Chapter 1

What is Organizational Behaviour?

**Chapter Overview**

This chapter introduces the concept of organizational behaviour. The focus of the text is that coupling individual understanding of behaviour gained through experience with that gained through systematic OB analysis will help managers become more effective.

Many of the important challenges being faced by today’s managers are described, as are the three levels of OB study. The outline of the text is described in relation to these three levels.

**Chapter Objectives**

After studying this chapter, the student should be able to:

1. Discuss the importance of interpersonal skills in the workplace.
2. Define *organizational behaviour* (OB).
3. Assess the importance of using a scientific approach to OB.
4. Identify the major behavioural science disciplines that contribute to OB.
5. Explain why few absolutes apply to OB.
6. Describe the challenges and opportunities managers face when applying OB concepts in their workplaces.
7. Compare the three levels of analysis in this text’s OB model.

**Suggested Lecture Outline**

1. INTRODUCTION
	1. Managers most often describe people problems as their most frequent and troublesome problems. They talk about:
		1. Bosses’ poor communication skills,
		2. Employees’ resistance to a company’s reorganization and similar concerns.
	2. <para>Until the late 1980s, business school curricula emphasized the technical aspects of management, focusing on economics, accounting, finance, and quantitative techniques.
		1. Course work in human behaviour and people skills received relatively less attention.
		2. During the past three decades, however, business faculty have come to realize the role that understanding human behaviour plays in determining a manager’s effectiveness, and required courses on people skills have been added to many curricula.
2. THE IMPORTANCE OF INTERPERSONAL SKILLS
	1. <para>Developing managers’ interpersonal skills also helps organizations attract and keep high-performing employees.
		1. Regardless of labour market conditions, outstanding employees are always in short supply. <endnoteref linkend="ch01en03" label="3"/>
		2. Companies known as good places to work have a big advantage.
		3. A recent survey of hundreds of workplaces, and over 200,000 respondents, showed the social relationships among co-workers and supervisors were strongly related to overall job satisfaction.
			1. Positive social relationships also were associated with lower stress at work and lower intentions to quit.
			2. Having managers with good interpersonal skills is likely to make the workplace more pleasant, which in turn makes it easier to hire and keep qualified people.
			3. Creating a pleasant workplace also appears to make good economic sense. Companies with reputations as good places to work have been found to generate superior financial performance. <endnoteref linkend="ch01en05" label="5"/><link linkend="AAJEBMW0.tif" preference="1"/></para>
		4. <para>We have come to understand that in today’s competitive and demanding workplace, managers can’t succeed on their technical skills alone.
			1. They also have to have good people skills.
			2. This book has been written to help both managers and potential managers develop those people skills.
3. ENTER ORGANIZATIONAL BEHAVIOUR
	1. <para>We’ve made the case for the importance of people skills. But neither this book nor the discipline on which it is based is called “people skills.”
	2. The term that is widely used to describe the discipline is <emphasis>organizational behaviour.</emphasis></para
		1. **Organizational Behaviour** (OB) studies the influence that individuals, groups, and structure have on behaviour within organizations. The chief goal of OB is to apply that knowledge toward improving an organization’s effectiveness.
		2. OB studies three determinants of behaviour in organizations:
			1. individuals
			2. groups
			3. structure
		3. OB applies the knowledge gained from this study to make organizations work more effectively.
		4. This text will focus on:
			1. motivation
			2. leader behaviour and power
			3. interpersonal communication
			4. group structure and processes
			5. attitude development and perception
			6. change processes
			7. conflict and negotiation
			8. work design
4. COMPLEMENTING INTUITION WITH SYSTEMATIC STUDY
	1. People develop intuitive understandings of the behaviours of other people through experience. This experiential, common sense method of “reading” human behaviour can often lead to erroneous predictions.
	2. You can improve your predictive ability by taking the systematic approach to the study of human behaviour.
	3. The fundamental assumption of the systematic approach is that human behaviour is not random. There are fundamental consistencies that underlie the behaviour of all individuals, and these fundamental consistencies can be identified and then modified to reflect individual differences.
		1. **Systematic study** of behaviour means: examining relationships, attempting to attribute causes and effects, and basing our conclusions on scientific evidence – that is, on data gathered under controlled conditions and measured and interpreted in a reasonably rigorous manner.
		2. **Evidence-based Management (EBM)**: This complementary approach to systematic study involves basing managerial decisions on the best available scientific evidence. Managers must become more scientific about how they think about managerial problems and not rely on instinct.
		3. **Intuition**: your “gut feelings” about “what makes others tick.” This natural ability to guess how people will react is most accurate when coupled with systematic thinking and evidence-based management.
	4. Our goal is to teach you how to use the systematic study of OB to enhance your intuitive understanding of behaviour and improve your accuracy in explaining and predicting behaviour in the workplace.
	5. Big data now makes effective decision making and managing human resources easier. Managers use big data to define objectives, develop theories of causality, and test the theories to determine which employee activities are relevant to the objectives.
5. DISCIPLINES THAT CONTRIBUTE TO THE OB FIELD
	1. <para>Organizational behaviour is an applied behavioural science built on contributions from a number of behavioural disciplines, mainly psychology, social psychology, sociology, anthropology, and increasingly, political science and neuroscience.
		1. Psychology’s contributions have been mainly at the individual or micro level of analysis, while the other disciplines have contributed to our understanding of macro concepts such as group processes and organization.
		2. <link linkend="AAJEUJL0.EPS" preference="1">Exhibit <xref linkend="AAJEUJL0.EPS" label="1-3"><inst>1-1</inst></xref></link> is an overview of the major contributions to the study of organizational behaviour.
	2. **Psychology**: seeks to measure, explain, and sometimes change behaviour of humans and other animals.
		1. Those who have contributed and continue to add to the knowledge of OB are:
			1. learning theorists
			2. personality theorists
			3. counseling psychologists
			4. industrial and organizational psychologists.</para>
				1. <para>Early industrial/organizational psychologists studied the problems of fatigue, boredom, and other working conditions that could impede efficient work performance.
				2. More recently, their contributions have expanded to include learning, perception, personality, emotions, training, leadership effectiveness, needs and motivational forces, job satisfaction, decision-making processes, performance appraisals, attitude measurement, employee-selection techniques, work design, and job stress.</para></section>
	3. <para><keyterm olinkend="ch01gloss15" role="strong" preference="0">**Social psychology**</keyterm><link linkend="ch01mn20" preference="1"/>: generally considered a branch of psychology; blends concepts from both psychology and sociology to focus on peoples’ influence on one another.
		1. One major study area is <emphasis>change</emphasis>—how to implement it and how to reduce barriers to its acceptance.
		2. Social psychologists also contribute to measuring, understanding, and changing attitudes; identifying communication patterns; and building trust.
		3. Finally, they have made important contributions to our study of group behaviour, power, and conflict.</para></section>
	4. **Sociology**: studies people in relation to their social environment or culture.
		1. <para>While psychology focuses on the individual, <keyterm olinkend="ch01gloss16" role="strong" preference="0">**sociology**</keyterm><link linkend="ch01mn21" preference="1"/> studies people in relation to their social environment or culture.
			1. Sociologists have contributed to OB through their study of group behaviour in organizations, particularly formal and complex organizations.
			2. Perhaps most important, sociologists have studied organizational culture, formal organization theory and structure, organizational technology, communications, power, and conflict.</para></section>
	5. **Anthropology**: <para><keyterm olinkend="ch01gloss17" role="strong" preference="0"></keyterm><link linkend="ch01mn22" preference="1"/>the study of societies to learn about human beings and their activities.
		1. Anthropologists’ work on cultures and environments has helped us understand differences in fundamental values, attitudes, and behaviour between people in different countries and within different organizations.

2. Much of our current understanding of organizational culture, organizational

 environments, and differences among national cultures is a result of the work

 of anthropologists or those using their methods.</para></section></section>

* 1. **Political Science:** Political science is the study of systems of government but also political behaviours and activities. As such, it provides insight into the distribution of power and resources, and how those distribution decisions are influenced.
	2. **Neuroscience:** Neuroscience is the study of the structure and function of the nervous system and brain. Neuroscientists have recently begun contributing to OB by studying topics such as the impact of hormone levels on risk-taking in business contexts, the influence of pheromones on team behaviours, and the underlying cognitive structures and neural processes that contribute to inadvertent prejudice and associated skill discounting and underutilization of workers.

VI. A BRIEF HISTORY OF OB

1. Organizational behaviour as a distinct discipline started when scientific approaches to management began to indicate that behavioural considerations were important predictors of productivity. The famous Hawthorne studies were conducted between 1924 and 1932 at Hawthorne Electrical Company. The scientists involved were trying to discover the optimal temperature, lighting levels, and work pace to maximize productivity. Instead, they discovered that being observed and having people pay attention to the efforts of workers increased productivity regardless of temperature, lighting, etc. This helped launch an entire area of study devoted to motivation and teams.

B. In the 1950s, the Carnegie School headquartered at Carnegie Mellon University was

 influential in directing attention to the integration of decision analysis, management

 science, and psychology. This resulted in the development of important concepts

 such as bounded rationality.

1. The 1960s and 1970s saw many developments in organizational behaviour, with important discoveries being made in the areas of motivation, team behaviour, and leadership.
2. The 1980s and 1990s saw more focus on organizational culture and organizational change.
3. More recently, research inspired by the anthropological approach has focused on,

 among other things, situational models of leadership.

1. THERE ARE FEW ABSOLUTES IN OB
	1. <para>Laws in the physical sciences—chemistry, astronomy, physics—are consistent and apply in a wide range of situations.
		1. They allow scientists to generalize about the pull of gravity or to be confident about sending astronauts into space to repair satellites.
		2. Human beings are complex, and few, if any, simple and universal principles explain organizational behaviour.
			1. Because we are not alike, our ability to make simple, accurate, and sweeping generalizations is limited.
			2. Two people often act very differently in the same situation, and the same person’s behaviour changes in different situations.
			3. Not everyone is motivated by money, and people may behave differently at a religious service than they do at a party.</para>
	2. <para>That doesn’t mean that we can’t offer reasonably accurate explanations of human behaviour or make valid predictions. It does mean that OB concepts must reflect situational, or contingency, conditions.
		1. We can say <emphasis>x</emphasis> leads to <emphasis>y,</emphasis> but only under conditions specified in <emphasis>z</emphasis>—the <keyterm olinkend="ch01gloss18" role="strong" preference="0">**contingency variables**</keyterm><link linkend="ch01mn24" preference="1"/>.
		2. The science of OB was developed by applying general concepts to a particular situation, person, or group.
		3. For example, OB scholars would avoid stating that everyone likes complex and challenging work (the general concept), because not everyone wants a challenging job.
			1. Some people prefer routine to varied, or simple over complex.
			2. A job attractive to one person may not be to another; its appeal is contingent upon the person who holds it.</para>
	3. <para>As you proceed through this book, you’ll encounter a wealth of research-based theories about how people behave in organizations.
		1. But don’t expect to find a lot of straightforward cause-and-effect relationships. There aren’t many!
		2. Organizational behaviour theories mirror the subject matter with which they deal, and people are complex and complicated.
2. CHALLENGES AND OPPORTUNITIES FOR OB
	1. <para>Understanding organizational behaviour has never been more important for managers.
	2. Take a quick look at the dramatic changes in organizations.
		1. The typical employee is getting older.
		2. More women and people of colour are in the workplace; corporate downsizing and the heavy use of temporary workers are severing the bonds of loyalty that tied many employees to their employers.
		3. Global competition requires employees to become more flexible and cope with rapid change. The global recession has brought to the forefront the challenges of working with and managing people during uncertain times.
	3. **Responding to Economic Pressures**
		1. In early 2015 the Canadian economy experienced major challenges. Dropping oil prices severely impacted oilsands production and profitability. Since this industry represents a significant component of the Canadian economy, everything from the dollar to average housing prices was negatively impacted.

When times are bad like they were during the recession, managers are on the front lines with employees who must be fired, who are asked to make do with less, and who worry about their futures.

* + 1. The difference between good and bad management can be the difference between profit and loss, or ultimately, between survival and failure.
		2. Managing employees well when times are good can be just as hard, if not harder, than when times are bad.
		3. But the OB approaches sometimes differ. In good times, understanding how to reward, satisfy, and retain employees is at a premium. In bad times, issues like stress, decision making, and coping come to the fore.
	1. **Responding to Globalization**. There are many challenges faced by managers that can benefit by the use of OB concepts, including:
		1. Increased foreign assignments. Managers increasingly find themselves working overseas dealing with a workforce that may hold different needs, aspirations, and attitudes.
		2. Working with people from different cultures. Even if the manager stays in the domestic environment, the workers that the manager deals with may come from different cultures and backgrounds. Motivational techniques and managerial styles may have to be modified to remain effective.
		3. Overseeing movement of jobs to countries with low-cost labour. Outsourcing tasks and jobs to low-labour-cost countries may make economic sense, but such decisions are not without local ramifications.
			1. Managers must be able to deal with unions, government, and the public, who see outsourcing as a threat to their livelihood.
			2. Balancing the needs of the company with the needs of the community is at the heart of a firm’s concerns over social responsibility.
		4. Adapting to differing cultural and regulatory norms.
			1. Managers need to know the cultural norms of the workforce in each of the countries in which they do business.
			2. Managers also need to consider local and country regulations. Violating these can have implications for operations in the country and also for political relations between countries.
			3. Managers also need to be cognizant of differences in regulations for competitors in the country; many times, the laws will give national companies significant financial advantages over foreign subsidiaries.
	2. **Managing Workforce Diversity.**
		1. <para>One of the most important challenges for organizations is adapting to people who are different. We describe this challenge as <emphasis>workforce diversity.</emphasis>
			1. Whereas globalization focuses on differences among people <emphasis>from</emphasis> different countries, workforce diversity addresses differences among people <emphasis>within</emphasis> given countries.</para>
		2. <para><keyterm olinkend="ch01gloss19" role="strong" preference="0">**Workforce diversity**</keyterm><link linkend="ch01mn26" preference="1"/> acknowledges a workforce of women and men; many racial and ethnic groups; individuals with a variety of physical or psychological abilities; and people who differ in age and sexual orientation.
			1. Managing this diversity is a global concern.
		3. <para>Though we have more to say about workforce diversity in a later chapter, suffice it to say here that it presents great opportunities and poses challenging questions for managers and employees in all countries.
	3. **Improving Customer Service.** The majority of the workforce in developed nations works in service jobs.
		1. These jobs require substantial interaction with the organization’s customers: poor service experiences can lead to organizational failure.
		2. Managers must create customer-responsive cultures whose members are:
			1. Friendly and courteous
			2. Accessible
			3. Knowledgeable
			4. Prompt in responding to customer needs
			5. Willing to do what is necessary to please the customer
	4. **Improving People Skills.**
		1. <para>As you proceed through the chapters of this book, we’ll present relevant concepts and theories that can help you explain and predict the behaviour of people at work.
		2. In addition, you’ll gain insights into specific people skills that you can use on the job.
		3. For instance, you’ll learn ways to design motivating jobs, techniques for improving your listening skills, and how to create more effective teams.</para></section>
	5. <section id="ch01lev2sec17"><title id="ch01lev2sec17.title">**Working in Networked Organizations** </title>
		1. <para>Networked organizations allow people to communicate and work together even though they may be thousands of kilometres apart.
			1. Independent contractors can telecommute via computer to workplaces around the globe and change employers as the demand for their services changes.
			2. Software programmers, graphic designers, systems analysts, technical writers, photo researchers, book and media editors, and medical transcribers are just a few examples of people who can work from home or other non-office locations.</para>
		2. <para>The manager’s job is different in a networked organization.
			1. Motivating and leading people and making collaborative decisions online require different techniques than when individuals are physically present in a single location.
			2. As more employees do their jobs by linking to others through networks, managers must develop new skills. OB can provide valuable insights to help with honing those skills.</para></section>
	6. **Enhancing Employee Well-Being at Work**
		1. The typical employee in the 1960s or 1970s showed up at a specified workplace Monday through Friday and worked for clearly defined 8- or 9-hour chunks of time.
			1. That’s no longer true for a large segment of today’s workforce as even the definition of the workplace has been expanded to include anywhere a laptop or smartphone can go. Even if employees work from home or from half a continent away, managers need to consider well-being at work.
			2. One of the biggest challenges to maintaining employee well-being is that organizations are asking employees to put in longer hours, either in the office or online.
				1. Employees are increasingly complaining that the line between work and non-work time has become blurred, creating personal conflicts and stress.
			3. Second, employee well-being is challenged by heavy outside commitments. </para>
				1. Millions of single-parent households and employees with dependent parents have even more significant challenges in balancing work and family responsibilities.</para>
		2. Recent studies suggest employees want jobs that give them flexibility in their work schedules so they can better manage work–life conflicts.
			1. Organizations that don’t help their people achieve work–life balance will find it increasingly difficult to attract and retain the most capable and motivated employees.</para><para>
			2. As you’ll see in later chapters, the field of OB offers a number of suggestions to guide managers in designing workplaces and jobs that can help employees deal with work–life conflicts.
	7. **Creating a Positive Work Environmen**<para>**t.**
		1. <para>A real growth area in OB research is **positive organizational scholarship** (also called positive organizational behaviour), which studies how organizations develop human strengths, foster vitality and resilience, and unlock potential.
			1. Researchers in this area say that too much of OB research and management practice has been targeted toward identifying what’s wrong with organizations and their employees. In response, they try to study what’s *good* about them.
			2. resReReReSome key independent variables in positive OB research are engagement, hope, optimism, and resilience in the face of strain.
		2. Positive organizational sorganizational scholars have studied a concept called “reflected best-self” – asking employees to think about when they were at their “personal best” in order to understand how to exploit their strengths.
		3. Although positive organizational scholarship does not deny the value of the negative, it does challenge researchers to look at OB through a new lens and it pushes organizations to exploit employees’ strengths rather than dwell on their limitations.
	8. **Improving Ethical Behaviour.**
		1. <para>In an organizational world characterized by cutbacks, expectations of increasing productivity, and tough competition, it’s not surprising many employees feel pressured to cut corners, break rules, and engage in other questionable practices.</para>
		2. <para>Increasingly they face <emphasis role="strong">**ethical dilemmas**</emphasis> and <emphasis role="strong">**ethical choices**</emphasis><link linkend="ch01mn28" preference="1"/>, in which they are required to identify right and wrong conduct.
			1. <para>What constitutes good ethical behaviour has never been clearly defined, and, in recent years, the line differentiating right from wrong has blurred.
			2. Employees see people all around them engaging in unethical practices—elected officials pad expense accounts or take bribes; corporate executives inflate profits so they can cash in lucrative stock options; and university administrators look the other way when winning coaches encourage scholarship athletes to take easy courses.
				1. When caught, these people give excuses such as “Everyone does it” or “You have to seize every advantage nowadays.”
				2. Determining the ethically correct way to behave is especially difficult in a global economy because different cultures have different perspectives on certain ethical issues. <endnoteref linkend="ch01en27" label="27"/>
				3. Fair treatment of employees in an economic downturn varies considerably across cultures, for instance.
		3. .</para><para>Today’s manager must create an ethically healthy climate for his or her employees, where they can do their work productively with minimal ambiguity about what right and wrong behaviours are.
			1. Companies that promote a strong ethical mission, encourage employees to behave with integrity, and provide strong ethical leadership can influence employee decisions to behave ethically. <endnoteref linkend="ch01en30" label="30"/>
			2. In upcoming chapters, we’ll discuss the actions managers can take to create an ethically healthy climate and help employees sort through ethically ambiguous situations.
1. COMING ATTRACTIONS: DEVELOPING AN OB MODEL

This book will follow the three levels of OB analysis, building from the individual to the organizational perspectives. Each level builds upon the levels before it. See Exhibit 1-3.

* 1. **Three Levels of Analysis.** OB can be examined at three levels, each with its own unique perspective.
		1. Individual level. Examines foundations of individual behaviour: personality, values, perception, decision making, motivation, emotions, and moods (Chapters 2–8).
		2. Group level. Group behaviour is more than the sum of the behaviours of the individuals within it; additionally, individuals act differently when in groups. The next section of the text (Chapters 9-14) explores group behaviour by providing basic group concepts and examining what makes teams effective: communication, decision making, leadership, power, politics, conflict, and negotiation.
		3. Organization system level. Organizational behaviour, while composed of both individual and group behaviours, is more than the sum of its parts. Chapters 15-17 describe how an organization’s structure and culture affects individual behaviour. The text finishes with change techniques in organizational settings.
1. SUMMARY AND IMPLICATIONS FOR MANAGERS
	1. <para>Managers need to develop their interpersonal, or people, skills to be effective in their jobs.
		1. Organizational behaviour (OB) investigates the impact that individuals, groups, and structure have on behaviour within an organization, and it applies that knowledge to make organizations work more effectively.
	2. <para>Here are a few specific implications for managers:
		1. Resist the inclination to rely on generalizations; some provide valid insights into human behaviour, but many are erroneous.
		2. Use metrics and situational variables rather than hunches to explain cause-and-effect relationships.
		3. Work on your interpersonal skills to increase your leadership potential.
		4. Improve your technical and conceptual skills through training and staying current with organizational trends like big data.
		5. Organizational behaviour can improve your employees’ work quality and productivity by showing you how to empower your employees, design and implement change programs, improve customer service, and address the work-life balance conflict.
2. MARGINAL NOTES
	1. ¨OB’s goal is to understand and predict human behaviour in organizations.”
	2. ¨There are several social science disciplines that contribute to OB, but none are more important than psychology.”
	3. ¨It is more important than ever to learn OB concepts.”

**Mini Case Discussion Questions**

**Case 1: Managing Group Behaviour Without Formal Power**

1. **Part A: What insights might Chiamara gain about group functioning by looking at individual levels of analysis? (Remember to consider what she might be able to learn about herself and the impact of her own behaviours!)**

At an individual level of analysis, Chiamara would look at the impact of each group members’ communication style, personality, attitudes, and motivation on group functioning. She would consider issues such as perceptual (attribution) errors and reflect on how those issues may interfere with effective team work. She would also use scientific evidence to better understand how to correct and address things like stereotyping and cross-cultural communication barriers. Examining her teammates as well as her own personality, behaviours, and motivations may help Chiamara to better understand the otherwise puzzling responses that others have to her during group interactions. For example, she states that she wants to own a business so that she can run things “her way.” What does this attitude suggest for how she interacts with others and critiques their ideas? She cannot control the behaviour of others but she can control her own and she can leverage influence. Perhaps she needs to be especially mindful to allow others to express their opinion, for example. That one change, in and of itself, might improve her group experience.

**Part B: Which of the disciplines that contribute to OB help us to better understand individual behaviour? Justify your answer.**

Psychology and neuroscience both focus more on individual cognitive processes; as such, they provide the most insight at individual levels of analysis. Other disciplines, such as sociology and anthropology, generally focus more on group and organizational levels of analysis, although there can be significant overlap between disciplines.

1. **What insights might Chiamara gain about group functioning at the group level? Be specific about how organizational behaviour insights at this level of analysis can improve group functioning.**

At the group level of analysis, Chiamara would consider how the group functioned as a whole rather than focusing on individual behaviours within that group. The two levels of analysis do overlap on occasion, for example, when assessing the impact of extreme personalities on group dynamics. She may consider issues including how the group is structured, motivated, and how decisions are ultimately made (consensus or a vote, for example). Chiamara may also assess how the particular mix of people influences ability to voice. Is she, for example, the only immigrant in her group, or the only woman? If so, does that affect how the rest of the group collectively responds to her ideas? Chiamara would then assess how these factors influenced group functioning and effectiveness.

1. **Is the organizational level of analysis relevant to this case? Why or why not? Explain you answer.**

The organizational level of analysis is relevant to this case because it would assess how the university’s broader culture and policies influence group functioning. A university that awards its scholarships purely on GPA, for instance, should expect group work to generate more conflict than universities that award scholarships based on a mix of community involvement, demonstrated leadership, and GPA. That is because, in the first scenario, the potential negative impact associated with a single poor grade is heightened, increasing tensions when a student fears having their marks negatively impacted by group work. There are many other examples of organizational policies, practices, and culture influencing student experiences.

**Case 2: The People Side of Target’s Canadian Catastrophe**

1. **Business decisions are often assessed in purely financial rather than human terms. How might the study of people in general and organizational behaviour in particular have helped Target with some of the challenges they faced when entering the Canadian market?**

Many of the problems experienced by Target centreed around issues that are commonly studied in organizational behaviour. For example, knowledge drawn from psychology and anthropology helps us to better understand differences across cultures. Target could have benefitted from a systematic study of the differences in consumer expectations between the U.S. and Canada. Instead, they relied on their experience with cross-border shoppers when attempting to understand the Canadian consumer. Cross border shoppers may, as a sub-group, be different from average Canadians in many ways. Target also failed to communicate new processes properly and demonstrated poor change management practices when implementing the new supply chain software. These are also areas in which OB has a great deal of insight to offer.

1. **Outline some of the problems associated with using “gut feel” when entering a new country to do business. Is there any evidence that overreliance on “gut feel” might have occurred in this case? How could scientifically validated information help a company enter a new country more successfully?**

Gut feelings can be reliable when people have developed significant expertise in something through hundreds or thousands of hours of practice. Most of the time, however, gut feelings reflect our own assumptions and biases and they can easily lead us astray. When entering the Canadian marketplace, Target executives made several incorrect assumptions. For example, they assumed that they knew the preferences of Canadian consumers due to their success attracting cross-border shoppers. They also assumed Canadians would understand and accept discrepancies between U.S. and Canadian in-store prices. Finally, when withdrawing, they assumed that Canadians would accept extreme discrepancies in severance pay between executives and regular workers. Each of these assumptions could have been corrected and associated problems avoided with scientific decision-making processes. For example, they could have made more efforts to conduct market and public opinion research before entering the country. Or they simply could have read the existing scientific literature on U.S./Canadian culture differences, which is extensive. These simple precautions may have alerted them to the strong equity-focus of Canadian consumers. In response, they could have proactively explained price discrepancies to consumers so they understood the reasoning behind them or, in some cases, they may have eliminated discrepancies by demanding concessions during their vendor contract negotiation phase.

**Exercises**

1. Self-analysis. What do you hope to gain from the study of OB? How well do you think you currently understand human behaviour in organizations? Have you ever been surprised by the actions or reactions of another person? Why? Describe what actually happened and what you were expecting to happen. What do you think may have caused the difference?
2. Web Crawling. Using an Internet search engine of your choice, find an article in either the popular press or a professional journal that relates to OB. Describe the key points of the article and detail how OB was used or should have been used in the situation.
3. Current Event. In a small group (four or fewer people per group), discuss a current event that was influenced by, or could have been positively influenced by, a clear understanding of OB. Prepare a ten-minute group presentation that concisely describes the current event and what the team believes to be the impact of OB. Discuss the team’s results with the class.
4. Three-Minute Elevator Introduction. Have students introduce themselves by giving their name and any other information you deem appropriate, and by offering one short one- to three-minute story about an experience they had with an organization. Give students several minutes to think about their story. Keep time, and stop students who go too long. Tell them to imagine that they are new employees introducing themselves to co-workers met in an elevator.
5. Experiences with Managers. Divide the class into groups of three, and have them discuss their experiences with managers. They may discuss items such as their last performance appraisal, a job interview, or a customer service issue. Use this as a starting point to discuss the importance of "people" in an organizational context.
6. Where Do You Want to Work? Lead a class discussion on what makes good organizations and what makes bad organizations. Create two lists on the board (good and bad) and write the ideas as the students brainstorm them. Once the class has given 10-20 answers on each list, stop them, and start grouping their responses into relevant key ideas. Point out how these key ideas are the primary topics of OB studies.
7. Learn From Experience. If you have older adult students, have them share their experiences regarding how the workplace used to look. Examine such issues as the demographic make-up of the organization, and the attitudes of workers toward management. Emphasize how new the field of OB is, based upon these anecdotes.
8. Analyzing Your Organization (Cumulative Project). This is an on-going activity that will help the student better understand his or her organization, or, if the student is not currently working, the organization for which he or she would like to work. This cumulative “hands-on” project will build on the concepts of each chapter. The point of the exercise is to take the OB theories and concepts and apply them to real organizations.

There are many ways you can use this project. For example, it could serve as homework to be turned in each week, or a project to be built upon each week and turned in at the end of the class as a term paper/project. You could also use the exercise as a class discussion item, selecting students to do short discussion starter presentations several times per term. Still another use is to have them summarize their findings in small groups, and have each group report a summary to the class.

Most of these activities will involve interviewing someone who has knowledge of the topic. While interviewing someone in the subject organization is preferable, you may wish to allow students to interview outside experts to gain a greater understanding of the concepts.

Use the questions provided after each chapter of the Instructor’s Manual as a guideline, but be sure to adapt them to the student’s needs. It is desirable for students to obtain written approval from their manager or supervisor early on in the process. Because OB deals with potentially sensitive issues, it is best if the students detail the project to the relevant parties early on in the process. You may choose to have the written approval as part of the first deliverables in this project.

**Suggested Assignments**

1. Have the students discuss your course syllabus, including a description of the project, with their supervisor (or the person who will be their primary contact in cases where the student is not working for the organization to be studied in Analyzing Your Organization, No. 8 above). Submit the written approval.
2. Have the students briefly describe their chosen organization, discussing what goods or services are produced, how many employees it has, what the structure looks like, and a general overview of how the organization of study is managed. Ensure students include their relationship to the organization (they are employees, job seekers, or simply interested parties).