LEARNING OBJECTIVES
After reading this chapter, you should be able to:

- Define organizational behaviour.
- Identify three reasons for studying organizational behaviour.
- List six emerging trends in organizational behaviour.
- Identify the five anchors on which organizational behaviour is based.
- Diagram an organization from an open systems view.
- Define knowledge management and intellectual capital.
- Identify three common ways that organizations acquire knowledge.
In just two years, Nortel Networks has become one of the hottest developers of fibre optic Internet gear. CEO John Roth removed layers of management, decentralized decision making, outsourced or sold off its Old Economy telephone equipment plants, and spent billions of dollars acquiring several Net-savvy businesses.

To succeed in this hyperfast Internet world, Roth is quickly replacing Nortel’s bureaucratic corporate culture with what he calls a “culture of speed.” Many Nortel employees have already adapted. “I like the pace,” says Mary Young, a microchip engineer at one of Nortel’s research centres in Ottawa. “The pace is hectic and I like that. I’m not good at sitting still.”

Nortel’s emerging culture also values knowledge, competencies, and communication. “Nortel runs on talent,” says Nortel vice-president Rosemary McCarney. The company’s headquarters in Brampton, Ontario, is designed as an open cityscape to encourage communication and teamwork. Nortel also uses technology to connect employees who work at home and other places away from the office. Further afield, 2000 Nortel employees spread throughout Latin America and the Caribbean participate in monthly hour-long videoconference sessions that are in a talk-show format.

“It’s not just about arranging formal meetings across distance and time zones,” says McCarney. “It’s about teaming up with people, bouncing off ideas, improvising and really doing spontaneous and creative day-to-day work as well.”

Nortel is quickly adapting to the chaotic world of the Internet. The company is challenging rivals Cisco Systems and Lucent Technologies and is poised for rapid growth as electronic commerce takes off. “We’re firing on all cylinders,” says Roth. Nortel now “moves at Web speed.”
Nortel Networks has leveraged the power of the Internet, but its real power comes from the effective application of organizational behaviour theories and concepts. More than ever, organizations are relying on these ideas and practices to remain competitive. For example, Nortel is changing its organizational culture to keep pace with the emerging Internet environment. The company’s reward system, organizational structure, and John Roth’s leadership are quickly aligning employees with these values. Nortel’s smooth acquisition of Bay Networks and other companies is also due, in part, to effective communications, team development, and other organizational behaviour practices.²

This book is about people working in organizations. Its main objective is to help you understand behaviour in organizations and to work more effectively in organizational settings. Organizational behaviour knowledge is not only important for managers and leaders. It is relevant and useful to anyone who works in and around organizations. In this chapter, we introduce you to the field of organizational behaviour, outline the main reasons why you should know more about it, describe the fundamental perspectives behind the study of organizations, and introduce the concept that organizations are knowledge and learning systems.

THE FIELD OF ORGANIZATIONAL BEHAVIOUR

Organizational behaviour (OB) is the study of what people think, feel, and do in and around organizations. OB scholars systematically study individual, team, and structural characteristics that influence behaviour within organizations. By saying that organizational behaviour is a field of study, we mean that scholars have been accumulating a distinct knowledge about behaviour within organizations—a knowledge base that is the foundation of this book.

By most estimates, OB emerged as a distinct field around the 1940s.³ However, its origins can be traced much further back in time. The Greek philosopher Plato wrote about the essence of leadership. Aristotle, another respected philosopher, addressed the topic of persuasive communication. The writings of sixteenth-century Italian philosopher Niccolo Machiavelli laid the foundation for contemporary work on organizational power and politics. In 1776, Adam Smith advocated a new form of organizational structure based on the division of labour. One hundred years later, German sociologist Max Weber wrote about rational organizations and initiated discussion of charismatic leadership. Soon after, Frederick Winslow Taylor introduced the systematic use of goal setting and rewards to motivate employees. In the 1920s, productivity studies at Western Electric’s Hawthorne plant reported that an informal organization—employees casually interacting with others—operates alongside the formal organization. OB has been around for a long time; it just wasn’t organized into a unified discipline until after the Second World War.

WHAT ARE ORGANIZATIONS?

Organizations have existed for as long as people have worked together. Archaeologists have discovered massive temples dating back to 3500 BC that were constructed through the organized actions of many people. The fact that these impressive monuments were built suggests not only that complex organizations existed, but that the people in them cooperated reasonably well.⁴ We have equally impressive examples of contemporary organizations, such as the Confederation Bridge that links Prince Edward Island and New Brunswick, Hong Kong’s new island airport at Chek Lap Kok, and the people who coordinate that complex computer network that we call the Internet.
“[A] company is one of humanity’s most amazing inventions,” says Steven Jobs, CEO of Apple Computer and Pixar Animation Studios. “It’s totally abstract. Sure, you have to build something with bricks and mortar to put the people in, but basically a company is this abstract construct we’ve invented, and it’s incredibly powerful.”

So, what are these powerful constructs that we call organizations? They are groups of people who work interdependently towards some purpose. Organizations are not buildings or other physical structures. Rather, they consist of people who interact with each other to achieve a set of goals. Employees have structured patterns of interaction, meaning that they expect each other to complete certain tasks in an organized way.

Organizations have a purpose, whether it’s building a bridge to Prince Edward Island or selling books on the Internet. Some organizational behaviour scholars are skeptical about the relevance of goals in a definition of organizations. They argue that an organization’s mission statement may be different from its true goals. Also, they question the assumption that all organizational members believe in the same goals. These points may be true, but imagine an organization without goals: it would consist of a mass of people wandering around aimlessly without any sense of direction. Overall, organizations likely have a collective sense of purpose, even though it is not fully understood or agreed upon.

**WHY STUDY ORGANIZATIONAL BEHAVIOUR?**

You are probably reading this book as part of a course in organizational behaviour. Aside from diploma or degree requirements, why should you or anyone else study OB? After all, who ever heard of a career path leading to “Vice-President of OB” or “Chief OB Officer”? The main reason for studying organizational behaviour is that most of us work in organizations, so we need to understand, predict, and influence the behaviours of others in organizational settings (see Exhibit 1.1). Marketing students learn marketing concepts and computer science students learn about circuitry and software code. But all of us need organizational behaviour knowledge to address people issues when we try to apply marketing, computer science, and other ideas.
Satisfying the need to understand and predict

Every one of us has an inherent need to know about the world in which we live. This is particularly true in organizations because of their profound effect on our lives. We feel more comfortable when we can understand why organizational events occur and accurately anticipate future events. The field of organizational behaviour uses systematic study to help us understand and predict organizational life. OB's crystal ball isn't perfectly clear because human behaviour is influenced by a complex combination of factors. Nevertheless, OB helps us to make sense of the workplace and, to some extent, predict what people will do under various conditions.

The OB knowledge presented in this book also gives you the opportunity to question and rebuild your personal theories that have developed through observation and experience. For example, what theories do you hold about effective leadership? Look at the “It All Makes Sense?” self-assessment exercise at the end of this chapter. How many of these theoretical statements are true? Even if you answer most of them correctly, the information you will read in this book can further develop and crystallize your personal beliefs so that they more accurately model and predict organizational behaviour.

Influencing organizational events

It’s nice to understand and predict organizational events, but most of us want to influence the environment in which we live. Whether you are a marketing specialist or a computer programmer, you need to know how to communicate effectively with others, manage conflict, make better decisions, build commitment to your ideas, help work teams operate more effectively, and so on. OB knowledge will help you to influence organizational events. Most organizational behaviour scholars take this prescriptive view by concluding their systemic research with specific recommendations for organizational action.

This book takes the view that organizational behaviour knowledge is for everyone—not just managers. Indeed, as organizations reduce layers of management and delegate more
responsibilities to the rest of us, the concepts described in this book will become increasingly important for anyone who works in and around organizations. We all need to understand organizational behaviour and to master the practices that influence organizational events. That’s why you won’t find very much emphasis here on “management.” Yes, organizations will continue to have managers. However, their roles have changed and, more importantly, the rest of us are now expected to manage ourselves. As one forward-thinking OB scholar wrote many years ago: everyone is a manager.11

EMERGING TRENDS IN ORGANIZATIONAL BEHAVIOUR

There has never been a better time to learn about organizational behaviour. The pace of change is accelerating, and most of the transformation is occurring in the workplace.12 Let’s take a brief tour through a few of the emerging organizational behaviour issues discussed in this textbook: globalization, the changing workforce, emerging employment relationships, information technology, work teams, and business ethics.

GLOBALIZATION

William Cornelius Van Horne, the Canadian Pacific Railway CEO who built the legendary Banff Springs Hotel in 1888, once said: “If we can’t export the scenery, we’ll import the tourists.”13 Van Horne knew that international business would build the Canadian economy, but he would not have imagined the extent to which Canadian organizations have globalized today. Globalization occurs when an organization extends its activities to other parts of the world, actively participates in other markets, and competes against organizations located in other countries.14

Nortel Networks, described in the opening vignette of this chapter, is a case in point. The Canadian company’s main competitors are Cisco Systems and Lucent Technologies in the United States, Alcatel in France, Ericsson in Sweden, and Siemens in Germany. Nortel operates in a global economy and employs people in almost every part of the planet. “I’ve got 75,000 employees all around the world,” explains Nortel CEO John Roth. “[As] head of a global corporation who happens to reside in Canada, I have global obligations, not Canadian obligations.”15

Implications for organizational behaviour

Globalization is related to several organizational behaviour issues—some good, some not so good. Globalization requires new organizational structures and different forms of communication to extend around the planet. It often creates new career opportunities and potentially brings in new knowledge to improve the organization’s competitive advantage. However, globalization also increases competition, which leads to continuous change and restructuring. This sometimes results in downsizing (layoffs and other forms of workforce reduction), mergers, and other events that produce stress and dissatisfaction among employees.16

Globalization also affects how we apply organizational behaviour concepts and practices. For the past 40 years, OB scholars have warned that organizational practices in one country may not be applicable elsewhere because of cultural and historical differences.17 We cannot assume that work teams, employee involvement, share options, or other organizational behaviour practices that work in Canada will work as well in Europe, Asia, or other parts of the world.18 This doesn’t mean that we have to reinvent organizational behaviour. Rather, globalization emphasizes the need to recognize the contingencies of effective OB practices in different cultures. (The contingency anchor of OB is discussed later in this chapter.)
William R. Hill, CEO of OAO Technology Solutions, discovered the need for global sensitivity when the American personally expanded operations into Canada. Sales were much slower than anticipated, so Hill replaced himself with a Canadian who was more attuned to the Canadian culture. Soon after, sales exceeded expectations. “You may not think of Canada as international and we didn’t either—but certainly do now,” says Hill. “You don’t see the business and cultural differences unless you actually live somewhere and experience it.”

Globalization also has important implications for how we learn about organizational behaviour. The best-performing companies may be in Hong Kong, Finland, or Germany, not just in Vancouver or Montreal. That’s why you will encounter numerous examples of international businesses in this book. We want you to learn from the best, no matter where their headquarters is located.

THE CHANGING WORKFORCE

You don’t have to visit a global organization to find employees from diverse backgrounds. Most companies operating exclusively within Canada have a multicultural workforce because of the country’s increasing demographic diversity. Exhibit 1.2 illustrates the primary and secondary dimensions of this diversity. The primary categories—gender, ethnicity, age, race, sexual orientation, and mental/physical qualities—represent personal characteristics that influence an individual’s socialization and self-identity. The secondary dimensions are those features that we learn or have some control over throughout our lives, such as education, marital status, religion, and work experience.
Employees in Canadian organizations have significantly increased many of these primary and secondary dimensions of diversity. For instance, more than one-half of all immigrants to Canada currently come from Asia, compared to only 3 percent a few decades ago. At the same time, the percentage of immigrants from Europe and the United States has fallen to 25 percent. The result is an increasing population mosaic that is reflected in the Canadian workplace. Cultural diversity is particularly apparent in Metropolitan Toronto, where racial minorities represent almost one-half of the population.21

The participation of women in the labour force has also surged since the 1950s. Sixty percent of Canadian women currently participate in the paid workforce, compared to only 20 percent a few decades ago. Moreover, gender-based shifts are occurring within occupations. For example, Canadian medical schools now graduate more women than men each year. This is quite a transformation from the 1960s, when 90 percent of medical school graduates were men and medical economics journals were debating whether medical training was wasted on women!22

Age cohorts represent another primary dimension of diversity in the workplace. Baby boomers—people born between 1946 and 1964—are entering the latter half of their careers, whereas Generation-X employees—those born between 1965 and 1977!23—are in the early stages of career development. Several writers point out that each generation was raised with different experiences, different skills, and, consequently, a different set of values. At each stage of life, they may also have different needs to fulfil.24

Implications for organizational behaviour

Diversity presents both opportunities and challenges within organizations. It can become a competitive advantage by improving decision making and team performance on complex
tasks. For many businesses, a diverse workforce is also necessary to provide better customer service in the global marketplace. "We go out of our way to recruit from a melting pot of nationalities," says an executive at Amadeus, a developer of worldwide airline reservation software located near Nice, France. "We believe that our product is superior because of the different cultures of the people developing it."  

Workforce diversity also brings new challenges. For instance, women have represented a large portion of the workforce for the past two decades, yet they are still underrepresented in senior positions. Diversity issues such as perceptual distortions and organizational politics (discussed in Chapter 6 and Chapter 12) largely explain this discrepancy. Diversity also influences team development (Chapter 9) and the potential for conflict among employees (Chapter 13). Organizations need to address these potential problems and adapt to emerging workforce needs.

General Motors of Canada is addressing some of these problems through a task force that recommends ways to make women an integral part of the automaker's workforce, up and down the organization. For instance, one initiative allows women to enter GM's manufacturing occupations, which gives them the experience and competencies for faster promotions to senior jobs. Other organizations are providing better work–life balance and involving employees more fully in organizational decisions.

Unfortunately, surveys suggest that Canadian companies aren't adjusting quickly enough to expectations of the emerging workforce. For example, only 58 percent of Generation-X employees are somewhat or very satisfied with their jobs, compared with over 90 percent of baby boomers. Only 2 percent of the younger generation feel that their work provides an opportunity to get ahead. "[Generation Xers] want to have meaning in their work at an entry level, rather than waiting 10 or 15 years for it," explains Robert Barnard, co-founder of D-Code, a Toronto-based consulting firm that specializes in the under-35 market.

EMERGING EMPLOYMENT RELATIONSHIPS

Canada’s workforce isn't the only thing that's changing. After more than 100 years of relative stability, employment relationships are being redefined. Replacing the job-for-life contract is a “new deal” called employability. Employees perform a variety of work activities rather than hold specific jobs, and they continuously learn skills that will keep them employed. Corporate leaders claim that employability is necessary so organizations can adapt to the rapidly changing business environment. However, as we shall learn throughout this book, employability also has implications for job design, organizational loyalty, career dynamics, and workplace stress.

Another employment shift is the increasing percentage of the workforce in contingent work. This includes any job in which the individual does not have an explicit or implicit contract for long-term employment, or one in which the minimum hours of work can vary in a nonsystematic way. According to Statistics Canada, more than 12 percent of the Canadian workforce is employed in some sort of “nonpermanent” work arrangement. Some experts predict that this trend will continue. “We are moving into the age of contractualization where everyone is their own boss,” claims one consultant, who argues that the concept of “employee” is a throwback to Industrial Revolution servitude. A new breed of “free agents” is thriving on the independence and reliance on knowledge that contingent work demands. At the same time, many contingent workers would rather be employed in stable, well-paying jobs. We will learn that contingent work affects organizational loyalty, career dynamics, and other aspects of organizational behaviour.
Telecommuting

Another dramatic change in the employment relationship is telecommuting (also called teleworking)—working from home or another location away from the office, usually with a computer connection to the office. More than 1.5 million Canadians are already telecommuters. As we move from an industrial economy to a knowledge-based economy, the number of people who take the information highway to work each day will continue to increase. Moreover, technology has untethered some employees so completely from the employer’s physical workspace that clients and co-workers are oblivious to their true locations.

Telecommuting poses a number of organizational behaviour challenges. Employers that previously evaluated employees for their “face time”—the amount of time they were physically in the workplace—need to develop outcome-based measures of performance. Employees accustomed to direct supervision need to learn how to manage themselves through self-leadership (see Chapter 4). They also need to adjust to increased isolation and lack of political networking. As telecommuting increases, employees must also learn how to get things done through virtual teams—cross-functional groups that operate across space, time, and organizational boundaries with members who communicate mainly through electronic technologies.

As organizations and employees address these issues, the benefits of telecommuting are becoming apparent. Employers are discovering that telecommuting reduces real estate costs and increases employee flexibility. “It’s surprising the number of engineers who will respond to a question at 11:00 on a Saturday night,” says an executive at Cisco Systems, a leading provider of Internet hardware. Telecommuting has also made believers out of many employees. A survey of Canadian employees recently found that working from home is the second most valuable benefit among those with this option. As Connections 1.1 describes, employees appreciate the convenience and flexibility that this employment relationship provides.

INFORMATION TECHNOLOGY AND OB

Information technology is shaking up organizations and forcing OB scholars to re-examine their concepts in light of these revolutionary changes. We have already noted how this technology has given rise to virtual teams and telecommuting, and has made it possible for small businesses such as Ryan & Deslauriers to compete in the global marketplace. More generally, information technology challenges traditional business logic regarding how employees interact, how organizations are configured, and how they relate to customers.

Consider a recent experience at Karo Marketing Design. The Calgary-based marketing and graphic design firm completed several creative pieces for the Fairmont Hamilton Princess hotel, including a brochure, menus, posters, and print advertisements. There was nothing unusual about this, except that the hotel is located in Bermuda! Karo relied on photographs of the hotel’s site and used the Internet to show the hotel manager sketches of the designs before the final work was completed. These virtual client relationships at Karo Marketing Design affect how employees communicate, maintain team dynamics, make decisions, and so forth.
Information technology also makes it easier to create a network organization—an alliance of several organizations for the purpose of creating a product or serving a client. Cisco Systems, a direct competitor of Nortel Networks, is really a constellation of suppliers, contract manufacturers, assemblers, and other partners connected through an intricate web of information technology. Cisco’s network springs into action as soon as a customer places an order (usually through the Internet). Suppliers send the required materials to assemblers who ship the product directly to the client, usually on the same day. Seventy percent of Cisco’s product is outsourced this way. In many cases, Cisco employees never touch the product. Some writers predict that skyscrapers will become obsolete as information technology forms more durable and flexible network organizations around the globe.

TEAMS, TEAMS, AND MORE TEAMS

Visit Kemet Electronics Corp’s ceramic capacitors plant in Monterey, Mexico, and you will soon discover that people don’t work alone. “We have 2000 employees and 2000 teams,” explains plant manager Ed Raygada. “But they aren’t one-person teams. Most of our employees participate in multiple teams. You can be a leader of one team and a member of another team. Our goal is to have every employee serving on five teams.”

At Kemet and many other companies, teams are replacing individuals as the basic building blocks of organizations. According to a survey of Canadian human resource executives, the introduction of project- and team-based work will continue to be a leading source of organizational change over the next few years. For example, one of the most dramatic changes at TRW Canada’s plant in Tillsonburg, Ontario, was the introduction of...
self-directed work teams. These teams have a high degree of responsibility for their work activities at the automobile parts manufacturer. Supervisors have become advisers—providing coaching support when the team asks for it.  

Organizational behaviour scholars have long argued that teams can be more effective than individuals working alone in many situations. Diverse work groups can potentially resolve complex problems more creatively than if those team members had worked individually. Moreover, by giving teams direct responsibility for coordination and control of work activities, companies can increase responsiveness and remove unnecessary layers of management. However, teams are not appropriate in every situation. Team dynamics and team decision making are the focus of attention in Chapters 9, 10, and 11.

BUSINESS ETHICS

Check out your favourite newspaper or Internet news site and you will almost certainly read about incidents of unethical business conduct. For example, five international drug companies recently pleaded guilty to fixing prices and divvying up the market for vitamins in Canada. Executives at Livent Inc., a Toronto-based entertainment company, allegedly engaged in fraudulent financial reporting. Perhaps the most devastating for Canada’s international reputation were three separate incidents (including the famous Bre-X scandal) where Canadian mining company executives profited from inflated share prices by falsifying data about their drilling results.

Ethics refers to the study of moral principles or values that determine whether actions are right or wrong and whether outcomes are good or bad. We rely on our ethical values to determine “the right thing to do.” One of the dilemmas organizational leaders face is that the distinction between ethical and unethical behaviour is not black and white. Instead, it depends on several factors, such as the person’s reason for engaging in the behaviour, specific conditions in that culture, the influence of external factors on the behaviour, and so forth.

Throughout this book you will discover numerous topics that relate to business ethics, such as monitoring employee performance, rewarding people equitably, stereotyping employees, using peer pressure, engaging in organizational politics, and applying organization development practices. We will also cover the topic of ethical values and behaviour more fully in Chapter 7.

THE FIVE ANCHORS OF ORGANIZATIONAL BEHAVIOUR

Globalization, the changing workforce, emerging employment relationships, information technology, work teams, and business ethics are just a few of the issues that we will explore in this textbook. To understand these and other topics, organizational behaviour scholars rely on a set of basic beliefs or knowledge structures (see Exhibit 1.3). These conceptual anchors represent the way that OB researchers think about organizations and how they should be studied. Let’s look at each of these five beliefs that anchor the study of organizational behaviour.

THE MULTIDISCIPLINARY ANCHOR

Organizational behaviour is anchored around the idea that the field should develop from knowledge in other disciplines, not just from its own isolated research base. In other words, OB should be multidisciplinary. The upper part of Exhibit 1.4 identifies the traditional disciplines from which organizational behaviour knowledge has developed. For instance, the field of psychology has aided our understanding of most issues relating to individual and
interpersonal behaviour. Sociologists have contributed to our knowledge of team dynamics, organizational socialization, organizational power, and other aspects of the social system.

The bottom part of Exhibit 1.4 identifies some of the emerging fields from which organizational behaviour knowledge is acquired. The communications field helps us to understand the dynamics of knowledge management, electronic mail, corporate culture, and employee socialization. Information systems scholars are exploring the effects of information technology on team dynamics, decision making, and knowledge management. Marketing scholars have enhanced our understanding of knowledge management, creativity, and decision making related to their field. Women's studies scholars are studying power relations between men and women in organizations, as well as perceptual biases.

The true test of OB's multidisciplinary anchor is how effectively OB scholars continue to transfer knowledge from traditional and emerging disciplines. History suggests that fields of inquiry tend to become more inwardly focused as they mature. Hopefully, OB will avoid this tendency by continuing to recognize ideas from other disciplines.

**THE SYSTEMATIC RESEARCH ANCHOR**

A second anchor is that organizational behaviour researchers believe in the systematic collection of data and information about organizations. In other words, they rely on a set of principles and practices that minimize personal biases and distortions about organizational events. For the most part, they rely on the scientific method by forming research questions, systematically collecting data, and testing hypotheses against those data. OB scholars are also turning to qualitative research methods to make sense of organizations. Qualitative researchers also rely on systematic practices (grounded theory, triangulation, etc.) to ensure that they document shared meaning of organizational events. Appendix A at the end of this book provides an overview of research design and methods commonly found in organizational behaviour studies.
"It depends" is a phrase that OB scholars often use to answer a question about the best solution to an organizational problem. The statement may frustrate some people, yet it reflects an important way of understanding and predicting organizational events, called the contingency approach. This anchor states that a particular action may have different consequences in different situations. In other words, no single solution is best in all circumstances.48

Many early OB theorists have proposed universal rules to predict and explain organizational life, but there are usually too many exceptions to make these “one best way” theories useful. For example, in Chapter 14 we will learn that leaders should use one style (e.g., participation) in some situations and another style (e.g., direction) in other situations. Thus, when faced with a particular problem or opportunity, we need to understand and diagnose the situation, and select the strategy most appropriate under those conditions.49

Although contingency-oriented theories are necessary in most areas of organizational behaviour, we should also be wary about carrying this anchor to an extreme. Some contingency models add more confusion than value over universal ones. Consequently, we need to balance the sensitivity of contingency factors with the simplicity of universal theories.
THE MULTIPLE LEVELS OF ANALYSIS ANCHOR

Organizational events are usually studied from three common levels of analysis: individual, team, and organization (see Exhibit 1.5). The individual level includes the characteristics and behaviours of employees as well as the thought processes that are attributed to them, such as motivations, perceptions, personalities, attitudes, and values. The team level of analysis looks at the way people interact. This includes team dynamics, decisions, power, organizational politics, conflict, and leadership. At the organizational level, we focus on how people structure their working relationships and on how organizations interact with their environments.

Although an OB topic is typically pegged into one level of analysis, it usually relates to all three levels.50 For instance, communication includes individual behaviours and interpersonal (team) dynamics. It also relates to the organization’s structure. Therefore, you should try to think about each OB topic at the individual, team, and organizational levels, not just at one of these levels.

THE OPEN SYSTEMS ANCHOR

Phil Carroll likes to think of himself as an ecologist for the organization. The recently retired CEO of Shell Oil believes that all executives are responsible for how well their organizations interact with the external environment. “We must learn how to see the company as a living system and to see it as a system within the context of the larger systems of which it is a part,” Carroll explains.51

Phil Carroll is describing the fifth anchor of organizational behaviour—the view that organizations are open systems. Organizations are open systems because of their interdependence with the external environment. Their survival and success depends on how well employees sense environmental changes and alter their patterns of behaviour to fit those emerging conditions.52 In contrast, a closed system has all the resources needed to survive without dependence on the external environment. Organizations are never completely closed systems, but monopolies operating in very stable environments can ignore customers and others for a fairly long time without adverse consequences.

As Exhibit 1.6 illustrates, organizations acquire resources from the external environment, including raw materials, employees, financial resources, information, and equipment. Inside the organization are numerous subsystems, such as processes (communication and reward systems), task activities (production, marketing), and social dynamics (informal groups,
With the aid of technology (such as equipment, work methods, and information), these subsystems transform inputs into various outputs. Some outputs (e.g., products and services) may be valued by the external environment, whereas other outputs (e.g., stressed employees, pollution) have adverse effects. The organization receives feedback from the external environment regarding the value of its outputs and the availability of future inputs. This process is cyclical and, ideally, self-sustaining, so that the organization may continue to survive and prosper.

**External environment and stakeholders**

The external environment consists of the natural and social conditions outside the organization. For example, companies depend on physical space, natural resources, and a knowledgeable workforce. Probably the most important component of the external environment is the organization’s **stakeholders**. These are the shareholders, customers, suppliers, governments, and any other groups with a vested interest in the organization. Stakeholders influence the firm’s access to inputs and ability to discharge outputs. For example, how well the organization treats the community and natural environment affects its right to operate in that environment. “If we don’t act responsibly, we will lose our right to operate and grow,” warns Rick George, CEO of Calgary-based Suncor Energy Inc. “But if this company pays attention to the environmental and social needs of our stakeholders, we will not only succeed, we will have a distinct competitive advantage.”

Any executive will tell you that organizations operate in a much more turbulent environment than they did a few decades ago. This means that the environment is so complex and is changing so rapidly that careful analysis of corporate decisions may be a waste of precious time. Rather than focus on strategic planning, companies must become adaptable and responsive to the turbulent environment. This includes giving employees more freedom to make decisions, allowing them to experiment, and viewing mistakes as learning opportunities.

**Systems as interdependent parts**

Organizational systems consist of many internal subsystems that need to be continuously aligned with each other. As companies grow, they develop more and more complex subsystems...
that must coordinate with each other in the process of transforming inputs to outputs. These interdependencies can easily become so complex that a minor event in one subsystem may amplify into serious unintended consequences elsewhere in the organization.

Discovery Toys experienced this when it tried to branch out from toys into children's clothing. The company focused on clothing design and market research, but did not foresee the huge problems in warehousing and inventory control that followed. These problems, in turn, frustrated Discovery Toys' independent sales reps. One year later, Discovery Toys discontinued the clothing line at a significant loss.

Companies can try to minimize unintended consequences by encouraging employees to think through the implications of their decisions and actions. British Airways does this with a computer simulation that challenges employee teams to make "Granny" a happy British Airways passenger while getting her from London, England, to Toronto. It isn't as easy as it sounds. When participants use bonus air miles to lure Granny onto a particular flight, the computer program quickly points out that this action affects other customers and requires the marketing department to communicate the bonus plan. Through this exercise, British Airways employees learn how decisions and actions in one subsystem affect not just Granny, but also people in other parts of the organization.

The open systems approach is an important way of viewing organizations. However, it has traditionally focused on physical resources that enter the organization and are processed into physical goods (outputs). This was representative of the industrial economy, but not of the "new economy" where the most valued input is knowledge. The final section of this chapter introduces the key features of this emerging perspective in organizational behaviour.

**KNOWLEDGE MANAGEMENT**

Organizational behaviour scholars have built on the open systems anchor to create an entire subfield of research dedicated to the dynamics of knowledge management. Knowledge management is any structured activity that improves an organization's capacity to acquire, share, and use knowledge in ways that improve its survival and success. The knowledge that resides in an organization is called its intellectual capital. Intellectual capital is the sum of an organization's human capital, structural capital, and relationship capital:

- **Human capital**—This is the knowledge that employees possess and generate, including their skills, experience, and creativity.
- **Structural capital**—This is the knowledge captured and retained in an organization's systems and structures. It is the knowledge that remains after the human capital has gone home.
- **Relationship capital**—This is the value derived from an organization's relationships with customers, suppliers, and other external stakeholders who provide added value for the organization. For example, this includes customer loyalty as well as mutual trust between the organization and its suppliers.

**KNOWLEDGE MANAGEMENT PROCESSES**

Knowledge management has become such an important part of contemporary OB thinking that you will read about it with regards to various topics throughout this book. At this point, you should understand that knowledge management includes several strategies for knowledge acquisition, sharing, and use.
Knowledge acquisition includes the organization’s ability to extract information and ideas from its environment as well as through insight. One of the fastest and most powerful ways to acquire knowledge is through **grafting**—hiring individuals or acquiring entire companies. For instance, Nortel Networks quickly became a leader in fibre optic networks by acquiring Bay Networks, Qtera Corp., and other organizations with leading-edge knowledge. Knowledge also enters the organization when employees learn about the external environment, such as discovering what the competition is doing or how customer needs are changing. A third knowledge acquisition strategy is through experimentation. Companies receive knowledge through insight as a result of research and other creative processes (see Chapter 11).

**Knowledge sharing**

Nearly half of Canadian executives say their companies are poor at transferring knowledge to other parts of the organization. To improve knowledge sharing, organizations need to improve communication (see Chapter 8). For example, lawyers at McMillan Binch in Toronto share all of their old and current precedents through a common database. Larger companies further encourage knowledge sharing through **communities of practice**. These are informal groups bound together by shared expertise and passion for a particular activity or interest.
Andersen Consulting and Buckman Labs further improve knowledge sharing by awarding bonuses to employees who regularly contribute to the company's knowledge database and online forums.68

Knowledge use
Acquiring and sharing knowledge are wasted exercises unless knowledge is effectively put to use. “Companies are finding they need better ways of leveraging the knowledge that they already have,” says an executive at Open Text Corp. in Toronto.69 To do this, employees must realize that the knowledge is available and that they have enough freedom to apply it. This requires a culture that supports experiential learning (see Chapter 2).

ORGANIZATIONAL MEMORY

Intellectual capital can be lost as quickly as it is acquired. Corporate leaders need to recognize that they are the keepers of an organizational memory. This unusual metaphor refers to the storage and preservation of intellectual capital. It includes information that employees possess as well as knowledge embedded in the organization's systems and structures. It includes documents, objects, and anything else that provides meaningful information about how the organization should operate.

How do organizations retain intellectual capital? One method is to keep good employees. “Our assets go home at night,” explains a Microsoft executive. “If enough of them don't come back in the morning, the corporation is in danger.”70 A second strategy is to transfer knowledge systematically before employees leave. For instance, many employees at New Flyer Industries are getting close to retirement, so executives at the Winnipeg bus manufacturer anticipate the need for consultants who work exclusively at transferring knowledge from retiring employees to younger ones.71

A third organizational memory strategy is to transfer knowledge into structural capital.72 This includes bringing out hidden knowledge, organizing it, and putting it in a form that can be made available to others. DecisionOne Corp., a provider of computer maintenance and technology support services, has “knowledge architects” at each site that document best practices and other information from call centre operators. This information will then be available to everyone long after a particular call centre expert leaves.73

Before leaving the topic of organizational memory and knowledge management, you should know that successful companies also unlearn. Sometimes it is appropriate for organizations to selectively forget certain knowledge.74 This means that they should cast off the routines and patterns of behaviour that are no longer appropriate. Employees need to rethink their perceptions, such as how...
they should interact with customers and which is the “best way” to perform a task. As we shall discover in Chapter 15, unlearning is essential for organizational change.

THE JOURNEY BEGINS

This chapter gives you some background about the field of organizational behaviour. But it's only the beginning of our journey. Throughout this book, we will challenge you to learn new ways of thinking about how people work in and around organizations. We will also rely on a broad range of firms across Canada and around the planet. You will recognize some companies—such as Nortel Networks, Four Seasons Hotels and Resorts, and Nokia. But we also introduce you to many firms that you probably haven’t heard about. Some, such as Research in Motion and Ballard Power, are emerging forces in today's fast-paced world of work. Still others, such as Stratford Internet Technologies and Ryan & Deslauriers, are small organizations. Chances are that you will work in a small business, so it makes sense that we should learn about organizational behaviour in these operations as well.

CHAPTER SUMMARY

• Organizational behaviour is a relatively young field of inquiry that studies what people think, feel, and do in and around organizations. Organizations are groups of people who work interdependently towards some purpose.

• OB concepts help us to predict and understand organizational events, adopt more accurate theories of reality, and control organizational events more effectively. They let us make sense of the work world, test and challenge our personal theories of human behaviour, and understand ways to manage organization activities.

• There are several emerging issues and changes in organizational behaviour. Globalization requires corporate decision makers to be more sensitive to cultural differences. The workforce is becoming increasingly diverse. Companies and employees must adjust to emerging employment relationships. Information technology has created virtual teams and network organizations. Employees are expected to work in teams rather than alone. Companies are coming under increasing scrutiny for their ethical practices.

• Organizational behaviour scholars rely on a set of basic beliefs to study organizations. These anchors include beliefs that OB knowledge should be multidisciplinary and based on systematic research, that organizational events usually have contingencies, that organizational behaviour can be viewed from three levels of analysis (individual, team, and organization), and that organizations are open systems.

• The open systems anchor suggests that organizations have interdependent parts that work together to continually monitor and transact with the external environment. They acquire resources from the environment, transform them through technology, and return outputs to the environment. The external environment consists of the natural and social conditions outside the organization. This includes stakeholders—any group with a vested interest in the organization. External environments are generally much more turbulent today, so organizations must become adaptable and responsive.
Knowledge management develops an organization’s capacity to acquire, share, and use knowledge in ways that improve its survival and success. Intellectual capital is knowledge that resides in an organization, including its human capital, structural capital, and relationship capital. It is a firm’s main source of competitive advantage.

Organizations acquire knowledge through grafting, individual learning, and experimentation. Knowledge sharing occurs mainly through communication. Knowledge use occurs when employees realize that the knowledge is available and that they have enough freedom to apply it. Organizational memory refers to the storage and preservation of intellectual capital.

**KEY TERMS**

- Communities of practice, p. 19
- Contingency approach, p. 16
- Contingent work, p. 10
- Employability, p. 10
- Ethics, p. 13
- Globalization, p. 7
- Grafting, p. 19
- Intellectual capital, p. 18
- Knowledge management, p. 18
- Network organization, p. 12
- Open systems, p. 16
- Organization, p. 5
- Organizational behaviour (OB), p. 4
- Organizational memory, p. 20
- Scientific method, p. 14
- Stakeholders, p. 17
- Telecommuting, p. 11
- Virtual teams, p. 11

**DISCUSSION QUESTIONS**

1. A friend suggests that organizational behaviour courses are only useful to people who will enter management careers. Discuss the accuracy of your friend’s statement.

2. Look through the list of chapters in this book and discuss how information technology could influence each organizational behaviour topic.

3. “Organizational theories should follow the contingency approach.” Comment on the accuracy of this statement.

4. Employees in the City of Calgary’s water distribution unit were put into teams and encouraged to find ways to improve efficiency. The teams boldly crossed departmental boundaries and areas of management discretion in search of problems. Employees working in other parts of the City of Calgary began to complain about these intrusions. Moreover, when some team ideas were implemented, the city managers discovered that a dollar saved in the water distribution unit may have cost the organization two dollars elsewhere. Use the open systems anchor to explain what happened here.

5. After hearing a seminar on knowledge management, an oil company executive argues that this perspective ignores the fact that oil companies could not rely on knowledge alone to stay in business. They also need physical capital (such as pumps and drill bits) and land (where the oil is located). In fact, these two may be more important than what employees carry around in their heads. Discuss the merits of the oil executive’s comments.
6. Fully describe intellectual capital, and explain how an organization can retain this capital.

7. An information technology consultant recently stated that over 30 percent of U.S. companies use software to manage documents and exchange information, whereas Canadian firms are just beginning to adopt this technology. Based on this, he concluded that “knowledge management in Canada is at its beginning stages”, in other words, that few Canadian firms practise knowledge management. Comment on this consultant’s statement.

8. BusNews Ltd. is the leading stock market and business news service. Over the past two years, BusNews has experienced increased competition from other news providers. These competitors have brought in Internet and other emerging computer technologies to link customers with information more quickly. There is little knowledge within BusNews about how to use these computer technologies. Based on the knowledge acquisition processes for knowledge management, explain how BusNews might gain the intellectual capital necessary to become more competitive in this respect.

Case Study

ACTIVITY 1.1
The Great Idea That Wasn’t
By Fiona McQuarrie, University College of the Fraser Valley

Irina cradled her baby daughter in her arms and looked at the piles of unfinished work covering her desk. She wondered how such a great idea—telecommuting to her job from home—had gone so wrong in only three months.

Irina is a mortgage officer at a large Canadian bank. She joined the bank 12 years ago, and worked her way through successively more responsible jobs until she achieved her current position four years ago. She enjoys the work, assisting clients in completing mortgage applications and then processing and approving or rejecting the applications. Irina finds it very satisfying to help her clients achieve their dreams of owning their own homes or businesses. However, the real estate market in her city had become increasingly competitive, and her employer had responded to the greater demand for mortgages by promising better customer service than the other banks. This resulted in the mortgage officers working longer or different hours—sometimes as many as 80 hours a week—to be more available to potential clients.

When Irina and her husband discovered that their first child was on its way, they were delighted. But Irina saw that there would be problems once the baby was born. Obtaining full-time daycare for a new baby would be nearly impossible, not to mention expensive. She certainly could not continue to work 80 hours a week, and her husband would not be able to alter his work schedule to stay home and care for the baby.

So Irina went to her supervisor, David, and her department head, Ottavio, and made a proposal. She offered to continue working full-time once the baby was born, but she wanted to telecommute from home. “Much of my work is on the phone, which I can do from home as well as I can at work,” she told them. “And if I have a computer at home, I can do most of the processing of the applications there as well. I can also work outside regular office hours, because I won’t have to leave when the building closes.” David agreed to the idea, as long as Irina would come into the office once a week for the regular mortgage officers’ meeting. Ottavio was more reluctant, pointing out that a similar scheme had been tried several years ago and had proved unsuccessful. However, because Irina had an exceptional work record, Ottavio eventually also agreed to her proposal.

Irina took a month off of work when Sarah was born, but then eagerly returned to work as a telecommuter. The company provided her with a computer, modem, and printer at home similar to what she had had in her office and arranged for a courier to deliver...
Part 1 Introduction

and pick up mortgage applications once a day. At first, the telecommuting arrangement worked well. Irina did not have to get dressed up for work, she did not have to fight traffic or find a parking space, and she was able to work while spending time with her new daughter.

The first major problem Irina encountered was in trying to find a suitable place to work in her home. With Sarah’s arrival, baby furniture and supplies had occupied most of the free space in the house. For the first few weeks, Irina tried working at the kitchen table, but she found that the computer was too bulky to move on and off the table at every mealtime. She eventually purchased a second-hand desk and set it up in a corner of the living room, right next to the television. While this arrangement allowed her to keep all of her work in one place, it also meant that the work was always visible, even when she was trying to relax and watch TV.

Irina then discovered that caring for an infant was far more demanding than she had expected. Sarah was a good baby, but frequently she would cry when the phone rang and then continue to cry even after the phone was answered. Irina also found it difficult to arrange times to call clients back, since she had to fit those calls around Sarah’s feeding schedule. And since Irina often had to get up in the night to take care of Sarah, she frequently felt exhausted during the day. Although Irina had arranged to be available to clients outside of regular office hours, she often found that she was so tired, especially in the evenings, that she was not very productive during those times.

Once a week, as agreed, Irina went to the office for the regular mortgage officers’ meeting. She enjoyed seeing her co-workers, but she was somewhat disturbed by the remarks they made about her new work arrangement: “So what’s happening on all the soap operas on TV? I bet you can watch those whenever you want!” “It must be nice to not have to work as hard as we do here.” Irina also found that while the meetings were informative, there was a lot at work that she was missing out on. Frequently discussion would focus on someone she didn’t know, and only after she asked would she be told that the person had just been hired. People would also leave or be transferred to new positions, and Irina would not know about that unless it came up in the discussion. Irina also found that the mortgage officers who worked in the office were getting many more clients than she was, simply because they were available to help new clients visiting the bank’s offices.

After last week’s meeting, David asked to see Irina privately in his office. He told her that he had received several phone calls from clients complaining about a baby crying in the background while they were talking to Irina. He also said that Ottavio had expressed concern about Irina’s level of productivity since she had started telecommuting. Irina asked what the problem with her productivity was. David told her that since she did not have to spend time driving to and from work and dealing with distractions in the office, the bank expected her to be more productive than the other mortgage officers. In fact, David said, Ottavio had even wondered if Irina was working the hours she had promised, since her productivity did not seem to match the hours she claimed to be working.

“Well, David,” Irina responded, “I am working as hard as I ever did, and I am doing what I agreed to do, including coming into the office once a week. The company is saving money by not having to provide an office for me here at work, and I am making myself available to clients outside regular office hours as I promised. I don’t know what else I can do.”

“All I can say,” said David, “is that Ottavio is very concerned about your productivity and the image you are communicating to clients. In fact, Ottavio said that these were the same problems the company encountered before when they allowed people to telecommute. If things don’t improve within the next month or so, we will have to ask you to return to your regular hours at the office.”

Discussion Questions
1. What are the major problems in this telecommuting arrangement?
2. Is it Irina’s or the bank’s responsibility to solve these problems?
3. What solutions can you suggest to the problems that you have identified?
**ACTIVITY 1.2**  
**Nortel versus Cisco**

In one corner is Nortel Networks, a Canadian champion. In the other corner is Cisco Systems, an American giant. In the arena of communications, it’s a clash of titans. Both companies are battling it out to become the number-one maker of Internet gear.

“We’re no longer competing against other companies in Canada. We’re competing against the best people in the world,” says John Roth, CEO of Nortel Networks. The global company has been making telephone equipment since 1895. Now Roth is quickly turning the old Northern Telecom into Nortel Networks—a savvy designer of fibre optic communications systems for the Internet.

Cisco Systems is much younger, but it has a head start on the Internet business. Cisco started in 1984 when a husband-and-wife team created technology to hook up Stanford University’s computer network. Their invention got computers talking to each other and Cisco took off, hooking up computer networks inside corporations everywhere. Cisco became the leader in routers, the little boxes that act like traffic cops, telling all of those data streams on the Internet where to go and when to get there. Now it wants to enter the fibre optic business, while Nortel is entering Cisco’s router business.

One of the hot zones of the Nortel–Cisco battle is in Ottawa, Ontario. Most of Nortel’s research operations are in Ottawa, where high-tech employees are always in short supply. Cisco bought an Ottawa-based company named Skystone and immediately slapped a huge billboard directly across from Nortel inviting Nortel employees to join Cisco. Nortel then opened a recruiting office next door to Cisco’s plant in Ottawa.

While competing for the same employees, the two companies seem to have different corporate cultures. Roth calls Nortel’s culture leading edge, trustworthy, and responsive. Cisco executives say their company is Internet savvy, aggressive, and customer focused.

In fact, culture clash killed a potential Nortel–Cisco partnership a couple of years ago.

The partnership may have failed, but Nortel is practising Cisco’s method of growth by spending billions to acquire smaller companies. Nortel got into routers in 1998 by acquiring Bay Networks of California. It recently bought Qtera, a high-performance fibre optic company in Florida, for more than $3 billion. Cisco also wanted Qtera, but Nortel won out.

So who’s the winner in this battle? “Market share speaks for itself,” says Don Listwin, the Saskatchewan-born executive vice-president at Cisco Systems. “And if you take a look at the market shares across the product categories by one measure, we are clearly in the number-one or number-two position in 21 product categories.” Cisco does clobber Nortel in all of the categories that relate to Internet routers. Nortel however, is number one in fibre optics, and you can’t run the Internet without that. You could say they’re both champions, but in different weight divisions.

Listwin also points out that the Internet is about moving quickly, whereas the telephony that Nortel comes from is slow and predictable. But Roth claims that Nortel is already revving up to Web speed. “Nortel is a different company today than we were six months ago,” says Roth. “We’re a very different company than we were 12 months ago. We’re going to be a very different company in another six months. Because we know what we have to do differently.”

**Discussion Questions**

1. What organizational behaviour topics stand out in this video program as the most important ingredients in the success of Nortel Networks and Cisco Systems?
2. Use the open systems anchor to describe why Nortel is changing from its previous Northern Telecom days.

Source: Based on “Nortel versus Cisco,” *Venture 733* (January 4, 2000).
ACTIVITY 1.3
HUMAN CHECKERS

Purpose: This exercise is designed to help students understand the importance and application of organizational behaviour concepts.

Materials: None, but the instructor has more information about the team’s task.

Instructions:

Step 1: Form teams with six students each. If possible, each team should have a private location where team members can plan and practise the required task without being observed or heard by other teams.

Step 2: All teams will receive special instructions in class about the team’s assigned task. All teams have the same task and will have the same amount of time to plan and practise the task. At the end of this planning and practice, each team will be timed while completing the task in class. The team that completes the task in the least amount of time wins.

Step 3: Other than chairs, no special materials are required or allowed for this exercise. Although the task is not described here, students should learn the following rules for planning and implementing the task:

• Rule #1: You cannot use any written form of communication or any props other than chairs to assist in the planning or implementation of this task.

• Rule #2: You may speak to other students in your team at any time during the planning and implementation of this task.

• Rule #3: When performing the task, you must move only in the direction of your assigned destination. In other words, you can only move forward, not backwards.

• Rule #4: When performing the task, you can move forward to the next space, but only if it is vacant (see Exhibit 1).

• Rule #5: When performing the task, you can move forward two spaces, if that space is vacant. In other words, you can move around a student who is one space in front of you to the next space if that space is vacant (see Exhibit 2).

Step 4: When all teams have completed their task, the class will discuss the implications of this exercise for organizational behaviour.
Discussion Questions

1. Identify the organizational behaviour concepts that the team applied to complete this task.
2. What personal theories of people and work teams were applied to complete this task?
3. What organizational behaviour problems occurred and what actions were (or should have been) taken to solve them?

**ACTIVITY 1.4**

**DEVELOPING KNOWLEDGE FROM MISTAKES**

**Purpose:** The problem that people make from their mistakes isn’t so much the mistakes themselves. Rather, it’s that they do not take the time to learn from those mistakes. This exercise is designed to help you understand how to gain knowledge from past mistakes in a specific situation.

**Instructions:**

**Step 1:** The class will be divided into small teams (four to six people). The instructor will identify a situation that students would have experienced and, therefore, at which they probably have made mistakes. This could be the first day at work, the first day of a class, or a social event such as a first date.

**Step 2:** After the topic has been identified, each team member writes down an incident in which something went wrong in that situation. For example, if the topic is the first day of classes, someone might note how they were late for class because they forgot to set their alarm clock.

**Step 3:** Each student describes the mistake to other team members. As an incident is described, students should develop a causal map of the incident. They should ask why the problem happened, what were the consequences of this incident, did it happen again, and so on. This knowledge might not be as obvious as you think. For example, in the incident of being late, the learning might not be that we should ensure that the alarm clock is set. It may be a matter of changing routines (going to bed earlier), rethinking our motivation to enrol in a program, and so on.

**Step 4:** As other incidents are analyzed, the team should begin to document specific knowledge about the incident. Think of this knowledge as a road map for others to follow when they begin their first day of class or first day at work, go on a first date, etc.

**Source:** This exercise was developed by Steven L. McShane, based on ideas in P. LaBarre, “Screw Up, and Get Smart,” *Fast Company*, 19 (November 1998), p. 58.
ACTIVITY 1.5
IT ALL MAKES SENSE?

Purpose: This exercise is designed to help you understand how organizational behaviour knowledge can help you to understand life in organizations.

Instructions: Read each of the statements below and circle whether each statement is true or false, in your opinion. The class will consider the answers to each question and discuss the implications for studying organizational behaviour. After reviewing these statements, the instructor will provide information about the most appropriate answer. (Note: This activity may be done as a self-assessment or as a team activity.)

1. True False A happy worker is a productive worker.
2. True False Decision makers tend to continue supporting a course of action even though information suggests that the decision is ineffective.
3. True False Organizations are more effective when they prevent conflict among employees.
4. True False It is better to negotiate alone than as a team.
5. True False Companies are most effective when they have a strong corporate culture.
6. True False Employees perform better when they don’t experience stress.
7. True False The best way to change an organization is to get employees to identify and focus on its current problems.
8. True False Female leaders involve employees in decisions to a greater degree than do male leaders.
9. True False Male business students today have mostly overcome the negative stereotypes of female managers that existed 20 years ago.
10. True False Top-level executives tend to exhibit a Type A behaviour pattern (i.e., hard-driving, impatient, competitive, short-tempered, strong sense of time urgency, rapid talkers).
11. True False Employees usually feel overreward inequity when they are paid more than co-workers who perform the same work.