

FIFTH EDITION

# ORGANISATIONAL BEHAVIOUR

KNUD SINDING, CHRISTIAN WALDSTRØM  
ROBERT KRIETNER & ANGELO KINICKI

# **Organisational Behaviour**

Fifth Edition

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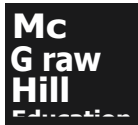
Fifth Edition

Knud Sinding and Christian Waldstrom



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## **Dedication**

For Paul Christian and Martin Andreas,  
and for Julie and Jonathan - our kids.



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# Case Grid

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<b>Part 2: Individual Process</b>		
2 Personality Dynamics	Opening Case Study: Narcissist Personality Leaders	
	OB in Real Life: Culture dictates the degree of self-disclosure in Japan and the USA	
3 Values, attitudes and emotions	Opening Case Study: Why insensitivity is a vital managerial trait	
4 Perception and Communication	Opening Case Study: Wobbly Wheels: Rabobank, cycling and drugs	
	OB in Real Life: Happy feet, beautiful shoes	
5 Content and Motivation Theories	Opening Case Study: Societe Generale and the motivation of Jerome Kerviel	
6 Process Motivation Theories	Opening Case Study: Bonuses for bankers	
	OB in Real life: Students at FedEx	
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<b>Part 3: Group and Social Processes</b>		
7 Group Dynamics	Opening Case Study: A retrospective of the Challenger Space Shuttle disaster: was it groupthink?	
	OB in Real Life: Managing groups in the World of Warcraft	
8 Teams and teamwork	Opening Case Study: Miracle on the Hudson	
	OB in Real Life: The Israeli tank-crew study	
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# Preface



This is the second time we've been involved with *Organisational Behaviour*. Working on the previous edition was an honour and, whilst we did make a large number of changes and replaced a lot of cases, we felt that we should stick closely to the existing structure. Revisiting the text to prepare this fifth edition, however, has been a different experience altogether. With the benefit of hindsight, and invaluable feedback from our colleagues and students, we've been able to take a more objective look at what was working and what wasn't.

As before, our main challenge has been how to strike a balance between keeping the core of the text true to what our readers have come to expect and how to adapt to review feedback. With this in mind we have streamlined the chapter that used to be on Change and Knowledge to make it easier to understand and use — but the core content that students need remains. We have removed the focus from Knowledge Management to allow room to explore how students can analyse and implement change and this is reflected in the new chapter title 'Diagnosing and Changing Organisations'. While we appreciate the importance of Knowledge Management, this is a topic usually covered in more specialised courses and rarely in the introductory level courses on organisations for which this book is designed.

This change to Chapter 16 also reflects one of the ways we've enhanced the application of material. This chapter now has diagnosis in the title and it begins with a long section that deals with analytical or diagnostic challenges related to each of the main chapters (or sets of chapters). The logical progression is that it makes no sense to consider any aspect of organisational change if it is not preceded by a diagnosis. It's a long version of 'if it ain't broke, don't fix it': managers or leaders must be able to pinpoint where the organisation is broken before they start changing it.

We also found that the chapter on corporate responsibility wasn't widely used so it has been removed from this edition to allow a focus on more key topics.

It's also worth noting that we have moved coverage of Conflict from Chapter 9 'Organisational Climate' to Chapter 14 'Power, Politics and Conflict' where we feel it has a more logical fit.

As you would expect, this edition of *Organisational Behaviour* retains a strong European focus with full acknowledgement that many of the theories within the field are American, thus striving for a balance between theories from both sides of the Atlantic.

For this edition, as in the fourth, we've focused strongly on updating cases throughout the book in order to put theories into contemporary perspectives that are more likely to resonate with students and enhance their engagement with the subject. Cases now include The Gulf of Mexico oil spill, Royal Dutch Shell, and FedEx to name a few.





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# Guided Tour

## Learning Outcomes

### Learning Outcomes

- When you finish studying the material in this chapter, you should be able to:
  - explain what self-esteem is and how it can be improved
  - define self-efficacy and explain its sources
  - explain the difference between an internal and an external locus of control
  - identify and describe the Big Five personality dimensions
  - describe Jung's and Myers and Briggs' personality types
  - elaborate on cautions and tips concerning intelligence testing
  - describe the implications of intelligence and cognitive styles
  - describe cognitive style and learning styles

## Learning Outcomes

Each chapter opens with a set of learning outcomes that pinpoint the key concepts introduced.

## Opening Case study

Each chapter opens with an interesting and relevant case study to introduce and apply key theories in OB. Each case study contains questions to encourage discussion.

**Opening Case Study: Why insensitivity is a vital trait**

When Bashir veDatta, an Iranian immigrant character in the novel "The Namesake" by Jhumpa Lahiri, is asked to name the top 10 leadership traits, he lists: "detachment, curiosity, and the ability to sleep when others are awake." But his response is fairly straightforward. He has been praised in the past for his "detachment" (the ability to sleep when others are awake) and "curiosity" (the ability to take care of the best interests of the company and the interests of the employees). Perhaps insensitivity is essential to survival in business. According to the book, "Leaders have got a bad reputation because their intentions are not always clear. At least, they are a lot simpler to understand than the intentions of a leader who is sensitive to the needs of others." In fact, the book states that "insensitivity is a vital trait" because it allows a leader to focus on the goal, even when it means ignoring a somewhat different perspective. The practical punch line here is that a leader's insensitivity is not a leadership style to a participative and collaborative style.

## Glossary

- Ability** Stable characteristic responsible for a person's maximum physical or mental performance.
- Accommodator** Learning style preferring learning through trial and feeling.

## Key Terms

Each new term introduced in the book is defined in the text and highlighted to indicate this. A complete list of key terms is provided in the glossary at the end of the book.

## Critical thinking questions

Critical thinking boxes have been added throughout the chapters to encourage debate and discussion among students and to foster critical thinking skills.

**Critical thinking**

Are the phases proposed by Tuckman's model of group development necessary for all groups? Why or why not? Discuss the phases of group development and how they relate to the stages of team development.

## Activity

Are you an optimist or a pessimist?

### Instructions

Indicate for each of the following whether you agree or disagree with the statement.

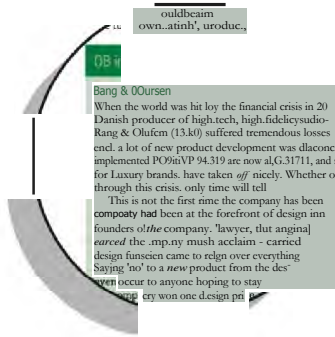
- In uncertain times, I usually feel optimistic.
- It's easy for me to relax.
- If something can go wrong, it will.
- I always look on the bright side of things.

## Activities

Activities are interspersed throughout the text to encourage analytical thinking and to develop skills through interactive tasks.

## 7.4 Roles

Roles have passed through the stages of group development.

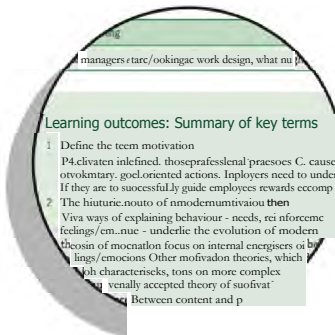
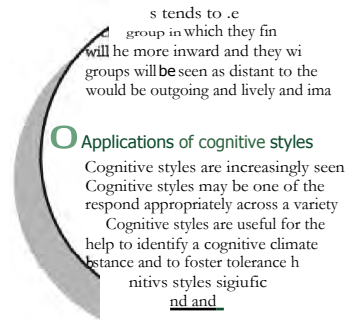


### OB in Real Life boxes

These mini cases provide examples from around the globe, focusing on the differences in perceptions, cultures and beliefs that affect behaviour in the workplace, providing relevant and interesting insights and an international outlook on OB.

### 'HR' icons

Look out for 'HR' icons which appear in the margin of the page whenever there is a link to HR in the text. This acknowledges the relationship between the two closely-related disciplines and demonstrates where they overlap.

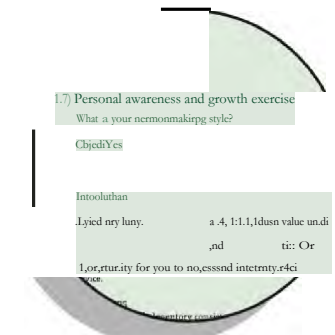
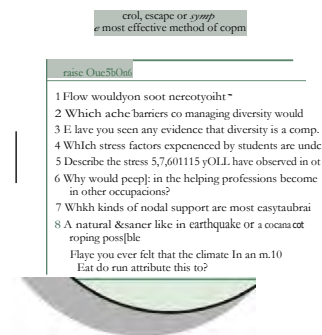


### Learning Outcomes: Summary of Key Terms

At the end of each chapter, a short recap reinforces and clarifies the chapter learning outcomes.

### Review Questions

These end of chapter exercises test understanding of core theories and can be used in class or as an assessment. As well as checking comprehension, the exercises require you to demonstrate your analytical abilities by citing examples and applications of the concepts in the chapter.



### Exercises

A variety of different exercises at the ends of chapters illustrate decisions one might face in the workplace. They develop ethical awareness, transferable skills and group discussion.



# Technology to enhance learning and teaching



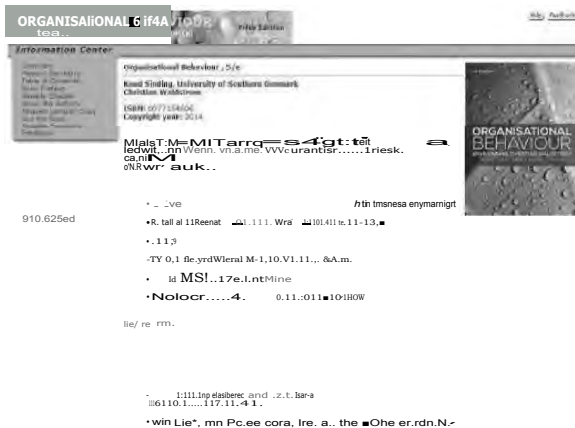
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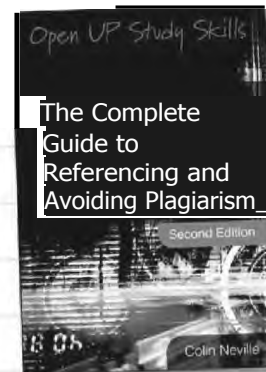
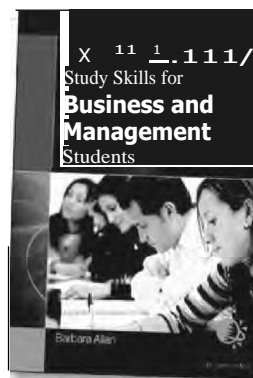


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# Part 1



# The world of organisational behaviour

## Part content

1 Foundations of organisational behaviour and research

3

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# Chapter 1



## Foundations of organisational behaviour and research

### Learning Outcomes

When you finish studying the material in this chapter, you should be able to:

- 12** give an overview of the different views that were a source for the development of the organisational behaviour (OB) field
- E1** explain Taylor's principles
- E1** describe the five key tasks of a manager according to Fayol
- B1** give Barnard's view on co-operation
- E1** explain Simon's ideas about motivating workers and bounded rationality
- E1** describe the four alternative views on organisation studies
- si** contrast McGregor's Theory X and Theory Y assumptions about employees
  - describe Morgan's eight organisational metaphors
- E1** define the term 'organisational behaviour'

## Opening Case Study: Christmas snow in the Channel Tunnel

On 18 December 2009, just before the Christmas holidays, massive snowfall in southern England and northern France severely disrupted train services. One service, in particular, was affected, the Eurostar, which connects London to Paris, Lille and Brussels. Five trains broke down in the tunnel due to electrical failures and passengers had to be evacuated in various ways. The train service was suspended and many passengers were inconvenienced. The breakdowns and subsequent failures led to a media storm, which, in turn, led to an independent inquiry. This edited version of the executive summary tells the story:

### Executive summary excerpts

*On the night of 18 December 2009, snow fell in the UK, with even heavier snowfall in France. The M20 was closed, as were a number of roads and motorways in the north of France. In these conditions, five Eurostar trains travelling to the UK from Brussels, Paris and Marne-la-Vallee (Disneyland Paris) broke down in the Channel Tunnel.*

*The first train to fail was recovered relatively quickly. The subsequent four trains then broke down in rapid succession and passengers from two of them had to be evacuated onto Eurotunnel passenger shuttles within the Tunnel. This was the first time this had happened in 15 years of operation in the Tunnel.*

*Whilst the rescue operation was carried out safely, passengers on all trains were delayed for a very considerable period before they arrived at their destination.*

*Following the train failures on the Friday night (18th), Eurostar services were suspended for three days, causing severe disruption to thousands of passengers. Over the days that followed, before Eurostar resumed a limited service on Tuesday 22 December, over 90,000 passengers were due to travel to and from the UK by Eurostar.*

*With Eurostar now having over 65% of the passenger market, even if disruption were to occur in ideal weather conditions, it would be virtually impossible to make adequate alternative travel arrangements to accommodate all passengers. On this occasion, the adverse weather made provision of alternative transport all the more difficult. However, Eurostar should have been better prepared for this scale of disruption and reacted earlier to try to help passengers caught up in the delays. The fact remains that Eurostar did not have a plan in place and had to improvise, and its provision of information to customers was inadequate.*

*In the main, the evacuation of the trains was carried out efficiently and in some cases creatively by Eurotunnel and the authorities. However, the Review highlighted serious concerns about the procedures in the Tunnel for dealing with conditions that arise on Eurostar trains when they lose power and subsequently their air conditioning and lighting.*

*The Review found no reason why, even with five trains delayed in the Tunnel the passengers could not have been evacuated in an emergency situation (which was not the case here) in a totally safe manner.*

Twenty-one recommendations were made in this report, including introduction of video links between the various control and operation centers, a better rehearsed evacuation procedure, more training for staff and, most notably, the following:

1. *We recommend that key complementary measures should be taken before the coming winter.*
- 18.2. *We recommend that Eurostar should agree with SNCF that as a general rule trains should not be left in the middle of the countryside or in a small station overnight.*

The first one is simple to the point of banality: another heavy snowfall may come along as soon as next winter. The other clearly intelligible recommendation is 18.2, which sends a very rich message in just a few words.

More generally, this is a case where trains broke down and thousands of passengers were stranded in trains in the tunnel or in the countryside between Calais and Paris, or in icy stations when they showed up for their Christmas holidays. Conditions were poor, trains overheated, toilets stopped working and food and water ran out. Many organisations were involved (Eurotunnel, SNCF, Network Rail, Eurostar) whose co-operation was based on contracts and agreements.

The train breakdown and all the derived effects highlight organisational problems in a broad number of areas, including communication and specific procedures for this type of emergency. From these overall failings follows the need for a cascade of organisational modifications required to address each and every one of the detailed problems identified in the report.'

### For discussion

At which levels of the involved organisations is there a need for change - and how can those responsible ensure that similar situations do not recur?

*Source:* Executive summary of the independent review of the Eurostar Incident: [www.icpem.net/LinkClick.aspx?Fileticket=Q6EG8pYFIcQ%3D8ctabid=1078rmid=588](http://www.icpem.net/LinkClick.aspx?Fileticket=Q6EG8pYFIcQ%3D8ctabid=1078rmid=588)

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## 1.1 The history of organisational behaviour

1

It is nearly a century since Henry Ford said: 'You can destroy my factories and offices, but give me my people and I will build the business right back up again!' Every day, business magazines come up with new stories reporting famous chief executive officers' (CEOs') claims that their employees are their main source of competitive advantage. The founder of Virgin, Richard Branson, said: 'There is only one thing that keeps your company alive, that is: the people you work with. All the rest is secondary. You have to motivate people, and attract the best. Every single employee can make a difference [ . . . ] People are the essence of an organisation and nothing else!'

However, Dilbert cartoonist Scott Adams, who humorously documents managerial lapses of sanity, sees it differently. Adams rates the often heard statement 'Employees are our most valuable asset' as top of his list of Great Lies of Management.' This raises serious questions. Is Branson an exception, a manager who actually acts on the idea that people are the most valuable resource? Does the typical manager merely pretend to acknowledge the critical importance of people? If so, what are the implications of this hypocrisy for organisational productivity and employee well-being?

A number of studies have been enlightening. Generally, they show that there is a substantial and rapidly expanding body of evidence - some of it based on quite sophisticated methodology - of the strong connection between how firms manage their people and the economic results they achieve.<sup>5</sup>

A study by the University of Sheffield's Institute of Work Psychology, based on extensive examination of over 100 medium-sized manufacturing companies over a seven-year period, revealed that people management is not only critical for business performance. It is also far more important