Schmidt?
2. As Wolfgang intervened on many decisions that associates had previously been making themselves, he was meeting his own need to feel like he was in control. How might his German work and schooling influence this desire?
3. Wolfgang attributed unrest and loss of employees to lack of employee openness to new management methods. Try out his point of view and make a case that he is right. Can you?
4. Joe’s workforce had been with him a long time. Why did they not appeal to him directly to restore morale, rather than withdraw or leave?

5. It appears that Joe worked out the decision to add a layer of management between him and his people by himself. Were Joe to have practiced high-involvement management in creating the new COO position and hiring its first occupant, might the company be better off today?

6. Here is a suggested exercise to foster engagement.

**Bringing this case alive (by putting Spumonti, Inc. to “death”)**

1. Have your teams (or create small groups to) collaborate on writing an obituary for Spumonti, Inc.
2. The date on Spumonti, Inc’s obituary will be two years from the time this case takes place, when Joe is contemplating another pay raise.
3. You may show them samples of obituaries for real persons (names blanked out) to give them a sense of the style of writing.
4. Each team must include cause of death and something about who the bereft left company-less.
5. Ask a spokesperson from each team to read (or project) the obituary they created.
6. Engage the class in a discussion to compare the results, and more importantly, address this central question: *Was this death of a company once full of promise preventable or inevitable?*

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**DIGITAL SUPPLEMENT**

**Teaching Enhancements**

Aperian Global ([www.aperianglobal.com/about](http://www.aperianglobal.com/about)) is an instructive website which describes a company whose overall goal is to help individuals and organizations maintain success abroad. Their mission: “At Aperian Global, our Mission is to develop the capabilities of individuals, teams, and organizations to work effectively across cultures in order to create a sustainable global future.”

Have students review the website paying particular attention to the various e-Learning features in the Web Tools section. Students should be directed to such features as, “Global Collaboration,” “The Collaboration Toolkit,” and “Start.”

Then have students go to the main menu of Aperian Global and go to the Careers section, looking for Internships. Begin a classroom discussion which asks students to consider such an internship. The main question might be: Do the students’ skill sets match those advertised for the internship? For that matter, have them look for other jobs at Aperian Global. What kinds of skill sets is Aperian Global looking for? Do the students have the skill set to be hired in these positions? If the student were able to obtain such an internship, how might such an internship add to their “valuable,” “rare,” and “difficult to imitate talents?” (From Chapter 1 of the text).
EXPERIENCING STRATEGIC ORGANIZATIONAL BEHAVIOR: So You Want a Job Overseas

What’s it really like to work overseas? Multinational firms are always looking for good talent.

Have students go to YouTube and have them access the following videos or other YouTube videos they might find on working abroad.

Some of these include:
“Looking for work in Japan??”
“How to Start an International Business in Japan”
“Finding an International Job.”

These short videos and others, provide students with another perspective on international work. Have the students identify some of the unifying themes presented by these videos. What are some plusses and challenges of working in another country?

Lastly, what questions might the students have that are not answered by these videos? How real do the students think these videos might be?

TEAM EXERCISE
International Etiquette (Pages 114-115)

Teaching Enhancement
Here is another suggested version of this exercise that further animates this test of knowledge of international etiquette. It has e-learners on their feet, answering the questions in teams. This should be done “on the fly,” as they are most likely to be tested in real time, actually living such moments of potential embarrassment or worse.

Avoiding Cultural Blind Alleys

1. This version starts with groups of four or five assembled at the far end of the room from where the instructor stands. This is the starting place. The finish line is near the front, as marked by the instructor.
2. The room is divided in half by a visible line (marked by string, tape, or single row of chairs spaced apart).
3. One side is labeled TRUE. The other, FALSE. Signs can be put on the back or front walls. These constitute the two “alleys.”
4. The instructor holds the only copy of the questions and the scoring sheet. Questions are called out one at a time.
5. After the question is asked, the team huddles and decides which alley to occupy—true or false. They advance a step or two into that space. Other teams may or may not join them depending on their choice.
6. When the groups are all settled in their alleys, the instructor gives the correct answer.
7. The team(s) with the correct answer may advance by two normal steps. The teams in the wrong alley, the “blind alley,” take two normal steps back.
8. Anticipate that by the time all the questions have been answered, one or more of the teams may have gone up so many blind alleys that they do not arrive at the finish line. At least one team is likely to have tapped into sufficient collective multicultural knowledge to progress up the right alleys all the way to the front.

Answer Key:
   a. F
   b. F
   c. T
   d. T
   e. T
   f. T
   g. F
   h. T
   i. T
   j. F
   k. T
   l. F
   m. F
   n. T
   o. F
   p. F

WHOLE FOODS CRITICAL THINKING QUESTIONS
Chapter Three Connections: OB in a Global Context (pages 1-8)

1. How do you think globalization will affect Whole Foods over time? Please explain several ways it could affect the company’s operations.
   a. Suggested answer: Whole Foods is still mainly a domestic U.S. enterprise. Investors demand growth at a rate that worked during expansion to prime U.S. markets. It remains to be seen if this natural and organic foods specialization would be as exportable as have been the more tangible and universal products of Wal-Mart or Coca-Cola. Will there be populations in Europe or Asia like the core of Whole Foods shoppers in the United States who will pay higher prices for their select line of natural and organic goods and services? Or is their appeal limited to sectors of this country where community values and wherewithal to choose them over lower priced, conventional competitors have given them the rate of return enjoyed in past years? While many global companies based in the U.S. can import products made at cost lower than can be produced within the country, Whole Foods will be challenged to hold down prices on
products that either must be purchased locally for freshness or will be in keeping with their corporate mission to be socially and environmentally responsible. Further, its high-involvement management system attracts and holds high-caliber associates willing to work in teams to essentially run all store operations according to local values and levels of expertise. Will Whole Foods seek and find such a workforce in other countries? If so, will labor laws, customs, and cultures allow this unique system to take root? If not, would it still be Whole Foods, or only in name?

b. **Connection to chapter:** U.S consumers are now used to buying in a global economy. That is, they have many choices in retail food outlets, many of which have prices lower than what Whole Foods charges. An apple shipped from El Salvador to a chain market may cost less than the same kind of apple Whole Foods purchases locally. While it is hoped that the Whole Foods consumer would pay more in light of the much smaller “carbon footprint” and freshness of an apple that was not shipped thousands of miles, the comparative savings with the global apple can turn the tide against this business model. While there are new challenges, there are also opportunities in reaching a more globally minded customer base. For example, Whole Foods can develop product arrays that bring the tastes and food customs of the world to local shoppers. Whole Foods has learned how to run a multidomestic strategy with the country so that stores reflect the ethnic diversity of communities and neighborhoods where they open stores. Now, they could extend this strategic competence to opening stores in other countries. Finally, Whole Foods must constantly innovate to remain a front runner in their niche. Their operational and product ideas rise mainly from their associates in the stores. Can these people, selected for their knowledge and ability to run a store in an Eastern U.S. state, provide ideas that keep Whole Foods competitive with businesses led by people with more international experience and scope of mind?
CHAPTER 4
LEARNING AND PERCEPTION

EXPLORING BEHAVIOR IN ACTION
The Strategic Importance of Learning and Perception (pages 131-133)

Suggested Discussion Questions

1. VF Corporation has launched a new growth plan to expand its apparel manufacturing business both in North Carolina and at VF Asia LTD. The plan focuses on six Growth Drivers. How have these Growth Drivers affected VF Corporation in the United States?

2. VF Asia Ltd. is a subsidiary of VF Corporation. How did Tommy Lo guide these learning and development efforts in Hong Kong?

3. Initially there was concern that the Growth Drivers would negatively impact retention of employees. How have the Growth Drivers positively affected the retention rate of employees? What accounts for these changes?

4. How was the training of employees linked between those in the United States and those in Asia?

5. The global nature of this company makes consistency of training difficult. What evidence was there that the training efforts by the managers were successful?

Knowledge Objectives

After reading this chapter, learners should be able to:

1. Describe the effects on learning of positive reinforcement, negative reinforcement, punishment, and extinction.

2. Discuss continuous and intermittent schedules of reinforcement.

3. Explain how principles of learning can be used to train newcomers as well as to modify the behavior of existing associates.

4. Describe the conditions under which adults learn, in addition to rewards and punishments.

5. Describe some specific methods that organizations use to train associates.

6. Discuss learning from failure.

7. Identify typical problems in accurately perceiving others and solutions to those problems.

8. Explain the complexities of causal attributions and task perception.
Teaching Point on Knowledge Objectives

Teach personal responsibility for learning. Right now, you are teaching. Students are learning. You own the teaching process. They own the learning process. As learning process owners, they are responsible and accountable first to themselves, then to others, for the quality of their perceptivity and lessons learned. As owner of the teaching process, you are responsible for the quality of the tasks and educational context you craft for their learning. Together, you are drawing upon this chapter to realize how people must learn and grow at the accelerating speed of global business. The Learning and Perception Knowledge Objectives can be internalized by learners as a strategic framework for keeping themselves well employed. These same objectives can be translated into guidance for managerial behavior. Ask learners to think of managing as a practical form of teaching done in real time in the “real world.” In this vein, they become owners of the teaching process. Their educative purpose as managers is to create and sustain a structure and conditions in the workplace highly conducive to the job of learning done by associates. This collaboration of process owners (teaching and learning) continually raises the value of human capital just as you would have them appreciate their personal capital in this course.

Honing a Strategic OB Prospect

Learning and Perception

Prospect means something presented to the eye, a scene. Perception is the condition of being aware. Learning is done to obtain knowledge or awareness of something not known before, as through observation or study. Accordingly, your learners are building a strategic OB prospect by concurrently reading and discussing concepts of learning and perception in class. Learners are making themselves aware of how these OB concepts are alive in all the observable organizational behaviors they encounter in their everyday worlds. Previous to enrolling in your course, learners may have been somewhat unaware of what OB literature has to offer. They could be aware of puzzling or intriguing issues of human dynamics, but had not yet acquired research-generated names for what they otherwise perceived as the sense they made of all things organizational. A purpose of this text is to aid their learning to name these dynamics and their strategic impact on organizational behavior. Think of what it means to the competitiveness of an organization to have each of its members continuously sharpening their own perceptions for greater accuracy and sensitivity. The stock of their human capital rises, as they create theory-enriched, pragmatic knowledge of what works to bring a strategy to life in every transaction of work.
Suggested Discussion Questions

1. Here is a tragically lethal moment, when the pilot thought he knew all he needed to know to land the plane, and did not. He believed a senior officer knows better than a subordinate in conditions of uncertainty. How did this make him a victim of his own Korean culturally reinforced superior over subordinate authority?

2. The co-pilot’s fear of his boss killed him and all others on board. Yet, this was how Korean Air previously ran on-the-job training. While he might have been learning to be responsible for his own learning, testing it out with his “teacher,” his fear “flunked” them all. Could there be fear of punishment stifling learning in this course right now?

3. This is a vivid example of an authoritarian, punishment-driven culture and how it leads to abuses that quash the impulse to teach and to learn. If all people in organizations must learn from experience to change the organization’s competitive behavior, why would this style of leadership be tolerated and sustained?

4. Punishment introduces a negative consequence for behaviors those with the authority to punish wish to extinguish. Why would this pilot, and people who act like him, want to extinguish the act of questioning what is happening?

5. Breaking this “kick the dog” mentality has earned Korean Air a stable safety record and made a Russian oil company profitable. How would you characterize the opposite mentality that makes learning work?

Suggested Discussion Questions and Enhancement

1. The physical properties and assets of Ritz-Carlton hotels surely account for much of their reputation for high quality; yet, they place priority on continually developing their human capital. How does this assure top quality which is only suggested by a guest’s physical surroundings?

2. All Ritz-Carlton associates are constantly trained. Why? Is it a matter of training until everyone finally “gets it right”? Or is there a deeper process of organizational learning that drives training?

3. When an associate is certified to have mastered a job, is that the pinnacle of expected performance? Or could there be an institutional expectation that Ritz-Carlton customers will always set the bar higher?

4. We read of these paragons of service excellence who strive to satisfy those few most able to afford luxuries. How do we translate these lessons to sectors where customers have less to spend and expect less in exchange?
5. Were you to want to have a career in hospitality, would you not aim to become one of their 32,000 associates? How might being such a training-intensive, tightly-networked company attract the best candidates for open positions?

6. **An Appetite for Training**: a suggested enhancing exercise follows up on Question # 5. We might assume that all your learners would prefer to go to work where training is continual and experienced in a multiplicity of ways. Are they, though? Perhaps many would admit to being tired of all this studying and would be ready to “just do the job.” Run this brief exercise for a spot check of one’s appetitive for training.
   a. Prepare by having four pictures (easily garnered as clip-art from the Web). (1) a small snack, like a single apple; (2) a plate with several snacks; (3) a larger plate with a small meal; and (4) several plates depicting several courses.
   b. Announce that each picture represents opportunity one could find in companies for training as part of the working life.
   c. Suggest that each of us has an appetite for being the recipient of training that, while it will change, will tell us right now how much we think we would really want in our work life going forward.
   d. Place a sign with each of the four numbers each in a corner of the room.
   e. Show each of the four pictures, instructing them to make a forced choice of one of the four that strikes them in this moment was their honest reaction to the question “Just how much training do you really feel you want and need to do a good job?”
   f. Have them line up in the room under sign of the “meal” for which they have an appetite.
   g. Give the four (if four) groups time to stand there and compare views on why they made this choice.
   h. Settle them back to their seats and interview the class to tease out some generalizations.

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**EXPERIENCING STRATEGIC ORGANIZATIONAL BEHAVIOR**

**Looks Matter in the Workplace**

Stereotypes come in all different sizes and shapes. When people have a preconceived notion about a certain group of people, stereotyping occurs. Common stereotypes typically focus on ethnicity, race, country of origin, gender, profession, and disabilities.


Did you know that attractive people earn 5% more in hourly pay than their average-looking colleagues, who earn 9% more per hour than their plainest-looking workers? (Morsch, p.1).
Further, managers need to keep in mind that first impressions matter. Your workplace and your employees can make a positive or negative impression within the first 10 seconds of a first encounter with a customer or client. Ariana Bianchi in “First Impressions: What Does Your Workplace Say About You?” (Bianchi, A. http://www.thehumanequation.com/en/news_rss/articles/2005/11_16_What_Does_Your_Workplace_Say_About_You.aspx) says that 55% of first impressions are based on overall appearance.

In groups have students discuss the following questions:

1. Should there be a Federal Law protecting people from discrimination due to unattractiveness?
2. Who determines attractiveness? How should attractiveness be defined in the workplace?
3. What kinds of responsibilities should managers have in ensuring that the workers under his supervision are attractive enough?
4. What should be done if the workers are not attractive? Is this a form of discrimination, why or why not?
5. Develop a set of guidelines which might be used to increase the likelihood that employees are presenting a positive impression in the workplace.

DIGITAL SUPPLEMENT

Experiencing Organizational Behavior: Can Perceptions Change?

With the election of the first African-American President, many African-Americans have expressed deep pride in Barack Obama’s election.


This podcast consists of an interview between William Raspberry (Retired Urban Affairs Columnist, Washington Post), Dr. Jelani Cobb (Department of History, Spelman College) and Professor Patricia Williams, (School of Law, Columbia University).

After students listen to the Podcast have them discuss the following:

1. The participants of the NPR podcast discuss whether Barack Obama is/or should be a role model for others to emulate. If this is true how do your students see him doing this?

2. Does President Obama have special responsibilities to the black community? Is it his personal responsibility to see that help is given to alleviate the poverty that many blacks experience?
3. If you agree that this responsibility is his, did John F. Kennedy have that same kind of responsibility to the Catholics in America as he was the first elected Catholic President?

4. Do you think stereotypes and perceptions of African-Americans will change with the election of Barack Obama?

Back to the Knowledge Objectives

Suggested Answers

1. (a) **Explain the difference between negative reinforcement and punishment.** (b) **Give examples of how each process might be used by managers with their associates.**
   
a. Negative reinforcement is the removal of a previously encountered negative consequence following a behavior. Punishment is the presentation of negative consequences. (page 135).

b. Negative reinforcement would be taking an employee off probation to recognize improvement. Punishment would be reducing pay or suspending an associate. (page 135).

2. (a) **What are four intermittent schedules of reinforcement?** (b) **Give an example of how each schedule might be used by managers with their associates.**
   
a. **Fixed Interval.** With this schedule, a reinforcement becomes available only after a fixed period has passed since previous reinforcement. (page 138).
   
i. An associate at an airport car rental counter might receive a dollar and praise for saying, “May I help you,” rather than using the grammatically incorrect, “Can I help you?”

b. **Variable Interval.** With this second schedule, a reinforcement becomes available after a variable period has passed since previous reinforcement. (page 139).
   
i. The manager in a car rental agency might listen for and reward the desired greeting one hour after the previous reinforcement, again after one-half hour, and then again after three hours.

c. **Fixed Ratio.** With this third reinforcement schedule, a reinforcer is introduced after the desired behavior occurs a fixed number of times. (page 139).
   
i. The manager in the car rental agency might listen closely to all of the greetings used by a given associate and reward the desired greeting every third time it is used.

d. **Variable Ratio.** With our final schedule, a reinforcement is introduced after the desired behavior occurs a variable number of times. (page 139).
   
i. The car rental manager may listen closely all day to the greetings but, due to money and time constraints, reward only the first, the
fifth, the eighth, the fifteenth, the seventeenth desired greeting, and so on.

3. Explain how an instructor might effectively apply OB Mod in the classroom.
   a. OB Mod has as its basic goal the improvement of task performance through positive reinforcement of desirable behaviors and elimination of reinforcers that support undesirable behaviors. (page 142).
   b. The instructor can lay out a set of tasks for each learning module. Each task will specify standards of performance and the reward for successful completion to be applied toward earning a final grade. When students miss deadlines, skip criteria, or barely meet standards, the instructor will reject the task and the learner will not receive the reward. Strict adherence to this policy will discourage the spread of the presumption that one can just get by.

4. What can an organization do to promote learning from failure?
   a. Sustain a culture that:
      i. treats mistakes as opportunities to learn
      ii. fosters free and easy interactions among associates and managers
      iii. encourages taking risks to try innovative ideas (page 146).
   b. Manage social conditions so that:
      i. associates know why they are learning what they are learning
      ii. associates value their own direct experience as the basis for learning
      iii. associates have ample opportunity to practice what they are learning
   c. Link all performance objectives of the organization to learning/training objectives and reward learning accordingly.

5. What can an organization do to train people to deal with complex and novel problems?
   a. Simulate the situation as a dynamic system, so that causes may be discovered. (page 146).
   b. Run OB Mod programs to gradually lead associates from known and certain realities to discover novel answers that resolve uncertainties.

6. What are implicit person theories and the halo effect? How can an individual overcome these mistakes?
   a. These are personal theories created and held by an individual about what personality traits and abilities occur together and how these attributes are manifested in behavior. (page 152).
   b. Make oneself aware of the fallacy of entity theory (that traits and abilities are hard-wired and cannot change).
c. Make oneself aware of incremental theory (that skills and abilities can change and develop).

d. Recognize that any theory—personal or acquired from external source—serves as a means to organize one’s thoughts to make sense of a matter at hand. Inquiry starts with one theory and ends with how it comes out next.

7. Give an example of a situation in which you attributed someone’s behavior to internal or external factors? What influenced the attribution?

a. A situation for internal attribution would stem from a claim that one’s personality, attitude, and/or abilities are the cause of success or failure.
   i. Example: “Joe always leaves the customer feeling like he is upset about being interrupted from his “real work.”

b. A situation for external attribution would stem from a claim that the problem is due to factors beyond one’s control such as a budget cut, an unexpected bad break on price, or a change in CEOs.
   i. Example: “Here we go again, over budget and on the new boss’s ‘hit list.’ That supplier should be on his list. They jacked up the price on us.”

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**Teaching Points on Knowledge Objectives**

Teach root cause. A root is an essential part or element. To be a cause is to be a producer of an effect, result, or consequence. No matter what happens outside of human experience, it has to be perceived to have an effect on individual or collected behavior. Accordingly, learners are root causes of organizational behavior in practice. Managing organizational behavior is focused on acquiring, developing, and applying the skills of people. These Knowledge Objectives may well be among the most important in your course. Your learners are the people whose skills are to be acquired, developed, and applied by their employing organizations. Their skills cannot be detached from the unique, thinking, feeling, constantly learning persons that they are. The scope and depth of their awareness determines the boundaries of an organization’s total awareness of its internal and external conditions. It comes out as enacted knowledge. Qualities of the knowledge learners will create and put into practice adds value to the strategic supply of human capital. Learners will be doing their fair share of learning for the organization. To not learn well is to let the organization down. Thus, the better the individual learner comes to understand how she or he learns best (meta-learning), the greater their value to the organization. This is the manager’s concern, for those being managed are applying skills along the front lines of production and service to accomplish strategic purposes.
Source Waters

Perceiving is believing (as in “seeing is believing”). It is the strategic leader’s ethical responsibility to have clear, well-substantiated, modifiable beliefs about organizational behaviors they and others cause. Think of the damage that misunderstandings from misperceptions do each moment of every workday all across the globe. Damage spreads from two people erroneously believing the other is in the wrong all the way through to splitting an entire organization. Perhaps they have not thought of continuously improving the quality of their workplace learning as an ethical obligation. It is so because perceptions form beliefs. Assumptions bloom from beliefs. Rules for framing and making decisions are drawn from assumptions about the matter in question. Actions ensue. Good or bad things happen. Each learner/associate/manager is a responsible or irresponsible source of those bad or good things. Apperception is the process of understanding by which newly observed qualities of an object are related to past experience. Past behaviors are stitched to new behaviors lesson by lesson. Managers build organizational conditions which foster or thwart responsible apperception.

Here is an original exercise entitled “Source Waters,” suggesting for us how to bring this ethical prospect to life.

1. A source is a point of origin like a body of water, a spring or lake from which a river originates. One’s accumulated knowledge is like this.
2. Events in the life of an organization flow, as does a river. Most events inside an organization are social in nature. They spring from the body of behavior, emerging from moment to moment interactions of people as they transact the organization’s business. Thus, people acting on their beliefs are points of origin of events that shape the history and future of an organization.
3. A river ecologist takes a sample from the waters of a river that is miles downstream from the source. Traces of those originating waters are to be found commingled with other elements picked along the way.
4. An “OB ecologist” (if there were such a role) takes a sample from the current events of an organization, days down the stream of time from when persons acted to change the relationship of that organization to its environment. Traces of that originating behavior, and the assumptions and beliefs of the source person(s), can be found commingled with those picked up and sustained conversations occurring along the way.
5. Learners in this exercise become OB Ecologists. Their mission is to find traces of originating behaviors in situations (intriguing samples of organizational life). They are looking for signs of observed actions after which things changed (for the better or for the worse). Who was or were most closely associated with those event-precipitating actions?
6. The core question is, “What must they have been thinking at the time?” Underlying this is the question, “What must they have perceived that made them believe this was the right line of thought and course of action?” Retrospectively,
was there sufficiently clear and substantiated understanding for anticipating the downstream, organizational consequences of actions?

7. These OB samples may be taken from nearly any body of evidence that is handy to the class. The best ones are recent, occurring within the learners’ direct experience, and where those who were acting as “source waters” in the situations may be found and interviewed.

8. A suggested experiential learning assignment is that each learner will identify a situation close at hand, in their school, work, or home life, where they may reach and talk with those there at the onset.

9. This is not to place blame, if the situation chosen is problematic, or give credit, if the situation is unusually positive. They are to explore the quality of perceptions at that time. Was there sufficient information? Was there enough time to think through what was occurring and what might follow? Was there undue fear of punishment?

10. Alternatively, learners may use their imaginations to figure out who were sources of events in the news or in cases readily available in this text or from the instructor’s case files. One such readily available case is, “It’s Just a Matter of Timing,” the Strategic OB Moment at the end of this chapter. (pages 161-162).

11. Learners may bring written or oral reports of their findings to their classmates to compare, contrast, and discuss for ethical implications.

**Key Terms**

**continuous reinforcement**  A reinforcement schedule in which a reward occurs after each instance of a behavior or set of behaviors.  (page 137).

**extinction**  A reinforcement contingency in which a behavior is followed by the absence of a previously encountered positive consequence, thereby reducing the likelihood that the behavior will be repeated in the same or similar situations.  (page 136).

**fundamental attribution error**  A perception problem in which an individual is too likely to attribute the behavior of others to internal rather than external causes.  (page 156).

**halo effect**  A perception problem in which an individual assesses a person positively or negatively in all situations based on an existing general assessment of the person.  (page 152).

**implicit person theories**  Personal theories about what personality traits and abilities occur together and how these attributes are manifested in behavior.  (page 152).

**intermittent reinforcement**  A reinforcement schedule in which a reward does not occur after each instance of a behavior or set of behaviors.  (page 137).
**learning** A process through which individuals change their relatively permanent behavior based on positive or negative experiences in a situation. (page 133).

**negative reinforcement** A reinforcement contingency in which a behavior is followed by the withdrawal of a previously encountered negative consequence, thereby increasing the likelihood that the behavior will be repeated in the same or similar situations. (page 135).

**OB Mod** A formal procedure focused on improving task performance through positive reinforcement of desired behaviors and extinction of undesired behaviors. (page 142).

**operant conditioning theory** An explanation for consequence-based learning that assumes learning results from simple conditioning and that higher mental functioning is irrelevant. (page 134).

**perception** A process that involves sensing various aspects of a person, task, or event, and forming impressions based on selected inputs. (page 148).

**positive reinforcement** A reinforcement contingency in which a behavior is followed by a positive consequence, thereby increasing the likelihood that the behavior will be repeated in the same or similar situations. (page 135).

**projecting** A perception problem in which an individual assumes that others share his or her values and beliefs. (page 152).

**punishment** A reinforcement contingency in which a behavior is followed by a negative consequence, thereby reducing the likelihood that the behavior will be repeated in the same or similar situations. (page 135).

**self-efficacy** An individual’s belief that he or she will be able to perform a specific task in a given situation. (page 140).

**self-serving bias** A perception problem in which an individual is too likely to attribute the failure of others to internal causes and the successes of others to external causes, whereas the same individual will be too likely to attribute his own failure to external causes and his own successes to internal causes. (page 156).

**simulation** A representation of a real system that allows associates and managers to try various actions and receive feedback on the consequences of those actions. (page 146).

**social learning theory** An explanation for consequence-based learning that acknowledges the higher mental functioning of human beings and the role such functioning can play in learning. (page 134).
stereotyping  A perception problem in which an individual bases perceptions about members of a group on a generalized set of beliefs about the characteristics of a group of individuals. (page 152).

Teaching Point on Key Terms

Teach hearing voices. Ask learners to think of these Key Terms as voices arising in experience, a play on the phrase “listen to the voice of experience talking.” Chapter Four OB concepts are “voicing” what they should notice that instigates or quashes learning in the course of their workday. This is an application of social learning theory, in that they are hearing indirectly from people who have researched learning and perception and are speaking through this textbook about what they know to be theoretically true. By hearing these remembered concepts as they perform daily tasks, learners find out for themselves how they make their perceptions more acute and deepen their understanding of this complex subject. Conventional thinking might relegate this material to something mainly pertaining to training and other school-like situations. Learning refers to changes one makes in one’s own behavior because of any unsettling-resettling experience. Working learners become aware of novelty in the flow of organizational behavior and accept this as another moment to create fresh knowledge for the operation and strategy of their organization. Novelty signals the momentous limit of one’s knowledge. Hearing the “voicing” of these terms in their minds, remembering stereotyping or logical error, for example, fuels and accelerates the learning process. Owners of the learning process should own the language and tools of learning, so that, along with their managers, they may control the means for continuously improving their own knowledge and skill.

BUILDING YOUR HUMAN CAPITAL

Assessment of Approaches Used to Handle Difficult Learning Situations (pages 160-161)

Teaching Enhancement

Applying this assessment, learners will notice a tendency in their generally preferred way of handling difficult learning situations. Are there some who scored on the extremes, where they have been told in the instructions that decisions made with high or low private reflection? Are others uncertain of what it means to score somewhere in the middle? Learners have availed themselves of this opportunity to learn more about themselves as learners. Here is a teaching opportunity. Make the somewhat awkward experience of revealing these scores to their classmates the object of this quick test.

1. **Show ‘n Tell?** This is a brief teaching enhancement, so titled because revealing their scores on this assessment is the open question.
2. Have them score the instrument in class or bring their scores with them to class.
3. Point out that the very experience of doing this assessment of their approaches to difficult learning situations creates a difficult learning situation.

4. Tell them that they have about three minutes to decide if you should collect and display those scores with the names of the learners next to each, or keep them private. The purpose of displaying the scores is to stimulate dialogue. If they keep them private, how would they suggest dialogue should be focused?

5. Do not put them in teams or give them any directions as to how to go about making up their minds, except to state firmly that you are not going to be interacting with them about this until after you call “time.” The reason for this is to see who sits and thinks quietly and who immediately starts kicking this question around with people around them.

6. Rather than go ahead and poll the class on how they prefer the scores to be treated, after time is called, make them aware of how they actually went about framing their own learning on this matter. Do they lean toward high private reflection and think alone or toward low private reflection and want to talk it over?

7. You may choose not to take it further, having taught something of the meaning of what this assessment samples. Alternatively, you may do with the scores what the consensus of the class asks.

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**A STRATEGIC ORGANIZATIONAL BEHAVIOR MOMENT**

It’s Just a Matter of Timing (pages 161-162)

**Suggest Discussion Questions and Enhancement**

1. This is a moment in Teresa’s work life when her boss taught her a lesson, “It’s just a matter of timing.” Not just the timing of payments and payouts that Teresa had learned to put into profitable balance, this is a lesson in Vegas Brown’s character. How is this a moment, when Teresa teaches herself, her boss, and her new husband, a disturbing lesson about her beliefs?

2. When Teresa discovered early in this new role that Vegas was not bothered by the worsening cash position of the firm’s finances, she taught herself and him the first major lesson. Her misgivings were not strong enough. Why not?

3. She (and Vegas) learned that she would be the sort of person who would roll up her sleeves, learn the root cause(s) of the dilemma and institute proper solutions. She seems also to be teaching her boss that his own belief that he can outsell jobs at the speed by which creditors would be paid is not that cause. It could be remedied with accounting practices. Had she led her boss to change this assumption, how might things have turned out?

4. Vegas Brown’s insistence that she draw on the company’s funds to give him the $20,000 down payment should have renewed her misgivings about this fellow and sent them soaring. Therefore, it did. Even if this could be couched as a $20,000 payment of salary, it bordered on using the company as his personal piggybank, which could lead to incarceration. Would learners find this to be usual behaviors of small business owners?
5. “Quit if you want. I’m going to buy the house,” was teaching Teresa a powerful lesson. That praise and raise he gave her was a superficial gesture. He would have his way or punish her. Yet, he does not tell her that she is fired. Why not?

6. Teresa sits at home that night, stomach in knots, deciding if she will quit or give Brown what he wants—a financial officer who needs this job more than her integrity. Is this so?

7. We may assume that Teresa has not acted upon her ultimatum to quit and create a mini-exercise to draw learners into her learning dilemma. Here is a suggested way to involve your learners in this moment, using an original exercise called, “When Teresa wavers.”

   b. Give them 5 – 10 minutes to weigh Teresa’s three main choices:
      i. Follow through on quitting in the morning, but not until she has made sure she has independent verification that the she left the books in Brown’s hands with the proper $6,000 balance.
      ii. Stay; write the check for $20,000 and keep on working the system to make up the deficit.
      iii. Stay, stand her ground in refusing to write the check, and present him with a favorable and more ethical alternative to raising the down payment. She was, after all, a bank loan officer in her prior job.
   c. Yes, there may be other options for Teresa that you and or the class can visualize, but factor in her troubled emotional state. Assume she wants resolution and to move forward so greatly that these are the only choices that she will entertain.
   d. Rather than have teams come to consensus to choose one of these options, conduct a paper ballot, numbering the options 1, 2, and 3.
   e. When you know the results, ask for two volunteers to step out in the hall for a moment. Have one play Teresa and the other Vegas. Tell them which option won the majority of votes and ask them to come into the room and do a brief role play of this scene to take place in Vegas’ office that morning after the confrontation.
   f. Lead the class in discussing this outcome. Were they surprised at the choice? Do they think it is best for Teresa in the longer run? For the interior decorating firm? For Brown?
   g. Vegas Brown seems to feel his responsibility is to teach his still new associate a lesson in small, private business ownership. Instead, she is learning a deeper lesson about herself as a business professional. Your learners will face many such moments. They may remember the look on Teresa’s face, when the person playing her carried out the will of the class.
Enhancement

1. Teams develop and apply criteria upon which to base their selection. Here is a suggested framework for their deliberations.
2. This exercise is aptly titled, “Best Bet.” High Tech International is gambling that the manager sent to this training program will be the one more likely to return changed by the experience.
3. Learning is a process through which a person changes one’s behavior based upon positive or negative experiences in a situation.
4. For whom will this national training program be the most positive experience? Returning from a highly positive experience, the manager is likely to make the company’s bet pay off.
5. Conversely, for whom might this program be the most negative experience? If it is a negative experience, the returning manager, changed for worse, not better, may perform less well than had she or he not gone to the training.
6. This program offers extensive personal and professional assessment. Who is most ready to learn a great deal about his or herself? This person will bring enhanced self-knowledge into the next period of service to High Tech International.
7. Each would return to running, or soon to run, operations in the company. Which operation would be harmed the most if High Tech International bets on the wrong manager?
8. Which operation would benefit the company most by a strengthened managership?
9. Gerry will be expected to perform at a higher level as vice president for marketing, just one month after she would return. Her wedding would precede the training by just a month, but it is a positive event. Marketing is a highly strategic function that is about to undergo a changing of the guards. Slippage here could cost sales momentum and direction. It looks like Gerry is a safe bet. Or is she?
10. John is still new to his first major management role. He is presiding over wrenching changes in the production function. He may be suffering from loss of confidence, given declines in productivity and morale. He would need to learn new ways to turn himself and the operation around to keep customers and good employees. This could be just the boost John (and production) needs. On the other hand, will he view it as being sent for remediation?
11. Bill has hit some sort of wall. Is it all his personal life? Are there complications in Foreign Operations that exceed his current range of knowledge and confidence? Will sending Bill to this program salvage a future division president? Or, is he already so discouraged by his family and health problems that this is no longer his goal?
12. There is no obvious right answer to this case. The optimal situation would be to send the manager who is most open to learning difficult self lessons. Her or his
changed leadership behavior will occur in one of the company’s most critical
functions. This sounds like Gerry. What do you think?

13. Some ways to extend the exercise are suggested next.
   a. What if none of the three were sent? Ask the groups to contemplate how
      work life would go on for each of the three managers. Would they or the
      organizations that manage be any worse off? Possibly, better off?
   b. What might be the best-case scenario for Gerry, John, or Bill over the next
      six months, if he or she attends? What will the groups say?
   c. What might be the worst case scenario for each over the next six months,
      if he or she attends? What will the groups say?

WHOLE FOODS CASE CRITICAL THINKING QUESTIONS
Chapter Four Connections: Learning and Perception (pages 1-8)

1. To what extent do you think training and associate learning would be more
   important for Whole Foods compared to other grocery stores?
   a. Suggested answer: Satisfying and delighting customers is one of the five
      Whole Foods core values that sets them above the competition. Associate
      presence with customers is the keystone of customer experience. They must
      be trained to perform what works best thus far to uphold the higher
      expectations promised as the Whole Food brand. Other grocery stores
      can and do set up sections to sell natural and organic food products of
      comparable quality. Whole Food teams are supported to excel at
      creating the promised extraordinary customer experience. Front line
      associates are the first to learn about and from customer behaviors and
      communications. Thus, they must be engaged in constant training to
      complete the loop to enact innovations learned via customer contact.
      Knowing they make a positive difference each day at work, Whole Foods
      associates present customers with genuinely happy countenances. Do we
      see these in other grocery stores?
   b. Connection to the chapter: Whole Foods teams are designed for optimal
      learning and heightened perception. Associates wrap their attention and
      minds around 13 critical areas of store operation. Each team is
      empowered to experiment with the resources at hand to enhance customer
      satisfaction. Promoting their brand as the leading retail source of high
      quality natural and organic food products calls upon every associate to be
      ready to answer any customer question. Social learning is prominent in
      this design, for much of that which is learned in experience is rapidly
      taught across the teams and stores. At the broader level of associate
      knowledge, each must know how the business works. It is an Open Book
      company, so they are obliged to have the financial and business acumen to
      assess how their team is contributing to profitable company performance.
      Highly decentralized self-managed teams must rely upon their own
      collective knowledge of what to do tactically and strategically. Managers
      support this critical learning; they do not supplant it, as may be the case in
more hierarchical grocery businesses. A workforce of energetic working learners gives Whole Foods its competitive edge.

2. What type of perceptual problems on the part of associates and the public may have resulted from the scandal regarding John Mackey’s blog activities?
   a. Associate trust of their CEO would be strong, given the trust in them he imbued in the organizational design and culture of Whole Foods. Thus, when news broke about Mackey’s blog activity, it likely strained but did not break this bond with associates. Yes, Mackey and Whole Foods have been lauded for ethical and social leadership, so the credibility gap within and without was wider than otherwise might happen. Still, Whole Foods’ buying public relates directly with their local Whole Foods people. As long as they keep the promises they make each day the stores open, this blog event will have little impact. The investment community and SEC, upon which Whole Foods depends for capital and an attractive stock price, can do more than harm its image. John Mackey’s odd lack of good sense in this matter could end up undermining years of gains by otherwise exemplary performance.
   b. Connection to the chapter: Every culture has its emblematic leader. John Mackey, as founder and still CEO, fills this role for Whole Foods. Associates key their perceptions of right and best ways to act upon their leaders. In this flat, highly transparent organization, associates can see their boss and take their cues from his words and deeds. When he challenged the trend of executive compensation at several hundred times the rate of the lowest paid employee by setting the ration at 19:1 and taking a dollar a year for himself, it must have encouraged associates to believe in their worth to the business. We do not know what Mackey said to his associates about his odd misdeeds, but it was critical to them moving forward that they fully understand this situation. It is they who would be asked to account for their boss by daily shoppers who are current with business news. It is moments like this, when the most important knowledge of associates is tested. Do they still believe in their leadership and the core values of the company? If belief is lost, they may still go through the motions, but perceptive customers will notice the loss.
CHAPTER 5
PERSONALITY, INTELLIGENCE, ATTITUDES, AND EMOTIONS

EXPLORING BEHAVIOR IN ACTION
I Know She’s Smart and Accomplished… But Does She Have “Personality”? (pages 167-168)

Suggested Discussion Questions

1. How do you feel about having your answers to a few questions on a personality test determine if you get the job or not?
2. Why do 30% of those companies surveyed use personality tests to read personality, and is testing of this sort “taking the employment field by storm”? Beyond the reason given—to assess temperament—what might they believe these tests do that cannot be found without them?
3. The claim is that we each have a personality profile that is revealed by testing. What might you put down on paper in your own words as your profile prior to taking such a test?
4. Consider the possibility that some of those who are succeeding in an organization and helping all succeed would have been ruled out of being hired by the same test that is now in use. What might this mean?
5. It is said here that people are being selected for compatibility with the culture of the company. Are people’s personalities the source or product of a company culture? Or both?
6. Personality tests produce a profile of the individual’s mix of attributes. How might you, as a potential associate, go about learning a company’s “personality” that is compatible with your own?
7. It has been said that President Obama is “in control” of his emotions and that he portrays a cool and controlled exterior. Would you want to work for such a person? Why or why not? Do you know anyone who you would consider “in control” of his or her emotions.

Knowledge Objectives

After reading this chapter, learners should be able to:

1. Define personality and explain the basic nature of personality traits.
2. Describe the Big Five personality traits, with particular emphasis on the relationship with job performance, success on teams, and job satisfaction.
3. Discuss specific cognitive and motivational concepts of personality, including locus of control and achievement motivation.
4. Define intelligence and describe its role in the workplace.
5. Define an attitude and describe how attitudes are formed and how they can be changed.
6. Discuss the role of emotions in organizational behavior.
Honing a Strategic OB Prospect
The Strategic Importance of Personality, Intelligence, Attitudes, and Emotions (page 169)

*Competence* is the power to perform. It comes from within people, there to be harnessed (if they are willing) to power their organizations. Competence is more than knowledge and skill; it is an embodiment of the whole person in action—personality, intellect, attitudes, and emotions. Tapping this power is a memorable, strategic reason for hiring the best people; a reason for your learners to strive to *become* one of the best people hired in their unfolding business careers. Each person employed by Southwest Airlines, for example, competently powers that airline in ways that rival jet fuel for what keep Southwest flying profitably high. This happens while most of their underpowered competitors are making crash landings in bankruptcy courts. Competence can be withheld or given freely. In light of this, help your learners see clearly the strategic importance of motivation. People can and do choose to mute their competence, thereby reducing their share of the power of the team, the department, and the company to perform. They will undoubtedly observe this happening right in the teams of your class. When OB is a required course, there are majors from the business functions who may allow a prejudice against all this “soft stuff” to put a damper on their motivation to engage the material, support team exercises, and so forth. On the other hand, people can be inspired to even exceed what they and others believed were the limits of their competence for a given act or situation. These moments live on in the legends and lore of successful companies. Energizing a workforce is not just a feel-good thing. It is enormously practical. When the best person is hired for the job, it is only an educated guess and prediction that she will give her best every day. She will justify this prediction or disappoint, depending upon how she perceives her treatment by fellow associates, customers, and, particularly, her managers. Each person is a vital power cell. Strategic leaders know how and why to see that they stay happily connected to the whole.
Digital Supplement

Have your students go to http://www.blogsouthwest.com/media_image, click on Image Gallery and view two or three of the videos such as “Nutty stuff.” These videos are produced to share with the public the “personality” of Southwest Airlines.

Discussion questions: Ask your students to gather in groups of 4 or 5. Have them view the Southwest Airlines videos and answer the questions below. Focus on how Southwest Airline employees demonstrate their own personalities and how simultaneously they form the “personality” of the company.

1. After reviewing the “Nuts About Southwest Airlines” web site and their YouTube videos, would your personality and the portrayed Southwest “personality” be in sync? Why or why not?
2. You have been hired by Southwest Airlines to develop a set of questions to ask prospective employees. Based upon the videos you watched, what kinds of questions would you ask?
3. Of the Big Five traits, which ones would you look for in prospective employees? How would you know that these individuals had these traits?
4. Would an employee without those traits identified above, be happy at Southwest Airlines, why or why not?
5. Pick a video and describe what that video communicates about Southwest values as portrayed by their employees.

EXPERIENCING ORGANIZATIONAL BEHAVIOR
“I Have Ketchup in My Veins” (page 180)

Suggested Discussion Questions and Enhancement

1. How does this story of Patricia Harris’ long and successful career with McDonald’s Corporation impact your view of the company as a whole?
2. It is said that her sterling attributes would make Patricia Harris a desirable employee almost anywhere, yet her “passion” is for McDonald’s. What does it mean to be actually passionate about one’s company and the business it is?
3. Ms. Harris reached beyond her starting position at McDonald’s and took on one of the most difficult and (then) least supported roles—enforcing affirmative action. What if she had not done so and remained in a secretarial role? How might McDonald’s current state of inclusiveness be different, had she not been the one to provide enduring leadership?
4. Ms. Harris remains an avid student of diversity, regardless of her considerable expertise. What does her example teach us about finding a subject in our work life about which we could be as devoted as her?
5. Patricia Harris says of her job, “It’s who I am.” What sort of job do you envision for yourself that fits you so well that you are proud to say, “I am my job”?
It’s Not Who I Am:
1. A suggested way to animate question 5.
   a. This fast role play models the opposite of the close and agreeable fit between person and job in the Patricia Harris example.
   b. Ask your learners to identify the job they have held or the type they would avoid having that is least like how they want people to know them. Ask them to jot this job on a slip of paper. This will be, for the role play, the job the person playing applicant will be currently holding.
   c. Form pairs. Each will take a turn simulating a job interview for a company that the applicant strongly wishes to join. The job in consideration calls for a person strong in all five of the Big Five qualities.
   d. Have one start as an interviewer for the company by taking the paper from the other with no discussion. Ask the interviewer to notice her or his first impressions of the sort of person who would do this job.
   e. The interviewer’s task is to learn enough in a few brief moments of conversation with this applicant to overcome what is likely to be a negative impression.
   f. The applicant’s task is to convince the interviewer that this job is not who they are as a person, but without denigrating all those who do such work with pride.
   g. Call time and ask the pair to assess if and how they have moved off the starting point of connoting the person with the job.
   h. If time allows, have the pairs reverse roles and do it over, this time more sensitive to how it feels to be defined in the minds of others by the job that the applicant believes masks their true nature.

EXPERIENCING ORGANIZATIONAL BEHAVIOR
Intelligence and Intelligence Testing in the National Football League (pages 183-184)

Suggested Discussion Questions

1. It may come as a surprise to some learners that NFL teams have been using scores on an intelligence test since the 1970’s. Why is mental prowess important in a sport where physical prowess is the obvious reason to choose NFL players?
2. Teams place different levels of importance on intelligence tests. Since they have been used in these organizations for over 35 years, they must be predictive of successful playing to a degree that satisfies most users. What if research finds that there is barely any connection between intelligence levels and a player’s career record?
3. It is asked if a football player can be too smart. There is minor support to the answer “yes.” There is an intriguing contention that too smart players can improvise on the field and can be too argumentative with coaches off the field. Football is rather tightly controlled by plays and refereed rules. What sort of business conditions would cause managers to welcome “too smart” associates?
4. The display of average scores on standardized intelligence tests shows offensive tackles at 26/50 and halfbacks at 16/50. Why would the position of offensive tackle attract (or require) players of higher intelligence and the position of halfback lower?

5. Scores on this industry-standardized intelligence test are taken into account in deciding who gets to play professional football. Assuming that you may one day be asked to take an intelligence test used to screen out some applicants, what do you want to believe about the accuracy of the test and how it is interpreted by those hiring decision makers? Samples of questions and a Web address to see more are provided. Urge your learners to look them over and try some. This is not to self-test, but to have a better idea of how intelligence registers. How important is it for your learners to know their IQ score or scores before a potential employer does?

**Back to the Knowledge Objectives**

**Suggested Answers**

1. (a) What is meant by the term personality? (b) What key beliefs do psychologists traditionally hold about personality traits?
   a. Personality is a stable set of characteristics representing internal properties of an individual, which are reflected in behavioral tendencies across a variety of situations. (page 170).
   b. Key beliefs that psychologists traditionally hold are:
      i. Personality traits are individual psychological characteristics that are relatively enduring.
      ii. Personality traits are major determinants of one's behavior.
      iii. Personality traits influence one's behavior across a wide variety of situations.

2. (a) What are the Big Five traits? (b) How do they influence behavior and performance in the workplace? (c) Give an example of someone you know whose personality did not fit the job he or she had. This could be a person in an organization in which you worked, or a person from a school, club, or civic organization. What was the outcome? If you had been the individual’s manager, how would you have tried to improve the situation?
   a. The Big Five traits are: extraversion, conscientiousness, agreeableness, emotional stability, and openness to experience. (page 172).
   b. The learner will provide the answers to (b) and (c). Look for their use of one or more of the Big Five traits. Do they describe what personality style (or predominant trait) the job calls for? Is the outcome talked about in terms of what might have been, had there been a better fit? Moreover, does their solution for improving the situation go beyond simply firing and replacing the person? Do they consider changing the job design for a better fit, reassigning the person to a more fitting job, or helping the
person overcome their first inclinations to behave in their usual, but unsuited ways?

3. Describe a situation in which a manager’s or a friend’s locus of control, authoritarianism, self-monitoring, need for achievement, or approval motivation had an impact on your life. Hint: Learners should furnish this answer. Look for them defining their chosen personality motive correctly, preferably in their own words. Is the impact they describe clearly attributable to this behavior pattern?
   a. **Locus of control** refers to a person’s tendency to attribute the cause or control of events either to herself or to factors in the external environment. (page 177).
   b. **Authoritarianism** is the extent to which a person believes in conventional values, obedience to authority, and the legitimacy of power differences in society. (pages 177-178).
   c. **Self-monitoring** describes the degree to which a person attempts to present the image he or she thinks others want to see in a given situation. (page 178).
   d. **Need for achievement** is the strength of a person’s desire to perform in terms of a standard of excellence or to succeed in competitive situations. (pages 178-179).
   e. **Approval motivation** is the tendency for some people to present themselves in socially desirable ways when they are in evaluative situations. Such people are highly concerned about the approval of others. (page 179).

4. **(a) What is intelligence and (b) what is its effect in the workplace?**
   a. Intelligence is the general mental ability used in complex information processing. There are many areas of intelligence such as number aptitude, verbal comprehension, perceptual speed, spatial visualization, deductive and inductive reasoning, memory, and the more recently investigated emotional intelligence. There is strong agreement among researchers that a single, measurable general intelligence factor exists. (pages 181, 195-196).
   b. Evidence suggests that general intelligence is an important determinant of workplace performance and career success. The more the job requires complex information processing versus simple manual labor, the stronger the link to intelligence. (page 181).

5. **(a) How are attitudes similar to and different from personality? (b) How do attitudes form? (c) How can managers change attitudes in the workplace?**
   Assume that the target of the attitude cannot be changed (that is, the job, boss, technology, and so on cannot be changed). Be sure to address both persuasive communication and dissonance.
   a. An attitude is defined as a persistent tendency to feel and behave in a favorable or unfavorable way toward a specific person, object, or idea. (page 182). Personality is a set of stable characteristics representing
internal properties of an individual. (page 170). Attitudes are similar in that they form one of the stable characteristics of personality. They differ in degree of stability. Attitudes are changeable and fluid, depending upon the subject. (page 185).

b. Attitudes may be learned as a result of direct experience with an object, person, or idea. Unfavorable experiences are likely to lead to unfavorable attitudes and favorable experiences to favorable attitudes. Attitudes may also form as the result of self-perception, where an individual behaves in a certain way and then concludes he has an attitude that matches the behavior. Finally, attitudes may form on the basis of a need for consistency. We tend to form attitudes that are consistent with our existing attitudes. (pages 185-187).

c. Attitudes may change through exposure to persuasive communications or cognitive dissonance. Persuasive communication has four important elements: the communicator, message, situation, and target. (pages 190-191). Dissonance refers to inconsistencies between attitude and behavior. Under certain conditions, a behavior that is inconsistent with an existing attitude causes the attitude to change. Key conditions include (1) the behavior being substantially inconsistent with the attitude, (2) the behavior causing harm or being negative for someone, and (3) the behavior being voluntary or perceived as voluntary. (page 191).

6. What is the relationship between emotions and attitudes? Describe the emotions displayed by a past or current boss and explain how those emotions affected your job.

a. Emotions are complex subjective reactions that have both a physical and mental component. (page 193).

b. Attitude is a persistent tendency to feel and behave in a favorable or unfavorable way toward a specific person, object, or idea. (page 182).

c. It may be that learners will think first of a boss whose emotions trended toward the negative, thereby triggering negative emotions in the learner. Or, a boss whose emotional intelligence is reflected in a stream of more positive reactions by the learner may come to mind. Either way, a persisting relationship with this boss is shaping one’s attitude toward one’s self, the boss, the job, even the whole company.
Teaching Point on Knowledge Objectives

Teach social bond. Help your learners understand that interacting with fellow associates, managers, and customers generates much of their self-identity and their identifying in organizations. Frequent, trouble-free interactions form bonds that unite people. Troubled interactions weaken or break the bonds needed to keep people working together to achieve goals held in common, ultimately the strategic goals of the organization. This chapter interprets fundamental ways, rooted in their unique values and attitudes, that people are attracted to or repelled by each other. Emotional energies seem to be the source of human behavior that attracts or repels. Each learner is responsible, to the fullest extent possible, for managing his or her outlook or attitude about others to sustain the attraction. It is also an opportunity for learners to contemplate how they come across to others. Are they viewed as reliable, committed, and trustworthy? Do they value what their organization values? Their intelligence may be masked by feelings of isolation or being undervalued. We have learned from research in high-performance teams that talents shine best when the bonds among collaborators are strongest.

Additional Material on Ethics

Telling Heroes, Heroines, and Role Models

Heroes, heroines and role models are people who become known for their special achievements, courageous acts, or nobility of purpose. Learners may hone in on the ethics of intelligence, attitudes, and emotions by considering their own heroes, heroines, and role models. What qualities in such persons do they tend to most admire and wish to emulate? They may also gain insight into the prevailing nature of managerial ethics of an organization by taking note of those identified in the culture as “heroes,” or those individuals to emulate. Is the “take no prisoners” salesperson a local hero in the sales organization they may join one day?

Here is an original exercise entitled, “Telling Heroes and Heroines,” which may be used to stir learner imaginations about this material.

1. It is safe to assume that today’s collegiate learners have viewed an enormous amount of movies and television programs. The main task in this exercise is for learners to create two lists of heroes who come easily to mind when asked to reflect on their entertainment histories.
2. One list is of 3 – 5 movie and/or television heroes and heroines with whom they most closely identify, jotting down a note on each about the most admirable quality or trait.
3. The other list is of 3 – 5 movie and/or television stories in which organizations play a lead role, for example Law and Order (NBC), Prime Suspect (PBS), Lost (ABC), or The Wire (HBO). Specifically, the list should name (or approximate
the name, if memory does not serve well in the moment) someone who serves as a role model to them in that organization.

4. These lists can be made on the spot, at the start of this exercise, or assigned in advance to conserve time for interaction.

5. Ask learners to print the name of each of the five heroes and heroines from each list on separate flash cards or sheets of paper. There would be a set of five for Personal Heroes and Heroines and a set of five for Organization Heroes and their identifying organizations.

6. Form groups of 4 or 5.

7. Instruct the groups to take turns having each member reveal a Personal Hero and make a brief statement of why this person stands out in memory. Members may make comments and ask questions before moving to the next person, then the next. There should be three rounds of this turn-taking activity. Then, the group is asked to address this general question: Is there a pattern in our choices of personal heroes, heroines, and role models that tells us something about our own values and attitudes toward people? What might they do with this knowledge?

8. Next, instruct the groups to take turns revealing and discussing their Organization Heroes, Heroines, and role models. Then, ask the groups to address this general question: What do organizational heroes and heroines tell us about the sort of people most likely to get ahead in those cultures? What might they do with this knowledge?

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**Key Terms**

**achievement motivation** The degree to which an individual desires to perform in terms of a standard of excellence or to succeed in competitive situations. (page 178).

**affective commitment** Organizational commitment due to one’s strong positive attitudes toward the organization. (page 189).

**agreeableness** The degree to which an individual is easygoing and tolerant. (page 173).

**approval motivation** The degree to which an individual is concerned about presenting himself or herself in a socially desirable way in evaluative situations. (page 179).

**attitude** A persistent tendency to feel and behave in a favorable or unfavorable way toward a specific person, object, or idea. (page 182).

**authoritarianism** The degree to which an individual believes in conventional values, obedience to authority, and legitimacy of power differences in society. (page 177).

**cognitive dissonance** An uneasy feeling produced when a person behaves in a manner inconsistent with an existing attitude. (page 191).
**conscientiousness**  The degree to which an individual focuses on goals and works toward them in a disciplined way.  (page 173).

**continuance commitment**  Organizational commitment due to lack of better opportunities.  (page 189).

**emotions**  Complex subjective reactions that have both a physical and mental component.  (page 193).

**emotional contagion**  Phenomenon where emotions experienced by one or a few members of a work group spread to other members.  (page 194).

**emotional intelligence**  The ability to accurately appraise one’s own and others’ emotions, effectively regulate one’s own and others’ emotions, and use emotion to motivate, plan, and achieve.  (page 195).

**emotional labor**  The process whereby associates must display emotions that are contrary to what they are feeling.  (page 195).

**emotional stability**  The degree to which an individual easily handles stressful situations and heavy demands.  (page 174).

**extraversion**  The degree to which an individual is outgoing and derives energy from being around other people.  (page 172).

**intelligence**  General mental ability used in complex information processing.  (page 181).

**locus of control**  The degree to which an individual attributes control of events to self or external factors.  (page 177).

**normative commitment**  Organizational commitment due to feelings of obligation.  (page 189).

**openness to experience**  The degree to which an individual seeks new experiences and thinks creatively about the future.  (page 174).

**personality**  A stable set of characteristics representing internal properties of an individual, which are reflected in behavioral tendencies across a variety of situations.  (page 170).

**self-monitoring**  The degree to which an individual attempts to present the image he or she thinks others want to see in a given situation.  (page 178).

**social dominance**  A general attitudinal orientation concerning whether one prefers social relationships to be equal or to reflect status differences.  (page 178).
Teaching Point on Key Terms

Teach human interior design. These Key Terms are mainly about what goes on inside your learners themselves. To design is to create or execute in an artistic or highly skilled manner. Heritage, time, and a lifetime of experience create the personalities and shape the attitudes of your learners. Yet, they have plenty of opportunity to design their own “interiors”; to shape their own ways of working for and among others. Learning in this chapter, for example, that conscientiousness is one of the top markers of the best people for complex jobs, they can choose to develop and hone this aspect of their selves, eventually to hallmark status. The cases and illustrations in the chapter are about “those other people.” Bystanding should not be allowed, however. Those other people are succeeding and failing, in part, by virtue of how they have arranged and self-regulate their interior values, beliefs, and prime assumptions. Learners may picture themselves rearranging this mental furniture for each work venue. The highly engaged learner in your course may be practicing the role of sullen back-row-sitter in the class following yours.

BUILDING YOUR HUMAN CAPITAL
Big Five Personality Assessment (pages 200-201)

Teaching Enhancement

Is there ever a point in our lives when we fully understand how and why we behave the way we do? It remains a classic open question. This assessment is one of many ways to accumulate answers toward this goal. Its focus on the Big Five should provide a memorable gross measure to relate to other self-discoveries and help learners become more mindful of how their personalities tend to line up within organizations of people important to their lives and livelihoods. It will be memorable, that is, if learners take a moment to do something with what their scores on the Big Five seems to be saying about their personalities. Here is a suggested activity to enhance learning value.

1. “What sort of person do you think I am?” is the title of this moment to ponder the meaning of this assessment.
2. The experiment is to seek a few moments with at least three people who know them, preferably a fellow student, a co-worker, a family member or friend, even a boss or teacher. They tell this person they are studying how personality works in forming relationships important to keeping an organization running well. They seek candid feedback on this question: What sort of person do you think I am?
3. Ask learners to complete the assessment privately.
4. Have them chart a profile of the relative strength of their five traits, ranging from 1-5 on each. This should reveal that some traits are “more like me” than others.
5. Ask them to keep this profile private for a day or two and conduct a personal experiment.
6. Before they ask the first person, suggest they jot down their own answers to this question.
7. They should look for threads that run through these answers from several sources. Then, compare these impressions with what the Big Five Personality Assessment is telling them. *Do others see me in ways predicted by my self-assessment scores? How do my self-perceptions compare with both the assessment profile and what these people have said about me?*
8. You may leave the exercise at this point, making private use of the results of their experiment, or give them a chance to report and discuss their findings. This can be done as a writing assignment, team discussion, or both. *What have they learned about learning about themselves? How might this new knowledge help them in their organizational life?*

**Digital Supplement**

What happens when your perception of yourself differs from others’ perceptions of you? Are you able to recognize the discrepancy between the two?

The British Broadcast Company (BBC) has a classic television series entitled *The Office* and is available on NetFlix. The instructor can rent the series to show selected episodes to the class.

By going to Wikipedia (http://en.wikipedia.org/wiki/The_Office_(UK_TV_series), learners have the opportunity to read about the various characters on the show demonstrating the difference between individual impressions of one’s personality and how others might be perceiving that person.

**Questions for Discussion:**
1. Have students think about bosses, friends, or others that believe their personality to be one way, i.e. bright, witty, well-liked, and the reality is much different.
2. How do these differences affect the workplace or their friendships with that person?
3. Do you recognize your own personality traits and are they the same as others see them? For example you view yourself as an extravert, do you think others see you the same way? Are you the life of the party or do you really stand back and wait to see what the action might be like?

**A STRATEGIC ORGANIZATIONAL BEHAVIOR MOMENT**

Whatever Is Necessary! (page 202)

**Suggested Discussion Questions and Enhancement**

1. The most pressing strategic issue in this case is rapidly decreasing loan volume and increasing payment delinquencies. As president, Vince Stoddard should be greatly concerned. He personally recruited Marian to head the eight consumer loan sections, recognizing her proven ability to pursue business growth goals. The Moment is called “Whatever you think is necessary,” for that is what we are...
told is Vince’s cool, almost passive reaction to this serious dilemma. Why is Vince Stoddard not more directly involved in working with Marian to find the underlying cause of these serious losses? Is he telegraphing a realization that he should have promoted Dave Kattar?

2. Vince did instruct Marian not to push Dave too hard and allow him to get used to her. Can we tell, from the information at hand, if Marian took Vince’s advice? Does her aggressiveness and conscientiousness suggest that she could or would not moderate her style with Dave?

3. Section heads are responsible and accountable for both performance shortfalls. Yet, they seem to be secure in allowing Marian to “blow her stack” and do or say little to fix the problems. Are these eight people so put off by the personality of this “outsider” boss that they would actually sabotage the business to make her look bad? Marian had made threats to the section heads, but had not followed through. Is she showing them a pattern that tells them she is all bark and no bite?

4. Marian pins her problems on Dave, suspecting that the other section heads, as their informal and preferred leader, look to him. She is on the verge of firing him. On what grounds? He has expressed his consent to her orders. She was told to make their relationship work, because he was considered by Vince (and possibly by the other heads as well) to be almost as qualified as she to head the commercial loan business. Vince has told her to do what is necessary. Will he agree that firing Dave is necessary to finally get the leadership performance Marian’s reputation promised?

5. If Dave is, in fact, systematically undermining Marian’s leadership, then this negative attitude toward Marian tells us about his values. Is Dave so bothered by not being promoted that he will harm the bank itself to sabotage his new boss? If so, what does this suggest about his personality and value system?

6. Here is a suggested way to involve your learners in this moment on the eve of Dave Kattar’s possible firing. It is called “When the smoke clears.”
   a. Set the scene. Tell the class that in about 15 minutes the person who prevails in this situation will walk through that classroom door. Will it be Marian? Will it be Dave?
   b. This is a bit like an Old West gunfight. Marian fires Dave. Vince backs Marian. Dave is gone. Alternatively, Marian tries to fire Dave, Vince backs Dave. Marian is out. On the other hand, is there still a chance that both will walk through that door, reconciled, ready to turn losses into gains?
   c. Form deliberation groups of 3 – 5. Have them come to consensus on who will be coming through that door (Marian, Dave, or both) and why.
   d. Ask each group, through a spokesperson, to make their prediction with the reasoning behind it.
   e. Step out of the classroom. You are about to become (in a role play) the person you choose to be, Dave, Marian, or both (you have to use your imagination to play both at once). Note: An alternative is to appoint two volunteers to leave the room at the start of the exercise; one identified as Marian, the other as Dave. When you go out to bring them in, you tell them which is to enter and why. The other many come in a moment or so
later to take part in the discussion, still in character to say how he or she feels about the outcome.

f. Enter the classroom and announce who you are.

g. Allow the class to interview your character(s) to discover what happened. Here, again, you use your imagination. There is no best solution to this case, unless you believe that both could have met half way and agreed to make the relationship work. Again, this may not be what you personally believe would be the best resolution.

h. Stepping out of character, lead a summarizing discussion of what this strategic OB moment means to the bank in the short and long run. Has the person (or persons) stepping across that classroom threshold taken a step onto the right path for the whole organization? Alternatively, is that foot falling on the slippery slope to a failed loan organization?

TEAM EXERCISE
Experiencing Emotional Labor  (pages 202-203)

1. Enhancement Another way to make this a vivid learning moment is to make the display of assigned emotions even more transparent. Think of it this way. When performing emotional labor, we tend to put on the official “mask” the customer or others must see. Or, in this instance, we are relatively unaware of our expressions and their impact on others.

2. This enhancement calls for learners to do a little art work using paper plates to make masks to display each of the four emotions. Give out paper plates and markers or crayons to decorate them with the visage showing the emotion to be displayed. Eye holes are optional. They can hold the masks near their faces in order to see what is going on.

3. Then, proceed with the 30 minutes of normal class activity. The fun of this touch to the exercise is to do some emotional labor to force themselves to ignore the bizarre masks and act as if none are present.

4. As in the original exercise, they can also act on the assigned emotion with the mask exaggerating the point to be made about emotional labor.

5. A twist on this exercise is to tell them all to make a happy visage on their paper plate masks. Then, give them the assigned emotions and run the exercise as originally planned. This way, some will be enacting the emotions that fit their mask, but most will be expressing contrary emotions. This is like putting that happy face on when serving a difficult customer.

6. Add to the three discussion questions this one: What did we learn from making and using our masks?
1. Given the nature of Whole Foods’ jobs and the way in which associates are selected, what type of personality traits would be important for Whole Foods associates to possess?
   a. *Suggested answer:* All of the Big Five Personality Traits are important to associate performance in the store floors. It is more a matter of degree. Whole Foods associates succeed only to the extent that they attract others and hold their trust in strong relationships. Others include team members, managers, and, most of all, customers. They are, as individuals and collectively in teams, the prime source of energy that excites customer loyalty. Thus, extroversion would be foremost. Second among the traits would be openness to experience. Teams are expected to learn for the company in the course of performing daily tasks. These associates are highly visible in the stores, open to contact by any customer seeking guidance. Consequently, emotional stability comes in third in this analysis. One may expect a harried store employee in a grocery notorious for mistreating its front line employees, but not at a Whole Foods. Here, customers expect happy and agreeable people. Finally, conscientiousness keeps associates’ minds on innumerable tasks that keep stores stocked, clean, and cost effective. The Whole Foods organization design rests upon the foundation of a self-developing associate, able to contribute to important decisions made in close teamwork.
   b. *Connection to the chapter:* Every grocery store hires labor—workers to do what it takes to move product onto the shelves and out the door. Some management cadres consider these as a liability on the balance sheet, surely not human capital asset. Whole Foods managers select associates for their personalities and talents, knowing they are its most appreciable asset of the company. Unlike those who come to work to labor at their store jobs, Whole Foods associates come to work loving their jobs. It has, thus far, provided a competitive advantage too difficult for most grocery chains to imitate.

2. Compared to the industry average, Whole Foods has a low turnover rate and is consistently ranked as a great place to work. Why do you think Whole Foods associates are so satisfied and committed to the organization?
   a. *Suggested answer:* Identity. There is solid reason to be proud of being a Whole Foods associate. The role they play in developing healthier, greener communities is consistent with emerging nation norms. They can stand tall among their neighbors. Working at a place ranked as one of the very best places to work in America surely enhances one’s choice to identify strongly with the company. They can look about their stores bustling with business and know that this is happening because they are there spending the precious time of their lives associating with teammates.
who await their next new idea for making things go better. Who would not want this identity?

b. **Connection to the chapter**: Whole Foods keeps an egalitarian structure and culture to assure each associate a fair chance to shine on the merits of their performance and team’s performance. They are known by the role and function of the team they serve, rather than labeled with the relative status of the tasks they do. An associate sweeping the floor one hour will be sitting in a team meeting the next, suggesting a better way to arrange the floor for ease of cleaning. This is not “the janitor” speaking, it is a teammate.

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**Digital Supplement: Whole Foods**

What about John Mackey, the co-founder and chief executive of Whole Foods Market and his personality? Does it reflect that of the Whole Foods Market organization?

1. Go to the Whole Foods Market website. [http://www.wholefoodsmarket.com](http://www.wholefoodsmarket.com) and review the Values section. Read about their Green Mission, Community Giving and other highlighted areas on their web site.

2. Now read the article in New Yorker Magazine or go to the website provided: [http://www.newyorker.com/reporting/2010/01/04/100104fa_fact_paumgarten?currentPage=all](http://www.newyorker.com/reporting/2010/01/04/100104fa_fact_paumgarten?currentPage=all) (Paumgarten, Nick, “Food Fighter, Does Whole Foods’ CEO know what’s best for you?”).

3. How does the Whole Foods Market website present the “personality” of the organization?

4. How does the Paumgarten article in The New Yorker present their CEO, John Mackey?

5. Compare and contrast these two representations of personality types.

6. Does the “personality” of Whole Foods Market match your own? In what ways are they the same and in what ways are they different?

7. What about CEO John Mackey? Would you like to work for this individual, why or why not?
CHAPTER 6

WORK MOTIVATION

EXPLORING BEHAVIOR IN ACTION
Work Motivation at W.L. Gore & Associates (pages 208-209)

Suggested Discussion Questions

1. Gore & Associates are successful by almost any external measure of business performance one might apply. Would we not expect that this culture and structure would be adopted and adapted by companies seeking to increase their fortunes in the marketplace? Are you aware of any who seem to be doing so?

2. Working once in a bureaucracy “motivated” Wilbert Gore to leave that company and start his own with a design to remove the conditions that drove him out. What did his former employer lose by adhering to a de-motivational culture and structure? Are bureaucratic companies today still driving out their most creative talents? If so, why the adherence to what does not work?

3. You know yourself best. Are you attracted to the working conditions and relationships described in this story? What is most (or least) compelling to you and why?

4. An abiding fundamental belief in Gore & Associates people and their abilities is the cornerstone for all the ways they are recognized, rewarded, and developed. If this were to erode, how might any of the principles and practices cited here work thereafter? For example, how would egalitarian pay stand, if sponsors and peers could no longer be trusted to give fair and accurate assessments of one’s accomplishments?

5. This company admits to its workforce only those who can tolerate ambiguity and thrive in autonomous settings. Are you preparing yourself and being prepared for this sort of challenging setting? On the other hand, is it still a reasonable alternative to seek more certain and closely supervised work in your future?

Knowledge Objectives

After reading this chapter, learners should be able to:

1. Define work motivation and explain why it is important to organizational success.
2. Discuss how managers can use Maslow’s need hierarchy and ERG theory to motivate associates.
3. Describe how need for achievement, need for affiliation, and need for power relate to work motivation and performance.
4. Describe how Herzberg’s two-factor theory of motivation has influenced current management practice.
5. Discuss the application of expectancy theory to motivation.
6. Understand equity theory and procedural justice, and discuss how fairness judgments influence work motivation.
7. Explain how goal-setting theory can be used to motivate associates.
8. Describe how jobs can be enriched and how job enrichment can enhance motivation.
9. Based on all major theories of work motivation, describe specific actions that can be taken to increase and sustain employee motivation.

Teaching Point on the Knowledge Objectives

Teach motivation as a personal state of being. To motivate is to put oneself in a state of readiness and willingness to act. To motivate oneself to perform work is to want to do something in particular that corresponds to what another or others want to be done for them. These others—managers, associates, customers—may behave in ways to encourage this person to take positive action in a manner and direction of their preference. They may be a cause of motivation, but they are not the source of motivation. The individual is the sole source. Reaching these Knowledge Objectives will make the strategic importance of highly motivated workers abundantly clear. Learners will have sampled major concepts, mostly dealing with how motivation is caused. Since each learner has exclusive access to their own unique motivation history and most and least preferred causes of motivation, they are a living experiment in what works and what does not motivate them. Encourage critical introspection. They should ask themselves, “Would putting this concept about motivating work to work in my day give me sufficient reason to energize, to be in a more highly motivated state?” This is not to say that what motivates one learner would motivate another. Research indicates general rules for how this works. It underscores that each person owns and has exclusive access to their motivation process. Each will provide a unique answer to the same question. It is what makes organizational systems of recognition, rewards, and sanctions put in place to motivate a fascinating game of chance. A company’s future is being gambled daily upon the current combination of incentives for each to be at one’s best.

Digital Supplement:
Motivation—Is It the Coach, the Person, or Something Else?

Students should be asked to think about a motivational figure in their lives, a coach or someone else that was an inspiration to them. What made that individual a motivational figure?

1. Now thinking about coaches on athletic teams, how do coaches motivate their players?
2. Is winning enough?
Learners are asked to go to YouTube and look up Coach Krzyzewski (Coach K) of Duke University and listen to what the Players of Coach K have to say. There are numerous video clips which illustrate Coach K’s motivational style. Have the learners review two or three of them.

3. How do you think Coach K motivates his players?

4. What kind of person does Coach K seem to be? How would you describe him to others?

5. If you had the opportunity to play for or work for an individual like Coach K what about his motivational tactics would work for you?

6. What from Coach K’s motivational style could you use in your lives to motivate others?

7. Do you think his style would work in the workplace? Why or why not?

**Honoring a Strategic OB Prospect**

**Work Motivation**

Every day, your learners see the strategic nature of motivation at work within and adjacent to their own lives. They move from one work venue to another, paid job to classroom, ‘lighting themselves up’ to excel in one setting, dimming themselves down to coast in another. Why the variation? Most of your learners follow sporting events. The teams with the highest-paid, best-equipped, and most expertly coached players lose by a wide margin to a “Cinderella” team. Why? Players manage to be or not to be motivated. *What makes the difference?* This is the strategic question. They will pursue better answers for the winning combinations of the right people in the right context for the rest of their careers. This chapter offers for consideration that those who are highly motivated are managed and led by people who know what and how to supply the managed with reasons to be motivated. The first case in Chapter 1 of this book is about The Men’s Wearhouse. Ask your learners to revisit this case. Here was a workforce doing a job that hundreds of thousands of people, serving customers in similar off-the-rack retail clothing business, do with half-a-heart. Reprise this section of that story.

“We happen to sell men’s clothing, but by recognizing what is really important—the people—we have a different paradigm than many other businesses.” There is more to the story, though, than a simple ideology about valuing people. The leadership of the company firmly believes that valuing people is crucial for business success. They believe they get more out of their employees by providing power and autonomy, and the results seem to support this belief. Turning to Bresler one last time, “[Our people] treat customers better partly because ... they don’t feel put down by the corporation. That energy ... sells more products. ... That’s how you build a retail business, from our point of view.”
The quotes are available at http://findarticles.com/p/articles/mi_m0FXS/is_3_80/ai_71836866/.

Their managers supply The Men’s Wearhouse associates with something rarely supplied by their competitors—the power and autonomy to serve each customer as they see fit. They, in kind, supply that special personal energy that sells more products and keeps customers coming back. Inspiring the energy that sells more product, solves more operational problems, breaks through to new markets, and knocks the cover off a grade of ‘A’ in your course is what anyone who will be a strategic leader must be able to do.

**Digital Supplement: What motivates you?**

In 1924, George Mallory of Britain was the first to climb Mount Everest although there is some debate whether he and his climbing partner Andrew Irvine ever reached the summit. They were last seen several hundred meters from the top. This was his second attempt made by Mallory. Mallory had with him a portable oxygen tank, a rudimentary version of what is used now. Some were critical of the use of oxygen, as it was seen as an “artificial” aid. The climb was before GPS systems, cell phones, and other tracking devices.

Mallory was often asked, why he wanted to climb Mt. Everest and his response was said to be: “because it is there.”

It is not known if Mallory and Irvine ever reached the summit. Mallory’s body was discovered in 1999. Jeffrey Archer, *Paths of Glory* (2009), has fictionalized his story in a recent book.

1. What motivated Mallory and others to attempt this dangerous feat?
2. After failing the first time, what motivated Mallory to try again?

On May 22, 2010, Jordan Romero of California stood on the top of Mount Everest, extending his arms and proclaiming that he was now on the top of the world. Jordan Romero was 13 years old.

3. What would motivate a 13 year old to attempt this kind of feat?
4. Romero came closer to achieving his goal of climbing the highest mountains on all seven continents. Is this what motivates him, a goal? Would this be enough to motivate you?

Romero blogged: “Now... to finish my quest to climb the ‘Seven Summits of the World,’ I will move my sights to Antarctica, the coldest place on earth.” Romero’s next climbing goal is Mt. Vinson Massif, near the South Pole. Romero has climbed Kilimanjaro in Africa (July 22, 2006), Kosciuszko in Australia (April 2007), Elbrus in Europe (July 11, 2007), Aconcagua in South America (Dec. 30, 2007), Denali in North America (June 18,
2006), Carstensz Pyramid in Oceana (Sept. 1, 2009), and finally Mount Everest (May 22, 2010). http://www.jordanromero.com/about/.

Refer students to the report of Jordan Romero, using Google or other search engine to find articles on Romero’s adventure.

Have students go to the internet and read about the dangers of climbing Mount Everest and about those who came before Romero.

5. What motivates individuals to do what seems to be the impossible, precarious, or even dangerous?

6. Is this form of motivation related to motivation in the workplace? What similarities do you see? What differences?

**MANAGERIAL ADVICE**

Managers over the Edge (page 217)

**Suggested Discussion Questions**

1. Among all those meeting their own motivational needs in work, those who manage others can mismanage with wider negative consequences to others than non-managers. Would high need for achievement be more or less difficult to manage than a need for affiliation or power?

2. What does this trend toward a greater proportion of achievement driven managers suggest as the reasoning behind those who promoted them to managerial positions?

3. Are you surprised that managers’ need for power is a distant third? Why or why not?

4. Harking back to the opening story about Gore & Associates, Wilbert Gore’s need for achievement must have been strong to become an entrepreneur. What about the culture and structure of his company tells about the strength of his needs for affiliation and power?

5. How might it be to work for a manager with a high need for affiliation but low needs for achievement and power? Alternatively, high need for power and lower needs for achievement and affiliation?

6. **What would it be like?** is a suggested experiential activity for engaging learners in the previous question #5.
   a. Pose this question: *What would it be like to be taught by a professor who has a high need for achievement and low need for affiliation?* The follow up question is *How might this affect your motivation and ability to learn?*
   b. Obviously, this exercise calls attention to your own apparent motivational style. If you take the class down this path, be ready to remain neutral.
   c. Make this a small group or team discussion.
   d. After hearing answers to the first question, pose and debrief other combinations of professorial motivational style:
      i. High affiliation need – low achievement and power needs.
ii. High power need – low achievement and power needs.

iii. And so forth, such as High achievement, high power.

e. This is also an opportunity to have them reflect upon and discuss how their own motivational needs could be affected by the motivation style of a professor or manager.

EXPERIENCING ORGANIZATIONAL BEHAVIOR
Making Visible Changes  (pages 227-228)

Suggested Discussion Questions

1. Visible Changes hair salons are like The Men’s Wearhouse, the opening illustration in Chapter 1. How so? People serving customers are embraced inside a management philosophy that believes in and invests in their potential to grow in the job. Moreover, both companies lead their industries with a much different prevailing “dime a dozen” philosophy about people in those front line jobs. Will learners ever see a day when it has finally sunk in that highly motivated people create highly satisfied and returning customers, and turn what the outrider Visible Changes does as common practice?

2. Process theories of motivation address ways individuals create their own inner motivational force behind actual performance. Consider a hair stylist, Lara Hadad, only twenty-five years old, earning nearly a quarter of a million dollars in one year. Who would not want an achiever of this magnitude working on their front lines in any industry? Would not productivity like this, per associate, blow away the competition from low-wage, low-motivation businesses now competing for U.S. jobs?

3. The McCormacks were small business entrepreneurs with a vision for how salons could be run profitably if only people were treated differently. It is not possible to tell from the account, but likely they did not take these motivational practices out of a college textbook. They seem like pragmatists. They see what works by trying out different ways to encourage high performers and sustain those that create the Lara Hadad’s in the group. Their whole company is a grand experiment in raising the bar and talent levels of people most able to sell the product or service. Are your learners being shown here how succeeding businesspersons are special kinds of ‘business theorists,’ setting out to prove a business model?

4. It says that most of the McCormack’s success is due to the way they motivate their employees. Restated, most of the McCormack’s success is due to the way their employees motivate themselves by using the tools Visual Changes provides (i.e. continuing education, specific and difficult goals, participation in decision-making, etc). This implies that people who stay on and keep themselves working that hard for Visual Changes are those most adept at employing these tools in their own personal motivation process. Can learners use the information and inspiration in this chapter to appraise and take charge of their current capacity to recognize and use motivational tools provided to them by their employers (and your school)?
Suggested Discussion Questions

1. What are others likely to add to an associate’s capacity to conduct enriched, complex jobs she or he is not likely to have on tap?

2. Have you prepared yourself to be so deeply connected to others that much of your work time will be spent collaborating, supporting, and being supported? What must you take into account about your own motivational needs and wants?

3. First, imagine the sights and sounds of a workplace where jobs are simple and repetitive, requiring little interaction with others to get things done. Now, do the same for a workplace for accomplishing complex, ever-changing tasks. What would you hear and see differently in the two settings? Which way would you prefer to spend your workdays? Why?

4. Linking this story to the previous Experiencing Organizational Behavior how might a person with high needs for achievement and power but low on affiliation conduct oneself in an enriched job, given the requirement to relate well to many people?

5. Consider the set of the five tactics for connecting people recommended by Deloitte Research. Has anyone experienced an organization where all or most of these seem to be active in some form?

6. Shall we? This is a suggested exercise to bring question # 5 to life in the classroom. It calls for asking the class to apply the five Deloitte tactics to the design and conduct of your course as a learning organization.

   a. First, ask “Do we agree that your “job” to learn this complex subject—organizational behavior—calls for enrichment, similarly to the business settings studied by Deloitte researchers?

   b. If the consensus is no, an instructional situation is not like those settings, then talk about this and end the exercise. Assuming the consensus will be yes, proceed to set up five groups to identify rapidly ways this course organization could be modified according to each of the tactics.

   c. For example, one group will consider the design of the physical space of the classroom and surrounding facility and propose if and how changes would enhance the easy interchange among learners and instructor.

   d. Have each group report out their top three recommendations.

   e. Record these and then discuss what is there. While most may be beyond your willingness or ability to adopt, look for at least a few and pose this risky question: “Shall we?” It is risky, because if there is strong support to do it, then you may just have to put this chapter into practice.

Back to the Knowledge Objectives

Suggested Answers
1. (a) What do we mean by work motivation, and (b) how does it relate to performance? 
(c) Why is individual work motivation important to organizational success?
   a. Motivation is a process working within a person that sets the willful direction, intensity, and persistence of the person’s efforts toward the achievement of specific goals, where achievement is not due solely to ability or to environmental factors. Work motivation is aimed at fulfilling personal goals by achieving goals of the employing organization. (page 211).
   b. Performance is a function of motivation and ability, although environmental factors can also play a role. (page 211). For an organization to be highly effective, people must be motivated (1) to join the organization, (2) to perform their tasks well, and (3) to exercise their creative skills at work.
   c. The performance of an organization depends on the collective performance of individual associates. In general, associates who have greater motivation perform at higher levels. In turn, associates’ actions on the job help to implement the organization’s strategy.

2. (a) What assumptions do Maslow’s need hierarchy and ERG theory make about human motivation? (b) How do managers use these theories to motivate associates?
   a. Maslow’s theory states that people are motivated by their desire to satisfy specific needs and that needs are arranged in a hierarchy with physiological needs at the bottom and self-actualization needs at the top. People need to satisfy needs at lower levels before being motivated by needs at higher level. Alderfer’s theory states that three hierarchically ordered types of needs motivate people: existence needs (E), relatedness needs (R), and growth needs (G). Usually, people must satisfy needs at the lower levels before being motivated by higher-level needs. However, frustration at higher levels can lead people to being motivated by lower level needs. (pages 211-214).
   b. Associates motivate themselves from within. Managers can use these theories to set up the work environment in anticipation of how to assure that needs are met from the bottom of these hierarchies to as far up to the top as they believe the organization should address. The highest needs for self-actualization and growth call for the most complex organizational arrangements to match those with keen higher-level needs. High-involvement managers would have to make such arrangements to satisfy and sustain the highest motivational needs.

3. (a) How do need for achievement, need for affiliation, and need for power differ? (b) How do these needs relate to work performance and motivation? (c) How would you distinguish McClelland’s notion of needs from those of other content theorists?
   a. Need for achievement is with the need to perform well against a standard of excellence. Need for affiliation is a high need to be liked and to stay on good terms with most other people. Need for power is the desire to influence people and events. (pages 215-216).
b. People with a high need for any one of these three states of being will seek conditions and relationships in work configured in the organization to meet this need. When being met, motivation is high, thus actions taken bring out the individual’s strengths in the work. When unmet, the individual is frustrated and performs less well.

c. McClelland’s notion of needs is that they are learned over time. Persons can be taught to enhance lower strength needs to better suit the realities of their roles.

4. (a) What does Herzberg’s two-factor theory of motivation have to say about human motivation? (b) How has it influenced current management practice?

a. The dual-factor theory emphasizes two sets of rewards or outcomes—those related to job satisfaction and those related to job dissatisfaction. It suggests that satisfaction and dissatisfaction are not opposite ends of the same continuum but are independent states. In other words, the opposite of high job satisfaction is not high job dissatisfaction but, rather, is low job satisfaction. Likewise, the opposite of high dissatisfaction is low dissatisfaction. It follows that the job factors leading to satisfaction (motivators) are different from those leading to dissatisfaction (hygiene), and visa versa. (page 218).

b. Managers should not expect high productivity in jobs that are weak in motivators, no matter how much they invest in hygiene factors. Simply providing good working conditions and salaries may not result in consistently high performance. Thus, managers now pay much more attention to how jobs are designed. The current focus on enriched jobs that emphasize responsibility, variety, and autonomy was launched by Herzberg’s dual-factor theory. (page 219).

5. (a) What does expectancy theory suggest about people and motivation at work? (b) When does expectancy theory best explain motivation? (c) What implications does this theory have for managers?

a. Expectancy theory suggests that people consider three factors in deciding whether to exert effort: (1) the probability that a given amount of effort will lead to a given level of performance (expectancy), (2) the perceived connection between a particular level of effort and important outcomes (instrumentality), and (3) the importance of the anticipated outcome (valence). (pages 219-220).

b. It explains motivation best when all three factors are considered together, although valence appears to be the most important factor. (page 221).

c. Managers are shown they can do one or more of three things: (1) heighten expectancy by increasing associates’ beliefs that exerting effort will lead to higher levels of performance, (2) increase instrumentalities by clearly linking high performance to outcomes, and (3) increase valence by providing outcomes that are highly valued. (pages 221-222).
6. (a) What do equity theory and ideas for procedural justice suggest about motivation? (b) How do fairness judgments influence work and motivation? (c) How can managers ensure associates perceive that judgments are made fairly?
a. According to equity theory, motivation is based on a person's assessment of the ratio of the outcomes or rewards (pay, status) he receives for input on the job (effort, skills) compared with the same ratio for a comparison other, frequently a coworker. According to the theory of procedural justice, people react poorly or favorably to perceived inequities to the degree that they think procedures used to determine outcomes are fair. Thus, they work together to influence motivation stemming from assessed outcomes. (pages 222-224).
b. A person is more likely to remain motivated when the determination of rewards is deemed fair and credible.
c. Managers may make the process of determining variations in rewards for work done highly transparent. Workers should be able to see that procedures are openly decided, consistently applied, free from bias, based on accurate information, able to be corrected, ethical, administered respectfully, and explained. (page 224).

7. (a) What are the basic tenets of goal-setting theory? (b) What should a manager keep in mind when engaging in goal setting with his or her associates?
a. Goals increase human performance because they affect effort, persistence, and direction of attention. Goal setting involves a process whereby goals set by an external source, such as a supervisor, are translated into personal goals. Given the nature of human behavior, individuals are likely to become committed to the achievement of these goals after they are set and to continue to exert effort until the goals are achieved. (page 224).
b. To set goals effectively for associates, managers should address several factors, including goal difficulty, goal specificity, goal commitment, participation in goal setting, and feedback. (page 224).

8. (a) How does job enrichment affect associates’ motivation to perform? (b) To make sure job enrichment has the desired effects, what should the organization consider?
a. In enriched jobs, workers have greater responsibility for accomplishing assigned tasks. They become “managers” of their own jobs. Those associates who have a high need for achievement see responsibility as a motivator and fulfillment of higher order needs will be more highly motivating in an enriched job. (page 233).
b. To be effective, job enrichment programs must be carefully planned, implemented, and communicated to associates and must take into account individual differences. Job enrichment is a viable job design strategy that may be useful for some groups of people under the appropriate circumstances. (page 233).
9. **Considering the various theories of motivation, what can managers do to increase motivation?**

   a. Managers, first, must regularly check their own motivational state of being using these theories. Conventional views of such theories hold that managers motivate associates and that these are proven devices for doing so. Consider this alternative. Teach learners the value of associates knowing these theories and using them to appreciate how they actually motivate themselves in the course of a workday. Managers, like all the other human beings in a given work situation, would be attuned to their own desires for performance success, while helping their associates become similarly aware. Then, the conversation is about finding meaningful individual rewards, tying rewards to performance, redesigning jobs through enrichment and enlargement, providing feedback, and clarifying expectations and goals. All can proceed toward the goal knowing they have co-managed the motivational conditions knowing how each plans to meet more realistic expectations of successful outcomes.

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**Teaching Points on Knowledge Objectives**

*To be or not to be (motivated)?* That is the teaching and managing question that is best answered by the individual worker or student. Designers and operators of webs of jobs that form a working organization may employ motivation research knowledge synthesized in this chapter in the open experiment that is how to elicit the decision *to be*. The challenging strategic reality posed in this chapter on work motivation is that the performance of an organization depends upon the collective performance of individual associates. At any moment of time, in any unit of an organization, there are individuals deciding to be motivated or not. When there are more “Not to Be’s” than “To Be’s,” performance is lost. Learners could visualize managing to earn motivated behavior akin to being a juggler keeping in the air the desire of associates to achieve goals linked to the strategic goals of their organization. It is, perhaps, the most exciting, difficult, and important role that a manager (or teacher) can play.

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**Digital Supplement:**

Using Google or other search engine, search for johnsumser.com and an article entitled “Rethinking organizational motivation as an experience.” Towards the bottom of the article there is a link to a video on motivation created by Dan Pink and RSA. [http://www.johnsumser.com/2010/06/rethinking-organizational-motivation-as-an-experience/](http://www.johnsumser.com/2010/06/rethinking-organizational-motivation-as-an-experience/).
Have students view the video at home or show it in class. Following the video use the following questions to begin the discussion on “The surprising truth about what motivates us?”

1. What has the research that Sumser presents have to say about bonuses as a motivational tactic?
2. For those individuals who do conceptual and creative work, what motivates them?
3. How does this podcast challenge or support some of the key concepts that you have read about motivation thus far?

**Additional Material on Ethics**

**An Exercise: Where There's Smoke, There's Fear of a Firing**

1. *Fear* motivates, too, but corrosively. An associate will work in fear of being fired, knowing her or his manager can make that happen, for cause, or, in many workplaces, on a whim or in a fit of anger.
2. How does this cloud their view of the strategic goals of the organization and what their being an associate means to organizational performance?
3. Smoke filling a room is like fear filling a mind with distracting or distorting images and ideas. Moreover, where there is smoke, there is fire.
4. Where there are confusion, avoidance, and disorderly practice, there is fear. Fire needs combustible fuel and oxygen to catch and spread. Undue fear of firing needs a manager who can enjoy the power to intimidate, fed by a management philosophy of getting results no matter what it takes (or whom it hurts).
5. This original exercise tests the premise that every learner will have either directly experienced fear of undeserved firing or knows someone who has within his or her closest circle.
6. What is the point of proving this sad possibility?
7. Here is where the ethicality of being a manager is of utmost strategic importance. Managers require the authority to sanction, even arrange for the dismissal of associates whose actions run counter to what is good and right for the organization.
8. Is the power the organization has placed in a manager’s hand a motivational tool or a weapon?
9. Mutual trust, one to one, keeps it a tool. Loss of trust makes it a weapon.
10. Ask learners to identify at least one instance in their own work lives, or in the life of someone close to them, when fear of firing has impaired performance or worse.
11. Can they recall a point when trust was broken and how thinking about doing one’s job changed after that?
12. Here is a method for succinctly gathering and representing their impressions:
   a. Ask them to start with a blank 8 ½ x 11 sheet of white paper and something with which to draw on it (a set of colored pencils is ideal).
b. They are to draw a large oval representing the head.
c. Give them ten to fifteen minutes to fill that head with fear-born words, symbols, and pictures.
d. You may offer a private option for them to stop and study this picture, then write to themselves (and/or you) what the “smoke of fear of firing” does to one’s ability to still see and meet the organization’s objectives.
e. Alternatively, make this a team exercise. Ask them to choose partners and tell each other the story of their “smoking minds.” They are seeking answers to a larger ethical question, not unlike what is asked in the aftermath of a damaging house fire. How could this have been prevented?
f. You may choose to open this to a class discussion or solicit private written reflections.

Key Terms

distributive justice  The degree to which people think outcomes are fair.  (page 223).

equity theory  A theory that suggests motivation is based on a person's assessment of the ratio of outcomes she receives (e.g., pay, status) for input on the job (e.g., effort, ability), compared to the same ratio for a comparison other.  (page 222).

ERG theory  Alderfer’s theory that suggests people are motivated by three hierarchically ordered types of needs: existence needs (E), relatedness needs (R), and growth needs (G). A person may work on all three needs at the same time, although satisfying lower-order needs often takes place before a person is strongly motivated by higher-level needs.  (page 213).

expectancy  The subjective probability that a given amount of effort will lead to a particular level of performance.  (page 220).

expectancy theory  Vroom’s theory that suggests that motivation is a function of an individual’s expectancy that a given amount of effort will lead to a particular level of performance, instrumentality judgments that indicate performance will lead to certain outcomes, and valences of outcomes.  (page 219).

goal-setting theory  A theory that suggests challenging and specific goals increase human performance because they affect attention, effort, and persistence.  (page 224).

hierarchy of needs theory  Maslow’s theory that suggests people are motivated by their desire to satisfy specific needs, and that needs are arranged in a hierarchy with physiological needs at the bottom and self-actualization needs at the top. People must satisfy needs at lower levels before being motivated by needs at higher levels.  (page 211).

hygienes  Job factors that can influence dissatisfaction but not satisfaction.  (page 218).
**instrumentality** Perceived connections between performance and outcomes. (page 220).

**job enlargement** The process of making a job more motivating by adding tasks that are similar in complexity relative to the current tasks. (page 232).

**job enrichment** The process of making a job more motivating by increasing responsibility. (page 233).

**motivation** Forces coming from within a person that account for the willful direction, intensity, and persistence of the person’s efforts toward achieving specific goals where achievement is not due solely to ability or to environmental factors. (page 211).

**motivators** Job factors that can influence job satisfaction, but not dissatisfaction. (page 218).

**need for achievement** The need to perform well against a standard of excellence. (page 215).

**need for affiliation** The need to be liked and to stay on good terms with most other people. (page 216).

**need for power** The desire to influence people and events. (page 216).

**procedural justice** The degree to which people think the procedures used to determine outcomes are fair. (page 223).

**two-factor theory** Herzberg’s motivation theory that suggests that job satisfaction and dissatisfaction are not opposite ends of the same continuum but are independent states and that different factors affect satisfaction and dissatisfaction. (page 218).

**valence** Value associated with outcome. (page 220).

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**Teaching Point on Key Terms**

Teach windage. It is an odd, but fitting term. Windage means the effect of wind on the course of a projectile. A work process aims like an arrow at its target for completion.
When mainly machine or computer does work, it is nearly “windless.” That unseen, but felt force called the wind would not push work off its straight trajectory. To the regret of perfectionists, most work is of a highly social nature and must be carried through to goal by people, not just machines. Suggest that your learners think of motivation as an inner wind of emotions that can blow across one's mind, knocking intentions off course or line them up and speed them to fulfillment. Winds breed winds. The emotional state of one associate influences the state of the next. On it spreads, until you have a prevailing motivational climate. Help the learner identify locations within the workplace where they are most likely to experience sustaining uplifts and avoid “downers.” External influencers of these inner currents of desire to perform are identified in these key terms and the explanations and illustrations where they are treated in this chapter. Job enrichment, for example, is a proven practice they may witness being done to (or for) them. They can think about how important receiving more responsibility is to them personally. They also can consider that while it may register as uplift to them, another occupant of the same job may choose to feel overburdened. Teach, so that learners understand that managers design and execute patterns of organizational behavior intended to be motivational. They figuratively “test the winds” to see what works in action. Changes in motivational devices and adjustments to goals are made to discover what sustains favorable windage for hitting those difficult strategic performance targets.

BUILDING YOUR HUMAN CAPITAL
Assessing Your Needs (pages 239-240)

Teaching Enhancement

This self-administered application of McClelland’s new classic Thematic Apperception Test could stimulate thinking beyond measured need strength. Suggest they think about the source of that spontaneous story they wrote for this test themselves. Ask that they picture themselves as a living, breathing, behaving body of knowledge. In the moment they look at this picture and create their own story of what they see going on there, they are drawing from this unique body of pragmatic knowledge that forms their selves.

Themes that are revealed in the TAT are instantly gathered and composed as a compendium sample of how their lives are working with them. Of course, this is only an informal interpretation of McClelland’s landmark methodology to encourage learners to use their imaginations to continue assessing their needs.

Learners learn in this chapter that they are responsible, sole owners of the inner process that is motivation. This suggested original exercise encourages healthy self-examination of running hot and cold in varying work situations.

“My Life is an Open Book”
1. This exercise follows the Assessing your Needs experience, where they have looked at the TAT picture, created a story about it, then scored the themes that showed up on their story.
2. The task is to reverse the process by drawing a freehand picture of themselves at work (at school, if they are not currently working).
3. Conduct this exercise in class to keep it spontaneous (and fun).
4. Provide plain sheets of paper and something to draw with (colored pencils are ideal).
5. The only instruction you give them is that what they put in the picture should have a little story behind it, if they were to show the picture to a friend.
6. The picture can be as simple or complex as they care to make it in no more than 10 minutes.
7. Ask them to find a partner and spend 15 minutes interviewing each other about each other’s pictures. They should keep in mind that as they tell the little moment of life story from their picture, their partner(s) are reading a page from the “book” that is their life.
8. Taking turns, the interviewing partner should give feedback on needs themes (achievement, affiliation, power) that they visualize coming through in the picture and in the telling. The teller should listen, and then register the extent to which they agree with their interviewer’s impressions.
9. Finally, ask the partners to compare the results of their scoring of the TAT to what each has learned about themselves in producing and discussing their picture.
10. Offer the chance for learners to volunteer their insights to the whole class, or their teams, from making their “life an open book.” What were similarities and differences in the way this exercise triggered ideas about one’s need strengths? By a show of hands, how many found somewhat close agreement between the TAT results and what they and their interviewer noticed?

AN ORGANIZATIONAL BEHAVIOR MOMENT
The Motivation of a Rhodes Scholar (pages 240-241)

Suggested Discussion Questions and Enhancement

1. Dan Coggin seems to have come to prefer the outdoor version of Dan Coggin to the benefits administrator version of Dan Coggin. What does this prospect suggest about a link between motivation and identity? Would Dan be saying by his neglectful actions, “The job’s just not me anymore”?
2. Frances Mead sees a Dan Coggin who could easily deliver the benefits reforms. Outdoor Dan Coggin is not someone she knows, except to possibly resent the competition she is in to win back her version of Dan Coggin to Puma’s future. Do managers tend to project on associates the identity of the job and job expectations and interact accordingly? If so, what might this mean in problematic moments like this for Frances and Dan?
3. Dan had his programs up and running smoothly after a short while, but there are increasing signs of a “decaying orbit.” Dan is a manager. What does Dan take away from the people and tasks of his department when he loses motivation?
4. Frances surmised that Dan could do the evaluation project and save Puma fees for outside consultation. In retrospect, was this more a cost-avoidance measure than a match for Dan’s abilities and motivation?
5. Dan is calling in sick on Friday or Monday, raising suspicion that he is indulging his passion for the outdoors with three-day weekends. Is Dan stooping to lie about his health to have more time to himself?
6. Frances is at a point when her trust of Dan is close to breaking. Perhaps his trust of her is strained, for it appears he is not leveling with her about his need for personal time. If Puma loses Dan because of what both say and do next, what does it mean strategically to the corporation in the short and long run?
7. Look at where Dan is in his life. He came to Puma just two years after graduating from college, one year as a Rhodes Scholar, and the next on what we may assume was the fast track of a large bank. Is he not showing a pattern consistent with being in his early twenties and a fast learner? Are we looking at a person who becomes bored if he is not doing something entirely different by the end of a year?
8. This case is about Dan’s apparent lack of commitment to the job. To be committed, is to be bound emotionally to the job, if not the larger organization. What could Frances have done, so that Dan finds the enriched job she has in store for him more appealing?
9. “OB Legal”: an exercise to engage your learners in setting the dial at this turning point—set back or step forward?
   a. Run a brief mock trial.
   b. The jury is here to render a verdict in the case of Mead vs. Coggin.
      Alternatively, in the case of Coggin vs. Mead.
   c. Assign about twelve members of the class to the jury.
   d. Secure a volunteer to play Dan and one to be Frances.
   e. Divide the rest of the class into a defense team and a prosecution team.
   f. Poll the class to determine who is on trial for wronging the other and costing Puma a promising super talent.
   g. Allow time for the teams to huddle and select a representative to examine the defendant.
   h. Coach the people playing Dan and Frances to act out a stubborn belief that their assigned characters are in the right.
   i. The only witness for the prosecution will be the plaintiff (either Dan or Frances).
   j. Give them about fifteen minutes to expose the situation to the jury.
   k. Ask the jury to huddle and come back in five minutes with a verdict. Will it be “Guilty of failure to motivate” on Frances’ part, or “Guilty of failure to motivate himself” on Dan’s part? Another verdict could be that both are innocent, with reasons.
TEAM EXERCISE
Workplace Needs and Gender (page 241)

Enhancement

1. Ask learners to consider this question next. As you witnessed and considered theories of motivation during this phase of our course, did gender differences occur to you at all? This should open further discussion prompted by addressing the questions of similarities regarding motivational need states.

2. Follow with: Ought future studies of human motivation give more, less, or even weight to male and female subjects and their behavior?

3. Ask them to next explore this question: What do we believe about the gender of the opposite sex that possibly colors and distorts our views of their motivations at work?

4. Changing Places. To extend and animate this team exercise, have the learners put their gender assumptions to a lively test. Have the males in the same groups that discussed the issue of relative levels of gender needs for achievement, power, and affiliation return to the same list of four considerations, this time trading gender places.
   a. Males “become” females for the moment and females in the group “become” males.
   b. Freshly recalling what members of the opposite sex said about their own gender when discussing levels, now those playing their opposite must make themselves consider the needs as they surmise males or females would.
   c. Give the groups 10 – 15 minutes to work down the list a – d.
   d. Ask them to reflect upon this role-reversal experience and address this question within their groups: Has placing ourselves on the opposite side of this question altered anyone’s views on workplace needs and gender? Do we hold to our original assumptions or are there new insights? If so, why? If none, why not?
   e. Have a group spokesperson give highlights of what the group has discovered in this extension of the team exercise.

WHOLE FOODS CASE CRITICAL THINKING QUESTIONS
Chapter Six Connections: Work Motivation (pages 1-8)
1. Are Whole Foods team members likely to experience problems with procedural and/or distributive justice? Explain.
   a. Suggested answer: Procedural justice is a form of justice that relates to associate perceptions of fairness in outcomes. Whole Foods associates are not likely to experience problems in this vein. They have a strong voice in the decision process via their well-informed, diverse work teams. Store outcomes are attributed to procedures an associate can trace back to one or more of the 13 base teams who share with managers overall responsibility and accountability for these results. Distributive justice is the degree to which outcomes are fair. The fact that one of the Whole Foods stores was unionized despite corporate efforts to assure associates that they would be treated fairly indicates the delicate balance of trust between managers and their teams; more so, with Whole Foods, because so much of what attracts and holds the best people is how much say they have in the way things are done. If managers go ahead and change procedures without viable association involvement, then problems are likely to build.
   b. Connection to the chapter: Justice—conformity to moral rightness in action or attitude—is a defining quality of Whole Foods. How so? They promise to select and sell only the best natural and organic food products. Customers pay their premium prices, because they believe this promise is kept. The moral rightness of the way they do business has to be transmitted to qualities of justice experienced and enacted by Whole Foods people, or the main promise will soon be broken. Customers will look elsewhere.

2. Which of the motivational practices are emphasized by Whole Foods in its management system? Tying rewards to performance? Designing enriched jobs? Providing feedback? Clarifying expectations and goals? All of these?
   a. Suggested answer: All of these and more. Job satisfaction and organizational commitment are vital to keeping any business running, but at Whole Foods, having the best at work doing their best daily is paramount in their business model. It is said that one of the greatest attractions is the discretion given Whole Foods associates to employ their own wider range of talents and see the difference they can make. Other motivational practices contribute, but entrusting the future of the company to the judgment and intelligence of its frontline employees conveys the most rewarding value. Take that away and other practices are unlikely to sustain job satisfaction or commitment.
   b. Connection to the chapter: Affective commitment is what Whole Foods motivation practices must earn from each associate. Positive attitudes of customers toward the company are inspired and sustained by the positive attitudes of the associates they see in action each time they come into a store to shop. Associates are allowed to be whole persons at Whole Foods. They feel good about being themselves at Whole Foods. This is highly motivational. What must be done in order for employees to sustain their motivation to work and grow the business? This chapter covers many of the proven practices garnered in research. The Whole Foods
story is of an on-going experiment by its members to answer this question in all the ways addressed by motivation theory. Is it enriched jobs? They have them. Is it pay for performance of the whole team? They earn bonuses for reaching stretch goals. Is it that goals are clear and compelling and they have the means to chart their own best path to attainment? They are and they do. This experiment is being conducted in full view of a rather discerning population of shoppers. They read the motivational climate of a store by how motivated they are feeling to spend time there, if they have the time to spend. Low turnover of Whole Food associates could be strongly associated with low turnover of returning customers. Profits and losses tell this result.
Suggested Discussion Questions

1. Verizon’s call-center representatives play a pivotal role in its ability to maintain its core value of superior customer service experiences because they provide the services link between the company and it customers. Would a professional golfer purposely break his own hands and arms in order to turn in better scores? Of course not. Why then, did Verizon leaders allow their operation managers to do the equivalent to their service arms?

2. When the pay is good but the jobs are not good to them—a “gold-plated sweatshop” —workers are in a vice. Managers, exploiting this tender trap, can turn the handle on the vice, as too many must have done to bring them to the point of striking. What pressures may have been upon those front-line managers, that they would push representatives to intolerable lengths?

3. These employees were unionized. The strike appears to have brought about policies that greatly reduced systemic causes of distress. What if there had not been a union? Would Verizon leaders have found these remedies on their own out of concern for falling short on performance goals?

4. Among the stressors, monitoring and scripting performance happen so closely as to show almost no trust of the representative’s capacity to do the job and signify a management style that is the mirror opposite of high-involvement management. If customer service is truly strategic, how did it happen that they have allowed a contrary managerial style to propagate across the call-center network?

5. Call-center representatives “still argue that not enough has been done” by the organization to alleviate stressful working conditions. If they push too hard for further improvements, might they fuel a counterproductive reaction from management to play the outsourcing card? On the other hand, if they do not articulate unresolved causes of stress out of fear of this backlash; would they not be sharing responsibility for declines in customer satisfaction and sales?

6. Stress is an individual and individualized experience. Each day, each of these call-center representatives comes to work with an emotional checkbook. The positive experiences with customers, coworkers, and managers are marked with figurative additions to capacity to created energized solutions. Negative experiences are deductions. What if, at the end of the day, the majority of workers head home with a negative emotional and physical balance, even if they have banked another day’s pay in their real checkbooks? What is this costing the company in productivity and lost opportunity to sell? Who is keeping track?

7. There were a dozen changes in policy listed in this account. After these took effect, are we correct in assuming that productivity turned around and went up? What if it did not?
**Knowledge Objectives**

After reading this chapter, learners should be able to:

1. Define stress and distinguish among different types of stress.
2. Understand how the human body reacts to stress, and be able to identify the signs of suffering from too much stress.
3. Describe two important models of workplace stress and discuss the most common work-related stressors.
4. Recognize how different people experience stress.
5. Explain the individual and organizational consequences of stress.
6. Discuss methods that associates, managers, and organizations can use to manage stress and promote well-being.

**Teaching Point on the Knowledge Objectives**

Teach earning and spending human capital. To earn is to gain, especially for the performance of service, labor, or work. It also means to acquire or deserve because of effort or action. There is a positive side of stress—eustress—where people who create solutions to vexing problems earn their organization its human capital. When people are encouraged in their organization, supported and kept from harm, their organization has earned, in response, these innovators’ willingness to say and do new and different things. Among the definitions of spend are to use up or expend and, to wear out; exhaust. Human capital is exhausted in a social environment where initiatives are squelched as threatening to the status quo and the rule is to “never let them see you sweat.” Learners should realize the strategic importance of sustaining working conditions that foster the joy of discovering new problems to solve. New knowledge is the source of innovation. Innovating products, services, and operating processes earn new money and shares of markets. Employing human capital for innovation is not spending it. As knowledge is freely put into practice, it is actually bettered and expanded by learning what actually works. This is why curiosity, inquisitiveness, and openness to new thinking are the conditions learners associate with good stress. On the other hand, the negative, darker side of stress—dystress—is where human capital is spent, as in used up, expended, and exhausted. There are whole sub-organizations in larger organizations charged to be ever vigilant about how money is earned and spent. Finance and accounting systems jump on waste and keep eagle eyes on fiscal trends. Use the concepts and illustrations of this chapter to teach learners to manage stress with the same concern. This social bottom line is new knowledge gained (earned) over opportunity to create needed knowledge lost (spent).
Could there be a strategic purpose for stress, beyond the impetus of eustress? Here is one. Stress is a mentally or emotionally disruptive or upsetting condition occurring in response to adverse external influences. Workplace stress, as a whole, is determined moment to moment by stress felt by each of those persons working in that place. If there are 1,000 people working, then there are 1,000 potential sensors signaling disruptive or upsetting conditions. They do a good thing. Were there to be such a device as a corporate stress meter, it could register vital information for decision makers. It would signal the presence of adverse influences moving in an opposite or opposing direction to the strategy. A strategic purpose of stress, therefore, is to signal trouble to the strategy. For some people, a palpable rise in the stress level of an organization breeds fear, even denial and avoidance. For strategic leaders, on the other hand, stress incites action. Moreover, that first action is to learn. Yes, it is necessary to manage stress; but first the leadership act is to mind stress—to take notice and heed what stress is telling the organization about what is not working as planned. Encourage your learners to supply, rather than suppress their own stress signals. Urge them to develop an ability to interpret what is threatening to derail their organizations.

Digital Supplement
Experiencing Strategic Organizational Behavior: Is Happiness at Work Necessary?

If stress at work is considered a negative then is the opposite—happiness at work—the ideal?

Questions for Discussion

Have students think about a time that they were most creative in either work or at school.

1. What contributed to this creativity and thus happiness? Was it the project or, the person who asked for the project to be done? Was the environment of the workplace or classroom a factor?
2. What part of this creative experience do the students attribute to intrinsic motivation?
3. What part of this creative experience do the students attribute to extrinsic motivation? For example, “I thought I would get a big bonus if I came up with a new system for product introduction.”
4. If this burst of creativity occurred in the workplace, what part of the environment (fellow workers or manager) contributed to the creativity?

1. How did Lucy Kellaway view stress in her daily work?
2. How was stress helpful to her in accomplishing what she needed to get done?
3. Does this view on stress negate what you have read about the deleterious effects of stress on well-being and work productivity?

This podcast refers to an article in *Harvard Business Review*, Amabile, Teresa M. and Kramer, Steven J.: “Inner Work Life: Understanding the Subtext of Business Performance,” vol. 85, no. 5, May 2007, pages 72 – 83. Students may be encouraged to read the article to get another perspective on how managers in the workplace may positively affect stress levels and work productivity.

**MANAGERIAL ADVICE**

**Restoring and Maintaining Worklife Balance (page 239)**

**Suggested Discussion Questions**

1. If we can agree that worklife has become unbalanced as described herein, why has it become so? What are people driving at or being driven by that has unbalanced the lives of people with “high-demand jobs”? Do they manage these jobs or do the jobs manage them?
2. Worklife balance suggests that life outside the job—family or personal life—can become equalized to the work side, to restore and sustain balance. Do you believe this is possible without diminishing and blocking weightier demands of work?
3. This advice calls for making difficult judgments to choose, at work and at home, to do only that which is most important. Could we test this right now by trying it on this course of study that we are making together?
4. The advice to “take advantage of work-related options” calls for us to be parsimonious with our most precious, non-renewable resource—our time. How can we make ourselves “Time Misers”?
5. We are advised to protect “non-work time.” Is this the time our employer does not own? Are we protecting this time from our employer, or, possibly, from ourselves and the lure of giving “one’s all” to our employers in exchange for reward and advancement?
6. Advice for managing personal time calls upon us to consolidate and cluster tasks to reduce wasted time. What if this is how we manage all our time—work and personal? We may have more freedom to manage the tasks upon which we spend personal time, so that we “call the shots.” What if we are overly constrained at work to break up time-wasters?
7. Recreation? In our busy lives? Is not taking time for recreation like “stealing” time from work and family? How must we convince ourselves to be “not guilty”?
By the end of 2009, it is estimated that 70% of American families will have a working Mom. Many of these women are working by choice; many others need to work to co-support their families. Still others have been pushed into the workplace as the economy faltered and lifestyles needed to be maintained. The stress accompanied by family demands on workplace productivity continues to rise as more and more dual career parents increase in number.

What have business organizations done to accommodate to the current world of work-family obligations?


Note: The podcast is some 30 minutes long so you may what students to listen to it on their own or play selections in class.

Following the podcast the following questions may be used for discussion:
1. Have students briefly describe their own observations of how the work environment they are familiar with provides for working parents.
2. What might organizations do to make it easier for families to manage the competing demands and stressors when it comes to balancing work and family?
3. After listening to the podcast, what surprised the students regarding the continuing inequality faced by women in the workplace?
4. How might these factors that the students identify negatively impact an organization?

1. We bring our health status to work. Once there, who “owns” it? The employer? Ourselves? On the other hand, are we co-owners?
2. When a business pays toward the cost of health insurance, our health status becomes a liability (or an asset). Explain.
3. Wellness programs are said to have a promising return on the investment. What seems to be at the bottom of this? How is being well a financial driver?
4. Consider this worse case scenario. You take a health risk assessment that your employer claims is voluntary, but is keeping a record of those who decline. You wrongly assume the findings are only for you to use to manage your own wellness. Instead, a found condition goes to your boss who suddenly turns to
another for a promotion he had nearly promised to you. Possible? Is this happening out there? What can you do?

5. **Job as a Wellness Program:** Here is a brief exercise to extend the scope of learner attention to this vital individual and organizational issue.
   a. Form small groups and ask them to tackle this question: *How can jobs themselves be transformed into ‘wellness’ programs?*
   b. Their objective is to visualize and list ways the work, the job, the business unit, even the whole organization can be re-designed and managed to encourage wellness and prevent disease and accidents.
   c. Give them 20 minutes, and then have each group report out. Discuss the findings and then conclude with an all-class consideration of this question: *Knowing that each of us will occupy a job for at least 40 hours a week, why would we not want our employers to make this a primary time and place to stay well and become healthier?*

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**Back to the Knowledge Objectives**

**Suggested Answers**

1. *(a) What do we mean by stress? (b) What are the distinguishing features of psychological and physiological stress, acute and chronic stress, and eustress and dystress? (c) Does all stress result in negative consequences?*
   a. Stress is a feeling of tension experienced by people who feel that the demands of a situation outweigh their ability to cope. (page 232).
   b. Psychological stress affects a person’s mental state, while physiological stress causes physical effects, such as sweaty palms or an upset stomach. Typically, acute stress causes only short term physiological effects, while chronic stress results in long term problems. Eustress is positive stress that results from meeting challenges with an expectation of achievement, while dystress is negative stress. (pages 232-233).
   c. Not all stress has negative effects; eustress is positive and can be energizing and motivating. (page 233).

2. *(a) How does the human body react to stress? (b) What are the outcomes of this reaction? (c) How can you tell if you or someone you know may be suffering from too much stress?*
   a. The body reacts with a special physiological response commonly referred to as the stress response. A stress response is an unconscious mobilization of the body's energy resources that occurs when the body encounters a stressor. The body gears up to deal with impending danger by releasing hormones and increasing the heartbeat, pulse rate, blood pressure, breathing rate, and output of blood sugar from the liver. (pages 232-233).
   b. If stress is short-lived, or acute, then stress responses tend to be short term. If stress lasts over a period with little relief, however, stress responses...
begin to wear down the body and result in problems that are more serious. (page 233).

3. (a) What are the general causes of workplace stress according to the demand-control model? (b) What are the most common workplace stressors? (c) What implications does the demand-control model have for creating a high-involvement workplace?
   a. Workplace stress, or job stress, occurs when the demands of the workplace are perceived by associates to outweigh their resources for coping with those demands. (page 234).
   b. The most common stressors are: occupation, work overload, role conflict, role ambiguity, resource inadequacy, working conditions, management style, monitoring, incivility, and job insecurity. (page 236).
   c. High-involvement management must keep work demands and worker control over the work in balance for optimal growth and development of human capital. They should produce conditions for eustress in which associates are most likely to be energized, motivated, and creative.

4. (a) What types of people are likely to experience the most stress at work? (b) If you are experiencing too much stress, what can you do to help manage it?
   a. People with a Type A personalities. They create their own stress by being competitive, aggressive, and impatient. They may push themselves to achieve higher and higher goals until they become frustrated, irritated, anxious, and hostile. (page 242).
   b. For individuals, managing stress should involve coping with it rather than trying to avoid it. The goal is to develop healthy, multiple ways of coping with stress. These may include such practices as: exercising regularly, eating well, developing social support networks, using relaxation techniques, being realistic, avoiding unnecessary competition, going easy with criticism, or taking time off. (page 247-248).

5. What specific effects does workplace stress have on individuals and organizations?
   a. Unmanaged workplace stress can undermine the mental and physical health of individuals, leading to severe problems like burnout, depression, or heart attack. Loss of their personal productivity is assured. So noted, future advancement is impaired. Organizations are made up of the behaviors of producing or under producing individuals. Consequences of strategic organizational behavior follow from the effects on individuals. Like spreading viruses, morale lowers, dissatisfaction mounts, and working relationships tear. (page 246).
6. (a) What can organizations do to prevent and manage workplace stress? (b) What specific changes can they make?
   a. To reduce and prevent harmful kinds of stressors, organizations may institutionalize strategic stress management and health promotion programming.
   b. They may: Increase associates’ autonomy and control; ensure that associates have adequate skills to keep up-to-date with technical changes in the workplace; increase associate involvement in decision making; increase the levels of social support available to associates; improve physical working conditions; provide for job security and career development; design jobs so that they are meaningful and stimulating; provide healthy work schedules; maintain job demands at healthy levels; improve communication to help avoid uncertainty and ambiguity; and develop an occupational stress committee to assess the sources of stress facing associates. (page 248). Additionally, they can identify the problem areas in policies, procedures, and practices; involve associates in systematically eliminating root causes; and monitor and evaluate long-term and short-term outcomes to improve the program.

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<th>Teaching Point on Knowledge Objectives</th>
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<td>Teach empathy. Dystress spreads like dry rot throughout an organization, unless strategic leaders model the rightness of identifying with and understanding another's situation, feelings, and motives. It is unlikely that these academic knowledge objectives will emerge in the performances of your learners now or long-term, unless they allow themselves to authentically “feel the pain” of others. The myth that there is no place for emotions in business may reside in the minds of some, translated to “leaders must be tough, for it’s a dog eat dog world out there.” Look for opportunities for dialogue about this question. To be empathic is to connect with and open oneself to the misery of others. This is courageous leading. This is how your learners will come to know deeper truths about the costs and causes of damaging stress. Managing from this experiential base of knowledge, systematic programs for stress reduction become a personal mission. While researchers may not have found conclusive evidence of the impact of such programs on company performance, your learners will be taking their own initiatives to relieve the stress of those with whom they study and work. Have them pledge to make their own job and others’ a primary “wellness program.”</td>
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Digital Supplement:
Experiencing Strategic Organizational Behavior: Your Boss is a Bully

Having a boss or supervisor who is a bully is both a demoralizing and stressful experience. Research has shown that for individuals to be successful in their work they need managers and supervisors that treat them decently as human beings. But what happens if their manager or supervisor is a jerk?


Questions for Discussion
1. What suggestions does Ken Lloyd make for dealing with the manager who is a bully?
2. What strategies have you used to deal with bully bosses or for that matter bully people?
3. What choices might you have to better your position?

Additional Material on Ethics

Just Cope

What is asked of workers and students these days? Do more with less. Shoulder more of the costs of doing business or being educated. Do things in new ways and do new things, but do not make mistakes. Do your best, but do not expect it to lead to anything resembling permanency. Earn that degree, but expect to compete with people with experience. Moreover, what are they asking of themselves? Work full time and go to college full time. Start a family with dual incomes, and try to make it on one income to keep a parent home for the child. Let credit cards sustain the myth that you can have it now. Savings are for chumps.

What is a person to do at the vortex of these wrenching contradictions? Just cope.

Contend with these difficulties and act to overcome them. However, to cope is to contend or strive, especially on even terms or with success. The ethical rub lies in the question of even terms.

Employing managers are, or should be, responsible for creating organizational conditions that keep terms of sustaining one’s employment fair, reasonable, and healthy. Employed individuals are, or should be, responsible for terms of readiness to work, staying healthy, ready for daily engagement, and being open to learning, which they must to adapt to changing demands on the job. This would be coping on even terms. Success is probable.
What if parties on either side do not act responsibly to keep it even? What if manager or worker breaks discipline and allows organizational or personal conditions to overwhelm?

This original exercise engages learners in a simulated moment, when someone “blinks,” either manager or associate. The pressures for unattained results overpower restraints, opening the way for exploitation. Managerial policies or self-discipline is relaxed. The prospect of coping is dimmed or doomed.

Learners ought to remember this silent, physical exercise, when they expect others as managers or are expected as associates by managers to just cope. Is there such a thing as coping on *even terms*? Who holds the greatest power over the other?

1. Arrange for this exercise to happen in a room where people can walk from any point from a wall to the middle of the room without being unduly obstructed. Where there are movable desks, see that spaces are opened, or the desks moved to the walls. Mark the mid-point of the room by stretching a string from top to bottom.
2. Have the class count off in two’s. The One’s go to one side of the room. The Two’s, the far side. The One’s are to be managers. Two’s, associates.
3. Now, form pairs of persons opposite each other. Pair One has a manager on one side of the room and a corresponding associate on the other, and so forth. If there is a third person left, after forming the pairs, ask that person to be an observer.
4. Set the ground rules. Upon your signal, learners on both sides are no longer allowed to talk until further notice. All communicating, if any, will be non-verbal. No physical contact of any sort is allowed.
5. Give this instruction: *Upon go, start walking slowly, straight toward your across-the-room partner, keeping your eyes on each other and no one else. Come, all the way to the mid-line, if you are able to do so, without breaking eye contact. On the honor system, if you take your eyes off the other and allow yourself to laugh or otherwise “lose it,” you stop and return to the wall.*
6. Those who make it to the mid-line are expected to stand and hold eye contact until time is called or one or the other blinks and the bond is broken. Those pairs that make it to the bell win.
7. Call time, when it is clear to you that those holding eye contact are not going to waver. Both are coping on even terms.
8. Discuss what has happened.
   a. Ask those who broke early and did not make it to the mid-line if they will tell the class why. Was it stressful, and if so, how so?
   b. Ask those who made it to mid-line, but could not last until time was called if they will tell the class how they got that far, but then lost it. Did feelings of stress increase, as they came closer and looked each other right in the eyes? Why?
   c. Ask those who made it all the way to the closing bell about thoughts and feelings that they managed, in order to keep their eyes in steady, sustained contact. How and why did they cope?
d. Explore if more associates broke than did managers, or vice versa and what this may mean about coping on even terms.

e. Ask the class to consider what this exercise teaches in general about managing workplace stress.

9. A speaking version of this exercise may be tried instead of the silent version, or as a contracting round. The rule of holding eye contact is the same. The objective is still to be among the pairs who do not break contact before the closing bell. You may keep the same pairs or have all associates move down one, the one on the end coming back down to fill the open spot.

   a. Option 1 is that managers of the pair are allowed to speak, while moving toward their associate. Associates are not.
   b. Option 2 is that only the associate may talk. Managers must maintain steely, dignified silence throughout.
   c. Option 3 is both parties may talk if they wish.
   d. Has speaking helped, or hindered the pair in holding eye contact and managing their emotions?

Key Terms


burnout  A condition of physical or emotional exhaustion generally brought about by stress; associates and managers experiencing burnout show various symptoms such as constant fatigue, or lack of enthusiasm for work, and increasing isolation from others. (page 244).

chronic stress  A long-term stress reaction resulting from on-going situations. (page 232).

demand-control model  A model that suggests that experienced stress is a function of both job demands and job control. Stress is highest when demands are high but individuals have little control over the situation. (page 234).

dystress  Negative stress, often referred to simply as stress. (page 232).

effort-reward imbalance model  A model that suggests that experienced stress is a function of both required effort and rewards obtained. Stress is highest when required effort is high but rewards are low. (page 234).

eustress  Positive stress that results from facing challenges and difficulties with the expectation of achievement. (page 233).

hardiness  A personality dimension corresponding to a strong internal commitment to activities, an internal locus of control, and challenge seeking. (page 242).
job stress  The feeling that one’s capabilities, resources, or needs do not match the demands or requirements of the job.  (page 232).

role ambiguity  A situation in which goals, expectations, and/or basic job requirements are unclear.  (page 237).

incivility  Slightly deviant behavior with ambiguous intent to harm another person.  (page 240).

role conflict  A situation in which different roles lead to conflicting expectations.  (page 236).

stress  A feeling of tension that occurs when a person perceives that a situation is about to exceed her ability to cope and consequently could endanger her well-being.  (page 232).

stress response  An unconscious mobilization of energy resources that occurs when the body encounters a stressor.  (page 232).

stressors  Environmental conditions that cause individuals to experience stress.  (page 236).

type A personality  A personality type characterized by competitiveness, aggressiveness, and impatience.  (page 242).

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Teaching Point on Key Terms

Teach emotional accounting.  Learners are taught to follow the money in terms of profits and losses.  A more precious asset than money is at stake in their lives—their well-being and the integrity of the organizations upon which they rely for making a living.  Emotional accounting is a continual process of sensing, signaling, and interpreting the meaning of stress.  Good stress = profit.  Bad stress = loss.  This notion can help the learner sift through messes of everyday behavior in organizations to locate, evaluate, and manage how people (including themselves) are feeling in their jobs about doing their jobs for the enterprise.  Is the trend at any given moment more earning from eustress or sending from dystress?  For example, taking the emotional accounting tool stressor into their day, learners can systematically inventory, catalogue, and count the presence of stressors.  They can work back to see if there is a history of a particular stressor and/or look forward to envision the life span of this stressor.  Is it likely to be extinguished in good time, or must it be managed?  Can such stressors be reconditioned to become causes of learning for knowledge creation?  As in financial accounting, can liabilities be legitimately converted to assets?
Suggested Discussion Questions and Enhancement

1. The list of life events that bring on dysstress seems to have a thread running from top to bottom. There was before. Now, post-event, there is after, and after is irrevocably different for the person. What seems most distressing, losing the known or facing the unknown? On the other hand, in most events, is this the “double whammy”? 

2. The lesser-weighted events like Christmas, or a change in eating habits, seem to fit within the category of short, manageable disruptions to routines. The actual impact of these events will vary according to the individual’s orientation toward change and coping ability. How might a person turn these disruptions into welcomed reasons to learn and grow? How far up the scale could this rationalizing behavior climb before even the most optimistic person could not find a silver lining?

3. A point of this Strategic OB Experience is that managers need to know which of their decisions to make radical change will do the most harm, as in sudden, unsupported layoffs or reducing health insurance coverage. How likely is it that decision makers will turn away from enacting decisions that will fuel stress in employees, when their eye is fixed in the stock price and/or the “L” on the P & L sheet?

4. One of the benefits of knowing this list as a manager is to be able to figure out why associate performance suddenly takes a nosedive. After looking for stressors in the work environment, they can explore, sensitively, with the associate that life event or events may have recently occurred. Was it a failing of the associate to allow stress from “outside” events to undermine performance inside the job? Where does the manager draw the line?

5. Learners use this instrument to test the level or residue of stressful life events in the past 12 months. What will they discover about the nature of resilience?

6. Here is a brief moment for addressing the previous question #5.
   a. “Running up a tab.” It is hoped that your learners scored below 150, a stress level at which it is unlikely that they will experience health problems because of stress. However, there is still the future of life events up ahead. What higher-ranked life events are ahead that will “run up that tab” on their health?
   b. It will be unpleasant to contemplate answers to this question, but it will more deeply imprint the real cost of stress. It insidiously undermines one’s health.
   c. Have them open their text to page 245 and this questionnaire.
   d. In silence, have them start at the bottom of this list and touch each item with a pen or pencil. As they touch the item, have them ask themselves, “Could this really ever happen to me? Could I let this happen to me?” If yes, they should jot that number down on a separate piece of paper.
e. When they get to the top item, ask them to stop and tally the numbers from the items they acknowledge are possible and possibly unpreventable in their futures.

f. This is the potential “tab,” to put up with bits of their health and well-being.

g. You might invite them to talk over these results in pairs or in small groups. However, contemplating this sobering prospect alone may be more meaningful.

h. The main point of doing this is to recognize how precious it is to be healthy and pledge to be proactive in keeping that tab low or lower than it was when they completed the assessment before this extension of the assessment. Refer them to pages 278-279 on Individual Stress Management.

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**AN ORGANIZATIONAL BEHAVIOR MOMENT**

**Friend or Associate? (pages 254-255)**

**Suggested Discussion Questions and Enhancement**

1. Is Tony a friend or an associate? That is the main question of this case. It is the fact that Walt is a business owner depending upon Tony’s talents as a chef to sustain the popularity of the new restaurant that makes him an associate. A friend with a drinking problem is one thing. A friend of a manager who is also an associate is another. Can Walt intellectualize the “and” in his relationship with Tony into an “or”? 

2. If Walt breaks the “and,” it now becomes friend or associate. He must look objectively at Tony’s backsliding behavior as he would any other employee acting in this moment in a manner that is harming the business. What will Walt see in this behavior that he might have glossed over by his feelings of affinity toward this man who helped him create this business?

3. Bill, Walt’s partner, and the other associates of this restaurant, possibly even regular customers, are doubtlessly watching to see what Walt will do. How might their stress levels change, if they see Walt favoring Tony with allowances for this behavior that they would not expect to be given to anyone else?

4. Tony is figuratively faced with the same choice—friend or associate? It appears that he is banking on choosing friend over associate. Were Tony to have been just another associate, as important as being a successful chef was, would he have tested the owner’s patience by going off the wagon?

5. It is asked if Tony’s problem with alcohol could be stress-related. There is evidence that pressure in the kitchen had grown fast, as they had to move to a larger location within the first year. Yet, Walt had seen to it that associates benefited from the growth. Tony’s earnings had doubled and he “seemed happy.” Is it likely that Tony’s capacity to cope with this pressure was exceeded, triggering the stress-reduction mechanism of alcohol?
Tony lied to his friend Walt to cover up the fact that he was staying home to drink. This shocked Walt. An associate might lie in desperation and out of fear of his boss and losing his job, but would an old friend do that to him? Now, Tony is in the back—drunk—and asking for his money. Safely assuming Walt’s stress level has just shot up, should he go to the kitchen and confront Tony or wait, and regain self-control?

One of the questions is, “What should Walt do to help Tony cope?” Here is a good point of departure for a suggested fast class exercise.

- Give every learner a slip of paper or a single file card.
- Ask them to jot down privately the full sentence, as they would have Walt speak it to Irene. “Tell Tony I’ll…” (See him in an hour or be right there, or be bringing him a severance check, expect to see him shortly and would like him to bring two black coffees).
- Go around the class to each member, asking them to read what they have written on their paper or card and tell why.
- Discuss the trend of thought. Is Tony to be treated as a friend in trouble or a friend who is a valued associate in trouble? Just a valued associate in trouble and spiraling out of control? Or, is he to be treated as an associate who is causing the business trouble, on the verge of spiraling out of control, if Tony is unable or unwilling to return to sobriety in due time?

TEAM EXERCISE
Dealing with Stress (page 255)

**Enhancement**

This is a straightforward exercise. It makes use of the “How Well Do You Handle Stress” test. Learners are asked to develop a plan for coping more effectively with stress. They then discuss their plans with a classmate. This concludes the exercise as written. You might want to consider this as Phase One of a two-phased exercise. Here is why.

1. A plan is a promise. In this instance, learners are accountable only to themselves. The focus of Strategic OB is upon human capital applied to competitive advantage.
2. Consider this suggested extension of the exercise as Strategic IB, strategic individual behavior. Individuals represent human capital to an organization. It has been established in this chapter’s Strategic Lens that human capital is important because it holds much of the knowledge of an organization and applies this knowledge to performing tasks and solving problems.
3. Each of your learners is a source of human capital to any organization to which they belong. You can reinforce this in how they are included as learning resources in your class. The more able they become in managing to reduce dystress in their lives and increase eustress to bolster their creativity, the more strategic and the more essential their conduct will be to these organizations.
4. Thus, to state plans to become and remain free of excess stress is a strategic promise to themselves (and their careers) to become an ever more valued source of human capital.

5. A suggested Phase Two of “Dealing with Stress” is to actually deal with stress according to plan.
   a. Ask learners to choose one of the stressors they plan to reduce and concentrate on accomplishing this over the coming week.
   b. It need not be removed by week’s end, but there should be a noticeable “dent” in it.
   c. It should be one likely to be happening to them now.
   d. Have them identify their target stressor to their Phase One partner.
   e. Ask them to communicate via email during the week, checking in with each other on how they are doing.
      i. Have them report and discuss if the stress-reducing actions they envisioned are actually working.
      ii. If not, what can be done on the fly to still accomplish the objective?
   f. Request a brief oral or written report of this Strategic IB experiment.

6. Closure on this now two-phased exercise is that reading and discussing this chapter on workplace stress is not just an important intellectual activity, it is for personal development. The benefits of living and working free of excess stress can be experienced first-hand. As stressors are tamed, this action phase of learning is rewarded in real time.

WHOLE FOODS CASE CRITICAL THINKING QUESTIONS
Chapter Seven Connections: Workplace Stress (Case Study)

1. Based on the demand-control and effort-reward models of stress, are Whole Foods team members like to experience a great deal of stress? Executives?
   a. Suggested answer: Demand-control is a model that suggests stress experienced by Whole Foods associates is a function of both job demands and job control. Demands of their jobs are somewhat absorbed by teams who can distribute workload and apply more than one mind to solving problems as they arise. Moreover, associates have the authority via their teams to control many of the variables that create working conditions and relationships. For example, who is on or off the team is within their purview. Thus, demand-control for Whole Foods bodes well. Effort-reward imbalance model suggests that if Whole Food associates were to consistently apply more effort than is recognized and rewards in the company’s culture and reward system, stress would escalate. We know that care is taken to prevent such imbalance in the stores. Bonuses are offered and earned for above and beyond efforts. Consistently high team performance is rewarded by per hour increases in wages. As for Whole Foods executives, their pay is limited to a 19:1 ratio. They are said to earn
well below the industry average. In this highly decentralized company, the demands on them for corporate performance could outweigh their capacity to directly control the outcomes. They have to count on store-level teams to deliver the numbers for which they are held accountable by the financial institutions. Does this mean Whole Foods executives experience greater stress than their associates? The models predict this to be so.

b. Connection to the chapter: Eustress is positive stress that results from facing challenges and difficulties with the expectation of achievement. To date, Whole Foods as a young and growing corporation has attained the rank of first in its highly competitive industry. Now the challenge is to sustain eustress as the stakes and expectations for corporate and store success rise daily. There is no resting on past laurels. Dystress looms for all when and if performances fall short consistently. Will Whole Foods associates and managers have the commitment and imagination to innovate their way back to high achievement? The legacy of trust, deep knowledge, and room for creativity should give them the leverage point they need to care for the company they have built so well so far.

2. Does Whole Foods need a wellness program? Why or why not?
   a. Suggested answer: Health. Wellness. Fitness. Conservation of resources. Are these not attributes of the Whole Foods ethos? Customers associate their own wellness with the healthy Whole Foods way of eating and using environmentally friendly home and personal care products. What irony, if the people with whom customers associate in those stores are unhealthy, unwell, unfit, and unmindful of their impact on their surroundings? Whole Foods stores are organized to support and develop employee well-being on purpose. This purpose is to assure that customers will enjoy every encounter with associates and managers. In a way, the entire Whole Foods store is a wellness program for all concerned. Now, should they also offer a wellness program? Yes, if this is what associates request, but only by their local choice.
   b. Connection to the chapter: Dystress harms and even kills. No amount of wellness programming offered by a company adjacent to an overly distressful job is justified as an alternative to badly managed working conditions. Good work by good people led by good managers forms the core of positive wellness. Programs of the nature described in this chapter add value to the extent that each associate self-manages to use them. Wellness cannot be forced. Whole Foods team members apparently enjoy the aforementioned goodness at work. In exchange, their responsibility is to be good to themselves. Wellness programs help.
CHAPTER 8

LEADERSHIP

EXPLORING BEHAVIOR IN ACTION: Maria Yee and the Green Furniture Revolution (pages 289-290)

Suggested Discussion Questions
1. Being part of the green technology revolution was an important part of Yee’s personal philosophy. How has this philosophy directed her actions as a business leader?
2. What actions has Yee taken to see that the furniture industry is better able to utilize a “green” way of thinking?
3. How has Yee been able to coach and develop others who work with her to embrace her commitment to people as well as to the product she manufactures?
4. Yee immigrated to the United States from Mainland China. What obstacles do you think Yee encountered when she first started doing business in the United States?
5. Companies like Crate and Barrel, Room & Board, and Magnolia Home Theatre purchase Yee’s products. What might she have had to do in her role of corporate leader to convince these companies that her products were worth purchasing?
6. What leadership traits do you think Yee possesses that contribute to her leadership success?

Knowledge Objectives

After reading this chapter, learners should be able to:
1. Define leadership and distinguish between formal and informal leaders.
2. Demonstrate mastery of the trait concept of leadership.
3. Compare and contrast major behavioral theories of leadership.
4. Explain contingency theories of leadership, emphasizing how they relate leadership effectiveness to situational factors.
5. Describe transformational leaders.
6. Integrate concepts and ideas from behavioral, contingency, and transformational leadership
7. Discuss several additional topics of current relevance, including leader-member exchange, servant leadership, gender effects on leadership and global differences in leadership.
Teaching Point on the Knowledge Objectives

Teach implementing and you are teaching strategic leading. An implement is a means of achieving an end, an agent, or an instrument. When leading for an organization, one is an implementer of the ideas called goals, plans, visions, designs, etc. Show your learners how they are instrumental in the attainment of all of your course’s goals and objectives. You tee up the lessons; they must lead themselves and others to drive them. Implement, the verb, means to put into practical effect; to carry out. Strategies are designs to be used for the organization’s success. Like all other forms of plans, goals, objectives, and innovative ideas, strategies need an agent or agents to put them into practical effect. An agent is one that acts or has the power or authority to act. Ground this vast and complex subject of leadership in everyday events of this course and learners’ lives. While OB texts tend to feature business leaders well along in their careers, everyone leads at times. It is going on right now inside your course. Learners need to recognize that they are being leaders when they see and implement what needs to be done. They need to recognize when others are leading as agents with the power to get things done their way. Additionally, they need to know that one is not leading strategically when implementation fails. Success sustains organization life. Failure quells it. Learners will be able to use this gauge in managing their own work behaviors as well as others. They may ask, “In this moment of activity, am I being an implement or an impediment?” Alternatively, “Is what this coworker is asking us to put into practice in line with our strategic plans?”

Digital Supplement
Managerial Advice: Colin Powell on Leadership

Have your students go to their web browser and to You Tube. Search for Colin Powell. Powell is a retired four star general and was Commander of the United States Army Forces Command. He also served as Secretary of State under George W. Bush and was his National Security Advisor. Listen to Powell talk about Leadership in the video entitled: “Colin Powell Speaks about Leadership.” This was an address given to business students at Colgate University.

Questions for discussion:
1- In the many leadership roles Powell occupied, what according to Powell is the role of a leader?
2- How does the individual who is serving as a leader, go about seeing that the needs of the organization are met?
3- What advice does Powell have for the business students he is speaking to with regard to leadership?
Honing a Strategic OB Prospect
Leadership

“Dead in the water.” “Words fallen on deaf ears.” “Left behind in the competitor’s
dust.” Your learners will easily recognize, perhaps even have uttered, such catch phrases
of failed leadership. This is the strategic prospect of leadership. Organizations cannot
move forward when people are unwilling or unable to implement what is planned. Are
your learners seeing leadership happening when observing people speaking, gesturing,
and writing to influence others to act in a certain direction? Not yet. Tell them to
imagine looking at the ground in front of a leader. Are the feet of the people to whom
these influence attempts are directed moving? Dragging? Back-peddling? Followers
complete acts of leadership. Following feet determines leadership effectiveness, and
ultimately organizational effectiveness. Urge your learners to “watch the feet” of
organizations, as they go about their days. They belong to people who can make or break
their superiors. Followers have much to teach students of strategic OB about who makes
them want to step out into the unknowable future with swift, sure steps and why this is
so. They need not look far for subjects of this practical inquiry. They and their
classmates are followers in this course, completing your acts of leadership (teaching).
What will they tell each other about you? Finally, they may turn this investigation of
followership inward and ask themselves to notice and compare moments when it is their
own two feet that are flashing forward or hovering over dug-in heels.

Suggested Discussion Questions

1. Three decades of rising crime rates in New York City and some claimed there was
   nothing that could be done about it. How does this sad conclusion characterize
   the leading in the NYPD across those thirty years? Does it suggest that rank-and-file
   law enforcers were unwilling or unable to implement crime prevention
   practices to prove their critics wrong? Why?
2. Two years later, William Bratton made New York one of the safest large cities in
   the world. Was Bratton alone? No. Apparently, there were enough people
   among the thousands of NYPD law enforcers who stopped impeding and started
   implementing practices that worked. If this is so, does it tell us that leadership is
   latent within people and groups; that the right combinations of actions can awaken
   it?
3. The right combinations of top-down actions by Bratton brought about four major
   changes. Are there threads running through these four changes that transformed
   that vast workforce into implementers of Bratton’s fresh, more scientifically
   grounded strategic plans?
4. To partially answer the preceding question, the word accountability emerges as a
   thread in the four changes. Bratton put a system in place that would call into
   account officers and leaders who were made more clearly responsible for the rate
   of crime at the local level. Is it possible that those most effectively leading the

EXPERIENCING ORGANIZATIONAL BEHAVIOR
Reforming a Rotten Apple and an Evil City (pages 294-295)
5. Bratton consistently displayed all of the core leadership traits listed in the chapter. While he is not called a role model, it may be assumed that he was one. He chose to believe that reforming the Big Apple’s police department was not only possible and necessary, but that it need not take three more decades to change. He signaled to those in the department with similar core leadership traits that now was the time for concerted action. What if there had not been enough men and women like Bratton at all levels and locales?

6. In 2002 Bratton became head of the Los Angeles Police Department (LAPD). Crime rates in Los Angeles decline by nearly 50% from 2002 to 2009 under Bratton’s leadership. What magic bullet does Bratton possess that helped mobilize the LAPD?

7. How did Bratton’s actions in Los Angeles compare to those in New York?

8. It is concluded that few doubt that Bratton is an effective leader. The NYPD and LAPD are huge organizations serving cities of millions. These cities are both comprised of diverse populations. It took hundreds, perhaps thousands, of managers and associates in that system changing how crime was being fought within those few months of time to produce these dramatic turnaround results. Would it not be more revealing of how organizations can effectively be led by thinking of William Bratton as an effecting leader; that is, one who brings out his strategic style of leadership in others at all levels?

MANAGERIAL ADVICE

Phil Jackson and Leadership Success (page 304)

Suggested Discussion Questions and Enhancement

1. Untapped human potential. Is this not the destination “zone” for those like Phil Jackson in situations where it is not releasing just his own potential that wins the game, but of his players? Imagine, even Michael Jordan’s fuller potential as a basketball player was found by his coach.

2. Why is being directive shown in this advice to be used sparingly with accomplished followers? What harm can its overuse or under use do?

3. Do we not tend to think of leaders being “over” their followers, as Phil Jackson is coach over the Lakers? Yet, his philosophy is to lead as an equal. Why does it work? Is it unique to him, or could anyone lead from a position of humility and respect for those to be led?

4. Would another way of looking at non-directive leading be that Phil Jackson allows his players to lead themselves and each other?

5. Jackson believes his players can be and must be self-directed learners to reach a higher level of play. What does this tell us about the role of learning in leadership?

Listening to Learning is an exercise designed to give your learners a moment to draw and hold a deep mental breath. Phil Jackson’s goal is to be “invisible,” so that
his players can hear themselves think and learn. Perhaps our talk, talk, talking as OB teachers is not the sound of learners learning? Instead, maybe learning comes in “Zen” moments of quiet like those associated with Phil Jackson’s coaching? Ironically, many students come to college to share in our socially privileged “life of the mind,” only to be working so hard between school and trying to pay their way that they feel they are losing their minds.

a. In this enhancement exercise, there aren’t any gimmicks, any role-plays, debates, or film clips to watch. You are granting them ten minutes of class time to sit in complete, silent repose.

b. The challenge in doing so is to stand it for ten whole minutes.

c. Ask them to relax, take a few deep breaths, exhale slowly and go completely quiet. Tell them not to watch any sort of timepiece and that you will quietly announce when ten minutes are up. Also, ask them to try not to distract others.

d. Will they crack and reach for cell phones to refill their heads with the voice of “that person” who always seems ready to take a call and talk about nothing?

e. What they are “visiting” in this silent time is the place where they ought to go to “stand” and examine their private motives for taking a new course of action and trying to bring others along with them. Granted, this public visitation is artificially contrived to make this point. However, it can place a bookmark in their recollection of this chapter on leadership and your lessons. This is the time, when ten minutes of time seemed like ten hours. It is also the time to “hear” their own learning happening, as deeper reflections find their way to the surface of their inner attention.

f. Ask your learners to imagine the good that could come from giving themselves a ten-minute private audience, before allowing others (including their teacher) to make up their minds for them.

Digital Supplement:
Experiencing Strategic Organizational Behavior: IBM Looks at Global Leadership

In 2010 IBM conducted a large global study which looked at CEOs around the world and their perspectives on leadership in this new global economy.

Direct learners to IBM Global CEO 2010 and listen to one or more of these global leaders talk about leadership in their companies. There is a printed report of this global study which instructors can access using the instructions on the website.

Learners should be asked to use Google to find the IBM Global CEO study 2010 website (www.ibm.com/services/us/ceo/ceostudy2010/index.html). Please note that this exercise uses the website overview, rather than the written report itself.

Have learners go to the “Introduction” tab and read: How has the nature of leadership changed in the new economic environment?
Next go to the “CEO videos” tab. Select one of the five CEOs presented:

- Kevin Sharer, CEO Amgen
- Daniel Llambias, CEO Banco de Galicia y Buenos Aires S.A.
- George Maltabarow, CEO Energy Australia
- Andrew G. Ray, CEO Getinge USA
- Motoki Ozaki, CEO Kao Corporation

1. What are the strengths of the methodology used in this research study? How does this methodology contribute to its uniqueness?
2. What key challenges do these CEOs discuss about their particular companies and industries? Are there challenges which are unique because of the country origin of the organizations, or perhaps in the type of industry represented?
3. How has the interconnectedness of today’s global organizations presented new and different challenges for these and other corporate leaders?

Back to the Knowledge Objectives

Suggested Answers

1. (a) What is leadership, and (b) why is it important for organizations?
   a. Leadership is the process of providing direction and influencing individuals or groups to achieve goals. Like learning, leading is an inside process within the individual who chooses to be a source of leadership to the organization. (page 292).
   b. People organize to achieve goals that none would be able to achieve alone. Goals are formulated in a leadership process and implemented by this process.

2. (a) Are leaders born or made? (b) Explain your answer. (c) What are the core characteristics possessed by effective leaders?
   a. They are born and made. (pages 292-295).
   b. Leaders may learn to make effective use of inborn talents, one of which is a talent for learning what it takes to lead in a variety of social situations.
   c. Core characteristics are: drive, leadership motivation, honesty and integrity, self-confidence, cognitive ability, knowledge of the domain, openness to new experiences, and extraversion.

3. (a) Considering the findings from the Michigan and Ohio State studies and research on the managerial grid, what do you think is the most effective leadership style? (b) Give reasons to support your choice.
   a. Student answers may vary.
   b. The Michigan State studies compared job-centered and employee-centered leadership styles, and most researchers concluded that employee-centered leadership was more effective, despite mixed results. (pages 296-297). The Ohio State studies considered high and low combinations of the traits
“initiating structure” and “consideration,” initially concluding that leaders with high initiating structure and high consideration were most effective. Later results suggested that effective leadership was more complicated. (pages 297-298).

4. (a) What key situational variables are related to leadership effectiveness in Fiedler’s model of leadership effectiveness and (b) in the path-goal model of leadership? (c) In what ways do contingency models fall short in specifying a complete picture of leadership effectiveness?
   a. Fiedler’s situational variables are: leader-member relations, task structure, and the leader’s position of power. (page 299).
   b. Path-goal situational factors include subordinates’ characteristics (such as needs, locus of control, experience, and ability) and characteristics of the work environment (such as task structure, interpersonal relations in the group, role conflict, and role clarity). (page 302).
   c. Contingency theories of leadership are more difficult to apply than the trait or behavioral theories because they are more complex. The dynamism of today’s business environments and rapid technological advancements accelerate and complicate situational change. Flexing one’s leadership style according to how one reads the situation suggests predictability in outcomes that may no longer be within the scope of these 20th Century models. (page 305).

5. (a) How do transactional and transformational leaders differ? (b) What kind of results can be expected from each type of leader?
   a. Transactional leaders influence followers by clarifying performance expectations and rewarding followers when those expectations are met. They manage by exception by clarifying performance standards and punishing those who do not perform up to the standards. Transactional leaders consistently monitor the performance of their followers. Whereas, transformational leaders motivate followers to do more than expected, to continuously develop and grow, to increase their level of self-confidence, and to place the interests of the team or organization before their own. (pages 305-306).
   b. Transactional leaders bring about follower satisfaction, commitment, performance, and organizational citizenship behaviors. Transformational leaders bring about follower satisfaction and commitment, team performance, unit performance, and individual performance. Transactional leaders bring expected results. Transformational leaders inspire unexpectedly better results. (page 308).

6. How do the leader-member exchange and servant-leadership models differ?
   a. Leader-member exchange models a mind-set associated with forming more positive relationships with some associates than others. Factors determining how positive the relationship is include level of performance and similarity to the leader. Because level of performance is a factor, this
model can be said to be linked to the transactional way of being a leader. (pages 310-311).

b. Servant leadership models a deep personal philosophy rooted in the transformational way of being a leader. Giving oneself to the cause of the betterment of others is self-rewarding. Ideally nothing is asked of others in return. (page 311).

7. (a) Explain why male and female leaders might engage in different leadership behaviors. (b) What does the evidence show with respect to differences in leadership?
   a. The structural-cultural model of leadership behavior argues that women behave differently than men to be more effective leaders, because they often experience lack of power, lack of respect, and certain stereotypic expectations that result from cultural norms and stereotypes. Yet, the socialization model proposes that there is no difference, because organizations condition and advance a single leadership style that fits the context. (pages 311-312).
   b. Evidence is mixed and inconclusive. Successful leaders need to assess the situation and tailor their behavior to effectively fit the situation. (page 312).

8. Describe the characteristics of an effective leader in each of the following clusters of countries: (a) Anglo, (b) Arabic, (c) Germanic, and (d) Southern Asian.
   a. Anglo: The ideal leader demonstrates charismatic influence and inspiration while encouraging participation. Ideal leaders are viewed as being diplomatic, delegating authority, and allowing everyone to have their say. (page 313).
   b. Arabic: The ideal leader balances a paradoxical set of expectations; to be charismatic and powerful, but to have modest styles. This leader is expected to have a great deal of power and control and to direct most decisions and actions. (page 314).
   c. Germanic: The ideal leader is charismatic, highly team-oriented, and participative. (page 314).
   d. Southern Asian: The ideal leader is humane, participative, and charismatic. This leader is expected to be benevolent while maintaining a strong position of authority. (page 315).
Teaching Point on Knowledge Objectives

Teach difficult. It is the main, perhaps only, reason for leadership. Organizations move forward on the “feet” of all associates and managers. On the flat, well-mapped ground of a stable business environment, those feet move along at a smooth, steady pace. Work is easy. Management and self-direction keeps them going. Leadership is optional. At this point of time in your course, learners are well aware that business operates on anything but this sort of terrain. There are hills, even mountains for these feet to climb, sudden ends to trails, and quicksand to avoid. Difficulties such as these call for leadership. Difficult is that which is not easy to do, achieve, or master. Management direction is in question. It is doing that which is arduous, hard, laborious, serious, tall, tough, and uphill. Those who respond to this call and behave as leaders learn and imagine reasons why overcoming difficulty will pay off. They are able to persuade the owners of enough of those feet to climb that hill, sometimes just to see what is on the other side. Authentic leaders move their own feet out onto that difficult new terrain first. Ask your learners to think of stories they have heard or read about entrepreneurs who have founded great companies—Michael Dell, for instance. We know of them and the companies they bring forth only because they surmounted the formerly impossible. Where do business opportunities lie these days? Just over the other side of the obstacle that would-be competitors deemed impossible. Difficult is where they will be making their best living, while making a difference.

Additional Material on Ethics

In Your Hands

Learners will recognize some version of the phrase, “I am placing my future in your hands.” This exercise symbolizes an ethical reality of what it means to be a leader. Those who choose to follow, rather than to go by their own direction are, for that moment, placing the outcome in the leader’s hands. The higher the level of formal leadership in an organization, the more people are placing their futures in the hands of the leader. Jeffrey Immelt, CEO of General Electric, with over 300,000 employees worldwide, has quite a handful! Yet, his acts of leadership, successful or failed, do change the future course of events for those thousands of employees and many thousand GE stakeholders. Whether one follower or hundreds of thousands, what is in the leader’s hands is something ineffably precious—how peoples’ lives turn out.

1. Distribute blank sheets of paper to all learners.
2. Their purpose is to fill this paper with words, short phrases, and drawings that represent their hopes for the future (from the next few hours to long-range career goals).
3. Now, have them stand and gather in an open space and form pairs. If there is an odd number, form triads to give everyone a role.
4. The first task is for each pair to choose a leader. Pose this question: *If only one of you could take the lead in making this exercise a valuable lesson in the ethics of being a leader, who shall it be?*

5. Once all pairs have a leader, ask the follower to place the paper—with their future hopes—in the hands of the leader.

6. Leaders will read what their followers give to them and seek clarification of anything that is not immediately understandable. Then, the two (or three) will discuss this main question (still standing and facing each other): *Is it possible that being this person’s leader for even the few minutes of this exercise can alter the future represented on this piece of paper?*

7. Next, ask the pairs to switch leader-follower responsibilities. The former leader will now place her or his paper in the hands of the next leader. After reading and clarifying what is there, the pair will discuss this question: *What can I say and do right now to assure you that any time during the rest of this course, if it happens that I become your leader, I will remember to share a concern for this future?*

8. If time allows, you may extend the symbolism of this exercise.
   a. Have the pairs face each other with each other’s future sheets in their hands. Instruct them, on the count of three, to crumple that paper, maintaining eye contact, and toss the balled paper on the floor. Have them discuss this: *How is the breach of trust this rude act represents like a moment when a leader who held your future in her or his hands dashed your hopes?*
   
   b. Have them stand with their future papers in their own hands. Upon your signal, have them roam the room, until they choose a person into whose hands they will place their futures (for the moment). Some may not be able to choose a leader. Some will. Once the action stops, have learners look at what has transpired, and discuss this question: *What does this mean?*
   
   c. You make an arbitrary (and random) choice of three leaders and tell them to go to different corners of the room. Then, you have the rest count off in threes; each student is then required to go to leader 1, 2, or 3 according to their number. They are to place their future paper in the hands of leaders chosen by a “higher authority.” Ask them to discuss this question: *Do we feel differently about placing our futures in the hands of those whom we did not choose to lead us?*

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**Key Terms**

**achievement-oriented leadership**  Leadership behavior characterized by setting challenging goals and seeking to improve performance.  (page 302).

**charisma** A leader’s ability to inspire emotion and passion in their followers and to cause them to identify with the leader.  (page 306).
**consideration**  A behavioral leadership style demonstrated by leaders who express friendship, develop mutual trust and respect, and have strong interpersonal relationships with those being led.  (page 297).

**contingency theory of leadership effectiveness**  A theory of leadership that suggests that the effectiveness of a leader depends on the interaction of his style of behavior with certain characteristics of the situation.  (page 298).

**directive leadership**  Leadership behavior characterized by implementing guidelines, providing information on what is expected, setting definite performance standards, and ensuring that individuals follow rules.  (page 302).

**employee-centered leadership style**  A behavioral leadership style that emphasizes employees' personal needs and the development of interpersonal relationships.  (page 296).

**initiating structure**  A behavioral leadership style demonstrated by leaders who establish well-defined patterns of organization and communication, define procedures, and delineate their relationships with those being led.  (page 297).

**job-centered leadership style**  A behavioral leadership style that emphasizes employee tasks and the methods used to accomplish them.  (page 296).

**leader-member exchange**  A model of leadership focused on leaders developing more positive relationships with some individuals and having more positive exchanges with these individuals.  (page 310).

**leader-member relations**  The degree to which a leader is respected, is accepted as a leader, and has friendly interpersonal relations.  (page 299).

**leadership**  The process of providing general direction and influencing individuals or groups to achieve goals.  (page 292).

**participative leadership**  Leadership behavior characterized by sharing information, consulting with those who are led, and emphasizing group decision making.  (page 302).

**path-goal theory of leadership**  A theory of leadership based on expectancy concepts from the study of motivation, which suggests that leader effectiveness depends on the degree to which a leader enhances the performance expectancies and valences of her subordinates.  (page 301).

**position power**  The degree to which a leader can reward, punish, promote, or demote individuals in the unit or organization.  (page 299).

**servant leadership**  An approach to leadership focused on serving others.  (page 311).
socialization model  A model proposing that all leaders in a particular organization will display similar leadership styles, because all have been selected and socialized by the same organization.  (page 312).

structural-cultural model  A model holding that because women often experience lack of power, lack of respect, and certain stereotypical expectations, they develop leadership styles different from those of men.  (page 312).

supportive leadership  Leadership behavior characterized by friendliness and concern for subordinates' well-being, welfare, and needs.  (page 302).

task structure  The degree to which tasks can be broken down into easily understood steps or parts.  (page 299).

transactional leadership  A leadership approach that is based on the exchange relationship between followers and leaders. Transactional leadership is characterized by contingent reward behavior and active management-by-exception behavior.  (page 305)

transformational leadership  A leadership approach that involves motivating followers to do more than expected, to continuously develop and grow, to develop and increase their level of self-confidence, and to place the interests of the unit or organization before their own. Transactional leadership involves charisma, intellectual stimulation and individual consideration.  (page 305)
Digital Supplement

Managerial Advice; Gender and Leadership: Leading Ladies

Have your students Google NPR and search for the Special Series entitled “Leading Ladies.” Have them listen to the Special Series Leading Ladies of March 2007. These two interviews were conducted by Tony Cox on “New and Notes.”

The first is an interview with Lillian Roberts, who was 79, when the interview was conducted (March 30, 2007). Roberts grew up in Chicago and worked as a nurses’ aide. She got tired of the poor working conditions that she and others had to endure. She intended to do something about it. She became a union organizer, something a young, black woman did not do at the time. Eventually she became a New York State Labor Commissioner, also a first.

The second is an interview with Mellody Hobson, one of six children raised by a single mother in Chicago. Hobson went to Princeton and returned to Chicago to work for a black-owned investment banking firm, “Ariel Capital Management.”

1. How did these two women accomplish what they did in these two different environments, different as they were, but both hostile to women and black women in particular?
2. What strategies did they use to accomplish what they did?
3. How would you describe the form of leadership used by each of these women?

BUILDING YOUR HUMAN CAPITAL
Are You a Transformational Leader? (pages 318-319)

Teaching Enhancement

The behaviors this instrument conjures as notes of leadership behavior are worth remembering. They are surfaced so that your learners may detect and discriminate between transactional and transformational, passive-avoidant behaviors by those they would follow. Here is an exercise to more deeply imprint these leadership markers. It is called “Never a Sour Note?” to remind learners to recall this assessment as music.

In music, a note is a tone of definite pitch. There can be a characteristic tone used as a symbol for each leadership behavior that is being “played” to attract a followership: charisma, intellectual stimulation, individualized consideration, contingent reward behavior, management-by-exception behavior, and laissez-faire management behavior. Each of these behaviors or tones elicits a particular quality or emotion: charisma, a note of hope; passive management behavior, a note of despair.

When acts of leading are wrong for the person in the moment and context that are behaved, it strikes a sour note. A practical use of the exercise that follows is for learners...
to notice leadership going wrong and to check their responses accordingly. One may be experiencing transformational leadership, for example, that rather than feeling right, sets one’s teeth on edge, as a misplayed trumpet note might. It would be like catching a manipulative, contingent reward behavior hidden underneath dulcet tones of individualized consideration. Your learner is told that a leader can be both transformational and transactional, but can a leader be both at the same time?

1. The object is for teams to create musical riffs for each of the six aspects of leading. A riff in music is a short rhythmic phrase, especially one repeated in improvisation. In conversation, a riff is a clever or inventive commentary or remark. Blended, the creative task is to invent clever little tunes conveying what each leadership behavior means (sounds like) to those whom the influencing is directed. The team will hum these for the class. There is no time to set the tunes to words, but if there were, it would deepen the fun and recollection.

2. Trust the creativity and musical ear of your learners.

3. Do this one item at a time.
   a. Write the word “Charisma” on the board.
   b. Have them review descriptors 1-12 on the instrument.
   c. Give them just a few minutes for each team to come up with a tune.
   d. Have them hum the tune together as a chorus, then have a spokesperson explain what mood and meaning they were going for.

4. Repeat this for the other five leadership markers.

5. See if they can recall the tunes of each or any of the six invented by their teams and/or other teams. The point of this is recollection.

6. Invite them to practice this new art of listening for the sweet and sour notes of leadership as they are experiencing it.

AN ORGANIZATIONAL BEHAVIOR MOMENT
The Two Presidents (page 320)

Suggested Discussion Questions and Enhancement

1. The proof is in the pudding is an old saying that comes to mind, considering and comparing the effectiveness of the two presidents. Effort that each put into their respective universities as strategic leaders differs in direction, style, and substance. That would be assembling and mixing the ingredients for the “pudding.” The pudding itself is measured performance of the university as a whole. Would large increases in state funding, an increase in enrollment of over a thousand students, a more positive public image, and higher faculty morale prove that President Workman is a more effective leader than President Thomas with Eastern’s average funding increase, decline in enrollments, and faculty morale? [This matters for learning if and how leadership style best suited for meeting the greatest challenges produces most favorable results.]

2. Both Frances Workman and Al Thomas inherited schools in downward performance spirals and reversed this trend. Frances read the situation as
requiring energies directed mainly at external constituencies. Al chose an internal focus. Were the presidents leading in directions in which they felt most capable, or were they concentrating on the most critical factors for future success?

3. Learners are asked to describe the leadership style of both, based on the information provided. Clearly, neither was an avoidant leader, although information about damages left in the wake may be interpreted that their recent predecessors were. One could make a strong case that Frances Workman is a transformational leader and Al Thomas is a transactional leader. What might be the argument to the contrary?

4. It is asked, “What could each president have done to be more effective?” On the face of it, Frances could have devoted more of her time and personal attention to the internal campus community, particularly the faculty who were still wary of her. Al, on the other hand, could have allocated more of his time and personal attention to important external constituencies. Both did rely heavily on vice presidents to compensate for these imbalances. Have they reached a point when major problems have been resolved, so that they may now reallocate their time to the sectors initially neglected?

5. Frances Workman’s charisma is reflected in her proven ability to win over many public constituencies to her vision of a revitalized Willard University. Al Thomas is not nearly as popular, seen as somewhat “stilted and indifferent” by faculty. He addressed internal weaknesses like removing the AAUP censure and establishing a planning system. She addressed the critical need for new revenues. Again, Willard appears to be much better off than Eastern. Did both schools need a transformational leader, and only one got one?

6. Here is another way to engage learners in drawing lessons from this case:
   a. “Mirror Image Fate.” What if Frances Workman had been hired to be president of Eastern University and Al Thomas, as president of Willard University about the same time? Would the performance of each institution be reversed, such that Eastern would be flourishing and Willard would be showing only modest gains?
   b. Form groups of 3-6 to address this question and to report their answer by consensus, with reasons.
   c. This should engender learner attention to differing and similar situational contingencies presented to the reversed presidents. Would each have the will and ability to flex their leadership styles to cover the differences?

TEAM EXERCISE
Coping with People Problems (pages 320-322)

Enhancement

The purpose of “Coping with People Problems,” is for learners to develop a better understanding of situational leadership by directly experiencing a simulated leadership episode. It gives them some valuable role-playing experience, including observing and being observed in action. In this instance, the observer is playing the role of the OB
consultant, giving the role players feedback on how the situation evolved for their versions of Don and John, what leadership style Don was trying to use, and how the problem was resolved.

Playing and observing these rich roles will stir minds to carry curiosities about situational leadership beyond a discussion on the outcomes of the role play and how it relates to leadership models described in the chapter.

Did the two succeed in reaching across the gap that was forming between them? Could Don move closer to John, crossing the border of his comfort zone? Could John come down off his fighting stance and move closer to Don?

Suggested here is a way to extend the impact and learning benefits of this exercise. Its purpose is for learners to become better able to visualize gaps opening up between leaders and followers in their own work lives. They may regard these moments as instances when a leader, follower, or both fail to flex their leadership styles to come to a mutually acceptable accommodation of the employee’s problem.

1. Ask your learners to close their eyes and visualize the brief scene in Don Martinez’s office as they played or observed it. Ask them to “turn off the sound” and just picture the body language of the two men.
   a. How were they sitting at the start of the interchange? At mid-point? At the end?
   b. What were the expressions on their faces at the start? At mid-point? At the end?
   c. Ask them to open their eyes and, on the count of three, indicate with a space between their hands how wide the gap is between Don and John at the end.

2. Now, ask them to “turn on the sound” and recall the tone and wording of the conversation as the two were coming to the end.
   a. Was the tone at the end warm or cold?
   b. Were they speaking openly and honestly at the end, or had they become or remained closed and guarded?

3. Have students put it all together.
   a. They have recalled seeing the two men moving closer or further apart during Don’s attempted leadership episode.
   b. They have recalled the trend of the conversation leading up to the moment when time ran out. Previously, they discussed with their observer if and how John’s problem was resolved. This established the learner’s sense of the nature of the gap.
   c. Call this gap the distance between our individual truths about the matter at hand. A closed gap represents shared truth being achieved.
   d. If the gap at the end became small or closed altogether, then Don’s formal and John’s informal attempts at mutual influence to bring each other to the truth of the matter succeeded.
4. This extension of the exercise is called “Only truth spoken here.”
   a. This represents the zone within the guard of each.
   b. When and if Don and John were able to move closer to understanding each other’s point of view about the problem, their goal is to let down their guards and enter the zone where only the truth of the matter is explored and spoken.
   c. If Don is able to flex his leadership style, they would see him move beyond his comfort zone to earn and understand John’s truth about being undervalued in his current position. If not, then the cost of failing to get to the place between them, where only truth is spoken, is an unresolved problem that could breed further problems in John’s part of the business.
   d. Ask your learners, “If, in your version of this conversation, Don and John met in the Truth Zone, what seems to have been the key behavior(s)? If not, what behavior(s) seem to be the gap-wideners?”

5. Finally, suggest or assign that they carry this concept of a place between leader and follower where only truth is spoken out to their own work settings.
   a. Ask them to look for at least one current situation in which they are either leader or follower and there is a potential or developing problem.
   b. Will they consciously adapt their attitude and behavior to do their part in moving to the zone where they feel free to say what is really on their mind? Will the other?
   c. Invite them to bring the results of these micro-experiments back to the class or present them in a brief writing assignment.

6. This may be a bridging exercise between this chapter on leadership and the next on communication. Learners may extend their experimenting into the period of chapter nine.

WHOLE FOODS CASE CRITICAL THINKING QUESTIONS
Chapter Eight Connections: Leadership (pages 1-8).

1. Is John Mackey a transformational leader? Why or why not?
   a. Yes, John Mackey fits the profile of a transformational leader. In fact, the future of Whole Foods still rests heavily upon his ability to inspire exceptional performance in all their managers and associates. A transformational leader motivates followers to do more than is expected. Surpassing the expectations of customers who can buy more products for less elsewhere is critical to success. A transformational leader fosters associate development and growth. Whole Foods associates earn customer loyalty by being the most knowledgeable and positive people with whom to do their food business. A transformational leader is followed by self-confident people who can see the connection between their own future well-being and that of the company. In difficult economic times, Mackey counts on the Whole Foods front line for
constant innovation. The description of Mackey given in this case conveys corresponding points to a transformational leader being charismatic, intellectually active and stimulating, and considerate, as exhibited by his choice to take $1 a year in pay. Whole Foods is a philosophy of living as much as it is a place to purchase natural and organic food products. Mackey sounded this philosophy in the original business and, as a transformational leader, must keep it alive and evolving by his personal example and in all the corporation sets forth as their ways of doing business going forward. Given that his tenure as CEO was almost terminated by the Board in light of his imprudent use of blogging, there is now a widening possibility that he will be replaced. Will it be by a transactional leader who will make Whole Foods a “tighter ship”? If so, will it remain Whole Foods in name only?

2. Based on contingency theories of leadership, what approach to leaderships seems best for Whole Foods team leaders?

a. **Suggested answer:** The two best known contingency theories of leadership are the Contingency Theory of Leadership Effectiveness and the Path-Goal Theory of Leadership. Fiedler’s Contingency Theory would suit leaders working in somewhat rapidly changing settings, so that they can read the situation and diagnose how and why to flex their leadership style. However, it is the Evans-House Path-Goal model that is better suited to Whole Foods team leaders. So far, corporate structures and culture are intact and provide a relatively stable work setting. What matters more in the Whole Foods way of doing business is that each associate sees a clear alignment between their personal goals for growth and development and the goals of the store they are tasked in teams to achieve. Self-directed teams run on member motivation. Whole Foods team leaders play mainly a supportive rather than directive role, providing, as is predicted in the theory, opportunities (through encouragement, training, and technical support) to reach stretch goals for bonuses that signify the importance of their goal attainment to Whole Foods. Team leaders are empowered to use such extrinsic rewards to assure associates that they are on the right path by staying with Whole Foods. Low turnover rates indicate that associate expectations are, so far, met.

b. **Connection to the chapter:** Whole Foods is still a young, entrepreneurial company. Its grand experiment is not just in learning to be number one in the green socio-economic niche of natural and organic food products, but it is an experiment in self-directed leadership teams. It is whole teams who perform the critical functions of each store and the corporation. Leadership is viewed conventionally as an individual causing followers to see and reach goals and deliver results. Whole teams, not just the individual managers, are accountable for performances daily and over the long term. Rotations of team leaders assure that it is not just a few individuals who become known as leaders. Many more have a chance to develop in this way. It is an experiment in contingency leadership because, as predicted by Fiedler’s model, their high-member relations
orientation works best when member creativity and willingness to handle situational ambiguity are called for. Were the Whole Foods Board to shift in its orientation to the economy and choose to place their trust in a few top leaders who promise to relieve them of uncertainty, then it would not be long before they relieved the teams of their power and even their purpose.
Businesses are becoming more and more global and at the same time the need for continued communication with these global partners needs to be sustained and where possible enhanced. While this globalization goes on the costs for world-wide travel are continuously rising. The opening case describes how IBM uses virtual social worlds for not only holding virtual conferences, thus saving the cost of travel, but for a whole array of other virtual activities. IBM is aware that emerging online platforms such as blogs, wikis, social networks, virtual worlds, and social media may require separate guidelines for participants.

1. What kinds of social computing guidelines do you think are necessary when one is participating in social computing?
2. What are the major obstacles impinging communication in a virtual environment?
3. How do these obstacles differ from the communication held in a face-to-face encounter?
4. How might you advise a company to use virtual social worlds for things other than for virtual conferencing? Give some examples.

Digital Supplement
Have students go to http://www.ibm.com/blogs/zz/en/guidelines.html and have them review the guidelines which IBM has developed. On the same site is a video link which directs you to a video entitled “Best Practices for Social Computing.” The video provides additional guidelines which students might find helpful.

Knowledge Objectives
After reading this chapter, learners should be able to:
1. Explain why communication is strategically important to organizations.
2. Describe the fundamental communication process.
3. Discuss important aspects of communication that affect the organization or its units, including networks and the direction of communication flow.
4. Define interpersonal communication and discuss the roles of formal versus informal communication, communication technology, and nonverbal communication.
5. Describe organizational and individual barriers to effective communication.
6. Understand how organizations and individuals can overcome communication barriers.
Teaching Point on the Knowledge Objectives

Teach learners to crave being “communicated.” It is an invented way to remember a special state of being. It is offered as a device for learners to use as a personal standard and rule of thumb, as they integrate these knowledge objectives into their outlook on effective organizations. Have them think of being communicated as the social-psychological equivalent of being full and fully satisfied at the end of a good meal or snack. Enough of the desired food and drink satisfies a hunger and fuels the body. Information given and received satisfies a craving for being communicated. One now has enough information to create new knowledge to fuel the mind. Being communicated is not only a quality of inner experience; it is a reflection of the quality of their outward relatedness in the organization. What will your learners say it feels like to be starved for information as an organizational member on the job or at school? Unrest? Disconnected to those “in the know”? On the provider side, being well communicated describes the pleasant and reassuring state of being understood. Associate or manager, one is communicated as a state of well being, when they have taken action to inform and complete the loop by demonstrating they have turned that information into knowledge by which to go. Highly effective associates and managers hold high their personal standards for being communicated. Their appetites for proven concepts of how communication works at every level are insatiable. This chapter will whet those appetites, as you help them discover first hand the meaning of this odd phrase, a craving for being communicated.

Honing a Strategic OB Prospect
Communication

Being “communicated” as a personal state of well being is one suggested way to engage your learners in contemplating the strategic prospect of communications. Here is another. Have your students think of whole organizations as being communicated (projected forward) from present to future. In this instance, communicating is a verb. It means, in this vein, to make known. There are synonyms such as to carry, convey, disclose, get across, impart, and transmit. Organizations are social entities. They are born and raised by constant interactions among all members and their external stakeholders. They are put to fast or slow deaths, when social interaction wanes or breaks off altogether. Organizations are figuratively and literally talked into their futures in whatever communicated state its members cause each other to know. People make known to each other what needs to be done next, talk over how and why to do it, and then reflect together upon actual happenings. The strategic opportunity and responsibility for your learners is to think and communicate in terms of “we.” Pondering what “I” must do next, then enacting it produces individual behavior that may or may not be beneficial to others. Contemplating what “we” must do next and talking with others, until a course of joint-action is taken, produces the next wave of considered organizational behavior. These may be small waves at the one-to-one level, but they do gather force to become the
whole organization’s performance. It starts with the choice of thinking and acting as “we” instead of just “I.”

Suggested Discussion Questions and Enhancement

1. The term “higher ups” leaps out from this account of J. Crew’s turnaround. Surveyed associates complain about a lack of face to face contact and not being asked their opinion. Here is Mickey Dexler removing the “up” and joining the work and conversation on the front lines of J. Crew. Among the changes he enacted, how might this unique communication style be the one that does the most to bring the company to life?

2. Boundaries. Chains of command. Who is allowed to speak to whom? Mickey Dexler broke boundaries, chains, and lines of reporting and J. Crew started to thrive again. Hierarchies, roles, and formal communications channels serve their functions, but what does his insistence on setting these aside to get at what customers will buy next from the business teach J. Crew managers, associates, and us about how to use these constructs as tools, not weapons of business destructions?

3. Mickey Dexler, like many CEO’s, could learn how his company is performing from written reports and by talking with an inner circle of fellow executives. In fact, he can still learn much from these traditional sources; however, he insists on seeing and hearing people first hand as his primary means of knowing the business. Is this not a rather “messy” approach to leading a company?

4. Speaking of being face to face with Mickey Dexler, one who is the other face is experiencing something of the gamut of emotions that it is said he exhibits as he moves from conversation to conversation. Again, associates with conventional CEO’s may never see the person in person, let alone be there during an outburst. Yet, given the rise in company performance, it seems that his way of communicating inspires rather than scares J. Crew managers and associates. Why so, and why does this translate into energized company performances?

5. Look at the Tee Shirt Tables: Here is a suggested role-playing exercise to engage learners in addressing the preceding question. How does Mickey’s unorthodox CEO communicating style translate into more goods sold at a profit?

6. On one side of your whiteboard draw a table customarily found in retail clothing stores upon which tee shirts are stacked in neat piles by color and size. Draw another that looks much like the first table with similar stacks of tee shirts. Under this picture write “J. Crew”. Under the other write the name of what the class tells you is a competing chain that seems to be losing to J. Crew.

7. Split the class into two teams, one for each business. Tell them that their membership is a representative cross-section of all who work at business. Have them select one person in their group to be CEO (Mickey in the J. Crew side and make up a name for the CEO on the competing side. Also have them select a
person to play the only one whom the CEO will allow to communicate with her or him throughout the exercise). Give them 20 minutes to improvise this story.

8. Set the scene. The CEO of the losing company points to the table of shirts and says to only her or his one direct report, “Tee shirt sales are down again this week. Our competitive intelligence report tells me that J. Crew can’t keep their tables stocked the shirts are being sold so fast. I want action. Come back to me by tomorrow with a solution. If it means firing our design team, so be it. And, if you have to find out J. Crew’s secrets by sending people over there, do it. What I hear is that their CEO ‘Mickey Mouse’ is so loopy, they’ll probably tell us anything we need to hear.”

9. The J. Crew side is just going about business at the store whose table is depicted on the board when Mickey Dexler himself walks in along with a group from his headquarters and a manger from another store. They have come to show appreciation for burgeoning sales and learn how to manage it going forward. Meanwhile, the losing side is planning how to give their boss the “solution” he has ordered, this group acts out what they imagine would be going on next to the tee shirt table.

10. Hopefully, the losing side will soon have one or all of their members (except the CEO) go and visit a J. Crew store that happens to be the one where Mickey and the others are having a happy conversation about booming tee shirt sales.

11. Let the role-players stage this give and take (in itself a way to practice spontaneous practice) with the understanding that, indeed, Mickey welcomes the inquisitors and asks his people to tell them anything they want to know (except for proprietary financials).

12. Call for the visiting group to return to their side of the room and debrief what they learned. Their task is to tell their go-between what to tell their CEO can be done to sell more tee shirts according to what they learned at J. Crew. The J. Crew side continues talking with Mickey about how to go forward on this and other selling opportunities.

13. Have the whole class convene to listen to the losing CEO respond to what his “people” tell his “person” to tell him.

14. Discuss the two CEO communication styles in light of the results on each table. Ask them if it is plausible that the more distant associates who stock and sell from that table feel they are from the top of their company, the less they will put themselves into the work sending satisfied customers out the door with a new tee shirt (or auto, air conditioner, or insurance policy).

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Experiencing Organizational Behavior: Communication Casualties (pages 347-348)

1. Before Hurricane Katrina hit New Orleans, sufficient communication was happening to keep the city and life in the city running “normally.” Then, disaster struck. There was a total communications breakdown. What does this teach us about assuming communication in our own organizational and community life is working well enough even to sustain normality?
2. Every modern means of communicating in New Orleans was simultaneously disabled. Are we over reliant on technology in all aspects of our personal and organizational lives? What are available fall back tactics?

3. Organizations were atomized by Hurricane Katrina—broken into small fragments—as communicating was blocked or stopped. How, then, does the living process of communicating act to hold people together in and as organizations?

4. The quality of messages sent and received was a life or death factor in this chaotic scene. It takes composed people to compose and composed people to receive messages that are the basis for actions that could save or lose life. How was this vicious cycle of decomposing minds and messages at the center of nearly every organizational breakdown? Why?

5. Refreshing our own memories of the Katrina debacle, now years behind us, what are we assuming has been done in that region to make sure everyone who must communicate in the next crisis can and will be enabled to do so? What if those responsible for fixing and planning this federal-state-local system are still not communicating effectively to manage this change? Possible? Lives of those living there now depend on those managers communicating to make sure another such breakdown is not possible.

**MANAGERIAL ADVICE**

**Surfing for Applicants (pages 341-342)**

**Suggested Discussion Questions**

1. Now we have an “electronic image” that can harm or help our chances to be hired. Are you surprised by the findings reported in this Managerial Advice? Why? Why not?

2. Accepting the claim that we each do have an electronic image, how and why shall we manage it? Or, is it unmanageable?

3. Private life. Is this a myth now that technology can search out nearly every trace of what can be found via the Web? If so, whose life is it?

4. Relatively large percentages of acts of cheating and lying on job applications and in interviews were found by CareerBuilder. Knowing they are now more likely to be found out, will people be more inclined to tell the truth? Would you want to hire those who might otherwise cheat?

5. If you were to search the Web for information about yourself, as might a recruiter, what do you think would turn up? Or, do you think they have more sophisticated search tools and services that would find what a normal search engine does not?

6. Fair is fair. Companies considering you for a job now have your electronic image in their sights. You, on the other hand, can search out and compose an electronic image of the company. What might you learn doing this that would influence your own decision to remain an applicant or withdraw?
Digital Supplement:  
EXPERIENCING STRATEGIC ORGANIZATIONAL BEHAVIOR  
Nonverbal Communication: What is being said without saying it?

Students are directed to go to You Tube where they will find numerous examples of nonverbal communication. A Fox TV show “Lie to Me” is based on the importance of nonverbal communication and what it “says.” Tim Roth, the actor playing an expert on how people communicate, bases his work on the premise that often people’s body language contradicts what they are actually saying. Students may access some clips from the show which demonstrate this premise.

What does your nonverbal communication say? Here is a You Tube link that asks the viewer to look at interviews with five corporate leaders. What do they say and how do they say it?

Have students go to You Tube and view: “Body Language: How good are you interpreting it.” Watch and listen to the following CEOs as they are interviewed:
- Carleton Fiorina, former CEO of Hewlett Packard
- Steve Ballmer, CEO of Microsoft
- Peter Brabeck, Chairman Nestle
- Steve Jobs, CEO Apple
- Richard Branson, CEO, Virgin Airlines

1. How do each of these individuals use their body language to emphasize the points they would like you to remember?

Next, have the students scroll to below the screen and click on: This is a body language questionnaire with which you can find out how good you are in interpreting body language. Have the students complete the questionnaire.

2. Were you as good as you thought you were at interpreting the “unsaid”?  
3. What surprised you?

Have students go to You Tube and view: “Body Language Can Undermine Your Message—Expert Mark Bowden with Dr. Karl Moore Talk Non Verbal.”

1. What three new points did you learn about nonverbal messages and body language?  
2. How can you use what Mark Bowden says while you are giving a classroom presentation?  
3. How might what Mark Bowden says help you when you are interviewing for a job?
Digital Supplement:  
MANAGERIAL ADVICE: So You Know the Language, Do You Know the Culture?

Much has been said about the message and how it is communicated. With the increasing global economy, not only is it what is said but how it is said as well. The digital supplement below directs students to consider not only the verbal message but other facets of delivery of a message in the Chinese business community.

On You Tube students are directed to: “Chinese Glasses Different Communication Styles”

1. What kinds of things do you have to keep in mind when you are communicating with a Chinese contact in Beijing?  
2. Write an email to a Chinese client keeping in mind the points that were made in this You Tube video. You may be asking for a new product, inquiring about delivery of a product you ordered, or requesting some information about beginning a trade relationship.

Back to the Knowledge Objectives

Suggested Answers

1. Why is communication strategically important to organizations? 
   a. Without effective communication, human capital in the organization will be underutilized and will not be leveraged successfully. Organizations that do not use their human capital well usually implement their strategies ineffectively, and so, their performance suffers.

2. How would you describe an effective communication process? 
   a. The communication process is a two-way process in which a sender encodes a message, the message travels through a communication medium to the receiver, and the receiver decodes the message and returns feedback to the sender. Effective communication occurs when the received message has essentially the same meaning as the sent message. (page 330).

3. What are the advantages and disadvantages of the various types of communication networks? 
   a. Advantages and disadvantages: (page 332).
   i. Centralized wheel and Y networks are effective for accomplishing simple, routine tasks. These structures promote efficiency, speed, and accuracy by channeling communication through a central person. They do not support complex tasks.
ii. Decentralized circle and all-channel patterns are more effective for complex tasks. Communication among all parties facilitates the use of group resources to solve complex problems.

4. **How are upward, downward, and horizontal communication accomplished?**
   a. Directions:
      i. Upward communications flow from the subordinate to the supervisor. It is necessary to provide feedback on downward communications. (page 334).
      ii. Downward communications flow from supervisor to subordinate to provide job instructions; performance feedback; and information on organization policies, goals, and change. (page 333).
      iii. Horizontal communications flow from associate to associate to coordinate work within and among units. (page 336).

5. **(a) Define interpersonal communication. (b) How do formal and informal communication processes differ?**
   a. Interpersonal communication involves a direct verbal or nonverbal interaction between two or more active participants. It can take many forms, both formal and informal, and can be channeled through numerous media. (page 337).
   b. Formal communication follows the formal structure of the organization (for example, supervisor to subordinate) and communicates organizationally-sanctioned information. Informal communication involves spontaneous interaction between two or more people outside the formal organization structure. (page 337).

6. **What is media richness and how do various communications media vary in richness?**
   a. Media richness describes the amount of information a medium can convey. Richness depends upon the availability of feedback, the use of multiple cues, the use of effective language, and the extent to which communications have a personal focus. Face to face types of text delivered non-electronically are the richest media, then the telephone, and then electronic. (page 338).

7. **How can technology affect the communications process?**
   a. New communications technologies allow organizations and their members to communicate more quickly, across any distance, and to collaborate more effectively than ever before. It allows for communication to new and varied audiences, as with the use of blogs by company spokespersons. One of the downsides of technology is information overload: too many e-mails, instant messages, voicemails, bulletins, etc. for one person to process efficiently and get other work done. There is also the chance that what is communicated electronically can reach unintended audiences engendering unwelcome consequences. (pages 339-340).

8. **How does nonverbal communication contribute to the communications process?**
a. It is estimated that between 60 and 90 percent of all interpersonal communication is nonverbal. People read each other’s observable behavior to assess each other’s true emotional state underneath the words. It is more difficult to control than verbal communications, so the communications process is colored and rendered less manageable by nonverbal behaviors. Cultural differences further confuse how nonverbal communicating is translated from sender to receiver and back. (pages 342-343).

9. What are six organizational barriers to effective communication?
   a. Organizational barriers to effective communications are: information overload, information distortion, specialty area jargon, time pressures, cross-cultural barriers, and network breakdowns. (pages 343-346).

10. What are six individual barriers to communication?
    a. Differing perceptions, semantic differences, status differences, considerations of self-interest, personal space, and poor listening skills. (pages 348-350).

11. What are communication audits, and how are they conducted?
    a. A communication audit examines an organization’s internal and external communication to assess communication practices and capabilities and to determine needs. They are used to ascertain the quality of communication and to pinpoint any communication deficiencies in the organization. They may be conducted in-house or by external consulting firms for the entire organization or for just a single unit within the organization. (page 350).

12. What specific actions can individuals take to overcome communication barriers?
    a. Know the audience, select an appropriate communication medium, regulate information flow and timing, encourage feedback related to understanding, and listen actively. (pages 351-352).

**Teaching Point on Knowledge Objectives**

Teach flow. Suggest to your learners that they visualize organizations running smoothly with unbroken continuity. Organization communications, mainly in the form of countless conversations, move as a fluid, flowing stream seeking the “gravity” of a strategic direction. It can flow faster or slower than the rate of competition. Extraordinary competitors will be found to have lightening fast streams of conversation up, down, and across the levels and ranks. These Knowledge Objectives provide ways to see and understand the hydraulics of communications. They uncover static and dynamic states of the flow and consequences of conversations for driving an organization forward. While learners may not remember details of this important chapter, they may recall this metaphor. If words and gestures meant to communicate were as visible as water flowing out to hydrate a farm field, learners would be able to see the distribution of information for knowledge needed to suffuse every mind with the information needed to keep the organization advancing. When there are unintentional dams and other restrictions on
what people can say to whom and how, people are acting on stale knowledge in an area where communications have “dried up.” This chapter provides researched guidance for unblocking flow where there is a failure to communicate, restoring organizational effectiveness.

Additional Material on Ethics

Developing Perfect Pitch

A two-person mom and pop store down on the corner has two potential sentries to assure communications quality. Walmart, with 1.3 million associates worldwide, has 1.3 million potential sentries to protect the quality and integrity of organizational communications. Each learner performing this exercise is a potential communications sentry for your course organization and other organizations where they are engaged. They may keep watch for moments when poor communications, unchecked rumors, and gossip, for example, can undermine their own good works and those of their organization.

Each person has the inherent ability to be a source for assuring communication quality. Some will have developed this potential more fully than others in the natural course of maturing into adulthood. Given the high stakes for consistently effective communicating to keep an organization honest, all must accelerate their growth as sentries to guard against damaging communications.

At the core of the communication process is a sender and a receiver. Assuring the quality of communication can be thought of in the same vein as assuring the quality of a product or service. A message is produced and sent, bought and received. To assure quality is to make certain that what is received benefits the customer. Responsibility for such quality is embedded in the roles and hard-wired into the self-images of associates in those companies celebrated for product and service quality. It is a matter of personal and corporate pride to never let the customer experience the results of poor work or workmanship.

Accordingly, this original exercise explores the ethical responsibility for making certain that individual and organizational communicating, like well-crafted, defect-free products, creates beneficiaries, not victims. Learners will be encouraged to develop their potential to serve as reliable sources of assurance, first for themselves, as senders and receivers, then for their organizations.

While it may not require much urging for people to make sure their own communicating benefits their receivers, the main ethical thrust of this exercise is to look after the organization’s best interests as a world citizen. The organization, in a sense, is the main customer of all its members’ communications. A process of poor communicating will not implement strategies effectively. This ultimately victimizes all, by unnecessarily underperforming as an organization.
Learners must decide how much they care about their organizations. If they care strongly, then they must sustain the curiosity to keep an ear tuned to messages of formal and informal communicating, and muster the courage to red flag harmful communications. They must notice when communication is off—rumors, gossip, and barriers being raised—as would an orchestra conductor heed a horn played off key. This exercise is called **Developing Perfect Pitch**, because if they were to keep an ear tuned to the quality of communicating, then ideally, they would hear discordance, “noise,” and act upon it.

Musicians with the natural gift of perfect pitch actually feel sick, even physical pain, when listening to music that is “off.” They act for correction immediately. Other musicians come to know them for this acute sensibility and strive to play better when in hearing distance.

*Developing toward this ideal of acute sensitivity to moments of damaging communication is what this exercise inculcates.*

1. Learners will signify their discomfort in coming upon a moment of poor communicating through the nerve-wracking sound in the head of a musician with perfect pitch when hearing a sour note. This is the awful sound of fingernails being drawn down a blackboard. That sound is a drawn out “screeeeck.” Have them practice it.
2. This activity can be conducted with the whole class participating, or with small groups.
3. Prepare 6-12 brief samples (one page or less) of face-to-face communication (a video clip, a script like the one with Mickey Dexler talking to a J. Crew customer, a passage of dialogue from a book) and organizational communications (a memo, a page of minutes from a meeting, an e-mail broadcast). These can be real or made up. Make sure there is at least a little content that goes “screeeeck” in your head. Number each sample.
4. Have the class or teams go over each sample, as you call the number. It should be read aloud (for the whole class, or by a member of each team). As people listen, their task, as sentries, is to call out a “screeeeck” the moment they hear something that jars their sensibilities. The reading stops and they discuss for a moment why this set teeth on edge and why it could be harmful to a person or an organization. See if the class or team can come up with a remedy on the spot. Then, have everyone start on the next sample.
5. Have learners keep track of these quality problems.
6. Make sure there is time to do this with at least one face-to-face sample and one organization sample.
7. The more samples processed, the stronger the lesson. What is this lesson? Learners can create many lessons for themselves and for each other from this exercise. The intended main lesson is that each of them does have an ear for effective and ineffective communicating that will develop toward perfect pitch (the more they allow their mental fingernails to scrape down that blackboard).
The more they care to see only benefits for people and their organizations flow from communicating, the more they’ll hear that screeching sound and act as responsible sentries for communication quality.

**Key Terms**

**centralized networks** A communication network in which one or a few network members dominate communications. (page 332).

**communication** The sharing of information between two or more people to achieve a common understanding about an object or situation. (page 330).

**communication audit** An analysis of an organization’s internal and external communication to assess communication practices and capabilities and determine needs. (page 350).

**communication climate** Associates’ perceptions regarding the quality of communication within the organization. (page 351).

**communication medium, or communication channel** The manner in which a message is conveyed. (page 330).

**cultural fluency** The ability to identify, understand, and apply cultural differences that influence communication. (page 346).

**decentralized networks** A communication network in which no single network member dominates communications. (page 332).

**decoding** The process whereby a receiver perceives a sent message and interprets its meaning. (page 330).

**dense networks** A communication network in which most or all network members communicate with many other members. (page 332).

**downward communication** Communication that flows from supervisor to subordinate. (page 333).

**encoding** The process whereby a sender translates the information he or she wishes to send into a message. (page 330).

**feedback** The process whereby a receiver encodes the message received and sends it or a response back to the original sender. (page 330).
**formal communication** Communication that follows the formal structure of the organization (for example, supervisor to subordinate) and entails organizationally sanctioned information. (page 337).

**gossip** Information that is assumed to be factual and communicated in private or intimate settings. (page 337).

**horizontal communication** Communication that takes place between and among people at the same level. (page 336).

**informal communication** Communication that involves spontaneous interaction between two or more people outside the formal organization structure. (page 337).

**interpersonal communication** Direct verbal or nonverbal interaction between two or more active participants. (page 337).

**nonverbal communication** Communication that takes place without using spoken or written language, such as communication through facial expressions and body language. (page 342).

**rumors** Unsubstantiated information of universal interest. (page 337).

**sparse networks** A communication network in which most or all of the network members communicate with only a few other members. (page 332).

**upward communication** Communication that flows from subordinate to supervisor. (page 334).

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**Teaching Point on Key Terms**

Teach communication. It is not a “thing”; it is an act forming an instance of sharing thoughts and feelings. It is performed in a wide variety of ways and media. Information as a word on a page is a stingy form of sharing. Face-to-face dialogue offers generous portions. Carrying on with the theme being communicated, each of these concepts addresses satisfying this craving to communicate and be communicated. Noise disrupts communications or distorts the message to deprive one of this state. Feedback, on the other hand, completes the cycle of becoming communicated. Cultural fluency offers the opportunity for greatly enhanced “flavors” of being communicated. Communication itself is the sharing of information between two or more people to achieve a common understanding about an object or situation. It is in this moment of common understanding that both are fully communicated. Now they are ready for performing together what they are now certain must be done. A communications audit can now also be viewed through the eyes of a generous aunt hosting a large family reunion. Who is still hungry? Why is the asparagus casserole being bypassed? Who will want to bring...
home leftovers? At the end of the day in every organization are people going home well communicated?

BUILDING YOUR HUMAN CAPITAL
Presentation Dos and Don’ts (pages 355-357)

Teaching Enhancement

Making formal presentations to audiences of decision-makers is one of the most challenging communication exercises faced by anyone. Indeed, most of us know of people who have phobia-level difficulty even thinking about giving public presentations. Nevertheless, presentations remain one of the most accepted ways in business to convey a cogently persuasive body of information—one’s message.

This self-assessment should stir both pleasant and unpleasant emotions, while considering each do or don’t. This presents another chance to think about the quality of communication. Don’ts are likely to strike the audience wrong, diminishing the benefits they were prepared to receive. Learners may assume there is going to be at least one person in every audience who is closest to having perfect pitch in communication. They should prepare to give this sentry no cause to become unsettled.

Here is a suggestion for amplifying the experience of completing this assessment.

Point-to-Point Contact

1. Propose that audience members have their own points of view about the subject of a presentation before it begins (thus, Do #1). Their main, perhaps sole, purpose in presenting is to aim their main points directly at the assumed major points of view out in that audience, and score direct hits. Thus the title, Point to Point. Such hits are not to destroy listeners’ points of view (unless dangerous). This hit is like a drop of a potent catalytic chemical hitting a liquid, instantly transforming it into something new.

2. Have learners complete this survey, preferably in class, as phase one of this micro exercise.

3. Determine if they particularly noticed item #1 (think about their point of view), #7 (summarize your main points), and #8 (make between three and six major points).

4. The objective is for your learners to cultivate a new presentation habit, to first learn the prevailing points of view.

5. This can be animated by collecting learners’ proven or intuited ways to “know” the audience, to learn: What is their point of view? This is the time to share my point of view.

6. Pass the hat.
   a. First, give everyone 7-10 slips or paper or file cards.
b. Give them 5 minutes to speed write (legibly) any ideas that come into their heads about how one could go about knowing their audience’s prevailing points of view about their topic, before designing a presentation.
c. Literally, bring a hat to this class and pass it around to each student to collect the slips.
d. Pass the hat again, this time, as each takes the hat, he or she will read what is on the slip and, if a thought comes to them, embellish it or seek clarification.

7. After all the slips have been heard, ask learners to volunteer what they think were some of the strongest ideas.
8. Close the exercise with a call for commitment. Take the pledge: I shall fire no random points out into any audience. I shall do my homework to first know the points of view of my audience. Only then will I prepare and deliver points to view for making new points of view.”

AN ORGANIZATIONAL BEHAVIOR MOMENT
Going North (pages 357-358)

Suggested Discussion Questions and Enhancement

1. This is a nifty case to “crack.” It places the learners in the roles of movie detectives. Only in this instance, the movie is the victim and they must detect who is doing it in. Going North is going south. This movie production is falling apart. Studio executives are desperate for solutions.
2. Going North has a winning story, celebrated producer, director, promising leading actor, and most likely is past the point of no return for replacing Helen, Tom, or both. The movie as an organization, the studio, and ultimately the outlets and viewers who are the company’s customers all should become beneficiaries of a healthy communication culture. Instead, it looks like all will be victims of a rapidly sickening communication culture. Who is most responsible for this shaky state of affairs?
3. Helen screamed in her loudest, shrillest voice. Is this a clue?
4. Tom fires back with a personal attack at a two-time Academy Award winning director. Is this a clue?
5. Helen fires back with a facetious remark about the “mechanical lover.” Is this a clue?
6. Set-design and wardrobe staffs are clashing, as are their costumes and sets. Is this a clue?
7. Makeup staff has wildcatted and are back with a grudge. Is this a clue?
8. A clue is something that serves to guide or direct in the solution of a problem or mystery. This is indeed a mystery, for while it may be easy for learners to pin the rap on Helen Reardon, there may be other responsible parties. The suggestion here is to engage learners in using their fresh knowledge of communication to solve the mystery before it is too late to save the investment.
9. The Case of the Poisoned Culture
a. Famous detectives like Sherlock Holmes and Monk work with partners. Pair the learners for this experience.
b. The “crime” is that a person (or persons) is poisoning the communication culture of this movie company, and no one is likely to admit it, or even believe that they are guilty, unless these learners/detectives can make the case for guilt.
c. First, have them apply deductive reasoning to derive some answers to why the *Going North* production is going south. Ask that they select from the chapter and use at least one general concept of communication that serves as the premise for explaining underlying causes. The pairs will agree on at least one interpretation of the situation and jot this down (in their figurative detective’s notepad).
d. Next, have them apply inductive reasoning. Here is where they use observable clues like those cited in the preamble to this exercise. They will agree on a short list of important clues, sit back, and come up with a general theory of how the way certain people are communicating is now rapidly poisoning this organization. They will jot down this theory or these theories, if they create more than one.
e. Finally, instruct them to try abductive reasoning. This is going to their gut and making an intuitive leap or leaps about how this communication culture is being poisoned. They jot these insights down in the proverbial detective’s notebook.
f. Now, it is time for each team of detectives to point their fingers at the guilty parties and state their reasons why. Each pair will do this in turn.
g. Complete this exercise with a discussion of how each of the thinking methods helped reveal hidden communication dynamics. See also if there is consensus on an answer to this question: *Is it too late for these people to stop the poisoning and save the project?*

**TEAM EXERCISE**

**Communication Barriers** (page 358)

**Enhancement**

Identifying and proposing how to lower communication barriers in your institution is a particular learning strength of this team exercise. Learners may draw upon their first-hand knowledge of how they feel “communicated,” to reprise the first Teaching Point. Rather than perform an exercise simulating customers, they *are* the real customers. Are they beneficiaries of these communications or victims of their failings? This matter is of real importance to them. Today’s young adult generation has grown up on the Net and adeptly uses cell phones, PDAs, and mp3 players. This enhancement exercise asks them to consider how your institution might convert all vital communications to this all-electronic telecommunications domain.
Fully e-Formed

1. Doubtlessly, some of the teams completing the Communications Barriers exercise will include in their remedies reaching them via the Internet or an intranet. This exercise asks them to take this to an extreme. Ask the same teams (or new teams) to: Envision how this college/university could continuously deliver electronically all information they believe students must have to get the most value from their schooling. Thus, the title, Fully e-Formed.

2. Ask them to work back from an image of the student who has mobile (wireless) means of connecting to the institution via the Internet, as well as at home or at work. This person represents them at their busiest. What would be ideal to keep her or him fully informed and in control of when and how they receive this information?

3. They may work from the lists their team or the class has recorded. The task is to challenge each practice (like the catalogue or registration) being done any way but electronically. It would have to be incorporated into a single e-Form system or be eliminated.

4. Despite the short amount of time a team would have to design a single-source, fully-accessible system, believe that they will come up with some extraordinary preliminary concepts. The antecedents are already out there in the business world and there in your institution in pieces. Call upon a spokesperson from each team to make a brief presentation of the design.

5. Discuss the similarities and differences in these designs. Then, close with a discussion of this question: Assuming our designs would dissolve barriers to communication, who might be on the other side working to keep them intact and why?

WHOLE FOODS CASE CRITICAL THINKING QUESTIONS
Chapter Nine Connections: Communication (pages 1-8)

1. Whole Foods’ open-book policy allows all associates to have full access to all information about the company and its executives. (a) Would this degree of open communication work as well in other companies? Why or why not? (b) What impact do you think this degree of transparency has on the attitudes and behaviors of Whole Foods associates?

   a. Suggested answer: Whole Foods is a highly decentralized company. Authority and responsibility is driven down to the teams who constitute the leadership, as well as the workforce, of each store. Open book management is not just a noble gesture on the part of the executive team. It is required by self-directed teams. Otherwise, they would be driving blind. At the other end of the spectrum, highly centralized companies could have an open book policy, but it could backfire. The power of their managership rests heavily upon their exclusive access to such information. The more their front line associates know for themselves what only their managers used to know, the less they need the direction of the manager.
So, would open book work as well in other companies? No. Only those whose top leaders have designed the organization to empower the front lines. Here is an interesting catch. In today’s Google and social networked era, any employee of any company who wants to learn more about the company and its executives can make their own discoveries. If executives want accuracy, they would do better to be the honest sources of such information.

b. **Connection to the chapter:** Whole Foods’ flat organization with its extensive use of teams to conduct all levels of business commands intensive horizontal communications flowing with little blockage across and up and down all borders and boundaries. Each team member can do little alone and a great deal more when communicating with teammates, managers, and even executives. The case suggests that associates are selected and retained for their ability to build positive relationships as communicators. This is a specialized business which requires associates to be highly knowledgeable about their products and all that it takes to get them onto the shelves and sold to satisfied customers. Much of this expertise is learned from each other and on the job. Were communications to be badly managed at Whole Foods, associates would soon lose this competitive edge. A Whole Foods customer expects to be in contact with an associate who is “in the know” or who can quickly find out from others anything the customer needs to know to sustain their confidence in the uniqueness of this retail outlet.

2. **What ethical issues arise from John Mackey’s use of a pseudonym to post opinions, information, and critiques on blog sites?**

a. **Suggested answer:** It is sadly ironic that a company leading in open book management and transparency would find its CEO using a pen name for the notorious blog in which he remarked on competitors including one which Whole Foods subsequently acquired. Today, many corporate leaders publish blogs under their own names (although it is not clear if they write them by themselves or simply sign off on what a staffer writes for them). John Mackey would have been on much higher ethical ground had he blogged under his own name. He is known as an articulate speaker and effective writer. By obscuring who was the “sender” of those damaging messages, he set a potentially damaging example to the Whole Foods community. It invites anonymous messages from associates and managers who would prefer to let rumor happen for self-serving ends. “If Mackey can do it and keep his job, so can I.” It is the sort of organizational cancer that can one day kill this currently healthy, but CEO-damaged, company.

b. **Connection to the chapter:** Authenticity counts. No matter who the sender is, genuineness, realness, truthfulness, and validity set the context for how the message is decoded and received. A Whole Foods customer asks an associate about the freshness of an avocado. A Whole Foods associate asks a manager if there is to be a team change. A Whole Foods manager asks an executive if a downward trend in revenues will trigger
layoffs. The asker is promised in the Whole Foods culture and by its avowed values an authentic answer. It is a great deal to expect of human beings to tell and hear the truth all the time. Yes, it an ideal toward which to strive. Yet, it is the foundation upon which the uniqueness of Whole Foods rests. John Mackey did much to build this foundation, and now, much to put a crack in it. Can he recover belief in his authenticity? Only by being so from now on.
CHAPTER 10

DECISION MAKING BY INDIVIDUALS AND GROUPS

EXPLORING BEHAVIOR IN ACTION
Dawn Ostroff’s Decision Making at the CW Television Network (pages 362-363)

Suggested Discussion Questions

1. There was no CW Network to be experienced by television viewers until Dawn Ostroff started at the end point of the decision to combine WB and UPN and led a process of making decisions that brought CW to life. What does this tell us about the power and purpose of managerial decision making?

2. It is said several times that, as CEO, Dawn Ostroff held a “big picture” in mind. What does this mean? How do we do this with our own minds?

3. How would this story of executive decision making be substantially different if Dawn Ostroff were to have been appointed to run either the UPN or WB Networks, assuming no merger had ever been in the picture?

4. Keeping and merging the audiences of the two networks to form a base upon which to grow a larger audience is the end-game. How does this goal influence the criteria for making all decisions at all levels of the new CW?

5. One person making decisions to go forward over familiar, well-trodden ground may seldom require involving others in strategic decisions. Although we may assume Ostroff and her managerial cadre know the business and industry, the ground ahead for creating CW was untrammeled. How did involving others in her major decisions work better than had she made them alone?

6. This is an account of making a progression of decisions that will “pay off.” Many stakeholders in this young experiment called CW are or will be the “payees.” How can it help us as students of, and contributors to, business success to ask, “How will this choice pay off when it plays out in real time?”

7. “Has success been assured for the future?” is a question we could ask of managers of every sort of enterprise. Is it fair to ask and expect it to be so? Is this not what is required of managerial leaders?

8. What indicators are there that Dawn Ostroff has made the correct decisions for the CW Network, helping to ensure positive prospects for the future?

Knowledge Objectives

After reading this chapter, learners should be able to:

1. Describe the fundamentals of decision making, including basic steps and the need to balance ideal and satisfactory decisions.

2. Discuss the four decision-making styles, emphasizing the effectiveness of each one.

3. Explain the role of risk-taking propensity and reference points.
4. Define cognitive bias and explain the effects of common types of cognitive bias on decision making.
5. Explain the role of moods and emotions in decision making.
6. Discuss common pitfalls of group decision making.
7. Describe key group decision-making techniques.
8. Explain the factors managers should consider in determining the level of associate involvement in managerial decisions.

Teaching Point on the Knowledge Objectives

Teach learners to be reformers. To reform is to form again, or to become formed again. It is making a change in the organization for the better by altering, correcting errors, or removing defects. Is this not what managerial decision making accomplishes, when it works? Managerial decisions are made to form or reform aspects of the organization to work better in a changing environment. More specifically, they form the practices for executing strategy. Managerial decisions give form to strategy and tactics for its fulfillment. Teach that any person, associate as well as manager, is making managerial decisions, when even the subtest organized ways of doing business are in question. This is consistent with high-involvement management, the sharing of power and responsibility (to constantly reform policy as well as standard practices) among managers and those associates most knowledgeable of work and customer. Your learners are reformers in and for this course organization, are they not? They form teams for various exercises. They give you feedback on this book and on the lessons for continuous improvement. This chapter on decision making is not just about how one day, as mangers, they’ll need to know about managerial decision making. It is about seeing and enacting their reformer roles now.

Honing a Strategic OB Prospect

Decision Making by Individuals and Groups

Your learners are no strangers to decision making. They made several significant choices among alternatives to arrive in your class the day you open this chapter as a subject of your course. These are decisions by which they are managing their personal behavior. They have already witnessed and learned by the consequences of their chosen courses of action. What they may not do yet is routinely cast ideas of strategic importance to their organizations, when considering making a change in their individual behavior. The content in this chapter will help them crystallize such ideas. They may need a vivid image of what this means. The term “cast” is used here to introduce such imagery. Demonstrate with a handful of coins. Specifically, hold three to five pennies, a dime, and a quarter. Standing where all may see, cast the coins out on a tabletop. Tell them this random array represents a decision in the making. Ask what they think the pennies, dime, and quarter represent. They may catch on, but if they do not, explain that the silver coins represent strategic OB alternatives for the new course of action. There are more
pennies, for it is easier to think for oneself, than to think on behalf of a whole enterprise, let alone a team. It is easier, but it is incomplete. Associates and managers in high-involvement organizations realize that few of their decisions are made in isolation. You might then cast just the pennies and ask what an obstinate pattern of deciding could mean to a team or whole organization. Then, cast only the dime, the quarter, and one penny. Would this represent undue selflessness? The casting of coins demonstrates to learners that their human capital value rises with evidence that they decide and act on with the whole organization in mind. A penny for a penny’s worth of thought is all they will earn. Greater rewards await those who think and decide for the good of the organization.

MANAGERIAL ADVICE
Nurturing Alternative Decision Styles (page 371)

Suggested Discussion Questions and Enhancement

1. *An ambidextrous thinking style?* Perhaps this generation of OB learners will achieve this wondrous capability. This feature advises that they will be able to do so and why it has become vital to flex both main styles in making managerial decisions. What thought stretchers can be incorporated into your course and beyond to its encompassing program?

2. Larger businesses still tend to organize by business functions like accounting and marketing. Each conducts the sort of work that favors different decision styles. Each provides unique brain docking stations to gather and process information by which to make decisions. Do your learners understand how studying these different thought disciplines prepare them for easy docking to build better comprehensive decisions?

3. The CEO in the illustrative example showed frustration with how accounting information was supplied in an answer. The expectation was that the speaker would be able to couch answers in more “strategic” generalizations. How do your learners think that today’s students of accounting must be prepared to think and speak from a less natural decision style?

4. People who gravitate toward marketing where they can use their strength in qualitative reasoning are shown in this *Advise* to also have “blind spots” where they are called upon to substantiate ideas with facts. Do your learners have some solutions from their own experience in how to press on through a question, past supposition to proof?

5. This advice culminates in the admonition that business professionals must learn to apply *whole brain* thinking, in order to make balanced decisions. Is this easier said than done? Here is a fast way to have your learners explore this question.

   a. **Lean in Me?** This title, “Lean in Me?” is a play on the title of the classic R&B song, “Lean on me.” It is in the form of a question for contemplating leanings in one’s brain toward two major thinking styles. How does a learner think her or his brain “leans,” when facing novel situations?

   b. Remind them that there are two poles in most decision-making styles—essentially, the concrete pole and the abstract pole. Write *Concrete* on the
left side of a whiteboard and Abstract about four feet over to the right. Explain that these represent the directions of leaning, in how people in the room are predisposed to gather and process information to figure out what is going on in a novel situation (no established rules or routines) and decide upon a course of action.

c. Ask your learners to, on the count of three, place and hold a pen or pencil (point toward the ceiling) on the top of their heads.
d. At the next count of three, ask them to tip their heads in the direction of the pole (concrete or abstract) that they know is their decision making style. Give them time to look around and see how each is leaning.
e. Take a count, before asking them to stop doing this. Tally the leanings on the board.
f. Releasing them from this awkward position, lead your learners in a brief discussion of the evidence. What might it mean in a team, for example, if all members were tilted left or all tilted right?
g. Raise the question of whole brain thinking. Would, as this management advice claims, there be a better quality of deciding, if people could overcome their tendency to process information in one main way? How might they help each other become more comfortable in tipping their decision-making leanings up to center and hold themselves there?

EXPERIENCING ORGANIZATIONAL BEHAVIOR
Anger and Fear in Recent U.S. Elections (pages 376-377)

Suggested Discussion Questions

1. How did Obama and Brown use anger to succeed in their campaigns? What consequences might the use of anger in a campaign have on a decision maker?
2. How could the candidates have used emotions other than anger to influence voters? Could fear or regret have played a part?
3. Do you think that anger or inspiring visions for the future played a larger role in the campaigns?
4. Do you agree that these campaign strategies were the deciding factors, or were other factors at play?
5. Do you think that voters’ moods might have played a part in the outcome of these elections? Why or why not?
Suggested Discussion Questions

1. The Vroom-Yetton Model correctly predicts outcomes in 10 of 12 famous Civil War battles listed in the textbook. What if those generals actually knew this model and applied it before sounding the order “Charge!”?
2. It could be concluded over a 100 years after the fact, presumably using historical facts, how those impending battle situations would have appeared to these generals. One could apply each of the Model’s criteria for determining the extent and kind of involvement from this record. Is it more or less difficult for a decision maker to know enough about each of the criteria in advance of completing the decision?
3. Generals who seemed to know the recommended decision approach for the problem type were those who achieved the victories. Was it by chance that they struck upon the right decision style, or were they better prepared for and disposed to sensing the best way to make up their minds?
4. Generals (presidents and CEOs today) had the autonomy and authority to make decisions to orchestrate those battles any way they wished. As one runs down that list of battles “not achieved,” one should picture the hundreds or thousands of men who died or were wounded in the actual implementation of their decisions. Today’s top leaders have the advantage over those Civil War generals, of having Vroom-Yetton’s tools at their fingertips. Seeing the horrible cost of enacting poor strategic decisions, how could they not use this model to guard against their own decision biases?

Digital Supplement

Experiencing Strategic Organizational Behavior Decision Making: How Do We Make Decisions?

1. Looking back at Apollo 13.

Apollo 13 was the third of Apollo space shuttles which was launched on April 11, 1970. The objective was landing on the moon. The news coverage was not what it was for the previous missions and it seemed like the American public took the mission in stride with not much enthusiasm, nothing out of the ordinary, they had seen this before. Often Apollo 13 is used as the quintessential case illustrating the positive influence and importance of team building for problem solving. Another important aspect in the case is an examination of how decisions are made under extreme pressure. Two days into the journey, a faulty oxygen tank exploded depriving the crew of electrical power, cabin heat, and potable water, and increasing levels of carbon dioxide.
If the decisions which needed to be made were incorrect, the crew would not have made it back to earth. The case illustrates how people make decisions which on the surface are past their abilities to figure out.

1. Direct students to You Tube and have them view Apollo 13: A Short Movie Clip (by stl284). There are many clips on the Apollo 13 mission; this one looks more directly at the process of how the decisions were made while in the middle of the crisis.
   a. How are the decisions made that bring the space shuttle to earth safely?
   b. After viewing the video, what impressed you most about the decision making process and those that participated in it?

There are recent insights into how emotions influence decision-making. These decisions can be easy ones, like should I go to class, or more complex ones, like should I invest my stock portfolio in this new venture.

Have your students listen to a discussion on behavioral economics and the emotions of decision making. Recent studies have demonstrated that emotions, such as angeriness, do play a part in decision making, even when the person making the decision does not.

2. Have your students listen to this NPR podcast: “Decoding the Science of Decision-Making.” The podcast can be accessed by going to NPR.org. “Talk of the Nation.” Science Friday, July 24, 2009. Paul Raeburn is the guest host. He interviews several researchers whose work focuses on behavioral economics. Behavioral economics has to do with the normal cognitive limits of how much people can figure out before they make decisions:
   • Dr. Michael Frank, Assistant Professor, Laboratory for Neural Computation and Cognition, Brown University, Providence, R.I.
   • Dr. Jennifer S. Lerner, Professor Harvard Kennedy School and Director Harvard Decision Science Laboratory, Harvard University, Cambridge, Mass.
   • Dr. Colin Camerer- Professor, Behavioral Finance and Economics, California Institute of Technology, Pasadena, Calif.
     a. What kinds of insights do these researchers make in terms of how we make decisions?
     b. How does their work influence decision making in business?
     c. What factors contribute to decision-making other than knowledge?
Suggested Answers

1. *(a) What are the basic steps in decision making? (b) How should a decision maker approach the problem-definition step? (c) Why do decision makers usually fail to achieve optimal decisions?*
   a. The basic steps in decision making are: defining the problem, identifying criteria for a solution, gathering information, evaluating alternatives, selecting the best alternative, and implementing the decision. (page 365).
   b. Problems are typically gaps between where we are today and where we would like to be. The decision maker defines the scope of this gap; narrowly defining the problems means fewer alternative solutions. Too broadly defining the problem means too many alternatives to manage. (pages 365-366).
   c. An effective decision is one that is timely, that is acceptable to those affected by it, and that satisfies the key decision criteria. However, decision makers may not have the capability to collect and process all of the information relevant for a particular decision. Further, they often display a tendency to choose the first satisfactory alternative discovered. (pages 366-367).

2. *(a) What are the four Jungian decision styles, and how do they influence decisions and effectiveness in the workplace? (b) Give an example of a person you know who had a decision style that did not seem to fit his or her role in an organization. This could be a co-worker, or it could be a person from a school club or civic organization. (c) What were the outcomes for this person in terms of satisfaction and performance? (d) If you had been the individual’s manager, how would you have managed the situation?*
   a. The four styles are: (pages 367-370).
      i. Sensing style (a perceiving style): Individuals believe in experience and typically want to focus on rules and regulations, systematic explanations, and fact checking. They are primarily concerned with developing a factual database that will support any resulting decision.
      ii. Intuitive style (a perceiving style): Individuals dislike details and the time required to sort and interpret them. They believe creativity comes from inspiration rather than concentrated effort. A decision made using this style is often based on imagination.
      iii. Thinking style (a judging style): Individuals use the thinking style to derive conclusions from their perceptions that are objective, analytical, logical, and firm. They prefer objective analysis and fair decisions based on standards and policies.
      iv. Feeling style (a judging style): Individuals are concerned with feelings that emphasize the maintenance of harmony in the workplace. Their judgments are influenced by their own or others'
personal likes and dislikes. They are subjective, sympathetic, and appreciative in their decisions. They dislike decision problems that would require them to say unpleasant things to people.

b. In answering this, see that they have used the correct definitions for the chosen person’s style. Have they told of a specific problem? Have they described how and why this person’s style tends to be in conflict with the nature of the organization’s problems?

c. Have they addressed all three types of outcomes: satisfaction, commitment, and performance?

d. Have they focused on the mismatch of this person’s decision style, rather than on how they, themselves, would have solved problems? Does this answer address how they would help this person learn to flex past the unworkable style to use their less dominant ways of perceiving and judging?

3. (a) Describe a personal situation involving a reference point. (b) Were you above or below your reference point? (c) What was the effect on your behavior?

a. A reference point can be a goal, a minimum acceptable level of performance, or perhaps the average performance level of others. It is used to judge one’s current standing. (page 372).

b. Do they say how they know they were above or below their reference point?

c. Does their answer reflect understanding that if their current position in an ongoing activity is below their reference point, they are likely to take a risk in an attempt to move above the reference point; or, if their current position is above the reference point, they are less likely to take risks?

4. (a) Which cognitive bias worries you the most, and (b) why?

a. The cognitive biases are: (pages 373-374).

i. confirmation bias: leads decision makers to seek information that confirms beliefs and ideas they formed early in the decision process.

ii. ease of recall bias: leads decision makers to gather information from memory and rely on information that they can easily recall.

iii. anchoring bias: leads decision makers to place too much emphasis on the first piece of information they encounter about a situation, with undue influence on ideas, evaluations, and conclusions.

iv. sunk-cost bias: leads decision makers to emphasize past investments of time and money when deciding whether to continue with a chosen course of action.

b. Does the answer make correct use of the terms, and have they expressed concern for the impact of the bias on the damaging limits on alternatives?

5. (a) Compare the four primary pitfalls of group decision making. (b) If you had to choose one, which would you prefer to deal with as a manager, and why?

a. Pitfalls:
i. groupthink: When group members maintain or seek consensus at the expense of identifying and earnestly debating honest disagreements. Focusing too much attention on consensus, especially early in a decision process, can result in a faulty decision. Many important ideas and alternative courses of action may not be seriously considered. (pages 378-380).

ii. common information bias: One or a few group members may hold some information a group might consider in making a decision. Most or all group members hold other pieces of information. This bias leads groups to unconsciously neglect information held by one or a few group members while focusing on more commonly held information in the group, thereby neglecting potentially important issues and ideas. (pages 380-381).

iii. diversity-based infighting: Occurs when individuals feel very strongly about their ideas and when no mechanisms to channel disagreement in productive ways have been instituted. Instead of creating rich discussions and insight, diverse ideas can create ill will and fractured groups. (page 381).

iv. risky shift: Groups tend to make consistently riskier decisions than individuals. Believing that no single person can be blamed if the decision turns out poorly, group members override their own risk aversion. (page 381).

b. Did they use a correct definition of the chosen pitfall? Did they answer as if they had to deal with the chosen pitfall as a manager?

6. (a) What are the major group decision-making techniques?  (b) If you were dealing with diversity-based infighting, which of these techniques would you try first, and why?

a. Major group decision-making techniques: (pages 382-384).

i. brainstorming: Generates a wide variety of new ideas during the data-gathering and alternative-generation phases of decision making while suspending evaluation of the ideas. Increasing the number of ideas during these phases helps ensure that important facts or considerations are not overlooked.

ii. nominal group technique: Ideas are written down and listed without any interaction. They are discussed, and then voted on in silence. This is done to protect from such biases as groupthink.

iii. Delphi technique: Members do not meet face-to-face but are solicited for their judgments at their various homes or places of business. Generally, the members respond to a questionnaire about the issue of interest. Their responses are summarized and then are fed back to them. After receiving the feedback, the members are given a second opportunity to respond and may or may not change their judgments.
iv. dialectical inquiry: Two different subgroups develop, present, and debate highly different recommendations and assumptions to encourage full discussion of ideas and constructive conflict.

v. devil’s advocacy: An individual or subgroup is assigned to argue against the recommended actions and assumptions put forth by other members of the group to provoke constructive conflict.

b. Diversity-based infighting occurs when individuals feel very strongly about their ideas and when no mechanisms to channel disagreement in productive ways have been instituted. They might answer to try devil’s advocacy first, thereby channeling disagreement for more constructive conflict. Alternatively, they might use the nominal group technique to minimize the “air time” of the disgruntled member and allow diverse ideas to bloom.

7. (a) What factors should a manager consider when deciding on the level of associate involvement in a decision? (b) What shortcomings do you see in the Vroom-Yetton model?

a. The manager should consider: (1) the expected quality of the decision, (2) the acceptance or commitment exhibited by subordinates when implementing the solution, and (3) the amount of time needed to make the decision. (page 385).

b. The model is not easy to learn and use just by reading about it. It takes training and practice. The time it takes to apply the model to get the optimal decision made may often exceed how long managers are willing or able to make the decision with little or no participation.

Teaching Point on Knowledge Objectives

Teach the giving and withholding of allegiance. While your learners may occupy the physical space indicative of group membership, help them think of going along with decisions made by the group as a choice to allow the group’s destiny to momentarily occupy the space of their lives. Giving one’s allegiance is a voluntary obligation of loyalty, binding themselves (for the moment) by social ties with the group and its purposes. Speaking of these Knowledge Objectives in rather old-fashioned sounding terms of fidelity to one’s duty to abide by decisions made for them, hopefully with them, is so that your learners will stop and consider what they are giving over. What happens next is their future. Going along is one future. Not going along and going it alone is another. Are they squandering or investing their allegiance in the causes of the group, team, and organization? Do they realize that it commits them to do their part, their duty, to carry out the chosen courses of group action? They have allied with the group. The groups’ actions now form their individual reputations and shape their individual performances in the organization. Allegiance is the invisible, but real, price of group membership. Suggest that your learners use these Key Terms as guidance for spending their allegiance wisely.
Additional Material on Ethics

Your Fingerprints Are Also on the Gun

The five different decision dilemmas posted in this chapter’s *Thinking about Ethics* tend to address the decision maker. For example, “You are senior vice president with responsibility for a major business division….” Learners ought not to excuse themselves from thinking, “so their heads hurt” about decision-making ethics, because they are not yet managers, let alone senior VPs. Therefore, here is an original exercise on the side of decision making in which they do already have an opportunity and obligation to perform ethically. It occurs, when they are among the “others” to be involved by a decision maker in making his or her decision. This happens when they, as associates on their jobs or as students in their courses, are aware that the decision maker has turned to them (or should have and did not) and asked for information and ideas.

1. You may use these scenarios that parallel those in this version of *Thinking about Ethics* for teamwork, or simply post them or hand them out as supplements and ask that they do the additional thinking required. You may ask for a written reflection on what this sort of perspective on the ethics of decision making brings to mind.

2. The exercise is called: Your fingerprints Are Also on the Gun to signify an important reality of participative decision making. From the moment these learners, as individuals, provide the first bit of information or venture the first idea in a brainstorming or Delphi round, they have changed the character of the decision and influenced its final version and subsequent outcomes. Like it or not, they share responsibility for the quality of that decision and accountability for the outcome.

3. An ethical implication of this claim may be apparent upon reading it. Why should an associate or student who just provides information or ideas, but does not preside over the making of the final product—the decision—be held to such a high standard? Why not? The point of this extension of the exercise is that they must examine their own values and beliefs about how to participate with integrity.

4. Here are several scenarios for them to ponder. You may wish to either write more based on what is actually going on in your local context, or ask students to write some and try them out on each other (and you). Scenarios from the “other side” of the decision maker:

   a. You are an associate working part-time on the late shift in the shipping area of a mid-sized manufacturer. This is your fourth week on the job. You have been noticing loose, random items tucked behind boxes and in out of the way places. You mentioned this to a seasoned co-worker who told you that they are the day shift’s problem and to just do your job. Just at the end of this shift, you are surprised to see the plant manager has come in early. He assembles the skeleton crew and asks, unrolling a chart, “What can you folks tell me to help me figure out why we have these spikes in our incomplete order complaints from customers?” Noticing a chilling look from the old timer, what do you say or do?
b. As a member of a team of classmates working on a major team project for which you will share the grade, you are responsible for doing deep research on three companies. The deadline for the paper and presentation is just a few days away. You realize that you have invested far too much time running down tangents on one of the companies and have done nothing on the other two. Does this present an ethical concern?

c. You are working in a customer service unit of a large insurance company. Your assignments have led to you having unusual expertise in a very technical area braced with legalities. Unfortunately, you and your team leader do not get along. The head of your unit has asked your team leader for people best qualified to help her craft a new policy. Clearly, to you, what you know would be invaluable. However, your team leader has recommended one of his favorites who knows little about this aspect of the work. What will you do? Is it what you believe you should do?

d. Not long after you learned more about groupthink, the team in which you are participating in a semester-long business simulation has posted still another losing round of decisions. This is going to cut into your grade. Moreover, you and one other team member have been coming up with answers and ideas that would have turned out right. The rest of the team who seem to prefer getting out of class early to solving the problem sets has consistently overridden you. Do you try to show the others they have lapsed into groupthink? On the other hand, do you call upon the professor to break the pattern? What is the right thing to do?

e. You have impressed the head of the branch bank where you have been working part time. Now you are close to graduating and have heard through the grapevine that the job you want to gain loan experience will be open soon. Only one other person has been mentioned. This person is a single parent who has worked full time for a year longer than you have been with the bank. However, only you will have the degree. You know that your “competition” regularly breaks the rule on personal phone calls during banking hours. What do you do with this information?

5. An alternative to further engage learners in grappling with the source and stuff of dilemmas is to ask them to write some of their own, individually or as a small writing team.

Key Terms

**anchoring bias** A cognitive bias in which the first piece of information that is encountered about a situation is emphasized too much in making a decision. (page 374).

**brainstorming** A process in which a large number of ideas are generated while evaluation of the ideas is suspended. (page 382).

**cognitive biases** Mental shortcuts involving simplified ways of thinking. (page 373).
confirmation bias  A cognitive bias in which information confirming early beliefs and ideas is sought while potentially disconfirming information is not sought.  (page 373).

common information bias  A bias in which group members overemphasize information held by a majority or the whole group while failing to be mindful of information held by one or a few group members.  (page 380).

decisions  Choices of actions from among multiple feasible alternatives.  (page 364).

Delphi technique  A highly structured decision-making process in which participants are surveyed regarding their opinions or best judgments.  (page 383).

devil’s advocacy  A group decision-making technique that relies on a critique of single sets of a recommended action and its underlying assumptions.  (page 384).

dialectical inquiry  A group decision-making technique that relies on debate between two subgroups that have developed different recommendations based on different assumptions.  (page 384).

diversity-based infighting  A situation in which group members engage in unproductive, negative conflict over differing views.  (page 381).

ease of recall bias  A cognitive bias in which information that is easy to recall from memory is relied upon too much in making a decision.  (page 373).

emotions  Affective states corresponding to specific feelings, such as anger, that tend to be associated with particular events, people, or other stimuli.  (page 375).

feeling  A decision style focused on subjective evaluation and the emotional reactions of others.  (page 370).

groupthink  A situation in which group members maintain or seek consensus at the expense of identifying and debating honest disagreements.  (page 378).

intuition  A decision style focused on developing abstractions and figurative examples for use in decision making, with an emphasis on imagination and possibilities.  (page 368).

moods  Affective states corresponding to general positive or negative feelings disconnected from any particular event or stimulus.  (page 375).

nominal group technique  A process for group decision making in which discussion is structured and the final solution is decided by silent vote.  (page 383).

reference points  A possible level of performance used to evaluate one’s current standing.  (page 372).
**risk-taking propensity**  Willingness to take chances.  (page 372).

**risky shift**  A process by which group members collectively make a more risky choice than most or all of the individuals would have made working alone.  (page 381).

**satisficing decisions**  Satisfactory rather than optimal decisions.  (page 367).

**sensing**  A decision style focused on gathering concrete information directly through the senses, with an emphasis on practical and realistic ideas.  (page 368).

**sunk-cost bias**  A cognitive bias in which past investments of time, effort, and/or money are heavily weighted in deciding on continued investment.  (page 374).

**thinking**  A decision style focused on objective evaluation and systematic analysis.  (page 369).

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**Teaching Point on Key Terms**

Teach *construction*.  These Key Terms are construction, in that they serve to explain or clarify the strategic importance of decision making.  Construction also means the way in which something is built or put together.  Whole organizations are built and sustained by streams of managerial decisions that flow down from the main decision—the strategic direction and distinctive quality the organization is to fulfill.  Once a managerial decision is made and implemented, people must live with (and within) what has been formed or reformed.  This genre of organization-constructing decision affects the well being of more persons than the maker of the decision.  Dawn Ostroff initiated CW Networks construction according to the plan from the merger of UPN and WB.  Today, a viewer can decide to pause at a CW channel and watch an actual program.  At the other end of the spectrum, a CW associate can affect the well being of one other person, the next one down the line who directly experiences the results of a change in practice.  Accordingly, the more these terms come to mean personally to learners, the more likely they are to become career-long seekers of scholarly guidance in this highly consequential zone of daily decision making.  Human decisions make organizations behave the ways they do.  Is there anything else quite as elemental to the understanding of strategic OB?

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**BUILDING YOUR HUMAN CAPITAL**

**Decision Style Assessment (pages 394-395)**

Understanding how they gather information and evaluate alternatives can help learners become better decision makers.  They will see if the scoring tells them, they lean toward being a sensing-feeling, sensing-thinking, intuitive-feeling, or intuitive-thinking decision maker.  They will feel most able to make good decisions in situations calling for their
now identified decision styles. It is in moments of decision incompatibility that they will notice weakness. Now, they also know if they pair with a person who has the offsetting style to balance their weakness with their strength, there should be a greater likelihood of more effective decision making. Why not put this to a test? Here is an original exercise that makes convenient use of the two sets of scenarios in the Thinking about Ethics segment of the chapter and this Resource Guide.

**Are Two Heads Better than One?**

1. Learners will have completed the Decision Style Assessment before this begins.
2. Divide the classroom into four quadrants: sensing-feeling, sensing-thinking, intuitive-feeling, or intuitive-thinking.
3. Ask learners to rise and gather in the quadrant closest to what the assessment indicates as their style.
4. Next, ask them to form pairs with persons in any style quadrant but their own.
5. The task for these balanced “opposites” is to run an experiment. They will consider each of the seven ethical decision scenarios in the text and/or the five you may copy from this guide. They should move through them rapidly, if possible, but not move to the next unless both agree upon the decision. When at an impasse, they should identify what sort of information one or both would require, and then go to the next.
6. After the pairs are done, ask them to reflect on how well this marathon decision-making exercise went for them. Are “two heads better than one,” when each has a different style of perceiving the problem and judging the value of alternatives?

**AN ORGANIZATIONAL BEHAVIOR MOMENT**

**Decision Making at a Nuclear Power Facility (pages 395-396)**

**Suggested Discussion Questions and Enhancement**

1. This is a chilling moment of nuclear plant organizational behavior, and certainly strategic. One of its valuable learning features is how it demonstrates the power of one person, Harry, to provide 2 cents worth of human capital, when the AFW pump maintenance called for the full dollar’s worth. Was Harry being lazy or did he sincerely believe he knew better than the engineers how to run the procedure more efficiently? What if he had been able to show them his idea of shutting down two at the same time, before actually implementing it?
2. Dan Thompson had a major problem and a decision to make. He needed to satisfy the grievances of his technicians but did not have sufficient information or insight to do so. He went to Marty Harris, who could have heard him out and joined in reducing the dissonance among these critical workers. Was Marty’s answer to go by the book and change nothing (for safety and cost saving sake), repeated by Dan, a hidden cause of Harry’s lapse?
3. Marv Bradbury believed nothing could go wrong on his graveyard shift (ironically named for the night the plant started to blow) that he was not fully prepared to handle. The system was fault-free and self-correcting. No
weaknesses, save one—Marv’s belief that nothing could go wrong in a system that had no weaknesses. What did this “weakness” cause Marv to do (or not do) regarding the AFW pumps?

4. They opened the three valves on the AFW pumps that Harry had negligently forgotten to reopen, but too late. Then, no one, including the shaken expert Marv, knew what to do. Run?

5. This is a cliffhanger no one wanted to roll on to the worse case scenario. It could have been a Three Mile Island or worse, a Chernobyl. However, it could reinforce a powerful truth. A nuclear disaster would be the highest stakes gamble lost for not taking care and time to gather enough information and override one’s decision biases for the sake of the enterprise. Harry, Dan, Marty, and Marv all fell short of meeting their responsibilities to assure a safe plant. Thus, a rather vivid exercise is suggested, so that learners will not soon forget nor underestimate the strategic cost of a poorly made decision.

6. **Judgment at the Pearly Gate** is a fishbowl activity. People playing the roles specified below should stand at the center of a circle formed by the rest of the class. (The class may be sitting or standing).
   a. Harry, Dan, Marty, and Marv are standing at the Pearly Gates of Heaven. Peter is there to decide who to admit, if any one, and who to send down, past the hole blown in the ground when the plant melted, all the way to Hell.
   b. Give the class a moment to review the case.
   c. Form the circle, and then invite five volunteers to come to the center. Assign each a role on the spot.
   d. Coach the person playing Peter to seriously consider who, if anyone should be allowed into Heaven as being guiltless for the plant disaster that came, when no one came up with a way to stop the reactors from melting down. Peter must hear from each one. However, Peter sees a long line behind these four petitioners. They only get to be on eternity time on the other side of the Pearly Gates.
   e. Coach the others to believe in their own innocence, but not to care too much if others have a long trip down in store for them.
   f. Start the action. After Peter has made his decisions, resettle the class in their seats. In groups, or with the whole class, discuss this question: If you were Peter, would you have made the same choices? Explain.
1. This exercise engages learners in trying out two decision-making techniques in order to compare the final results and assess the relative quality of the recommendations. They are working on familiar ground.

2. Here is a suggested enhancement, if feasible. Invite your institution’s president or school’s dean to come to class and listen to what each team recommends. This added dash of reality will put more pressure on the two types of decision groups to do a good job. If the dean is unavailable, invite a member of the staff or a faculty colleague. Alternatively, invite a businessperson from the community. This would be an enjoyable experience for alums of the school, as well.

3. An alternative to #2 is to have a scribe from a group of volunteers write a concise synopsis of their main reformation for the school. Ask the dean or one of the others listed above to read them and reply with a brief assessment of what is offered. This can be shared in the next class meeting for closure.

1. What decision styles does John Mackey appear to use? Do these fit the situation?
   a. Suggest answer: Of the two Jungian decision styles, intuition and thinking, John Mackey’s history as founding CEO of Whole Foods suggests a strong leaning toward intuitive-feeling. Decision makers who use the intuition style are said to dislike details and the time required to sort and interpret them. They prefer to make more holistic, integrated abstractions. John Mackey has exhibited a great deal of imagination to carve out a niche among shoppers capitalizing on a green-wellness trend among more affluent and younger generations. The situation Whole Foods was in and will continue to be in as an entrepreneurial, specialized business has a high level of ambiguity. Whole Foods as a national store essentially created this niche. Their product lines must constantly change to address tastes, trends, and supply realities, so facts of what works are limited and require continual research. Time to make change decisions is also limited by the same forces. There is no one best way to be a retail food market business, let alone one promising only natural and organic foods. Whole Foods is an open experiment. A thinking decision maker at the helm would be highly frustrated by the fluidity of serving customers in this still narrow and still mainly domestic U.S. market. A day may come when the Board leans toward greater standardization and uniformity to follow the growth pattern of a company like Starbucks. Then, Mackey’s decision style could cost him his job. Unfortunately, his style is why there is so much decision making autonomy at the store level. A thinking CEO would remove this in the name of greater certainty as to what works. See
how this shift from intuitive to thinking worked at Home Depot under former CEO Nardelli.

b. **Connection to the chapter:** Top leaders do set the tone and style of the decision making system of their companies. Organization design and managerial actualities follow suit. In many ways, the Whole Foods story is the John Mackey story. He is a high-involvement managerial leader. He sees the appreciable value of the human capital constituting Whole Foods. While all decisions made by him, managers, and the self-led teams have to have a rational, thinking style dimension, Whole Foods is still a cause. It is a commercial institution leading among other entities striving to improve the health status of all people and sustain the Earth upon which to live a healthy lifestyle. There must be a high-feeling aspect to all decisions, if it is to keep the nature and momentum of a company with a good cause. John Mackey set up the Whole Foods Declaration of Interdependence and its five core values to anchor and guide all decision making. The intuitive-feeling style is evoked each time a potential decision is authentically checked against these questions: does it assure highest quality?; will it delight and satisfy our customers?; will it sustain team member satisfaction and happiness (surely a feeling issue)?; will it create wealth through profits and growth (a counterbalancing thinking issue)?; and, will it demonstrate that we care about our communities and the environment?

2. **What group decision-making pitfalls appear most likely within Whole Foods teams and which decision-making techniques would you recommend to counter those pitfalls?**

a. Whole Foods teams would seek harmony and value arriving at consensus over allowing one person to make an important decision for the rest to execute. This sets up conditions for the groupthink pitfall to occur. For each team member, much of their own success and sense of well-being rides on group solidarity. They may avoid having and debating honest disagreements. Since Whole Foods teams make major managerial decisions, the quality of those decisions matters greatly. Thus, to counter group think, the several techniques for organizing the ways decisions are built could slow or stop the rush to single commonly held views. These include brainstorming, the nominal group technique, and the Delphi technique. Another pitfall is the common information bias. The stress on interdependence may have the unintended consequence of discouraging independent thought. This bias toward thinking the group’s thoughts, rather than entertaining views from individuals could lock Whole Foods teams into courses of action which actually no longer work. A technique to counterbalance common information bias is to employ the dialectical inquiry. It allows two different subgroups to develop very different assumptions and recommendations for action, thus conditioning the teams to seek out differing points of view. Risky shift is the next pitfall. Whole Foods is still a young, entrepreneurial organization, so deciding on risking innovative practices fits this setting. Still, with 13 or more teams running
the stores, there could be an overabundance of riskier decisions made before a manager could intercede and invoke higher authority to reverse some of what the teams choose to do. A remedy for risky shift would be to appoint a devil's advocate. This person is entitled to argue against the emerging trend of thought, thereby causing Whole Foods team members to question the extent to which they really want to commit the store, and ultimately the company, to a riskier course of action.

b. Connecting to the chapter: Whole Foods teams hold the power to make managerial decisions like who to hire and what products to stock within their store domains. Thus, how well they make these decisions goes a long way to determining how well Whole Foods does at the end of each business day. While top leaders make the most strategic decisions, this highly decentralized company counts on its highly motivated and knowledgeable front line associates to make locally relevant decisions within broad strategic guidelines. These high-stakes groups must have the best available tools and techniques on tap to put into use in ways that work for their store and community. Whole Foods managers must know these tools not just for their own use, as would managers of conventional hierarchical company; they must teach them to their teams and monitor their use to assure optimal team decision-making performances.
Suggested Discussion Questions and Enhancement

1. Starbucks partners with other companies to manifest an experience so satisfying to customers that they will not become bored and turn to other sources of both beverage and ambiance. Would inter-corporate teams working at several levels to bring product out in seamless fashion not manage each of these collaborations? What preparation, values, knowledge, and skills might members of such inter-institutional teams need to possess? What might be the cost to Starbucks’ business and reputation, were any of these teams to fail to keep the delicate balance of corporate interests and commitments?

2. Reader attention is directed to teams of baristas who compile what Starbucks means to those waiting in cue into the decisive moment—the order. Expectations are high and rising, as Starbucks’ value proposition is renewed in the minds of each who witnesses order fulfillment. Shall they come back for more, or go a block or so down the street to the next coffee shop?

3. Barista teamwork is likened to a choreographed dance. What if it were to be perceived by the waiting customer as a joyless routine of going through the motions?

4. Baristas are trained in Star Skills: maintain and enhance each other’s self-esteem, listen and acknowledge, and ask questions. This is to support a Starbucks guiding principle to provide a great work environment and treat each other with respect and dignity. This works to sell millions of cups of coffee. Why wouldn’t any profit-oriented manager want to operate on the same principles and skills?

5. The working floors of over 16,000 Starbucks stores in more than 50 countries are connected to the corporate top of the organization by inclusive policies like giving full benefits to part-time associates and practices like direct, open communications to highest decision makers. This results in baristas not only being called “partners,” but knowing they are able to act as partners. What must it be like for Starbucks managers to direct the performance of teams of baristas who are essentially peers in the overall conduct of Starbuck’s business?

6. A Sip of Starbucks Reality is a suggested exercise to extend the value of this opening case. Given Starbucks’ aggressive expansion, it is highly likely that your learners may actually go into one of their stores on their way to your classes and/or to work. Thus, why leave it at reading about them? Have your learners go see for themselves.

   a. Ask your learners to plan to stop for a few minutes at their nearest Starbucks and witness the baristas’ “dance.” Suggest, if possible, that they arrive at a busier time of day, to see this teamwork under pressure.
b. It is called A Sip of Starbucks Reality, for this is just a spot check, a “sip” of time to take a small sample of what actually goes on in real time at one of those 16,000+ locations.

c. These baristas are the service “team to beat” in that industry. Are they allowed to produce anything less than “legendary” high customer value in those moments of service?

They may witness and diagnose some team dysfunction. Alternatively, they may find the shop in good health. Either way, they will have actually experienced strategic organizational behavior. They may now discuss the written claims by comparing notes on each other’s “sips of Starbucks reality.”

Digital Supplement

Direct your students to You Tube and the Starbucks Coffee Video (there are numerous videos about Starbucks). Have your students listen to “Starbucks Baristas Tell Our Story” from May 29, 2009 or “What Goes Into Making a Starbucks Coffee” from September 1, 2009.

Now have your students look at Dunkin Donuts on You Tube. Again have them view Dunkin Donuts commercials or other videos.

1. Compare the videos on Starbucks with those of Dunkin Donuts. What are the differences your students can identify between the two?
2. What image does Starbucks portray?
3. What image does Dunkin Donuts portray?
4. How would you describe a team of baristas at Starbucks? Do you see a similar team represented at Dunkin Donuts?

Knowledge Objectives

After reading this chapter, learners should be able to:

1. Describe the nature of groups and teams and distinguish among different types of teams.
2. Explain the criteria used to evaluate team effectiveness.
3. Discuss how various aspects of team composition influence team effectiveness.
4. Understand how structural components of teams can influence performance.
5. Explain how various team processes influence team performance.
6. Describe how teams develop over time.
7. Know what organizations can do to encourage and support effective teamwork.
8. Understand the roles of a team leader.
Teaching Point on the Knowledge Objectives

Teach learners how they toggle. It means to alternate between two or more electronic, mechanical, or computer-related options, usually by the operation of a single switch or keystroke. It is used as a metaphor in this instance. To work well in a team, one must be adept at rapidly, mentally toggling between two basic kinds of acts. These are solo acts, completed best alone, and combo acts, completed best as a team. Tasks may range from the tangibly physical (taking down a large tree) to the opaque intellectual (making a decision on a corporate strategy). Note that it may be folly for an individual to work solo to take down a large tree, and folly for a manager to slow down making a strategic decision in an extreme emergency by insisting on a combo act with other managers. Mindful of their own toggling skill, your learners will be considering these knowledge objectives from their place inside a team. The more they understand differences of complexity, task by task, the better they will be able to help manage the strategic organizational behavior of teams. At the start of each toggle, the learner is subconsciously asking, “Better done by myself?” or “Better done with others?” This way, they will remember the task that inspires combo work and creates a team, not management. A group may be labeled a team, but it is only teaming when two or more of its members are performing combo acts on a given task aimed at an organizational goal. Otherwise, members are performing solo acts for those same goals, but are not actively teaming. There are likely to be few moments when the degree of teamwork reaches a sustained effort; but this is what high-performing work teams are able to do. They toggle with ease.

Honing a Strategic OB Prospect
Groups and Teams

A good job. The Jeopardy-style question to this answer is, “What is the reason for me to learn how to work well in teams?” Highly successful, constantly growing companies like Starbucks are strategically organized around the store team as core operating units. This is not done for warm and fuzzy reasons. It makes them the most money. If another way to organize labor proves to make them more money, they would be hard pressed to sustain a team-based approach. To deliver the total experience that earns customer loyalty, Starbucks knows pragmatically that only the right type of teams work. Your learners will also be hard-pressed to find a succeeding company to employ them in a solo role, subject only to group interaction, but not the intensively interdependent dance of teamwork. The good jobs, the excellent jobs, go to those who can live as independent-minded individuals, yet work with a mind that can manage to think of self and others simultaneously. Exemplars of this dual-minded thinking abound. Point to your institution’s basketball team. Flying up and down the court, shifting roles from offensive to defensive play, each athlete has moments with the ball when the task calls for solo practice; yet, in the same moment, the question of passing to set up a teammate who is in a better position to make the basket. The strategic prospect of this chapter is to use its concepts and examples to prepare for an ambidextrous career, “running the floor” with
high-performance teams, ready and able to perform acts solo, but also comfortable relinquishing “the ball” to a teammate better set to score.

Digital Supplement
Experiencing Strategic Organizational Behavior: How Jazz Can Improve Your Business Plan

There have been numerous articles comparing orchestras and other musical ensembles like Jazz groups and their similarity to being part of a business teams. Adrian Cho works for IBM as a software developer and he also plays bass and leads a big band in Ottawa Canada. Perhaps because of Cho’s experiences as both a Jazz musician and a software developer, Cho clearly sees the similarities.

Jazz musicians according to Cho must work in synergy to develop high quality musical performances. Jazz musicians are highly committed practitioners who flourish on improvisation and mutual playing success. (http://www.npr.org/blogs/ablogsupreme/2010/02/how_jazz_can_improve_your_busi.html) There is definitely a back and forth between players as there has to be in a high performance team.

Technology has in many ways imitated the back and forth of a jazz musicians, and IBM in particular has a software delivery product, aptly named Jazz which helps global teams work across continents in multiple countries.

Have your students go to the following websites
- http://www.npr.org/blogs/ablogsupreme/2010/02/how_jazz_can_improve_your_busi.html

1. What comparisons can your student make between a jazz performer and the objectives of software like IBM’s Rational Jazz®?
2. How might teams benefit from this kind of technology?
3. What kinds of drawbacks might also factor in with teams that use technology software rather than face-to-face meeting?

EXPERIENCING STRATEGIC ORGANIZATIONAL BEHAVIOR Backup at Cirque du Soleil (page 418)

Digital supplement

“Cirque du Soleil” in French or “Circus of the Sun” in English is a Canadian entertainment company which originated in Montreal. The company was founded in 1984 by two street performers, Guy Laliberte’ and Daniel Gauthier. Cirque du Soleil performs around the world in some 40 countries and 271 cities. A contemporary circus features itself as adult entertainment with no animals but rather pulsating music and
daring aerial acts. The troupe has received numerous awards. (http://en.wikipedia.org/wiki/Cirque_du_Soleil.

From a funky street band, Cirque du Soleil gained even greater fame when it joined forces with the Las Vegas deal maker Steve Wynn. The collaboration between Wynn the hotelier and Cirque du Soleil brought the troupe to Las Vegas. Wynn was building a new hotel “Mystere” and included a spectacular theater to feature the troupe. (http://www.fastcompany.com/magazine/96/cirque-du-soleil.html?page=0,2).

Have students view some examples of Cirque du Soleil by going to You Tube.
Some examples include:
• Cirque du Soleil O (Terre Aride)
• Most Dangerous Aerial Acrobatic Trick Ever
• Cirque du Soleil Training

1. Doing your part in any team is important, doing your part in a Cirque du Soleil performance is critical. What parallels do you see between Cirque du Soleil and teamwork in the organizations of which you have been apart?
2. What kinds of things can Cirque Du Soleil teach businesses about creativity and recruiting?
3. How does Cirque Du Soleil maintain their talent pool?

Back to the Knowledge Objectives

Suggested Answers

1.  (a) What makes a collection of people a team?  (b) How does a team differ from a group?  (c) What are some different types of teams?
   a. A team is a group that consists of two or more people, working independently within an organization, with tasks that are relevant to the organization’s mission and consequences that affect others inside and outside of the team, and who are considered a team by people within and outside of the team. (page 405).
   b. A group is two or more interdependent individuals who influence one another through social interaction. They may be outside of an organization; or, if within, their actions are not necessarily tied to the mission and their reasons for independency may be incidental to how the organization might identify them. (page 405).
   c. Types of teams include virtual teams, functional teams, and self-managing teams. (pages 406-408).

2. To determine whether a team is effective, what should be measured?
   a. Team effectiveness is measured in terms of knowledge criteria, affective criteria, outcome criteria, and whether a team or individuals would be better for project completion. (pages 410-411).
3. **(a) What composition factors should a manager consider in designing an effective team? (b) Would these factors differ depending on the type of team being formed?**
   a. A manager should consider the diversity of members, their personalities, team orientation, and the size of the team. (pages 411-414).
   b. These factors depend on the type and complexity of the task, the outcome, the length of time needed to complete the project, and the type of diversity of team members. (pages 411-414).

4. **(a) What are the important aspects of team structure? (b) How does each affect team performance?**
   a. Aspects of team structure include member roles, norms, and task structure. (page 414).
   b. Affecting team performance:
      i. *Team roles* spell out who is responsible for what tasks, under what conditions. As a team becomes more stable, the roles of individual members often become resistant to change. (page 414).
      ii. *Norms* are informal rules or standards that regulate team behavior and help to provide direction. Norms can also be resistant to change and can have positive or negative consequences. (pages 414-416).
      iii. *Task structure* is an important determinant of how teams function and perform. Tasks can be categorized as unitary or divisible, maximizing or optimizing, and can differ in how individual inputs combine to achieve the team’s product (i.e., additive, compensatory, disjunctive, or conjunctive). (page 416).

5. **(a) What types of team processes can have a positive influence on team performance? (b) What processes can have negative effects?**
   a. Positive team processes include team cohesion, social facilitation, and communication. However, these same processes can devolve to have negative influence on team performance. (pages 417-421).
   b. Negative processes include conflict among team members and social loafing. Conflict can stir creativity, and thus have a positive influence on performance. Social loafing remains negative. (pages 417-421).

6. **How do the stage model and the punctuated equilibrium model of team development differ?**
   a. The stage model offers a simple linear progression: forming, storming, norming, performing, and adjourning. The PEM (punctuated) model suggests the progression is not linear, but that group formation depends upon the task at hand. (pages 421-422).

7. **What can organizations do to encourage and support effective teamwork?**
a. Organizations can promote effective teamwork by providing top management support, ensuring technical and informational support, selecting people for teamwork and leadership, training people in teamwork skills, and rewarding team performance. (pages 423-426).

8. (a) What are some important team leader roles?  (b) Describe an example from your own experience of a team leader who filled one or more of these roles.
   a. Effective team leaders act as liaisons, provide direction, and operationally coordinate team activities. (page 425).
   b. Look for answers reflecting awareness that the leader helped them maintain oneness, remembering that being a team is different than working solo, calling for cooperative, collaborative, and considerate behaviors.

**Digital Supplement: Managerial Advice: IDEO-Diversity Adds to Creativity**

Have your students go to You Tube and to the numerous videos on IDEO. Two which describe the IDEO culture and relevance on team work are:
- Inside IDEO Part 1
- Inside IDEO Part 3

Students should be encouraged to Google IDEO and go to its website which describes even more what IDEO is all about.

1. Ask your students how they would describe an IDEO work team to their non business colleagues, peers, or friends.
2. How do their work teams differ from other work teams which students have read about?
3. List three things about the culture of IDEO as described on their website which impressed you.

**Teaching Point on Knowledge Objectives**

Teach social *alchemy*. Learners may use the information in this chapter to notice when groups are turned into teams, or when teams turn back into groups. Alchemy is a medieval chemical philosophy having as its asserted aims the transmutation of base metals into gold. Correspondingly, a group transformed into a team increases in value to its organization. Ill-timed and unplanned loss of key team attributes is like turning gold into lead. What happens at these critical turning points? What social ingredients are added or lost? Trust? Shared mission? Channels of communication? Increase or decrease of unitary tasks? Team alchemists are not bystanders. They can learn to be catalysts in turning loosely aligned members of a group into close-knit teammates. They can also recognize reverse alchemy and prevent loss of what would otherwise be robbed to demote their teams to groups, or worse.
Learners may read into the questions posed this time in *Thinking about Ethics* that one may opt out of a team, or be put out of a team, to be free to do his or her own thing. Where is “out,” really? Companies are moving toward the competition based on superior knowledge. Strategies once based on products are now grounded in what people know to invent and how to market better products. Working in support of production may have allowed for a choice of having teams or not. Working on the bases of creating competitive knowledge for the selling strategy is an “All Minds on Deck” proposition.

Associates and their managers at every level are pressed to create solutions to problems it would take a rare, brilliant person to solve on his/her own. Thus, the question, Is there really a place outside teams where individuals who want to be paid for only their solo task completion can be effective? If the answer is no, then what are the ethics of excluding solo performers? Is this becoming an insidious form of discrimination? And, if the answer is yes, then are solo performers more or less advantaged in creating superior knowledge than those who may count on team assets?

Your learners will recognize this dilemma if they have ever been in a team-based course where a student was voted out or ejected for social loafing or a like sin. Here is an original exercise to provoke thinking about where that wayward member is being sent when sent out of the team.

**Is There Really a Better Place to Work Called Outside?**

1. Announce that this is an exercise to further probe for ethical concerns in the prevalent use of teams in organizations.
2. You will create an outcast status for 3 or 4 of your students (or about 5% of your class population); only no one except those learners will know this is their lot until the last stage of the exercise.
3. To do this, prepare 3 or 4 file cards that have the word “Outcast” on the back. The front is blank. Then, prepare the rest of the cards for remaining learners with the word “Member” on the back. Shuffle the cards. Place a card face down before each learner and ask that they do not turn it over until told to do so.
4. Announce to the class that they are trying a brief experiment to prove or disprove this hypothesis: Because students in this class do much of their coursework in teams, they will have better overall knowledge of strategic organizational behavior than any classmate who might have tried to meet learning objectives working outside the teams.
5. Tell them that after your signal, it is okay for them glance at the word on the back of their cards. Mention that no one should reveal the random status given to him or her. However, tell them that those who see the “Outcast” rather than the “Member” cards should shift their minds to think of how it would be on this last day, looking back over weeks of having to do coursework outside the team.
6. This exercise is run in *future perfect*, that is, learners will talk in verbs that express actions completed by a specified time in the future. The test of this
hypothesis is to run the clock up over the weeks to the end of the term. Tell them to picture in their minds that it is now the last class (wait for the groans to subside). This is to be a silent phase of the exercise. They will communicate their thoughts on the blank side of the file cards.

7. Instruct them that they are to write in future perfect tense what they will be saying to each other on this last day about their feelings of success or failure in this class. Put a sample on the board like, “I will have earned the grade I desired,” or “I shall have made lasting friends.” Remind them that they are writing from the assigned frame of mind—Outcast or Member.

8. They should write, as legibly as possible, 3-5 statements of this sort on the card. Remind them to keep the identity side down.

9. Collect the cards and shuffle them, keeping the future perfect predications up and the identities down.

10. Place a card in front of each learner. Again, tell them not to look at the identity side or to talk to each other. This is still the silent phase. (This heightens interest and concentration).

11. Now, this is the talking and listening phase. Each is going to read what is on the card for the others to hear.

12. Here is the challenge. Tell them that as they listen to what their peers are saying about their future perfect feelings, they should try to detect whose words are coming from the Outcasts. They should jot the person or persons’ name down but not say anything, until all cards are read.

13. Now, have the class create a list of the learners suspected to be Outcasts, and reasons why.

14. That done, ask the real Outcasts to stand up. Those matched on the list should tell the class why they wrote what they did. Those not matched, should then do the same.

15. Engage them in a dialogue about the results of this test.
   a. Did a more pessimistic outlook on their success in a course identify the Outcasts, where teamwork is not only being studied but also used as a primary source of learning enhancement?
   b. As they look out on a future where more employing organizations are likely to give them little choice but to work in teams, are those who prefer to work alone or are forced out of teams going to be unfairly handicapped?
   c. Should working in teams be standard practice in all of your school’s business courses? On the other hand, is this overkill?

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**Key Terms**

**destructive individual roles** Roles involving self-centered behaviors that put individual needs and goals ahead of the team. (page 414).

**divisible tasks** Tasks that can be separated into subcomponents. (page 416).
formal groups  Groups to which members are formally assigned.  (page 405).

group  Two or more interdependent individuals who influence one another through social interaction.  (page 405).

informal groups  Groups formed spontaneously by people who share interests, values, or identities.  (page 405).

identity groups  Groups based on social identity of members.  (page 406).

interpersonal cohesion  Team members’ liking or attraction to other team members.  (page 417).

maximization tasks  Tasks with a quantity goal.  (page 416).

norms  Informal rules or standards that regulate the team’s behavior.  (page 414).

optimization tasks  Tasks with a quality goal.  (page 416).

process loss  The difference between actual and potential team performance that is caused by diverting time and energy into maintaining the team as opposed to working on substantive tasks.  (page 411).

punctuated equilibrium model (PEM)  A model of group development that suggests that groups do not go through linear stages but that group formation depends on the task at hand and the deadlines for that task.  (page 422).

roles  Expectations shared by group members about who is to perform what types of tasks and under what conditions.  (page 414).

social facilitation effect  Improvement in individual performance when others are present.  (page 419).

social loafing  A phenomenon wherein people put forth less effort when they work in teams than when they work alone.  (page 420).

socioemotional roles  Roles that require behaviors that support the social aspects of the organization.  (page 414).

synergy  An effect wherein the total output of a team is greater than the combined outputs of individual members working alone.  (page 404).

task cohesion  Team members’ attraction and commitment to the tasks and goals of the team.  (page 417).
**task roles**  Roles that require behaviors aimed at achieving the team’s performance goals and tasks.  (page 414).

**team**  Two or more people, with work roles that require them to be interdependent, who operate within a larger social system (the organization), performing tasks relevant to the organization’s mission, with consequences that affect others inside and outside the organization, and who have membership that is identifiable to those on the team and those not on the team.  (page 405).

**team orientation**  The extent to which an individual works well with others, wants to contribute to team performance, and enjoys being on a team.  (page 413).

**unitary tasks**  Tasks that cannot be divided and must be performed by an individual.  (page 416).

**virtual teams**  Teams in which members work together but are separated by time, distance, or organizational structure.  (page 406).

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**Teaching Point on Key Terms**

Teach *diagnosis*.  This is the act or process of identifying or determining the nature and cause of a disease or injury.  An analogy to physical health is group or team health.  Each of these terms can be learned for the special purpose of evaluating and diagnosing the special state of group health called team.  Is the collective of individuals in which the learner is included having a robust team day?  Do one or more of these theories of teams, when applied in a given situation and context, reveal symptoms of dissolution?  Other terms may open them to solutions that restore or enhance social bonds and willingness to combine efforts.  Keeping a *caregiver’s* eye on the health of all teams to which the enterprise commits its most vital and complex tasks is more than one person’s responsibility these days.  Associates, as well as managers, working with the intersecting circles of multiple teams, must know what to look for and how to explain what they see.  Are teams of baristas at every local Starbucks operation slowly dissolving, collapsing as a team at the start of rush hour, and instantly creating customers for their competitors?  Perhaps one of the most strategic and complex tasks to be performed within any team is systematically diagnosing the health of the team and all those whose work impinges upon them.  Your learners can take this skill to the bank.

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**BUILDING YOUR HUMAN CAPITAL**

Do You Have a Team?  (pages 430-431)


Enhancement

This assessment is a fast way to “look under the hood” to see if the teams they are in are operating so that they “not only [] increase organization-related performance and contribute to the competitive advantage of the organization, they also increase individual well-being.” Applying this list of criteria reinforces lessons from the chapter by asking them to assess how well their own teams foster well being. It is a rough cut on a complex question, but it should make the point that membership in a team that is really not operating as a team can be *harmful* to all, not just to the organization that is counting on the team for improved performance. More learning value can be mined from this assessment by asking them to think in a line of answers that parallels those that come to mind about how the team operates. It is to consider how they are really operating as an individual because of how the team really operates on each of the listed factors.

1. **And so this matters to me how?** Ask them to re-read these questions in class. After thinking about how their team operates, next think about how they operate because of the way the team operates on each of these criteria.
2. For example, “Do team members like each other?” “And so this matters to me how?” If the answer is Yes or No, then they will contemplate how this affects their workmanship.
3. They may run down this list answering silently (perhaps jotting down some notes to write this up as a small assignment). Alternatively, put them in pairs, so that they can answer each question in a one-on-one dialogue. Again, lessons may be presented in writing.
4. If time allows, soundings from this extension of the questioning may be taken from the whole class. The suggested main point to explore is, “How long can one afford to be operating inside a team that is not really operating as a team? What does one do about it?”

AN ORGANIZATIONAL BEHAVIOR MOMENT
The New Quota (pages 430-431)

Suggested Discussion Questions and Enhancement

1. “I just don’t want to do eight—won’t help any of us if we do.” This is the tip off. Jack has learned from engineering how to shave the time needed to add the wire assemblies that would meet the new quota. The clincher is, “Eight's possible, but I think some of us are going to be laid off if we all do it.” Why did Jack act on this speculation to protect his teammates from their own company?
2. They complain about how quotas have risen over the year but not wages. Then, Dennis makes the revealing comment, “I'm not sure that I could meet it even if I tried, and I'm sure as hell not going to try. They can have my stinking job if they want. Only reason I stick around here anyway is because you guys are such lousy bridge players.” How does this comment reinforce the team’s cohesion to the detriment of the company?
3. Dave, their supervisor, tells Mr. Martin, the plant manager, that he is sure the assemblers cannot do more than six or seven. What does this suggest about how teams like this can condition their managers to keep performance expectations comfortably low?

4. They really need Pacific Electronics, and Martin is not going to refuse their requirement to raise the bar to earn their business. Should Martin have tried to convince Pacific Electronics that a slower delivery rate is the best that can be done?

5. Dave might have actually rewarded these bridge buddies with monetary incentives for secretly sabotaging the new quota. Martin refused. What might have been the consequence to team performance had Dave actually been given permission to buy their “extra” effort?

6. The men agree with Jack’s assumption that showing management that they could meet the new quota means they are improving a least one of them out of a job. Ironically, Martin spoke to Dave about how losing the Pacific Electronics account could mean layoffs. Jack could have leveled with Dave and admitted the new quota could be met. Dave could have leveled with the team about the consequences of losing this customer. Dysfunction prevailed. Is it too late to try anything else?

7. Here is a chance to use this case and the preceding question to give your learners a target for testing their understanding of the Key Terms of this chapter. Call it Find the Right Key.
   a. Ask your learners to picture a large ring of keys like those carried in the old days by night watchmen. You may have to sketch this on the board, for many will be more familiar with electronic means of opening doors. There are 26 Key Terms in this chapter, so each of the keys on that ring represents one of the concepts.
   b. The challenge is for them to find one or more of these keys that will “unlock” the impasse between this wire assembler group and their managers in time to meet the new quota and become a better team, and company, for it.
   c. Give them time to work down through the terms. Some will seem like they do not fit, others might, and some will. Synergy, for example, might open the possibility that they stop working on assemblies individually, and pool their efforts and strengths to get more done faster.
   d. Have the teams share with the class which key terms might turn that deadlock and why.
Enhancement

1. This is an experiment to see which form of team, real or virtual, is judged to have produced the best logo and/or branding slogan for the school. It was stated that virtual teams have advantages for businesses, but that there are disadvantages. Interestingly, there was no such mention of disadvantages to “real” (meaning the face-to-face teams still considered the norm). Will learners discover disadvantages to being in the Real Teams? Will those in the Virtual Teams discover advantages that surprise the class?

2. In some schools, many or most learners are commuters, attending part-time. It may turn out that they will have more difficulty executing even one face-to-face meeting, even though it is not required that all members be present. The Virtual Teammers will not have this difficulty, but may be frustrated with asynchronous communicating. They most likely will have fewer turns at giving their ideas and feedback on the logo and brand. This will be a rich exercise, no matter how well each team succeeds in putting their real or virtual heads together.

3. Here is a way to bring out one more dynamic that runs throughout this chapter. Can individuals outperform either sort of team? Test it. Call this added experiment **Virtuous Virtual or Regal Real?**
   a. Offer this challenge. Ask for two volunteers who believe they can get this job done better alone. They may not communicate with any classmate during the week. On their honor, they will bring to class a logo and brand slogan that is entirely their own creation.
   b. Note here that some may jump at this as a chance to “save time” over the week by not having to meet in person or online. Others may really believe that at this particular task, they will excel, escaping being muted by the common denominator of the team.
   c. Run day two of the exercise as has been laid out in the chapter; however, give the solo performers time to present their logos and brands. Then, run the judging.
   d. Did the teams win out over the solos? If so, why? If not, why?
1. What policies and procedures does Whole Foods enact that allows it to develop successful associate teams?

   a. Suggested answer: Successful Whole Foods teams will have a synergistic effect on business operations that gives their stores and this company a competitive advantage over competitors who load authority into store managementships and give lip service to teams. They must attract and retain the best possible talented people for these teams. A mainstay policy for doing this is giving teams a great deal of discretion to run their areas and stores as they see fit. Members of teams know they are not undervalued for what they can learn to do. The policies to give them the right to select and deselect members give members some assurance that they can entrust their own future well-being to fellow team members. The practice of building a shared identity gives Whole Foods teams the right and responsibility to act on behalf of the entire company, not just themselves and their discrete area of the business. The open book policy both equips teams with a richer set of data and information consonant with being empowered and symbolizes their high importance in the grand scheme of things. The way that Whole Foods is managing to be a successful business is to sustain a culture of open collaboration in a decentralized, information-rich structure.

   b. Connection to this chapter: Whole Foods is not a once-conventionally organized retail food store chain that has recently tried to make over departments as teams. They have been fully team-based in a flat organizational structure from the beginning. Were teams to be broken up and stores and the corporate center to be departmentalized and siloed, it would be Whole Foods in name only. Simply put, associate teams make Whole Foods whole. They work together to identify and solve problems that conventionally organized stores are still trying to keep out of the hands of hourly workers. This nature foods business reflects nature in its organic system of free-thinking standing and ad hoc teams. Discerning customers will detect such congruity in their interactions with Whole Foods associates. Of course, incongruities will also be noted, for a Whole Foods customer would not expect an “it’s not my job” response to their requests for help, guidance, or product knowledge. Will this foundation of associate teaming withstand such coming pressures of greater competition from imitators and investor demands for double digit annual growth in profits? Perhaps, it is just the adaptive format any large company will need to mobilize requisite brainpower.

2. What impact do you think that the process of allowing team members to vote on hiring new members has on the dynamics and performance of the Whole Foods teams?

   a. Suggested answer: Mutual trust bonds groups into effective teams. Managers in competing companies in the retail food store industry can select and assign associates to teams who must accept the new member no matter how little or much input their manager allowed prior to his hiring decision. It will take more time for trust to be earned, if at all. Whole Foods managers equip their teams with the rules and resources to hire fairly and equitably, but leave the
critical choice up to them. This tends to greatly shorten the period of adjustment. Teams bring new associates up to speed sooner, gaining their fresh insights and use of their fuller talents in ways to outpace their competitors on innovation. Their vote to keep a newcomer after a four week trial period acknowledges their close-in vantage point on whether or not this is a person to trust and who can trust all others. Of course, teams must be coached to know and uphold principles and rules of diversity to prevent discrimination in their votes to hire and retain new associates. Were this to slacken, there could be a damaging dynamic of choosing for comfort in sameness, rather than growing by embracing differences.

b. *Connection to the chapter:* It still seems rare in business to find organizations whose teams are self-forming regarding choice of members. This remains a key Whole Foods experiment aimed at attracting and retaining persons whose talents are augmented and amplified by their predominant team practices. They may miss out on employing individuals with “super star” attributes, but the trade off is super star level team performances. Whole Foods customers pay premium prices to experience super star performances at any post in the stores, from how the deli carves and plates a slice of meat to how safe and clean is the place they park their cars. Whole Foods survives by assuring first class customer service. Companies rated at the tops of their fields in customer service are also characterized by highly effective teams. The choice of who becomes these teams’ members is perhaps the most strategic of all business decisions. Whole Foods, so far, entrusts their associates to making it.
CHAPTER 12
CONFLICT, NEGOTIATION, POWER, AND POLITICS

EXPLORING BEHAVIOR IN ACTION
Green Conflict (pages 436-438)

Suggested Discussion Questions and Enhancement

1. Consider the decades of damage done by big business to the environment and directly to human health in light of finally seeing good news reported herein. What if those aggressive environmental organizations had never existed or failed against the “defense” waged by big business?

2. It may look more hopeful for all concerned here in the U.S., but is big business simply moving its most “cost-effective” and damaging practices to other places in the world where environmental organizations are weak or do not exist?

3. The pressure tactics employed by environmental groups against big business seem to cluster around alerting people whom big business does not want to alienate to the real, long-term costs of their price advantages. What are they counting on these publics to care about beyond a good deal or nice rise in stock prices?

4. Could this Green Movement pass like a fad? If so, what then? If not, why not?

5. Al Gore’s claim is that there need not be any conflict between the environment and the economy. If not, why has there been nothing but in recent years? Could it be that our business managers do not agree with Gore? Could that be a sign of how they have been educated by institutions like ours?

6. Surely not here! This brief exercise puts the last question to a reality test—your reality as an institutional management educator. Your learners know what they are being taught in classes and in the business literature. Ask them to confirm your claim that they could not possibly be learning to place shareholder value above all values in business. “Surely, not here!”

   a. Set up small “buzz groups” to investigate each other’s take on the question—Green or Mean? (Of course, mean is biased, so choose your own opposing term).

   b. Offer the ground rule that they can sanitize their references to professors, courses, or programs when they report out to the class. This is just opinion gathering to see if there is a positive trend toward green thinking.

   c. Divide the board between Green and Mean (or your gentler dichotomy).

   d. Poll each buzz group for Green and Mean examples and impressions.

   e. Take stock of the general trends on the board. Discuss this question: Just what is the responsibility of our institution to have a philosophy that supports Gore’s claim that business need not fight the environmentalists?
Knowledge Objectives

After reading this chapter, learners should be able to:

1. Explain how conflict can be either functional or dysfunctional, and distinguish among various types of conflict.
2. Discuss common causes of conflict.
3. Describe conflict escalation and the various outcomes of conflict.
4. Explain how people respond to conflict and under what circumstances each type of response is best.
5. Understand how organizations can manage conflict.
6. Describe the basic negotiation process, as well as effective strategies and tactics for negotiating.
7. Explain why organizations must have power to function, and discuss how people gain power in organizations.
8. Define organizational politics and the tactics used to carry out political behavior.

Teaching Point on the Knowledge Objectives

Teach *seamanship*. As in the skill needed to navigate and manage a boat or ship in open waters, your learners may use knowledge from these objectives to steer themselves and others through rough seas of conflict in the mutually desired direction. It is a rare sail to get all the way to a destination on smooth, calm seas. There can be sudden squalls, rip tides and other dangerous currents, binding fog, and killer hurricanes like those that collided in *The Perfect Storm*. In fact, if your learners watch this movie, they will witness good and poor seamanship that kept one crew alive and doomed another. Moreover, in this film, they will see conflict churning up social interaction within the ill-fated boat into whitewater. They will see the doomed captain use and then misuse his authority, only to admit near the end that he was wrong and should have listened to those who said to turn back. Politics within the company that bought their swordfish and the community put those boats out there, against the protests of family members and loved ones. *The Perfect Storm* allegory for your learners is that there will always be conflict, power, and politics as conditions of organizational life, just as weather and currents are conditions of the seagoing life. The Key Terms to be incorporated into their thinking about organizational behavior read like the nomenclature on charts of ocean-going vessels—the shoals and rocks to avoid, the prevailing winds to use. Wise seamen make a lifelong study of these conditions, so that they may recognize the dangers, yet exploit them for mobility. Winds can topple a huge ship. Those who know how to position the ship so that these same winds accelerate its speed toward their destination are not afraid. They resolve the problems of weather but know the appropriate technique and tactics. Learners should bring out of this chapter a more balanced, seamanlike, attitude toward the dynamics of conflict, power, and politics. They are inescapable and, to a point, manageable. Beyond manageable, they devastate.
Honing a Strategic OB Prospect
Conflict, Negotiation, Power, and Politics

Strong character is the most important strategic prospect of your learners. This is so to the extent that they continually develop a combination of emotional, intellectual, and moral qualities that distinguish them as unassailable. It is a tall order in any area, and is particularly challenging for those working and competing on a global scale. “Rocks, Paper, and Scissors” is a children’s game that your learners will most likely know first hand. Rocks break scissors. Paper covers rocks. Scissors cut paper. Strong character beats conflict, power, and politics. In moments of interpersonal conflict, another’s tactics may be intentionally destructive, blocked by refusal to return harm for harm. Power-moves to send one down a path chosen by the other are countered by long-view judgment to see what lies around the turn. Politics disguising self-interest as for the good of others are unmasked by pragmatic realism. This version is no child’s game. Losing to conflict, power, or politics does not just bring a slap on the wrist, as is one of the penalties of Rocks, Paper, and Scissors. Your entire course may be considered a platform for character building. At stake is the future value of your learner’s human capital; their reputation for integrity and good sense.

EXPERIENCING STRATEGIC ORGANIZATIONAL BEHAVIOR
Herman Miller, Designing for Teamwork (page 444)

Suggested Discussion Questions and Enhancement

1. When we think of the word “office,” what comes to mind? One person working in her or his office? Asked to come to “my office” do we expect to see this person sitting alone? Herman Miller designs offices for the many, not the one. Is this the office of our futures, or do we harbor the desire to have that door, walls, and window all to ourselves?

2. Open offices, where everyone on the teams can see each other seem to be the design most conducive to effective teamwork. Why? What does this accessibility do that makes one more ready and able to do teamwork?

3. Herman Miller installs furnishings that allow team members to reconfigure the space according to the job at hand. They are highly profitable and a leader in the industry. This suggests that such furnishings and accessories are in general demand. What does this tell us about the state of teamwork in companies that can afford HM products? If having lots of teams were losing them money, would they be buying?

4. This makes the case that team performances are linking to company profits; thus, being in spaces equipped to foster and ease teamwork must enhance human performance. Here is the catch. Are our classrooms and similar training spaces that you have used designed and furnished to do this for our learning performance? Ought they to be? If so, how? If not, why not?

5. **Hello, Herman Miller, Will You Come to Room 107?** This suggested exercise stems from the preceding question. Form teams to do an imaginary renovation of
the space you currently occupy. It is called, “Hello, Herman Miller...” because you ask them to go online to the Herman Miller webpage to “shop” with an unlimited mental credit card to do a makeover of “Room (fill in your number).”

a. Have them sketch their design on paper, marking the internal spaces and furnishing with Herman Miller labels.
b. Give each team time to “sell” their optimal classroom designs to the rest of the class.
c. Have them look for common and unique features. Ask, how do these foster better learning? Among these, how many enable teamwork?
d. Close out this moment by asking for discussion on this question: “Do we, as a teaching institution, have what Herman Miller advises their customers to institute, ‘a culture, management system, and reward system’ that fosters teamwork?” Should we?

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**Digital Supplement**

**EXPERIENCING STRATEGIC ORGANIZATIONAL BEHAVIOR**

**Generational Conflict in the Workplace**

The baby boomers are slowly retiring, perhaps not as quickly as others in the workplace might like. The boomer generation was born between 1946 and 1965, shortly after World War II. They entered the workplace at the end of the 1960s and valued things like longevity, working one’s way up the corporate ladder and giving one’s all to the company. These are just of a few of the values this generation holds dear. The boomers were followed by Generation X and now Generation Y, sometimes referred to as the Millennial Generation, Generation Next, or Net Gen. In many Fortune 500 companies and in small companies as well there may be two and even three generations in the workplace at the same time. All three generations hold dear their view of the world, their differing perceptions and expectations of the business world. Their values and perceptions of those around them may be different as well. There are even instances where boomers or those in their 50s are reporting to those in their 30s. With the economic situation as it is, workers are holding on and may still be working well into their 60s. Each generation is bringing something different to the workplace. This diversity may be the backdrop of a workplace ripe for conflict.

Have your students listen to the following podcasts on generational differences in the workplace:


1. Compare the business work experiences of Fred Miller with Corey Jamison.
2. How much do Jamison’s experiences mirror your own?
Now have your students listen to:


1. What are the differences that are identified among the Gen Y, Gen X, and baby boomer generations when it comes to workplace communication?
2. What do you think has to be done to prevent conflict among these groups when it comes to social networking in the workplace?

The third digital site is:

- The Center for Generational Studies is a website that provides solutions to cross-generational issues. Go to: www.generationaldiversity.com/ and listen to the “Leadership Preview.”

1. What issues can you identify that may be causes of conflict between the generations as described in the “Leadership Preview” video?
2. A baby boomer manager approaches a new hire who is a recent MBA graduate, (26 years old). The manager says: “I’ve been thinking. I would like to improve things around here. What kinds of things should I be doing?” What kinds of suggestions do you think the Gen Y’er is likely to make?

### MANAGERIAL ADVICE

**A Costly Conflict Resolution: The Importance of Negotiation (pages 454–455)**

Suggested Discussion Questions

1. If we assume the representative of the hiring company knows her or his power to bargain on salary, how does the candidate know that she or he has bargaining power in this negotiation?
2. Rob’s eagerness to have his “dream job” overrode his judgment and clouded his long-term view. Yet, could this be a rather common occurrence when one is that close to “The Job”?
3. If we can assume the person who hired Rob and who hired Jane knew that Rob had taken the same job for less, did it help or harm the company to leave this discrepancy to grow into a $14,700 cavern between two good associates?
4. Jane seemed to have known many of these points of advice and “did her homework.” What if this was her “dream job” too? What did she have to tell herself to risk losing the offer by standing her ground on the rate of pay that better matched the cost of living?
5. How is it to the ultimate benefit of a company to have associates follow this managerial advice and strike a deal that they know is good for themselves and the company?
1. (a) Under what circumstances can conflict be functional? (b) When is conflict dysfunctional? (c) Which of the basic types of conflict are likely to be dysfunctional, and why?
   a. Conflict is functional when it facilitates change, improves problem solving or decision making, enhances morale and cohesion in a group, creates more spontaneity in communication, and stimulates creativity and productivity. (pages 439-440).
   b. Conflict is dysfunctional when it interferes with performance or is otherwise detrimental to the organization’s goals and objectives. (page 439).
   c. The basic types of conflict are personal, substantive, and procedural.
      i. Personal conflict arises out of personal differences among people, such as differing values, goals, and personalities. (page 440).
      ii. Substantive conflict involves work content, tasks and goals. (page 441).
      iii. Procedural conflict concerns how work should be completed. (page 441).

2. Why does conflict often develop?
   a. There are multiple causes: structural factors, communication factors, cognitive factors, individual characteristics, and the history of relations between the parties. These lead people to believe that their interests are being opposed or negatively affected by others. (pages 441-447).

3. (a) What is conflict escalation, and (b) what conditions make it likely? (c) What are other possible outcomes of conflict?
   a. Conflict escalation is the process whereby conflict intensifies over time. (page 447).
   b. Underlying escalating forces include: cultural differences, a history of antagonism, insecurities, uncertain status differences, strong ties within opposing parties, parties not identifying with each other, and parties wanting conflict to escalate to beat the other parties. (page 448).
   c. Conflicts can end in terms of how the outcome satisfies each party’s concerns, interests, or wishes: lose-lose, win-lose, lose-win, compromise, and win-win. (page 448).

4. How do people respond to conflict, and under what circumstances is each type of response most effective? (pages 450-451).
   a. Competing – When a person wins at the expense of the other; useful when quick, decisive action is required; an unpopular course of action must be taken; or the other party will take advantage of noncompetitive behavior.
b. **Accommodating** – When a person forgoes personal concerns so that the concerns of the other can be met; effective when one believes he or she cannot win or when the issue is less important to one party than to the other.

c. **Avoiding** – When a person neglects his own interests and those of others; effective if it allows time to cool down or delays a decision until a better solution is found.

d. **Compromising** – When both parties give up something to partially meet their own concerns; effective to achieve temporary resolution of complex problems when parties are of equal status.

e. **Collaborating** – When both parties attempt to meet fully each other’s concerns; effective when the concerns of each are too important to compromise.

5. **What can organizations do to manage conflict?**

   a. Conflict resolution techniques and tactics may be applied. The steps are: diagnosis, selecting the correct conflict management technique, selecting the appropriate conflict-resolution tactics, and implementing the technique. (Page 441).

6. **Describe basic negotiating strategies and the tactics most likely to accomplish those strategies**

   a. **Distributive bargaining** – involves a competing win-lose approach; most effective when goals are in direct conflict. Tactics include: convincing the other person of the cost of breaking negotiations, of your commitment to your target, that your target is fair, that their target is unfair, and that important third parties favor your target; prevent the other person from making a firm commitment close to their target; allow the other person to abandon a commitment without losing face; use nonhostile humor; and use distractions. (Pages 452-453).

   b. **Integrative bargaining** – involves a collaborative win-win approach; most effective when there is a possible solution that would be attractive to both parties. Tactics include: showing importance of the other person’s goals to you, that your target is too important to compromise, and that a win-win is possible; demonstrating flexibility; insisting on fair criteria; making collaborative norms salient; minimizing negative emotions; being supportive; and shielding from emotional distractions. (Pages 452-453).

7. **(a) Why is the exercise of power necessary for organizations to operate effectively? (b) What are some of the ways in which people gain power in organizations?**

   a. Little could be accomplished if persons could not influence others to do what they would not normally do. Those who need it to achieve their goals build power in organizations. Only power exercised to achieve organization goals contributes to organizational effectiveness. (Page 456).
b. There are five sources people can draw upon: legitimate power (formal authority), reward power, coercive power, expert power, and referent power. There is also strategic contingency, whereby those who are sole sources of what is most important to the organization are granted power by those dependent upon them. (pages 457-460).

8. (a) Why is political behavior common in organizations? (b) How do people go about carrying out political behavior, and what makes them successful at it?
   a. In every organization, there is always a chance that a person or persons will choose to act in ways that serve their own self-interest without concern for the interests and well-being of others. Such behavior often arises as a result of conflict. To accomplish these selfish ends, they must engage in organizational politics. (page 460).
   b. They carry out political behavior by using: (pages 461-462).
      i. **Rational persuasion** – using logical arguments or factual information to persuade others that the persuader’s request will result in beneficial outcomes.
      ii. **Consultation** – getting the target needed to accomplish political ends to participate in the planning or execution of whatever the politician wants accomplished.
      iii. **Personal appeal** – focusing on the target’s loyalty or affection immediately before asking for help in doing something.
      iv. **Ingratiation** – making the target feel good by flattering or helping her or him.
      v. **Exchange** – using an exchange tactic, a person volunteers a favor in order to gain a favor in return.
      vi. **Coalition** – enlisting persons with common interests to work together for the end.
      vii. **Legitimizing** – making a request seem legitimate or official.
      viii. **Pressure** – using threats, nagging, or demands as a means of influencing targets.

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**Teaching Point on Knowledge Objectives**

Teach *discretion*, the exercise of good judgment or common sense in practical matters. Influence attempts of all sorts fall on the outer edges of your learners’ awareness nearly every waking hour. From television advertisements to friends’ urgings to cut classes to enjoy a wave of good weather, someone is constantly telling them how to act. Some influences are allowed by the influenced to penetrate and are accepted, while others are not. Help them see that they have the freedom to act or judge on their own, and know how to do it. What this chapter instructs them to realize, however, is that organizational membership means intensification of constructive and destructive pressures to behave differently than they might have outside organizational boundaries. They must protect and build up their powers of discretion. They are not just thinking for themselves, they are thinking for the organization. How else will corruption, greed, ruthlessness, and other
highly corrosive abuses of power be stopped? Someone has to step back, take a critical view of the situation, see and say what is really going on.

Additional Material on Ethics

It appears that nearly all of the concepts in this chapter on conflict, negotiation, power, and politics differentiate between power for one’s self-interest and power for the organization’s interests. For example, it is said that whether or not the exercise of power is harmful depends on the intent of the person holding the power. A manager who exercises power to meet organizational goals is using power in a positive, productive way. In contrast, a manager who exercises power to promote his or her personal interests, at the expense of others, is misusing power. Both kinds of power flow to individuals from others and are used by individuals on others. The point at which power becomes negative or positive is rooted in the ethos of each individual.

Students may learn to better manage their use of power. They may see better how others use them in power moves by summoning the image explored in this original exercise. It is the sight and sound of the tear. Thus, this exercise is called Where does the tearing begin?

1. Provide your learners with four blank sheets of paper.
2. Remind them of the two main reasons for power to be strategic to their own lives in organizations. One is for the person to achieve his or her own goals. Another is for that same person to gain power to achieve the organization’s goals.
3. Ask them to print “My interests” at the center of one of the sheets of paper and “My organization’s interests” on another.
4. To ground this exercise in something they all share, ask them to jot down at least three of the things that they want to gain personally by what they do in your course. Then, on the other, jot down at least three things that all in the class, including you, are working to accomplish together.
5. Tell them that when there is extensive overlap, acts of influence are likely to obtain outcomes that are good for both person and others in the organization. This is compatible with their personal state of integrity, the quality or condition of being whole.
6. At this point in the exercise, ask them to make the two papers overlap completely. Ask if there are many moments when, in even the best organization in which they have worked, there is a full match between the organizational goals they serve and their personal interests and goals. Seek examples.
7. It is likely that each situation faced presents a different degree of goal congruency from 100% down to 0%. To represent this range, ask them to very slowly slide the two sheets of paper apart. This reduces overlap. They stop doing this when you tell them to stop.
8. Have them stop at mid-point, where there is about as much of the personal interests sheet showing as the organizational interests sheet. Now, ask them to
talk about what might be going on in their minds at this critical juncture. Here is when they are still drawing power to meet some organizational goals and their own, but are sacrificing some of their own and some of the organization’s. Remind them that they are pulling away from what others value and may be creating reasons for conflict. Seek examples of how this might come out in the class’ organizational behavior.

9. Now, have them resume very slowly drawing the two papers apart. They are exposing their greater need to use power to serve themselves. Ask them to stop moving the papers at the moment that they feel discomfort at becoming one who would exploit others in this course to meet their own interests.

10. When all have stopped, ask them to talk about why they stopped. Afterwards, offer this theory. They stopped at their tearing point. Beyond this point they would be putting a painful tear in their personal integrity. Ask if and how they think these tears, if they actually occurred in your course, could be repaired.

11. Finally, order them to pull those two sheets of papers completely apart, leaving a wide gap between self and organizational interests. Shift the focus to the examples in this chapter, like that of Disney’s Eisner or those in current news stories. Ask if it is possible for people in an organization to allow members, particularly managers, to have and use power for completely self-serving reasons? If not, why not? If so, how do they get away with it?

Key Terms

attitudinal structuring  Activities aimed at influencing the attitudes and relationships of the negotiating parties. (page 452).

coaition  A group whose members act together to actively pursue a common interest. (page 461).

coeicive power  Power resulting from the ability to punish others.

conflict  The process in which one party perceives that its interests are being opposed or negatively affected by another party. (page 439).

conflict escalation  The process whereby a conflict grows increasingly worse over time. (page 447)

dysfunctional conflict  Conflict that is detrimental to organizational goals and objectives. (page 439).

distributive bargaining  A strategy that (1) involves a competing, win-lose approach and (2) tends to be used where one party’s goals are in direct conflict with the goals of another party. (page 452).
**expert power**  Power resulting from special expertise or technical knowledge.  (page 457).

**functional conflict**  Conflict that is beneficial to organizational goals and objectives.  (page 439).

**integrative bargaining**  A strategy that (1) involves a collaborative, win-win approach and (2) tends to be used when the nature of the problem permits a solution that is attractive to both parties.  (page 452).

**legitimate power**  Power derived from position; also known as formal authority.  (page 457).

**negotiation**  A process through which parties with different preferences and interests attempt to agree on a solution.  (page 451).

**organizational politics**  Behavior that is directed toward furthering one’s own self-interests without concern for the interests or well-being of others.  (page 460).

**personal conflict**  Conflict that arises out of personal differences between people, such as differing values, personal goals, and personalities.  (page 440).

**political skill**  The ability to effectively understand others at work and to use this knowledge to enhance one’s own objectives.  (page 462).

**power**  The ability to achieve desired outcomes.  (page 456).

**procedural conflict**  Conflict that arises over how work should be completed (page 441).

**referent power**  Power resulting from others’ desire to identify with the referent.  (page 457).

**relationship conflict**  Conflict that arises out of personal differences between people, such as differing goals, values, or personalities.

**reward power**  Power resulting from the ability to provide others with desired outcomes.  (page 457).

**strategic contingencies model of power**  Model holding that organizational units and people gain power by being able to address the major problems and issues faced by the organization.  (page 459).

**substantive conflict**  Conflict that involves work content, tasks, and task goals.  (page 441).
Teaching Point on Key Terms

Teach conduit. People are the only conduit for any of these power dynamics to occur in an organization. Conduits are both channels and a means by which something like electricity is transmitted. People are the influenced and the influencers within organizations. If people want to stop power coming to them from an influencer, they may remove from their own minds the factor attracting them to the power. Conflict can spread from two to millions, as we can see in the Middle East. It spreads from person to person who coalesce around it to augment their sense of personal power. It breaks up as people start and stop believing each other. Your learners will always be a conduit among all other people. This presents an intriguing challenge and another reason to pay close attention to the lessons of this chapter. How will they manage power when it arrives at them, insisting to be transmitted on unchecked or even amplified? They need to develop their own ways to judge, almost instantly, the quality of that power. Is it flowing for the good of all? The good of one or a few? If it is the latter, they will need a deep repertoire of ways to divert this power or convert it to a beneficial force. Obviously, this does not happen at the end of one unit of an OB course. However, they may look back on this segment one day and remember—I am a conduit, a thinking, feeling, and responsible conduit. What I allow to go through me goes on to the rest of my organization.

BUILDING YOUR HUMAN CAPITAL
Are You Ready to Manage with Power? (pages 465-466)

Enhancement

Learners will have read that to manage at all, one must have power and use it to get things done. Are there really ways to manage without power? Most likely, there are not. The fundamental question is: Are you ready to manage the work of others? To be ready means they are mentally disposed to manage with power. If so, they will pursue becoming able to manage with this power as a personal goal, not just an instructional goal of your course. Here is an original exercise by which learners may informally assess their own current receptivity to ideas for “powering up.”

1. **Been there, done that. Been there, won’t do that.** Each of the Key Terms in this chapter has power cracking in it. They describe people behaving in organizations to have things go their way.

2. Learners may do this exercise privately and write general lessons learned, if you wish. However, dynamics that are more memorable will come if they do this with others.

3. Form pairs. Have learners place the chapter’s list of key terms in front of them.

4. Instruct them to take turns addressing at least five to ten of the key terms of their choosing.

   a. They have to say, “Been there, done that/will do that,” or “Been there, won’t do that,” and why.
b. In order to say why, they have to tell of an instance where they have, in fact, “been there.”
c. For example, they choose the term organizational politics. One tells of a moment when they were the victim of an act of this sort and conclude, “Won’t do that.” The other may then happen to think of a moment when organizational politics broke a logjam and freed resources to get something new and better done. “Will do that” is this person’s marker.
d. Ask the pairs to keep a running tally on each Key Term of “Wills” or “Won’ts.” Give them the last 3-5 minutes to stop and go over their tally and talk about what it seems to reveal about their current readiness to manage with power.

5. Call time. Have a list of the Key Terms on the board or on an overhead slide, so that you can tally columns of Wills or Won’ts.
6. Lead the class in general discussions of what they have discovered in this information experiment. What new inclinations do they have about the role power is and should be playing in their organizational lives?

AN ORGANIZATIONAL BEHAVIOR MOMENT
The Making of the Brooklyn Bluebirds (page 466)

Suggested Discussion Questions and Enhancement

1. Trudy is spending a great deal of money to turn around the Brooklyn Bluebirds. It started to look like a winning strategy, in that they came in second in the division during her first year. She went on buying high priced players in the second year, essentially putting a new layer of more expensive players on top of last year’s team. Is this where the storm started brewing?

2. Rumors of team unrest blossomed, then Russ Thompson, a veteran of the team, finally laid it on the line. He was feeling the pain of salary inequity that his interests were no longer being served. Trudy and Marty did not negotiate an agreement that satisfied Russ or themselves. Did Russ lose his strategic contingency with this team in favor of the new high-priced help?

3. Marty asserted his legitimate power as manager to shake Russ and a million dollar player into making a better effort. He was “making his move.” It seems to be blowing up in his face, for they rebelled. Is facing a losing season putting more coercion into Marty’s power play than expert or legitimate power?

4. Trudy and Marty locked horns over his decision to bench the two lagging players. Was she blaming him for the team’s problems? Was she right in ordering him to give the fans the show they paid for? Was he right in asserting his right to manage the team his way?

5. Learners are asked to act as consultants to Trudy. Is it too late for a remedy? Is this situation of escalating conflict too far gone?

6. Give your learners a chance to address these last two questions in a quick action learning exercise called Steerike what?
a. Ask your learners to be plate umpires for a moment. Poll the class to see how close or far people think the Brooklyn Bluebirds are from striking out. If they strike out, explain that it means they may stay open for business, but lose Mickey and other players who would still be attractive to other pro teams. They would be out of contention for the pennant this year and beyond. However, if they still have two strikes left, perhaps resolution of building conflicts can be accomplished.

b. If the whole class calls “Strike three, they’re out!” then there is no need for consultants. The game is over. Discuss why they all see it this same way.

c. However, if some call strike one and others call two strikes, there is still a chance for consultants to make a difference. Yet, those consulting at two strikes have relatively less time to get Trudy and Marty back on a cooperating, winning path.

d. Solicit two volunteers, one to play Marty and one to play Trudy. Bring them to the front of the room and set them at a table. On the other side, place three chairs.

e. Solicit three volunteers to be consultants to the Bluebirds that have only one strike against them. In addition, three more to be consultants to the Bluebirds close to losing their chance to stop the escalation. Give them a few minutes to huddle and cook up some ideas to try, drawing upon what they are learning about conflict, power, and politics. Instruct Marty and Trudy to play it how they think the two are feeling, having just argued about benching the players.

f. Run the one strike round first. Have the consultants try to bring these two back to the frames of mind they had, when the team was winning. Give them only 5 minutes. Then, have Marty and Trudy huddle for a moment and come back to the consultants with their decision. Will they make any changes?

g. Run the two strike round. Five minutes and they must stop. Again, have Marty and Trudy huddle. Are they feeling more pressure now to save the team?

h. Lead the class in a discussion of what emerged from these two rounds of role-playing. Are they able to set aside their personal interests and feelings and learn what it takes to save the team?
TEAM EXERCISE
Managing Conflict (page 467)

Enhancement

1. These three rich case incidents are divided among teams for each to come up with a diagnosis of the conflict and then recommend which organizational conflict response (competing, accommodating, avoiding, compromising, or collaborating) and tactics (use Figure 12-4, page 453) should be employed to bring these people back into constructive relationships and prevent looming harm to their company’s productivity.

2. It is most likely that the recommendations will be directed at James Whittington, Irene Wilson, and Sarah McDonald—the managers. Here is a twist to bring out more dimensions to these incidents. **To learn what’s gotten under his skin, get into his skin and walk around awhile.**
   a. Before starting the exercise, as it is laid out in this chapter, tell the teams to divide the labor of deliberating into two subgroups. One group will concentrate on a response and tactics for the manager (James, Irene, or Sarah). The other part of the team will concentrate on recommending to the conflicted party (Bill Wilson, Robert Miller, or Steve Bassett) how to move from what is potentially a losing outcome to a win (possibly a win-win).
   b. When they are in a bind as managers (as are James, Irene, and Sarah), they will be trying to do what is best for the organization, while meeting their own needs and those of the aggravated party (seeking a win-win). Responsibility is theirs, but not theirs alone. They may still want a positive future in the organization and could be struggling to find a constructive way out, even as they blow up.
   c. This dimension of this exercise asks learners to probe more deeply into what may be going on with the aggrieved party; in other words, “to learn what’s gotten under their skin.” How might this conflict be resolved, if the managers paused and asked themselves how they would be feeling right now, were they in the others’ shoes? Try some empathy. Walk around “in their skin” for a moment and feel what they are feeling. Perhaps, they will open dialogue, rather than more wounds.
   d. Have the two subgroups in each team now come together and frame their recommendations.
   e. Now, process the exercise as outlined in the chapter, but ask if devoting team time and resources to getting into the skins of Bill, Robert, and Steve made a significant difference in the team’s final recommendation of response and tactics.
1. Whole Foods’ “Declaration of Interdependence” states that two of the company’s core values are “creating wealth through profits” and “caring about our communities and the environment.” Often, these two values are in conflict in many companies. How does Whole Foods resolve this conflict?
   a. **Suggested answer:** Whole Foods policies and practices aimed at securing excellent associates are all focused on achieving the highest possible productivity. In other words, they are husbanding their human capital to conserve and save their most valuable and renewable asset. This resonates with their purpose in society—to provide one place wherein customers can buy within the scope of the eco-friendly ethos. The more associates create better ways to provide their stock that conserve and economize, the more their customers will recognize there is no conflict between being profitable and green. Were top leaders to retract what makes Whole Foods one of the top five best places to work in America, associates would eventually retract the ideas that could have kept Whole Foods at the forefront of proving green need not mean more costly and less profitable.
   
b. **Connection to the chapter:** Green conflict may once have been a peripheral business issue, something that makes the news only when the opponents of big business could stage enough protests to merit a headline or two. Today and going forward, public awareness has set in, as we witness more evidence of global warming, depletion of fossil fuels, and health epidemics caused by damaged eco-systems. Whole Foods can remain and grow as a green business leader, including leading the investment community, if the balance of internal power remains with the front line associates. These are people attracted to the health and wellness mission, proud that they can take a principled stance to bring only those products to the stores that they know do no harm. Creating wealth for themselves, as well as their investors is still what any viable business must do. The catch is that old and destructive ways of doing so require little imagination from those closest to customers and the new, environmental and community sustaining ways do. Now few leaders at the top can have enough ideas per day to make the thousands of adjustments that teams of associates can see and do on and from the floors of the stores. A few more quarters of falling stock prices and John Mackey’s plea for patience to wait for the long term payoffs will put the company in a vice. Because they are an open book and transparent organization, every associate will feel the squeeze. This may be their greatest hope.

2. Whole Foods has been opposed to unionization of it associates. However, associates in a Madison, Wisconsin store recently voted to become unionized. What type of conflicts or power struggles may have led this to occur?
   a. **Suggested answer:** Start with the community. Madison, Wisconsin is a university town with a liberal tradition. Since most Whole Foods
associates are drawn from the areas around their stores, it can be assumed that local community values come through the door with each potential hire. This sounds like a political answer and it is. This case indicates an internal political struggle first among the associates. Those who believed management would one day take back power from the teams must have made a convincing case for arming up to prevent power loss. Those who remained confident in the stability of the self-directed team model could not convince those convinced by external and internal union organizers that jobs were secure without a collective bargaining agreement. Step back and look at the national context of this action. Grocery workers were on strike in California against several huge food store chains. The industry was and is consolidating, with small chains being absorbed by the bigger ones. Union organizers could offer vivid pictures of store workers being exploited and treated like cannon fodder by executives keen on making quarterly profits with products offering slim margins. Are Whole Foods associates different? Or, did those Wisconsin people feel the pain of grocery workers everywhere, as would people raised in the liberal traditions?

b. *Connection to the chapter:* Whole Foods, a company who has elevated every worker to shared, high-involvement managing status, is the proverbial “canary in the mine” in the retail food industry. Will the enormous pressures to extract profits from narrowing cost-price margins bring their Board to the precipice? For their shareholders, would they sell Whole Foods to a bigger corporation? Would they fire their idealist CEO and bring in a rational decision maker to bring “order” to this organic chaos? Would they pass along higher cost of health care and other current benefits to the associates to save money? Would they order the closing of underperforming stores? Would they call for layoffs? After all, does it really take 13 teams to do what thirteen or so individuals do in conventional stores? The board has the power to keep this canary alive and singing to signal hope for the millions of grocery workers who look longingly at how Whole Foods associates live and work with dignity and respect. This case is also a canary in the mine for high-involvement management, as advocated in this chapter and textbook.
CHAPTER 13
Organizational Structure and Culture

EXPLORING BEHAVIOR IN ACTION
Growth and Structure Provide an Integrated Portfolio of Services at FedEx (pages 485-487)

Suggested Discussion Questions

1. All this acquiring that constantly changes the shape and substance of FedEx has led to growth. Customers are the source of this growth. What if the integration that gives customers access to a “powerful portfolio of services” was to break down under the weight of so many elements?
2. Can a few human minds at the core of the hub that is FedEx Corp really keep this massively global organization in constant focus as one company?
3. The evolving FedEx structure offers significant independence to divisions and businesses that reach customers. What about its corporate culture must be there to support high levels of freedom?
4. It is said that FedEx acquired only those companies with “positive service-oriented spirit[s].” What could happen to the whole company if future acquisitions reprioritized this value and promoted such factors as geographical reach or price?
5. It all comes down to the FedEx associate who is delivering or picking up an order. Could this person feel as significant to her or his company today as one of tens of thousands now working under this banner as did predecessors working in the 70’s and 80’s when they were one of a few thousand? What must happen in the corporate culture for each to feel well connected to the whole?

Knowledge Objectives
After reading this chapter, learners should be able to:

1. Define key elements of organizational structure, including both structural and structuring dimensions.
2. Explain how corporate and business strategies relate to structure.
3. Explain how environment, technology, and size relate to structure.
4. Define organizational culture, and discuss the competing values cultural framework.
5. Discuss socialization.
6. Describe cultural audits and subcultures.
7. Explain the importance of a fit between individual values and organizational culture.
Teaching Point on the Knowledge Objectives

Teach *structure as music and culture as dance*. This may seem odd, but it helps your learners integrate the meaning of structure (music) and culture (the dance) with what they already know well. In this “iPod Era,” music is in the ears and minds of learners nearly as much as there are silent, but equally intentional, messages of organizational structure. Both structure and culture influence the behavior of managers and associates and therefore play a critical role in the success of an organization’s strategy and its overall organizational performance. Music, in this same vein, influences learner behavior. Dance (or some version of moving with others to what the music tells them to do) channels and harmonizes learner behavior. Music is mostly created outside the learner, intended to give the listener a definite experience of mind and mood. It can set the pace, the scope, and range of experience, during the listening. So it is with organizational structure. People with a talent for strategic design create organizational structures. They have the clear intention to orchestrate the movements of all organization participants in a strategic performance. Culture (dance) is how this orchestration actually comes out in patterned social behaviors. Some happens according to trained patterns of correct behaviors, some is improvised. Dance comes from inside the dancer in response to the rhythm and message of the music. Toes may be stepped on literally and figuratively. Structure and music are both designed to make it possible for the players (associates and musicians) to wow their audiences. Teaching learners to think of structure and culture as being like music and dance reminds them as they address these knowledge objectives that they have the “sounds and rhythms” of structure playing in their ears. As they move to perform their roles as required, they live the culture of the organization.

Honing a Strategic OB Prospect
Organizational Structure and Culture

Abiding the invisible lines of organizational structure, your learners are shaping their identities to fit within them. Right now, their role is student in your temporary organization, their OB course. They are *being* students, so that you can *be* their teacher. They are not just shaping their own identities; they are contributing to the pooled identity of this operating whole. Like pooled money put in a fund for use by all, these identity elements—enduring messages of who we are and what we mean to be to society—are selectively withdrawn to spend on enriching their self-identity. In practical terms, when they work or study in what they believe to be a great organization, they take in some of that greatness and feel stronger for it. Are we not teaching to make this the best OB course yet? The strategic prospect is this. *When they accede to any organizational role, they are running the risk of spending precious time of their lives inside a pooled identity.* Call it a culture. Is it a toxic pool? Possibly, for others trapped in such a pool may disparage their organization. Is it a stagnant pool? It could be, if elements of identity are mainly recycled from the past. Is it an enriching pool? For the sake of their careers, it had better be! This chapter will help them not only tell the differences in pooled cultures
and how different modes of organizational structure form and hold these pools, they will learn why and how to seek the best where they can be at their personal best.

**EXPERIENCING ORGANIZATIONAL BEHAVIOR**

**IDEO and the Differentiation Strategy** (page 496)

**Suggested Discussion Questions and Enhancement**

1. The point of an IDEO intervention is to develop products or services acutely attuned to how their client firms’ current or targeted customers really want to use them. It is customers who differentiate the IDEO client firm with their enthusiastic buying behavior. How does this intervention differ from conventional marketing?

2. IDEO’s process relies on the “simple concept” of empathy. They use time-tested research practices to fathom customer behavior that have to do with putting themselves into the customer’s frame of mind. It is said that business students roll their eyes when they hear about empathy. Why? Are some laboring under the assumption that there is no place in business for emotions?

3. IDEO teams make observations of customers in their “real world” habitats, brainstorm deeply to get past the easy answers to the best reasons to change or replace a product, and they do rapid prototyping of ideas that seem most powerful in concept. This speedy process, the outcome of which is to make and sell something, has high sales potential. What if a team comes back from IDEO with a winner in hand, and the structure and culture back home is change-resistant?

4. The IDEO method is that diverse client/IDEO teams will stay with the process until it is implemented—no hand offs and hands off, which may still be the convention in many companies. What are the human capital dividends that can be paid when an associate or manager gets to see an IDEO-generated idea worked all the way through the system to launch and evaluation?

5. “IDEO has become so popular many firms send their managers there simply to observe the organic structure and to be trained in innovative thinking and action. These managers use what they have learned to enhance the strategies and structures of their own firms.” Manager-ships are created and sustained by strategies and structures. What if in order to shift to an organic structure, some or all of these IDEO visiting managers realize they must eliminate or drastically change their own jobs in the organization? Is this where progress stops cold? Or, is this when managerial ethics will win the day and they will release their positions to change?

6. **My, what pointy hair you have** is a suggested enhancement exercise to put this last question to test and have some fun with it. It is quite likely that all of your learners know Scott Adam’s cartoon series *Dilbert* and his “Pointy-haired Manager.” The running joke with him is how he will stop at nothing to keep his managership. His job is his end as well as his means of making a living. Pouring a liberal dose of poison into the waters that are Dilbert’s workplace seems to keep his troops too weak to rebel and his paycheck coming. How far off the mark is
this tragic-comic fellow from managers your students have known? Could they have been perpetuating an outmoded structure and risking all in a toxic culture, to sustain their lucrative managerships? On the other hand, is this managerial behavior something that only happens in the funny papers?

a. Bring and show a few panels of Dilbert comic strips to set the scene and mood.

b. Display these two lines of Little Red Riding hood-like dialogue:
   “My, what pointy hair you have!”
   “Only the better to exploit you with, my dear.”

c. Organize the class in pairs to allow for the most intensive interchange.

d. Ask each to tell the other of a time when they experienced a Pointy-haired Manager (PHM) first hand. If none, then ask them to re-tell a second-hand story told to them by another who has.

e. Was there exploitation in this instance? Were they and others resigned to this condition? Most importantly, might the organization’s strategy have been better served, if this PHM had cooperated and freed the structure to be reformed to make better use of the talents and resources of the unit?

f. Each partner tells the other her or his PHM story.

g. Ask the pairs to pause now, and follow this direction. On the count of three, they are to raise both hands to each side of their heads and feel for “points.” Have them discuss candidly with each other just how pointy their heads may already be, as they perform managerial roles currently or as they have been envisioning a rise in the ranks in their careers. Then, have them address one more question: Can one have a managerial aspect to their careers without “pointed hair,” or is it pointless to consider such an idealist prospect?

h. You may have the time and inclination to have people volunteer some lessons learned inside their pairs, or have them write up for future reference.

Experiencing Strategic Organizational Behavior: Toyota’s Woes Unsettle Corporate Culture in Japan

Digital Supplement

The famed “Toyota Way,” the company’s core set of values, is currently being scrutinized as a result of the motor company’s recent recall problems. How could this automotive giant’s emphasis on quality, a core value, coupled with customer focus go so far off track? The famed “Toyota Way” even seems to be leading the company to even greater problems. How could a company so concerned with quality have the problems it had in 2009-2010? Its strong culture was considered one of its key strengths; a culture other motor companies tried to emulate. A culture the American automakers were criticized for not copying,
In February 2010, Toyota halted production of all its recent models while it tried to fix what seemed to be problems with the anti-lock brake system in several of its most popular models. By mid-2010, more than 8 million vehicles had been recalled.

The problems were so severe that Toyota’s President Akio Toyoda came to present testimony to a congressional hearing. Some think that President Toyoda’s behavior made the crisis worse. His apology came two weeks after the recalls began. Was it the Japanese culture that delayed his public apology?

Numerous recalls have plagued Toyota from faulty floor mats, to sticking gas pedals, and faulty brakes. Is it a case of a company growing too big too fast? In Japan, Toyota is the most profitable company, biggest taxpayer, and it is considered an honor to work for the company.

Corolla is the bestselling car in the world. Did Toyota’s corporate culture work for it or against it? Listen to the following NPR podcasts and see what you think.

- Have students Google NPR: All Things Considered February 16, 2010, “As Toyota Slows Production, Customers Seek Bargains.” (www.npr.org)

  1. Were you surprised at some American buyers “bargain” hunting for Toyota’s even after so many recalls?
  2. Would you buy a Toyota? Why or why not?

- A second NPR story entitled: “Toyota’s Woes Unsettle Corporate Culture in Japan” was aired on February 24, 2010 on Morning Edition.

  1. What about Japanese culture is helping create an ever worsening corporate nightmare?
  2. What choices does Toyota have to make in terms of its “Japanese” way of doing business?
  3. As a company consultant, what might you suggest to Toyota’s public relations department so that confidence in the Toyota product might be regained?

EXPERIENCING STRATEGIC ORGANIZATIONAL BEHAVIOR
Google Culture Attracts High Quality Associates  (pages 503-504)

Suggested Discussion Questions and enhancement

1. What will it mean when, one day, a Google associate is not allowed to talk directly with the top managers? Is it inevitable, as Google adds more people?
2. What is Google other than its talent? Buildings, computers, server farms—all of its tangible assets combined could not make it one of the world’s most valuable companies.
3. Hierarchy elevates a few over the many. Google’s founders, thus far, have kept the corporate ladder step-ladder height. Are they on to something that other corporations ought to emulate?

4. Culture is communicated by all manner of symbols of what matters to strategic success. What are the physical and social attributes of the Googleplex and human resource programs like paid maternity/paternity leaves “saying” to the person who can take her talent to a competitor?

5. Google’s next products and services are just ideas forming today in the minds of one or a few associates. How do their teams of three with revolving leadership work to capture these ideas and bring them to life?

6. Each of us has one life ahead around which to wrap a career. Knowing the Google ways of furnishing a career with such opportunity to make a positive difference every day, are we willing, or just resolved, to accept less from the companies that employ us? Is our talent less valuable?

7. What am I? Chopped liver! Here is a moment that you can structure to give your learners time to ponder the preceding question—Is our talent less valuable? Life as a Google partner does seem sweet indeed. Then, there is the organizational life which lies ahead for the rest of us in the world who are not heading to the Googleplex. Let them do a little “rabble-rousing.” You could stir emotions by showing that famous clip from the film Network where the news commentator shouts, “I’m mad as hell, and I won’t take it anymore!” The point is to raise a question, not their ire. The question is: What could working in a Google-like structure and culture mean to the quality of my life? The ire part comes in naturally when some, perhaps most, recognize that old management models prevail, and, yes, they can be treated like “chopped liver” and as a cost-item when it is downsizing time.

   a. Give each a 5 x 7 blank file card.
   b. On one side, have them make (legible) notes on what a Google-like work experience can mean to becoming the professional for which they are investing in a college education.
   c. On the other side, have them make notes on the future work experience they are afraid they may end up having.
   d. Now, collect all the file cards and shuffle them.
   e. Pass them out, so that this randomization will put someone else’s card in a learner’s hands.
   f. Have each select the side of the card to read out loud to the whole class that most resembles their own optimistic or pessimistic view.
   g. Have each read their chosen side, until all have been heard.
   h. Pause and ask the class to reflect on the tone and substance of what has been heard. What is the trend? Hopeful? Bleak?
   i. If time allows, now have them go through the same order and read the flip side of their cards.
   j. What is the trend now? What does this mean to us as we seek future homes for our careers? What would we want to say to managers who fail to see the wisdom of this brash upstart company Google?
Suggested Discussion Questions

1. Home Depot is an environment offering security and happiness. How did Nardelli’s ways take the home out of Home Depot for managers and associates? Most importantly, for customers?

2. It is said that Nardelli’s decentralization model and practices were drawn from the military. Was the effect an attempt to transform a home depot into a “supply depot”?

3. On the surface, it may not seem that unusual for corporate to expect store managers to “make their numbers.” Is maintaining the heritage of local autonomy necessarily in conflict with making numbers? What was lost in the translation?

4. The Home Depot Board of Directors wanted action to drive up the stock price. Again, most boards of public companies do. Could it be that these stewards of the company signaled to their new CEO that investors were more important than loyal customers? Have they learned this lesson now?

5. This Advice was about a CEO whose values and goals turned out not to fit the company. What must it have been like for managers and associates whose values and goals did fit what Home Depot was, but not the Home Depot Nardelli tried to make it be? It is said that many resisted. In hindsight, what if Nardelli had listened to them and moderated his style to preserve the best of the culture wherein the most could fit with pride?

Back to the Knowledge Objectives

Suggested Answers

1. Compare and contrast the structural and structuring aspects of organizational structure.
   a. Structural aspects determine the shape and appearance of an organization’s hierarchy. These characteristics include height, spans of control, and departmentalization (functional versus divisional grouping of resources). (pages 488-491).
   b. Structuring aspects directly prescribe behavior. These include centralization (the amount of decision authority held at the top of the organization), standardization (the existence of rules and standard operating procedures), formalization (the degree to which rules and procedures exist in written form), and specialization (the degree to which associates and managers have narrow jobs with focused skills). (pages 491-492).
2. Assume you manage a firm with three substantially different product lines. A differentiation strategy is used for each product line. What structure choices would you make, and why?
   a. The structure that best allows for this is divisional, with requisite levels of decentralized authority to meet each of the three unique business strategies. This may be complex enough to justify using Strategic Business Units, with each group having its own strategy based on the commonalities of the businesses that are producing or distributing a particular product line. (page 495).

3. Assume you manage a small R&D department. When making choices concerning structure, would you be more concerned about the external environment, more concerned about technology, or equally concerned about the external environment and technology? Explain your answer.
   a. A business using an R&D department is pursuing an internal growth strategy. That it is a small department is a clue that this business is not likely to be making external acquisitions to diversify. Therefore, much is riding on the success of the R&D department. Technology refers to the knowledge and processes needed to accomplish the task. The task of this department is product innovation. This means, according to the typology used in the textbook, they are engaged in R&D that is either: (pages 495-501).
      i. Engineering—significant variation in the fundamental nature of problems encountered over time, but new problems can be solved using readily available methods, or
      ii. Nonroutine—significant variation in the fundamental nature of problems encountered over time, and new problems often require new methods to find unique solutions or a mix of both. The problems referred to here are encountered both internally and externally; however, R&D is there mainly to solve customer problems.
      iii. Thus, they must be equally concerned about the external environment and technology.

4. (a) What are the four types of culture in the competing values model? (b) In which would you prefer to work, and why?
   a. The competing values model is based on two value dimensions: (1) flexibility and discretion versus stability and control; and (2) internal focus coupled with integration versus an external focus coupled with differentiation in the marketplace. Based on these two dimensions, four culture types emerge: clan, hierarchy, market, and adhocracy. (pages 505-506).
   b. Does the learner define the choice of culture type correctly and do the reasons why correspond to this meaning? What could be reflected in this answer is the strength of their desire for autonomy (clan and adhocracies), security (hierarchy), or financial gain (market).
5. (a) What is socialization? (b) Describe a situation in which you were socialized into an organization (a club, a business firm, a church, or a volunteer organization).
   a. Socialization involves imparting an organization’s values to newcomers. Exposing individuals to experiences that highlight the organization’s values accomplish socialization. (pages 507-508).
   b. Does the learner’s description reflect a grasp of the meaning of being socialized into the official and unofficial cultures (and subcultures) of these organizations? Do the stories reflect some awareness of context (collective and formal versus individual and informal), content (sequential and fixed versus variable and random), and social dynamics (serial and investiture versus disjunctive and divestiture)?

6. (a) What is a cultural audit? (b) Why should organizations conduct cultural audits?
   a. A cultural audit is a formal analysis designed to uncover shared values and beliefs in an organization. It involves: (1) analyzing the process and content of socialization, (2) analyzing how the organization has responded to critical incidents in its history, (3) analyzing the values and beliefs of founders and current leaders, (4) exploring any puzzling findings from the earlier analyses, and (5) examining the linkage between the current culture and organizational goals. (pages 508-509).
   b. Leaders of organizations may use the results of a cultural audit to identify areas where the culture is underdeveloped in relation to what people need to be experiencing to perform as required. They will also know of subcultures and be able to assess if they are productive or counterproductive in achieving the strategy of the subunit and the organization as a whole. The main question they may use an audit to answer is how well critical organization values are being reinforced in every area of the company. (pages 508-513).

7. How does an organization ensure a fit between its associates’ values and its organizational culture?
   a. Conduct periodic cultural audits to uncover shared values carried out in the organization’s behavior. See if the values and beliefs of founders and current leaders are met with corresponding patterns of values and beliefs of all organization performers. At the other end of the question, learn from productive and unproductive individuals how their personal values fit with organization values. (pages 508-514).
Managerial Advice: Tony Hsieh and the Culture of Zappos

Who is Tony Hsieh and what is Zappos? Tony Hsieh (pronounced shay), born 1973, is a graduate of Harvard University who earned a BA degree in Computer Science. He co-founded the internet advertising network LinkExchange, which he then sold to Microsoft in 1999 for $265 million and went on to start an online shoe company called Zappos. In July of 2009, Amazon.com acquired the company Zappos in a deal valued at $887 million. (http://en.wikipedia.org/wiki/Tony_Hsieh) What’s Tony’s secret?

Hsieh speaks about LinkExchange as a company that seemed to be losing its “culture.” Hsieh did not want that to happen a second time. Zappos’ call center is located in Las Vegas with a corporate culture one can only call unique. So unique in fact that not only is Hsieh selling shoes and other apparel, he is now selling Zappos’ quirky corporate culture. He holds seminars for others to come observe how things work at Zappos. A recent book by Hsieh, Delivering Happiness: A Path to Profits, Passion, and Purpose (June 2010) discusses his perspective on both the importance of culture in the workplace and also on leadership.

Looking at the Zappos website you can find the ten core values that Hsieh considers critical to doing business. One of ten core values is: “Create fun and a little weirdness.” (http://about.zappos.com/jobs/why-work-zappos/core-values)

- Have students go to the website listed above and consider each value and its relationship to many of the chapters already covered in the text book. For example: motivation of associates, open and honest communication, and how associates are treated in Zappos’s core values.

- Some point to Zappos as the new model for how to run a business. Have students go to Fast Company’s webpage and read “The Happiness Culture: Zappos Isn’t a Company--It’s a Mission.” (http://www.fastcompany.com/1657030/the-happiness-culture-zappos-isn-t-a-company-it-s-a-mission).

  1. What about Zappos and its culture appeals to you (meaning the learners)?
  2. Would you want to work at Zappos, why or why not?


  1. How does Hsieh describe the relationship among making employees happy, maximizing profits, and customer satisfaction?
  2. What is the number one priority as far as Hsieh is concerned?
Lastly,

- Have your students go to You Tube. On You Tube listen to how Hsieh describes the importance of company culture: “The Importance of Company Culture - Tony Hsieh (Zappos CEO)”
- Then go to You Tube : A Tour of Zappos.com.

There are many other videos which illustrate what employees have to say about working at Zappos and how it is different from working at other online retailers or even other companies.

1. What impressed your students about these You Tube videos?
2. Do they think they might have a “culture-fit” with Zappos and would be happy to be employed there?
3. What do they think about Hsieh’s policy of getting rid of associates that don’t fit the Zappos way?

**Teaching Point on Knowledge Objectives**

Teach *carrying beam*. Have learners picture the floor under their feet right now. Were they able to see its underlying structure, they would see crossbeams. Carrying beams are those upon which cross-layers of beams rest. Learners stand outside the matter of organizational structure, reading about it, demonstrating to you that they understand these knowledge objectives. Yet, it truly begins to matter to their well-being when standing inside an organization occupying a formal position, playing a role. Now, in this stance, are they dispensable? Are they filling in activities that are nice to have done “in house,” but could, at any moment, be outsourced or eliminated? On the other hand, are they holding a strategically contingent role? This would be doing work that creates and sustains the “carrying beam.” This sort of work is essential to the on-going operation. Like a carrying beam, the work carries a significant weight of the organization’s present and future effectiveness. These are not exclusively management positions. Indeed, the greater possibilities for highly contingent performance rest with professional activities, delivering what is most important to current and future customers. Are they using their collegiate education to prepare to be selected for such roles? These Knowledge Objectives give them a way to locate them and size up what is required among the carriers and not the carried.

**Additional Material on Ethics**

Your learners will go through their scholastic and professional lives, succeeding more where they know there is a good fit between their personal values and beliefs and those that are played out in each of their organizational memberships. Most of what is presented in this chapter gives the learner a set of concepts by which to recognize the organization structure and culture on that side of the fit. What must they know about
themselves to align the interior side of this fit with an organization—those very same personal values and beliefs? An ethical dimension to be pondered in the original exercise that follows is this. Learners hear how scarce the good jobs are becoming from the media and their social contacts every day. How choosy can they be in seeking the place to work where there is likely to be a strong fit between their values and those of the employing organization? Perhaps the practical thing to do is talk themselves into the proposition that they can work anywhere for the right position and compensation, as long as they are not drawn into something illegal. In other words, get the job and adapt. Fit oneself into the place, rather than risk not finding a place at all.

1. Pose the question: Would you really work at any company where you can get the best deal? In other words, do they subscribe to the rather cynical proposition that “one size fits all”? Why or why not? What are the relative costs of each to one’s peace of mind?

2. You may have to listen to some disturbing “facts of life” stated from the point of view of those who are not working in the relatively cloistered, value-centered realm of academia. They may, if they trust you and each other, speak candidly about the real in “real world.” On the other hand, you may be pleasantly surprised to hear that they would step away from or leave employment that would have them be a person they are not. Perhaps you have done so in your career and would choose to let them know this as an act of trust in their discretion.

3. Learners may wish to somewhat mask their true feelings about this question. Therefore, here is a system to bring out their initial statements without direct attribution.

   a. Set out two boxes with slits in the top to allow them to drop in a file card. One box is marked: Box A: Placement worth waiting for (long shot). The other box is marked: Box B: Placement here and now (sure thing).

   b. Give every learner two file cards. Instruct them to leave one of the cards blank. On the other, they are to print legibly why they choose to throw their lot (at this point in their careers) in one box or the other. They are not to discuss what they have written with anyone.

   c. Now, ask them to form a line and file past each of the two boxes. They will drop the card with writing in the one they would choose (A or B) and will drop the blank card in the one they would not choose. This way, they are preserving some anonymity.

   d. Solicit two volunteers. One will open and read the cards in Box A. Then, the other will read the cards in Box B. When they come to a blank card, they say “blank.” Keep a tally on the box of how many blank cards are posted in Box A and Box B. This will give the class a trend to consider along with hearing what is read to them.

   e. You may choose to have learners talk over in teams what they have heard and said about the dilemma of waiting to find jobs that will fit them, or take any job and fit in. Alternatively, lead a general class discussion. Is it possible to be value-neutral to keep a job that meets at least some of one’s practical and professional needs? If it turns out that, the fit with organizations in Box B is creating problems for the rest of the people in the organization, as well as yourself, is quitting the right thing to do?
What if the offers that come out of Box A are rare? How long can and should one wait?

Key Terms

**ambidextrous organization**  An organization structure that balances formalization and standardization to help achieve efficiency and flexibility. (page 501).

**business strategy**  How a firm competes for success against other organizations in a particular market. (page 494).

**centralization**  The degree to which authority for meaningful decisions is retained at the top of an organization. (page 491).

**corporate strategy**  The overall approach an organization uses in interacting with its environment. The emphasis placed on growth and diversification. (page 493).

**cultural audit**  A tool for assessing and understanding the culture of an organization. (page 508).

**departmentalization**  The grouping of human and other resources into units, typically based on functional areas or markets. (page 489).

**diversification**  Related to the number of different product lines or service areas in the organization. (page 493).

**environmental uncertainty**  The degree to which an environment is complex and changing; uncertain environments are difficult to monitor and understand. (page 497).

**formalization**  The degree to which rules and operating procedures are documented on paper or in company intranets. (page 492).

**growth**  Relates to increases in sales as well as in associates and managers. (page 493).

**height**  The number of hierarchical levels in an organization, from the CEO to the lower-level associates. (page 488).

**hierarchy**  The reporting relationships depicted in an organization chart. (page 488).

**information technology**  An overall set of tools, based on microelectronic technology, designed to provide data, documents, and commentary, as well as analysis support to individuals in an organization. (page 498).

**lateral relations**  Elements of structure designed to draw individuals together for interchanges related to work issues and problems. (page 499).
**mass customization**  A manufacturing technology that involves integrating sophisticated information technology and management methods to produce a flexible manufacturing system with the ability to customize products for many customers in a short time cycle. (page 500).

**organizational culture**  The values shared by associates and managers in an organization. (page 487).

**organizational structure**  Work roles and authority relationships that influence behavior in an organization. (page 487).

**self-contained tasks**  An integration technique whereby a department is given resources from other functional areas in order to reduce the need to coordinate with those areas. (page 498).

**slack resources**  An integration technique whereby a department keeps more resources on hand than absolutely required in order to reduce the need for tight communication and coordination with other departments. (page 498).

**socialization**  A process through which an organization imparts its values to newcomers. (page 507).

**specialization**  The degrees to which associates and managers have jobs with narrow scopes and limited variety. (page 492).

**span of control**  The number of individuals a manager directly oversees. (page 488).

**standardization**  The degree to which rules and standard operating procedures govern behavior in an organization. (page 491).

**structuring characteristics**  Policies and approaches used to prescribe the behavior of managers and associates. (page 488).

**structural characteristics**  The tangible, physical properties that determine the basic shape and appearance of an organization’s hierarchy. (page 488).

**subcultures**  In the organizational context, groups that share values that differ from the main values of the organization. (page 509).

**values**  Abstract ideals that relate to proper life goals and methods for reaching those goals. (page 511).

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**Teaching Point on Key Terms**

Teach score. A score is the written form of a musical composition for orchestral or voice parts. Many of these key terms inform the learner of how an organization is composed. To compose is to make up the constituent parts of the organization (division, department,
etc.) and to put them together as a design for a working whole. Culture comes out in action, in the playing of the score or structure. People go about their day in a sort of dance, many of the steps and rules of which are unspoken. As strategies are changed to sustain the fit with the environment, the score is revised from the outside in. Culture is shaped by and shapes ways in which people in the organization actually behave. There is also impetuous to change the score from the inside out. Encourage your learners to see beyond the written score (i.e., the organization chart). These terms are also for viewing and participating in the unremitting reshaping and refining of people working together to fulfill, in the best companies, a strategy for growth and diversification. They will remember how some structures and structural characteristics are tightly controlled like a military march or ballet; while others are more like jazz, a core of consistency with allowance for improvisation and invention. Thinking of culture as dance, they will relate to the feelings of duty and obligation, dancing to the tall hierarchies, and of fun and fury, dancing to jazz, rock, or even rap.

BUILDING YOUR HUMAN CAPITAL
An Assessment of Creativity (pages 517-520)

Enhancement

While you may subscribe to the philosophy that all humans are innately creative, life has innumerable ways to condition your learners to believe or not believe they are creative persons. This assessment will tap into that self-image. The results will give them one more way to gauge how they may fit in certain organizations. It may be a rather hard tallying a score between 129 and 50. If they answered honestly, these folks are looking at “Not very creative” or even “Noncreative.” Others will be in the “Neither creative nor noncreative range.” Puzzling? The rest score in “Somewhat creative and Very creative” ranges. It does take all kinds of people to keep a company growing. However, the supply of routine roles in stable environments seems to be dwindling. Companies with organic structures like Google need people who can create new knowledge to close gaps of uncertainty that suddenly open beneath their feet. As is mentioned in this chapter, modern companies are trending away from mechanistic, routine bound styles to the organic. What will the Non- or Not-very-creative-types do? Recover some of what has been lost.

1. Ask your students to think of the rest of their college education as a massive Creativity Recovery Operation.

2. Suggest that creativity teemed in all of us as young children. Over the years to adulthood, creativity did not leave them. It was just pushed to the back by a programmable intellect. Challenge the notion of Noncreative. It gave way, in varying degrees in each of them, to the more routine, rational, rule-bound ways of managing their work lives. Ask them to accept that creativity did not, however, subside that far from their reach. Indeed, for every non-creative thought and act, there lurks a creative flip side.
3. The more practice learners require of themselves in flipping their conventional, hide-bound responses to tasks, the more they will recover the use of their ingenuity. A few simple creativity exercises will not be enough. College courses present plenty of tasks that can be flipped to the creative side. This course, for example, has already called for much more than using rote memory to pass true/false and multiple-choice tests.

4. This assessment is a fresh example. They could fill in their choices from strongly disagree to strongly agree, tally the score, note “verdict” and be done with it. They could recover another bit of latent creativity by playing with the score. They can imagine a business card: “John Doe, Noncreative. Will work for job security.” They can run their imagination backwards like reversing a video, hitting a mental “stop,” picturing losing a particularly large clump of creativity.

5. Suggest they make brief notations in the calendars of their PDAs, iPhones, etc. of moments when they flipped over still another task in still another college assignment and found the creative notions that had been lying beneath, stifling a chuckle at how they bought into the belief that they were about as creative as they’d ever be.

AN ORGANIZATIONAL BEHAVIOR MOMENT
How Effective is Hillwood Medical Center? (pages 520-521)

Suggested Discussion Questions and Enhancement

1. Sharon Lawson’s question is how to measure the effectiveness of the Hillwood Medical Center. One of the several meanings of the word effectiveness is prepared for use or action. As chief administrative officer, Sharon must see that Hillwood is prepared for use by the primary caregivers—doctors, nurses, therapists, etc.—to do the work they are licensed to do. Everyone else employed there, including Sharon, plays roles to ensure that all is in working order. This case gives a sample of one day’s Hillwood performance as a medical center. Was Hillwood well prepared for this day?

2. Hillwood, the institution, is an instrument of medical and nursing practice. It provides the means by which complex treatments and healing practices can be enacted, when no other setting will do. This rightfully places the medical and clinical staff higher in the hierarchy, so high, that there is a danger that they will look down on administration and not appreciate what it takes to keep an effective (prepared) hospital under them. Is there evidence that this is a trend at Hillwood?

3. Hillwood must remain financially solvent to be truly prepared to support patient care at a level that earns the respect of those who make the choice of hospitals for care that Hillwood is qualified to deliver. There is pressure from the clinical and the administrative floors to spend unbudgeted money on technology. Sharon serves a Board which approves budgets and large expenditures. They seem to be fiscally conservative. How might she enlist those demanding more be spent in coming up with creative alternatives for paying for the new technology with savings from reducing expenses?
4. The malpractice suit against a doctor who had been “sheltered” in the clinical subculture presents the possibility of a missing value. They do not seem to see why they must care for the organization upon which they rely to produce the kinds and levels of care they would have to go elsewhere to perform. For example, they fought against a new policy for handling drugs, when it had to be public knowledge that the State required tightening. Is this Sharon’s failure to lead them to care about the institution’s integrity, or is there a theme in their subculture that has them convinced they bear no responsibility on their side of the organization?

5. Here is a suggested quick-to-use device for your learners to picture Sharon Lawson’s quandary called The Political Cartoon.
   a. Clip several political cartoons from the editorial pages of your newspapers. Pass them around the class, or project them on a screen, so that learners have a fresh idea of what a political cartoon is supposed to accomplish. They typically point out some irony or absurdity that is hampering progress, truth, justice, or more.
   b. Give every learner a blank sheet of paper. Instruct them to do a fast sketch of a cartoon that points out the seeming indifference of the clinical side of the house to the business realities faced daily by Sharon Lawson. These cartoons normally have a caption.
   c. An alternative to each working alone is to form pairs or trios. It may be more engaging for each learner to struggle with this creative task.
   d. Now, have them present their cartoons. To save time, they may do this in teams, who then nominate the cartoon from their team which most hits the nail on the head, or makes the most attention-grabbing statement about Hillwood.
   e. Ideally, you may project these nominated cartoons, but you may not have the right technology. So, do your best to show each to the class with the cartoonist or team spokesperson saying something about what the cartoon is saying about the situation at Hillwood.

TEAM EXERCISE
Words-in-Sentences Company (pages 521-524)

Enhancement

WIS is a version of a classic exercise, sure to produce memorable and very discussable strategic and operational organizational behaviors. In addition to questions that you provide and/or those you find by the citation to the published experiential exercise, here is a suggested line of inquiry that you may choose to integrate into the de-briefing.

1. **From a human capital perspective.** Each who actually created and produced the words-in-sentences was an investor of his or her own unique human capital. As in committing money to a venture in order to gain profit or interest, these learners were committing both their creative talents and their knowledge of how best to organize the WIS factory for efficiency and quality.
a. Have them explore what they expected to gain for their investment of human capital on designing the factory and producing the WISes.
b. With those notions surfaced, ask them to measure, by their own standards, if the gains met or surpassed expectations.
   i. in the planning period which preceded Run 1
   ii. during Run 1
   iii. in the pre-planning period before Run 2
   iv. in Run 2
   v. after Run 2 in the debriefing period
c. Why does this matter? Again, they are investors of human capital. Depending upon how they actually felt about doing this job right, based on social and learning returns assessed in i-v, their desire to contribute to a quality outcome may have waxed or waned.
d. What are some possible implications?
   i. Seeds of a corporate culture were sown even in those few moments of a simulated company’s life. Associates and managers (if they appointed any) were telegraphing their outlook on the value of this work (and strategic OB knowledge to be gained).
   ii. Structural choices “played different music” in the mind of the WIS producers.
      a. Were they relegated to solo production (a simple melody) or were they in a creative team (a jazz tune)?
      b. What difference in one’s heart for the job was structure starting to make?
   iii. Have them imagine this matter of heart for the job carrying over to days, weeks, months, and even years of living in one story of structure or another. Will they take structure and culture for granted ever again?

WHOLE FOODS CASE CRITICAL THINKING QUESTIONS
Chapter Thirteen Connections: Organizational Structure and Culture (pages 1-8)

1. Analyze effects of the democratic approach to store operation and hiring new associates on store performance.

   a. Suggested answer: A meaning of democratic that fits Whole Foods’ structure and culture is believing in or practicing social equality. This is reflected in the pattern of keeping executive compensation close to the floor of associate compensation, in blending talents in teams, in placing responsibility, authority, and accountability inside the circle of front line associates. Among these associates rights and privileges is that of choosing new associates. It communicates to new hires that they will be equals to their peers once they show they can do the job the Whole Foods way. Further, it tells them that managers are there to support and guide
the teams, not to stand above and apart from them, as if possessing superior and exclusive knowledge of what it takes to run the business. Another meaning of democratic is of, representing, or carried on by people at large. This conveys to the new associate that everyone who works there carries the business through the day. People are not ranked in a pecking order by the status of the tasks they perform. One sweeps the floor, another sets up an imaginative product display; each and all bring head, heart, and soul to work, and the quality of that clean floor and eye-catching arrangement contribute equally to the overall quality of the customer experience. Social equality and each making a difference by all they do is what keeps Whole Foods whole.

b. Connection to the chapter: Strategy is implemented through the channels and arrangements that are organizational structure and brought to life in flow of actual and remembered experiences known as culture. Whole Foods’ customers live this culture, too. The relationships they have with Whole Foods associates and managers are conditioned by the team structure which assures easy access to service by knowledgeable and caring people at any point of customer-associate contact. The main point to be made here is that it all comes down to the essential character of the Whole Foods customer’s experience shopping there. Do they want to return regularly to a place where people working there are happy and obviously helping each other get good things done? They could buy natural and organic products many places, why go back to Whole Foods? Those who become regulars are contributing to the wholesome culture they share with others and they are imbibing it. We all know the bitter, even toxic taste of shopping in a store where the workers are miserable. As long as Whole Foods manages to keep their culture sweet, customers will choose to keep them profitable.

2. What does the transparency of company financial data and associate and managers’ compensation communicate about Whole Food’s culture? How does the “Declaration of Interdependence” reflect aspects of Whole Foods culture?

   a. Suggested answer: A culture resting upon democratic principles for social equality and shared responsibility is sustained by the belief of Whole Foods members that they count and are valued for the positive difference they make. This belief is upheld by valid confirming information. Results of measured financial performance tell each associate the difference they are making from the team level out to the whole corporation. If the numbers fall below expectations, the egalitarian culture tells them it is not some small elite cadre of executives who should do something about it, it
is a call for each to engage their minds and collaborate to solve problems and capitalize on opportunities. The “Declaration of Interdependence” is a culture touchstone. As long as any Whole Foods associate is able to comfortably invoke one or more of the Five Values with managers and fellow associates, she or he has the power of any executive to keep the company on its strategic track.

b. **Connection to the chapter:** This case honors Whole Foods’ remarkable accomplishments as exemplary practitioners of high-involvement management. It does not dishonor those who are striving to keep the company moving forward today, by painting a completely rosy picture. It takes enormous personal and collective discipline to hold the organization open so that associates and customers may breathe freely and enjoy each others’ company. In a sense, Whole Foods is each others’ company. It is theirs to preserve and grow. It is theirs to ruin. With so much power distributed to the teams, any one or coalition of several can break the discipline and default to self-serving ways. Will those witnessing destruction recognize it in time and rally for an effective antidote? Reorganizing away from teams and making information exclusionary could blind front line associates from seeing in time. Taking back, for example, the value of supporting team member excellence and happiness can erase the will to protect and preserve the business. Yes, Whole Foods has its challenges from without and within. They are not, however, John Mackey’s challenges. They must be met by those who care for the company they keep.
EXPLORING BEHAVIOR IN ACTION
Reinventing the Dream at Starbucks (pages 528-529)

Suggested Discussion Questions and Enhancement

1. Could this segment also be called Starbucks Evolving? Devolving? Evolution is a gradual process in which something changes into a different and usually more complex or better form. Starbucks, as a company, has surely become more complex. Might a regular, long-standing Starbucks customer say they have become better at what they value in the Starbucks experience? A long-time employee? A stockholder?

2. There comes a point in time, as with all growing entrepreneurial companies, that more formal management systems, structures, and professional specializations are needed. Starbucks made these changes to evolve and keeps on making them as they grow. Is there a point in time up ahead, when they may have to reverse this trend and gradually “de-formalize”?

3. Starbucks is one of the “Best Places to Work in America.” Their human capital strategy is to attract, retain, and develop people loyal to Starbucks. More pragmatically, they need their associates to be attuned to business realities, so that they will follow and initiate change. Might this human capital asset be more or less valuable to Starbucks than their properties and other physical assets?

4. Social values have been a Starbucks mainstay. They were the place for a certain segment of the population to go to relax, meet others, and socialize. Now, there is a growing population of people who just want to grab a coffee and run. Starbucks has millions of square feet of floor space devoted to what may be a dying value. What are they to do next?

5. Word of mouth is what grew Starbucks’ customer base; again, social value worked in their strategic favor. Now, with so many imitators, what can Starbucks mean to customers that would be so different and better, as to revive and spread the “buzz”?

6. This last question suggests an enhancement, Auctioning Starbucks Stock.
   a. This exercise invites your learners to delve, for a moment, into the question of “corporate aging.” Although Starbucks is still run by its founders, in the coffee industry, the company may seem to some to be rather “long in the tooth.” Others may see Starbucks to be particularly well primed for timely rejuvenations, including pruning stores that are not regularly producing profits.
   b. The question to learners is this: Were you to have $100 to spend gambling on the stock market, Starbucks is trading at $25 a share and a “hot” new coffee business is selling at $3 a share, which stock would you buy?
   c. You can show them the 5-year history taken this day off the Internet.
d. To increase the symbolism of this event, give everyone 20 squares of blank paper representing $5 bills.

e. Set up two spots on a table at the front of the classroom—the Starbucks spot and the Hot Shops spot.

f. On “go” your learners come to the front and lay their cash down on the stock spot of their choice.

g. Tally the results.

h. If most of their money went to the proven leader, Starbucks, discuss why.

i. If most went to the challenger, ask why.

j. The core of the matter is, Will Starbucks be growing over the next five years, or is this the beginning of their end? Must they change? Will they change?

7. The case describes some of the recent “bumps in the road” that Starbucks has experienced. What has Schultz done to counter these “road bumps”?

8. Considering just the external forces for change, what has Schultz done with Starbucks to address these factors?

9. How will one know if Starbucks has been successful in overcoming the challenges facing Schultz?

Knowledge Objectives

After reading this chapter, learners should be able to:

1. Describe three major internal pressures for change.

2. Identify and explain six major external pressures for change.

3. Describe the three-phase model of planned change.

4. Discuss important tactical choices involving the speed and style of a change effort.

5. Explain the four general causes of resistance to change and the tactics that can be used to address each cause.

6. Discuss the role of the DADA syndrome in organizational change.

7. Describe the basic organization development (OD) model and discuss OD interventions, including relationship techniques and structural techniques.

Teaching Point on the Knowledge Objectives

Teach duty. This is defined as an act or course of action demanded of one, as by position, custom, law, or religion. It is the duty of all managers and all associates to keep their organization running at the speed of change, external change in particular. This term is chosen to connote to your learners that it is not a matter of choice to be responsible or not for the well-being of all others who form their organization. The organization’s very life depends upon it and demands it. This is not to say that managers of the organization demand it. They are not the organization. If there is to be a coherently performing whole called University Y, Company X, or Coffee Shop Z, members need to place that
organization’s wholeness over self-interest alone. The “organization-ness” surrounding and providing each with a job and a living demands it. Assuming that your course outline has followed the order of chapters in this text, then this class is nearing its end. If you are feeling close to the desired state for your labors as OB teacher, then it is most likely due to having developed an unspoken, but palpable, sense of duty to sustaining your class enacted daily by each of your learners. They need not look far from the ends of their own noses for a living experiment in organizational change and development. It is this course, designed and led by an OB expert (that would be you). You have most likely used OB techniques to monitor the health of this particular class and staged at least modest interventions, when internal or external disruptions were detected. Accordingly, your learners are taking in these knowledge objectives at a propitious time. They may now reflect upon how each has upheld her or his personal duty to keeping this organization whole, until its scheduled moment to dissolve into its historical place on their college transcripts.

**Honing a Strategic OB Prospect**

**Organizational Development and Change**

Tell your learners to look down at their feet. This is where to find telling evidence of organizational change. Working as managers or associates, or in this instance, students, the whole organization is marching forward on the feet of its members. To be more accurate, marching on the feet of every working member. To gauge how well they and their organization are competing strategically, look down at their feet. Are they dragging? Are theirs dragging? Why? Are they sauntering, when the competitive race calls for a sprint? Why? Are they veering left or right off the ordained strategic path? Why? Has this path come to a dead end, yet feet keep moving forward? Why? Has the path shifted to a climb, up a path of jagged rocks and the feet are still wearing street shoes or sneakers? Once again, why? The strategic OB prospect starts with those feet and moves up to the person or persons connected to them. Up there are the pacesetters. Back there are the foot draggers. And, here come the indefatigable marathoners. Each knows why they move as they do. OB process and techniques have been developed to earn disclosures of reasons why people move to change, move with change, or refuse to move to change and actually turn their feet in the direction to oppose change. The Starbucks story that opens this final chapter is a good one to have your learners “watch” in action. Given their seemingly inexorable expansion, there is probably a Starbucks on your campus or less then a half-mile away from it. Ask them to go into one and watch for symbolic foot motion. It was said that Starbucks customers are changing. Facing this and other issues, along with competition from other chains, they say, “Starbucks may need to transform itself once again.” Will they see those baristas’ feet moving with a slightly hesitant step? Starbucks is managed in the high-involvement way featured in this book. They are informed of the strategic prospect of transformation to a new state of being Starbucks. Do they envision themselves being brought along or going along? They have most likely seen the exiting footprints of laid off employees from businesses right there in the neighborhood where they are foaming that latte. Starbucks is a huge
company now. What do the feet of that one 19-year-old barista mean to a company whose leaders decide they have “overbuilt” and need to shed some outlets? This outlet? Learners read in the business news every day of companies reducing “head count” to “become more competitive”. This visit to a nearby Starbucks is to see if these employees are still acting as if their feet do count.

MANAGERIAL ADVICE

Suggested Discussion Questions

1. Before this reported shift to “green,” leaders of companies apparently thought that the long-term survival of their companies was predicated upon reducing cost (no matter what the impact on the environment). Now, it seems that the long-term survival of all living beings is connected to organizational longevity. Why has it taken so long? Is it in time?
2. It is said that going green is attracting more customers and investors. It is not said if those companies are attracting talent because of this commitment to the environment. You are “talent.” Will it matter to you in choosing an employer?
3. Reputation. The state or situation of being held in high esteem. It appears that enacting green policies and practices sustains corporate reputations, let alone the environment. Think of a company whose products and services you use regularly. What if the news came out it was secretly harming the environment? What might loss of your esteem (and that of countless others) cost them?
4. Think twenty-five years ahead. Mark the age you will be then. If the shift to green builds in momentum and scope to reach a global scale, you will be living on that Earth. If today and tomorrow’s business leaders retreat from this value, how will life look to you then? Is this not the core issue?
5. Companies like Boeing Aircraft are making efforts to change their carbon emissions. What kinds of changes in government regulations might encourage companies to embrace “green” policies?
6. How might the recent economic downturn actually help green efforts?
7. What industries might be amenable to improved green technology?

Digital Supplement


1. What has the present administration tried to do to promote clean technologies such as solar and wind power?
2. How successful have the technologies been in decreasing the amount of fossil fuels that we in the United States use?
3. What do you think has to be done to further promote clean technologies rather than continued dependence on fossil fuels?

EXPERIENCING ORGANIZATIONAL BEHAVIOR
The Radical Transformation of Novartis (page 541)

Pharmaceutical companies like Novartis focus their research and development efforts and money on developing blockbuster drugs such as Viagra. Each company’s strategic policies are directed at manufacturing drugs, which have the potential to be used by many. Dan Vasella decided to change this strategy when he became head of Novartis.
1. How did Vasella’s philosophical approach to drug manufacturing differ from the traditional model used in the pharmaceutical industry?
2. In considering both internal and external pressures for change, which pressures apply to the changes made by Vasella at Novartis?
3. Vasella received praise for his forward thinking. Change strategists thought he had “the mind of a long-term strategist.” In January 2010, Vasella departed Novartis. What went wrong?
4. Using the three-phase model for planned change, unfreezing, transforming, and refreezing, describe Vasella’s efforts in each phase. Where were his strengths? Where were his weaknesses?
5. After the departure of Vasella, the Board of Directors promoted Joe Jimenez to CEO. Prior to this promotion, Jimenez was head of the company’s dominant drug unit. What strengths does an insider like Jimenez potentially have for the change process? What are the challenges he may face?

EXPERIENCING ORGANIZATIONAL BEHAVIOR
Transforming Cisco into a Recession Proof Growth Machine (pages 547-548)

Cisco is a technology-based firm, and therefore is part of an industry that must continuously change and evolve or be lost to other companies’ innovations. John Chambers, CEO of Cisco, wants Cisco to be a “growth machine” so that it is positioned for success in the competitive high-tech industry.
1. What are the external forces for change facing an organization like Cisco?
2. Cisco not only has to survive but also has to expand if it wants to succeed in this competitive industry. What internal changes are proposed and what are the expected advantages these changes have for the company?
3. How was the mode of operations changed at Cisco thus helping to motivate Cisco’s managers and employees?
4. What strategies did Chambers use which helped acceptance of his proposals?
5. What lessons for change can you take from the Cisco case and apply to other organizations needing to undergo change?
Suggested Answers

1. (a) What are the three major sources of internal pressure for organizational change? (b) In your opinion, which of these three is most difficult to handle? (c) Why?
   a. The three major sources of internal pressure for organizational change are aspiration-performance discrepancies, life-cycle forces, and changes in top management. (pages 531-534).
   b. It is likely that learners will say life-cycle forces are more difficult to handle.
   c. Life cycles call for whole organization responses, adapting to pressures building from within to move from evolutionary stage to evolutionary stage. Aspiration-performance discrepancies can be addressed constantly through such mechanisms as projects or strategy alterations.

2. (a) What are the six major sources of external pressure for organizational change? (b) In your opinion, which of these is most difficult to handle? (c) Why?
   a. External pressures originate with: 1) technological advances; 2) the introduction or removal of government regulations; 3) changes in societal values; 4) shifting political dynamics; 5) changes in demographics; and 6) growing international interdependence. (pages 535-539).
   b. A learner is likely to say that pressure from growing international interdependency is most difficult to handle.
   c. International interdependency is farthest from the managerial reach of a company, even if they have no obvious international ties. This is business done in a globally expanded marketplace. Competitors can come out of nowhere to take away share or trump an expensive technology.

3. What is involved in each phase of the unfreezing-transforming-refreezing model of planned change?
   a. Unfreezing involves providing a rationale for change, creating minor levels of guilt or anxiety about not changing, and creating a psychological sense of safety concerning the change. Transforming involves providing information that supports the proposed change and creating actual change. Refreezing involves implementing evaluation systems to track expected new behaviors, training systems to ensure continuous upgrading of relevant knowledge and skills, and permanent reward structures, as well as altering support systems. (pages 539-540).

4. (a) What are the factors to consider in deciding whether a fast or slow approach to change is best? (b) What are the factors to consider in deciding whether a top-down or participatory approach to change is best? (c) Describe a situation where you were either a change recipient or a change leader and a poor choice...
was made for at least one of these two decisions (use an example from an organization in which you currently work or formerly worked, or use a volunteer organization, a church, a sports team, or a fraternity/sorority).

a. Whether movement toward change should be fast or slow depends on the urgency of the change, the degree of support for changing, the amount or complexity of the change, the competitive environment, the knowledge and skills available to support the change, and the availability of financial and other resources necessary to implement the change. (page 543).

b. Key criteria for deciding between a top-down and participatory approach are the urgency of the change, the degree of support for changing, and the referent and expert power of change leaders. (page 544).

c. Learners’ answers must reflect that the decision they chose (fast or slow and top-down or participatory) is understood along with some of the stated criteria. The situation they describe must match this choice. Their analyses should reflect why the choice turned out to be the poor one and they should use one or more of the correct criteria.

5. (a) Compare the four basic causes of resistance to change. (b) If you had to choose one, which would you prefer to deal with as a manager, and why?

a. Four basic causes are lack of understanding, different assessments, self-interest, and/or low tolerance for change. (pages 544-546).

b. Lack of understanding or different assessments are the likely candidates for this answer. Both can be addressed with information, training, or effective communication like open dialogues. Self-interest and low tolerance for change are embedded in personalities as fundamental orientations to change.

6. What is the DADA syndrome?

a. D - denial, A - anger, D - depression, and A – acceptance. A person goes through these stages when confronted with unwanted change. Change leaders must understand this so-called DADA syndrome. To prevent associates and others from experiencing it, they must monitor their organizations for potential and actual resistance to change and deal effectively with resistance when it is found. (pages 546, 548).

7. (a) What is organization development? Provide a definition as well as a basic model. (b) A number of interventions can be used in organization development. As a manager, which of these interventions would you prefer to use, and why?

a. Organization development is an applied field of study focused on improving processes and outcomes in organizations. It can be formally defined as a planned, organization-wide, continuous process designed to improve communication, problem solving, and learning. The basic OB model has three steps: diagnosis, intervention, and progress monitoring. (pages 548-549).

b. Interventions introduced in this chapter are relationship techniques, which focus on how individuals perceive and respond to one another. They
include t-group training, team building, and survey feedback. Structural techniques involve adjustments to the structural aspects of an organization. They include job redesign, management by objectives, and supplemental organizational processes. (pages 550-554).

c. Learners may choose survey feedback as a relatively objective tool for targeting change initiatives. Today’s OB learners are probably partial to team building and would likely relish job redesign, given their avowed dislike of being “bored” by routine.

Digital Supplement
Exploring Behavior in Action: Netflix Reinvents Home Entertainment

Netflix is changing the way people rent movies. What’s more, it is changing the way people view movies. Netflix is a company with over 13 million subscribers and is the largest internet subscription service. Starting with DVDs sent by mail in individually designed red envelopes, Netflix has grown to a large market for subscription based home entertainment. Netflix subscription service has added TV episodes and streaming movie capabilities. These are now shown over the internet at home on home TVs or now it can use the capability of smart phones as the delivery instrument.

The story goes that back in 1997 when Reed Hastings took a VHS copy of Apollo 13 out from Blockbusters and forgot to return it, incurring a $40.00 late fee. The fee caused him to think about late fees in general, typical of the industry at that time. That was the beginning of Netflix and the end of many of its competitors.

Netflix is a company that is always on the verge of change. Without this kind of philosophy, Netflix would have become obsolete. In May 2002, Netflix went public raising some $80 million in what was then a bleak economy.

Have students go to You Tube and watch “The Future of Netflix – Interview with Co-Founder/CEO Reed Hastings.”

1. What accounts for Netflix’s success?
2. How does Netflix respond to external pressures for change? Provide examples of how the company done this.


3. What does Reed Hastings see as the next biggest change facing Netflix?
4. How does Hastings promote change in his organization?

Have students Google Netflix and read some of the innovations that Netflix has introduced into the home entertainment industry and more recently to smart phones. Numerous articles exist, listed below are some that speak to Netflix’s affinity for change.
Teaching Point on Knowledge Objectives

Teach diligence. Consider this meaning. Diligence is persistent application to one’s work. A major premise of a strategic approach to OB is that people on the front lines execute strategy. Accordingly, your learners are expected to keep the work going, even as the ground shakes and quakes inside and outside the organization of the moment. Organizations must develop, for like sharks, when they stop moving forward, they suffocate. Development means to bring from latency to or toward fulfillment, in this instance, fulfilling the strategy. To develop is to expand or enlarge, as in expanding a national business into a worldwide business. Fitness conscious learners will resonate with the meaning of develop. It is to aid in the growth of; to strengthen, as in exercises that develop muscles to improve the quality of and refine the possibilities of work life. Organizational change and development is not a “nice to know someday” body of knowledge. Your learners can benefit now by knowing how to perform for constant organizational health. Diligence in doing so is their challenge to develop and control. Working diligently in a developing organization means gain is probable. Working diligently in an organization in decline is akin to running up an endless down escalator. Therefore, when choosing the organization to apply their talents is possible, they will know to look for one managed to keep changing for the better (and their betterment).

Additional Material on Ethics

A thread running through this chapter is resistance to change. “Resisters” may be unintentionally cast, or misread, as villains, bent on having it their way. Heroic organization “Change Leaders” come begging to differ, engaging the organization development process to extricate dug in heels. What if resisting change is the right thing to do at a particular time and context? Will they make a stand? So doing, will they be targeted as resisters? Their heels are dug in because they fear the direction chosen by top leaders is taking their organization down the wrong path, into harm’s way. Is one person making a stand able to turn this tide? Yes, if those who set this direction are willing and able to remove “Resistor” from their minds and replace it with “Insister.”
To insist is to be firm in a demand or course of action, refusing to yield, asserting the right to be heard for the organization’s sake. How must it feel to be an Insister, making a stand against an announced organizational change with nothing under her or his feet, but the solid ground of their integrity? This brief exercise gives your learners a memorable moment to explore this question.

5. **Making a Stand.** Present views that managers and/or change leaders may have of someone who refuses to move down the announced new path for the organization (department, division, whole company). Resistor? Insister?

6. Refer back to the Starbucks story that opened this chapter. Ask your learners (as a whole class or in small groups) to brainstorm a list of changes they imagine Starbucks has to make to adapt to ever-mounting competition, rising costs, and under-performing stores.

7. Ask each learner to privately choose a change initiative from this list and think over how this change could possibly diminish rather than develop Starbucks. What will alter what it means to its stakeholders (employees, customers, investors, the communities served)? This is not about the threat to this person losing her or his job. This is a concern for the company they are constantly told is “theirs.”

8. They must not chat with others, nor collaborate on what the issues may be. This is a solo act for a purpose. The question is, *What is it like to stand alone against the tide?* They will hold this notion in their minds as preparation for the next step.

9. Give each learner an 8 ½ x 11” piece of plain paper. Ask them to stand with at least three feet from others all around them. Now, tell them to place the paper on the floor and step onto it. Apprise them that this paper represents their integrity. They are standing on their “convictions.”

10. With all in place on their papers, tell them you are going to play the role of a Starbucks change leader who has them on the company radar as Resistors. What they say to you and how they say it can transform them in your eye from Resister to Insister. Make it clear that this impression will come quickly, so they must be forthright and concise.

11. Move randomly about the room, stopping to make eye contact with someone who looks ready. Ask her or him to state the change item that concerns them and why they are making a stand and insisting to be heard. Only listen. Say nothing except to seek clarification. Do not argue. When an impression has been made, write R or I on a slip of paper, fold it, and give it to the learner. Ask that it not be opened until this phase of the exercise is over.

12. Repeat this with random choices, until you have a diverse sample from all corners of the room (5 or 6 at least).

13. Now, ask those met to open their slips of paper. One by one have them announce your (the change leader’s) impression of them, Resistor or Insister, telling the rest how this encounter made them feel.

14. Ask some who did not get to make a public stand to tell the class how they felt about being passed over and to give a sample of what they might have said if confronted.
15. Now seated, explore with your learners how they may prepare for such moments when they must, on principle, make a stand and be respected, even appreciated, for insisting to have a contrary conviction heard.

**Key Terms**

**aspiration-performance discrepancies**  Gaps between what an individual, unit, or organization wants to achieve and what it is actually achieving. (page 531).

**changes in top management**  Involve the replacement of top management team members who retire or depart the company for other reasons. (page 534).

**DADA syndrome**  A sequence of stages—denial, anger, depression, and acceptance—through which individuals can move or in which they can become trapped when faced with unwanted change. (page 546).

**exploitative learning**  Learning how to more effectively use current knowledge. (page 554).

**exploratory learning**  Creating new knowledge and being innovative. (page 554).

**job redesign**  Enlargement or enrichment of jobs; enrichment is the better method to enhance motivation for effective problem solving, communication, and learning. (page 553).

**life-cycle forces**  Natural and predictable pressures that build as an organization grows and that must be addressed if the organization is to continuing growing. (page 532).

**management by objectives (MBO)**  A management process in which individuals negotiate task objectives with their managers and then are held accountable for attainment of the objectives. (page 553).

**organization development (OD)**  A planned organization-wide continuous process designed to improve communication, problem solving, and learning through the application of behavioral science knowledge. (page 548).

**planned change**  A three-phase process involving deliberate efforts to move an organization or a unit from its current undesirable state to a new, more desirable state. (page 539).

**procedural justice**  In the context of organizational change, the perceived fairness of the change process. (page 545).

**refreezing**  A phase in the change process in which leaders lock in new approaches by implementing evaluation systems that track expected behaviors, by creating reward
systems that reinforce expected behaviors, and by ensuring that hiring and promotion systems support the new demands. (page 540).

**Resistance to Change** Efforts to block the introduction of new approaches. Some of these efforts are passive in nature, involving such tactics as verbally supporting the change while continuing to work in the old ways; other efforts are active in nature, involving tactics such as organized protests and sabotage. (page 544).

**Supplemental Organizational Processes** Processes in which associates and/or managers have ongoing meetings for the purpose of understanding and addressing important problems. (page 553).

**Survey Feedback** Data obtained from questionnaires; managers receive the data for their units and are expected to hold unit meetings to discuss problems. (page 552).

**Team Building** A process in which members of a team work together and with a facilitator to diagnose task, process, and interpersonal problems within the team and create solutions. (page 551).

**T-Group Training** Group exercises in which individuals focus on their actions, how others perceive their actions, and how others generally react to them; participants often learn about unintended negative consequences of certain types of behavior. (page 551).

**Training** A process used in OD to help managers and associates to gain skills and capabilities needed to accomplish tasks in their jobs. (page 552).

**Transforming** A phase in the change process in which leaders help to implement new approaches by providing information that supports proposed changes and by providing resources and training to bring about actual shifts in behavior. (page 540).

**Unfreezing** A phase in the change process in which leaders help managers and associates move beyond the past by providing a rationale for change, by creating guilt and/or anxiety about not changing, and by creating a sense of psychological safety concerning the change. (page 540).

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**Teaching Point on Key Terms**

Teach *cause*. To change is to *cause* to be different. These Key Terms are associated with making things come out differently by design. They are conceptual tools for learning why organizational change and development must happen. They indicate whose behavior must become different, why, how, and when to make these changes. They offer means of determining if strategic differences are being made, and directing corrections where they are not. While the main thrust of this chapter is causes of organizational change, learners may associate them immediately to themselves. Ask them to look at them as through the large end of a telescope. There at the small end of DADA or
supplemental organizational processes is the person who must actually cause the organization to change. Each of your learners faces the prospect in their future careers of often being there in that small circle of the telescope’s eyepiece lens—the ultimate object of an OB program. Only they can be a cause of the difference in organizational behavior that is their part in the working whole to make.

BUILDING YOUR HUMAN CAPITAL
An Assessment of Low Tolerance for Change  (pages 558-559)

Enhancement

This assessment does not deliver good news to one who scores 18 or below on self-efficacy and 20 or below on tolerance of risk. On the other hand, its stated purpose is to provide information a person can use to understand better how and why they behave as they do in situations of organizational change. The assessment does offer a focus for general learning about low tolerance for change. Rather than ask any learner to reveal low self-efficacy or tolerance, conduct a “what if” scenario.

1. **How Would This Course Go If All Were Low?** The purpose of this exercise is to imagine if, how, and why there would be a difference in the overall quality of their OB learning during this term, were all members (including you) scored as risk averse and low in self-efficacy.

2. Develop general consensus in a large group discussion on:
   a. How the whole course stacks up as a changing organization. Low change? Steady and easy to manage change? Often difficult, but growth-promoting change?
   b. How strong was resistance to change overall? Little? Modest? A lot? Why?
   c. How would the course come out overall? Better? The same? Worse? Why?

3. Convene teams of 3-5 to apply each of the 19 descriptors to remember their experience in the course. They are looking at each as if they are low in self-efficacy and risk tolerance. They speculate on what sorts of resistance would come from a whole class of “Lows” on each.

4. For example. “Enjoy being reckless” is the first item. They might imagine that a low scorer would not want to have tried any of the team exercises that had unpredictable results. There would have been resistance to doing team exercises. Alternatively, “Become overwhelmed by events.” A Low scorer might think the pace of the course is too fast. Resistance would be pressure on the instructor to spend more time on chapters, skipping some.

5. When the teams have completed speculating on this extreme scenario, ask them to report several of their most surprising findings about the differences it might make in the overall quality of learning.
6. Make the transition to the workplace. A strategic value of human capital is that people can create knowledge for innovation faster and better than their competitors can. Each of your learners will be contributing knowledge of this sort in organizations that must change to survive. They can, that is, if they overcome self-doubts and gain experience in taking social risks. They can look back on this exercise as a worst-case scenario and look forward to the best case, which is to work and learn among other high scorers on this assessment.

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**AN ORGANIZATIONAL BEHAVIOR MOMENT**

**Organization Development at KBTZ** (pages 560-561)

**Suggested Discussion Questions**

1. The task is to identify the basic problems at KBTZ and which OD techniques the learner might apply and why. Valerie, the client, identified the station’s basic problems from her vantage point: difficulty keeping up with the torrid pace, particularly new production, high turnover, and difficulty in recruiting people who will work in their challenging culture. Are these the same basic problems revealed in the OD technique interviews?

2. This OD technique is to interview the department heads to learn what they think are the station’s basic problems, then to survey people in their departments to produce views to compare with their managers and the GM Valerie. Where and what are the starkest contrasts between manager view and department view?

3. It will be obvious in addressing the prior question that the News Director’s avowed view that his department is running smoothly and his people are creative is in stark contrast to what his department will say confidentially. He is a basic cause of the station’s basic problems. How has he already told the consultant how he will oppose any OD technique tried? Could he succeed in thwarting further OD interventions?

4. The station has undergone extensive and expensive upgrades to remain a market leader. The News Director has worked for the “big network.” Might a recommendation to remove this big time player from the newsroom be ignored, given KBTZ’s drive for recognition?

5. The other problem area is a lack of interdepartmental cooperation and understanding. Department managers reveal views of some of their peers reflected in what their employees say about them and the working conditions, but not in their presentations of self. Trust and rapport among managers, and some with the GM, is evidently low. Would team building for the management team bring managers together and set a better example for their associates?

6. More data beyond the interview results could be gathered to show the GM these intra-department and interdepartmental breakdowns. Would sociometrics work in this charged environment?

7. The head of the Sales Department is the son of the GM. His staff would not participate in the interviews. The Sales Department brings in the revenue that is...
the lifeblood of the business. How can Valerie be shown that nepotism is risking loss of her sales force?

8. Performance “talks.” Has Valerie instituted significant statewide performance measures that can be traced down to the contributions of each department? It is doubtful. This suggests an MBO technique. Would these managers act to reconcile personal differences and moderate their styles to be supportive of their talent, were they held accountable for problems they bring to the whole station?

9. Is there hope for KBTZ? The answer may lie in Valerie’s managerial behavior. She must act to curb or remove the News Director and place her son, if she must keep him on the payroll, in a role where he is not in a hiring and supervising role.

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TEAM EXERCISE
Identifying Change Pressures and Their Effects (pages 561-562)

Enhancement

1. This Team Exercise is of the sort that can prepare learners to think and act like strategic leaders. Point out to them how identifying specific change pressures that are acting on their institution is an ongoing responsibility of the board and top leaders, your president in particular. Yet, how much more prepared would the institution be if all, or at least many, staff, faculty, students, and even alumni shared this responsibility to monitor external pressures?

2. What if some of these stakeholders (staff, faculty, students, and alumni) also became proficient in determining and recording the effects on the institution of each of these change pressures? Would they bring recommendations for how to deal with these pressures to the central decision makers so persuasive as to change their strategic agenda?

3. This may seem far-fetched and out of keeping with the traditional roles of the institution. This would be so, if higher education were sheltered and operating in a stable environment. Ask your learners if they think it is.

4. The suggested enhancement is to invite a high-ranking official of your institution to come and listen to the presentations called for in this Team Exercise. Ideally, your president, provost, or officer in charge of planning could come to class and give the students feedback that day and thereafter.

5. In advance, tell your guest that you will be asking her or him to give an opinion on the question of having more members of the campus community (stakeholders) monitoring external pressures and bringing forth proposals for organization change.

6. Alert your learners that this guest is coming and will address the question of increased stakeholder involvement in keeping the institution aware of and responsive to external forces.

7. After this visit, hold a second discussion with your learners to glean what they learned from their visitor.
WHOLE FOODS CASE CRITICAL THINKING QUESTIONS
Chapter Fourteen Connections: Organizational Change and Development (pages 1-8)

1. Analyze how Whole Foods managed change over the years since it started.
   a. *Suggested answer:* Whole foods sells product grown organically. Whole Foods has grown over the years organically. It is designed to resemble a living organism in organization or development. Its primary way of managing change and managing to change is by keeping all its members strongly interconnected. The hierarchy is kept low to the ground where retail business is transacted, so that strategic managing is done by people who actually know what associates are doing and learning from their daily experiences in the name of Whole Foods. Associates are connected in teams and teams are connected in stores and so on out to the whole of this still unique enterprise. As in nature, life-sustaining energies and properties are exchanged across these human relationships. Each store learns what works to fulfill Whole Foods’ niche mission and what does not. These vitalizing lessons come quickly to those who must decide what to do next. Organic change happens, as in nature, spontaneously. Man-made change can create artificial conditions we perceive as order and stability, but those who make a study of the processes that sustain our environment, as does Whole Foods, seems to be and should be men and women making change that is closer to the natural order of life. John Mackey argues with Wall Street on behalf of keeping a Whole Foods organization over the long term. Will the same mindset that relishes short-term gains by those who cut down rain forests and cut jobs out from under employees overcome Mackey’s influence with the board? All business organizations are living organisms. Whole Foods managerial leaders and mindful associates seem to know this and treat it with requisite care. Natural is their business. Others, perhaps the vast majority of company managers and workers, removed from daily examples of natural and organics, don’t. So far, Whole Foods is what it sells: natural and organic.

   b. *Connection to the chapter:* Organizations are living organisms, because they are lived moment to moment by their members. Unlike most other man-made entities, organizations are constituted by people giving over chunks of the non-renewable time of their lives to perform tasks pledged by the organization. The point to be made here is that organizations change the way their members live out the period of their lives during which they are associated. Each new way of conducting the business organization alters the substance of one’s experience on this planet. When Whole Foods alters its compensation pattern or acquires a competitor, there is change in the life of each Whole Foods member and, via contact, in the lives of Whole Foods customers and investors. Each will judge by witnessing the results in their livelihood, if an organization change really turns out to be for the best. Appreciating organization change and development as a state of being resonates with what Whole Foods has
accomplished to date. Because associates have full access to what is planned and how what had been planned came out in practice, their state of being, this company’s living human capital, registers on their faces. Are they determined to keep the company changing for the betterment of all? No one else can.

2. Whole Foods now faces a significant amount of competition. How should it respond to the changes in the competitive landscape of its industry? What future challenges do you envision for Whole Foods market?

a. **Suggested answer:** Nature instructs Whole Foods answer to industry competition. Remain essentially who you are, as long as there are enough resources to preserve your core identity. Then, adapt out to the edge of when you no longer are what you mean to society. Not beyond. Other food chains see the demand for natural and organic products and notice there is growing public and generational concern about the environment. They adapt by adding these items to their shelves and tweaking their public relations profiles to seem more concerned. However, most are, at their cores, engines to create shareholder wealth by holding down costs even to the extent that persons in their employ live well below their community’s standard. Whole Foods’ way of being well employed and highly involved is close to their core. To stay ahead in their market, they have the advantage of engaging many smart minds in going deeper into the potential for sales in their product and service niche. If organic foods bought locally are currently priced higher than those shipped in from South America, then what can Whole Foods organize and change to make local produce more affordable? If growth by acquisition continues to be the way they choose to expand and grow, then how can they bring those employees into the new state of being Whole Foods, rather than allow the culture to be adulterated? The main challenge to Whole Foods is to continue to pursue the ideal of purity. They, unlike most of their competitors, are living from a history of virtuousness. This is the quality or state of being morally sound. Simply put: good. To fight their competition by playing their game is to adulterate Whole Foods and the experience of being their customer. Good food from good people who are good to their community and environment. This is how Whole Foods works.

b. **Connection to the chapter:** The choice of this company’s name “Whole” is endemic to a class of business organizations whose strategy is to maintain their core integrity—the quality or condition of being whole or undivided. These organizations change with care to remain essentially the same. This calls for a great deal more thought and managerial learning than making changes that atomize a business in the name of diversification to the extent that members no longer know for sure what business they are in. To remain whole, the changes that Whole Foods makes going out into a globally competitive future must include sacrificing the option to split and start other lines of business using the Whole Foods name. In a way, their entire name—Whole Foods—locks them in to foods, as well as
holism. Have they exhausted the ways to sell good foods at a reasonable profit? Perhaps they have only done what has come easily, when few others sold this way. Next is the challenge that they have been equipping each other to meet over the years—to keep Whole Food whole and leading in ways to feed and treat their customers better than anyone else can do.