

in management departments of universities and scientists in business organizations conduct research on OB. The findings from those research studies are then applied by managers or consultants to see whether they help meet "real-world" challenges. OB can be contrasted with two other courses commonly offered in management departments: human resource management and strategic management. **Human resource management** takes the theories and principles studied in OB and explores the "nuts-and-bolts" applications of those principles in organizations. An OB study might explore the relationship between learning and job performance, whereas a human resource management study might examine the best ways to structure training programs to promote employee learning. **Strategic management** focuses on the product choices and industry characteristics that affect an organization's profitability. A strategic management study might examine the relationship between firm diversification (when a firm expands into a new product segment) and firm profitability.

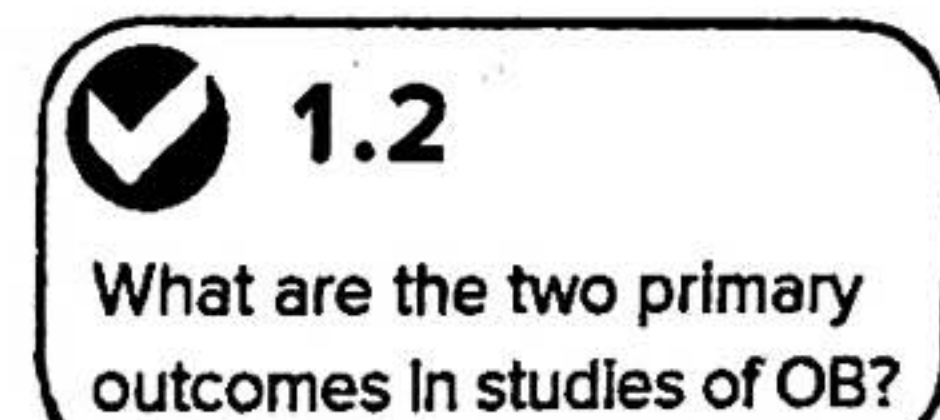
The theories and concepts found in OB are actually drawn from a wide variety of disciplines. For example, research on job performance and individual characteristics draws primarily from studies in industrial and organizational psychology. Research on satisfaction, emotions, and team processes draws heavily from social psychology. Sociology research is vital to research on team characteristics and organizational structure, and anthropology research helps inform the study of organizational culture. Finally, models from economics are used to understand motivation, learning, and decision making. This diversity brings a unique quality to the study of OB, as most students will be able to find a particular topic that's intrinsically interesting and thought provoking to them.

## AN INTEGRATIVE MODEL OF OB

Because of the diversity in its topics and disciplinary roots, it is common for students in an organizational behavior class to wonder, "How does all this stuff fit together?" How does what gets covered in Chapter 3 relate to what gets covered in Chapter 13? To clarify such issues, this textbook is structured around an integrative model of OB, shown in Figure 1-1, that's designed to provide a roadmap for the field of organizational behavior. The model shows how the topics in the next 15 chapters—represented by the 15 ovals in the model—all fit together. We should stress that there are other potential ways of combining the 15 topics, and Figure 1-1 likely oversimplifies the connections among the topics. Still, we believe the model provides a helpful guide as you move through this course. Figure 1-1 includes five different kinds of topics.

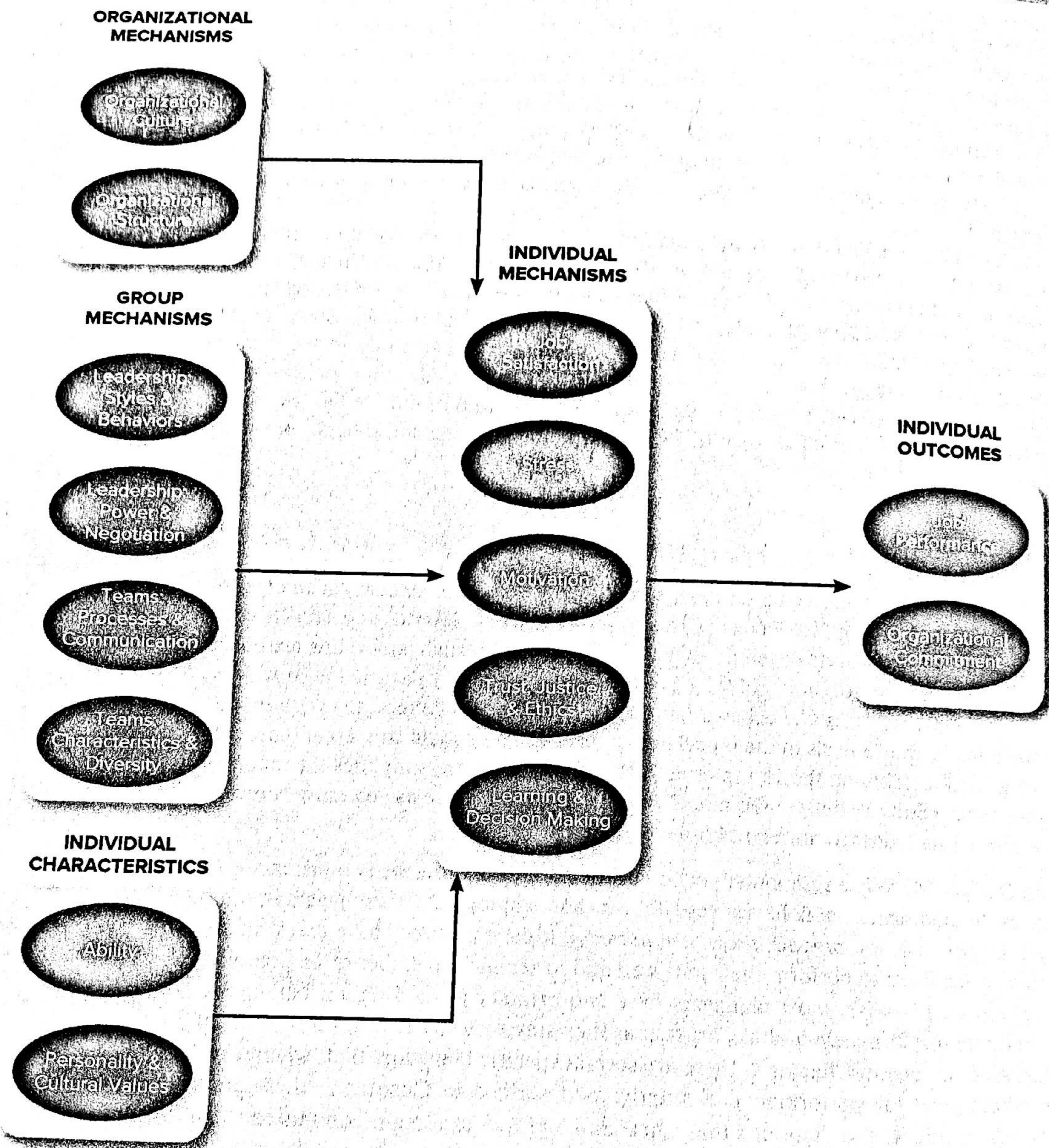
**INDIVIDUAL OUTCOMES** The right-most portion of the model contains the two primary outcomes of interest to organizational behavior researchers (and employees and managers in organizations): *job performance* and *organizational commitment*. Most employees have two primary goals for their working lives: to perform their jobs well and to remain a member of an organization that they respect. Likewise, most managers have two primary goals for their employees: to maximize their job performance and to ensure that they stay with the firm for a significant length of time. As described in Chapter 2, there are several specific behaviors that, when taken together, constitute good job performance. Similarly, as described in Chapter 3, there are a number of beliefs, attitudes, and emotions that cause an employee to remain committed to an employer.

This book starts by covering job performance and organizational commitment so that you can better understand the two primary organizational behavior goals. Our hope is that by using performance and commitment as starting points, we can highlight the practical importance of OB topics. After all, what could be more important than having employees who perform well and want to stay with the company? This structure also enables us to conclude the other chapters in the book with sections that describe the relationships between each chapter's topic and performance and commitment. For example, the chapter on motivation concludes by describing the relationships between motivation and performance and motivation and commitment. In this way, you'll learn which of the topics in the model are most useful for understanding your own attitudes and behaviors.



1.2  
What are the two primary outcomes in studies of OB?

**FIGURE 1-1** Integrative Model of Organizational Behavior



**1.3**  
What factors affect the two primary OB outcomes?

**INDIVIDUAL MECHANISMS** Our integrative model also illustrates a number of individual mechanisms that directly affect job performance and organizational commitment. These include *job satisfaction*, which captures what employees feel when thinking about their jobs and doing their day-to-day work (Chapter 4). Another individual mechanism is *stress*, which reflects employees' psychological responses to job demands that tax or exceed their capacities (Chapter 5). The model also includes *motivation*, which captures the energetic forces that drive employees' work effort (Chapter 6). *Trust, justice, and ethics* reflect the degree to which employees feel that their company does business with fairness, honesty, and integrity (Chapter 7). The final individual mechanism

A firm's resources include financial (revenue, equity, etc.) and physical (buildings, machines, technology) resources, but they also include resources related to organizational behavior, such as the knowledge, ability, and wisdom of the workforce, as well as the image, culture, and goodwill of the organization.

The resource-based view suggests that the value of resources depends on several factors, shown in Figure 1-2. For example, a resource is more valuable when it is *rare*.



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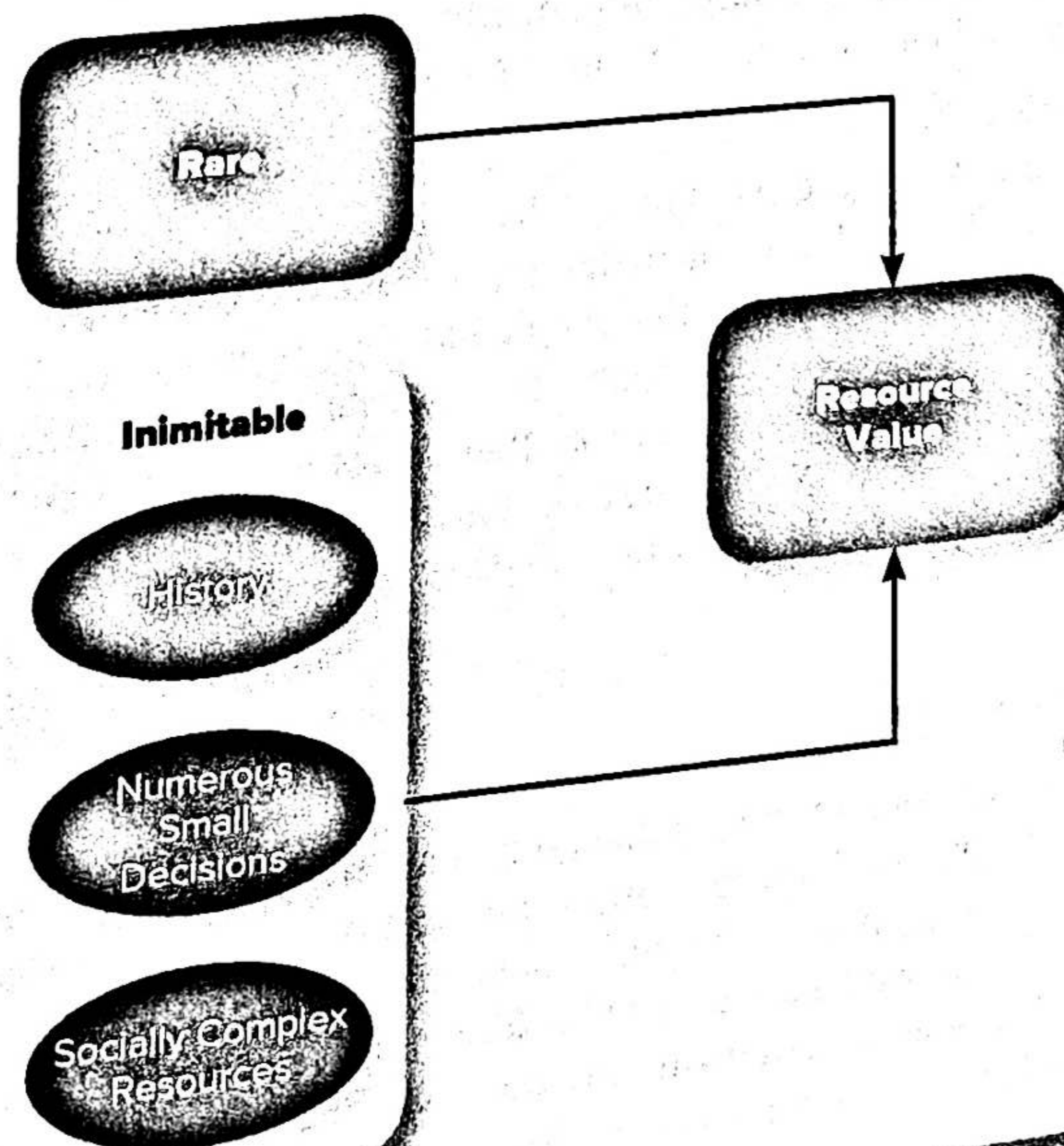
Hyundai's emphasis on work teams and training has increased the quality of its cars, like these models built in its Montgomery, Alabama, plant.

Diamonds, oil, Babe Ruth baseball cards, and Action Comics #1 (the debut of Superman) are all expensive precisely because they are rare. Good people are also rare—witness the adage “good people are hard to find.” Ask yourself what percentage of the people you’ve worked with have been talented, motivated, satisfied, and good team players. In many organizations, cities, or job markets, such employees are the exception rather than the rule. If good people really are rare, then the effective management of OB should prove to be a valuable resource.

The resource-based view also suggests that a resource is more valuable when it is *inimitable*, meaning that it cannot be imitated. Many of the firm's resources can be imitated, if competitors have enough money. For example, a new form of technology can help a firm gain an advantage for a short time, but competing firms can switch to the same technology. Manufacturing practices can be copied, equipment and tools can be approximated, and marketing strategies can be mimicked. Good people, in contrast, are much more difficult to imitate. As shown in Figure 1-2, there are three reasons people are inimitable.

FIGURE 1-2

What Makes a Resource Valuable?



**TABLE 1-3** The "100 Best Companies to Work For" in 2017

|                      |                        |                      |
|----------------------|------------------------|----------------------|
| 1. Google            | 23. PwC                | 63. Delta            |
| 2. Wegmans           | 26. Hilton             | 64. Deloitte         |
| 3. Boston Consulting | 28. REI                | 68. QuikTrip         |
| 4. Baird             | 29. EY                 | 69. American Express |
| 5. Edward Jones      | 32. Hyatt              | 72. IKEA             |
| 6. Genentech         | 33. Marriott           | 79. Four Seasons     |
| 10. Quicken Loans    | 48. Cheesecake Factory | 84. Mayo Clinic      |
| 12. KPMG             | 49. Container Store    | 88. Accenture        |
| 13. Intuit           | 50. Mars               | 91. Aflac            |
| 15. SAS              | 54. Nationwide         | 93. AT&T             |
| 17. Capital One      | 58. Whole Foods        | 94. Nordstrom        |
| 21. Publix           | 62. Goldman Sachs      | 99. FedEx            |

Source: M.C. Bush and S. Lewis-Kulin., "The 100 Best Companies to Work For." *Fortune*, March 15, 2017.

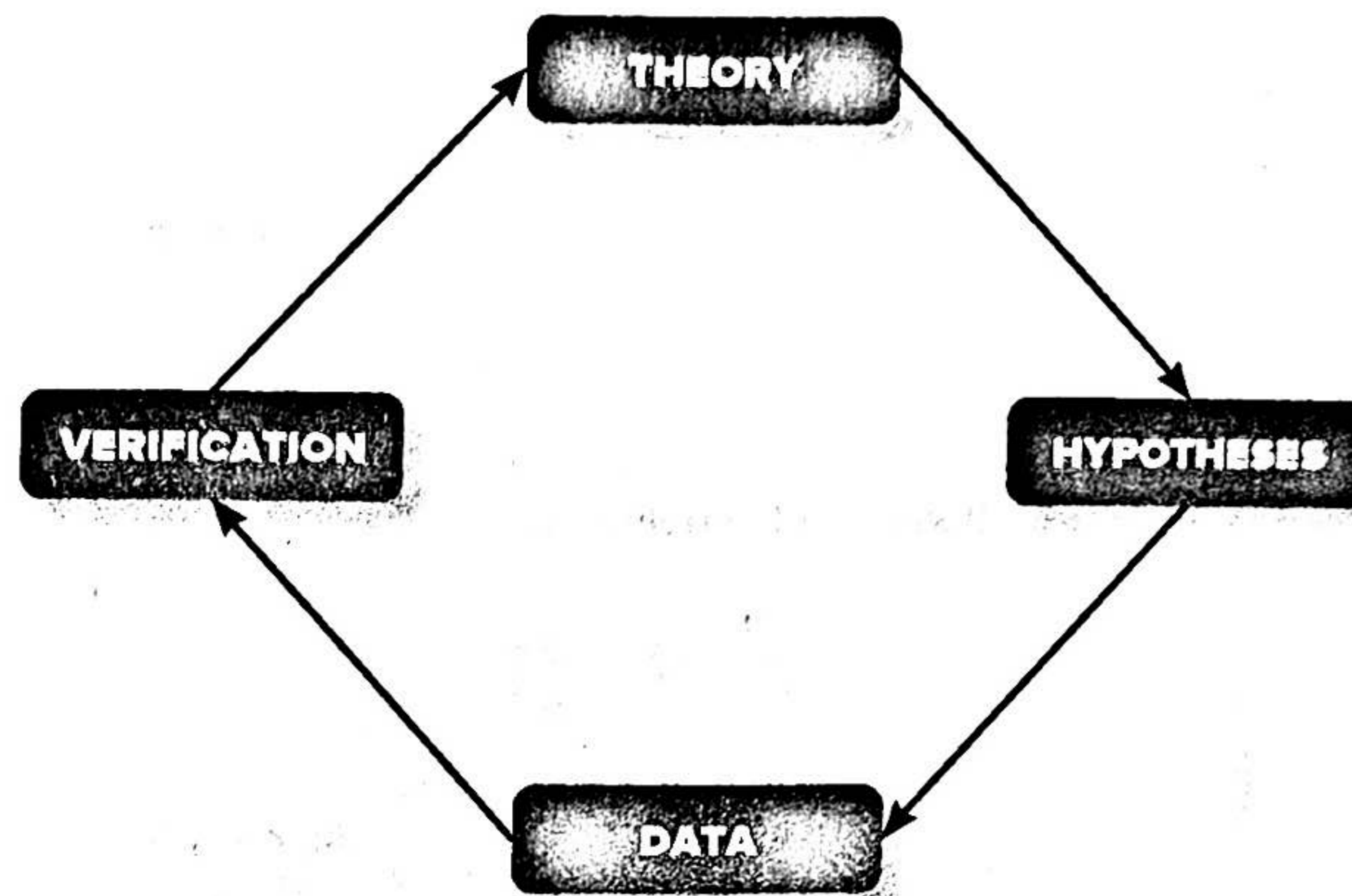
A third study focused on *Fortune's* "100 Best Companies to Work For" list, which has appeared annually since 1998.<sup>13</sup> Table 1-3 provides some highlights from the 2017 version of the list. If the 100 firms on the list really do have good OB practices, and if good OB practices really do influence firm profitability, then it follows that the 100 firms should be more profitable. To explore this premise, the study went back to an earlier version of the list and found a "matching firm" for those companies that were included.<sup>14</sup> The matching firm consisted of the most similar company with respect to industry and size in that particular year, with the added requirement that the company had not appeared on the "100 Best" list. This process essentially created two groups of companies that differ only in terms of their inclusion in the "100 Best." The study then compared the profitability of those two groups of companies. The results revealed that the "100 Best" firms were more profitable than their peers. Indeed, the cumulative investment return for a portfolio based on the "100 Best" companies would have doubled the return for the broader market.

### SO WHAT'S SO HARD?

Clearly this research evidence seems to support the conceptual argument that good people constitute a valuable resource for companies. Good OB does seem to matter in terms of company profitability. You may wonder then, "What's so hard?" Why doesn't every company prioritize the effective management of OB, devoting as much attention to it as they do accounting, finance, marketing, technology, physical assets, and so on? Some companies do a bad job when it comes to managing their people. Why is that?

One reason is that there is no "magic bullet" OB practice—one thing that, in and of itself, can increase profitability. Instead, the effective management of OB requires a belief that several different practices are important, along with a long-term commitment to improving those practices. This premise can be summarized with what might be called the **Rule of One-Eighth**:


One must bear in mind that one-half of organizations won't believe the connection between how they manage their people and the profits they earn. One-half of those who do see the connection will do what many organizations have done—try to make a single change to solve their problems, not realizing that the effective management of people requires a more comprehensive and systematic approach. Of the firms that make comprehensive changes, probably

**FIGURE 1-3** The Scientific Method


and that the best way to structure jobs was to make them as simple and mundane as possible.<sup>22</sup> Theories must therefore be tested to verify that their predictions are accurate. As shown in Figure 1-3, the scientific method requires that theories be used to inspire **hypotheses**. Hypotheses are written predictions that specify relationships between variables. For example, a theory of social recognition could be used to inspire this hypothesis: "Social recognition behaviors on the part of managers will be positively related to the job performance and organizational commitment of their units." This hypothesis states, in black and white, the expected relationship between social recognition and unit performance.

Assume a family member owned a chain of 21 fast-food restaurants and allowed you to test this hypothesis using the restaurants. Specifically, you decided to train the managers in a subset of the restaurants about how to use social recognition as a tool to reinforce behaviors. Meanwhile, you left another subset of restaurants unchanged to represent a control group. You then tracked the total number of social recognition behaviors exhibited by managers over the next nine months by observing the managers at specific time intervals. You measured job performance by tracking drive-through times for the next nine months and used those times to reflect the minutes it takes for a customer to approach the restaurant, order food, pay, and leave. You also measured the commitment of the work unit by tracking employee retention rates over the next nine months.

So how can you tell whether your hypothesis was supported? You could analyze the data by examining the **correlation** between social recognition behaviors and drive-through times, as well as the correlation between social recognition behaviors and employee turnover. A correlation, abbreviated  $r$ , describes the statistical relationship between two variables. Correlations can be positive or negative and range from 0 (no statistical relationship) to 1 (a perfect statistical relationship). Picture a spreadsheet with two columns of numbers. One column contains the total numbers of social recognition behaviors for all 21 restaurants; the other contains the average drive-through times for those same 21 restaurants. The best way to get a feel for the correlation is to look at a scatterplot—a graph made from those two columns of numbers. Figure 1-4 presents three scatterplots, each depicting different-sized correlations. The strength of the correlation can be inferred from the "compactness" of its scatterplot. Panel (a) shows a perfect 1.0 correlation; knowing the score for social recognition allows you to predict the score for drive-through times perfectly. Panel (b) shows a correlation of .50, so the trend in the data is less obvious than in Panel (a) but still easy to see with the naked eye. Finally, Panel (c) shows a correlation of .00—no statistical relationship. Understanding the correlation is important because OB questions are not "yes or no" in nature. That is, the question is not "Does social recognition lead to higher job performance?" but rather "How often does social recognition lead to higher job performance?" The correlation provides a number that expresses an answer to the "how often" question.

 **1.6**  
How are correlations interpreted?

## JOB PERFORMANCE

We begin our journey through the integrative model of organizational behavior with job performance. Why begin with job performance? Because understanding one's own performance is a critical concern for any employee, and understanding the performance of employees in one's unit is a critical concern for any manager. Consider for a moment the job performance of your university's basketball coach. If you were the university's athletic director, you might gauge the coach's performance by paying attention to various behaviors. How much time does the coach spend on the road during recruiting season? How effective are the coach's practices? Are the offensive and defensive schemes well-designed, and are the plays called during games appropriate? You might also consider some other behaviors that fall outside the strict domain of basketball. Does the coach run a clean program? Do players graduate on time? Does the coach represent the university well during interviews with the media and when in public?

Of course, as your university's athletic director, you might be tempted to ask a simpler question: Is the coach a winner? After all, fans and boosters may not care how good the coach is at the previously listed behaviors if the team fails to win conference championships or make it deep into the NCAA tournament. Moreover, the coach's performance in terms of wins and losses has important implications for the university because it affects ticket sales, licensing fees, and booster donations. Still, is every unsuccessful season the coach's fault? What if the coach develops a well-conceived game plan but the players repeatedly make mistakes at key times in the game? What if the team experiences a rash of injuries or inherits a schedule that turns out to be much tougher than originally thought? What if a few games during the season are decided by fluke baskets or by bad calls by the referees?

This example illustrates one dilemma when examining job performance. Is performance a set of behaviors that a person does (or does not) engage in, or is performance the end result of those behaviors? You might be tempted to believe it's more appropriate to define performance in terms of results rather than behaviors. This is because results seem more "objective" and are more connected to the central concern of managers—"the bottom line." For example, the job performance of sales employees is often measured by the amount of sales revenue generated by each person over some time span (e.g., a month, a quarter, a year). For the most part, this logic makes perfect sense: Sales employees are hired by organizations to generate sales, and so those who meet or exceed sales goals are worth more to the organization and should be considered high performers. It's very easy to appreciate how the sales revenue from each salesperson might be added up and used as an indicator of a business's financial performance.

However, as sensible as this logic seems, using results as the primary indicator of job performance creates potential problems. First, employees contribute to their organization in ways that go beyond bottom line results, and so evaluating an employee's performance based on results alone might give you an inaccurate picture of which employees are worth more to the organization. Second, there's evidence that managers' focus on bottom line results can create a bottom line mentality among employees, which in turn, results in social undermining—sabotaging coworkers' reputations or trying to make them look bad.<sup>1</sup> Similarly, the quest to enhance the bottom line may lead employees to violate policies and regulations, which in turn, may result in staggering legal fees, fines, and lost customers. As an example, Wells Fargo bank had long focused on employee sales of new accounts, and it has come to light that employees of the bank opened as many as two million accounts without their customers' consent or knowledge.<sup>2</sup> Third, results are often influenced by factors that are beyond the employees' control—product quality, competition, equipment, technology, budget constraints, coworkers, and supervisors, just to name a few. Fourth, even if these uncontrollable factors are less relevant in a given situation, there's another problem with a results-based view of job performance: Results don't tell you how to reverse a "bad year." That is, performance feedback based on results doesn't provide people with the information they need to improve their behavior. Walgreens, for example, uses knowledge of job performance behaviors to create comprehensive training and development programs so that employees can be effective at various jobs they may have throughout their careers with the company.<sup>3</sup> In sum, given that the field of OB


**TABLE 2.1 Behaviors Involved In Adaptability**

| BEHAVIORS  | SPECIFIC EXAMPLES  |
|--|--|
| Handling emergencies or crisis situations                | Quickly analyzing options for dealing with danger or crises and their implications; making split-second decisions based on clear and focused thinking  |
| Handling work stress                                     | Remaining composed and cool when faced with difficult circumstances or a highly demanding workload or schedule; acting as a calming and settling influence to whom others can look for guidance  |
| Solving problems creatively                              | Turning problems upside-down and inside-out to find fresh new approaches; integrating seemingly unrelated information and developing creative solutions  |
| Dealing with uncertain and unpredictable work situations | Readily and easily changing gears in response to unpredictable or unexpected events and circumstances; effectively adjusting plans, goals, actions, or priorities to deal with changing situations   |
| Learning work tasks, technologies, and work situations   | Quickly and proficiently learning new methods or how to perform previously unlearned tasks; anticipating change in the work demands and searching for and participating in assignments or training to prepare for these changes  |
| Demonstrating interpersonal adaptability                 | Being flexible and open-minded when dealing with others; listening to and considering others' viewpoints and opinions and altering one's own opinion when it's appropriate to do so  |
| Demonstrating cultural adaptability                      | Willingly adjusting behavior or appearance as necessary to comply with or show respect for others' values and customs; understanding the implications of one's actions and adjusting one's approach to maintain positive relationships with other groups, organizations, or cultures |

Source: Adapted from E.E. Pulakos, S. Arad, M.A. Donovan, and K.E. Plamondon, "Adaptability in the Workplace: Development of a Taxonomy of Adaptive Performance," *Journal of Applied Psychology* 85 (2000), pp. 612-24. American Psychological Association.

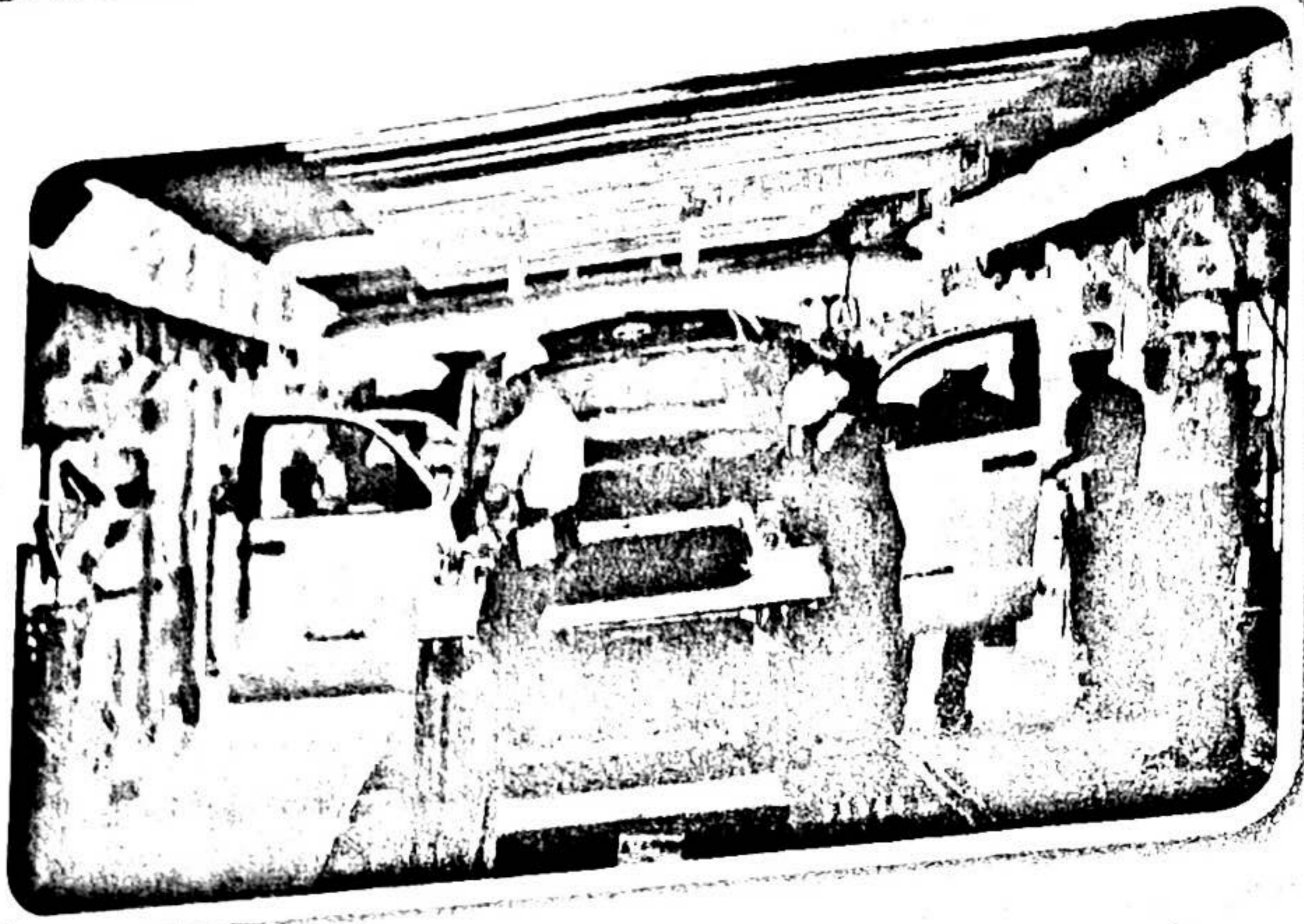
explained by the rapid technological change and intense competition that mark today's business landscape.<sup>18</sup> In this context, employee creativity is necessary to spark the types of innovations that enable organizations to stay ahead of their competition. Because creative ideas do not always get implemented, it is important to recognize creative performance behaviors, as well as the creative outcomes that result from those behaviors.<sup>19</sup>

Now that we've given you a general understanding of task performance behaviors, you might be wondering how organizations identify the sets of behaviors that represent "task performance" for different jobs. Many organizations identify task performance behaviors by conducting a **job analysis**. Although there are many different ways to conduct a job analysis, most boil down to three steps. First, a list of the activities involved in a job is generated. This list generally results from data from several sources, including observations, surveys, and interviews of employees. Second, each activity on this list is rated by "subject matter experts," according to things like the importance and frequency of the activity. Subject matter experts generally have experience performing the job or managing the job and therefore are in a position to judge the importance of specific activities to the organization. Third, the activities that are rated highly in terms of their importance and frequency are retained and used to define task performance. Those retained behaviors then find their


2.3

How do organizations identify the behaviors that underlie task performance?

Toyota production workers assemble vehicles using a highly standardized and efficient set of tasks.



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way into training programs as learning objectives and into performance evaluation systems as measures to evaluate task performance.

As an example, to determine training objectives for production workers, Toyota uses a highly detailed job analysis process to identify important tasks as well as the behaviors necessary to effectively complete those tasks.<sup>20</sup> The core job tasks involved in the job of a bumper-molding operator, for example, include

“routine core tasks,” “machine tending,” and “quality,” and each of these tasks further consists of several more detailed steps. For example, routine core tasks include de-molding, trimming, spray-molding, and sanding. Each of these tasks can be broken down further into more detailed steps, and in turn, the specific behaviors involved in each step become the focus of the training. For example, to de-mold the left side of the bumper, the worker must “use left thumb to push along edge of bumper,” “place pressure in the crease of thumb,” “push toward left side away from mold,” and “grasp top edge when bumper is released.” Although this level of detail might seem like an awful lot of analysis for what one might imagine to be a relatively straightforward job, Toyota competes on the basis of quality and cost, and its success in selling millions of Priuses, Camrys, Tacomas, and Highlanders each year has been attributed to its ability to train production workers to follow the standardized and efficient procedures.<sup>21</sup>

Men’s Wearhouse, the Houston-based retailer, provides another good example of an organization that uses task performance information to manage its employees.<sup>22</sup> The company first gathers information about the employee’s on-the-job behaviors. For example, the job of wardrobe consultant involves greeting, interviewing and measuring customers properly, ensuring proper alteration revenue is collected, and treating customers in a warm and caring manner. After the information is gathered, senior managers provide feedback and coaching to the employee about which types of behaviors he or she needs to change to improve. The feedback is framed as constructive criticism meant to improve an employee’s behavior. Put yourself in the place of a Men’s Wearhouse wardrobe consultant for a moment. Wouldn’t you rather have your performance evaluated on the basis of behaviors such as those mentioned above, rather than some overall index of sales? After all, those behaviors are completely within your control, and the feedback you receive from your boss will be more informative than the simple directive to “sell more suits next year than you did this year.”

If organizations find it impractical to use job analysis to identify the set of behaviors needed to define task performance, they can turn to a database the government has created to help with that important activity. The **Occupational Information Network** (or **O\*NET**) is an online database that includes, among other things, the characteristics of most jobs in terms of tasks, behaviors, and the required knowledge, skills, and abilities (<http://www.onetonline.org>). Figure 2-1 shows the O\*NET output for a flight attendant’s position, including many of the tasks discussed previously in this chapter. Of course, O\*NET represents only a first step in figuring out the important tasks for a given job. Many organizations ask their employees to perform tasks that their competitors do not, so their workforce performs in a unique and valuable way. O\*NET cannot capture those sorts of unique task requirements that separate the most effective organizations from their competitors.

For example, the authors of a book titled *Nuts* identify “fun” as one of the dominant values of Southwest Airlines.<sup>23</sup> Southwest believes that people are willing to work more productively and creatively in an environment that includes humor and laughter. Consistent with this belief, flight attendant task performance at Southwest includes not only generic flight attendant activities, such as those identified by O\*NET, but also activities that reflect a sense of humor and playfulness. Effective flight attendants at Southwest tell jokes over the intercom such as, “We’ll be dimming the lights

# OB ON SCREEN

## SULLY

*That's the funny thing, I've delivered a million passengers over 40 years in the air, but in the end, I'm going to be judged by 208 seconds.*

With those words, US Airways pilot Chesley Sullenberger (Tom Hanks) laments to First Officer Jeff Skiles (Aaron Eckart) that, despite years of performing his job effectively, his legacy hinges on judgments regarding what occurred during a three-and-a-half minute time span, in the movie *Sully* (Dir. Clint Eastwood, Flashlight Films, 2016). In this true story, Sullenberger, or Sully for short, was the pilot of Cactus 1549, which hit a flock of birds, destroying both engines, shortly after taking off from New York's LaGuardia Airport. Sully calmly discussed the problem with his first officer and an air traffic controller, considered options, and ultimately chose to ditch the aircraft in the Hudson River. Although Sully executed a perfect water landing, and saved the lives of all 155 souls on board, investigators from the National Transportation Safety Board questioned his performance that day. Computer and piloted simulations indicated that Sully could have flown the damaged jet back to LaGuardia, or diverted to Teterboro, a nearby airport in New Jersey.



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The opening quote reveals that Sully understood the tension between performance and results. He was an effective pilot for several decades. Yet his performance was being judged by the results of a single incident for which he had little control. The movie also illustrates that results are often in the eye of the beholder. Sully's decision did result in the loss of a costly aircraft and put the passengers and the crew at risk, however, the passengers and crew were all saved and each considered him to be a hero. Ultimately, the investigators came to the same conclusion as Sully's passengers and others who referred to the incident as the "Miracle on the Hudson." The simulations didn't take into account the time needed to assess and understand the situation, and there wasn't any precedent for losing both engines to a bird strike at such a low altitude in the middle of one of the most densely populated cities in the world.

titles. Although there are many different types of behaviors that might seem to fit the definition of citizenship behavior, research suggests two main categories that differ according to who benefits from the activity: coworkers or the organization (see Figure 2-2).<sup>30</sup>

The first category of citizenship behavior is the one with which you're most likely to be familiar: **interpersonal citizenship behavior**. Such behaviors benefit coworkers and colleagues and involve

# OB ASSESSMENTS

## HELPING

How helpful are you? This assessment is designed to measure helping, an interpersonal form of citizenship behavior. Think of the people you work with most frequently, either at school or at work. The questions refer to these people as your "work group." Answer each question using the scale. Then sum up your answers. (Instructors: Assessments on sportsmanship, boosterism, political deviance, and trait creativity can be found in the PowerPoints in the Connect Library's Instructor Resources and in the Connect assignments for this chapter.)

| 1                    | 2                      | 3                    | 4                                | 5                 | 6                   | 7                 |
|----------------------|------------------------|----------------------|----------------------------------|-------------------|---------------------|-------------------|
| STRONGLY<br>DISAGREE | MODERATELY<br>DISAGREE | SLIGHTLY<br>DISAGREE | NEITHER<br>DISAGREE<br>NOR AGREE | SLIGHTLY<br>AGREE | MODERATELY<br>AGREE | STRONGLY<br>AGREE |

1. I volunteer to do things for my work group. \_\_\_\_\_
2. I help orient new members of my work group. \_\_\_\_\_
3. I attend functions that help my work group. \_\_\_\_\_
4. I assist others in my group with their work for the benefit of the group. \_\_\_\_\_
5. I get involved to benefit my work group. \_\_\_\_\_
6. I help others in this group learn about the work. \_\_\_\_\_
7. I help others in this group with their work responsibilities. \_\_\_\_\_

### SCORING AND INTERPRETATION

If your scores sum up to 40 or higher, you perform a high level of helping behavior, which means you frequently engage in citizenship behaviors directed at your colleagues. This is good, as long as it doesn't distract you from fulfilling your own job duties and responsibilities. If your scores sum up to less than 40, you perform a low level of helping behaviors. You might consider paying more attention to whether your colleagues need assistance while working on their task duties.

Source: L.V. Van Dyne and J.A. LePine, "Helping and Voice Extra-Role Behaviors: Evidence of Construct and Predictive Validity," *Academy of Management Journal* 41 (1998), pp. 108-19.

for positive change rather than remaining silent. Good citizens also react to bad rules or policies by constructively trying to change them as opposed to passively complaining about them (see Chapter 3 on organizational commitment for more discussion of such issues).<sup>38</sup> **Civic virtue** refers to participating in the company's operations at a deeper-than-normal level by attending voluntary meetings and functions, reading and keeping up with organizational announcements, and keeping abreast of business news that affects the company. **Boosterism** means representing the organization in a positive way when out in public, away from the office, and away from work. Think of friends you've had who worked for a restaurant. Did they always say good things about the restaurant when talking to you and keep any "kitchen horror stories" to themselves? If so, they were being good citizens by engaging in high levels of boosterism.

Three important points should be emphasized about citizenship behaviors. First, as you've probably realized, citizenship behaviors are relevant in virtually any job, regardless of the particular

nature of its tasks,<sup>39</sup> and research suggests that these behaviors can boost organizational effectiveness.<sup>40</sup> As examples, research conducted in a paper mill found that the quantity and quality of crew output were higher in crews that included more workers who engaged in citizenship behavior.<sup>41</sup> Research in 30 restaurants also showed that higher levels of citizenship behavior promoted higher revenue, better operating efficiency, higher customer satisfaction, higher performance quality, less food waste, and fewer customer complaints.<sup>42</sup> Thus, it seems clear that citizenship behaviors have a significant influence on the bottom line.

Second, because citizenship behaviors are relatively discretionary and influenced by the specific situation the employee is working in, they can vary significantly over time.<sup>43</sup> In other words, an employee who engages in citizenship behavior during one point in time might not engage in citizenship behavior at other points in time. As an example, it's likely that you've had a very positive experience working with another student or colleague on a project and were willing to invest a great deal of extra effort in order to be helpful. At some point, however, the person with whom you were working may have done something that made you feel much less positive about the collaboration and, as a consequence, you decided to withhold your extra help so that you could focus your energies elsewhere. In fact, researchers have shown that good citizens can develop *citizenship fatigue*, or the sense that one is worn out and on edge from engaging in citizenship.<sup>44</sup> Citizenship fatigue reduces future acts of citizenship, and may be especially likely to occur when good citizens feel that their extra efforts are not supported, or they experience pressure to continue to engage in citizenship even when they're already feeling stretched by other demands.

Third, from an employee's perspective, it may be tempting to discount the importance of citizenship behaviors—to just focus on your own job tasks and leave aside any “extra” stuff. After all, citizenship behaviors appear to be voluntary and optional, whereas task performance requirements are not. However, discounting citizenship behaviors is a bad idea because supervisors don't always view such actions as optional. In fact, research on computer salespeople, insurance agents, petrochemical salespeople, pharmaceutical sales managers, office furniture makers, sewing machine operators, U.S. Air Force mechanics, and first-tour U.S. Army soldiers has shown that citizenship behaviors relate strongly to supervisor evaluations of job performance, even when differences in task performance are also considered.<sup>45</sup> As we discuss in our **OB Internationally** feature, the tendency of supervisors to consider citizenship behaviors in evaluating overall job performance seems to hold even across countries with vastly different cultures.<sup>46</sup> Of course, this issue has a lot of relevance to you, given that in most organizations, supervisors' evaluations of employee job performance play significant roles in determining employee pay and promotions. Indeed, employee citizenship behavior has been found to influence the salary and promotion recommendations people receive, over and above their task performance.<sup>47</sup> Put simply, it pays to be a good citizen.

## COUNTERPRODUCTIVE BEHAVIOR

Now we move from the “good soldiers” to the “bad apples.” Whereas task performance and citizenship behavior refer to employee activities that help the organization achieve its goals and objectives, other activities in which employees engage do just the opposite. This third broad category of job performance is **counterproductive behavior**, defined as employee behaviors that intentionally hinder organizational goal accomplishment. The word “intentionally” is a key aspect of this definition; these are things that employees mean to do, not things they accidentally do. Although there are many different kinds of counterproductive behaviors, research suggests that—like task performance and citizenship behavior—they can be grouped into more specific categories (see Figure 2-3).<sup>48</sup>

**Property deviance** refers to behaviors that harm the organization's assets and possessions. For example, **sabotage** represents the purposeful destruction of physical equipment, organizational processes, or company products. Do you know what a laser disc is? Probably not—and the reason you don't is because of sabotage. A company called DiscoVision (a subsidiary of MCA) manufactured laser discs in the late 1970s, with popular movie titles like *Smokey and the Bandit* and *Jaws* retailing for \$15.95. Although this price is approximately the same as a new movie on a Blu-ray disc today, it was far less than the \$50–\$100 needed to buy videocassettes (which were of inferior quality) at the time. Unfortunately, laser discs had to be manufactured in clean rooms because specks of

## OB INTERNATIONALLY

As we've already explained, citizenship behavior tends to be viewed as relatively voluntary because it's not often explicitly outlined in job descriptions or directly rewarded. However, people in organizations vary in their beliefs regarding the degree to which citizenship behavior is truly voluntary, and these differences have important implications. As an example, consider a situation in which an employee engages in citizenship behaviors because of his or her belief that the behaviors are part of the job. However, this employee works for a supervisor who believes that citizenship behaviors are unnecessary. Assuming that the supervisor would not consider the citizenship behaviors on a performance evaluation, the employee would likely react negatively because he or she has not been recognized for putting effort into activities that help other members of the organization.

So what types of factors cause differences in beliefs regarding whether or not citizenship behavior is discretionary? One factor that would appear to be important is national culture. It is widely believed that the culture in countries like the United States, Canada, and the Netherlands encourages behaviors that support competition and individual achievement, whereas the culture in countries like China, Colombia, and Portugal encourages behaviors that promote cooperation and group interests over self-interests. On the basis of these cultural differences, it seems logical to expect that people from the former set of countries would consider citizenship behavior relatively unimportant compared with people from the latter set of countries. In reality, however, the findings from one recent study comparing Canadian and Chinese managers found that this cultural stereotype was simply not true. Managers in both countries not only took citizenship behavior into account when evaluating overall job performance, but the weight they gave to citizenship behavior in their overall evaluation of employees was the same. One explanation for this result is that the realities of running effective business organizations in a global economy have a significantly stronger impact on managerial practices than do cultural norms. It is important to note that the results of this study do not mean that we can ignore culture when trying to understand employee job performance. In fact, there are reasons to believe that cultural differences are important to consider when designing and implementing systems to manage employee performance.

Sources: F.F.T. Chiang and T.A. Birtch, "Appraising Performance across Borders: An Empirical Examination of the Purposes and Practices of Performance Appraisal in a Multi-Country Context." *Journal of Management Studies* 47 (2010), pp. 1365-92; G.Hofstede, "Cultures and Organizations: Software of the Mind," McGraw-Hill, New York, 1991; E.W. Morrison, "Role Definitions and Organizational Citizenship Behavior: The Importance of the Employee's Perspective." *Academy of Management Journal* 37 (1994), pp. 1543-67; and M.Rotundo and J.L. Xie, "Understanding the Domain of Counterproductive Work Behavior in China." *International Journal of Human Resource Management* 86 (2008), pp. 856-77.

dust or debris could cause the image on the television to freeze, repeat, skip, or drop out. When MCA merged with IBM in 1979, the morale of the employees fell, and counterproductive behaviors began to occur. Employees sabotaged the devices that measured the cleanliness of the rooms. They also began eating in the rooms—even popping potato chip bags to send food particles into the air. This sabotage eventually created a 90 percent disc failure rate that completely alienated customers. As a result, despite its much lower production costs and higher-quality picture, the laser disc disappeared, and the organizations that supported the technology suffered incredible losses.<sup>49</sup> Even if you've never heard of the laser disc, you've certainly eaten in a restaurant. The cost of counterproductive behaviors in the restaurant industry is estimated to be 2-3 percent of revenues per year, but what may be more disturbing is the nature of those counterproductive behaviors.<sup>50</sup> Thirty-one percent of employees who responded to a survey knowingly served improperly prepared food, 13 percent intentionally sabotaged the work of other employees, and 12 percent admitted to intentionally contaminating food they prepared or served to a customer (yuck!). At a minimum, such sabotage of the restaurant's product can lead to a bad meal and a customer's

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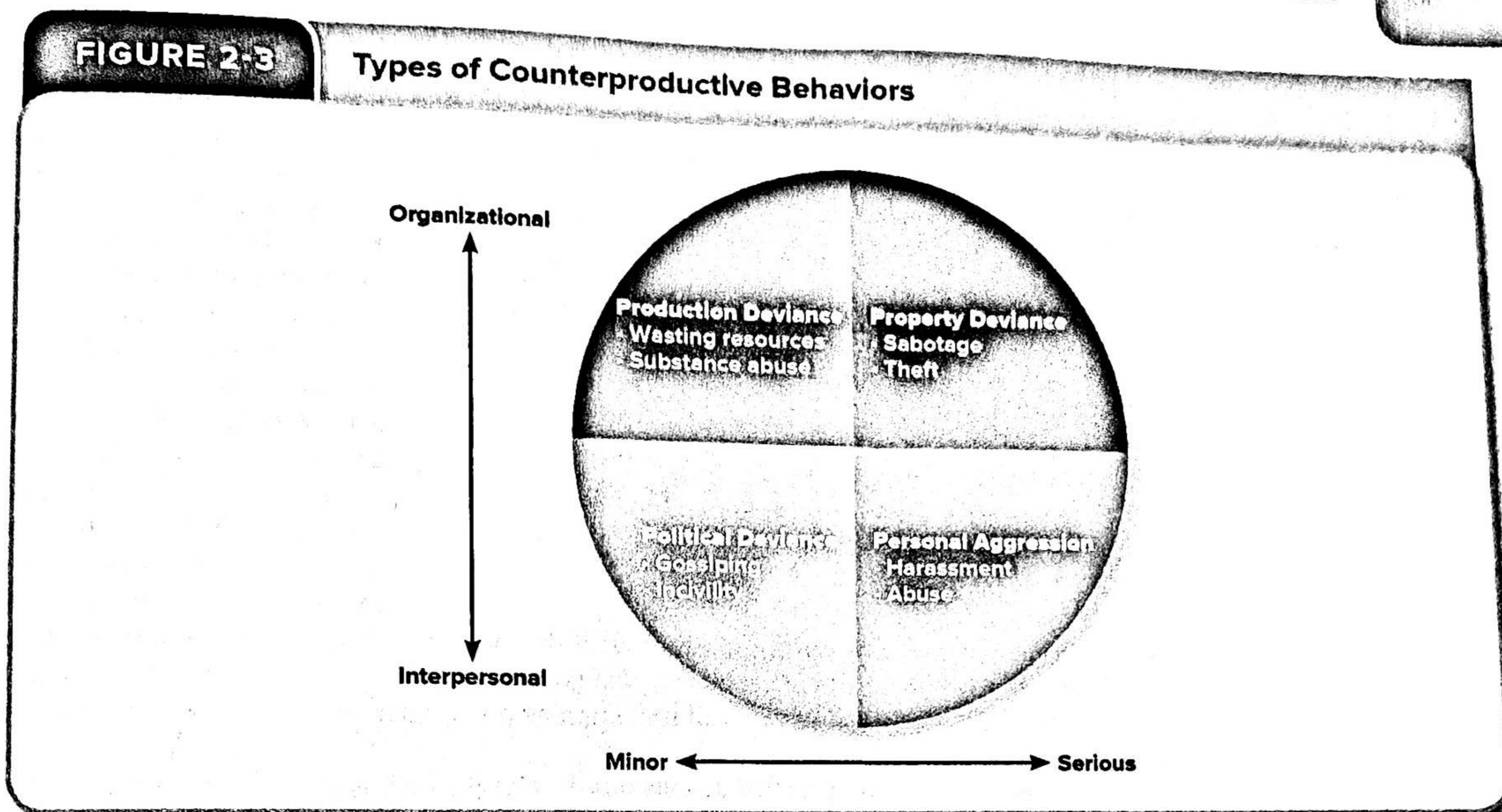
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FIGURE 2-3

## Types of Counterproductive Behaviors



Source: Adapted from S.L. Robinson and R.J. Bennett, "A Typology of Deviant Workplace Behaviors: A Multidimensional Scaling Study," *Academy of Management Journal* 38 (1995), pp. 555-72.

promise to never return to that establishment. Of course, such behaviors can also lead to food poisoning, health code violations, and a damaging lawsuit. Employees who sabotage customers may do so, under certain circumstances, as a response to perceived mistreatment by customers. It's important to note, however, that retaliation in this manner is not justified, so it's still considered a form of counterproductive behavior.<sup>51</sup>

**Theft** represents another form of property deviance and can be just as expensive as sabotage (if not more). Research has shown that up to three-quarters of all employees have engaged in counterproductive behaviors such as theft, and the cost of these behaviors is staggering.<sup>52</sup> For example, one study estimated that 47 percent of store inventory shrinkage was due to employee theft and that this type of theft costs organizations approximately \$14.6 billion per year.<sup>53</sup> Maybe you've had friends who worked at a restaurant or bar and been lucky enough to get discounted (or even free) food and drinks whenever you wanted. Clearly that circumstance is productive for you, but it's quite counterproductive from the perspective of the organization.

**Production deviance** is also directed against the organization but focuses specifically on reducing the efficiency of work output. **Wasting resources**, when employees use too many materials or too much time to do too little work, is the most common form of production deviance. Manufacturing employees who use too much wood or metal are wasting resources as are restaurant employees who use too many ingredients when preparing the food. Workers who work too slowly or take too many breaks are also wasting resources because "time is money" (see Chapter 3 on organizational commitment for more discussion of such issues). **Substance abuse** represents another form of production deviance. If employees abuse drugs or alcohol while on the job or shortly before coming to work, then the efficiency of their production will be compromised because their work will be done more slowly and less accurately.

In contrast to property and production deviance, **political deviance** refers to behaviors that intentionally disadvantage other individuals rather than the larger organization. **Gossiping**—casual conversations about other people in which the facts are not confirmed as true—is one form of political deviance. Everyone has experienced gossip at some point in time and knows the emotions people feel when they discover that other people have been talking about them. Such behaviors undermine the morale of both friendship groups and work groups. **Incivility** represents communication

Counterproductive behavior by employees can be destructive to the organization's goals. In some settings, such as a restaurant, it can even be a problem for customers.

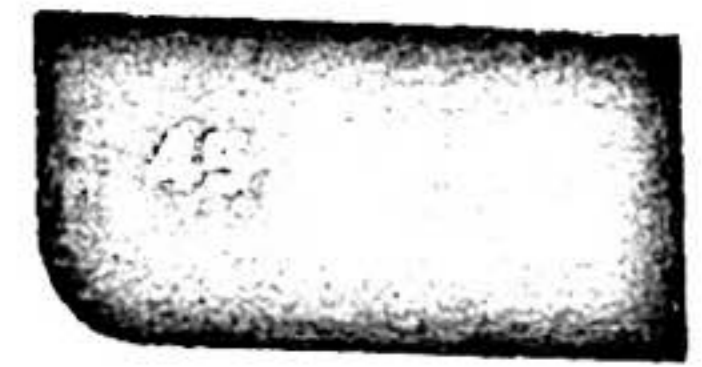


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that's rude, impolite, discourteous, and lacking in good manners.<sup>54</sup> The erosion of manners seems like a society-wide phenomenon, and the workplace is no exception. Taken one by one, these political forms of counterproductive behavior may not seem particularly serious to most organizations. However, in the aggregate, acts of political deviance can create an organizational climate characterized by distrust and unhealthy competitiveness. Beyond the productivity losses that result from a lack of

cooperation among employees, organizations with this type of climate likely cannot retain good employees. Moreover, there's some evidence that gossip and incivility can "spiral"—meaning that they gradually get worse and worse until some tipping point, after which more serious forms of interpersonal actions can occur.<sup>55</sup>

Those more serious interpersonal actions may involve **personal aggression**, defined as hostile verbal and physical actions directed toward other employees. **Harassment** falls under this heading and occurs when employees are subjected to unwanted physical contact or verbal remarks from a colleague. **Abuse** also falls under this heading; it occurs when an employee is assaulted or endangered in such a way that physical and psychological injuries may occur. You might be surprised to know that even the most extreme forms of personal aggression are actually quite prevalent in organizations. For example, on average in the United States about one employee each week is murdered by a current or previous coworker.<sup>56</sup> As another example, about 54 million Americans are bullied at work each year.<sup>57</sup> Bullying involves psychological harassment and abuse directed toward an individual or group of individuals.<sup>58</sup> Examples of bullying include humiliation, social isolation, and systematic maltreatment, all of which results in the target of these behaviors feeling helpless.<sup>59</sup> It might surprise you to learn that the source of the bullying is often a boss. We don't believe that bosses are inherently evil, but some undoubtedly lose sight of the line between being tough and being a bully, and that what matters isn't the intent of the behavior, but rather the perception of the person to whom the behavior is targeted.<sup>60</sup> Acts of personal aggression can also be quite costly to organizations. For example, Mitsubishi Motor Manufacturing of America settled a class action sexual harassment lawsuit for \$34 million after women at a plant in Normal, Illinois, complained of widespread and routine groping, fondling, lewd jokes, lewd behavior, and pornographic graffiti.<sup>61</sup> Four points should be noted about counterproductive behavior also engage in others.<sup>62</sup> In other words, people who engage in one form of counterproductive behavior rather than isolated incidents. Second, like such behaviors tend to represent a pattern of behavior relevant to any job. It doesn't matter what citizenship behavior, counterproductive behavior is relevant to any job. It doesn't matter what the job entails; there are going to be things to steal, resources to waste, and people to be uncivil toward. Third, counterproductive behavior may be contagious and its negative consequences may ripple throughout an organization.<sup>63</sup> For example, researchers have found evidence that abusive behavior on the part of supervisors may result in counterproductive behavior among subordinates and vice versa.<sup>64</sup> Researchers have also shown that supervisors who engage in incivility toward subordinates create a negative climate in their work groups, which reduces voice, and in turn, group effectiveness.<sup>65</sup> Fourth, it's often surprising which employees engage in counterproductive behavior. You might be tempted to guess that poor performers would be the ones who engage in high levels of counterproductive behavior, and that highly effective task performers do not engage in counterproductive behavior. In fact, however, there's only a weak negative correlation between task performance and counterproductive behavior,<sup>66</sup> and if you think about it for a moment, you can probably come up with a few examples of people who are very effective in their jobs but who



creativity. But it also means that employees engage in citizenship behaviors directed at both coworkers and the larger organization. It also means that employees refrain from engaging in the counterproductive behaviors that can badly damage the climate of an organization. The goal for any manager is, therefore, to have employees who fulfill all three pieces of this good performer description.

As you move forward in this book, you'll notice that almost every chapter includes a description of how that chapter's topic relates to job performance. For example, Chapter 4 on job satisfaction will describe how employees' feelings about their jobs affect their job performance. You'll find that some chapter topics seem more strongly correlated with task performance, whereas other topics are more strongly correlated with citizenship behavior or counterproductive behavior. Such differences will help you understand exactly how and why a given topic, be it satisfaction, stress, motivation, or something else, influences job performance. By the end of the book, you'll have developed a good sense of the most powerful drivers of job performance.

## TRENDS AFFECTING PERFORMANCE

Now that we've described exactly what job performance is, it's time to describe some of the trends that affect job performance in the contemporary workplace. Put simply, the kinds of jobs employees do are changing, as is the way workers get organized within companies. These trends put pressure on some elements of job performance while altering the form and function of others.

### KNOWLEDGE WORK

Historically speaking, research on organizational behavior has focused on the physical aspects of job performance. This focus was understandable, given that the U.S. economy was industrial in nature and the productivity of the employees who labored in plants and factories was of great concern. However, by the early 1990s, the majority of new jobs required employees to engage in cognitive work, applying theoretical and analytical knowledge acquired through education and continuous learning.<sup>67</sup> Statistics from the U.S. Department of Labor confirm that this type of work, also called **knowledge work**, is becoming more prevalent than jobs involving physical activity.<sup>68</sup>

In addition to being more cognitive, knowledge work tends to be more fluid and dynamic in nature. Facts, data, and information are always changing. Moreover, as time goes by, it becomes easier to access more and more of these facts and data, using Google on an iPhone for example. In addition, the tools used to do knowledge work change quickly, with software, databases, and computer systems updated more frequently than ever. As those tools become more powerful, the expectations for completing knowledge work become more ambitious. After all, shouldn't reports and presentations be more comprehensive and finished more quickly when every book used to create them is available online 24/7 rather than at some library? In fact, as many have recently noted, expectations regarding knowledge work can become overwhelming for employees, and as a consequence, new and innovative ways of performing this type of work may be necessary.<sup>69</sup>

### SERVICE WORK

One of the largest and fastest growing sectors in the economy is not in industries that produce goods but rather in industries that provide services. **Service work**, or work that provides nontangible goods to customers through direct electronic, verbal, or physical interaction, accounts for approximately 55 percent of the economic activity in the United States,<sup>70</sup> and about 20 percent of the new jobs created are service jobs, trailing only professional services in terms of growth.<sup>71</sup> Retail salespersons, customer service representatives, and food service workers represent the bulk of that service job growth. By comparison, maintenance, repair, construction, and production jobs are projected to account for only 4-7 percent of new jobs over the next several years.

#### 2.6

What workplace trends are affecting job performance in today's organizations?

Amazon CEO Jeff Bezos stresses the importance of customer service.



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The increase in service jobs has a number of implications for job performance. For example, the costs of bad task performance are more immediate and more obvious. When customer service representatives do their job duties poorly, the customer is right there to notice. That failure can't be hidden behind the scenes or corrected by other employees chipping in before it's too late. In addition, service work contexts place a greater premium on high levels of citizenship behavior and low levels of counterproductive behavior. If service employees refuse to help one another or maintain good sportsmanship, or

if they gossip and insult one another, those negative emotions get transmitted to the customer during the service encounter. Maintaining a positive work environment therefore becomes even more vital.

In fact, some very notable organizations compete successfully by placing special emphasis on the performance of people who do service work. Amazon, for example, believes that the best way to ensure that customers keep using its website to purchase merchandise is to ensure customers are satisfied with their experience, especially when a transaction goes wrong, such as if merchandise arrives broken or an order doesn't ship because the product is back ordered.<sup>72</sup> Amazon customer service employees receive a great deal of training so that they can provide timely and consistent responses to customers who have questions or problems. In fact, customer service is so important to Amazon that each and every employee, including CEO Jeff Bezos, spends two days a year answering customer service calls.<sup>73</sup> Apparently all this training has paid off: Amazon now ranks number one in customer service quality, scoring above companies such as The Ritz-Carlton and Lexus, which are famous for providing world-class customer service.<sup>74</sup>

## APPLICATION: PERFORMANCE MANAGEMENT

### 2.7

How can organizations use job performance information to manage employee performance?

Now that we've described what job performance is, along with some of the workplace trends that affect it, it's time to discuss how organizations use job performance information. Good companies understand the linkage between employee job performance and organizational performance, and as a consequence they invest resources collecting information about employee performance so that it can be managed in a way that helps the organization achieve its mission.<sup>75</sup> In this section, we describe general ways in which job performance information is used to manage employee performance. We spotlight four of the most representative practices: management by objectives, behaviorally anchored rating scales, 360-degree feedback, and forced ranking. We'll also discuss how social networking software is being used for performance management purposes in organizations.

### MANAGEMENT BY OBJECTIVES

Management by objectives (MBO) is a management philosophy that bases an employee's evaluations on whether the employee achieves specific performance goals.<sup>76</sup> How does MBO work? Typically, an employee meets with his or her manager to develop a set of mutually agreed-upon objectives that are measurable and specific (see Chapter 6 on motivation for more discussion of such issues). In addition, the employee and the manager agree on the time period for achieving those objectives and the methods used to do so. An example of a performance objective for a line manager in a factory might be something like, "Reducing production waste by 35 percent within three months by developing and implementing new production procedures." Employee performance then can be gauged by referring to the degree to which the employee achieves results that are consistent with the objectives. If the line manager cuts production waste by 37 percent within

Typically, supervisors rate several performance dimensions using BARS and score an employee's overall job performance by taking the average value across all the dimensions. Because the critical incidents convey the precise kinds of behaviors that are effective and ineffective, feedback from BARS can help an employee develop and improve over time. That is, employees can develop an appreciation of the types of behaviors that would make them effective. Such information provides a nice complement to MBO, which is less capable of providing specific feedback about why an objective might have been missed.

## 360-DEGREE FEEDBACK

The 360-degree feedback approach involves collecting performance information not just from the supervisor but from anyone else who might have firsthand knowledge about the employee's performance behaviors. These other sources of performance information typically include the employee's subordinates, peers, and customers. With the exception of the supervisor's ratings, the ratings are combined so that the raters can remain anonymous to the employee. Most 360-degree feedback systems also ask the employee to provide ratings of his or her own performance. The hope is that this 360-degree perspective will provide a more balanced and comprehensive examination of performance. By explicitly comparing self-provided ratings with the ratings obtained from others, employees can develop a better sense of how their performance may be deficient in the eyes of others and exactly where they need to focus their energies to improve.

Although the information from a 360-degree feedback system can be used to evaluate employees for administrative purposes such as raises or promotions, there are problems with that sort of application. First, because ratings vary across sources, there is the question of which source is most "correct." Even if multiple sources are taken into account in generating an overall performance score, it's often unclear how the information from the various sources should be weighted. Second, raters may give biased evaluations if they believe that the information will be used for compensation, as opposed to just skill development. Peers in particular may be unwilling to provide negative information if they believe it will harm the person being rated. As a result, 360-degree feedback is best suited to improving or developing employee talent, especially if the feedback is accompanied by coaching about how to improve the areas identified as points of concern.

## FORCED RANKING

One of the most notable practices that Jack Welch, *Fortune's* Manager of the 20th Century,<sup>79</sup> used to manage his workforce at General Electric involved evaluations that make clear distinctions among employees in terms of their job performance. Specifically, Welch employed a system that differentiated employees using the "vitality curve," depicted in Figure 2-5. Managers were required to rank all of their subordinates, and the rankings were used to place employees in one of three categories: the top 20 percent (A players), the vital middle 70 percent (B players), or the bottom 10 percent (C players). The A players were thought to possess "the four Es of GE leadership: very high *energy* levels, the ability to *energize* others around common goals, the *edge* to make tough yes-and-no decisions, and finally the ability to consistently *execute* and deliver on their promises."<sup>80</sup> The B players were the focus of development. According to Welch, B players are the backbone of the company but lack the passion of As. The C players refer to those employees who could not get the job done and were let go. The system was taken so seriously at GE that managers who couldn't differentiate their people tended to find themselves in the C category.<sup>81</sup>

Estimates are that about 20 percent of *Fortune* 500 companies adopted some variant of Welch's forced ranking system, also known as "rank and yank" or the "dead man's curve."<sup>82</sup> However, there are some important limitations to this system of performance management. For example, some believe the system is inherently unfair because it forces managers to give bad evaluations to employees who may be good performers, just to reach a pre-established percentage. As other examples, employees may become competitive with one another to avoid finding themselves in a lower category, or they may avoid stepping outside the bounds of routine task behaviors for fear of standing out or making a mistake. Unfortunately, these behaviors are the exact opposite of what may be needed in today's team-based organizations that require cooperativeness and creativity.

**WHAT DOES IT MEAN TO BE 'COMMITTED'?**

One key to understanding organizational commitment is to understand where it comes from. In other words, what creates a desire to remain a member of an organization? To explore this question, consider the following scenario: You've been working full-time for your employer for around five years. The company gave you your start in the business, and you've enjoyed your time there. Your salary is competitive enough that you were able to purchase a home in a good school system, which is important because you have one young child and another on the way. Now assume that a competing firm contacted you while you were attending a conference and offered you a similar position in its company. What kinds of things might you think about? If you created a list to organize your thoughts, what might that list look like?

**TYPES OF COMMITMENT**

One potential list is shown in Table 3-1. The left-hand column reflects some emotional reasons for staying with the current organization, including feelings about friendships, the atmosphere or culture of the company, and a sense of enjoyment when completing job duties. These sorts of emotional reasons create **affective commitment**, defined as a desire to remain a member of an organization due to an emotional attachment to, and involvement with, that organization.<sup>5</sup> Put simply, you stay because you *want* to. The middle column reflects some cost-based reasons for staying, including issues of salary, benefits, and promotions, as well as concerns about uprooting a family. These sorts of reasons create **continuance commitment**, defined as a desire to remain a member of an organization because of an awareness of the costs associated with leaving it.<sup>6</sup> In other words, you stay because you *need* to. The right-hand column reflects some obligation-based reasons for staying with the current organization, including a sense that a debt is owed to a boss, a colleague, or the larger company. These sorts of reasons create **normative commitment**, defined as a desire to remain a member of an organization due to a feeling of obligation.<sup>7</sup> In this case, you stay because you *ought* to.

**3.2**  
What are the three types of organizational commitment, and how do they differ?

**TABLE 3-1 The Three Types of Organizational Commitment**

| What Makes Someone Stay with His/Her Current Organization?                          |   |  |
|---|---|--|
| AFFECTIVE COMMITMENT<br>(EMOTION-BASED)   | CONTINUANCE COMMITMENT<br>(COST-BASED)  | NORMATIVE COMMITMENT<br>(OBLIGATION-BASED)   |
| Some of my best friends work in my office . . . I'd miss them if I left.            | I'm due for a promotion soon . . . will I advance as quickly at the new company?                            | My boss has invested so much time in me, mentoring me, training me, showing me the ropes.    |
| I really like the atmosphere at my current job . . . it's fun and relaxed.          | My salary and benefits get us a nice house in our town . . . the cost of living is higher in this new area. | My organization gave me my start . . . they hired me when others thought I wasn't qualified. |
| My current job duties are very rewarding . . . I enjoy coming to work each morning. | The school system is good here, my spouse has a good job . . . we've really put down roots where we are.    | My employer has helped me out of a jam on a number of occasions . . . how could I leave now? |
| Staying because you <i>want</i> to.   | Staying because you <i>need</i> to.   | Staying because you <i>ought</i> to.   |

It's important to note that some of the reasons in the middle column of Table 3-1 center on personal or family issues. Continuance commitment focuses on personal and family issues more than the other two commitment types, because employees often need to stay for both work and nonwork reasons. One concept that demonstrates the work and nonwork forces that can bind us to our current employer is **embeddedness**, which summarizes employees' links to their organization and community, their sense of fit with their organization and community, and what they would have to sacrifice for a job change.<sup>24</sup> As demonstrated in Table 3-2, embeddedness strengthens continuance commitment by providing more reasons employees need to stay in their current positions (and more sources of anxiety if they were to leave).<sup>25</sup> Research suggests that embeddedness helps employees weather negative events that occur,<sup>26</sup> and that it matters across cultures.<sup>27</sup>

Think about your current situation. If you're a college student who is working part-time, you likely don't feel very embedded. Your links to your job are probably only short term, and you may feel that the job is more routine than you'd like from a fit perspective. You probably also wouldn't feel you were sacrificing much if you left the job. From a community perspective, you may be going to school in a different city or state than where you grew up, again resulting in few links, low perceived fit, or a lack of felt sacrifice. However, if you're a full-time employee who is relatively established in your job and community, you may feel quite embedded in your current situation.<sup>28</sup>

Alcon Labs seems to understand the value of continuance commitment. The Fort Worth, Texas-based leader in eye care products enjoys a voluntary turnover rate of less than 2 percent.<sup>29</sup> One likely reason for that low rate is the benefits package Alcon offers its employees. For example, Alcon offers a 401(k) retirement plan in which it matches 240 percent of what employees contribute, up to a total of 5 percent of total compensation. So, for example, if an employee invests \$500 toward retirement in a given month, Alcon contributes \$1,200. That policy more than doubles the most generous rates of other companies, allowing employees to build a comfortable "nest egg" for retirement more quickly. Clearly, employees would feel a bit anxious about giving up that benefit if a competitor came calling.

**NORMATIVE COMMITMENT** Now consider the reasons for staying listed in the right-hand column of Table 3-1. What would you feel if, even after taking all those reasons into account, you decided to leave your organization to join another one? Answer: You'd feel a sense of *guilt*.

**TABLE 3-2** Embeddedness and Continuance Commitment

| FACET     | "Embedded" People Feel:  |  |
|-----------|--|--|
|           | FOR THE ORGANIZATION:  | FOR THE COMMUNITY:   |
| Links     | <ul style="list-style-type: none"> <li>I've worked here for such a long time.</li> <li>I'm serving on so many teams and committees.</li> </ul>                             | <ul style="list-style-type: none"> <li>Several close friends and family live nearby.</li> <li>My family's roots are in this community.</li> </ul>      |
| Fit       | <ul style="list-style-type: none"> <li>My job utilizes my skills and talents well.</li> <li>I like the authority and responsibility I have at this company.</li> </ul>     | <ul style="list-style-type: none"> <li>The weather where I live is suitable for me.</li> <li>I think of the community where I live as home.</li> </ul> |
| Sacrifice | <ul style="list-style-type: none"> <li>The retirement benefits provided by the organization are excellent.</li> <li>I would sacrifice a lot if I left this job.</li> </ul> | <ul style="list-style-type: none"> <li>People respect me a lot in my community.</li> <li>Leaving this community would be very hard.</li> </ul>         |

Source: Adapted from T.R. Mitchell, B.C. Holtom, T.W. Lee, C.J. Sablinski, and M. Erez, "Why People Stay: Using Job Embeddedness to Predict Voluntary Turnover," *Academy of Management Journal* 44 (2001), pp. 1102-21.

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3.3

What are the four primary responses to negative events at work?

but find yourself hating every moment spent in the employee's presence. This situation is particularly distressing because the team won't finish its work for another nine months, at the earliest. What would you do in this situation?

Research on reactions to negative work events suggests that you might respond in one of four general ways.<sup>39</sup> First, you might attempt to remove yourself from the situation, either by being absent from work more frequently or by voluntarily leaving the organization. This removal is termed **exit**, defined as an active, destructive response by which an individual either ends or restricts organizational membership.<sup>40</sup> Second, you might attempt to change the circumstances by meeting with the new team member to attempt to work out the situation. This action is termed **voice**, defined as an active, constructive response in which individuals attempt to improve the situation (see Chapter 2 on job performance for more discussion of such issues).<sup>41</sup> Third, you might just "grin and bear it," maintaining your effort level despite your unhappiness. This response is termed **loyalty**, defined as a passive, constructive response that maintains public support for the situation while the individual privately hopes for improvement.<sup>42</sup> Fourth, you might just go through the motions, allowing your performance to deteriorate slowly as you mentally "check out." This reaction is termed **neglect**, defined as a passive, destructive response in which interest and effort in the job decline.<sup>43</sup> Sometimes neglect can be even more costly than exit because it's not as readily noticed. Employees may neglect their duties for months (or even years) before their bosses catch on to their poor behaviors.

Taken together, the exit-voice-loyalty-neglect framework captures most of the possible responses to a negative work event. Where does organizational commitment fit in? Organizational commitment should decrease the likelihood that an individual will respond to a negative work event with exit or neglect (the two destructive responses). At the same time, organizational commitment should increase the likelihood that the negative work event will prompt voice or loyalty (the two constructive responses). Consistent with that logic, research indeed suggests that organizational commitment increases the likelihood of voice and loyalty while decreasing the likelihood of exit and neglect.<sup>44</sup> To see two of the exit-voice-loyalty-neglect options in action, see our **OB on Screen** feature.

If we consider employees' task performance levels together with their organizational commitment levels, we can gain an even clearer picture of how people might respond to negative work events. Consider Table 3-3, which depicts combinations of high and low levels of organizational commitment and task performance. Stars possess high commitment and high performance and are held up as role models for other employees. Stars likely respond to negative events with voice because they have the desire to improve the status quo and the credibility needed to inspire change.<sup>45</sup> It's pretty easy to spot the stars in a given unit, and you can probably think about your current or past job experiences and identify the employees who would fit that description. Citizens possess high commitment and low task performance but perform many of the voluntary "extra-role" activities that are needed to make the organization function smoothly.<sup>46</sup> Citizens are likely to respond to negative events with loyalty because they may lack the credibility needed to inspire change but do possess the desire to remain a member of the organization. You can spot citizens by looking for the people who do the little things—showing around new employees, picking up birthday cakes, ordering new supplies when needed, and so forth.

**Lone wolves** possess low levels of organizational commitment but high levels of task performance and are motivated to achieve work goals for themselves, not necessarily for their company.<sup>47</sup> They are likely to respond to negative events with exit. Although their performance would give them the credibility needed to inspire change, their lack of attachment prevents them from using that credibility constructively. Instead, they rely on their performance levels to make them marketable to their next employer. To spot lone wolves, look for the talented employees who never seem to want to get involved in important decisions about the future of the company. Finally, **apathetics** possess low levels of both organizational commitment and task performance and merely exert the minimum level of effort needed to keep their jobs.<sup>48</sup> Apathetics should respond to negative events with neglect because they lack the performance needed to be marketable and the commitment needed to engage in acts of citizenship.

It's clear from this discussion that exit and neglect represent the flip side of organizational commitment: withdrawal behavior. How common is withdrawal behavior within organizations?

|                           |      | TASK PERFORMANCE |            |
|---------------------------|------|------------------|------------|
|                           |      | HIGH             | LOW        |
| Organizational Commitment | HIGH | Stars            | Citizens   |
|                           | LOW  | Lone wolves      | Apathetics |

Source: Adapted from R.W. Griffith, S. Gaertner, and J.K. Sager, "Taxonomic Model of Withdrawal Behaviors: The Adaptive Response Model," *Human Resource Management Review* 9 (1999), pp. 577-90.

As shown in Figure 3-4, withdrawal comes in two forms: psychological (or neglect) and physical (or exit). **Psychological withdrawal** consists of actions that provide a mental escape from the work environment.<sup>50</sup> Some business articles refer to psychological withdrawal as "warm-chair attrition," meaning that employees have essentially been lost even though their chairs remain occupied.<sup>51</sup> This withdrawal form comes in a number of shapes and sizes.<sup>52</sup> The least serious is *daydreaming*, when employees appear to be working but are actually distracted by random thoughts or concerns. *Socializing* refers to the verbal chatting about nonwork topics that goes on in cubicles and offices or at the mailbox or vending machines. *Looking busy* indicates an intentional desire on the part of employees to look like they're working, even when not performing work tasks. Sometimes, employees decide to reorganize their desks or go for a stroll around the building, even though they have nowhere to go. (Those who are very good at managing impressions do such things very briskly and with a focused look on their faces!) When employees engage in *moonlighting*, they use work time and resources to complete something other than their job duties, such as assignments for another job.

Perhaps the most widespread form of psychological withdrawal among white-collar employees is *cyberloafing*—using Internet, e-mail, and instant messaging access for their personal enjoyment rather than work duties.<sup>53</sup> Some estimates suggest that typical cubicle dwellers stop what they're doing about once every three minutes to send e-mail, check Facebook or Twitter, surf over to YouTube, and so forth.<sup>54</sup> Such distractions consume as much as 28 percent of employees' workdays and cost some \$650 billion a year in lost productivity. Sports fans seem particularly vulnerable. Estimates suggest that Fantasy Football league transactions consume as much as \$1.5 billion in productivity during a typical season.<sup>55</sup> The spring isn't much better, as estimates suggest that employers lose \$1.2 billion as employees watch NCAA tournament games online.<sup>56</sup> Some employees view cyberloafing as a way of "balancing the scales" when it comes to personal versus work time. For example, one participant in a cyberloafing study noted, "It is alright for me to use the Internet for personal reasons at work. After all, I do work overtime without receiving extra pay from my employer."<sup>57</sup> Although such views may seem quite reasonable, other employees view cyberloafing as a means to retaliate for negative work events. One participant in the same study noted, "My boss is not the appreciative kind; I take what I can whenever I can. Surfing the net is my way of hitting back."

**Physical withdrawal** consists of actions that provide a physical escape, whether short term or long term, from the work environment.<sup>58</sup> Physical withdrawal also comes in a number of shapes and sizes. *Tardiness* reflects the tendency to arrive at work late (or leave work early).<sup>59</sup> Of course, tardiness can sometimes be unavoidable, as when employees have car trouble or must fight through bad weather, but it often represents a calculated desire to spend less time at work.<sup>60</sup> *Long breaks* involve longer-than-normal lunches, soda breaks, coffee breaks, and so forth that provide a physical escape from work. Sometimes, long breaks stretch into *missing meetings*, which means employees neglect important work functions while away from the office. As a manager, you'd like to be sure that employees who leave for lunch are actually going to come back, but sometimes that's not a safe bet!

*Absenteeism* occurs when employees miss an entire day of work.<sup>61</sup> Of course, people stay home from work for a variety of reasons, including illness and family emergencies. There's also a rhythm

generations.<sup>78</sup> Research suggests that remaining a member of the workforce is actually beneficial to older people's health, keeping them more mentally and physically fit. Moreover, medical advances are helping older employees stay vital longer, just as the physical labor component of most jobs keeps shrinking. The Baby Boomers are also one of the most educated generations, and research suggests that their continued participation in the workforce could add \$3 trillion a year to the country's economic output. That, combined with the uncertainty surrounding Social Security and stock market-based retirement plans, makes staying in the workforce a logical call.

As the economy continues to become more global, U.S. businesses face another important form of diversity: More and more employees are foreign-born. Although stereotypes view immigrants as staffing blue-collar or service jobs, many of the most educated employees come from abroad. Consider that half of the PhDs working in the United States are foreign-born, as are 45 percent of the physicists, computer scientists, and mathematicians.<sup>79</sup> At the same time, more and more American employees are working as expatriates who staff offices in foreign countries for long periods of time. Serving as an expatriate can be a very stressful assignment for employees as they adjust to a new country, a new style of working, and increased distance from family and friends. See our **OB Internationally** feature for more discussion of organizational commitment in multinational corporations.

These forms of diversity make it more challenging to retain valued employees. Consider the social network diagram in Figure 3-3. As work groups become more diverse with respect to race, gender, age, and national origin, there's a danger that minorities or older employees will find themselves on the fringe of such networks, which potentially reduces their affective commitment. At the same time, foreign-born employees are likely to feel less embedded in their current jobs and perceive fewer links to their community and less fit with their geographic area. This feeling may reduce their sense of continuance commitment. Recent trends suggest that the most educated and skilled immigrants are leaving the U.S. workforce at a rate of about 1,000 a day, particularly when their home country's economy begins to boom.<sup>80</sup>

## THE CHANGING EMPLOYEE-EMPLOYER RELATIONSHIP

A few generations ago, many employees assumed that they would work for a single organization for their entire career. The assumption was that they would exchange a lifetime of loyalty and good work for a lifetime of job security. That perception changed in the 1980s and 1990s as downsizing became a more common part of working life. In 1992, downsizing statistics peaked as 3.4 million jobs were lost, and annual job losses have remained that high ever since.<sup>81</sup> Downsizing represents a form of involuntary turnover, when employees are forced to leave the organization regardless of their previous levels of commitment. The increase in downsizing has gone hand-in-hand with increases in temporary workers and outsourcing, fundamentally altering the way employees view their relationships with their employers.

Companies usually downsize to cut costs, particularly during a recession or economic downturn. Does downsizing work? Does it make the company more profitable? One study suggests that the answer is "not usually." This study examined 3,628 companies over a 15-year time period, of which 59 percent downsized 5 percent or more of their workforce at least once and 33 percent fired 15 percent or more of their workforce at least once.<sup>82</sup> The most important result was that downsizing actually harmed company profitability and stock price. In fact, it typically took firms two years to return to the performance levels that prompted the downsizing in the first place. The exception to this rule was companies that downsized in the context of some larger change in assets (e.g., the sale of a line of business, a merger, an acquisition). However, such firms were relatively rare; only one-eighth of the downsizers were involved in some sort of asset change at the time the layoffs occurred.

Why doesn't downsizing tend to work? One reason revolves around the organizational commitment levels of the so-called survivors. The employees who remain in the organization after a downsizing are often stricken with "survivor syndrome," characterized by anger, depression, fear, distrust, and guilt.<sup>83</sup> One study found that downsizing survivors actually experienced more work-related stress than did the downsizing victims who went on to find new employment.<sup>84</sup> Survivor syndrome tends to reduce organizational commitment levels at the worst possible time, as downsizing survivors are often asked to work extra hard to compensate for their lost colleagues.

# JOB SATISFACTION

This chapter takes us to a new portion of our integrative model of organizational behavior. Job satisfaction is one of several individual mechanisms that directly affects job performance and organizational commitment. If employees are very satisfied with their jobs and experience positive emotions while working, they may perform their jobs better and choose to remain with the company for a longer period of time. Think about the worst job that you've held in your life, even if it was just a summer job or a short-term work assignment. What did you feel during the course of the day? How did those feelings influence the way you behaved, in terms of your time spent on task and citizenship behaviors rather than counterproductive or withdrawal behaviors?

**Job satisfaction** is a pleasurable emotional state resulting from the appraisal of one's job or job experiences.<sup>1</sup> In other words, it represents how you *feel* about your job and what you *think* about your job. Employees with high job satisfaction experience positive feelings when they think about their duties or take part in task activities. Employees with low job satisfaction experience negative feelings when they think about their duties or take part in their task activities. Unfortunately, workplace surveys suggest that satisfied employees are becoming more and more rare. For example, one recent survey showed that just 45 percent of Americans were satisfied with their jobs, down from 61 percent two decades ago.<sup>2</sup> What explains the drop? The same survey revealed declines in the percentage of employees who find their work interesting (51 percent), who are satisfied with their boss (51 percent), and who like their coworkers (57 percent). Reversing such trends requires a deeper understanding of exactly what drives job satisfaction levels.

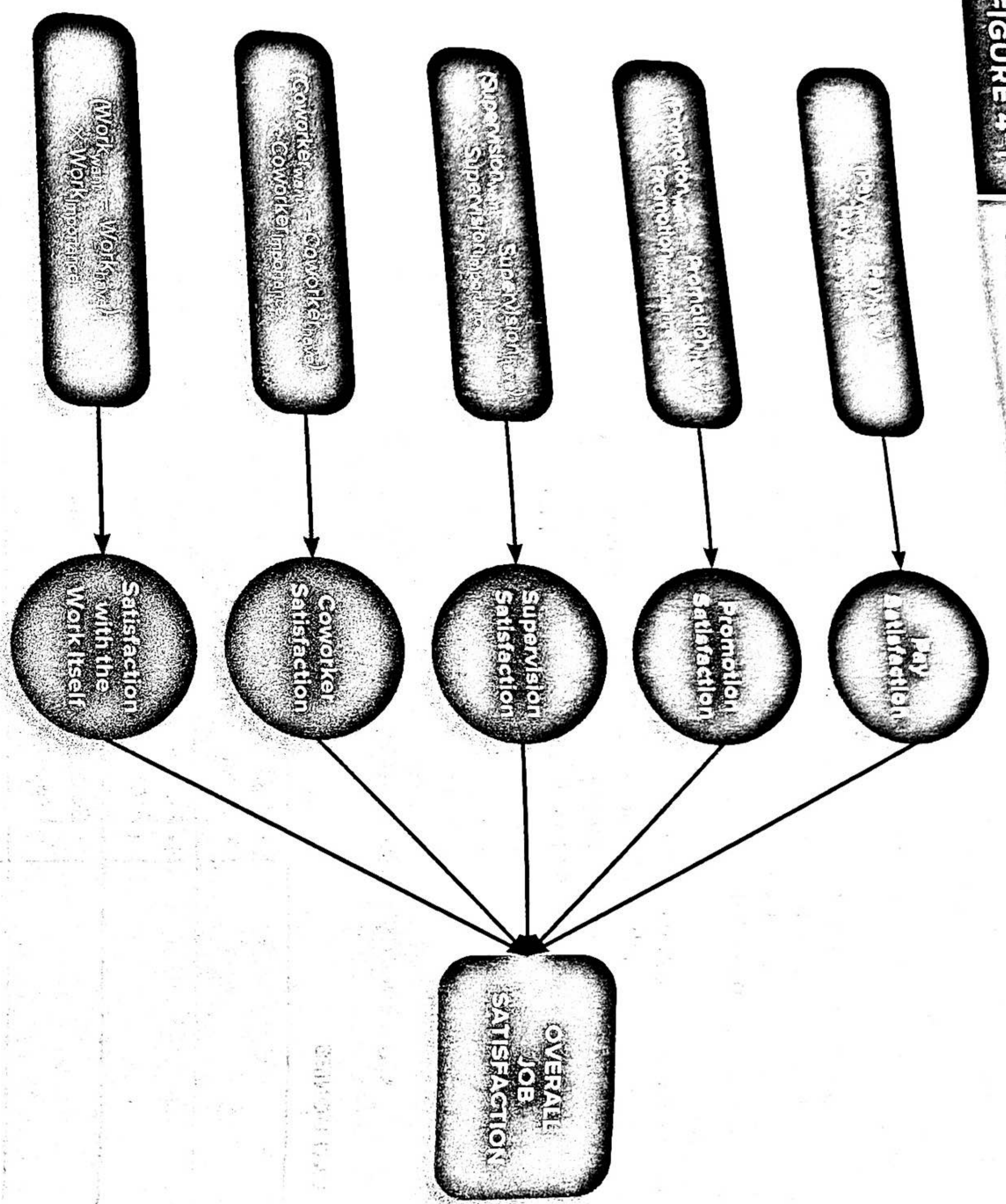
## WHY ARE SOME EMPLOYEES MORE SATISFIED THAN OTHERS?

So what explains why some employees are more satisfied than others? At a general level, employees are satisfied when their job provides the things that they value. **Values** are those things that people consciously or subconsciously want to seek or attain.<sup>3</sup> Think about this question for a few moments: What do you want to attain from your job, that is, what things do you want your job to give you? A good wage? A sense of achievement? Colleagues who are fun to be around? If you had to make a list of the things you value with respect to your job, most or all of them would likely be shown in Table 4-1. This table summarizes the content of popular surveys of work values, broken down into more general categories.<sup>4</sup> Many of those values deal with the things that your work can give you, such as good pay or the chance for frequent promotions. Other values pertain to the context that surrounds your work, including whether you have a good boss or good coworkers. Still other values deal with the work itself, like whether your job tasks provide you with freedom or a sense of achievement.

Consider the list of values in Table 4-1. Which would make your "top five" in terms of importance right now, at this stage of your life? Maybe you have a part-time job during college and you value enjoyable coworkers or a comfortable work environment above everything else. Or maybe you're getting established in your career and starting a family, which makes a high salary and frequent promotions especially critical. Or perhaps you're at a point in your career that you feel a need to help others or find an outlet for your creative expression. (In our case, we value fame, which is what led us to write this textbook. We're still waiting for Fallon's call—or at least Kimmel's). Regardless of your "top five," you can see that different people value different things and that your values may change during the course of your working life.

FIGURE 4-1

The Value-Percept Theory of Job Satisfaction



those five facets adds together to create "overall job satisfaction." Figure 4-1 shows that employees might be satisfied for all kinds of reasons. One person may be satisfied because she's in a high-paying job and working for a good boss. Another person may be satisfied because he has good coworkers and enjoyable work tasks. You may have noticed that a few of the values in Table 4-1, such as working for moral causes and gaining fame and prestige, are not represented in Figure 4-1. Those values are missing because they're not as relevant in all jobs, unlike pay, promotions, and so forth.

The first facet in Figure 4-1, **pay satisfaction**, refers to employees' feelings about their pay, including whether it's as much as they deserve, secure, and adequate for both normal expenses and luxury items.<sup>8</sup> Similar to the other facets, pay satisfaction is based on a comparison of the pay that employees want and the pay they receive.<sup>9</sup> Although more money is almost always better, most employees base their desired pay on a careful examination of their job duties and the pay given to comparable colleagues.<sup>10</sup> As a result, even nonmillionaires can be quite satisfied with their pay (thankfully for most of us!). Take the employees at NuStar Energy, the San Antonio-based asphalt refiner and operator of oil pipelines storage.<sup>11</sup> The company pays more than the industry average, with merit pay and equity grants for nonexecutives. And either everyone gets a bonus or no one does. Those sorts of pay policies make it more bearable to stand next to hot asphalt in a flame-retardant suit, hard hat, shatterproof glasses, and steel-toed boots!

The next facet in Figure 4-1, **promotion satisfaction**, refers to employees' feelings about the company's promotion policies and their execution, including whether promotions are frequent, fair, and