

ahead of the curve? One way may be to move into offering original content and moving beyond just streaming video and mailing DVDs. In 2011, Netflix confirmed a deal to do just that, acquiring the right to be the first home for "House of Cards," an hour-long political drama series starring Kevin Spacey.⁸⁰ Challenging the competition by changing your business and services is one way to proactively stay ahead of the curve, creating the change you want. Like Reed Hastings, a company should not leave its roots behind.

One of Netflix's greatest strengths is its loyal, satisfied subscriber base that grew dramatically during the first thirteen years in business. While adding new services and new branches of business, successful companies guard the base and service their core customers. Netflix appears to have done that and done it with excellence. The company has a terrific reputation among its subscribers, who more than doubled in the two-year period from 2008 to 2010, growing to twenty million from just over nine million. That is dramatic growth and a lot of customer satisfaction. This success inevitably draws envy and response from competitors like Amazon. While Netflix has deep subscriber loyalty and a great head start, the company must continue to change and innovate to continue to stay in the lead. No successful company can afford to rest on its laurels.

Chapter Summary

1. Organizational behavior is individual behavior and group dynamics in organizations.
2. Change is an opportunity when one has a positive attitude, asks questions, listens, and is committed to succeed.
3. Organizations are open systems composed of people, structure, and technology committed to a task.
4. Organizations have formal and informal elements within them.
5. Manufacturing organizations, service organizations, privately owned companies, and nonprofit organizations all contribute to our national well-being.
6. The changes and challenges facing managers are driven by international competition and customer demands.
7. Learning about organizational behavior requires a mastery of objective knowledge, specific skill development, and thoughtful application.

Key Terms

anthropology (p. 7)
 challenge (p. 4)
 change (p. 4)
 engineering (p. 6)
 formal organization (p. 10)
 informal organization (p. 10)
 management (p. 7)

medicine (p. 7)
 objective knowledge (p. 20)
 opportunities (p. 4)
 organizational behavior (p. 4)
 people (p. 10)
 Psychology (p. 5)
 Six Sigma (p. 17)

skill development (p. 20)
 sociology (p. 6)
 structure (p. 10)
 task (p. 9)
 technology (p. 10)

Review Questions

1. Define *organizational behavior*. What is its focus?
2. Identify the four action steps for responding positively to change.
3. What is an organization? What are its four system components? Give an example of each.
4. Briefly describe the elements of the formal and the informal organization. Give examples of each.
5. Discuss the six focus organizations used in the book.
6. Describe how competition and total quality are affecting organizational behavior. Why is managing organizational behavior in changing times challenging?