CHAPTER 2

Diversity in Organizations

LEARNING OBJECTIVES

After studying this chapter, students should be able to:

2-1.   Describe the two major forms of workplace diversity.
2-2.   Demonstrate how workplace discrimination undermines organizational effectiveness.
2-3.   Describe how the key biographical characteristics are relevant to Organizational Behavior (OB).
2-4.   Explain how other differentiating characteristics factor into OB.
2-5.   Demonstrate the relevance of intellectual and physical abilities to OB.
2-6.   Describe how organizations manage diversity effectively.

INSTRUCTOR RESOURCES

Instructors may wish to use the following resources when presenting this chapter.

Text Exercises

- An Ethical Choice: Affirmative Action for Unemployed Veterans
- MyLab Management
    - Watch it!: Verizon: Diversity
    - Personal Inventory Assessments: Intercultural Sensitivity Scale
    - Try it!: Human Resources
- Myth or Science?: "Bald is Better"
- Career OBjectives: Should I Come Out At Work?
- Point/Counterpoint: Affirmative Action Programs Have Outlived Their Usefulness
- Questions for Review
- Experiential Exercise: Differences
- Ethical Dilemma: Voiding the "License to Discriminate"

Text Cases

- Case Incident 1: Can Organizations Train Diversity?
- Case Incident 2: The Encore Career

Instructor's Choice

This section presents an exercise that is NOT found in the student's textbook. *Instructor's Choice* reinforces the text's emphasis through various activities. Some *Instructor's Choice* activities are centered on debates, group exercises, Internet research, and student experiences. Some can be used in class in their entirety, while others require some additional work on the student's part. The course instructor may choose to use these at any time throughout the class—some may be more effective as icebreakers, while some may be used to pull together various concepts covered in the chapter.

Web Exercises

At the end of each chapter of this Instructor's Manual, you will find suggested exercises and ideas for researching OB topics on the Internet. The exercises "Exploring OB Topics on the Web" are set up so that you can simply photocopy the pages, distribute them to your class, and make assignments accordingly. You may want to assign the exercises as an out-of-class activity or as lab activities with your class.

Summary and Implications for Managers

This chapter looks at diversity from many perspectives. We paid particular attention to three variables—biographical characteristics, abilities, and diversity programs. Diversity management must be an ongoing commitment that crosses all levels of the organization. Policies to improve the climate for diversity can be effective, and diversity management can be learned.

- Understand your organization's anti-discrimination policies thoroughly and share them with all employees.
- Assess and challenge your stereotype beliefs to increase your objectivity.
- Look beyond readily observable biographical characteristics and consider the individual's capabilities before making management decisions; remain open and encouraging for individuals to disclose any hidden disabilities.
- Evaluate fully what accommodations a person with disabilities will need and then fine-tune a job to that person's abilities.
- Seek to understand and respect the unique biographical characteristics of your employees; a fair but individualistic approach yields the best performance.

This chapter opens with a vignette describing how a single commercial kitchen in San Francisco's Mission District is enabling low-income, female food entrepreneurs from diverse ethnic backgrounds to formalize, grow, and develop their businesses. La Cocina provides affordable kitchen space (at roughly a third of the San Francisco market rate), specialized knowledge of the food industry, and business development opportunities to these diverse entrepreneurs so that these women can have an opportunity to do what they love to do while fostering an inclusive, vibrant San Francisco united by the love of food. The barriers and hardships facing immigrants and women such as those in the San Francisco area are substantial, and they are examples of why diversity is so important for organizations. The story of La Cocina, and the impact it has had on the food industry across America, is one hopeful account of a business incubator drawing strength from a diverse community. In this chapter, we look at how organizations should work to maximize the potential contributions of a diverse workforce. Because each of us is different from others in myriad ways, we consider diversity in many different forms. We also show how individual differences in abilities affect employee behavior and effectiveness in organizations.

BRIEF CHAPTER OUTLINE

I.   Introduction

A. In this chapter, we'll learn how individual characteristics like age, gender, race, ethnicity, and abilities can influence employee performance.
B. We'll also see how managers can develop awareness about these characteristics and manage a diverse workforce effectively.

I. Diversity
  A. Demographic Characteristics
    1. The predominantly white, male managerial workforce of the past has given way to a gender-balanced, multiethnic workforce.
       a. For instance, in 1950, only 29.6 percent of the U.S. workforce was female, but by 2016, women comprised 46.8 percent.
       b. Both in the United States and internationally, women today are much more likely than before to be employed full time, have an advanced education, and earn wages comparable to those of men.
    2. In addition, the earnings gap between whites and other racial and ethnic groups in the United States has decreased significantly, partially due to the rising number of minorities in the workforce.
       a. Hispanics will increase from 13 percent of the workforce in 2014 to 25.1 percent in 2044, blacks will increase from 12 to 12.7 percent, and Asians from 5 to 7.9 percent.
    3. These changes are increasingly reflected in the makeup of managerial and professional jobs. These changes also mean organizations must make diversity management a central component of their policies and practices.
  B. Levels of Diversity
    1. Although much has been said about diversity in age, race, gender, ethnicity, religion, and disability status, experts now recognize that these demographic characteristics are just the tip of the iceberg.
    2. These characteristics mostly reflect **surface-level diversity**, not thoughts and feelings, and can lead employees to make stereotypes and assumptions about others from certain demographic backgrounds.
    3. However, evidence has shown that people are less concerned about demographic differences if they see themselves as sharing more important characteristics, such as personality and values, that represent **deep-level diversity**.

II. Discrimination
    1. Discrimination is to note a difference between things.
  B. Stereotype Threat
    1. **Stereotype threat** describes the degree to which we internally agree with the generally negative stereotyped perceptions of our groups.
    2. People become their own worst enemies when they feel a stereotype threat.
       a. They may unconsciously exaggerate the stereotype.
       b. They may engage in self-handicapping.
       c. They may over-compensate for the stereotype threat they feel.
       d. Stereotype threat can serve as a "brain drain" for employees, causing them to deplete their working memories so that they do not perform as well on employment tests or training.
    3. Stereotype threat has serious implications for the workplace. It can lead to underperformance on tests, performance evaluations, training exercises, negotiations,

and everyday interactions with others as well as to disengagement, poor job attitudes, a reluctance to seek feedback, and poor performance in the employees experiencing stereotyping Judging someone on the basis of our perception of the group to which that person belongs.

    4. The following organizational changes can be successful in reducing stereotype threat: increasing awareness of how stereotypes may be perpetuated, reducing differential and preferential treatment through objective assessments, confronting micro-aggressions against minority groups, and adopting transparent practices that signal the value of all employees.

  C. Discrimination in the Workplace

    1. Unfair discrimination is assuming stereotypes about groups and refusing to recognize differences.

    2. Exhibit 2-1 lists definitions and examples of different types of discrimination.

III. Biographical Characteristics

  A. **Biographical characteristics** such as age, gender, race, disability, and length of service are some of the most obvious ways employees differ.

    1. Start with factors that are readily available in an employee's personnel file. There is a sizable amount of research on these factors.

  B. Age

    1. The relationship between age and job performance is likely to be an issue of increasing importance during the next decade for several reasons.

    2. Employers hold mixed feelings about older workers.

      a. They see a number of positive qualities older workers bring to their jobs, such as experience, judgment, a strong work ethic, and commitment to quality.

      b. But older workers are also perceived as lacking flexibility and resisting new technology.

    3. What effect does age actually have on turnover, absenteeism, productivity, and satisfaction?

      a. The older you get, the less likely you are to quit your job.

    4. It may seem likely that age is positively correlated to absenteeism, but this isn't true.

      a. Most studies show that older employees have lower rates of avoidable absence versus younger employees.

    5. The majority of studies have shown "virtually no relationship between age and job performance," according to Director Harvey Sterns of the Institute for Life-Span Development and Gerontology.

      a. Related to performance, there is a conception that creativity lessens as people age.

    6. A final concern is the relationship between age and job satisfaction, where the evidence is mixed.

      a. A review of more than 800 studies found that older workers tend to be more satisfied with their work, report better relationships with coworkers, and are more committed to their employing organizations.

  C. Other studies, however, have found that job satisfaction increases up to middle age, at which point it begins to drop off. Sex

    1. Few issues initiate more debates, misconceptions, and unsupported opinions than whether women perform as well on jobs as men do.

      a. The best place to begin to consider this is with the recognition that few, if any, important differences between men and women affect job performance.

      b. A recent meta-analysis of job performance studies found that women scored slightly higher than men on performance measures.

    2. Yet biases and stereotypes persist.

      a. Men are more likely to be chosen for leadership roles.

    3. Women still earn less money than men for the same positions, even in traditionally female roles.

      a. Working mothers also face "maternal wall bias" by employers, which limits their professional opportunities, and both men and women face discrimination for their family caregiving roles.

    4. Many countries have laws against sexual discrimination.

D. Race and Ethnicity

    1. Race is a controversial issue in society and in organizations.

      a. We define race as the heritage people use to identify themselves; ethnicity is the additional set of cultural characteristics that often overlaps with race.

    2. Research into effects of race and ethnic diversity.

      a. Employees tend to favor colleagues of their own race in performance evaluations, promotion decisions, pay raises.

      b. Members of racial and ethnic minorities report higher levels of discrimination in the workplace.

      c. African Americans generally do worse than whites in employment decisions.

      d. While better representation of all racial groups in organizations remains a goal, an individual of minority status is much less likely to leave the organization if there is a feeling of inclusiveness, known as a **positive diversity climate**.

E. Disabilities

    1. With the Americans with Disabilities Act (ADA) in 1990, individuals with disabilities became an increasing number in the U.S. workforce.

    2. A person is disabled who has any physical or mental impairment that substantially limits one or more major life activities.

    3. The "reasonable accommodation" is problematic for employers.

    4. Research on workers with disabilities have found:

      a. They receive higher performance evaluations based on lower performance expectations.

      b. They are less likely to be hired.

F. Hidden Disabilities

    1. Hidden, or invisible disabilities, generally fall under the category of sensory disabilities, chronic illness or pain, cognitive or learning impairments, sleep disorders, and psychological challenges.

    2. As a result of recent changes to the Americans with Disabilities Act Amendments Act of 2008, U.S. organizations must accommodate employees with a very broad range of impairments.

    3. However, employees must disclose their conditions to their employers in order to be eligible for workplace accommodations and employment protection.

G. Other Differentiating Characteristics

    1. Tenure

   a. Extensive reviews have been conducted of the seniority–productivity relationship.
      (1) The evidence demonstrates a positive relationship between organizational tenure (i.e., how long an employee has been in his or her organization) and job performance.
   b. Organizational tenure appears to be a good predictor of employee productivity.
2. Religion
   a. There are few—if any— countries in which religion is a nonissue in the workplace. For this reason, employers are prohibited by law from discriminating against employees based on religion in many countries, including Australia, the United Kingdom, and the United States.
   b. Religious discrimination claims have been a growing source of discrimination claims in the United States.
3. Sexual Orientation and Gender Identity
   a. While much has changed, the full acceptance and accommodation of lesbian, gay, bisexual, transgender, and questioning (LGBTQ) employees remains a work in progress.
   b. Perhaps as a result of perceived discrimination, many LGBTQ employees do not disclose their status.
   c. U.S. federal law does not protect employees against discrimination based on sexual orientation, although 29 states and more than 160 municipalities do.
      (1) As a first step in the United States, the federal government has prohibited discrimination against government employees based on sexual orientation.
   d. Many organizations have implemented policies and procedures protecting employees on the basis of sexual orientation.
   e. Companies are increasingly putting in place policies to govern how their organizations treat transgender employees.
4. Cultural Identity
   a. People choose their cultural identity, and they also choose how closely they observe the norms of that culture.
   b. Cultural norms influence the workplace, sometimes resulting in clashes.
   c. A company seeking to be sensitive to the cultural identities of its employees should look beyond accommodating its majority groups and instead create as much of an individualized approach to practices and norms as possible.
IV. Ability
   A. **Ability** is an individual's current capacity to perform various tasks in a job.
   B. Intellectual Abilities
      1. **Intellectual abilities** are abilities needed to perform mental activities—thinking, reasoning, and problem solving.
      2. Most societies place a high value on intelligence, and for good reason.
      3. The seven most frequently cited dimensions making up intellectual abilities are number aptitude, verbal comprehension, perceptual speed, inductive reasoning, deductive reasoning, spatial visualization, and memory. (Exhibit 2-2)
         a. If you score high on verbal comprehension, you're more likely to also score high on spatial visualization.
      4. Researchers recognize a general factor of intelligence, **general mental ability (GMA)**.

5. Evidence supports the idea that the structures and measures of intellectual abilities generalize across cultures.
6. Jobs differ in the demands they place on intellectual abilities.
   a. The more complex a job in terms of information-processing demands, the more general intelligence and verbal abilities will be necessary to perform successfully.
   b. Where employee behavior is highly routine and there are few or no opportunities to exercise discretion, a high IQ is not as important to performing well.
7. Although intelligence is a big help in performing a job well, it doesn't make people happier or more satisfied with their jobs.

C. Physical Abilities
   1. Introduction
      a. Though the changing nature of work suggests intellectual abilities are increasingly important for many jobs, **physical abilities** have been and will remain valuable.
      b. Nine basic abilities involved in the performance of physical tasks. (Exhibit 2-3)

V. Implementing Diversity Management Strategies
   A. Introduction
      1. Having discussed a variety of ways in which people differ, we now look at how a manager can and should manage these differences.
      2. **Diversity management** makes everyone more aware of and sensitive to the needs and differences of others.
   B. Attracting, Selecting, Developing, and Retaining Diverse Employees
      1. One method of enhancing workforce diversity is to target recruiting messages to specific demographic groups underrepresented in the workforce.
      2. Research has shown that women and minorities have greater interest in employers that make special efforts to highlight a commitment to diversity in their recruiting materials. Hat fail to show
      3. Diversity advertisements that fail to show women and minorities in positions of organizational leadership send a negative message about the diversity climate at an organization.
   C. Diversity in Groups
      1. Groups are an essential part of organizational settings.
         a. If employees feel no cohesion or sense of membership, group attributes are likely to be less.
         b. Does diversity help or hurt group performance?
            (1) Whether diverse or homogeneous teams are more effective depends on the characteristic of interest.
            (2) On the other hand, teams of individuals who are highly intelligent, conscientious, and interested in working in team settings are more effective.
         c. In other cases, differences can be a strength.
            (1) Groups of individuals with different types of expertise and education are more effective than homogeneous groups.
   D. Expatriate Adjustment
      1. The experience of moving to a different country and adjusting to its new cultural, interactive, and work-related norms is a major undertaking for both the expatriate (i.e., the employee on international assignment) and the host country nationals.

   2. If it is not handled properly, poor adjustment can result in employee dissatisfaction, poor performance, prejudice, and misunderstanding.
   3. Studies suggest that organizations should select employees for international assignments who are capable of adjusting quickly and then ensure they have the support they need for their assignment.
  E. Effective Diversity Programs
   1. Effective diversity programs have three components:
      a. They teach managers about the legal framework for equal employment opportunity and encourage fair treatment of all people regardless of their demographic characteristics.
      b. They teach managers how a diverse workforce will be better able to serve a diverse market of customers and clients.
      c. They foster personal development practices that bring out the skills and abilities of all workers, acknowledging how differences in perspective can be a valuable way to improve performance for everyone.
   2. Much concern about diversity has to do with fair treatment.
   3. Organizational leaders should examine their workforce to determine whether target groups have been underutilized.
   4. If groups of employees are not proportionally represented in top management, managers should look for any hidden barriers to advancement.
   5. Communications should focus as much as possible on qualifications and job performance; emphasizing certain groups as needing more assistance could well backfire.
VI. Summary and Implications for Managers
  A. This chapter looked at diversity from many perspectives. We paid particular attention to three variables—biographical characteristics, ability, and diversity programs.
  B. Diversity management must be an ongoing commitment that crosses all levels of the organization.
  C. Policies to improve the climate for diversity can be effective, and diversity management can be learned.
   1. Understand your organization's anti-discrimination policies thoroughly and share them with your employees.
   2. Assess and challenge your stereotype beliefs to increase your objectivity.
   3. Look beyond readily observable biographical characteristics and consider the individual's capabilities before making management decisions; remain open and encouraging for individuals to disclose any hidden disabilities.
   4. Evaluate fully what accommodations a person with disabilities will need and then fine-tune a job to that person's abilities.
   5. Seek to understand and respect the unique biographical characteristics of each individual; a fair but individualistic approach yields the best performance.

EXPANDED CHAPTER OUTLINE

I. Introduction
  A. In this chapter, we look at how organizations work to maximize the potential contributions of a diverse workforce.

B. Because each of us is different from others in a myriad of ways, we consider diversity in many different forms.
C. We also show how individual differences in abilities affect employee behavior and effectiveness in organizations.

II. Diversity
   A. In this chapter, we'll learn how individual characteristics like age, gender, race, ethnicity, and abilities can influence employee performance.
   B. We'll also see how managers can develop awareness about these characteristics and manage a diverse workforce effectively.
   C. Demographic Characteristics
      1. The predominantly white, male managerial workforce of the past has given way to a gender-balanced, multiethnic workforce.
      2. Earnings gaps between groups have narrowed.
      3. Workers over the age of 55 are an increasingly large portion of the workforce as well, both in the United States and globally.
   D. Levels of Diversity
      1. Although much has been said about diversity in age, race, gender, ethnicity, religion, and disability status, experts now recognize that these demographic characteristics are just the tip of the iceberg.
      2. These characteristics mostly reflect **surface-level diversity**, not thoughts and feelings, and can lead employees to make stereotypes and assumptions about others from certain demographic backgrounds.
      3. However, evidence has shown that people are less concerned about demographic differences if they see themselves as sharing more important characteristics, such as personality and values, that represent **deep-level diversity**.

III. Discrimination
   A. **Discrimination** is to note a difference between things.
   B. **Stereotyping** is judging someone on the basis of our perception of the group to which that person belongs.
   C. Stereotype Threat
      1. **Stereotype threat** describes the degree to which we internally agree with the generally negative stereotyped perceptions of our groups.
      2. People become their own worst enemies when they feel a stereotype threat.
         a. They may unconsciously exaggerate the stereotype.
         b. They may engage in self-handicapping.
         c. They may over-compensate for the stereotype threat they feel.

      3. Stereotype threat can serve as a "brain drain" for employees, causing them to deplete their working memories so that they do not perform as well on employment tests or training.
      4. Stereotype threat has serious implications for the workplace.
      5. It can lead to underperformance on tests, performance evaluations, training exercises, negotiations, and everyday interactions with others as well as to disengagement, poor job attitudes, a reluctance to seek feedback, and poor performance in the employees experiencing the threat.

6. The following organizational changes can be successful at reducing stereotype threat: increasing awareness of how stereotypes may be perpetuated, reducing differential and preferential treatment through objective assessments, banning stereotyped practices and messages, confronting micro-aggressions against minority groups, and adopting transparent practices that signal the value of all employees.

D. Discrimination in the Workplace
   1. Unfair discrimination is assuming stereotypes about groups and refusing to recognize differences.
   2. Exhibit 2-1 lists definitions and examples of different types of discrimination.
   3. Under increasing legal scrutiny and social disapproval, most overt forms have faded, but this may have resulted in an increase in covert forms such as incivility or exclusion.
   4. Some forms are difficult to root out because they are unobservable.
   5. Whether intentional or not, serious negative consequences may arise for employers.
   6. Diversity is a broad term, and workplace diversity can describe any characteristic that makes one person different from another.

IV. Biographical Characteristics
   A. Introduction
      1. **Biographical characteristics** such as age, race, gender, disability, and length of service are some of the most obvious ways employees differ.
      2. Start with factors that are readily available in an employee's personnel file. There is a sizable amount of research on these factors.
   B. Age
      1. Age in the workforce is likely to be an issue of increasing importance during the next decade for many reasons.
         a. First, the workforce is aging in most developed countries.
            (1) The United States and Australia, among other countries, have laws directed against age discrimination. Most U.S. workers today no longer have to retire at age 70.
      2. Employers hold mixed feelings about older workers.
         a. They see a number of positive qualities older workers bring to their jobs, such as experience, judgment, a strong work ethic, and commitment to quality.
         b. But older workers are also perceived as lacking flexibility and resisting new technology.
         c. And when organizations are actively seeking individuals who are adaptable and open to change, the negatives associated with age clearly hinder the initial hiring of older workers and increase the likelihood they will be let go during cutbacks.
      3. What effect does age actually have on turnover, absenteeism, productivity, and satisfaction?
         a. The older you get, the less likely you are to quit your job.
         b. As workers get older, they have fewer alternative job opportunities as their skills have become more specialized to certain types of work.
         c. Their long tenure also tends to provide them with higher wage rates, longer paid vacations, and more attractive pension benefits.
      4. It may seem likely that age is positively correlated to absenteeism, but this isn't true.

   a. Most studies show that older employees have lower rates of avoidable absence versus younger employees.

   b. Furthermore, older workers do not have more psychological problems or day-to-day physical health problems than younger worker.

  5. The majority of studies have shown "virtually no relationship between age and job performance," according to Director Harvey Sterns of the Institute for Life-Span Development and Gerontology.

   a. Indeed, some studies indicate that older adults perform better.

  6. Related to performance, there is a conception that creativity lessens as people age.

  7. A final concern is the relationship between age and job satisfaction, where the evidence is mixed.

   a. A review of more than 800 studies found that older workers tend to be more satisfied with their work, report better relationships with coworkers, and are more committed to their employing organizations.

   b. Other studies, however, have found a U-shaped relationship.

    (1) Several explanations could clear up these results, the most plausible being that these studies are intermixing professional and nonprofessional employees.

    (2) When we separate the two types, satisfaction tends to continually increase among professionals as they age, whereas it falls among nonprofessionals during middle age and then rises again in the later years.

 C. Sex

  1. Few issues initiate more debates, misconceptions, and unsupported opinions than whether women perform as well on jobs as men do.

   a. The best place to begin to consider this is with the recognition that few, if any, important differences between men and women affect job performance.

   b. A recent meta-analysis of job performance studies found that women scored slightly higher than men on performance measures.

  2. Women still earn less money than men for the same positions, even in traditionally female roles.

   a. Working mothers also face "maternal wall bias" by employers, which limits their professional opportunities, and both men and women face discrimination for their family caregiving roles.

  3. Thankfully, many countries, including Australia, the United Kingdom, and the United States, have laws against sex discrimination.

  4. Other countries, such as Belgium, France, Norway, and Spain, are seeking gender diversity through laws to increase the percentage of women on boards of directors.

  5. Gender biases and gender discrimination are still serious issues, but there are indications that the situation is improving.

 D. Race and Ethnicity

  1. Race is a controversial issue.

   a. We define race as the heritage people use to identify themselves; ethnicity is the additional set of cultural characteristics that often develops with race.

   b. Typically, we associate race with biology and ethnicity with culture, but there is a history of self-identifying for both classifications.

   c. Laws against race and ethnic discrimination are in effect in many countries, including Australia, the United Kingdom, and the United States.

2. Research into effects of race and ethnic diversity.
   a. Employees tend to favor colleagues of their own race in performance evaluations, promotion decisions, pay raises.
   b. African-Americans generally do worse than whites in employment decisions.
   c. Most research shows that members of racial and ethnic minorities report higher levels of discrimination in the workplace.
   d. Discrimination leads to increased turnover, which is detrimental to organizational performance.
3. While better representation of all racial groups in organizations remains a goal, an individual of minority status is much less likely to leave the organization if there is a feeling of inclusiveness, known as **positive diversity climate**.
   a. Some research suggests that having a positive climate for diversity overall can lead to increased sales, commitment, and retention, suggesting there are organizational performance gains associated with reducing racial and ethnic discrimination.
E. Disabilities
   1. With the Americans with Disabilities Act (ADA) in 1990, individuals with disabilities became an increasing number in the U.S. workforce.
   2. It requires reasonable accommodation for disabilities.
   3. A person is disabled who has any physical or mental impairment that substantial limits one or more major life activities.
   4. The "reasonable accommodation" is problematic for employers.
   5. Research on workers with disabilities have found:
      a. They receive higher performance evaluations based on lower performance expectations.
      b. They are less likely to be hired.
F. Hidden Disabilities
   1. Hidden, or invisible, disabilities generally fall under the categories of sensory disabilities, autoimmune disorders, chronic illness or pain, cognitive or learning impairments, sleep disorders, and psychological challenges.
   2. As a result of recent changes to the Americans with Disabilities Act Amendments Act of 2008, U.S. organizations must accommodate employees with a very broad range of impairments.
   3. However, employees must disclose their conditions to their employers in order to be eligible for workplace accommodations and employment protection.
   4. Research suggests that disclosure helps all – the individual, others, and organizations.
   5. Disclosure may increase the job satisfaction and well-being of the individual, help others understand and assist the individual to succeed in the workplace, and allow the organization to accommodate the situation to achieve top performance.
G. Other Differentiating Characteristics
   1. Tenure
      a. The issue of the impact of job seniority on job performance has been subject to misconceptions and speculations.
         (1) Extensive reviews of the seniority-productivity relationship have been conducted.

        (2) The evidence demonstrates a positive relationship between organizational tenure (i.e., how long an employee has been in his or her organization) and job performance.

        (3) As such, organizational tenure appears to be a good predictor of employee performance, although there is some evidence that the relationship is not linear: Differences in organizational tenure are more important to job performance for relatively new or inexperienced employees than among those who have been on the job longer.

2. Religion
   a. Although employees are protected by U.S. federal law regarding their religion, it is still an issue in the workplace.
      (1) There are nearly 3 million Muslims in the United States, and the number is predicted to double by 2030, when they will represent 1.7 percent of the population, according to the Pew Research Center.
      (2) At that point, there will be as many Muslims in the United States as there are Jews and Episcopalians.
      (3) Despite these numbers, there is evidence that people are discriminated against for their Islamic faith even in the workplace. Perhaps as a result of different perceptions of religion's role in the workplace, religious discrimination claims have been a growing source of discrimination claims in the United States.

3. Sexual Orientation and Gender Identity
   a. Sexual orientation
      (1) While much has changed, the full acceptance and accommodation of gay, lesbian, bisexual, and transgender employees remains a work in progress.
      (2) Federal law does not protect employees against discrimination based on sexual orientation, although 29 states and more than 160 municipalities do.
      (3) As a first step in the United States, the federal government has prohibited discrimination against government employees based on sexual orientation.
      (4) The EEOC recently held that sex-stereotyping against lesbian, gay, and bisexual individuals represents gender discrimination enforceable under the Civil Rights Act of 1964.
      (5) Employers differ regarding their policies on this issue.
   b. Gender identity
      (1) Companies are increasingly putting in place policies to govern how their organizations treat transgender employees.

4. Cultural Identity
   a. People choose their cultural identity, and they also choose how closely they observe the norms of that culture.
   b. Cultural norms influence the workplace, sometimes resulting in clashes.
   c. Thanks to global integration and changing labor markets, global companies do well to understand and respect the cultural identities of their employees, both as groups and as individuals.
   d. A company seeking to be sensitive to the cultural identities of its employees should look beyond accommodating its majority group and instead create as much of an individualized approach to practices and norms as possible.

V. Ability

A. **Ability** is an individual's current capacity to perform various tasks in a job.
B. Intellectual Abilities
   1. **Intellectual abilities** are abilities needed to perform mental activities – thinking, reasoning, and problem solving.
   2. Most societies place a high value on intelligence, and for good reason.
      a. Smart people generally earn more money and attain higher levels of education.
      b. They are also more likely to emerge as leaders of groups.
      c. Intelligence quotient (IQ) tests, for example, are designed to ascertain a person's general intellectual abilities.
      d. So, too, are popular college admission tests, such as the SAT and ACT, and graduate admission tests in business (GMAT), law (LSAT), and medicine (MCAT).
      e. Testing firms don't claim their tests assess intelligence, but experts know they do.
   3. The seven most frequently cited dimensions making up intellectual abilities are number aptitude, verbal comprehension, perceptual speed, inductive reasoning, deductive reasoning, spatial visualization, and memory. Exhibit 2-2 describes these dimensions.
   4. If you score high on verbal comprehension, you're more likely to also score high on spatial visualization.
      a. The correlations aren't perfect, meaning people do have specific abilities that predict important work-related outcomes when considered individually.
      b. However, they are high enough that researchers also recognize a general factor of intelligence, **general mental ability (GMA)**.
   5. Evidence strongly supports the idea that the structures and measures of intellectual abilities generalize across cultures.
   6. Jobs differ in the demands they place on intellectual abilities.
      a. The more complex a job is in terms of information-processing demands, the more general intelligence and verbal abilities will be necessary to perform successfully.
      b. Where employee behavior is highly routine and there are few or no opportunities to exercise discretion, a high IQ is not as important as performing well.
      c. However, that does not mean people with high IQs cannot have an impact on traditionally less complex jobs.
   7. Although intelligence is a big help in performing a job well, it doesn't make people happier or more satisfied with their jobs.
      a. In fact, research suggests that those with higher cognitive ability and who are high performers in the workplace might be victimized, bullied, and mistreated by their peers due to envy and social comparison.
C. Physical Abilities
   1. Introduction
      a. Though the changing nature of work suggests intellectual abilities are increasingly important for many jobs, **physical abilities** have been and will remain valuable.
      b. Nine basic abilities involved in the performance of physical tasks. (Exhibit 2-3)
VI. Implementing Diversity Management Strategies
A. Introduction
   1. Having discussed a variety of ways in which people differ, we now look at how a manager can and should manage these differences.

2. **Diversity management** makes everyone more aware of and sensitive to the needs and differences of others.
3. This definition highlights the fact that diversity programs include and are meant for everyone.
4. Diversity is much more likely to be successful when we see it as everyone's business than if we believe it helps only certain groups of employees.

B. Attracting, Selecting, Developing, and Retaining Diverse Employees
1. One method of enhancing workforce diversity is to target recruiting messages to specific demographic groups underrepresented in the workforce.
   a. This means placing advertisements in publications geared toward specific demographic groups.
   b. Diversity advertisements that fail to show women and minorities in positions of organizational leadership send a negative message about the diversity climate at an organization.
2. Some companies have been actively working toward recruiting less-represented groups.

C. Diversity in Groups
1. Groups are an essential part of organizational settings.
   a. If employees feel no cohesion or sense of membership, group attributes are likely to be less.
   b. Does diversity help or hurt group performance?
      (1) Whether diverse or homogeneous teams are more effective depends on the characteristic of interest.
      (2) Demographic diversity (in gender, race, and ethnicity) does not appear to either help or hurt team performance in general.
      (3) On the other hand, teams of individuals who are highly intelligent, conscientious, and interested in working in team settings are more effective.
      (4) Thus, diversity on these variables is likely to be a bad thing – it makes little sense to try to form teams that mix in members who are lower in intelligence, conscientiousness, and uninterested in teamwork.
   c. In other cases, differences can be a strength.
      (1) Groups of individuals with different types of expertise and education are more effective than homogeneous groups.
      (2) Similarly, a group made up entirely of assertive people who want to be in charge, or a group whose members all prefer to follow the lead of others, will be less effective than a group that mixes leaders and followers.
      (3) Regardless of the composition of the group, differences can be leveraged to achieve superior performance.

D. Expatriate Adjustment
1. The experience of moving to a different country and adjusting to its new cultural, interactive, and work-related norms is a major undertaking for both the expatriate (i.e., the employee on international assignment) and the host country nationals.
2. If it is not handled properly, poor adjustment can result in employee dissatisfaction, poor performance, prejudice, and misunderstanding.
3. Several factors can be targeted to ensure that the adjustment process goes smoothly.

    a. For one, feelings of empowerment along with the motivation to interact with those of other cultures were found in one study to be related to ease of adjustment, increased satisfaction, and reduced intentions to leave prematurely.

    b. Although adjustment tends to increase over time in a curvilinear fashion for all expatriates, those with previous culture-specific work experience as well as higher self-esteem and self-efficacy tend to adjust and be promoted more quickly.

    c. A review of 66 studies on nearly 9,000 expatriates suggests that several other factors work in concert to affect different forms of adjustment, including language ability, relational skills, role clarity and autonomy, organizational support, and familial support.

   4. These studies suggest that organizations should select employees for international assignments who are capable of adjusting quickly and then ensure they have the support they need for their assignment.

  E. Effective Diversity Programs

   1. Effective diversity programs have three components:

    a. They teach managers about the legal framework for equal employment opportunity and encourage fair treatment of all people regardless of their demographic characteristics.

    b. They teach managers how a diverse workforce will be better able to serve a diverse market of customers and clients.

    c. They foster personal development practices that bring out the skills and abilities of all workers, acknowledging how differences in perspective can be a valuable way to improve performance for everyone.

   2. Much concern about diversity has to do with fair treatment.

    a. Most negative reactions to employment discrimination are based on the idea that discriminatory treatment is unfair.

    b. Regardless of race or gender, people are generally in favor of diversity-oriented programs, including affirmative action, if they believe the policies ensure everyone a fair opportunity to show their skills and abilities.

   3. Organizational leaders should examine their workforce to determine whether target groups have been underutilized.

   4. If groups of employees are not proportionally represented in top management, managers should look for any hidden barriers to advancement.

   5. Communications should focus as much as possible on qualifications and job performance; emphasizing certain groups as needing more assistance could well backfire.

   6. Finally, research indicates a tailored approach will be needed for international organizations.

VII. Summary and Implications for Managers

  A. This chapter looks at diversity from many perspectives paying particular attention to three variables – biographical characteristics, ability, and diversity programs.

  B. Diversity management must be an ongoing commitment that crosses all levels of the organization.

  C. Policies to improve the climate for diversity can be effective, so long as they are designed to acknowledge all employees' perspectives.

  D. Implications for managers:

1. Understand your organization's anti-discrimination policies thoroughly and share them with your employees.
2. Assess and challenge your stereotype beliefs to increase your objectivity.
3. Look beyond readily observable biographical characteristics and consider the individual's capabilities before making management decisions; remain open and encouraging for individuals to disclose any hidden disabilities.
4. Fully evaluate what accommodations a person with disabilities will need and then fine-tune a job to that person's abilities.
5. Seek to understand and respect the unique biographical characteristics of your employees; a fair but individualistic approach yields the best performance.

An Ethical Choice
Affirmative Action for Unemployed Veterans

This exercise contributes to:
Learning Objectives*: Describe how organizations manage diversity effectively; Demonstrate how workplace discrimination undermines organizational effectiveness*
Learning Outcomes*: Describe the factors that influence the formation of individual attitudes and values; Apply the study of perception and attribution to the workplace; Define diversity and describe the effects of diversity in the workforce*
AACSB*: Diverse and multicultural work environments*

Unemployed veterans, take heart: Walmart wants YOU. In a historic move, the retailing giant vows to hire any returning U.S. veteran who applies. As a result, the company hired more than 42,000 veterans by mid-2014 and expects that total to reach 100,000 by 2018. Other businesses have launched similar initiatives, such as the 100,000 Jobs Mission, which aimed to hire 100,000 veterans by 2020. The coalition, which originally included 11 companies, now consists of 230 companies from nearly every industry. As of 2017, 395, 261 veterans had been hired. The immense growth has prompted the coalition to commit to raise its goal to hiring 1,000,000 U.S. military veterans and to change its name to the Veteran Jobs Mission. Is this an ethical choice all businesses should be emulating?
Few people would disagree there is a need to address the plight of returning soldiers in America. Many veterans say employers don't want them. "There are a lot of companies that say they want veterans, but that conflicts with the unemployment numbers," said Hakan Jackson, a former technician in the Air Force. He's right: unemployment rates remain higher for veterans. The suicide rate for veterans is also sharply higher than for active-duty soldiers, and the "hopelessness of unemployment almost certainly plays a role," reports Georgette Mosbacher, CEO of the Borghese Cosmetics Company and board member of the Intrepid Fallen Heroes Fund. Veterans need jobs. But is affirmative action justified, or are these former soldiers not competing well in the job market?

According to some veterans, the returning solders are not competitive in the marketplace. Erik Sewell, an Iraq war veteran, suggested the reason the veteran unemployment rate is poor is partly because vets often don't market their strengths well or showcase their transferable skills to

potential employers. Bryson DeTrent, a 12-year veteran of the National Guard, observed that one of the key reasons vets haven't found jobs is that they aren't working hard at it, preferring to collect unemployment instead. However, he also found that companies are reluctant to hire veterans, especially National Guard members, fearing these employees may later be recalled to duty. Mental and emotional well-being is also a concern because employers may worry that veterans suffer from post-traumatic stress disorder (PTSD). Despite concerns, some managers report that veterans' work ethic, team outlook, and receptivity to training are greater than among the general populace.

Sometimes, affirmative action is needed to give an unfairly disadvantaged workforce segment an opportunity to succeed, whether it is done through percentage quotas, number quotas, or hiring all prospective employees from the desired groups. But any affirmative action program risks including under-qualified individuals from the target group while excluding qualified individuals from other workforce segments, creating reverse discrimination.

Resources are always scarce, and there are only so many jobs to go around. Managers must balance the ethics of affirmative action against the responsibility of strengthening their workforces for the good of their organizations.

Sources: Veteran Jobs Mission [Website], Accessed June 30, 2017, https://www . veteranjobsmission.com/; D. C. Baldridge and M. L. Swift, "Withholding Requests for Disability Accommodation: The Role of Individual Differences and Disability Attributes," Journal of Management (March 2013): 743–62; "Walmart Celebrates More Than 40,000 Hires in First Year of Veterans Commitment," Walmart Foundation press release (May 21, 2014), http://news .walmart.com/news-archive/2014/05/ 21/walmart-celebrates-more-than-40-000- hires-in-first-year-of-veterans-commitment; B. Yerbak and C. V. Jackson, "Battling to Get More Vets in the Work Force," Chicago Tribune (October 28, 2012), http:// articles.chicagotribune.com/2012-10-28/ business/ct-biz-1028-vets-20121028_1_ train- veterans-unemployment-rate-war-zone; and "Veterans Unemployment Drops but Remains High," HR Magazine, February 2013, 16.

Class Exercise

1. Have the students divide into groups of four to five students.
2. Ask students to consider a situation in which their boss has asked for help in fulfilling a new company policy to hire a large number of returning war veterans.
3. After interviewing numerous veterans, and not finding a promising candidate, a candidate who had been on the short list prior to the company's new policy toward war veterans remains on the top of the list.
4. Have students prepare a letter to their boss outlining why the most promising candidate should be overlooked in favor of a less qualified veteran, and a letter outlining why the promising candidate should be hired even if it goes against company policy.
5. Ask students to vote on which individual is offered the new job. Discuss what this means for their prospects in the job market.

Teaching Notes

This exercise is applicable to face-to-face classes or synchronous online classes such as BlackBoard 9.1, WIMBA, and Second Life Virtual Classrooms. See (http://www.wimba.com/solutions/higher-education/wimba_classroom_for_higher_education) and (http://docplayer.net/19442732-Effective-use-of-collaboration-tools-for-online-learning-jennifer-pontano-ke-anna-skipwith-drexel-university-e-learning-2-0-conference-march-2011.html) for more information.

MyLab Management
Watch It!
Verizon: Diversity

If your instructor has assigned this activity, go to www.pearson.com/mylab/management to complete the video exercise.

MyLab Management
Personal Inventory Assessments
Multicultural Awareness Scale

Are you aware of intercultural dynamics? Take this PIA to assess your intercultural sensitivity.

MyLab Management
Try It!
Human Resources

If your instructor has assigned this activity, go to www.pearson.com/mylab/management to complete the video exercise.

Myth or Science?
"Bald is Better"

This exercise contributes to:
Learning Objectives*: Describe how the key biographical characteristics are relevant to OB*
Learning Outcomes*: Describe the factors that influence the formation of individual attitudes and values; Apply the study of perception and attribution to the workplace; Define diversity and describe the effects of diversity in the workforce*
AACSB*: Diverse and multicultural work environments*

Surprisingly, it appears true that bald is better for men in the workplace. A recent study showed that observers believe a male's shaved head indicates greater masculinity, dominance, and leadership potential than longer or thinning hair. Thinning hair was perceived as the least powerful look, and other studies have agreed that male-pattern baldness (where some hair remains) is not considered advantageous. But why is this?

In some respects, the reported youthful advantage of a shaved head is counterintuitive. Because we have more hair when we are young, and our culture considers youthfulness a sign of capability (if you doubt this, see the sections on aging in this chapter), it would make more sense for a hairless head to be a distinct disadvantage. Yet the media is loaded with images of powerful men with shaved heads – military heroes, winning athletes, and action heroes. No wonder the study participants declared the men with shaved heads were an inch taller and 13 percent stronger than the same men with hair.

A bald head has become the hallmark of some important CEOs, notably Jeff Bezos of Amazon, Lloyd Blankfein of Goldman Sachs, Marc Andreessen of Netscape, and "Shark Tank" investor Daymond John. Men who shave their heads report it can give them a business advantage, whether or not it makes them look younger (which is debatable). According to psychologist Caroline Keating, just as older silver-back gorillas are "typically the powerful actors in their social groups," so it is in the office, where baldness may "signal who is in charge and potentially dangerous." Research professor Michael Cunningham agrees, adding that baldness "is nature's way of telling the rest of the world you are a survivor." Men with shaved heads convey aggressiveness, competitiveness, and independence, he adds. Will you join the 13 percent of men who shave their heads? Though we don't wish to advocate head shaving for this reason, it does demonstrate how biased we continue to be in judging people by superficial characteristics. Time will tell if this situation ever improves.

Sources: D. Baer, "People Are Psychologically Biased to See Bald Men as Dominant Leaders," Business Insider (February 13, 2015), http://www.businessinsider.com/bald-men- signals-dominance-2015-2; J. Misener, "Men with Shaved Heads Appear More Dominant, Study Finds," The Huffington Post (October 1, 2012), www.huffingtonpost.com/2012/10/01/bald-men-dominantshaved-heads-study_n_1930489.html; A. E.
 Mannes, "Shorn Scalps and Perceptions of Male Dominance," Social Psychological and Personality Science, (2012), doi: 10.1177/1948550612449490; and R. E. Silverman, "Bald Is Powerful," The Wall Street Journal (October 3, 2012), B1, B6.

Class Exercise

1. Ask students to discuss in class attitudes toward shaved heads versus balding. What does each student believe in agreement or disagreement with points made about balding?
2. Have students relate their own experiences or those of close friends to determine if any of them can remember situations in which they were judged either positively or negatively because of their hair.
3. What do these experiences tell students about surface-level characteristics and discrimination in the workplace?
4. Finally, as a class, ask students to look at images of men with shaved heads and men with full heads of hair. Ask students to write down the first thought that comes to mind. Tabulate the results and discuss what they mean for men looking for a job or a promotion.

Teaching Notes

This exercise is applicable to face-to-face classes or synchronous online classes such as BlackBoard 9.1, WIMBA, and Second Life Virtual Classrooms. See (http://www.wimba.com/solutions/higher-education/wimba_classroom_for_higher_education) and (http://docplayer.net/19442732-Effective-use-of-collaboration-tools-for-online-learning-jennifer-pontano-ke-anna-skipwith-drexel-university-e-learning-2-0-conference-march-2011.html) for more information.

Career OBjectives
Should I come out at work?

This exercise contributes to:
Learning Objectives*: Describe how the key biological characteristics are relevant to OB; Describe how organizations manage diversity effectively*
Learning Outcomes*: Describe the factors that influence the formation of individual attitudes and values; Apply the study of perception and attribution to the workplace; Define diversity and describe the effects of diversity in the workforce*
AACSB*: Diverse and multicultural work environments*

I'm gay, but no one at my workplace knows it. How much should I be willing to tell? I want to be sure to have a shot at the big positions in the firm. —*Ryan*

Dear Ryan:
Unfortunately, you are right to be concerned. Here are some suggestions:
• Look for an inclusive company culture. Apple CEO Tim Cook said, "I've had the good fortune to work at a company that loves creativity and innovation and knows it can only flourish when you embrace people's differences. Not everyone is so lucky." Recent research has focused on discovering new methods to counteract a discrimination culture in the United States, the United Kingdom, and Australia.
• Choose your moral ground. Do you feel you have a responsibility to "come out" to help effect social change? Do you have a right to keep your private life private? The balance is a private decision. A recent study by the U.S. Human Rights Campaign indicated that only half of LGBT employees nationwide disclose their status.
• Consider your future in top management. Corporate-level leaders are urged to be open with peers and employees. As Ernst & Young global vice chairperson Beth Brooke said about her decades of staying closeted, the pressure to be "authentic" adds stress if you are keeping your gay status a secret.
• Weigh your options. The word from people at the top who are gay (some who have come out and others who have not) is mixed. Brooke said, "Life really did get better" after she announced her status in a company sponsored video. Mark Stephanz, a vice chairman at Bank of America Merrill Lynch, agreed, remarking that "most people still deal with you the same way they always do." Yet Deena Fidas, deputy director for the largest LGBT civil rights group in the United States, reported that being gay in the workplace is still "far from being a 'nonissue'."

• Be aware of international and national laws. Sadly, some nations and states are intolerant. You will need to study the laws to be sure you will be safe from repercussions when you reveal your status.

So, think about your decision from both an ethical and a self-interested point of view.   Your timing depends not only on what you think are your ethical responsibilities, but also on your context – where you work, the culture of your organization, and the support of the people within it. Thankfully, globalization is ensuring that the world becomes increasingly accepting and fair.

Good luck in your career!

Sources: M. D. Birtel, "'Treating' Prejudice: An Exposure-Therapy Approach to Reducing Negative Reactions Toward Stigmatized Groups," *Psychological Science* (November 2012): 1379–86; L. Cooper and J. Raspanti, "The Cost of the Closet and the Rewards of Inclusion," Human Rights Campaign report (May 2014), http://hrc-assets.s3-websiteus-east-1.amazonaws.com//files/assets/resources/Cost_of_the_Closet_May2014. pdf; N. Rumens and J. Broomfield, "Gay Men in the Police: Identity Disclosure and Management Issues," *Human Resource Management Journal* (July 2012): 283–98; and A. M Ryan and J. L. Wessel, "Sexual Orientation Harassment in the Workplace: When Do Observers Intervene?" *Journal of Organizational Behavior* (May 2012): 488–509. *The opinions provided here are of the managers and authors only and do not necessarily reflect those of their organizations. The authors or managers are not responsible for any errors or omissions, or for the results obtained from the use of this information. In no event will the authors or managers, or their related partnerships or corporations thereof, be liable to you or anyone else for any decision made or action taken in reliance on the opinions provided here.*

Point/Counterpoint
Affirmative Action Programs Have Outlived Their Usefulness

This exercise contributes to:
Learning Objectives*: Describe the two major forms of workplace diversity; Describe how organizations manage diversity effectively*
Learning Outcomes*: Describe the factors that influence the formation of individual attitudes and values; Apply the study of perception and attribution to the workplace; Define diversity and describe the effects of diversity in the workforce*
AACSB*: Diverse and multicultural work environments*

Point

U.S. Supreme Court Justice Sonia Sotomayor is arguably the court's strongest supporter of affirmative action . . . in theory. In a recent case upholding the Michigan ban on affirmative action for underrepresented races in state university admission practices, Justice Sotomayor refused to use the term. "Affirmative action," she said, has the connotation of "intentional preferential treatment based on race alone." Yes, it does. Isn't that the point?

Affirmative action programs (AAP) were needed to get the process of workplace diversity started, but that was all a long time ago. The practice, now outlawed in Arizona, California, Florida, Michigan, Nebraska, New Hampshire, Oklahoma, and Washington, raises the percentage of minority individuals but does not create a positive diversity climate. Here's why:

- Affirmative action lowers the standards for everyone by shifting the criteria for admission from performance standards to quotas based on race or other non-performance attributes. Performance standards for the organization are then effectively lowered. Groups not helped by the initiative will be resentful, which can lead to workplace discrimination. Individuals "helped" into the organization also suffer from perceptions of low self-competence ("I don't know if I would have made it here if not for AAP") and stereotype threat ("I'm afraid others can't see me as competent because I was let in by the AAP"). Research indicates that minority students are not helped by AAP in pursuing higher education. In fact, a large-scale study showed that minority law students who attended schools best matched to their LSAT scores performed better than those who went to higher-ranked schools than their scores would warrant without affirmative action.

Some of the world's AAPs have resulted in strife. For example, Sri Lanka has suffered from civil wars partially caused by affirmative action that further polarized the Tamils and Shinalese. In Africa, the quota system to help blacks created a climate of race entitlement and marginalization of Indians. In fact, most countries have struggled with issues arising from affirmative action policies.

Affirmative action has run its course to increase diversity, and it's time to create true equality by focusing on merit-based achievements.

Counterpoint

Affirmative action was enacted to ensure equality, and it's still needed today. When the United States was considering the issue for black minorities back in 1965, President Lyndon B. Johnson said, "You do not take a person who, for years, has been hobbled by chains and liberate him, bring him up to the starting line of a race and then say, 'You are free to compete with all the others,' and still justly believe that you have been completely fair." Dr. Martin Luther agreed that, in order to create equal opportunity, proactive measures are needed as long as some people remain at a disadvantage. Therefore, what we should be asking is: are minority groups faring as well as majority groups in the United States? No, they are not-not by any indicator.

South Africa has affirmative action for blacks through the Equal Employment Act; China has "preferential policies" that require that ethnic minorities and women be appointed to top government positions; Israel has a class-based affirmative action policy to promote women, Arabs, blacks, and people with disabilities; India has a policy of reservation, a form of affirmative action, for underrepresented castes; Sri Lanka has the "standardization" affirmative action policy to help those in areas with lower rates of education; Malaysia's New Economic Policy (NEP) provides advantage for the majority group, the Malays, who have lower income; Brazil, Finland, France, New Zealand, and Romania have education AAPs; Germany's Basic Law has AAPs for women and those with handicaps; Russia has quotas for women and ethnic minorities; and Canada's Employment Equity Act provides affirmative action to women, the disabled, aboriginal people, and visible minorities.

To be certain, fairness is in the eye of the beholder. Affirmative action provides opportunity, but then it is up to the individual to meet the expectations of schools or employers. As blogger Berneta Haynes wrote, "I'm not ashamed to admit that without affirmative action, I'm not certain I would be on the precipice of the law career that I'm at right now. As an African-American

woman from a poor family, I have little doubt that affirmative action helped me get into college, earn a degree, and enroll in law school."

If we change anything about affirmative action, we should expand the program until the achievements of underserved groups fully match those of long-overprivileged groups.
Sources: D. Desilver, "Supreme Court Says States Can Ban Affirmative Action: 8 Already Have," Pew Research Center *Thinktank* (April 22, 2014), http://www.pewresearch.org/fact-tank/2014/04/22/supreme-court-says-states-can-ban-affirmative-action-8-already-have/; B. Haynes, "Affirmative Action Helped Me," *Inside Higher Ed* (March 12, 2013), www.insidehighered.com/views/2013/03/12/affirmative-action-helped-me-and-benefits-society-essay; D. Leonhardt, "Rethinking Affirmative Action," *The New York Times* (October 13, 2012), www.nytimes.com/2012/10/14/sunday-review/rethinking-affirmativeaction. html?pagewanted=all; L. M. Leslie, D. M. Mayer, and D. A. Kravitz, "The Stigma of Affirmative Action: A Stereotyping-Based Theory and Meta-Analytic Test of the Consequences for Performance," *Academy of Management Journal* 57, no. 4 (2014): 964–89; and B. Zimmer, "Affirmative Action's Hazy Definitions," *The Wall Street Journal* (April 26–27, 2014), C4. With help from Wikipedia.

Class Exercise

1. Assign teams of students comprising of three students each.
2. Assign Point or Counterpoint to each group.
3. Assign groups to focus on the issues in the Point/Counterpoint and to do some Internet or library fact-finding supporting their assigned positions.
4. In class, draw lots from groups assigned to a position.
5. Have the group members present their positions in persuasive presentation with the goal to address factors brought up by the opposing position.
6. Repeat for other groups.

or

Assign students to write a position paper on the Point or Counterpoint that contrasts the positions and draws conclusions based on facts.

Teaching Notes

This exercise is applicable to face-to-face classes or synchronous online classes such as BlackBoard 9.1, WIMBA, and Second Life Virtual Classrooms. See (http://www.wimba.com/solutions/higher-education/wimba_classroom_for_higher_education) and (http://docplayer.net/19442732-Effective-use-of-collaboration-tools-for-online-learning-jennifer-pontano-ke-anna-skipwith-drexel-university-e-learning-2-0-conference-march-2011.html) for more information.

Questions for Review

2-1.   What are the two major forms of workplace diversity?

Answer: The two major forms of workplace diversity are surface level diversity and deep level diversity. Surface level diversity refers to differences in easily perceived characteristics, such as gender, race, ethnicity, age, or disability, that do not necessarily reflect the ways people think or feel but that may activate certain stereotypes. Deep level diversity refers to differences in values, personality, and work preferences that become progressively more important for determining similarity as people get to know one another better.

Learning Objective*: Describe the two major forms of workplace diversity*
Learning Outcome*: Define diversity and describe the effects of diversity in the workforce*
AACSB*: Diverse and multicultural work environments*

2-2.   How does workplace discrimination undermine organizational effectiveness?
Answer: Actual discrimination can lead to increased negative consequences for employers, including reduced productivity and organizational citizenship behavior (OCB), more conflict, increased turnover, and even increased risk-taking behavior. Unfair discrimination also leaves qualified job candidates out of initial hiring and promotions.

Learning Objective*: Demonstrate how workplace discrimination undermines organizational effectiveness*
Learning Outcome*: Define diversity and describe the effects of diversity in the workforce*
AACSB*: Diverse and multicultural work environments*

2-3.   How are the key biological characteristics relevant to OB?
Answer:
1.   Age – Older workers bring experience, judgment, a strong work ethic, and commitment to quality.
2.   Gender – Few differences between men and women that affect job performance.
3.   Race (the biological heritage used to identify oneself) – Contentious issue; differences exist, but could be more culture-based.
4.   Tenure – People with job tenure (seniority at a job) are more productive, absent less frequently, have lower turnover, and are more satisfied.
5.   Religion – Islam is especially problematic in the workplace in this post-9/11 world.
6.   Sexual Orientation – Federal law does not protect against discrimination, but state or local laws may. Domestic partner benefits are important considerations.
7.   Gender Identity – Relatively new issue is transgendered employees.

These characteristics are important to OB since corporations are always searching for variables that can impact employee productivity, turnover, deviance, citizenship, and satisfaction. Data that is easily defined and available in an employee personnel file can contribute to success in an organization.

Learning Objectives*: Describe how the key biographical characteristics are relevant to OB*
Learning Outcomes*: Explain the relationship between personality traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values*
AACSB*: Diverse and multicultural work environments*

2-4.   How do other differentiating characteristics factor into OB?

Answer: Other differentiating characteristics include tenure, religion, sexual orientation and gender identity, and cultural identity. Tenure, expressed as work experience, appears to be a good predictor of employee productivity, though there is some evidence that the relationship is not linear: differences in tenure are more important to job performance for relatively new or inexperienced employees than among those who have been on the job longer. Religion can be an employment issue wherever religious beliefs prohibit or encourage certain behaviors. The behavioral expectations can be informal, or they may be systemic. Religious individuals may also believe they have an obligation to express their beliefs in the workplace, and those who do not share those beliefs may object. While much has changed, the full acceptance and accommodation of lesbian, gay, bisexual, and transgender (LGBT) employees remains a work in progress. Surveys indicate that more than 90 percent of the Fortune 500 companies have policies that cover sexual orientation. Finally, an organization seeking to be sensitive to the cultural identities of its employees should look beyond accommodating its majority groups and instead create as much of an individualized approach to practices and norms as possible. Often, managers can provide the bridge of workplace flexibility to meet both organizational goals and individual needs.

Learning Objective*: Explain how other differentiating characteristics factor into OB*
Learning Outcomes*: Explain the relationship between differentiating characteristics traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values*
AACSB*: Diverse and multicultural work environments*

2-5.   What are the relevant points of intellectual and physical abilities to organizational behavior?
Answer: The two types of abilities are intellectual abilities and physical abilities. Intellectual abilities lead to the mental abilities needed to perform jobs in the changing operational environments of today's business. Physical abilities have been a factor of job design and performance since Fredrick Taylor's *Scientific Management*. Studies have suggested nine different physical abilities performed in work. They are mutually exclusive. Therefore, they are important considerations in the management functions.

Learning Objectives*: Demonstrate the relevance of intellectual and physical abilities to OB*
Learning Outcomes*: Explain the relationship between personality traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values*
AACSB*: Diverse and multicultural work environments*

2-6.   How can organizations manage diversity effectively?
Answer: Effective diversity management capitalizes on diversity for organizational success. This includes recruiting and selection as well as training and development of employees to take advantage of diverse workforces. Effective programs have three components:
1.   They teach managers about the legal framework for equal employment opportunity and encourage fair treatment of all people.

2. They teach managers how a diverse workforce will be better able to serve a diverse market of customers and clients.
3. They foster personal development practices that bring out the skills and abilities of all workers.
   Learning Objectives: Describe how organizations manage diversity effectively
   Learning Outcomes: Explain the relationship between personality traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values
   AACSB: Diverse and multicultural work environments

Experiential Exercise
Differences

This exercise contributes to:
Learning Objective: Describe how organizations manage diversity effectively
Learning Outcomes: Explain the relationship between personality traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values
AACSB: Diverse and multicultural work environments

The instructor randomly assigns the class into groups of four. It is important that group membership is truly randomly decided, not done by seating, friendships, or preferences. Without discussion, each group member first answers the following question on paper:

2-7.   How diverse is your group, on a scale of 1–10, where 1 = very dissimilar and 10 = very similar?

Putting that paper away, each person shares with the group his or her answers to the following questions:

- What games/toys did you like to play with when you were young?
- What do you consider to be your most sacred value (and why)?
- Are you spiritual at all?
- Tell us a little about your family.
- Where's your favorite place on earth and why?

Each group member then answers the following question on paper:

2-8.   How diverse is your group, on a scale of 1–10, where 1 = very dissimilar and 10 = very similar?

After groups calculate the average ratings from before and after the discussion, they will share with the class the difference between their averages and answer the following questions:

2-9.   Did your personal rating increase after the discussion time? Did your group's average ratings increase after the discussion time?
2-10.   Do you think that if you had more time for discussion, your group's average rating would increase?
2-11.   What do you see as the role of surface-level diversity and deep-level diversity in a group's acceptance of individual differences?

Teaching Notes

This exercise is applicable to face-to-face classes or synchronous online classes such as BlackBoard 9.1, WIMBA, and Second Life Virtual Classrooms. See (http://www.wimba.com/solutions/higher-education/wimba_classroom_for_higher_education) and (http://docplayer.net/19442732-Effective-use-of-collaboration-tools-for-online-learning-jennifer-pontano-ke-anna-skipwith-drexel-university-e-learning-2-0-conference-march-2011.html) for more information.

Ethical Dilemma
Voiding the "License to Discriminate"

This exercise contributes to:
Learning Objectives*: Describe how organizations manage diversity effectively*
Learning Outcomes*: Explain the relationship between personality traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values; Define diversity and describe the effects of diversity in the workforce*
AACSB*: Ethical understanding and reasoning; Diverse and multicultural work environments*

On April 15, 1947, Jackie Robinson became the first African American to play for the Brooklyn Dodgers, a Major League Baseball (MLB) team. Robinson was an excellent all-around player and eventually was elected to the Baseball Hall of Fame; but as the first black person on an MLB team, Robinson had to navigate the challenges of being permitted to join the white-dominated league and faced barriers toward "full participation" due to his race.

In the workplace, tokenism refers to minority members being hired into a position because they are different from other members and sometimes to serve as proof that the organization or group is nondiscriminatory. Once in their positions, tokens are given work that would be stereotypically suitable for their demographic. For example, women may be given stereotypically female tasks instead of other tasks that they would be perfectly capable of performing. By engaging in tokenism, organizations may fall prey to a moral licensing effect, where employers are more likely to engage in prejudicial or unethical behavior when they have initially behaved in a morally acceptable way (such as in believing that selecting or including one minority member is "proof" that the group is nondiscriminatory).
Sources: J. Galbreath, "Are There Gender-Related Influences on Corporate Sustainability? A Study of Women on Boards of Directors," *Journal of Management & Organization* 17, no. 1 (2011): 17–38; L. Turner and A. Suflas, "Global Diversity—One Program Won't Fit All," *HR Magazine,* May 2014, 59–61; and J. S. Lublin, "'Pink Quotas' Alter Europe's Boards," *The Wall Street Journal,* September 12, 2012, B8.

Questions

2-12.   Can you think of other examples in which tokenism might emerge in the workplace? What are they?

Answer: This question will have many possible answers depending on the viewpoints of students. Many students will probably suggest that with the current focus on discrimination against members of the LGBTQ community, some companies might practice tokenism when it comes to individuals from this group. Students may suggest that companies may hire or promote one or two individuals from this community as a way of indicating that they are open to alternative lifestyles. Other students might suggest that companies might practice tokenism with regard to hiring and promoting individuals from certain religious backgrounds such as Islam or those with disabilities.

2-13.   Organizations use a variety of diversity management strategies to make employees more aware of and sensitive to the needs of others. Do you think that these same practices may inadvertently (or intentionally) lead to tokenism or moral licensing? Why or why not?
Answer: The response to this question will spark considerable debate. Those who agree with the quota concept are those who likely believe in other governmental quotas including affirmative action. Those against will likely express the concept that appointment should be for the most qualified regardless of their affiliation and the possibility that a country's policy will lead to degradation of board effectiveness.

2-14.   What do you think can be done to limit tokenism in workgroups and organizations?
Answer: One view will suggest that nothing needs to be done because as minorities develop the conceptual skills needed, the differences will eliminate themselves. Others will suggest that legal remedies are required because the situation will not change without requirements. Minorities desiring to climb to this level should engage in development programs to help them acquire the conceptual skills needed for the board's work. Some may suggest that minorities take advantage of networking opportunities to raise their professional profiles.

Case Incident 1
Can Organizations Train Diversity?

This exercise contributes to:
Learning Objective: *Describe how organizations manage diversity effectively*
Learning Outcomes: *Explain the relationship between personality traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values*
AACSB: *Diverse and multicultural work environments*

In Covington, Louisiana, two police officers became certified as cultural diversity trainers. By taking on this role, they have committed to working with other members of the police department to help improve relations between police and the surrounding communities to save lives. Sgts. Jake Lehman and Detective Kevin Collins went to Norman, Oklahoma, where they became certified instructors through the Racial Intelligence Training & Engagement (RITE) academy. RITE seeks to assist police officers in learning ways to understand their biases and improve their

communication skills by focusing on emotional and social intelligence, ultimately seeking to improve their ability to deescalate charged situations. "The idea is to deescalate whenever possible—which in turn will reduce use of force incidents," their police chief Tim Lentz notes.

Many police and public safety departments across the United States are seeing a renewed push to implement or improve diversity training programs because of the contentious nationwide debate surrounding the use of excessive force by police against minorities. For example, a recent settlement between the U.S. Justice Department and the city of Ferguson, Missouri, required the hiring of a monitor to analyze patterns of arrest and force, diversity training for police, and the use of body cameras. These changes come in the wake of the tragedy in which Michael Brown, an 18-year-old unarmed black man, was fatally shot in 2014.

Overall, diversity training can take many shapes and forms. But how effective is it at improving an understanding of diversity and reducing prejudice? A large-scale review of over 250 independent studies found that trainees react positively to diversity training and that it appears to be quite effective at improving the way trainees think about diversity, although it affects behavior to a lesser degree. Overall, diversity training worked best when accompanied by other diversity management approaches that focused on both diversity skill development and awareness, and when continuously implemented over time (instead of just a one-time training exercise). Many have found that the most effective programs engage people in working toward diversity goals, increase contact among various demographic groups, and draw on people's desire to help one another.

On the other hand, it appears as if many are not sold on the effectiveness of diversity training. For example, some note that there is a large obstacle to overcome: We are wired to make quick interpretations and automatic judgments. According to the esteemed behavioral economist, Daniel Kahneman, "Trying to outsmart bias at the individual level is a bit of a fool's errand, even with training. We are fundamentally overconfident . . . so we make quick interpretations and automatic judgments." Some diversity programs have failed because they too often attempt to control managers' and employees' behavior. Instead, many have advocated for changing the decision-making context and environment (changing the diversity policies and climate) so that employees can become more aware of their biases and make decisions that do not discriminate toward others.

Either way, managers across a variety of industries and contexts are motivated to implement diversity management activities in their organizations to promote equity and positive interactions among their employees.

Sources: "Midwest, Missouri: Deal to Reform Ferguson Police Is Approved [National Desk]," *The New York Times,* April 20, 2016, A12.; K. Bezrukova, C. S. Spell, J. L. Perry, and K. A. Jehn, "A MetaAnalytical Integration of over 40 Years of Research on Diversity Training Evaluation," *Psychological Bulletin* 142, no. 11 (2016): 1227–74; L. Burrell, "We Just Can't Handle Diversity: A Research Roundup," *Harvard Business Review,* July 2016, 70–4; K. Chatelain, "2 Covington Police Officers Become Certified Diversity Trainers," *The Times-Picayune,* January 27, 2017, http://www.nola .com/crime/index.ssf/2017/01/2_covington_cops_become_certif.html; F. Dobbin and A. Kalev, "Why Diversity Programs Fail and What Works Better," *Harvard Business Review,* July 2016, 52–60; G. Morse, "Designing a Bias-Free Organization: It's Easier to Change Your Processes Than Your People: An Interview with Iris Bohnet," *Harvard Business Review,* July 2016, 63–7; and Racial Intelligence Training & Engagement [About Page], http://riteacademy.com/.

Questions

2-15.   If you were to develop your own diversity training plan for an organization, what would you do? What parts of the training plan do you think would have to be present for it to work?

Answer: This item can be assigned as a Discussion Question in MyLab Management. Student responses will vary.

2-16.   A variety of industries have unique problems that come with a lack of understanding of diversity. Can you think of any industries struggling with a lack of diversity? How can diversity training be tailored to these industries?

Answer: Responses to this question will vary depending on each student's opinion.

2-17.   Do you think diversity training is effective? If so, what about it makes it effective? If not, what would you do to improve diversity outcomes in organizations?

Answer: Responses to this question will vary depending on each student's opinion.

Case Incident 2
The Encore Career

This exercise contributes to:
Learning Objective*: Describe how organizations manage diversity effectively*
Learning Outcomes*: Explain the relationship between personality traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values*
AACSB*: Diverse and multicultural work environments*

Over the past century, the average age of the workforce has increased as medical science has continued to enhance longevity and vitality. As we discussed in this chapter, many individuals will work past the previously established ages of retirement, and the fastest-growing segment of the workforce is individuals over the age of 55.

Unfortunately, older workers face a variety of discriminatory attitudes in the workplace. Researchers scanned more than 100 publications on age discrimination to determine what types of age stereotypes were most prevalent across studies. They found that stereotypes inferred that older workers are lower performers. Research, on the other hand, indicates they are not, and organizations are realizing the benefits of this needed employee group.

Dale Sweere, HR director for engineering firm Stanley Consultants, is one of the growing number of management professionals actively recruiting the older workforce. Sweere says older workers "typically hit the ground running much quicker and they fit into the organization well." They bring to the job a higher skill level earned through years of experience, remember an industry's history, and know the aging customer base.

Tell that to the older worker who is unemployed. Older workers have long been sought by government contractors, financial firms, and consultants, according to Cornelia Gamlem, president of consulting firm GEMS Group Ltd., and she actively recruits them. However, the

U.S. Bureau of Labor Statistics reports that the average job search for an unemployed worker over age 55 is 56 weeks, versus 38 weeks for the rest of the unemployed population.

Enter the encore career, a.k.a. unretirement. Increasingly, older workers who aren't finding fulfilling positions are seeking to opt out of traditional roles. After long careers in the workforce, an increasing number are embracing flexible, work-from-home options such as customer service positions. For instance, Olga Howard, 71, signed on as an independent contractor for 25–30 hours per week with Arise Virtual Solutions, handling questions for a financial software company after her long-term career ended. Others are starting up new businesses. Chris Farrell, author of *Unretirement*, said, "Older people are starting businesses more than any other age group." Others funnel into nonprofit organizations, where the pay may not equal the individual's previous earning power, but the mission is strong. "They need the money and the meaning," said Encore.org CEO Marc Freedman. Still others are gaining additional education, such as Japan's "silver entrepreneurs," who have benefited from the country's tax credits for training older workers.

Individuals who embark on a second-act career often report they are very fulfilled. However, the loss of workers from their longstanding careers may be undesirable. "In this knowledge economy, the retention of older workers gives employers a competitive edge by allowing them to continue to tap a generation of knowledge and skill," said Mark Schmit, executive director of the Society for Human Resource Management (SHRM) Foundation. "New thinking by HR professionals and employers will be required to recruit and retain them. Otherwise, organizations' greatest asset will walk out the door."

Sources: N. Eberstadt and M. W. Hodin, "America Needs to Rethink 'Retirement," *The Wall Street Journal,* March 11, 2014, A15; S. Giegerich, "Older Job-Seekers Must Take Charge, Adapt," *Chicago Tribune,* September 10, 2012, 2–3; R. J. Grossman, "Encore!" *HR Magazine,* July 2014, 27–31; T. Lytle, "Benefits for Older Workers," *HR Magazine,* March 2012, 53–58; G. Norman, "Second Acts After 65," *The Wall Street Journal,* September 24, 2014, A13; D. Stipp, "The Anti-Aging Revolution," *Fortune,* June 14, 2010, 124–30; R. A. Posthuma and M. A. Campion, "Age Stereotypes in the Workplace: Common Stereotypes, Moderators, and Future Research Directions," *Journal of Management* 35 (2009): 158–88; and P. Sullivan, "Older, They Turn a Phone Into a Job," *The New York Times,* March 25, 2014, F3.

Questions

2-18. What changes in employment relationships are likely to occur as the population ages?
Answer: Jobs may need to be redesigned. Supervisors may require specific training in working with and leading older workers. Benefit programs may require restructuring to address issues of older workers.

2-19. Do you think increasing age diversity will create new challenges for managers? What types of challenges do you expect will be most profound?
Answer: This item can be assigned as a Discussion Question in MyLab Management. Student responses will vary.

2-20. How can organizations cope with differences related to age discrimination in the workplace? How can older employees help?
Answer: Organizations and the leadership can cope with the changing workforce if they open their communication techniques as they observe the differences in work, attitude, and behavior brought by an older work force. And they must be prepared to make organizational changes to accommodate the differences productively. Older workers

should make it a priority to continually seek opportunities to update their skills and be current in their professions.

MyLab Management

Go to **www.pearson.com/mylab/management** for Auto-graded writing questions as well as the following Assisted-graded writing questions:

2-21. In relation to this chapter's Ethical Dilemma, one recent study found that employees may go out of their way to behave in a morally appropriate fashion after they have done something wrong (or have been accused of doing something wrong). For example, an employee accused of prejudice may go out of his or her way to prove that he or she is not prejudiced by being kinder or more welcoming toward the accuser. Do you think these findings mesh well with the moral licensing and tokenism phenomena? Why or why not?

2-22. Now that you've read the chapter and Case Incident 2, do you think organizations should work harder to retain and hire older workers? Why or why not?

2-23. **MyLab Management only –** comprehensive writing assignment for this chapter.

Instructor's Choice
Personality and Innovation at Apple-Application of Abilities Evaluation

This exercise contributes to:
Learning Objective*: Describe how organizations manage diversity effectively*
Learning Outcomes*: Explain the relationship between personality traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values*
AACSB*: Diverse and multicultural work environments*

 "It's Showtime!" is now a phrase that can adequately describe the art and personality of Steve Jobs. At one time or another, Steve Jobs was called brilliant, creative, demanding, domineering, eccentric, a predatory competitor, hard, unforgiving, or one of the best marketing minds ever—quite an extensive array of abilities. One of Mr. Jobs' passions was online music and digital entertainment. Just as Apple Computer revolutionized the character and style of computing, it planned to do the same in the world of music. From iPods, iLife software, iTunes for downloads, Pixar Animated movies, and Apple stores, Apple is on everyone's lips once again. The up and down swings of Apple Computer are legendary; however, through it all, Steve Jobs' vision was constant. He seemed to really be able to envision the future before it happens. With his death in 2011, some wondered whether Apple could retain its position as a design leader. One of Apple's most recent product introduction, the color iPhone5, is one test of the company's ability to succeed without its revolutionary founder and leader.

Using a search engine of your own choosing, find an article about Steve Jobs that outlines his successes and failures as a corporate executive and entrepreneur. What do you think are the Dimensions of Intellectual Ability that were exemplified by Jobs? Explain your rationale. Using a search engine of the Apple website, review the latest innovations from Apple. Can Apple duplicate the success of Steve Jobs? Describe the intellectual abilities of Apple's former leader that were most instrumental in putting Apple on the map as a leader in the market.

Instructor's Note

To aid the student in this application project, suggest that they read "Show Time" by Peter Burrows, found in *Business Week* (February 2, 2004, pp. 57–64). With respect to the intellectual abilities presented in the chapter, Mr. Jobs would certainly rate high on extraversion, conscientiousness, and openness to experience. He would also have an internal locus of control approach, be self-monitoring, have high self-esteem, be a Type A personality, have a high need for achievement, and a high need for power. However, he is also very good at building partnerships. Note the differences between his ability to partner versus that of rival Microsoft. In fact, even though the Apple vs. Microsoft rivalry is legendary, Steve Jobs recognized the benefits of having his Apple (Mac) system be user friendly to the Windows world. His alliances in the entertainment field with Disney and various film producers gave him a head start in the emerging digital entertainment field.

Exploring OB Topics on the Web

This exercise contributes to:
Learning Objective: *Describe how organizations manage diversity effectively*
Learning Outcomes: *Explain the relationship between personality traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values*
AACSB: *Information technology; Diverse and multicultural work environments*

1.   Do an Internet search on age discrimination. Choose three sites that each deal with a different aspect of age discrimination (for example: discrimination in high tech industries, preventing discrimination, AARP's involvement with the issue, etc.) Write a one-page paper outlining the key points of the information obtained and whether it confirms what we learned about older workers in this chapter.

2.   Find a current article of an organization that has been involved in an age discrimination suit. What were the specific issues involved? If resolved, what was the outcome? Bring a copy of the article to class and be prepared to discuss it. In addition to searching, here are some places to start digging:
        www.aarp.com
        www.bizjournals.com   (there is a free registration process for this site)
        www.hrlawindex.com   (there is a free registration process for this site)

3.   Top executives and tough jobs. Learn more about the skills and abilities managers need,

like intelligence, leadership, motivation, etc., to be successful. Visit the About.com website and learn more. Print and bring an article to class for discussion. Try these pages or do your own search on About.com. Be sure to select links that look interesting, found in the left frame.
www.learning.about.com
www.psychology.about.com

Organizational Behavior 18th edition Robbins and Judge

Comprehensive Case Notes

Comprehensive cases are designed to include critical thinking, applying concepts and techniques from many topics spread throughout the textbook. Responses to these cases do not depend on students focusing on a specific chapter for a specific case. Instead, the case requires a holistic application of topics broadly discussed throughout the book.

Case 1

Managing Motivation in a Difficult Economy

Learning Goals

In this case, you'll have an opportunity to assess a motivational program designed to re-energize a troubled company's workforce. Acting on behalf of the company's executive board, you'll evaluate the board's current strategy based on survey data. You'll also advise board members about improving the effectiveness of this program based on what you've learned about goal setting and motivation in organizations.

Major Topic Areas
- Changing nature of work
- Diversity and age
- Goal setting
- Organizational downsizing
- Organizational justice

The Scenario

Morgan-Moe's drug stores are in trouble. A major regional player in the retail industry, the company has hundreds of stores in the upper Midwest. Unfortunately, a sharp decline in the region's manufacturing economy has put management in a serious financial bind. Revenues have been consistently dwindling. Customers spend less, and the stores have had to switch their focus to very low-margin commodities, such as milk and generic drugs, rather than the high-margin impulse-buy items that used to be the company's bread and butter. The firm has had to close quite a few locations, reversing its expansion plans for the first time since it incorporated.

Being that this is uncharted territory for the company, Jim Claussen, vice president for human relations, had been struggling with how to address the issue with employees. As the company's fortunes worsened, he could see that employees were becoming more and more disaffected. Their insecurity about their jobs was taking a toll on attitudes. The company's downsizing was big news, and the employees didn't like what they were hearing.

Media reports of Morgan-Moe's store closings have focused on the lack of advance notice or communication from the company's corporate offices, as well as the lack of severance payments for departing employees. In the absence of official information, rumors and gossip have spread like wildfire among remaining employees. A few angry blogs developed by laid-off employees, like IHateMorganMoe.blogspot.com, have made the morale and public relations picture even worse.

Morgan-Moe is changing in other ways as well. The average age of its workforce is

increasing rapidly. A couple of factors have contributed to this shift. First, fewer qualified young people are around because many families have moved south to find jobs. Second, stores have been actively encouraged to hire older workers, such as retirees looking for some supplemental income. Managers are very receptive to these older workers because they are more mature, miss fewer days of work, and do not have child-care responsibilities. They are also often more qualified than younger workers because they have more experience, sometimes in the managerial or executive ranks.

These older workers have been a great asset to the company in troubled times, but they are especially likely to leave if things get bad. If these older workers start to leave the company, taking their hard-earned experience with them, it seems likely that Morgan-Moe will sink deeper toward bankruptcy.

The System

Claussen wasn't quite sure how to respond to employees' sense of hopelessness and fear until a friend gave him a book entitled *Man's Search for Meaning.* The book was written by a psychologist named Victor Frankl who survived the concentration camps at Auschwitz. Frankl found that those who had a clear sense of purpose, a reason to live, were more likely to persevere in the face of nearly unspeakable suffering. Something about this book, and its advocacy of finding meaning and direction as a way to triumph over adversity, really stuck with Claussen. He thought he might be able to apply its lessons to his workforce. He proposed the idea of a new direction for management to the company's executive committee, and they reluctantly agreed to try his suggestions.

Over the last 6 months, stores throughout the company have used a performance management system that, as Claussen says, "gets people to buy into the idea of performing so that they can see some real results in their stores. It's all about seeing that your work serves a broader purpose. I read about how some companies have been sharing store performance information with employees to get them to understand what their jobs really mean and participate in making changes, and I thought that was something we'd be able to do."

The HR team came up with five options for the management system. Corporate allowed individual managers to choose the option they thought would work best with their employees so that managers wouldn't feel too much like a rapid change was being forced on them. Program I is opting out of the new idea, continuing to stay the course and providing employees with little to no information or opportunities for participation. Program II tracks employee absence and sick leave and shares that information with individual employees, giving them feedback about things they can control. Management takes no further action. Program III tracks sales and inventory replacement rates across shifts. As in Program II, information is shared with employees, but without providing employee feedback about absence and sick leave. Program IV, the most comprehensive, tracks the same information as Programs II and III. Managers communicate it in weekly brainstorming sessions, during which employees try to determine what they can do better in the future and make suggestions for improving store performance. Program V keeps the idea of brainstorming but doesn't provide employees with information about their behavior or company profits.

Since implementing the system, Claussen has spoken with several managers about what motivated them to choose the program they did. Artie Washington, who chose Program IV, said, "I want to have my employees' input on how to keep the store running smoothly. Everybody worries about his or her job security in this economy. Letting them know what's going on and giving them ways to change things keeps them involved."

Betty Alvarez couldn't disagree more. She selected Program I. "I would rather have my employees doing their jobs than going to meetings to talk about doing their jobs. That's what management is for." Michael Ostremski, another proponent of Program I, added, "It's okay for the employees to feel a little uncertain—if they think we're in the clear, they'll slack off. If they think we're in trouble, they'll give up."

Cal Martins also questions the need to provide information to the whole team, but he chose Program II. "A person should know where he or she stands in the job, but they don't have to know about everyone else. It creates unnecessary tension."

This is somewhat similar to Cindy Ang's reason for picking Program V. "When we have our brainstorming meetings, I learn what they [the employees] think is most pressing, not what some spreadsheet says. It gives me a better feel for what's going on in my store. Numbers count, of course, but they don't tell you everything. I was also a little worried that employees would be upset if they saw that we aren't performing well."

Results to Date

Claussen is convinced the most elaborate procedure (Program IV) is the most effective, but not everyone in the executive committee is won over by his advocacy. Although they have supported the test implementation of the system because it appears to have relatively low costs, others on the committee want to see results. CEO Jean Masterson has asked for a complete breakdown of the performance of the various stores over the past 4 years. She's especially interested in seeing how sales figures and turnover rates have been affected by the new program.

The company has been collecting data in spreadsheets on sales and turnover rates, and it prepared the following report, which also estimates the dollar cost of staff time taken up in each method. These costs are based on the number of hours employees spend working on the program multiplied by their wage rate. Estimates of turnover, profit, and staff time are collected per store. Profit and turnover data include means and standard deviations across locations; profit is net of the monthly time cost. Turnover information refers to the percentage of employees who either quit or are terminated in a month.

To see if any patterns emerged in managers' selection of programs, the company calculated relationships between program selection and various attributes of the stores. Program I was selected most frequently by the oldest stores and those in the most economically distressed areas. Programs II and III were selected most frequently by stores in urban areas and in areas where the workforce was younger on average. Programs IV and V were selected most frequently in stores in rural areas, and especially where the workforce is older on average.

Program	Methods	# of Stores	Average Turnover	Weekly Profit per Month	Monthly Staff Cost Time
Program 1	Traditional Management	83	Mean=30% SD=10%	Mean=$5,700 SD=$3,000	None
Program 2	Share absence and sick leave	27	Mean=23% SD=14%	Mean=$7,000 SD=$5,800	$1,960
Program 3	Share sales and inventory	35	Mean=37% SD=20%	Mean=$11,000 SD=$2,700	$2,440
Program 4	Share information and brainstorm	67	Mean=17% SD=1020	Mean=$13,000 SD=$3,400	$3,420
Program 5	Brainstorm without sharing information	87	Mean=21% SD=12%	Mean=$14,000 SD=$2,400	$2,750

Your Assignment

Your task is to prepare a report for the company's executive committee on the effectiveness of these programs. Make certain it is in the form of a professional business document. Your audience won't necessarily know about the organizational principles you're describing, so make sure you provide detailed explanations that someone in a real business can understand.

When you write, make sure you touch on the following points:

CC-1. Consider the five management systems as variables in an experiment. Identify the independent and dependent variables and explain how they are related to one another.
CC-2. Based on the discussion of independent and dependent variables in the textbook, is there anything else you'd like to measure as an outcome?
CC-3. Look over the data and decide which method of management appears most effective in generating revenues and reducing turnover, and why. Which methods appear least effective, and why?
CC-4. Are there any concerns you have about this data?
CC-5. Does a comparison of the number of stores using each method influence your conclusions at all?
CC-6. Does the fact that managers are selecting the specific program to use (including Program I, which continues the status quo) affect the inferences you can draw about program success?
CC-7. What are the advantages of randomly assigning different conditions to the stores instead of using this self-selection process?
CC-8. How does the changing nature of the workforce and the economy, described in your textbook and in the case, affect your conclusions about how to manage retail employees? Does the participation of a more experienced workforce help or hurt these programs? Why might these programs work differently in an economy that isn't doing so poorly?
CC-9. Claussen essentially designed the program on his own, with very little research into goal setting and motivation. Based on your textbook, how well has he done? Which parts of the program appear to fit well with research evidence on goal setting? What parts would you change to get more substantial improvements in employee motivation?
CC-10. Describe the feelings employees might have when these systems are implemented that could help or hinder the program's success. What advice would you give managers about how to implement the programs so they match the principles of organizational justice described in your textbook?

Case Discussion

The fact finding on the seven issues listed would appear in the report in the "background section" of the body in the optional format. Facts drawn from the research on these topics should be placed in the "Analysis Section." Conclusions about these discussion questions will be in the "Recommendation Section" along with any recommendations for change in the current operations or structures.

You may elect to have individuals create the report or place students in groups of three to five to produce a report and presentation as if it were to be given to the executive committee.

When students discuss the case assignment, here are some suggestions regarding perspectives students should gather on each of the steps listed above.

CC-1. Consider the five management systems as variables in an experiment. Identify

the independent and dependent variables and explain how they are related to one another.

Suggested discussion: The five programs that are identified in the chart above are:

    a. Program I is opting out of the new idea, continuing to stay the course and providing employees with little to no information or opportunities for participation.

    b. Program II tracks employee absence and sick leave and shares that information with individual employees, giving them feedback about things they can control. Management takes no further action.

    c. Program III tracks sales and inventory replacement rates across shifts.

    d. Program IV is the most comprehensive. Managers communicate it in weekly brainstorming sessions, during which employees try to determine what they can do better in the future and make suggestions for improving store performance.

    e. Program V keeps the idea of brainstorming but doesn't provide employees with information about their behavior or company profits.

These are independent variables input to the research as store category of programs. They provide the basis for defining management style in each location. Additional independent variables in the research would be (1) categorization of the economy in the market served by a store, (2) age of employees, (3) length of service of employees, (4) training of managers, and (5) job satisfaction and turnover. With these last two variables, one can be entered into the research as an independent variable with the other a dependent variable to help the company determine what contributes to employees' satisfaction or turnover. Lastly, all independent variables can be entered to the research with a dependent variable of store performance measured as profitability, return on investment, or some other measure of productivity.

Please note that students implementing discussion of this case may identify other variables from the ones suggested here. When they identify their variables, consider them carefully because they may play a role in determining the contribution to variability of the dependent variables.

CC-2. Based on the discussion of independent and dependent variables in the textbook, is there anything else you'd like to measure as an outcome?

Suggested discussion: The response to this discussion will vary depending on a student's opinions, innovation, and creativity. It may also be dependent on a student's having taken a course in research methodology. The suggestion above about using job satisfaction and an independent variable to determine the effect on turnover is an example of the type of additional data mining students might suggest. When looking to optimize the results, Program IV seems to have the least turnover with the highest revenue return, but it is the costliest to implement in employee costs. Program V has a slightly higher turnover rate, but achieves the highest revenue with a moderate employee cost. Because the revenue is so high, the tradeoff with employee costs and a slightly elevated turnover rate makes this an attractive option for all stores.

CC-3. Look over the data and decide which method of management appears most effective in generating revenues and reducing turnover, and why. Which methods appear least effective, and why?

Suggested discussion: Program III seems to represent the highest turnover rate of the five methods. However, it does result in a moderate amount of revenue. In general, the combination of high turnover and revenue rates suggests that Program 1, Program 2, and Program 3 would be in the category of least effective.

CC-4. Are there any concerns you have about this data?
Suggested discussion:
Responses to this question will vary by student. In general, students should recognize the potential for validity error, issues related to generalizability, methodology, and so on.

CC-5. Does a comparison of the number of stores using each method influence your conclusions at all?
Suggested discussion:
Yes. The number of stores in each subsample ranges from 27 to 87. This type of variability in the (n) for each Program could introduce validity errors into the results.

CC-6. Does the fact that managers are selecting the specific program to use (including Program I, which continues the status quo) affect the inferences you can draw about program success?
Suggested discussion:
Yes. A sample of convenience resulting from managers self-selecting styles creates biases in the data that must be indentified. If the programs were assigned at random to stores in equal distribution, the results would be more generalizable with confidence to the entire research population.

CC-7. What are the advantages of randomly assigning different conditions to the stores instead of using this self-selection process?
Suggested discussion:
The primary advantage is the results being more generalizable to the entire population of stores.

CC-8. How does the changing nature of the workforce and the economy, described in your textbook and in the case, affect your conclusions about how to manage retail employees? Does the participation of a more experienced workforce help or hurt these programs? Why might these programs work differently in an economy that isn't doing so poorly?
Suggested discussion: The workforce diversifying is a major influence on this firm's situation. Diversity includes age, gender, ethnicity, and psychological profile. This diversity requires managers to be more astute to identify the things that will motivate employees and to find ways to individualize the factors for motivation to apply to each worker. Times of economic hardship probably affect this because of the reduction in resources available to build programs, although turnover is likely to decrease because of the scarcity of jobs for employees to go to.

CC-9 Claussen essentially designed the program on his own, with very little research into goal setting and motivation. Based on your textbook, how well has he done? Which parts of the program appear to fit well with research evidence on goal setting? What parts would you change to get more substantial improvements in employee motivation?
Suggested discussion: He has done fairly well in creating programs that include many of the concepts in goal-setting theory. Since he used a book written by a person who suggests ways to overcome adversity, the parallel to the company's position is very close. The book suggested that people with a clear purpose and reasons to live, overcame adversity more effectively. Goal-setting theory specifically suggests:

1. If factors like ability and acceptance of the goals are held constant, we can also state that the more difficult the goal, the higher the level of performance.
   a. Why are people motivated by difficult goals?
      i. Challenging goals get our attention and thus tend to help us focus.
      ii. Difficult goals energize us because we have to work harder to attain them.
      iii. When goals are difficult, people persist in trying to attain them.
      iv. Difficult goals lead us to discover strategies that help us perform the job or task more effectively
   b. People will do better when they get feedback on how well they are progressing toward their goals. Self-generated feedback is more powerful a motivator than externally generated feedback.
   c. The evidence is mixed regarding the superiority of participative over assigned goals. If employees have the opportunity to participate in the setting of their own goals, will they try harder?
      i. A major advantage of participation may be in increasing acceptance.
      ii. If people participate in goal setting, they are more likely to accept even a difficult goal than if they are arbitrarily assigned it by their boss.
      iii. If participation isn't used, then the individual assigning the goal needs to clearly explain its purpose and importance.

CC-10. Describe the feelings employees might have when these systems are implemented that could help or hinder the program's success. What advice would you give managers about how to implement the programs so they match the principles of organizational justice described in your textbook?
   Suggested discussion: Resistance to change is something any new implementation can experience. Resistance can be from any of five reasons:
   a. Five reasons why individuals may resist change are:
      i. Habit: Life is complex, to cope with having to make hundreds of decisions everyday, we all rely on habits or programmed responses.
      ii. Security: People with a high need for security are likely to resist change because it threatens their feelings of safety.
      iii. Economic factors: Another source of individual resistance is concern that changes will lower one's income.
      iv. Fear of the unknown: Changes substitute ambiguity and uncertainty for the known.
      v. Selective information processing: Individuals shape their world through their perceptions. Once they have created this world, it resists change.
   Communication is an essential part of implementation. Not just communicating to pass information, but communicating to ensure the audience understands the concepts and information. The topics of communication must be focused on ensuring trust in the source and with the receivers. This trust can be fostered through the concepts in the Organizational Justice model that is part of Equity theory. Contributing to employees' perceptions about Distributive Justice, Procedural Justice, and Interactional Justice will contribute to the overall feeling of Organizational Justice that is the basis for employees assuming an equitable situation that they can believe in.

Case 2

Repairing Jobs That Fail to Satisfy

Learning Goals

Companies often divide up work as a way to improve efficiency, but specialization can lead to negative consequences. DrainFlow is a company that has effectively used specialization to reduce costs relative to its competitors' costs for years, but rising customer complaints suggest the firm's strong position may be slipping. After reading the case, you will suggest some ways it can create more interesting work for employees. You'll also tackle the problem of finding people qualified and ready to perform the multiple responsibilities required in these jobs.

Major Topic Areas

- Job design
- Job satisfaction
- Personality
- Emotional labor

The Scenario

DrainFlow is a large residential and commercial plumbing maintenance firm that operates around the United States. It has been a major player in residential plumbing for decades, and its familiar rhyming motto, "When Your Drain Won't Go, Call DrainFlow," has been plastered on billboards since the 1960s.

Lee Reynaldo has been a regional manager at DrainFlow for about 2 years. She used to work for a newer competing chain, Lightning Plumber, that has been drawing more and more customers from DrainFlow. Although her job at DrainFlow pays more, Reynaldo isn't happy with the way things are going. She's noticed the work environment just isn't as vital or energetic as the environment she saw at Lightning.

Reynaldo thinks the problem is that employees aren't motivated to provide the type of customer service Lightning Plumber employees offer. She recently sent surveys to customers to collect information about performance, and the data confirmed her fears. Although 60 percent of respondents said they were satisfied with their experience and would use DrainFlow again, 40 percent felt their experience was not good, and 30 percent said they would use a competitor the next time they had a plumbing problem.

Reynaldo is wondering whether DrainFlow's job design might be contributing to its problems in retaining customers. DrainFlow has about 2,000 employees in four basic job categories: plumbers, plumber's assistants, order processors, and billing representatives. This structure is designed to keep costs as low as possible. Plumbers make very high wages, whereas plumber's assistants make about one-quarter of what a licensed plumber makes. Using plumber's assistants is therefore a very cost-effective strategy that has enabled DrainFlow to easily undercut the competition when it comes to price. Order processors make even less than assistants but about the same as billing processors. All work is very specialized, but employees are often dependent on

another job category to perform at their most efficient level.

Like most plumbing companies, DrainFlow gets business mostly from the Yellow Pages and the Internet. Customers either call in to describe a plumbing problem or submit an online request for plumbing services, receiving a return call with information within 24 hours. In either case, DrainFlow's order processors listen to the customer's description of the problem to determine whether a plumber or a plumber's assistant should make the service call. The job is then assigned accordingly, and a service provider goes to the location. When the job has been completed, via cell phone a billing representative relays the fee to the service rep, who presents a bill to the customer for payment. Billing representatives can take customers' credit card payments by phone or e-mail an invoice for online payment.

The Problem

Although specialization does cut costs significantly, Reynaldo is worried about customer dissatisfaction. According to her survey, about 25 percent of customer contacts ended in no service call because customers were confused by the diagnostic questions the order processors asked and because the order processors did not have sufficient knowledge or skill to explain the situation. That means fully one in four people who call DrainFlow to hire a plumber are worse than dissatisfied: they aren't customers at all! The remaining 75 percent of calls that did end in a customer service encounter resulted in other problems.

The most frequent complaints Reynaldo found in the customer surveys were about response time and cost, especially when the wrong person was sent to a job. A plumber's assistant cannot complete a more technically complicated job. The appointment has to be rescheduled, and the customer's time and the staff's time have been wasted. The resulting delay often caused customers in these situations to decline further contact with DrainFlow—many of them decided to go with Lightning Plumber.

"When I arrive at a job I can't take care of," says plumber's assistant Jim Larson, "the customer gets ticked off. They thought they were getting a licensed plumber, since they were calling for a plumber. Telling them they have to have someone else come out doesn't go over well."

On the other hand, when a plumber responds to a job easily handled by a plumber's assistant, the customer is still charged at the plumber's higher pay rate. Licensed plumber Luis Berger also does not like being in the position of giving customers bad news. "If I get called out to do something like snake a drain, the customer isn't expecting a hefty bill. I'm caught between a rock and a hard place—I don't set the rates or make the appointments, but I'm the one who gets it from the customer." Plumbers also resent being sent to do such simple work.

Susie McCarty is one of DrainFlow's order processors. She's frustrated too when the wrong person is sent to a job but feels she and the other order processors are doing the best they can. "We have a survey we're supposed to follow with the calls to find out what the problem is and who needs to take the job," she explains. "The customers don't know that we have a standard form, so they think we can answer all their questions. Most of us don't know any more about plumbing than the caller. If they don't use the terms on the survey, we don't understand what they're talking about. A plumber would, but we're not plumbers; we just take the calls."

Customer service issues also involve the billing representatives. They are the ones who

have to keep contacting customers about payment. "It's not my fault the wrong guy was sent," says Elizabeth Monty. "If two guys went out, that's two trips. If a plumber did the work, you pay plumber rates. Some of these customers don't get that I didn't take their first call, and so I get yelled at." The billing representatives also complain that they see only the tail end of the process, so they don't know what the original call entailed. The job is fairly impersonal, and much of the work is recording customer complaints. Remember—40 percent of customers aren't satisfied, and it's the billing representatives who take the brunt of their negative reactions on the phone.

As you can probably tell, all employees have to engage in emotional labor, as described in your textbook, and many lack the skills or personality traits to complete the customer interaction component of their jobs. They aren't trained to provide customer service, and they see their work mostly in technical, or mechanical, terms. Quite a few are actually anxious about speaking directly with customers. The office staff (order processors and billing representatives) realize customer service is part of their job, but they also find dealing with negative feedback from customers and coworkers taxing.

A couple of years ago a management consulting company was hired to survey DrainFlow worker attitudes. The results showed they were less satisfied than workers in other comparable jobs. The following table provides a breakdown of respondent satisfaction levels across a number of categories:

	DrainFlow Plumbers	DrainFlow Plumber Assistants	DrainFlow Office Workers	Average Plumber	Average Office Worker
I am satisfied with the work I am asked to do.	3.7	2.5	2.5	4.3	3.5
I am satisfied with my working conditions.	3.8	2.4	3.7	4.1	4.2
I am satisfied with my interactions with coworkers.	3.5	3.2	2.7	3.8	3.9
I am satisfied with my interactions with my supervisor	2.5	2.3	2.2	3.5	3.4

The information about average plumbers and average office workers is taken from the management consulting company's records of other companies. They aren't exactly surprising, given some of the complaints DrainFlow employees have made. Top management is worried about these results, but they haven't been able to formulate a solution. The traditional DrainFlow culture has been focused on cost containment, and the "soft stuff" like employee satisfaction hasn't been a major issue.

The Proposed Solution

The company is in trouble, and as revenues shrink and the cost savings that were supposed to be achieved by dividing up work fail to materialize, a change seems to be in order.

Reynaldo is proposing using cash rewards to improve performance among employees. She thinks if employees were paid based on work outcomes, they'd work harder to satisfy customers. Because it's not easy to measure how satisfied people are with the initial call-in, Reynaldo would like to give the order processors a small reward for every 20 calls successfully completed. For the hands-on work, she'd like to have each billing representative collect information about customer satisfaction for each completed call. If no complaints are made and the job is handled promptly, a moderate cash reward would be given to the plumber or plumber's assistant. If the customer indicates real

satisfaction with the service, a larger cash reward would be provided.

Reynaldo also wants to find people who are a better fit with the company's new goals. Current hiring procedure relies on unstructured interviews with each location's general manager, and little consistency is found in the way these managers choose employees. Most lack training in customer service and organizational behavior. Reynaldo thinks it would be better if hiring methods were standardized across all branches in her region to help managers identify recruits who can actually succeed in the job.

Your Assignment

Your task is to prepare a report for Reynaldo on the potential effectiveness of her cash reward and structured interview programs. Make certain it is in the form of a professional business document that you'd actually give to an experienced manager at this level of a fairly large corporation. Reynaldo is very smart when it comes to managing finances and running a plumbing business, but she won't necessarily know about the organizational behavior principles you're describing. Because any new proposals must be passed through top management, you should also address their concerns about cost containment. You'll need to make a strong evidence-based financial case that changing the management style will benefit the company.

When you write, make sure you touch on the following points:
CC-11. Although it's clear employees are not especially satisfied with their work, do you think this is a reason for concern? Does research suggest satisfied workers are actually better at their jobs? Are any other behavioral outcomes associated with job satisfaction?
CC-12. Using job characteristics theory, explain why the present system of job design may be contributing to employee dissatisfaction. Describe some ways you could help employees feel more satisfied with their work by redesigning their jobs.
CC-13. Reynaldo has a somewhat vague idea about how to implement the cash rewards system. Describe some of the specific ways you would make the reward system work better, based on the case.
CC-14. Explain the advantages and disadvantages of using financial incentives in a program of this nature. What, if any, potential problems might arise if people are given money for achieving customer satisfaction goals? What other types of incentives might be considered?
CC-15.Create a specific plan to assess whether the reward system is working. What are the dependent variables that should change if the system works? How will you go about measuring success?
CC-16. What types of hiring recommendations would you make to find people better suited for these jobs? Which Big Five personality traits would be useful for the customer service responsibilities and emotional labor?
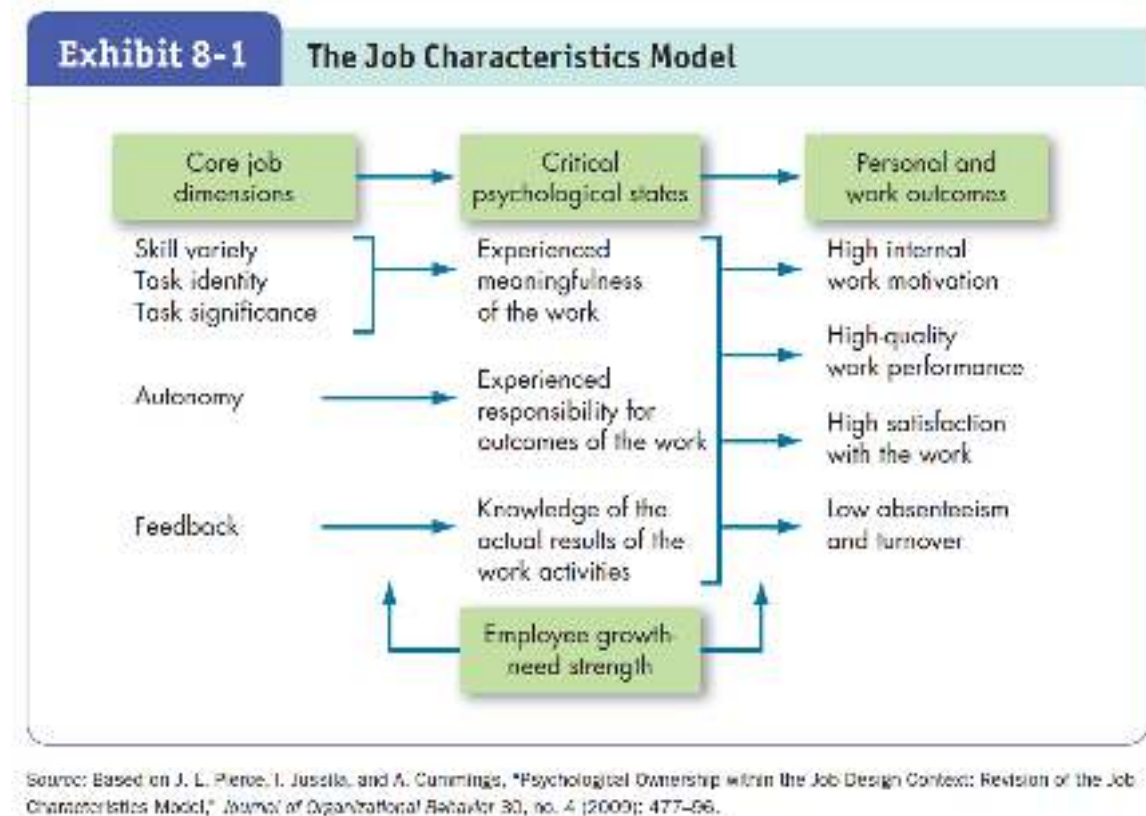
Case Discussion

The case's discussion points are:

CC-11. Although it's clear employees are not especially satisfied with their work, do you think this is a reason for concern? Does research suggest satisfied workers are actually better at their jobs? Are any other behavioral outcomes associated with job satisfaction?
    Suggested discussion: In general research reported in the text suggests that job satisfaction and productivity are strongly related. In addition, job satisfaction does have strong relationships with other organizational behavioral concerns such as turnover, absenteeism, organizational citizenship behavior, customer

satisfaction, and workplace deviance.

CC-12. Using job characteristics theory, explain why the present system of job design may be contributing to employee dissatisfaction. Describe some ways you could help employees feel more satisfied with their work by redesigning their jobs. **Suggested discussion**:

Exhibit 8-1   The Job Characteristics Model

Source: Based on J. L. Pierce, I. Jussila, and A. Cummings, "Psychological Ownership within the Job Design Context: Revision of the Job Characteristics Model," *Journal of Organizational Behavior* 30, no. 4 (2009): 477–96.

Current hiring practices do not meet the suggestions of the Job Characteristics Model. Instead of focusing consistently on the Core job Dimensions, managers are allowed to pursue individual interview techniques and topics. The result is divergence in capabilities of employees. The current organizational policies and structure don't include the emphasis on personal and work outcomes as a basis for evaluation and reward. The suggested new plan does address the components of the model.

CC-13. Reynaldo has a somewhat vague idea about how to implement the cash rewards system. Describe some of the specific ways you would make the reward system work better, based on the case.
Suggested discussion: Variable pay plans help to be an incentive to foster performance. But the performance measures used as a base for determining pay must be relevant, significant, and measurable. Lee is targeting customer reports of satisfaction or dissatisfaction as the measure of performance leading to incentive pay. This is potentially a method that is inequitable and subject to perceptions of favoritism among employees. As suggested in the textbook, other measures could be used that provide more directed reward. Merit-based pay or skill-based pay could focus on the skills of employees as measured by training

or education to acquire skills. Gainsharing based on teams of plumbers and order processors could also provide more effective incentive for group performance.

CC-14. Explain the advantages and disadvantages of using financial incentives in a program of this nature. What, if any, potential problems might arise if people are given money for achieving customer satisfaction goals? What other types of incentives might be considered?
Suggested discussion: Some people may try to manipulate a system that is based on money as the incentive. Objectives may change from attempting to fully satisfy customers to doing enough to complete the job and quickly move to the next job. To appeal to other motivational concepts, the rewards could be such things as profit sharing, stock ownership, flexible benefits, or extrinsic reward programs.

CC-15. Create a specific plan to assess whether the reward system is working. What are the dependent variables that should change if the system works? How will you go about measuring success?
Suggested discussion: The response to this issue will vary as students identify the productivity measures that can serve as the base for evaluation. Measures could include: customer satisfaction, employee appraisals, job reports, or callbacks. Measures such as number of jobs should be avoided. Measures to evaluate success of the firm could be profitability, turnover and absenteeism rates, or productivity. The selection of which method students would use depends on their opinions and beliefs.

CC-16. What types of hiring recommendations would you make to find people better suited for these jobs? Which Big Five personality traits would be useful for the customer service responsibilities and emotional labor?
Suggested discussion: Recommendations will vary by student. Most responses will focus on job design identification of skills, emotions, attitudes, and opinions significant to job performance. Recruiting and selection should focus on matching potential employees' traits to the job's needs. Such matching has been shown to lead to higher job satisfaction and productivity. The Big Five traits are:
   a. *Extraversion.* The **extraversion** dimension captures our comfort level with relationships. Extraverts tend to be gregarious, assertive, and sociable. Introverts tend to be reserved, timid, and quiet.
   b. *Agreeableness.* The **agreeableness** dimension refers to an individual's propensity to defer to others. Highly agreeable people are cooperative, warm, and trusting. People who score low on agreeableness are cold, disagreeable, and antagonistic.
   c. *Conscientiousness.* The **conscientiousness** dimension is a measure of reliability. A highly conscientious person is responsible, organized, dependable, and persistent. Those who score low on this dimension are easily distracted, disorganized, and unreliable.
   d. *Emotional stability.* The **emotional stability** dimension—often labeled by its converse, neuroticism—taps a person's ability to withstand stress. People with positive emotional stability tend to be calm, self-confident, and secure. Those with high negative scores tend to be nervous, anxious, depressed, and insecure.
   e. *Openness to experience.* The **openness to experience** dimension addresses range of interests and fascination with novelty. Extremely open people are creative, curious, and artistically sensitive. Those at the other end of the openness category are conventional and find comfort in the familiar.

All five of these traits would seem to be significant to customer service job performance.

Case 3

Building a Coalition

Learning Goals

Many of the most important organizational behavior challenges require coordinating plans and goals among groups. This case describes a multi-organizational effort, but the same principles of accommodation and compromise also apply when trying to work with multiple divisions within a single organization. You'll create a blueprint for managing a complex development team's progress, steering team members away from negative conflicts and toward productive discussion. You'll also be asked to help create a new message for executives so they can lead effectively.

Major Topic Areas

- Group dynamics
- Maximizing team performance
- Organizational culture
- Integrative bargaining

The Scenario

The Woodson Foundation, a large nonprofit social service agency, is teaming up with the public school system in Washington, D.C. to improve student outcomes. There's ample room for improvement. The schools have problems with truancy, low student performance, and crime. New staff quickly burns out as their initial enthusiasm for helping students is blunted by the harsh realities they encounter in the classroom. Turnover among new teachers is very high, and many of the best and brightest are the most likely to leave for schools that aren't as troubled.

The plan is to create an experimental after-school program that will combine the Woodson Foundation's skill in raising private money and coordinating community leaders with the educational expertise of school staff. Ideally, the system will be financially self-sufficient, which is important because less money is available for schools than in the past. After several months of negotiation, the leaders of the Woodson Foundation and the school system have agreed that the best course is to develop a new agency that will draw on resources from both organizations. The Woodson Foundation will provide logistical support and program development and measurement staff; the school system will provide classrooms and teaching staff.

The first stage in bringing this new plan to fruition is the formation of an executive development team. This team will span multiple functional areas and establish the operating plan for improving school performance. Its cross-organizational nature means representatives from both the Woodson Foundation and the school district must participate. The National Coalition for Parental Involvement in Education (NCPIE) is also going to be a major partner in the program, acting as a representative for parents on behalf of the PTA.

Conflict and Agreement in the Development Team

While it would be perfect if all the groups could work together easily to improve student outcomes, there is little doubt some substantive conflicts will arise. Each group has its own interests, and in some cases these are directly opposed to one another.

School district representatives want to ensure the new jobs will be unionized and will operate in a way consistent with current school board policies. They are very concerned that if Woodson assumes too dominant a role, the school board won't be able to control the operations of the new system. The complexity of the school system has led to the development of a highly complex bureaucratic structure over time, and administrators want to make sure their policies and procedures will still hold for teachers in these programs even outside the regular school day. They also worry that jobs going into the new system will take funding from other school district jobs.

Woodson, founded by entrepreneur Theodore Woodson around 1910, still bears the hallmarks of its founder's way of doing business. Woodson emphasized efficiency and experimentation in everything he did. Many of the foundation's charities have won awards for minimizing costs while still providing excellent services. Their focus on using hard data to measure performance for all their initiatives is not consistent with the school district culture.

Finally, the NCPIE is driven by a mission to increase parental control. The organization believes that when communities are able to drive their own educational methods, students and parents are better able to achieve success together. The organization is strongly committed to celebrating diversity along racial, gender, ethnic, and disability status categories. Its members are most interested in the process by which changes are made, ensuring everyone has the ability to weigh in.

Some demographic diversity issues complicate the team's situation. Most of the students served by the Washington, D.C., school district are African American, along with large populations of Caucasians and Hispanics. The NCPIE makeup generally matches the demographic diversity of the areas served by the public schools. The Woodson Foundation, based in northern Virginia, is predominantly staffed by Caucasian professionals. There is some concern with the idea that a new group that does not understand the demographic concerns of the community will be so involved in a major change in educational administration. The leadership of the new program will have to be able to present an effective message for generating enthusiasm for the program across diverse stakeholder groups.

Although the groups differ in important ways, it's also worth considering what they have in common. All are interested in meeting the needs of students. All would like to increase student learning. The school system does benefit from anything that increases student test scores. And the Woodson Foundation and NCPIE are united in their desire to see more parents engaged in the system.

Candidates for the Development Team

The development team will consist of three individuals— HR representatives from the Woodson Foundation, the schools, and the NCPIE—who have prepared the following list of potential candidates for consideration.

Victoria Adams is the superintendent of schools for Washington, D.C. She spearheaded the initial communication with the Woodson Foundation and has been building support among teachers and principals. She thinks the schools and the foundation need to

have larger roles than the parents and communities. "Of course we want their involvement and support, but as the professionals, we should have more say when it comes to making decisions and implementing programs. We don't want to shut anyone out, but we have to be realistic about what the parents can do."

Duane Hardy has been a principal in the Washington area for over 15 years. He also thinks the schools should have the most power. "We're the ones who work with these kids every day. I've watched class sizes get bigger, and scores and graduation rates go down. Yes, we need to fix this, but these outside groups can't understand the limitations we're dealing with. We have the community, the politicians, the taxpayers—everyone watching what we're doing, everyone thinking they know what's best. The parents, at least, have more of a stake in this."

"The most important thing is the kids," says second-year teacher Ari Kaufman. He is well liked by his students but doesn't get along well with other faculty members. He's seen as a "squeaky wheel." "The schools need change so badly. And how did they get this way? From too little outside involvement."

Community organizer Mason Dupree doesn't like the level of bureaucracy either. He worries that the school's answer to its problems is to throw more money at them. "I know these kids. I grew up in these neighborhoods. My parents knew every single teacher I had. The schools wanted our involvement then. Now all they want is our money. And I wouldn't mind giving it to them if I thought it would be used responsibly, not spent on raises for people who haven't shown they can get the job done."

Meredith Watson, with the Woodson Foundation, agrees the schools have become less focused on the families. A former teacher, she left the field of education after being in the classroom for 6 years. "There is so much waste in the system," she complains. "Jobs are unnecessarily duplicated, change processes are needlessly convoluted. Unless you're an insider already, you can't get anything done. These parents want to be involved. They know their kids best."

Unlike her NCPIE colleagues, Candace Sharpe thinks the schools are doing the best they can. She is a county social worker, relatively new to the D.C. area. "Parents say they want to be involved but then don't follow through. *We* need to step it up, *we* need to lead the way. Lasting change doesn't come from the outside, it comes from the home."

Victor Martinez has been at the Woodson Foundation for 10 years, starting as an intern straight out of college. "It's sometimes hard to see a situation when you're in the thick of it," he explains. "Nobody likes to be told they're doing something wrong, but sometimes it has to be said. We all know there are flaws in the system. We can't keep the status quo. It just isn't cutting it."

Strategies for the Program Team

Once the basic membership and principles for the development team have been established, the program team would also like to develop a handbook for those who will be running the new program. Ideally, this set of principles can help train new leaders to create an inspirational message that will facilitate success. The actual content of the program and the nature of the message will be hammered out by the development team, but it is still possible to generate some overriding principles for the program team in advance of these decisions.

Your Assignment

The Woodson Foundation, the NCPIE, and the schools have asked you to provide some information about how to form teams effectively. They would like your response to explain what should be done each step of the way, from the selection of appropriate team members to setting group priorities and goals, setting deadlines, and describing effective methods for resolving conflicts that arise. After this, they'd like you to prepare a brief set of principles for leaders of the newly established program. That means you will have two audiences: the development team, which will receive one report on how it can effectively design the program, and the program team, which will receive one report on how it can effectively lead the new program.

The following points should help you form a comprehensive message for the development team:
CC-17. The development team will be more effective if members have some idea about how groups and teams typically operate. Review the dominant perspectives on team formation and performance from the chapters in the book for the committee so it can know what to expect.
CC-18. Given the profiles of candidates for the development team, provide suggestions for who would likely be a good group member and who might be less effective in this situation. Be sure you are using the research on groups and teams in the textbook to defend your choices.
CC-19. Using principles from the chapters on groups and teams, describe how you will advise the team to manage conflict effectively.
CC-20. Describe how integrative negotiation strategies might achieve joint goals for the development team.

The following points should help you form a message for the program team:
1. Leaders of the new combined organization should have a good idea of the culture of the school district, the NCPIE, and the Woodson Foundation because they will need to manage relationships with all three groups on an ongoing basis. How would you describe the culture of these various stakeholder organizations? Use concepts from the chapter on organizational culture to describe how they differ and how they are similar.
2. Consider how leaders of the new program can generate a transformational message and encourage employee and parent trust. Using material from the chapter on leadership, describe how you would advise leaders to accomplish these ends.
3. Given the potential for demographic fault lines in negotiating these changes, what would you advise as a strategy for managing diversity issues for program leaders?

Case Discussion

The following points should help you form a comprehensive message for the development team:

CC-17. The development team will be more effective if members have some idea about how groups and teams typically operate. Review the dominant perspectives on team formation and performance from the chapters in the book for the committee so it can know what to expect.
Suggested discussion: Team processes are:
    a. Team Processes (ppt10-14)

     i. Introduction
      (a) The final category related to team effectiveness is process variables such as member commitment to a common purpose, establishment of specific team goals, team efficacy, a managed level of conflict, and minimized social loafing.
     ii. Common Plan and Purpose
      (a) Effective teams begin by analyzing the team's mission, developing goals to achieve that mission, and creating strategies for achieving the goals.
      (b) Effective teams also show reflexivity, meaning they reflect on and adjust their master plan when necessary.
     iii. Specific Goals
      (a) Successful teams translate their common purpose into specific, measurable, and realistic performance goals. They energize the team.
   b. Team Efficacy
     i. Effective teams have confidence in themselves and believe they can succeed—this is team efficacy. Success breeds success.
     ii. Management can increase team efficacy by helping the team to achieve small successes and skill training.
   c. Mental Models
     i. Effective teams share accurate mental models—knowledge and beliefs (a "psychological map") about how the work gets done.
     ii. If team members have different ideas about how to do things, the team will fight over how to do things rather than focus on what needs to be done.
   d. Conflict Levels
     i. Conflict on a team is not necessarily bad. Teams that are completely void of conflict are likely to become apathetic and stagnant.
     ii. Relationship conflicts—those based on interpersonal incompatibilities, tension, and animosity toward others—are almost always dysfunctional.
   e. Social Loafing
     i. Individuals can hide inside a group. Effective teams undermine this tendency by holding themselves accountable at both the individual and team level.

CC-18. Given the profiles of candidates for the development team, provide suggestions for who would likely be a good group member and who might be less effective in this situation. Be sure you are using the research on groups and teams in the textbook to defend your choices.
   Suggested discussion: Characteristics of team composition include:
   1. Abilities of Members
    a. Teams require three different types of skills:
     i. Technical expertise
     ii. Problem-solving and decision-making skills
     iii. Good listening, feedback, conflict resolution, and other interpersonal skills.
    b. Research reveals some insights into team composition and performance.
    c. The ability of the team's leader also matters.
   2. Personality of Members
    a. Many of the dimensions identified in the Big Five personality model have shown to be relevant to team effectiveness.

       b.   ~~Conscientious people are valuable in teams because they're good at backing up other team members, and they're also good at sensing when that support is truly needed.~~
       c.   ~~Open team members communicate better with one another and throw out more ideas, which makes teams composed of open people more creative and innovative.~~

  3. ~~Allocating Roles~~
       a.   ~~Teams have different needs, and people should be selected for a team to ensure that there is diversity and that all various roles are filled.~~
       b.   ~~Managers need to understand the individual strengths that each person can bring to a team, select members with their strengths in mind, and allocate work assignments accordingly.~~
       c.   ~~Nine roles of potential team members are found in Exhibit 10-4.~~

  4. ~~Diversity of Members~~
       a.   ~~Many of us hold the optimistic view that diversity should be a good thing—diverse teams should benefit from differing perspectives and do better.~~
       b.   ~~Two meta-analytic reviews of the research literature show, however, that demographic diversity is essentially unrelated to team performance overall.~~
       c.   ~~Proper leadership can also improve the performance of diverse teams. The degree to which members of a work unit (group, team, or department) share a common demographic attribute, such as age, sex, race, educational level, or length of service in the organization, is the subject of organizational demography.~~
       d.   ~~Conflict and power struggles are more likely and are more severe when they occur. Increased conflict makes membership less attractive, so employees are more likely to quit. Similarly, the losers in a power struggle are more apt to leave voluntarily or be forced out.~~

~~CC-19. Using principles from the chapters on groups and teams, describe how you will advise the team to manage conflict effectively.~~
    ~~Suggested discussion~~:
  1. ~~Managing Functional Conflict~~
       a.   ~~If managers recognize that in some situations conflict can be beneficial, what can they do to manage conflict effectively in their organizations?~~
       b.   ~~There seems to be general agreement that managing functional conflict is a tough job, particularly in large U.S. corporations.~~
       c.   ~~Such anticonflict cultures may have been tolerable in the past but are not in today's fiercely competitive global economy.~~
       d.   ~~Organizations that don't encourage and support dissent may find their survival threatened.~~
       e.   ~~One common ingredient in organizations that successfully manage functional conflict is that they reward dissent and punish conflict avoiders.~~
       f.   ~~Groups that resolve conflicts successfully discuss differences of opinion openly and are prepared to manage conflict when it arises.~~

~~CC-20. Describe how integrative negotiation strategies might achieve joint goals for the development team.~~
    ~~Suggested discussion~~:
  1. ~~Integrative Bargaining~~
       a.   ~~An example: A sales rep calls in the order and is told that the firm cannot approve credit to this customer because of a past slow-pay record.~~

> b. In terms of intra-organizational behavior, all things being equal, integrative bargaining is preferable to distributive bargaining.
> c. Why do we not see more integrative bargaining in organizations? The answer lies in the conditions necessary for this type of negotiation to succeed.
> d. Finally, you should realize that compromise may be your worst enemy in negotiating a win-win agreement.

The following points should help you form a message for the program team:
CC-21. Leaders of the new combined organization should have a good idea of the culture of the school district, the NCPIE, and the Woodson Foundation because they will need to manage relationships with all three groups on an ongoing basis. How would you describe the culture of these various stakeholder organizations? Use concepts from the chapter on organizational culture to describe how they differ and how they are similar.
   Suggested discussion:
   1. Research identifies seven primary characteristics that capture the essence of an organization's culture:
      a. Innovation and risk taking
      b. Attention to detail
      c. Outcome orientation
      d. People orientation
      e. Team orientation
      f. Aggressiveness
      g. Stability
      h. Each of the characteristics exists on a continuum from low to high.

	School District	NCPIE	Woodson
Innovation and Risk Taking	High	High	High
Attention to detail	Low	Low	High
Outcome orientation	High	High	High
People orientation	Low	High	High
Team orientation	Low	Low	High
Aggressiveness	Low	Low	High
Stability	Low	High	High

CC-22. Consider how leaders of the new program can generate a transformational message and encourage employee and parent trust. Using material from the chapter on leadership, describe how you would advise leaders to accomplish these ends.
   Suggested discussion:
   1. Transformational Leadership
      a. Transformational leaders inspire followers to transcend their own self-interests for the good of the organization.
   2. How Transformational Leadership Works
      a. Transformational leaders:
         i. Encourage followers to be more innovative and creative
         ii. Followers are more likely to pursue ambitious goals
         iii. Vision explains part of the effect of transformational leadership
      b. Evaluation of Transformational Leadership
         i. Advantages
            (a) Transformational leadership has been supported in different countries and cultures.

              (b) It is related to followers' motivation and satisfaction.
        c. Concerns
           i. Contingent reward leadership

CC-23. Given the potential for demographic fault lines in negotiating these changes, what would you advise as a strategy for managing diversity issues for program leaders?

Suggested discussion:

Effective, comprehensive workforce programs encouraging diversity have three distinct components. First, they teach managers about the legal framework for equal employment opportunity and encourage fair treatment of all people regardless of their demographic characteristics. Second, they teach managers how a diverse workforce will be better able to serve a diverse market of customers and clients. Third, they foster personal development practices that bring out the skills and abilities of all workers, acknowledging how differences in perspective can be a valuable way to improve performance for everyone.

Case 4

Boundaryless Organizations

Learning Goals

The multinational organization is an increasingly common and important part of the economy. This case takes you into the world of a cutting-edge music software business seeking success across three very different national and organizational cultures. Its managers need to make important decisions about how to structure work processes so employees can be satisfied and productive doing very different tasks.

Major Topic Areas

- Organizational structure and boundaryless organizations
- Organizational culture
- Human resources
- Organizational socialization

The Scenario

Newskool Grooves is a transnational company developing music software. The software is used to compose music, play recordings in clubs, and produce albums. Founder and CEO Gerd Finger is, understandably, the company's biggest fan. "I started this company from nothing, from just me, my ideas, and my computer. I love music—love playing music, love writing programs for making music, love listening to music—and the money is nice, too." Finger says he never wanted to work for someone else, to give away his ideas and let someone else profit from them. He wanted to keep control over them, and their image. "Newskool Grooves is always ahead of the pack. In this business, if you can't keep up, you're out. And we are the company everyone else must keep up with. Everyone knows when they get something from us, they're getting only the best and the newest."

The company headquarters are in Berlin, the nerve center for the organization, where new products are developed and the organizational strategy is established. Newskool outsources a great deal of its coding work to programmers in Kiev, Ukraine. Its marketing efforts are increasingly based in its Los Angeles offices. This division of labor is at least partially based on technical expertise and cost issues. The German team excels at design and production tasks. Because most of Newskool's customers are English speakers, the Los Angeles office has been the best group to write ads and market products. The Kiev offices are filled with outstanding programmers who don't require the very high rates of compensation you'd find in German or U.S. offices. The combination of high-tech software, rapid reorganization, and outsourcing makes Newskool the very definition of a boundaryless organization.

Finger also makes the final decision on hiring every employee for the company and places a heavy emphasis on independent work styles. "Why would I want to put my company in the hands of people I can't count on?" he asks with a laugh. "They have to believe in what we're doing here, really understand our direction and be able to go with

it. I'm not the babysitter, I'm not the school master handing out homework. School time is over. This is the real world."

The Work Culture

Employees want to work at this company because it's cutting edge. Newskool's software is used by a number of dance musicians and DJs, who have been the firm's core market, seeing it as a relatively expensive but very high-quality and innovative brand. Whenever the rest of the market for music software goes in one direction, it seems like Newskool heads in a completely different direction in an effort to keep itself separate from the pack. This strategy has tended to pay off. While competitors develop similar products and therefore need to continually lower their prices to compete with one another, Newskool has kept revenues high by creating completely new types of products that don't face this type of price competition.

Unfortunately, computer piracy has eroded Newskool's ability to make money with just software-based music tools, and it has had to move into the production of hardware, such as drum machines and amplifiers that incorporate its computer technology. Making this massive market change might be challenging for some companies, but for an organization that reinvents itself every 2 or 3 years like Newskool does, the bigger fight is a constant war against stagnation and rigidity.

The organization has a very decentralized culture. With only 115 employees, the original management philosophy of allowing all employees to participate in decision making and innovation is still the lifeblood of the company's culture. One developer notes, "At Newskool, they want you to be part of the process. If you are a person who wants to do what you're told at work, you're in trouble. Most times, they can't tell you what they want you to do next—they don't even know what comes next! That's why they hire employees who are creative, people who can try to make the next thing happen. It's challenging, but a lot of us think it's very much an exciting environment."

The Boundaryless Environment

Because so much of the work can be performed on computers, Finger decided early to allow employees to work outside the office. The senior management in Berlin and Los Angeles are both quite happy with this arrangement. Because some marketing work does require face-to-face contact, the Los Angeles office has weekly in-person meetings. Employees who like Newskool are happiest when they can work through the night and sleep most of the day, firing up their computers to get work done at the drop of a hat. Project discussions often happen via social networking on the company's intranet.

The Kiev offices have been less eager to work with the boundaryless model. Managers say their computer programmers find working with so little structure rather uncomfortable. They are more used to the idea of a strong leadership structure and well-defined work processes.

"When I started," says one manager, "Finger said getting in touch with him would be no problem, getting in touch with L.A. would be no problem. We're small, we're family, he said. Well, it is a problem. When I call L.A., they say to wait until their meeting day. I can't always wait until they decide to get together. I call Finger— he says, 'Figure it out.' Then when I do, he says it isn't right and we have to start again. If he just told me in the first place, we would have done it."

Some recent events have also shaken up the company's usual way of doing business. Developers in the corporate offices had a major communications breakdown about their

hardware DJ controller, which required many hours of discussion to resolve. It seems that people who seldom met face to face had all made progress—but had moved in opposite directions! To test and design the company's hardware products, employees apparently need to do more than send each other code; sometimes they need to collaborate face to face. Some spirited disagreements have been voiced within the organization about how to move forward in this new environment.

The offices are experiencing additional difficulties. Since the shift to newer products, Sandra Pelham in the Los Angeles office has been more critical of the company. "With the software, we were more limited in the kinds of advertising media we could access. So now, with the hardware—real instruments—we finally thought, 'All right, this is something we can work with!' We had a whole slate of musicians and DJs and producers to contact for endorsements, but Finger said, 'No way.' He didn't want customers who only cared that a celebrity liked us. He scrapped the whole campaign. He says we're all about creativity and doing our own thing—until we don't want to do things his way."

Although the organization is not without problems, there is little question Newskool has been a standout success in the computer music software industry. While many are shuttering their operations, Newskool is using its market power to push forward the next generation of electronic music-making tools. As Finger puts it, "Once the rest of the industry has gotten together and figured out how they're all going to cope with change, they'll look around and see that we're already three miles ahead of them down the road to the future."

Your Assignment

Gerd has asked for your advice on how to keep his organization successful. He wants to have some sort of benchmark for how other boundaryless organizations in the tech sector stay competitive despite the challenges of so many workers heading in so many different directions. You will need to prepare a report for the company's executive committee. Your report should read like a proposal to a corporate executive who has a great deal of knowledge about the technical aspects of his company but might not have much knowledge of organizational behavior.

When you write, make sure you touch on the following points:
1. Identify some of the problems likely to occur in a boundaryless organization like Newskool Grooves. What are the advantages of boundaryless organizations?
2. Consider some of the cultural issues that will affect a company operating in such different parts of the world and whose employees may not be representative of the national cultures of each country. Are the conflicts you observe a function of the different types of work people have to perform?
3. Based on what you know about motivation and personality, what types of people are likely to be satisfied in each area of the company? Use concepts from job characteristics theory and the emerging social relationships perspective on work to describe what might need to change to increase employee satisfaction in all areas.
4. What types of human resources practices need to be implemented in this sort of organization? What principles of selection and hiring are likely to be effective? Which Big Five traits and abilities might Newskool supervisors want to use for selection?
5. What kind of performance measures might you want to see for each office?
6. How can the company establish a socialization program that will maximize employee creativity and independence? Do employees in all its locations need equal levels of creativity?

CC-24.Identify some of the problems likely to occur in a boundaryless organization like Newskool Grooves. What are the advantages of boundaryless organizations? **Suggested discussion**: General Electric's former chairman, Jack Welch, coined the term **boundaryless organization** to describe what he wanted GE to become: a "family grocery store." That is, in spite of GE's monstrous size (2016 revenues were $123 billion), Welch wanted to eliminate *vertical* and *horizontal* boundaries within it and break down *external* barriers between the company and its customers and suppliers. The boundaryless organization seeks to eliminate the chain of command, have limitless spans of control, and replace departments with empowered teams. Although GE has not yet achieved this boundaryless state—and probably never will—it has made significant progress toward that end. So have other companies, such as Hewlett-Packard, AT&T, Motorola, and 3M. Let's see what a boundaryless organization looks like and what some firms are doing to make it a reality.

By removing vertical boundaries, management flattens the hierarchy and minimizes status and rank. Cross-hierarchical teams (which include top executives, middle managers, supervisors, and operative employees), participative decision-making practices, and the use of 360-degree performance appraisals (in which peers and others above and below the employee evaluate performance) are examples of what GE is doing to break down vertical boundaries. At Oticon A/S, a $160-million-per-year Danish hearing aid manufacturer, all traces of hierarchy have disappeared. Everyone works at uniform mobile workstations, and project teams, not functions or departments, coordinate work.

Functional departments create horizontal boundaries that stifle interaction among functions, product lines, and units. The way to reduce them is to replace functional departments with cross-functional teams and organize activities around processes. Xerox now develops new products through multidisciplinary teams that work in a single process instead of around narrow functional tasks. Some AT&T units are now doing annual budgets based not on functions or departments but on processes, such as the maintenance of a worldwide telecommunications network. Another way management can cut through horizontal barriers is to use lateral transfers, rotating people into and out of different functional areas. This approach turns specialists into generalists.
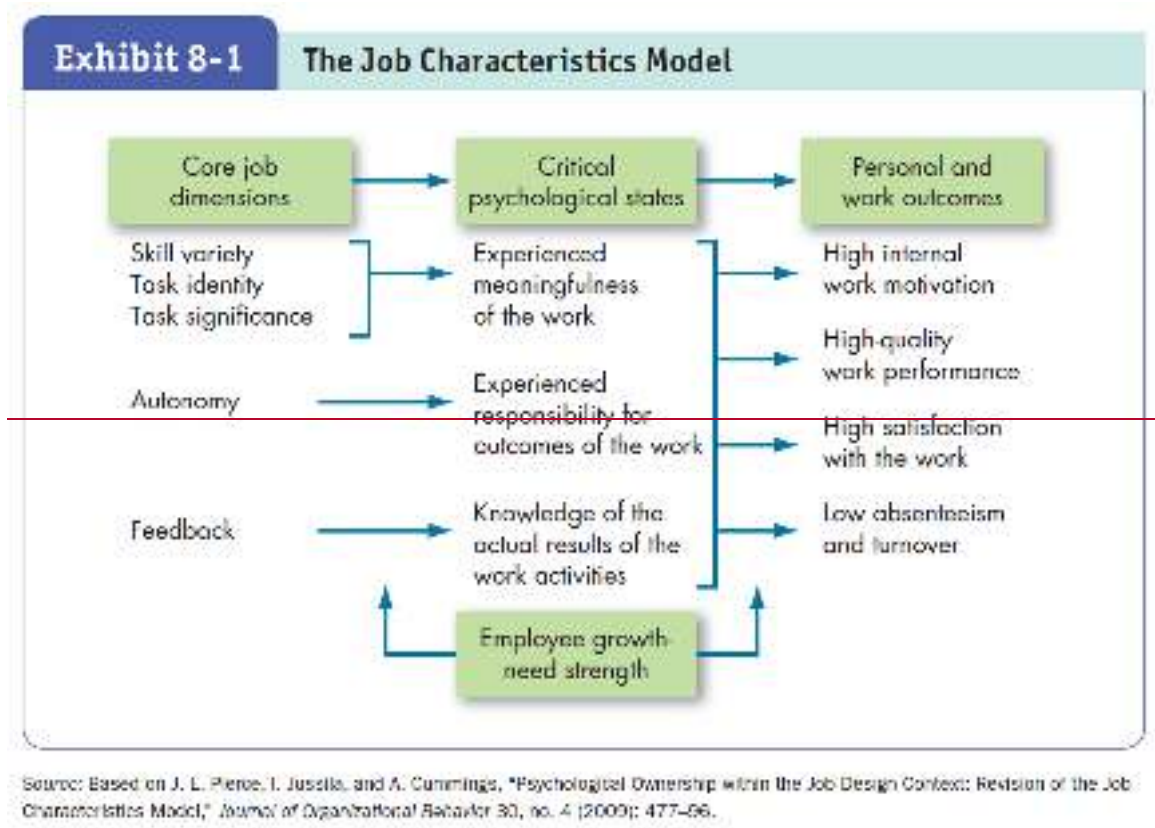
CC-25. Consider some of the cultural issues that will affect a company operating in such different parts of the world and whose employees may not be representative of the national cultures of each country. Are the conflicts you observe a function of the different types of work people have to perform? **Suggested discussion:** Yes, the types of work required, requiring different skills, personalities, and motivations result in differences in cultures in the various locations. Berlin's culture is based on innovation and creativity in production ad product development. Los Angeles' culture is based on creativity in delivering messages to customers and potential customers. Kiev's culture is based on the discipline and standardization in computer programming. Employees hired to fill positions in each of these locations would likely possess characteristics that would come into conflict when the people interact.

CC-26. Based on what you know about motivation and personality, what types of people

are likely to be satisfied in each area of the company? Use concepts from job
characteristics theory and the emerging social relationships perspective on work
to describe what might need to change to increase employee satisfaction in all
areas.
Suggested discussion: This answer is varied depending on which theory of
motivation is used for analysis. In general, the Berlin office will best be served by
people motivated by self-achievement or self-actualization. The Los Angeles
operation will be served by goal-theory adherents. And Kiev's people will
generally be in the self-efficacy category. Other analyses are possible. The Job
Characteristics Model:

Exhibit 8-1   The Job Characteristics Model

Source: Based on J. L. Pierce, I. Jussila, and A. Cummings, "Psychological Ownership within the Job Design Context: Revision of the Job
Characteristics Model," *Journal of Organizational Behavior* 30, no. 4 (2009); 477–96.

Some components can be addressed to improve collaboration among the
company's offices. Employee selection and training can focus on similar
characteristics under the core job dimensions. Although the work required in
each location is different, the people in each location can be trained to be more
sensitive to the differences. In addition, management can focus on coordinating
the personal and work outcomes to be more unified and consistent between
locations. The culture that has fostered independent action should be modified
to be based on cooperation and teamwork to accomplish challenging goals for
the firm.

CC-27. What types of human resources practices need to be implemented in this sort of
organization? What principles of selection and hiring are likely to be effective?
Which Big Five traits and abilities might Newskool supervisors want to use for
selection?
Suggested discussion: Consistency of selection process and criteria can provide

a basis for employees' attitudes about cooperation and collaboration. Training process would be an important human resources concept to apply to ensure all current employees were on board with the new cultural direction of the firm.

The Big Five traits are:
a.   *Extraversion.* The **extraversion** dimension captures our comfort level with relationships. Extraverts tend to be gregarious, assertive, and sociable. Introverts tend to be reserved, timid, and quiet.
b.   *Agreeableness.* The **agreeableness** dimension refers to an individual's propensity to defer to others. Highly agreeable people are cooperative, warm, and trusting. People who score low on agreeableness are cold, disagreeable, and antagonistic.
c.   *Conscientiousness.* The **conscientiousness** dimension is a measure of reliability. A highly conscientious person is responsible, organized, dependable, and persistent. Those who score low on this dimension are easily distracted, disorganized, and unreliable.
d.   *Emotional stability.* The **emotional stability** dimension—often labeled by its converse, neuroticism—taps a person's ability to withstand stress. People with positive emotional stability tend to be calm, self-confident, and secure. Those with high negative scores tend to be nervous, anxious, depressed, and insecure.
e.   *Openness to experience.* The **openness to experience** dimension addresses range of interests and fascination with novelty. Extremely open people are creative, curious, and artistically sensitive. Those at the other end of the openness category are conventional and find comfort in the familiar.

Of these traits, the supervisors would likely use all five traits as desired for new employees. Although emphasis of these traits my be altered depending on the location and its work requirements, employees with all the traits would find a more easily implemented team approach than those lacking these traits.

CC-28. What kind of performance measures might you want to see for each office?
Suggested discussion: Again, the responses to this issue will vary. Measures that could be put into place could be measures such as outcomes of team activity including design and implementation of software to make it more useful to all segments of the firm. The profitability of new products or the distribution of new products into markets could be a focus. The responses here will depend on the students' familiarity with the target markets and the assumptions about increasing global cooperation to achieve more effective product design and production outcomes.

CC-29. How can the company establish a socialization program that will maximize employee creativity and independence? Do employees in all its locations need equal levels of creativity?
Suggested discussion:
We can think of socialization as a process with three stages: prearrival, encounter, and metamorphosis. The **prearrival stage** explicitly recognizes that each individual arrives with a set of values, attitudes, and expectations about both the work to be done and the organization. One major purpose of a business school, for example, is to socialize business students to the attitudes and behaviors business firms want. Newcomers to high-profile organizations with a strong market position will make their own assumptions about what it must be like to work there. Most new recruits will expect Nike to be dynamic and exciting, a prestigious law firm to be high in pressure and rewards, and the Marine Corps to require both discipline and courage. No matter how well

managers think they can socialize newcomers, however, the most important predictor of future behavior is past behavior. What people know before they join the organization, and how proactive their personality is, are critical predictors of how well they adjust to a new culture. One way to capitalize on the importance of prehire characteristics in socialization is to use the selection process to inform prospective employees about the organization as a whole. We've also seen how the selection process ensures the inclusion of the "right type"—those who will fit in. "Indeed, the ability of the individual to present the appropriate face during the selection process determines his ability to move into the organization in the first place. Thus, success depends on the degree to which the aspiring member has correctly anticipated the expectations and desires of those in the organization in charge of selection."

On entry into the organization, the new member enters the **encounter stage** and confronts the possibility that expectations—about the job, co-workers, the boss, and the organization in general—may differ from reality. If expectations were fairly accurate, the encounter stage merely cements earlier perceptions. However, this is often not the case. At the extreme, a new member may become disillusioned enough with the reality to resign. Proper recruiting and selection should significantly reduce that outcome, along with encouraging friendship ties in the organization—newcomers are more committed when friends and coworkers help them "learn the ropes."

Finally, to work out any problems discovered during the encounter stage, the new member changes or goes through the **metamorphosis stage**. The options presented in Exhibit 16-3 are alternatives designed to bring about the desired metamorphosis. Most research suggests there are two major "bundles" of socialization practices. The more management relies on formal, collective, sequential, fixed, and serial socialization programs and emphasize divestiture, the more likely newcomers' differences will be stripped away and replaced by standardized predictable behaviors. These *institutional* practices are common in police departments, fire departments, and other organizations that value rule following and order. Programs that are informal, individual, random, variable, and disjunctive and emphasize investiture are more likely to give newcomers an innovative sense of their role and methods of working. Creative fields, such as research and development, advertising, and filmmaking, rely on these *individual* practices. Most research suggests high levels of institutional practices encourage person–organization fit and high levels of commitment, whereas individual practices produce more role innovation.

The three-part entry socialization process is complete when new members have become comfortable with the organization and their job. They have internalized and accepted the norms of the organization and their work group, are confident in their competence, and feel trusted and valued by their peers. They understand the system—not only their own tasks but the rules, procedures, and informally accepted practices as well. Finally, they know what is expected of them and what criteria will be used to measure and evaluate their work.

Students' opinions may vary in regard to analysis of the equality of the need for creativity. In today's turbulent environments, creativity and innovation are key skills and abilities at all levels and in all segments of a firm's operation. Application of these skills will be different depending on the outcomes defined for a specific organizational segment, but the importance of applying creativity and innovation in all aspects of the operation is essential to survival, the ultimate measure of success.

Case 5

The Stress of Caring

Learning Goals

One of the most consistent changes in the structure of work over the past few decades has been a shift from a manufacturing economy to a service economy. More workers are now engaged in jobs that include providing care and assistance, especially in education and medicine. This work is satisfying for some people, but it can also be highly stressful. In the following scenario, consider how a company in the nursing care industry is responding to the challenges of the new environment.

Major Topic Areas

- Stress
- Organizational change
- Emotions
- Leadership

The Scenario

Parkway Nursing Care is an organization facing a massive change. The company was founded in 1972 with just two nursing homes in Phoenix, Arizona. The company was very successful, and throughout the 1980s it continued to turn a consistent profit while slowly acquiring or building 30 more units. This low-profile approach changed forever in 1993 when venture capitalist Robert Quine decided to make a major investment in expanding Parkway in return for a portion of its profits over the coming years. The number of nursing homes exploded, and Parkway was operating 180 homes by the year 2000.

The company now has 220 facilities in the southwestern United States, with an average of 115 beds per facility and a total of nearly 30,000 employees. In addition to health care facilities, it also provides skilled in-home nursing care. Parkway is seen as one of the best care facilities in the region, and it has won numerous awards for its achievements in the field.

As members of the baby boom generation become senior citizens, the need for skilled care will only increase. Parkway wants to make sure it is in a good position to meet this growing need. This means the company must continue expanding rapidly.

The pressure for growth is one significant challenge, but it's not the only one. The nursing home industry has come under increasing government scrutiny following investigations that turned up widespread patient abuse and billing fraud. Parkway has always had outstanding patient care, and no substantiated claim of abuse or neglect in any of its homes has ever been made, but the need for increased documentation will still affect the company. As the federal government tries to trim Medicare expenses, Parkway may face a reduction in funding.

The Problem

As growth has continued, Parkway has remained committed to providing dignity and health to all residents in its facilities. The board of directors wants to see renewed commitment to the firm's mission and core values, not a diffusion of its culture. Its members are worried there might be problems to address. Interviews with employees suggest there's plenty to worry about.

Shift leader Maxine Vernon has been with Parkway for 15 years. "Now that the government keeps a closer eye on our staffing levels, I've seen management do what it can to keep positions filled, and I don't always agree with who is hired. Some of the basic job skills can be taught, sure, but how to *care* for our patients—a lot of these new kids just don't pick up on that."

"The problem isn't with staff—it's with Parkway's focus on filling the beds," says nurse's aide Bobby Reed. "When I started here, Parkway's reputation was still about the service. Now it's about numbers. No one is intentionally negligent—there just are too many patients to see."

A recent college graduate with a B.A. in psychology, Dalton Manetti is more stressed than he expected he would be. "These aren't the sweet grannies you see in the movies. Our patients are demanding. They complain about everything, even about being called patients, probably because most of them think they shouldn't be here in the first place. A lot of times, their gripes amount to nothing, but we have to log them in anyway."

Carmen Frank has been with Parkway almost a year and is already considering finding a new job. "I knew there were going to be physical parts to this job, and I thought I'd be able to handle that. It's not like I was looking for a desk job, you know? I go home after every shift with aches all over—my back, my arms, my legs. I've never had to take so much time off from a job because I hurt. And then when I come back, I feel like the rest of the staff thinks I'm weak."

"I started working here right out of high school because it was the best-paid of the jobs I could get," says Niecey Wilson. "I had no idea what I was getting myself into. Now I really like my job. Next year I'm going to start taking some night classes so I can move into another position. But some of the staff just thinks of this as any other job. They don't see the patients as people, more like inventory. If they want to work with inventory, they should get a job in retail."

Last month, the company's human resources department pulled the following information from its records at the request of the board of directors. The numbers provide some quantitative support for the concerns voiced by staff.

Injuries to staff occur mostly because of back strain from lifting patients. Patient incidents reflect injuries due to slips, falls, medication errors, or other accidents. Certified absences are days off from work due to medically verified illnesses or injuries. Other absences are days missed that are not due to injuries or illnesses; these are excused absences (unexcused absences are grounds for immediate firing).

Year	Patients	Injuries Per Staff Member	Incidents Per Patient	Certified Absences Per Staff	Other Absences Per Staff	Turnover Rate
2000	21,200	3.32	4.98	4.55	3.14	0.31
2001	22,300	3.97	5.37	5.09	3.31	0.29
2002	22,600	4.87	5.92	4.71	3.47	0.28
2003	23,100	4.10	6.36	5.11	3.61	0.35
3004	23,300	4.21	6.87	5.66	4.03	0.31
2005	23,450	5.03	7.36	5.33	3.45	0.28
2006	23,600	5.84	7.88	5.28	4.24	0.36
2007	24,500	5.62	8.35	5.86	4.06	0.33
2008	24,100	7.12	8.84	5.63	3.89	0.35
2009	25,300	6.95	9.34	6.11	4.28	0.35

Using Organizational Development to Combat Stress and Improve Performance

The company wants to use such organizational development methods as appreciative inquiry (AI) to create change and re-energize its sense of mission. As the chapter on organizational change explains, AI procedures systematically collect employee input and then use this information to create a change message everyone can support. The human resources department conducted focus groups, asking employees to describe some of their concerns and suggestions for the future. The focus groups highlighted a number of suggestions, although they don't all suggest movement in the same direction.

Many suggestions concerned schedule flexibility. One representative comment was this: "Most of the stress on this job comes because we can't take time off when we need it. The LPNs [licensed practical nurses, who do much of the care] and orderlies can't take time off when they need to, but a lot of them are single parents or primary caregivers for their own children. When they have to leave for childcare responsibilities, the work suffers and there's no contingency plan to help smooth things over. Then everyone who is left has to work extra hard. The person who takes time off feels guilty, and there can be fights over taking time off. If we had some way of covering these emergency absences, we'd all be a lot happier, and I think the care would be a lot better."

Other suggestions proposed a better method for communicating information across shifts. Most of the documentation for shift work is done in large spiral notebooks. When a new shift begins, staff members say they don't have much time to check on what happened in the previous shift. Some younger caregivers would like to have a method that lets them document patient outcomes electronically because they type faster than they can write. The older caregivers are more committed to the paper-based process, in part because they think switching systems would require a lot of work. (Government regulations on health care reporting require that any documentation be made in a form that cannot be altered after the fact, to prevent covering up abuse, so specialized software systems must be used for electronic documentation.)

Finally, the nursing care staff believes its perspectives on patient care are seldom given an appropriate hearing. "We're the ones who are with the patients most of the time, but when it comes to doing this the right way, our point of view gets lost. We really could save a lot of money by eliminating some of these unnecessary routines and programs, but it's something management always just says it will consider." Staff members seem to want some way to provide suggestions for improvement, but it isn't clear what method they would prefer.

Your Assignment

Parkway has taken some initial steps toward a new direction, but clearly it has a lot of work left to do. You've been brought in as a change management consultant to help the company change its culture and respond to the stress that employees experience. Remember to create your report as if for the leadership of a major corporation. When you write your recommendations, make sure you touch on the following points:
1. What do the data on employee injuries, incidents, absences, and turnover suggest to you? Is there reason for concern about the company's direction?
2. The company is going to be making some significant changes based on the AI process, and most change efforts are associated with resistance. What are the most common forms of resistance, and which would you expect to see at Parkway?
3. Given the board of directors' desire to re-energize the workforce, what advice would you provide for creating a leadership strategy? What leader behaviors should nursing home directors and nurse supervisors demonstrate?
4. What are the major sources of job stress at Parkway? What does the research on employee stress suggest you should do to help minimize the experience of psychological strain for employees? Create a plan for how to reduce stress among employees.
5. Based on the information collected in the focus groups, design a survey to hand out to employees. What sort of data should the survey gather? What types of data analysis methods would you like to employ for these data?

Case Discussion

CC-30. What do the data on employee injuries, incidents, absences, and turnover suggest to you? Is there reason for concern about the company's direction?
Suggested discussion: The data suggest that all categories are increasing as the number of patients increases. This is a disturbing assessment. All categories are potential cost increases for operations and will erode productivity and profitability.

CC-31. The company is going to be making some significant changes based on the AI process, and most change efforts are associated with resistance. What are the most common forms of resistance, and which would you expect to see at Parkway?
Suggested discussion: Resistance to change is something any new implementation can experience. Resistance can be from any of five reasons:
   a. Habit: Life is complex, to cope with having to make hundreds of decisions everyday, we all rely on habits or programmed responses.
   b. Security: People with a high need for security are likely to resist change because it threatens their feelings of safety.
   c. Economic factors: Another source of individual resistance is concern that changes will lower one's income.
   d. Fear of the unknown: Changes substitute ambiguity and uncertainty for the known.
   e. Selective information processing: Individuals shape their world through their perceptions. Once they have created this world, it resists change.
Any of the five types will be present among employees of the company.

CC-32. Given the board of directors' desire to re-energize the workforce, what advice would you provide for creating a leadership strategy? What leader behaviors should nursing home directors and nurse supervisors demonstrate?
Suggested discussion: This question can be answered in several different ways. First, students might focus on prescribing transformational leadership strategies

and behaviors. They might conclude that the leaders should focus on providing inspiration to employees to set goals and expectations for productivity that contributes to the organizational success. Students may focus on Authentic Leadership. These behaviors would build relations between the managers and the employees based on trust and similar values. The result is that people have faith in the ability, capability, and relevance of the manager's activity.

CC-33. What are the major sources of job stress at Parkway? What does the research on employee stress suggest you should do to help minimize the experience of psychological strain for employees? Create a plan for how to reduce stress among employees.
Suggested discussion: Stress is related to increase in workload, recurrence of injuries, and coping with turnover. These fall into the categories of Organizational Factors or Personal Factors. Students may mention others. Students' plan for managing stress among employees will include both individual approaches and organizational approaches. Effective individual strategies include implementing time management techniques, increasing physical exercise, relaxation training, and expanding the social support network. Organizational Approaches that management might want to consider include:
- Improved personnel selection and job placement
- Use of realistic goal setting
- Training
- Redesigning of jobs
- Increased employee involvement
- Improved organizational communication
- Offering employee sabbaticals
- Establishment of corporate wellness programs

CC-34. Based on the information collected in the focus groups, design a survey to hand out to employees. What sort of data should the survey gather? What types of data analysis methods would you like to employ for these data?
Suggested discussion: The response to this issue will differ depending on the students' preparation with research methodology. Most students will merely assemble questions they believe address the research question they define. Seldom are undergraduate students aware that construction of a valid, reliable survey instrument requires specific methodologies to ensure the survey will generate the data in such a way as to make it valuable to inferential research techniques. However, a survey can be constructed to collect data that will have objective relevance, for the most part, and a survey developed by students will be limited to frequency distributions. Additional levels of analysis such as correlation analysis or linear regression analysis will only be valid if the survey uses something like the item analysis technique to be created.