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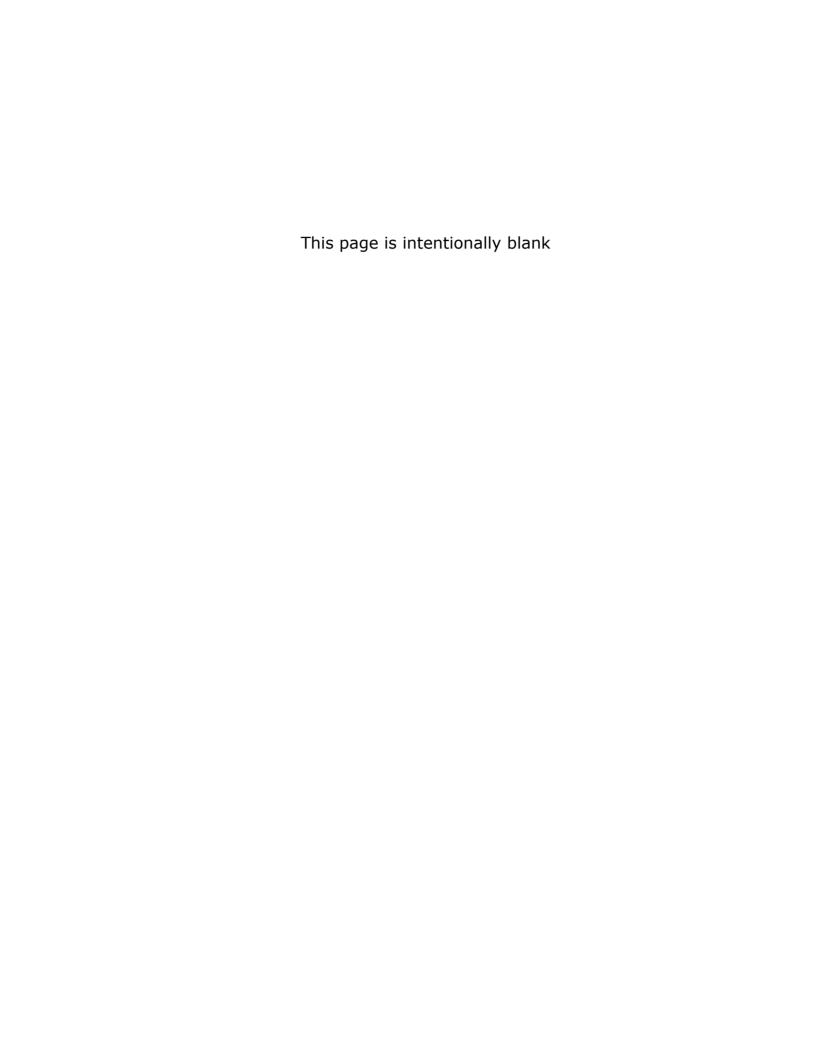
Organisational Behaviour

ROBBINS . JUDGE . EDWARDS . SANDIFORD . FITZGERALD . HUNT



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ROBBINS • JUDGE • EDWARDS • SANDIFORD • FITZGERALD • HUNT



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PREFACE

Welcome to the ninth edition of *Organisational Behaviour*! In the dynamic, fast-paced and diverse 21st-century workplace, managers and their employees are facing more challenges than ever before. In turn, educators must help to prepare their students for the reality of work and it is our hope that this book will help them to achieve this goal. This ninth edition is one of the most contemporary revisions of *Organisational Behaviour* we have undertaken. While we have kept the book's trademark features—clear writing style, solid theoretical underpinnings, cutting-edge content and engaging pedagogy—each chapter has been thoroughly updated to reflect the most recent research within the field of organisational behaviour and the major practical issues facing employees and managers in the contemporary workplace.

What's new in the ninth edition?

- An Employability Skills Matrix in every chapter provides students with a visual guide
 to features that support the development of skills employers are looking for in today's
 business graduates, helping students to see the relevance of the course to their career
 goals.
- A Career OBjectives feature in every chapter provides advice in a question-and-answer format to help students think through issues they may face in the workforce.
- An Application and Employability section at the end of every chapter summarises the
 relevance of each chapter for students' employability, the skills learned from chapter
 features and the skills to be learned in the end-of-chapter material.
- A new/updated opening vignette in each chapter brings current business trends and events to the forefront.
- New/updated content in each chapter reflects the most current developments in OB research, including:
 - expatriate readjustment
 - · deviance and counterproductive work behaviours
 - customer satisfaction
 - emotional labour
 - ethics of emotion regulation
 - mindfulness
 - invisible illnesses
 - unemployment/job search
 - behavioural ethics
 - abusive supervision
 - executive board composition

- espoused and enacted climates
- sleep deprivation
- recovery experiences
- job demands
- pro-social and socially aversive leadership
- types of organisational culture
- forces for organisational change
- the nature of organisational change
- planned versus emergent change
- sources and types of resistance to change
- the stress–performance relationship
- a contemporary model of workplace stress.

Educator resources

A suite of resources is provided to assist with delivery of the content, as well as to support teaching and learning.

INSTRUCTOR/SOLUTIONS MANUAL

The Instructor/Solutions Manual provides educators with detailed, accuracy-verified solutions to in-chapter and end-of-chapter problems in the book. It also provides additional group activities for class use.

TEST BANK

The Test Bank provides a wealth of accuracy-verified testing material. Updated for the new edition, each chapter offers a wide variety of question types, arranged by Learning Objective and tagged by AACSB standards.

Questions can be integrated into Blackboard, Canvas or Moodle Learning Management Systems.

LECTURE SLIDES

A comprehensive set of PowerPoint slides can be used by educators for class presentations or by students for lecture preview or review. They include key figures and tables, as well as a summary of key concepts and examples from the course content.

DIGITAL IMAGE POWERPOINT SLIDES

All the diagrams and tables from the course content are available for lecturer use.

ACKNOWLEDGEMENTS

Textbooks are a team project and many people have contributed to our team. A number of colleagues have been kind enough to make suggestions for improvement and to review all or parts of this book. This is a better book because of insights and suggestions provided by:

Neal Ashkanasy, University of Queensland Vidya Sagar Athota, University of Notre Dame Nadine Campbell, Western Sydney University Lee Di Milia, CQUniversity Alick Kay, University of South Australia David Qian, Swinburne University of Technology Sunil Savur, University of South Australia Kim Southey, University of Southern Queensland Pattanee Susomrith, Edith Cowan University John Whiteoak, Queensland University of Technology.

We also acknowledge the contribution of Ron Cacioppe as an author on the first three editions of this text, Terry Waters-Marsh for his contributions up until and including the fifth edition, Maree Boyle for her contribution to the seventh edition and Bruce Millett for his significant contribution to the past five editions.

Regardless of how good the manuscript is, it is only words until our friends at Pearson Australia swing into action. Pearson's outstanding team of editors, production personnel, designers, marketing specialists, artists and sales representatives turn those words into a textbook and see to it that it gets into faculty and students' hands. Our special thanks go to Nina Sharpe and Nicole Le Grand for their support and encouragement during the development of the ninth edition. We would also like to thank Bernadette Chang, Eva Birch and Sandra Balonyi for their skilful handling of the manuscript in production.

Finally, we want to acknowledge with gratitude the hundreds of academics teaching and researching in the OB discipline in Australia and New Zealand. These people demonstrate amazing commitment and dedication, often in the face of severe resource cutbacks and constraints, to teaching and research in OB in their respective countries. They are not afraid to take risks, to experiment, and to share their successes and failures with others in the discipline. They are the true pioneers in the quest to define, refine and communicate the unique aspects of Australian and New Zealand OB for the benefit of our two societies.

GUIDED TOUR

To help you navigate your way through this ninth edition of Organisational Behaviour (OB), we list here the new and updated content contained in every chapter.

Each chapter begins with a list of **LEARNING OBJECTIVES** that outline what you should be able to do after studying the chapter. These objectives are designed to focus your attention on the major issues detailed in the chapter.

LEARNING OBJECTIVES

After studying this chapter, you should be able to:

- 1.1 Demonstrate the importance of interpersonal skills in the workplace.
- 1.2 Define 'organisational behaviour' (OB).
- 1.3 Show the value of systematic study to OB.
- 1.4 Identify the major behavioural science disciplines that contribute to OB.
- 1.5 Demonstrate why few absolutes apply in OB.
- 1.6 Identify managers' challenges and opportunities in applying OB concepts.
- 1.7 Compare the three levels of analysis in this book's OB model.
- 1.8 Describe the key employability skills gained from studying OB that are applicable to other majors or future careers.

	and the second region	And the last of th					
	Myth or science?	Career OBjectives	Ethical choice	Point/ Counterpoint	Experiential exercise	Case study 1	Case study 2
Critical thinking				1	1	1	1
Communication	1	1	1		Edy	1	1
Collaboration	1	1			1	· · · · · ·	-
Knowledge application and analysis		1		1	1	1	1
Social responsibility			1		1	10/	1

The new **EMPLOYABILITY SKILLS MATRIX** shows how the features in the chapter will support you in developing the skills employers are looking for.

Effective communication as the driver for organisational renewal

pass these of CEO at Greater Building Sore ey is 21344 is at lad meastion was a sortice the or be 'Wh a men of ity over \$5 Mill on the organization was accordately and continuous it had developed as insular culture with a lint and customer focus and was bring belt back is instificationed due to the providence of its divisional above the continuous section of the continuous and the continuous Ext cod by the opportunity to introduce the



meditionable due to the poverables of its divinional side. Dat odd by the opportunity to introduce before customer service and lasting though 50 is toconsidered the ofter and decided to take on the challenge of loading the organization forward using transported communication as this key storing. Working with the burst and his convenient team. Seen communication this strating by reposit loading the organization from a second control of the communication of the communication.

all 750 complegers in germinarly embrace the prospect of this transitionation. He therefore set make 18 mention to prepare for develop reduce and manage the change throughout the expanisation. "He my melbettle in the message is no important and bring open to develop the own by the change of the my forth."

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As the Cogas are could Change Message Vaccine Niteral physics a supervise an analysis and making and complete a properties of a medial gas deployer in the control of the c

An opening **VIGNETTE** provides an example about an individual or an organisation relevant to the content in that chapter. The featured individuals or organisations come from a broad spectrum and each example is selected specifically to help you link OB concepts to OB practice.

The MYTH OR SCIENCE? feature presents a commonly accepted 'fact' about human behaviour, followed by confirming or disproving research evidence. These sections help you to see how the field of OB, built on a large body of research evidence, can provide valuable insights into human behaviour at work.

Myth or science?

Career **OBjectives**

How can I get a better job?

I feel like my career is at a standstill, and I want to talk to my boss about getting a r assignment. How can I negotiate effectively for a better job position?

User mu; Your priorities are certainly sensible. Many people see salary as their main concern and negotiate to maximise this This stotage can appeal in the short term, but sustained carear growth has a batter long tarm payoff Professional development will prepare you for many future salary increases. Developmental estignments will also give you a batter position for future negotiations because you'll have more conser-

- When it comes to salary negotiations, most people think either you get the money, or the com, loops the money. Given that, your interests and the interests of your managers seem directly expo-cing the control of th
- Be open to creative solutions. There may be idiosynocric solutions (also called I deats) for whan both your interests and those of your supervisor. One of the best things about an integrative bargain struction like this is that you and your negotiation partner can find novel solutions that neither where imagined separately.

DURCES Eased on Y Fortcanin T Kiefer and K Strauss. How I deals build re

The new **CAREER OBJECTIVES** feature provides advice, in question-and-answer format, to help you think through how OB concepts can help you address issues you may face in the workforce.

The **KEY TERMS** are highlighted in bold print when they first appear and are defined in the adjoining margin. The terms are also grouped together at the end of the book in the glossary.

Office talk

Ethical

The **ETHICAL CHOICE** features are based on real business scenarios and situations that have posed an ethical dilemma.

Summary

Managers need to develop their interpersonal, or people, skills to be effective in their jobs. Organisational behaviour (OB) investigates the impact that individuals, groups and structure have on behaviour within an organisation, and it applies that knowledge to make organisations work more effectively.

- Resist the inclination to rely on generalisations; some provide valid insights into human behaviour, but many are erroneous
- Use metrics rather than 'hunches' to explain cause-and-effect relationships.
- Work on your interpersonal skills to increase your leadership potential.
- Improve your technical skills and conceptual skills through training and staying current with organisational behaviour trends such as big data and fast data.
- Organisational behaviour can improve your employees' work quality and productivity by showing you how to empower your employees, design and implement change programs, improve customer service and help your employees balance work-life conflicts.

The SUMMARY and IMPLICATIONS FOR MANAGERS sections offer a concise summary of the key themes.

The POINT/COUNTERPOINT

feature presents opposing positions on hot topics in OB to help you learn to think critically.

HEROES ARE MADE, NOT BORN

PHINT

If you really get down to specifics you can see that CEOs start in leadership rolks early in I for They have similar backgrounds childhood challenges and coping strategies in fact it's easy to see a CEO in the making at your local earnee sale.

sucegoistics in chicking shall caping stranged state of the control of the contro

In the Eccurion Teleplocages Heavest Midd gladeline by young leaders.

Second Chisine CEGB are raised with responsibilities and being CEGB all grounding American Material Second Chisine CEGB are raised with responsibilities in Bedy CEGB oil legionary American Material Chisti data for cassard in the legionary and proposed and the legionary and proposed and the legionary and proposed and the legionary and for the cassard proposed and the legionary and a series of direction! The observation of the legionary and the legionary a series of direction! The observation of the legionary a series of direction! The observation of the legionary a series of direction! The lunguages of Section Section (Facility Related Bennion Section 1) a series of direction! The lunguages of Related Bennion Section 1 for lunguages of Related Bennion Section 1 for lunguages of the section

COUNTERPOINT

COUNTERPUINI

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The Critical W 8 to State only a phase-series and an extended of the man and the desired plant and they should be self-as and the self-as and self-as and the self-as and self-as and the self

QUESTIONS FOR REVIEW

align with the chapter learning objectives to help you thoroughly revise the content.

Questions for review

- What is the importance of merpersonal skills in the workplace?

- 4. What are the major behavioural science disciplines that contribute to G6?
- Why are there so fee absolutes in OB?
 What are the challenges and opportunities for managers in using OB concepts?
 What are the three levels of analysis in this book's OB modal?

APPLICATION AND EMPLOYABILITY summarises the relevance of the chapter to your employability, the skills you will have learned from chapter features and the skills you will learn by completing the end-ofchapter material.

Application and employability

Diversity, in a variety of forms, is important to the application of OB in the workplace First, workplace discrimination can undermine the effectiveness of an organization and can lead to many poor outcomes. Beyond biographical characteristics, other factors such as intellectual and physical abilities are important to OB. Knowledge of diversity in OB can help you and your organisation manage diversity effectively and can helpyou work effectively with oo workers who may be different from you in a variety of ways In this chapter, you improved your critical thinking skills and learned various ways to approach issues of social responsibility by considering how even minor elements of

a person's appearance (e.g. baldness) can affect perceptions in the workplace, thinking about the role of diversity specifically ad allowing women in combat roles in the ADF, the considerations to, to make when deciding whether you should come out at work on the usefulness and ethics surrounding changes to the 457 visa to use program Meet, you! I have more opportunities to develop these skills by recognizing the differences and similarities between you you and your classmates, considering invisible disabilities in the workplace, and learning about the case of Jordon Steels John, an act of Meet and the control of the partial sensition of Parliament

Experiential exercise

JOB ATTITUDES SITUATIONAL INTERVIEW

Think about a situation in which you felt satisfied of dissatisfied (or committed or not committed) in the workplace (if you have neer been employed, imagine a situation) Write this experience down in as much detail as possible. When you've finished, exchange your arrower with another class member In pairs, take turns asking and recording the answers to the following questions (asking follow up questions as needed)

4. What did you (actually) do in response to your experience? What was the outcome?

As a class, shareyour findings and discuss the following questions (asking follow up questions as needed)

- turns asking and recording the answers to the following questions (asking follow up questions an endeded)

 1. What sorts of feelings were you experiencing at the time? What were you think feely when this was going and? bid you think should doing anything in that moment?

 2. What targets were your feelings or thoughts of erected towards? For example, were they directed towards your organisation? Towards the job? Colleagues? Pay and benefits?

 3. What tody ou to your feelings of satisfaction dissatisfaction and commitment in that moment?

EXPERIENTIAL EXERCISES provide you with an opportunity to actively engage in your learning of the chapter content either in a group or individually.

CASE STUDIES give you the opportunity to apply the knowledge gained in the chapter to situations in organisations, both real and hypothetical.

Case study 2

JOB CRAFTING

conclude the control of the control

Consider for a minimat a mid level manager, Fatima, who seems to be doing well. Sha's consistentify making her required benchmarks and goals, she has built successful valationships with colleagues, and arrive management has bedriffed her at having high paterniar and goals, she has built successful valationships with colleagues, and arrive management has bedriffed her at having high paterniar and that has hard highly grown and the control of the control

she has been able to critif her current pic omto view unstatisfying.
As you may have noted, Failms solvibilitat a procedure
parsonality she was anger to devide pher can options and
find her own resources. Proceditive individuals are often saff
empowered and are, heartiree, more open to seaking workship
solvitions when they're not satisfied. Reaserch would lead us to
solvitions when they're not satisfied. Reaserch would lead us to
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solvition when they are to satisfied in crustomized pic to
first, it's quite possible Patients' amplier never would have helped
her critif a bottle pich as the not regular their particular
than the procedure in her sources. All employees should
find encouraged be by procedure in creating their best work
shouldness wherever possible.

CASE MATRIX

Part	Chapter	Case type	Case title	Company or topic
1. Introduction	1. What is organisational	Vignette	Creating successful 21st-century graduates: the role of OB	The need for graduates to have strong interpersonal skills
	behaviour?	Case study	Confronting aged care's challenges	The aged care industry
		Case study	Apple goes global	Labour force characteristics
	2. Diversity in organisations	Vignette	Diversity and inclusiveness at AccorHotels	AccorHotels
		Case study	Invisible disabilities: mental illness in organisations	Coping with stress and mental illness in the workplace
		Case study	Making Parliament House accessible	The importance of workplaces being accessible for those with physical impairments
	3. Attitudes and job	Vignette	Job satisfaction in the beauty industry	Месса
satisfac	satisfaction	Case study	Self-service checkouts: from people to computers	Roll-out of self-service checkouts across the retail section—at what cost?
		Case study	Job crafting	Proactive job customisation
	4. Personality and values	Vignette	Orange Sky Australia: 'The power of conversation'	Orange Sky Australia—mobile laundry service
		Case study	On the costs of being nice	Characteristics of an 'agreeable' personality
		Case study	Success in business consulting: personality does matter!	Optimal personality traits required for consultants
	5. Emotions and moods	Vignette	The highs and lows of entrepreneurship	The impact of emotions in decision making
		Case study	Furry friends in the workplace	The benefits of allowing pets in the workplace
		Case study	When the going gets boring	Overcoming boredom in the workplace
	6. Perception and individual decision	Vignette	Domino's pizza: creativity key in the kitchen	Creativity at the forefront of competitiveness
	making	Case study	Warning: collaboration overload	The cult of collaboration
		Case study	Feeling bored again	The link between boredom and unethical behaviours
	7. Motivation: from concept to	Vignette	Canva: the best place to work	What makes Canva a great place to work?
	application	Case study	Goodbye to the annual pay rise?	The complexities of pay rise frequency
		Case study	We talk, but they don't listen	The voicing of employee opinions

Part	Chapter	Case type	Case title	Company or topic
3. The group	8. Foundations of group behaviour	Vignette	Preparing students for the world of work	Working in a group environment
		Case study	Negative aspects of group collaboration	Minimising biases
		Case study	Intragroup trust and survival	Leadership and trust
	9. Understanding work teams	Vignette	Challenging short-term teams	Understanding the complexity of teams
		Case study	Trusting someone you can't see	Building trust in virtual teams
		Case study	Smart teams and dumb teams	What makes a team smart?
	10. Communication	Vignette	Effective communication as the driver for organisational renewal	Scott Morgan and Greater Bank
		Case study	Do men and women speak the same language?	Differences in communication styles
		Case study	Trying to cut the grapevine	The effects of office gossip
	11. Leadership	Vignette	Values-based leadership at Frontline Safety Australia	The traits and capabilities of successful CEOs
		Case study	Leadership, strategy and the management consultancy industry	Strategic leadership
		Case study	Leadership by algorithm	Leadership testing and assessment
	12. Power and politics	Vignette	Workplace bullying in parliament	Defining bullying
		Case study	Barry's peer becomes his boss	Grievances in the workplace
		Case study	Should women have more power?	Gender differences in power
	13. Conflict and negotiation	Vignette	A change of tune	The business of streaming music
		Case study	Disorderly conduct	The culture of organisational conflict
		Case study	Treaty or consultation as conflict resolution	The South Australian Government's treaty negotiations

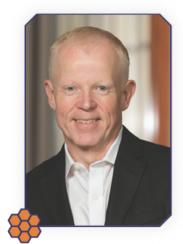
Part	Chapter	Case type	Case title	Company or topic
4. The organisation	14. Foundations of organisational structure	Vignette	Heard but not seen—the evolving virtual assistant	Advantages and disadvantages of office assistants
system		Case study	Creative deviance: bucking the hierarchy?	Going against the creative advice of the hierarchy
		Case study	Complex hierarchy in action in the Australian army	Miliary organisational structure
	15. Organisational culture	Vignette	'Culture eats strategy for breakfast'	Yellow Edge and belief in human potential
		Case study	The place makes the people	Open and activity-based workspaces
		Case study	Active cultures	Patagonia and organisational culture
	16. Organisational change and stress management	Vignette	One accounting firm's response to changing client needs	PKF Australia
		Case study	Change at SEE Business Solutions	Employee consultation during times of change
		Case study	Getting active at work	Workplace gains from activity-enhancing initiatives

ABOUT THE AUTHORS



Stephen P. Robbins

Stephen P. Robbins is Professor Emeritus of Management at San Diego State University and the world's bestselling textbook author in the areas of both management and organisational behaviour. His books are used at more than 1000 US colleges and universities, have been translated into 19 languages and have adapted editions for Canada, Australia, South Africa and India. Stephen is also the author of the bestselling books *The Truth about Managing People*, 2nd edition (Financial Times/Prentice Hall, 2008) and *Decide and Conquer* (Financial Times/Prentice Hall, 2004). In his 'other life', Stephen actively participates in masters' track competitions. Since turning 50 in 1993, he's won 18 national championships and 12 world titles, and set numerous US and world age-group records at 60, 100, 200 and 400 metres. In 2005, Stephen was elected into the USA Masters' Track and Field Hall of Fame.



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Timothy A. Judge is currently the Joseph A. Alutto Chair in Leadership Effectiveness at the Department of Management and Human Resources, Fisher College of Business, The Ohio State University. He has held academic positions at the University of Notre Dame, University of Florida, University of Iowa, Cornell University, Charles University in the Czech Republic, Comenius University in Slovakia and University of Illinois at Urbana-Champaign. Timothy's primary research interests are in (1) personality, moods and emotions, (2) job attitudes, (3) leadership and influence behaviours and (4) careers (person–organisation fit, career success). Timothy has published more than 154 articles in these and other major topics in journals such as the *Academy of Management Journal* and the *Journal of Applied Psychology*. He is a fellow of several organisations, including the American Psychological Association and the Academy of Management. Among the many professional acknowledgements of his work, Timothy was awarded the Academy of Management Human Resources Division's Scholarly Achievement Award in 2014.



Marissa Edwards

Dr Marissa Edwards is a lecturer at the UQ Business School, University of Queensland. She has extensive experience teaching leadership, ethics, conflict management and organisational behaviour at undergraduate and postgraduate levels, and is a Fellow of the Higher Education Academy. Marissa's current research is focused on exploring how to reduce mental illness and encourage wellness in academic settings. She has been published in the *e-Journal of Business Education & Scholarship of Teaching*, the *Journal of Management and Organization* and the *Journal of Management Education*. In 2017, Marissa and her colleague Dr Erin Gallagher received the Best Paper Award in the Management Education and Development track at the Australian and New Zealand Academy of Management conference. In 2018, Marissa received an 'Outstanding Reviewer of 2017' citation at the *Journal of Management Education* and was appointed to the editorial board. Beyond the classroom, Marissa is an experienced project manager, seminar presenter and educator, and has worked with government and not-for-profit organisations.

Peter Sandiford

Dr Peter Sandiford is senior lecturer in organisational behaviour at the University of Adelaide Business School, where he is director of the school's honours program. He has taught undergraduate and postgraduate courses in organisational behaviour, crosscultural management and research methodology in Australia, the United Kingdom, Hong Kong, China and Singapore. His teaching and learning philosophy is increasingly influenced by the need to *span the silos* of scholarly subjects, seeking relevance and connectedness across topics and disciplines. Peter is an organisational sociologist with a particular interest in workplace emotions, organisational approaches to hospitality and the role of organisations within the wider community. He has conducted a number of ethnographic studies exploring both organisational and neighbourhood communities. Peter has published his work in several leading journals such as *Work, Employment and Society*, the *Human Resource Management Journal* (UK), the *Journal of Travel Research* and the *International Journal of Hospitality Management*.



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Dr Martin Fitzgerald is Associate Professor in Leadership and Organisational Studies at the University of Newcastle, Australia. He works with students and executives in the areas of leadership, decision making, and organisational behaviour and change and is privileged to be institutionally recognised for his exceptional contributions to teaching and the student learning experience. Martin has more than 20 years' prior career leadership experience across the public and private sectors, including careers as a corporate lawyer, university law academic, university senior executive and as CEO and president of a national non-profit organisation. His research interests are in the area of values-driven leadership, leadership intelligences and the behavioural dimensions of leadership decision making. Martin has published widely across a broad publication base, including books, book chapters, journal articles, government-commissioned reports and international keynote speeches. He recently co-authored Leadership: Regional and Global Perspectives, published by Cambridge University Press (2018).



James Hunt

James Hunt is the MBA Program Director at the University of Newcastle, where he lectures in leadership and organisational behaviour at the postgraduate level. James has lived and worked as an academic in the United Kingdom, Spain, Bahrain, Malaysia, The Philippines, Indonesia, Singapore, Hong Kong and Australia. He has served in academia for more than 28 years and in 2003 was awarded the Centenary Medal of Australia by the Office of the Prime Minister for service to the university sector in Australia. James has authored more than 60 academic publications including books, book chapters and research papers. He remains an active researcher in the areas of emotional intelligence, leadership and personality. Throughout his career, James has received seven awards for excellence in university teaching.





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CHAPTER

What is organisational behaviour?

LEARNING OBJECTIVES

After studying this chapter, you should be able to:

- **1.1** Demonstrate the importance of interpersonal skills in the workplace.
- **1.2** Define 'organisational behaviour' (OB).
- **1.3** Show the value of systematic study to OB.
- 1.4 Identify the major behavioural science disciplines that contribute to OB.
- **1.5** Demonstrate why few absolutes apply in OB.
- 1.6 Identify managers' challenges and opportunities in applying OB concepts.
- 1.7 Compare the three levels of analysis in this book's OB model.
- **1.8** Describe the key employability skills gained from studying OB that are applicable to other majors or future careers.

Employability Skills Matrix (ESM)

	Myth or science?	Career OBjectives	Ethical choice	Point/ Counterpoint	Experiential exercise	Case study 1	Case study 2
Critical thinking			>	1	15	1	1
Communication	1	1	1		Edy)	1	1
Collaboration	1	1			1	The state of the s	
Knowledge application and analysis		1		1	1	1	T.
Social responsibility		To Consum	1		1	√ V	1

Creating successful 21st-century graduates: the role of OB

Based on her knowledge and experience working in industry and academia for more than two decades, Professor Julie Cogin is quick to acknowledge the importance of Organisational Behaviour (OB) principles in the 21st-century workplace. Named in the top 100 of 'The Australian Financial Review and Westpac 100 Women of Influence' list in 2016, Cogin had a successful corporate career with Qantas and has also consulted to top organisations in Australia, Asia and the United States. She has worked in senior roles at a number of different Australian universities, and also serves as a non-executive director of G8 Education Ltd., Australia's largest publicly listed childcare company.

Reflecting on the major changes that organisations have experienced and the current expectations of new graduates, Cogin says, 'when I talk to employers the consistent business requirement they share is that graduates need interpersonal skills. They also speak of the necessity to collaborate with a diverse range of people, different generations, and levels of seniority as well as customers located in Australia or overseas with various cultural backgrounds. Employers also want graduates who will try something, be open to feedback and keep practising to master a skill. If they fail, they expect graduates to ask for help but be prepared to persevere'.



Corporate leader and scholar Professor Julie Cogin SOURCE: Attila Csaszar/AFR.

Of course, organisations are looking for more than simply knowledge and skills; Cogin says it's important to try new things and seize opportunities to work with others on external projects while at university. 'I think what is really important is to engage in activities outside of the classroom, and there are so many different ways to be involved.' Cogin suggests that engaging in extra-curricular activities can help students gain valuable experience while at university. 'Just as organisations have to differentiate themselves from competitors, our students and our graduates also have to differentiate themselves from others going for the same job. Distinctiveness can be built in various ways including investing time as a student representative to inform the curriculum, participating on a committee to improve the university experience, being involved in social clubs or a job fair. These extra-curricular activities enhance learning, and inform a potential employer about your ability to put in discretionary effort'.

Reflecting on her own time at university, Cogin emphasises that students learn skills in OB courses that will serve them well in their future careers—meaning that paying attention in class is important! 'OB was the most useful course in my business degree,' she says. 'One of the most valuable learnings was that a primary prerequisite of managing others and working effectively in teams, is being able to manage yourself. You need to understand your strengths and be prepared to address your shortcomings.' She also acknowledges that, sometimes, the importance of aspects of OB doesn't

become apparent until you're in the workforce: 'I found organisational structure and change were pretty dry during my studies, but those parts have been the most useful in the job that I've got at the moment!'

SOURCES: Conversation with Julie Cogin, 15 January 2018; and 'New leader for UQ Business School', *UQ News*, 10 October 2017, www.uq.edu.au/news/article/2017/10/new-leader-uq-business-school.

AS EMPHASISED IN THIS conversation with Professor Julie Cogin, students of organisational behaviour bring critically important knowledge and skills to their workplace. This example further shows that many core concepts and ideas in organisational behaviour remain constant: teamwork, emotions, diversity, effective communication, organisational change and organisational structure, to name a few. Throughout this book, you'll learn how organisational challenges often cut across areas such as these, which is exactly why the systematic approach pursued in this book and in your course is important.



The importance of interpersonal skills

Until the late 1980s, business school curricula emphasised the technical aspects of management, focusing on economics, accounting, finance and quantitative techniques. Coursework in human behaviour and people skills received less attention. Over the past two to three decades, however, business schools have realised the role that understanding human behaviour plays in determining a manager's effectiveness, and required courses on people skills have been added to many curricula. In fact, a survey of more than 2100 CFOs across 20 industries indicated that a lack of interpersonal skills is the top reason why some employees fail to advance.¹

Incorporating OB principles into the workplace can yield many important organisational outcomes. Developing managers' interpersonal skills can help organisations to attract and keep high-performing employees. Regardless of labour market conditions, outstanding employees are always in short supply.² Companies known as good places to work—such as Mars Australia, Mecca, Salesforce, Birdsnest and SAS Australia—have a big advantage. A recent survey of hundreds of workplaces and more than 200 000 respondents showed that social relationships among colleagues and supervisors were strongly related to overall job satisfaction. Positive social relationships were also associated with lower stress levels at work and fewer people intending to quit.³ So, having managers with good interpersonal skills is likely to make the workplace more pleasant. Research indicates that employees who know how to relate to their managers well with supportive dialogue and proactivity will also find their ideas are endorsed more often, further improving workplace satisfaction.⁴ Creating a pleasant workplace also appears to make good economic sense. Companies with reputations as good places to work (such as the '100 best places to work in Australia') have been found to generate superior financial performance.⁵

Partially for these reasons, universities have begun to incorporate social entrepreneurship education into their curricula in order to train future leaders to address social issues within their organisations using interpersonal skills. This is especially important because there is a growing awareness of the need to understand the means and outcomes of corporate social responsibility. We have come to understand that in today's competitive and demanding workplace, managers can't succeed on their technical skills alone. They also have to have good people skills. This book has been written to help managers and potential managers to develop those people skills and to acquire the knowledge that understanding human behaviour provides.

Management and organisational behaviour

Let's begin by briefly defining the terms 'manager' and 'organisation', the place where managers work. Then let's look at the manager's job; specifically, what do managers do?

Managers get things done through other people. They make decisions, allocate resources and direct the activities of others to attain goals. Managers do their work in an organisation, which is a consciously coordinated social unit, comprised of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals. By this definition, manufacturing and service firms are organisations, and so are schools, hospitals, churches, military units, retail stores, police departments and local, state and federal government agencies. The people who oversee the activities of others and who are responsible for attaining goals in these organisations are managers (sometimes called administrators, especially in not-for-profit organisations).

More than ever, new hires and other employees are placed into management positions without sufficient management training or informed experience. According to a large-scale survey, more than 58% of managers reported that they had not received any training, and 25% admitted that they were not ready to lead others when they were given the role. Added to that challenge, the demands of the job have increased: the average manager has seven direct reports (five was once the norm), and less time than before to spend directly supervising them. Considering that a Gallup poll in the United States found organisations chose the wrong candidate for management positions 82% of the time, fair to say that the more you can learn about people and how to manage them, the more likely it is that you'll be prepared for a management role. OB will help you get there. Let's start by identifying a manager's primary activities.

Management functions

The work of managers can be categorised into four different activities: planning, organising, leading and controlling. The planning function encompasses defining an organisation's goals, establishing an overall strategy for achieving those goals and developing a comprehensive set of plans to integrate and coordinate activities. Evidence indicates that this is the function that increases the most as managers move from lower-level to mid-level management.¹¹

Managers are also responsible for designing an organisation's structure. We call this function organising. It includes determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom and where decisions are to be made.

Every organisation contains people, and it is management's job to direct and coordinate those people. This is the leading function. When managers motivate employees, direct their activities, select the most effective communication channels or resolve conflicts among members, they are engaging in leading.

To ensure things are going as they should be, management must monitor the organisation's performance and compare it with previously set goals. If there are any significant deviations, it is management's job to get the organisation back on track. This monitoring, comparing and potential correcting is the controlling function.

So, using the functional approach, the answer to the question 'What do managers do?' is that they plan, organise, lead and control.

Management roles

In the late 1960s, Henry Mintzberg, now a prominent management scholar, undertook a careful study of five executives to determine what they did in their jobs. On the basis of his observations, Mintzberg concluded that managers perform ten different, highly interrelated roles, or sets of behaviours.¹² As shown in Exhibit 1.1, these ten roles are primarily (1) interpersonal, (2) informational or (3) decisional.



managers Individuals who achieve goals through other people.

organisation A consciously coordinated social unit, comprised of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals.

planning A process that includes defining goals, establishing a strategy and developing plans to coordinate activities.

organising Determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom and where decisions are to be made.

leading A function that includes motivating employees, directing others, selecting the most effective communication channels and resolving conflicts.

controlling Monitoring activities to ensure they are being accomplished as planned, and correcting any significant deviations.

	EXHIBIT 1.1	Mintzberg's managerial roles		
Role	Description			
Interpersonal				
Figurehead	Symbolic head; required to perform a number of routine duties of a legal or social nature			
Leader	Responsible for the motivation	on and direction of employees		
Liaison	Maintains a network of outside contacts who provide favours and information			
Informational				
Monitor	Receives a wide variety of information; serves as the nerve centre of internal and external information of the organisation			
Disseminator	Transmits information received from outsiders or from other employees to members of the organisation			
Spokesperson	Transmits information to outsiders on the organisation's plans, policies, actions and results; serves as an expert on the organisation's industry			
Decisional				
Entrepreneur	Searches the organisation and its environment for opportunities and initiates projects to bring about change			
Disturbance handler	Responsible for corrective action when the organisation faces important, unexpected disturbances			
Resource allocator	Makes or approves significant organisational decisions			
Negotiator	Responsible for representing negotiations	the organisation at major		

SOURCE: Adapted from H. Mintzberg, *The Nature of Managerial Work*, Upper Saddle River, NJ: Prentice Hall, 1973. Copyright © 1973 by H. Mintzberg. Reprinted by permission of Pearson Education, Inc.

Interpersonal roles

All managers are required to perform duties that are ceremonial and symbolic in nature. For instance, when the vice-chancellor of a university hands out degrees at graduation or a factory supervisor gives a group of high-school students a tour of the plant, they are acting in a figurehead role. All managers also have a leadership role. This role includes hiring, training, motivating and disciplining employees. The third role within the interpersonal grouping is the liaison role, or contacting others who provide the manager with information. The sales manager who obtains information from the quality-control manager in their own company has an internal liaison relationship. When that sales manager has contact with other sales executives through a marketing trade association, they have an outside liaison relationship.

Informational roles

All managers, to some degree, collect information from outside organisations and institutions, typically by scanning the news media (including the Internet) and talking with other people to learn of changes in the public's tastes, what competitors may be planning, and so on. Mintzberg called this the monitor role. Managers also act as a conduit to transmit information to organisational members. This is the disseminator role. In addition, managers perform a spokesperson role when they represent the organisation to outsiders.

Decisional roles

Mintzberg identified four roles that require making choices. In the entrepreneur role, managers initiate and oversee new projects that will improve their organisation's performance. As disturbance handlers, managers take corrective action in response to unforeseen problems. As resource allocators, managers are responsible for allocating human, physical and monetary

resources. Finally, managers perform a negotiator role, in which they discuss issues and bargain with other units to gain advantages for their own unit.

Management skills

Still another way of considering what managers do is to look at the skills or competencies they need to achieve their goals. Researchers have identified a number of skills that differentiate effective managers from ineffective managers.¹³

Technical skills

Technical skills encompass the ability to apply specialised knowledge or expertise. When you think of the skills of professionals such as civil engineers or oral surgeons, you typically focus on the technical skills they have learned through extensive formal education. Of course, professionals don't have a monopoly on technical skills, and not all technical skills have to be learned in schools or other formal training programs. All jobs require some specialised expertise, and many people develop their technical skills on the job.

technical skills The ability to apply specialised knowledge or expertise.

Human skills

The ability to understand, communicate with, motivate and support other people, both individually and in groups, defines human skills. Many people are technically proficient but may be poor listeners, unable to understand the needs of others or weak at managing conflicts. Because managers get things done through other people, they must have good human skills.

human skills The ability to work with, understand and motivate other people, both individually and in groups.

Conceptual skills

Managers must have the mental ability to analyse and diagnose complex situations. These tasks require conceptual skills. Decision making, for instance, requires managers to identify problems, develop alternative solutions to correct those problems, evaluate the alternative solutions and select the best one. After they have selected a course of action, managers need to be able to organise a plan of action and then execute it. Integrating new ideas with existing processes and innovating on the job are also crucial conceptual skills for today's managers.

conceptual skills The mental ability to analyse and diagnose complex situations.

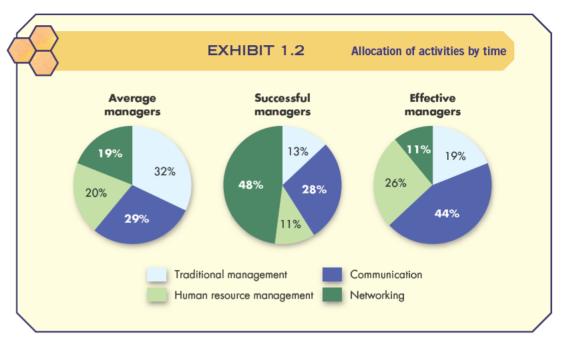
Effective versus successful managerial activities

Fred Luthans and his associates looked at what managers do from a somewhat different perspective. They asked: 'Do managers who move up the quickest in an organisation do the same activities and with the same emphasis as managers who do the best job?' You might think the answer is 'yes'. But that's not always the case.

Luthans and his associates studied more than 450 managers. All of them engaged in four managerial activities:

- 1. Traditional management—decision making, planning and controlling
- 2. Communication—exchanging routine information and processing paperwork
- **3.** *Human resource management*—motivating, disciplining, managing conflict, staffing and training
- 4. Networking—socialising, politicking and interacting with outsiders.

The 'average' manager spent 32% of their time in traditional management activities, 29% communicating, 20% in human resource management activities and 19% networking. However, the time and effort that different individual managers spent on those activities varied a great deal. As shown in Exhibit 1.2, among managers who were successful (defined in terms of speed of promotion within their organisation), networking made the largest relative contribution to success, and human resource management activities made the least relative contribution. Among effective managers (defined in terms of quantity and quality of their performance and the satisfaction and commitment of employees), communication made the largest relative contribution and networking the smallest.



SOURCE: Based on F. Luthans, R. M. Hodgetts and S. A. Rosenkrantz, Real Managers, Cambridge, MA: Ballinger, 1988.

More recent studies in Australia, Israel, Italy, Japan and the United States confirm the link between networking and social relationships and success within an organisation.¹⁵ And the connection between communication and effective managers is also clear. A study of 410 US managers indicates that those who seek information from colleagues and employees (even if it is negative) and who explain their decisions are the most effective.¹⁶

This research offers important insights. Successful managers give almost the opposite emphases to traditional management, communication, human resource management and networking as do effective managers. This finding challenges the historical assumption that promotions are based on performance, and it illustrates the importance of networking and political skills in getting ahead in organisations.

Organisational behaviour

Now that we've established what managers do, we need to study how best to do these things. Organisational behaviour (often abbreviated to OB) is a field of study that investigates the impact that individuals, groups and structure have on behaviour within organisations, for the purpose of applying such knowledge towards improving an organisation's effectiveness. That's a mouthful, so let's break it down.

Organisational behaviour is a field of study, meaning that it is a distinct area of expertise with a common body of knowledge. It studies three determinants of behaviour in organisations: individuals, groups and structure. In addition, OB applies the knowledge gained about individuals, groups and the effect of structure on behaviour in order to make organisations work more effectively.

To sum up our definition, OB is the study of what people do in an organisation and how their behaviour affects the organisation's performance. And because OB is concerned specifically with employment-related situations, you should not be surprised that it emphasises behaviour as related to concerns such as jobs, work, absenteeism, employment turnover, productivity, human performance and management.

Although there is debate about the relative importance of each, OB includes the core topics of motivation, leader behaviour and power, interpersonal communication, group structure and processes, learning, attitude development and perception, change processes, conflict and negotiation, and work design.¹⁷

organisational behaviour (OB) A field of study that investigates the impact that individuals, groups and structure have on behaviour within organisations, for the purpose of applying such knowledge towards improving an organisation's effectiveness.

Complementing intuition with systematic study

Each of us is a student of behaviour. Whether or not you have explicitly thought about it before, you have been 'reading' people almost all your life, watching their actions and trying to interpret what you see or predict what people might do under different conditions. Unfortunately, the casual or common-sense approach to reading others can often lead to erroneous predictions. However, you can improve your predictive ability by supplementing intuition with a more systematic approach.

Following the systematic approach presented in this book will enable you to uncover important facts and relationships, and provide a base from which to make more accurate predictions of behaviour. Underlying this systematic approach is the belief that behaviour is not random. Rather, we can identify fundamental consistencies underlying the behaviour of all individuals and modify them to reflect individual differences.



Myth or science?



'Management by walking around is the most effective management'

This statement is mostly false, but with a caveat. Management by walking around (MBWA) is an organisational principle made famous with the 1982 publication of *In Search of Excellence* and based upon a 1970s' initiative by Hewlett-Packard—in other words, it's a dinosaur. Years of research indicate that effective management practices are not built around MBWA. But the idea of requiring managers at all levels of the organisation to wander around their departments to observe, converse with and hear from employees continues as a common business practice.

Many companies that expect managers and executives to do regular 'floor time' have claimed benefits ranging from employee engagement to deeper management understanding of company issues. A recent three-year study also suggested that a modified form of MBWA may significantly improve safety in organisations because employees become more mindful of following regulatory procedures when supervisors observe and monitor them frequently.

While MBWA sounds helpful, its limitations suggest that modern practices focused on building trust and relationships are more effective for management. Limitations include available hours, focus and application.

- Available hours. Managers are tasked with planning, organising, coordinating and controlling, yet even CEOs—the managers who should be the most in control of their time—report that 53% of their average 55-hour workweek is spent in meetings.
- 2. Focus. MBWA turns management's focus towards the concerns of employees. This is good, but only to a degree. As noted by Jeff Weiner, CEO of LinkedIn, 'Part of the key to time management is carving out time to think, as opposed to constantly reacting. And during that thinking time, you're not only thinking strategically, thinking proactively, thinking longer-term, but you're literally thinking about what is urgent versus important.' Weiner and other CEOs argue that meetings distract them from their purpose.
- 3. Application. The principle behind MBWA is that the more managers know their employees, the more effective those managers will be. This isn't always (or even often) true. As we'll learn in Chapter 6, knowing (or thinking you know) something shouldn't always lead us to act on only that information because our internal decision making is subjective. We need objective data to make the most effective management decisions.

Based on the need for managers to dedicate their efforts to administering and growing businesses, and given the proven effectiveness of objective performance measures, it seems the time for MBWA is gone. Yet, there is one caveat. Managers should know their employees well. As Rick Russell, CEO of Greer Laboratories, says, 'Fostering close ties with your lieutenants is the stuff that gets results. You have to rally the troops. You can't do it from a memo.' Management should therefore not substitute walking around for true management.

SOURCES: G. Luria and I. Morag, 'Safety management by walking around (SMBWA): a safety intervention program based on both peer and manager participation', *Accident Analysis and Prevention*, March 2012, pp. 248–57; R. E. Silverman, 'Where's the boss? Trapped in a meeting', *The Wall Street Journal*, 14 February 2012, pp. B1, B9; and J. S. Lublin, 'Managers need to make time for face time', *The Wall Street Journal*, 17 March 2015.