Chapter 1

THE PERSON AND THE ORGANIZATION

Before reading this chapter, complete the Organizational Identity exercise in the self-discovery section. There are three parts to it. Part 1 asks you to list the most “memorable” organizations you have been a part of, including: education, employment, sports teams, social or community groups, and so on. Part 2 asks you to indicate (with as much precision as possible) the organizations you would like to be a part of in the future. Be as specific and realistic as possible. Finally, Part 3 asks you questions about your organizational experiences, such as: Which was the single most effective organization you have ever been a part of, and why? Which organization provided you with the most significant challenge of your life?
CHAPTER 1 • THE PERSON AND THE ORGANIZATION

Organizational Life

The organizations you have been a part of define who you are. Part of your identity is rooted in those organizations. Your organizational experiences have shaped you, and in turn, you have shaped those organizations. As a next step in understanding your organizational identity, go back to each organization you have listed in the exercise and indicate: (1) What is the key thing you learned or gained by being a member of that particular organization? (2) What do you think you brought to or gave to that organization? Then, meet with one other person to exchange and explain your unique organizational identities. Ask questions, explore similarities and differences.

This book is based on the belief that understanding organizations and our place in those organizations is the most important enterprise that we can possibly undertake. As the Organizational Identity exercise reveals, you don’t need to be a seasoned corporate executive to have extensive experience in organizations. The younger you are, the more time you have ahead of you to spend in organizations and, therefore, the more you have to gain by investing in an understanding of organizations. As a case in point, consider the following facts:

You will give your job more time than any other aspect of your waking life. For people born after 1960, retirement age is 67. If most people earn their college degrees at 22 years of age, work for a few years, and then perhaps take 2 years for additional education, that means most people will work for about 40 years in an organization. Moreover, most of today’s workers believe that they will be working during “retirement years.” In short, most people are opting to prolong their working lives. The United States has one of the highest labor force participation rates for people age 65 and over in the developed world. Which organization listed in your Organizational Identity exercise have you been a part of longest? Is it the most “rewarding” one? Which organization do you see yourself most invested in for the next 20 years? What do you hope to learn from that organizational experience? What are you going to offer to that organization? If you could build an organization of your own, modeled on one of your past experiences, which one would it be, and why?

You will be part of several organizations during your life. Organizational monogamy is a thing of the past. One poll revealed that 38 percent of managers, supervisors, and team leaders planned to change jobs within a year. The average person born late in the baby boom will hold 8 jobs before retiring. The readers of this book will do the organizational equivalent of marrying, divorcing, and remarrying several times throughout their lifetime. Most of these career changes are ones that people engage in opportunistically, in their evolution as organizational members. However, be careful about job-hopping too frequently, because it could raise questions about how focused you are (see Exhibit 1.1 on changing jobs).

Think about your own organizational experiences. Focus on where you ended one organizational affiliation (e.g., graduation, change in job, a move, etc.) and began a new one. Looking back, what was the most difficult aspect of the transition? If you could give advice to someone making a similar transition, what advice would you offer?

Your choice of occupation, your job title, and the remuneration it affords you will affect your quality of life, your health care, ability to retire, and retirement age. Consider the retirement savings of a person who begins working full-time at age 26 at a starting salary of $40,000, versus a person who begins working at age 26 at a starting salary of $35,000. The difference seems small until you calculate the compounded effects of what each person’s salary would be at the ripe age of 40. After, say, each person had received 5 percent annual salary increases and had worked continually. According to the Rule of 72 (divide 72 by the average growth rate), with an average growth rate of 5 percent per year, it will take approximately 14 years to double your salary. Therefore, by age 40, there will be a $10,000 salary gap between the starting salaries, not including benefits. Also, with the 5 percent growth rate, if you calculate the retirement benefits attached to those starting salaries, the higher starting salary will receive 6 percent more annually in Social Security benefits by the age of 50. Another way of looking at it is to ask when you should retire? A 46-year-old who earns $190,000 a year could make the equivalent of over $800,000 in retirement savings from 401K and brokerage accounts by working until 65 rather than 60.
Despite these examples about salary, one point that we are going to make repeatedly in this book is that people don’t work just for money. We work for fulfillment; we work to make a difference; and we work to help others. Most people want to be happily employed. For this reason, it is particularly worrisome that almost half of all American workers are unhappy with their jobs. 

(See Exhibit 1.2 for a humorous description of one worker’s insistence on the “right” to be happy at work.)

Look at the future you created in your Organizational Identity exercise. For each of the organizations you list yourself as involved in for the future, indicate the key reward or benefit you expect to get from this organization (i.e., money, fame, status, personal challenge, fulfilling relationships, etc.). Are the rewards you seek in the future similar to those that you have worked for in the past? Can you see a central theme or set of personal values?

There is good reason to expect the most from your organization and yourself. It is through organizations (and groups) that we have our greatest impact on the world. Management thinker and pundit Douglas Smith argues that, “Organizations are not just places where people have jobs. They are our neighborhoods, our communities. They are where we join with other people to make a difference for ourselves and others. If we think of them only as the places where we have jobs, we not only lose the opportunity for meaning, but also risk losing the opportunity to make a difference.”

EXHIBIT 1.1 Why a Job Hopper Needs Sure Footing

Many people consider leaving their (miserable) job for something better. But how many times can you change jobs before your résumé signals that you jump around too much? According to Wendy Wallbridge, president of On Your Mark Corporate Coaching and Consulting, “If you have a good story line about how your moves are part of an overall plan for developing your skills and competencies, it does not matter [how often you change jobs].” However, any job stint less than 12 months looks suspicious. It signals that you don’t have sufficient attention span, or worse yet, you can’t make a commitment. The best reason to leave one job for another is not money but, rather, the opportunity to develop new skills. But leaving your company is not necessary to do this; great opportunities may lie in a different department or office in your own company. Thus, one trick is to jump internally via networking, rather than rely on the bureaucracies of human resources. Also, just because you stay in one job at one company for years does not mean you are not learning—you can morph your job to take on new roles and responsibilities. According to this executive coach, “The number one skill to develop in this day and age is career self-reliance.”


EXHIBIT 1.2 The Right to Be Happy at Work

“I’m dysfunctional. I have a serious disorder,” writes David Whitemyer, correspondent for The Boston Globe. “I call [my disorder] CSES, which is short for Career Satisfaction Entitlement Syndrome. Simply defined, CSES is a mutation of the widely held social tenet that each of us deserves to be happy, all of the time, in our work. It is a belief that someone other than yourself, or some force out of your control, is responsible for providing job happiness. When things are a bit slow at work, I get an itching for a challenge. When I’ve had a cruddy day, I feel like it’s time for a change. Over the last 10 years, I’ve worked for five different companies. I left each one, of my own accord, regardless of the fact that each was providing me with good money, health insurance, and some periodic novelty. I wanted more, and I wanted it constantly, so I moved on. CSES is clearly a product of our short-attention-span culture. Every day has to be fulfilling. Work itself has become an extreme sport. If our job is to be satisfying, then it must give us an adrenaline rush. If not, then there must be something wrong. I also have to understand that happiness is an extreme. It comes and goes. Like job satisfaction, it is noticeable only by its absence. I’m learning to enjoy plain old work contentment.”

but we endanger the planet." For this reason, students of organizational behavior (OB) realize that people exercise their values through organizations.

Our involvement with organizations dramatically affects the quality of our lives for years to come. Those who enter the world of work and organizations with knowledge of how they work and function will be in the best position to bring value to those organizations and to themselves.

**Defining Organizational Behavior**

Human beings have been members of organizations since the dawn of time. However, the scientific study of organizational behavior is relatively young. The study of organizational behavior, also referred to as OB, is the study of how the thoughts, feelings, and behaviors of individuals and groups in organizations are influenced by the actual, implied, or imagined presence of others. As a case in point, consider the United States’ decision in 2003 to invade Iraq. The thoughts of the U.S. military and political decision makers were indeed influenced by the belief that Iraq possessed (and was hiding) weapons of mass destruction. Subsequent investigations later revealed that the weapons of mass destruction did not actually exist, but at the time the decision was made to invade, the decision makers believed that they did exist. The point is: Sometimes our behavior is affected by our beliefs about other organizations.

People shape organizations and organizations influence people. For example, at the dawn of the computer age, Bill Gates and Steve Jobs were both young college students who were considered somewhat “nerdy” or “geeky.” Bill Gates (Harvard) and Steve Jobs (Berkeley) both created organizations that were strongly influenced by their own “geeky” personalities. This is an example of how people can influence organizations. Similarly, think about how people are also influenced by the culture of the organizations they are a part of. We have all known people who seem to change once they join a particular sorority or fraternity. Which organizational experience changed you the most? Why?

**Content Areas of OB**

The content areas of OB cover three main features of interest: thoughts (also known as cognition), affect (also known as feelings or emotions), and behavior (or action). If you think about it, nearly any question anyone could ask about organizational life could fall into the domain of thoughts, feelings, and behaviors. For example, a Business Week article might analyze how Frank Baldino Jr., CEO of Cephalon, Inc., skillfully markets new ideas into hit products (thoughts). A New York Times article might look at how the fire department uses gentler, softer images to expand and diversify its recruitment (affect). And an Inc. Magazine article might focus on disruptive office practices, such as interrupting and getting trapped in others’ conversations (behavior).

The topical chapters in this book center around these key content areas: judgment and decision making (cognition), featured in Chapter 7; negotiation (behavior), featured in Chapter 8; understanding people (cognition), featured in Chapter 2; and relationships (which often involve emotions), featured in Chapter 6.

**Level of Analysis**

To build a science of OB, we must move beyond casual, everyday observation to sophisticated analysis. OB is a science; as such, the pursuit of that science requires that thoughts, feelings, and behaviors be observed, measured, quantified, and analyzed. With so many variables to think about, where should we begin? There are four key levels of analysis that OB researchers focus on. Think of levels of analysis like a camera that the OB researcher can use to look at things in a typical organization (see Exhibit 1.3). As a case in point, consider the organizational activities following the Hurricane Katrina disaster of 2005.

At a very detailed level, the OB researcher can set the camera lens on telephoto focus and observe the behavior, cognition, and affect of a single person (individual level of analysis). Consider, for example, Mr. John Ebanks. Mr. Ebanks was one of the last people to evacuate the New Orleans area. He refused to leave his house and waved off the rescuers
from his porch stocked with food, insect repellent, and other supplies. “You’ve got to protect your property, that’s the main thing,” he said. “This is all I’ve got. I’m pretty damn old to start over.” The OB researcher can widen the viewfinder and perhaps watch how this person interacts with her boss or a co-worker (interpersonal level of analysis). The interpersonal level of analysis focuses on the one-on-one relationship. In the Hurricane Katrina disaster, many people lost a child or spouse. Some very fortunate people were able to locate their missing child or spouse. For example, LaToya Adamore found her daughter after more than two weeks. Mother and daughter reunited in Dallas after volunteers found the 3-year-old near Galveston, Texas. The relationship we have with our child or spouse is the most intense interpersonal relationship we can experience.

The OB researcher might further widen the viewfinder so that the entire team or business unit is visible and interesting group dynamics begin to be seen, such as how close together people stand, their eye contact during team meetings, and so on. In the Hurricane Katrina disaster, a key focus of news attention was on the gangs that looted stores and held others at gunpoint, even in the New Orleans Superdome. Several news commentators as well as disaster survivors were perplexed at how victims of the same natural disaster could turn against each other during a time of hardship, rather than using each other as sources of strength and support. However, equally astounding displays of human generosity at the group level occurred as Houstonians offered disaster survivors a place in their homes.

Finally, the widest possible view is that involving the organization itself. The OB researcher takes an aerial view of the organization and looks at the organization as a whole. Immediately following the Hurricane Katrina disaster, one key issue was the lack of organizational disaster relief. Many harsh questions were raised about the lack of government response to the disaster. In other words, many people criticized the Bush administration for failing to act swiftly.

Let’s summarize the four levels of analysis that will thread through this book:

The **individual level** focuses on how the individual organizational member thinks, feels, and acts. The individual level encompasses decision making that we will read about in Chapter 7.
The **interpersonal level** focuses on how people in organizations relate on a one-on-one level to others. This involves communication ability, trust, and the ability to form and sustain relationships. The interpersonal level includes mentoring, coaching, communicating, and one-on-one negotiations such as those discussed in Chapter 8.

The **team level** is the fundamental building block of an organization. We focus on how teams set goals, resolve conflict, and achieve results. The team level obviously includes group dynamics, which are examined in Chapter 9.

Finally, the **organizational level** represents the broadest level of looking at the organization. Organizational culture and organizational norms permeate every layer of the organization. Organizational-level phenomena cannot be easily reduced to the behaviors of a given person or even a given team. We will discuss organizational change in Chapter 11.

In many cases, like the Hurricane Katrina disaster, different levels of analysis may be used to analyze the same situation. This does not mean that one level of analysis is wrong, and the other correct. Rather, it means that a given problem may be explored from different vantage points.

**Guiding Principles of OB**

The key question that nearly every manager will ask himself or herself at any point during a typical day is, “Why do people behave the way they do?” In a parallel fashion, scientists who study organizational behavior ask this very same question. In a nutshell, the answer to this question can be approached with the following equation:

\[
\text{Behavior} = f(\text{Person} + \text{Situation})
\]

That is, a person’s behavior is determined in some part by the person’s own traits, abilities, and temperament and in some part by the demands and pressures of the particular situation. For example, consider the incredible seven hours that Ashley Smith spent being held hostage by escaped gunman Brian Nichols on March 12, 2005.\(^{15}\) Unbelievably, Smith was able to convince Nichols to turn himself in to the police. Investigative reports of the incident focused on how Smith’s depth of character, calm behavior, and ability to build empathy on the fateful night led to her being able to successfully stop Nichols’s shooting spree. Thus, several analysts focused on unique aspects of this woman’s personality as the key to her being let go unharmed and saving others from being killed. There were certainly situational factors as well, such as the fact that Nichols was tired and hungry after running all day, and happened to have similar religious beliefs as Smith. In nearly any situation, our behavior is the result of our own personality plus certain things in the situation.

Another implication of the “person,” as we have described it, is that characteristics of people are relatively stable across time and situation, can often be measured or assessed, and are difficult to change. In contrast, features of the “situation,” as we have described them, are less stable, but are relatively easier to change or manipulate. For example, if a manager has trouble running effective team meetings because one person is too talkative (a “person” characteristic), it is much more difficult to change the person than it is to change the situation (such as enforcing a hand-raising rule or hiring a meeting facilitator).

**Skills**

This book is skill-focused in terms of preparing people for organizational challenges and opportunities. A key question concerns the skills that people will be judged on and, in turn, the skills they can use to assess the competencies of other people. It may seem unimaginable now, but you will eventually hire someone to work for you or with you. Choosing the right people is paramount for organizational success. As you might imagine, there is
considerable debate on the skills thought to be essential for organizational work. We outline five broad types of skills (see Exhibit 1.4).

**Technical Skills**

**Technical skills or job-related skills** refer to depth and breadth of subject matter. For example, if a person needs to prepare financial reports, it is essential that she possess key accounting concepts. Similarly, if you are challenged to develop and deploy a change initiative, it is essential that you be able to draw upon a theory of change. Thus, technical skills simply refer to the variety of knowledge areas in business. The chapters of this book provide depth of knowledge in terms of job-related OB skills, such as negotiation (Chapter 8), change management (Chapter 11), and decision making (Chapter 7).

One of the most often cited criticisms of organizational behavior is that “it is all common sense” and that anything someone should know he or she can simply learn on the job. Moreover, many people eschew theory and disdain models, concepts, and charts unless they provide immediate practical “do this” knowledge. We could not disagree more. According to Kurt Lewin, “there is nothing as practical as a good theory.” What Lewin correctly recognized was that a practical tip is like giving a person a fish; a theory is more like teaching a person how to fish. This book and your courses in management and organizational behavior provide you with tools. The ideas you develop about people and organizations will have a profound impact on your behavior for decades to come.

The other reason why having a good theory is essential for managerial success is related to how your brain works. The typical person’s short-term memory holds about seven, plus or minus two, pieces of information. Stated another way, the average person only remembers about seven digits when given a string of random numbers. However, the person who has a theory will remember much more information because that person is chunking information, rather than approaching it in a piecemeal fashion. In other words, we overcome the $7 \pm 2$ limits by grouping small bits of information into larger units or chunks. A chunk might be a word, phrase, sentence, or entire chapter (depending on one’s expertise). For most Americans, the acronym FBI is one chunk, not three, and the date 1492 is one chunk; but the number 9214 is four chunks. If you have training or expertise in an area, then your capacity for forming chunks is much greater. Thus, this is why it is important for students to really understand material—not just memorize a series of disconnected facts. (As an exercise, visit the book’s Website and read two articles from the See it in the Real World section. Read one article and then put it away and attempt to tell the story to a friend. Before reading the next article, make an outline of key questions to ask before you read the article and then read it. Then, tell the story to a friend. Usually, readers remember much more of the article that they mentally outlined than the one that they did not).
Moreover, the person who possesses a theory will focus on the right information, rather than superficial information, when interpreting a management situation. Consider students enrolled in a college physics course. They were given a number of physics problems, such as “How soon will a train reach a destination that is 45 miles away, if the train is traveling 90 miles an hour?” The students were not asked to solve the problems, but rather to simply categorize the problems into groups. The novices—who did not have a theory of physics—classified the problems into superficial categories, such as “problems about trains,” “problems about pulleys,” and so on. In contrast, the experts—the students who held theories about physics—categorized the problems into more meaningful groupings, such as Newton’s first law of physics. The message? People who develop theories about organizational behavior will approach problems in a much more sophisticated fashion and not fall victim to superficial detail.

**Decision-Making and Judgment Skills**

Technical expertise and depth of knowledge in the relevant subject areas of management are essential, but not enough for leadership in organizations. People also need decision-making and judgment skills. Think again about the United States’ invasion of Iraq in 2003. Whether you agree or disagree with the decision to invade, it is important to recognize the invasion as the result of a decision-making process, in which a body of people who had high-level authority considered the courses of action available to the United States and the likely consequences from pursuing those courses of action. In other words, the ability to identify and evaluate different courses of actions for problems and challenges is a key aspect of decision making. Decision making is the heart of leadership, as well as change management and organizational strategy. What is the toughest decision you ever made in an organization? What did you learn about decision making that might help you in your future?

**Interpersonal Skills**

Interpersonal skills refer to the large body of skills utilized when interacting with other people. Some call these sets of skills “people skills”; others refer to them as “emotional intelligence.” Interpersonal skills are essential and, indeed, thought to be the key measure that determines whether someone advances in an organization. When did you display interpersonal skills in the organizations you listed? Can you remember a person in one of your organizations who demonstrated excellent interpersonal skills? What did this person do or say?

Interpersonal skills are difficult to assess and measure. In short, it is easy to see how someone might assess a person’s technical competence in the area of accounting or information systems, and it might even be possible to examine judgment and decision-making skills, such as via game theory. But interpersonal skills are not easily measured via a paper and pencil test, although they are vital for the success of organizations.

**Ethical and Moral Skills**

It is highly controversial to list ethics and morals as skills per se because many people believe that they cannot be taught; but rather they reflect a person’s character. We disagree. We think that developing ethical skills should have a place in management education. The purpose is not so much to agree on what set of ethical principles is right or wrong, but rather, for people to develop a personal awareness of their own ethical principles and morals—in short, to formalize what they might be only latently aware of. Consider the prisoner abuse scandal at Abu Ghraib in 2004. As uncovered by legal scholars M. Gregg Bloche and Jonathan Marks, who conducted an inquiry published by *The New England Journal of Medicine*, not only were some military doctors at Abu Ghraib enlisted to help inflict distress on the prisoners, but also the scarcity of basic medical care was at times so severe that it created another kind of torture. There was also medical disarray at the prison: amputations performed by non-doctors; chest tubes recycled from the dead to the living; a medic...
ordered, by one account, to cover up a homicide. A medic was allegedly ordered to take part in a ruse to make an inmate who died during questioning look as if he was alive when he was taken out of the prison.20

After reading the story about Abu Ghraib, what ethical and moral skills do you believe were lacking in that situation? If you were to be selected to take part in a change management process, what ethical training would you recommend to make sure another situation did not develop?

**Self-Knowledge Skills**

The question here is not how much you know (technical skills), but how well do you know your own limits? Such is the focus of learning skills: the ability to objectively reflect upon one’s strengths, weaknesses, and areas of improvement—the ability to not only accept critical feedback but to consistently seek it out. A person who is willing to admit that a situation is outside of his or her domain of expertise and to bring in an expert is demonstrating learning skills. Learning skills also refer to the different learning styles that people might have and the ability to appropriately adjust or tune to that.

**Key Tensions and Challenges for People in Organizations**

What is so vexing about organizational behavior? What are the key issues and tensions that will challenge you throughout your career? Before reading further, look at your Organizational Identity exercise. What are the most rewarding organizational experiences you’ve had? What are your most frustrating organizational experiences? Next, we outline six challenges that occur and reoccur for people throughout their tenure in an organization. They often take time to reveal themselves to the organizational actor and they may masquerade as other problems. Moreover, they often occur at different levels of analysis—intrapersonal, interpersonal, group, or organizational. The person who can correctly identify the key tension at hand is in a much better position to adequately respond to the challenge. We are not going to give answers; rather, we are going to highlight the tensions and challenge you to outline your own answers.

**Self versus Organizational Interest**

Most people will find themselves at the crossroads between furthering their own interests or that of the larger organization countless times during their career. Consider the choice that football star Pat Tillman made in May 2002. Tillman enjoyed a multimillion-dollar professional salary as a member of the Cardinals football team. However, he decided to put his country’s interests ahead of his own and quit the team to join the U.S. army. Tillman’s heroic efforts to provide cover for his fellow soldiers as they escaped from a canyon led to his tragic death via friendly fire in Afghanistan on April 22, 2004.21 The implications of self versus organizational interest are serious and profound. Most people who have experienced success in their organizations realize that it is far better to give than to receive. This remains true for people who are fortunate to have great teammates and subordinates working alongside or under them. For example, smart bosses don’t try to hide the talents of their best team members; they encourage them to realize their potential, even if it means that they leave. “Good bosses recognize talent and guard it fiercely, trying to eliminate turnover. Gifted bosses are willing to shove the best employees along, thereby encouraging employee turnover and gaining loyalty in return.”22

**Task versus People Focus**

Organizations exist to be profitable and to be productive. Yet, organizational behavior is not just about getting the work done; it is about interacting with people. Consider the situation that occurred at Charles Schwab Corporation in 2003.23 Charles Schwab prided itself on
treats employees as family, not just as ends to profit maximization. However, by December of 2003, four rounds of layoffs swept through the company. Vice President Rene Kim had to lay off her most beloved colleague and friend at Charles Schwab, Joe Eleccion. She called him via cell phone, asked him if he was driving, and suggested that he pull off the road. Fighting back tears, she told him he was one of those chosen to go. This example places concern about people in direct contrast with concern about bottom-line corporate profitability. Most of us will be in such a situation in our own organization at some point in time. Think about your Organizational Identity chart. Have you ever worked with someone or for someone whom you liked but whose work was not adequate? Similarly, have you ever admired someone’s ability to get work done, but not liked them as a person?

**Work versus Family**

In the opening of this chapter, we stated that people spend more waking hours on the job than they do with their family. Yet, few people regret not spending more time at work; they regret not spending more time with their family. To top things off, most of the work that organizational actors do is not piecemeal work, and most managers do not “clock out” at the end of a day. There is always more work to be done. How should people balance their investment in the organization and investment in their family? First, integrating work and family life is a collaborative effort on the part of the employee and the organization. Second, despite the negative media images of the dual-career couple struggling to make it to work and to the PTA meeting, research indicates that they are functioning at a high level. For example, Haddock and colleagues investigated 47 dual-career couples with children. They structured their lives around 10 major strategies: valuing family, striving for partnership, deriving meaning from work, maintaining work boundaries, focusing and producing at work, taking pride in dual earning, prioritizing family fun, living simply, making decisions proactively, and valuing time. The trade-offs are real, however: interrupting a career for a child has serious impacts on earnings and mobility. Fortunately, organizational men and women are becoming more creative when it comes to work and family. For example, some couples team up to share a single job; some take turns as to who is working when (e.g., mom at home until kids are all school age; then dad stays home while mom goes back to her career, or vice versa); and of course, some work at home, where “there is no commuting.”

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**EXHIBIT 1.5**

**All Work and No Play Does Not Pay**

Jeffrey Pfeffer noticed a striking difference in the vacation policies and work hours put in by Americans and Europeans. At Airbus, French managers get 5 weeks of vacation each year in addition to 4 weeks of vacation in July and August. Airbus’ junior engineers get 9 weeks of vacation each year and no one works on weekends. Ever. (Airbus recently surpassed its larger U.S. competitor, Boeing, in commercial aircraft sales.) Long hours not only do not lead to productivity; they actually may be at the root of serious health and safety problems.

**Exploration versus Exploitation**

Jim March noted that companies cycle through periods of exploration in which they experiment with new methods, make mistakes, discover new processes, and often discover new solutions. Companies often cycle into periods of exploitation in which a given company will commit to a given process with the goal of perfecting it and attempting to make it more effective. March refers to this as exploitation.

The same process can occur at an individual level. Take, for example, a student in college, who has not yet selected a major course of study (or a steady dating partner!). The student has enrolled in several different types of classes with the goal of finding out what she likes and what she is particularly good at. This illustrates the process of exploration. This same student, later in college, may commit to a major with the goal of writing a senior thesis on a given subject and may do extensive research with the goal of participating in a competitive thesis competition. To enter the competition, the student must follow very specific guidelines and rules to be best in class. This typifies the process of exploitation.

The point is that this student is not going to remain in a state of exploitation for the rest of her life. She will eventually join a company; probably engage in a period of exploration to determine where she best fits and to find ideal mentors, then perhaps cycle into a period of exploitation to demonstrate depth of knowledge in a particular area. At the same time, her company may be cycling through a similar process.

**Promotion versus Prevention**

At any given time, we may attempt to promote the occurrence of desired goals and states of affairs (e.g., winning an award) or we may focus our energy on preventing the occurrence of undesirable states of affairs (e.g., avoiding break-up or bad grade). People who are **promotion focused** are concerned with their aspirations and accomplishments; people who are **prevention focused** are concerned with safety and responsibilities. Regulatory focus theory argues that people in a promotion focus are sensitive to the presence and absence of positive outcomes and desire accomplishments, whereas people in a prevention focus are sensitive to the absence or presence of negative outcomes and desire security. In a decision-making context, promotion-focused people engage in more risky decision making; prevention-focused people engage in more conservative decision making. Moreover, promotion versus prevention focus affects people’s emotional responses to goal attainment. People with a promotion focus are more cheerful when they achieve their goals. According to Higgins, promotion or prevention focus is a chronic way that people approach the world. For example, people who are told to focus on their goals are more likely to adopt a promotion focus. Think about your Organizational Identity chart. When were you in a promotion focus? What were your goals? When were you in a prevention focus? What were you trying to avoid?

**Depth of Knowledge versus Breadth of Knowledge**

One question that any student asks is whether it is better to be a subject expert in a narrow area or a more well-rounded student. At the extreme, consider a student who takes courses in one area and satisfies her breadth requirements by taking the minimal amount of courses in other areas versus a student who takes a broad variety of courses in several disciplines. The advice regarding knowledge depth versus breadth is mixed. The age-old adage “A jack of all trades and a master of none” suggests that people are best served by specializing. However, dilettantes—people who dabble in several fields and areas of studies—may have an advantage over specialists. In particular, dilettantes are more diversified in terms of their personal assets. In this sense, they are better protected from occupations that become dead-ends. Moreover, dilettantes may be more enthusiastic about what they do.
Postscript

We have reviewed six challenges or tensions that will re-emerge throughout your organizational life. With tensions like these, it is no wonder there are executive education programs that promise rejuvenation. It is also no wonder that books like *The Corporate Athlete* are written to help one run long-distance races in the organizational world. Think about the future you created on your Organizational Identity chart. What do you think will keep you energized to continue to perform well for all the organizations you are a part of?

Building a Body of OB Science

How does the science of OB progress? If people are the key focus, how do we study them and their organizations? How can we establish best practices? How can we identify cause-and-effect relationships?

First, let us dispel a few myths: OB is not all common sense. The problem is that most everything looks obvious in hindsight; but only the expert is able to do accurate forecasting. To show this, Weinberg and Nord created pairs of statements that they believed most managers and students would say are true, if they only saw one of the statements.32 (See Exhibit 1.6 for both statement lists). When students were given either statement, over 20 percent of the students regarded that statement to be true; and for five of the statements, over 40 percent of students regarded both as true—when logically, because the statements are polar opposites, that is impossible. Moreover, most students expressed a high level of confidence or certainty about their responses.

Second, OB is highly interdisciplinary. Think about the classes that you are currently enrolled in. What have you learned in another class that might help people in organizations? Because people are the subject matter of OB, this means that OB relies on and leverages insights from sociology, psychology, economics, communications, operations research, and computer and information science in its knowledge base. Think about the classes or courses you have liked the most in your life. How have you used the knowledge gained in those courses in the organizations listed on your timeline? In this book, you’ll be exposed to research findings from several different disciplines relevant to OB.

Another question concerns how we might measure the impact that OB has. There are three ways of assessing impact. One method is a scientific measurement referred to as citation counts. On any given day, hundreds of journal articles are published about OB. The sad fact is that many of these articles will never be read by anyone nor cited by other researchers. However, some of these scientific articles will move the field and even receive a Nobel Prize! Thus, one way of measuring impact is to do a citation count of an author or a study. Pfeffer analyzed the extent to which OB research represented cumulative knowledge.33 He referred to the tendency for scientific studies in a field to build on one another as paradigm development. He argued that paradigm development, as operationalized by technical certainty and consensus, has numerous positive consequences for the organization and the operation of the field. Pfeffer argued that, as a field of study, OB is not well positioned to make scientific progress.

It is one thing for scholars to cite another; it is quite another thing for businesses to use the knowledge generated by OB researchers. Thus, a second measure concerns whether ideas and research published in scholarly journals are being used and leveraged by businesses. One measure of this might be whether a given business book makes it to the top of the *New York Times* best-seller list. Some business books, such as *Who Moved My Cheese*, *Good to Great*, and *Execution*, have been on the best-seller charts for several years.

A final measure is the extent to which business and management theory and scholarship is valued outside the field. For example, if another area, such as social science or mathematics, leverages an idea from management, that is a testament to the impact of the idea.

Methods of OB

We’ve made reference to the scientific enterprise of OB. But what kinds of studies or investigations count toward intellectual capital? There are seven primary research methodologies
EXHIBIT 1.6 OB Knowledge

1. A supervisor is well advised to treat, as much as possible, all members of his/her group exactly the same way.
2. Generally speaking, individual motivation is greatest if the person has set goals for himself/herself which are difficult to achieve.
3. A major reason why organizations are not so productive as they could be these days is that managers are too concerned with managing the work group rather than the individual.
4. Supervisors who sometime prior to becoming a supervisor have performed the job of the people they are currently supervising are apt to be more effective supervisors than those who have never performed that particular job.
5. On almost every matter relevant to the work, managers are well advised to be completely honest and open with their subordinates.
6. On almost every matter relevant to the work, managers are well advised to be completely honest and open with their superiors.
7. One's need for power is a better predictor of managerial advancement than one's motivation to do the work well.
8. When people fail at something, they try harder the next time.
9. Performing well as a manager depends most on how much education you have.
10. The most effective leaders are those who give more emphasis to getting the work done than they do to relating to people.
11. It is very important for a leader to “stick to his/her guns.”
12. Pay is the most important factor in determining how hard people work.
13. Pay is the most important factor in determining how satisfied people are at work.


that permeate OB. There are advantages and disadvantages of each. (See Exhibit 1.7 for the advantages and disadvantages.) Imagine that you have been asked by your organization to examine whether positive feedback (e.g., compliments and praise) increases employee motivation. As we learn about each of the research methods of OB, we’ll use this question as an example.

FIELD STUDIES Field studies are research investigations conducted within actual organizations. To examine the question of whether praise increases motivation in a field study, it would be necessary to gain access to an organization in which there is a sufficient number of people to study. Suppose that 30 district managers were grouped randomly into two conditions: Half would be instructed to give their subordinates praise and compliments on a daily basis (for a week or so); the other half would not be told to treat their subordinates any differently than usual. Next suppose that the sales performance of the
subordinates was measured for a period of one month. If praise did indeed increase motivation, we might expect to see that those who received compliments and praise had greater sales volume.

In one well-known research investigation, Rafaeli and Sutton studied the strategies of bill collectors in their actual jobs by listening to how bill collectors contact debtors.¹⁴
Chatman and O’Reilly studied motivation and success in MBA students and found a positive relationship between motivation and ability and career success. Thus far, the field methodology would seem to be very advantageous. The key disadvantage is that the results of field studies are not easily generalizable beyond the company studied. Another disadvantage is that field studies are often correlational (rather than causal) and it is not possible to infer cause-and-effect relationship unless the researcher is able to randomly assign organizational actors to different treatments. Stated another way, we can never be certain that the behaviors and best practices observed in a given company are in fact the causally efficacious determinants of a particular positive (or negative) result. For example, suppose that instead of assigning some bosses to give praise and others to withhold praise, you just measured whether bosses who happened to praise their employees had greater sales volume. The problem: There could be something other than praise itself that might increase sales volume. For example, it may not be praise that increases sales volume; it might be the fact that these bosses also provided special mentoring, or education, or some other type of support.

Field studies currently account for less than 15 percent of OB research, and at the height of their popularity were still dwarfed by lab studies. (See Exhibit 1.8.)

LABORATORY STUDIES Laboratory investigations provide elegant and powerful solutions to the terminal problem of the field study. Laboratory studies are conducted within universities and research institutions and allow the researcher to create special treatments and to run simulations that are simply not possible in the field. To return to our praise and motivation example, a laboratory study might involve randomly assigning research participants to receive praise from an authority figure in a simulated organizational environment. Some would not receive praise. Motivation might be measured by examining how long research participants persisted in a difficult task, such as solving anagrams. The advantage of laboratory studies is that the researcher can accurately infer a causal relationship. Currently over 40 percent of OB research is laboratory studies.

CLASSROOM STUDIES Classroom studies are increasingly common in OB; they offer many of the advantages of the lab (i.e., random assignment to conditions), but they take place within a classroom. In a classroom investigation of praise and motivation, some students (randomly determined) might be given special praise (via written notes on a simulated project); other students receive feedback, but no specific praise per se. (It would

EXHIBIT 1.8
Distribution of OB Studies by Research Setting

be important that the grades and the assessed performance of students not differ.) Motivation might be measured by examining how long students spent writing a critique of a case in the class, or participating in a group exercise.

**CASE STUDIES** Case studies are essentially summaries of actual business situations. They are primarily used for teaching in the OB classroom, but they are published in OB journals and, therefore, are part of the body of research. They are similar to field investigations except that they are often post-hoc, meaning that they are conducted following an organizational event. To return to our example of examining how praise affects motivation, a case study might involve an intensive examination of a single leader (known for giving praise).

**META-ANALYSIS** As you might guess, there is usually more than one investigation on any given topic in OB. Perhaps somewhat disconcertingly, studies may produce contradictory findings. For example, De Dreu and Weingart noticed that some investigations reported that task conflict was associated with increased team productivity, whereas other investigations reported the opposite finding.\(^39\) In such a situation, the proper course of action is to combine the studies in a systematic fashion that is sensitive to sample size. Some answers to the puzzles of contradictory findings can be found by conducting a meta-analysis. In a meta-analysis, a researcher obtains data from several original studies and then combines them into one big data set. In this way, a meta-analysis puts all the knowledge together to measure the size of an effect or to solve an enigma. One of the key steps in conducting a meta-analysis is to do a thorough literature review. As an exercise, visit your library’s online journal search system. Choose psychological info or, more generally, social science and type in the key words: *praise and job motivation*. Make a note of how many citations appear. Attempt to narrow your search by typing in *positive feedback and job motivation* and see how many citations appear.

**SURVEYS AND POLLS** Sometimes, business problems are particularly pressing or particularly timely, and a poll of several thousand people can be run. For example, consider the book *First Break All the Rules*.\(^40\) The authors surveyed over eighty thousand managers. As an exercise, visit the University of Michigan’s survey site, www.isr.umich.edu/src/projects.html. Find out if there is an existing database on praise and motivation.

**BUSINESS PUNDITS** Another type of research that is increasingly common in OB is the story told by a business pundit, for example, Warren Buffett or Jack Welch. Because the topic of people and organizations does not, on the surface, appear to require an advanced degree to study, many people who have made it in the business world feel compelled to tell (or are invited to tell) their story. The belief is that some nuggets of best practices can be offered from some of the great business leaders to those who are struggling to learn.

### Learning

A word of advice as you read this book: Take every opportunity to learn about yourself and others. We feel so strongly about learning that we devote the last chapter of the book to it, as well as offer three pieces of advice in this very first chapter.

**You Are a Work in Progress**

Read this book with the idea that you can work on your management skills and become more effective in your organizational endeavors, but that you will never arrive at a terminal point of mastery. We hope that you will continue to work on your “Organizational Identity” exercise. Keep an archive of your goals and then compare it to what you actually do. Each one of us is a work in progress; we will never “arrive” at a final state of perfection. This means that you will encounter novel-appearing organizational situations each year of your life. It also means you will continue to make mistakes. In many of those
instances, you will have a working model of how to optimally deal with that situation. In some instances, what you believed would work will not work. This is not a failure on your part. In fact, it is an opportunity to learn and continually improve your skills.

In keeping with the idea that you are a work in progress, we urge you to do three things systematically as you make your way through this book and your coursework. First, test your understanding of the concepts after you read each chapter. The chapters of the book build on one another systematically, and you will want to know early on if you are lacking some key concepts. This will also make each chapter of the book more interesting to read. Second, actively try to apply at least one concept from each chapter to a real situation. Specifically, as you watch the news or read articles in the paper, try to apply at least one concept you have read or discussed that week. To help you do this, we have included some business stories from the popular press in the accompanying Website. However, there is no substitute for actively applying the concepts yourself. Third, and finally, explore at least one of the “self-assessment” tools that accompany each chapter. If you connect a concept to some aspect of yourself, it will be better ingrained in your long-term memory.

Engage in Double-Loop versus Single-Loop Learning

Chris Argyris suggests that people can diagnose their incompetence and increase their effectiveness if they engage in double-loop learning.41 Unfortunately, says Argyris, most people practice single-loop learning. Single-loop learning occurs when errors are corrected without questioning or examining our basis assumptions. Double-loop learning occurs when errors are corrected by changing the governing values and then the actions. To illustrate the difference between single- and double-loop learning, Argyris gives the example of a thermostat. A single-loop system would be one in which a manager or leader decides that the room (company) functions best when the temperature is exactly 70 degrees and sets the thermostat accordingly. A single-loop process would be one in which the thermostat simply did the job of regulating the temperature to meet the leader’s desired temperature. A double-loop process would be one in which a thermostat not only simply regulated the temperature, but could provide feedback to the manager/leader about the observed effects of different temperatures on actual performance. Imagine how successful a leader might be if a thermostat might observe that when working on certain projects, a lower (or higher) temperature was desirable. In this sense, the leader learns from the system, not just the other way around.

Go back to your Organizational Identity chart. Focus on one of your current organizations (e.g., your track team, your sorority, your dorm, etc.) and think about a question you have related to that organization (e.g., “Why do our team meetings always start 20 minutes late?” “Why do the same people get elected to office?”). Make a list of how you might go about getting answers to your question that involve you learning about the organization. Whom would you talk to? What questions would you ask? What are your biggest concerns in terms of seeking answers?

Bridge the Knowing-Doing Gap

Pfeffer and Sutton bluntly pose the question, “Why do so much education and training, management consulting, and business research and so many books and articles produce so little change in what managers and organizations actually do?”42 Companies spend more than $60 billion on training each year and $43 billion on managerial consulting.43 Each year, more than 80,000 students are awarded an MBA degree and even more earn an undergraduate degree in a business-related field. Yet, not much ever seems to change. Most managers are experts at knowing; but, when it comes to action (doing), they are complete buffoons. In short, there is a tremendous gap between knowing and doing. Five culprits act as leading causes of the knowing-doing gap:

1. When talk substitutes for action, for example, planning meetings, making presentations, rehearsing for meetings, and so on. Basically, smart people love to talk about ideas and knowledge, but avoid action.
2. When memory substitutes for thinking. In short, organizations rely on what they have done in the past.
3. When fear prevents acting on knowledge. Even though most companies claim that they are interested in human learning, many are intolerant of mistakes.

4. When measurement obstructs good judgment. Over time, companies bureaucratize management procedures, resulting in organizational arthritis.44

5. When internal competition turns friends into enemies. People are often threatened by the best and the brightest in their own organization.45

Conclusion

You began this chapter by creating your own Organizational Identity chart. We defined OB as the study of how people are influenced by organizations and in turn, how people affect their organizations. We identified three key content areas of OB: thoughts or cognition, affect (or emotion, which also includes motivation), and behavior. We introduced four levels of analysis for studying OB that will reoccur throughout this book: the individual level, the interpersonal (one-on-one level), the team (or small group or department level), and finally, the most general level, that of the entire organization. We pointed out that a person’s behavior in organizations is partly a function of the person and partly determined by the situation, such as norms and policies. We introduced five key skills people should develop: technical skills, decision-making (or judgment) skills, interpersonal skills, ethical and moral skills, and self-knowledge skills. We outlined six key tensions that represent dilemmas for most organizational actors: the pursuit of self versus organizational interest; focusing on the work to be done (task) or the people; putting work or family first; exploration or exploitation; promotion versus prevention; and dilettantism versus narrow focus. We ended the chapter by discussing how the science of OB progresses via seven different methodologies: field studies, laboratory studies, classroom studies, case studies, meta-analysis, surveys and polls, and business pundits.

Notes

23. Morris, B. (2003, December 8). When bad things happen to good companies. Schwab was the brokerage built on integrity and fair play. After 6,505 layoffs and a restructuring, can it save its soul? Fortune, 80.


38. Ibid.


43. Ibid.

