Answers to in-text questions:

# **Chapter 1: Why Organizational Behavior Matters**

## **OB in the Real World Critical Thinking Questions**

### Karen Hardy

1. What differences are there between the public and the private sector regarding objectives?
   1. The difference between the public and private sector is the timeline to accomplish goals. For a private business, the timeline is very short due to the necessity of turning profits and returning investments. For the public sector, while constituents do expect results in a timely manner, the outcome could be years after the initial investment as it is a long-term plan. This gives government managers the time that they need to effect change on a very large scale.
2. What does the future hold for government employee recruitment according to Dr. Karen Hardy?
   1. The future of government employees is looking bright according to Dr. Hardy due to a massive change in what the incoming workforce is looking for in a job. The millennial generation and forward is looking for a career with purpose over a career that only pays well. The next generation of employees is looking for what a government job has to offer, and it seems as though they might be a perfect fit for each other.

### Tom Hatten

1. What types of human capital do Tom and his team value most?
   1. Tom is most concerned with building a team of people who can be trained and who are enthusiastic for the things they do. He is not concerned about their physique or their gym history. Tom looks for good natured, hard-working, enthusiastic people that want to learn.
2. Why do you think Tom and his team hire from within?
   1. Tom and his team hire from within because they are looking for people who understand and embrace the MSF culture and that will want to stay and contribute to Mountainside’s success. For this reason, Mountainside Fitness has one of the lowest turnover rates in the fitness business. All members are fully invested because they know that they are contributing to something bigger than they are.

## **Up for Debate: Hiring Qualified Candidates**

When hiring employees, it is imperative that organizations hire the most qualified candidates for the position and refuse to settle for less. Agree or Disagree? Explain your answer:

Agree: When hiring, qualifications are everything, and excellence is needed to make sure that the people making decisions within the company are as competent as possible. To hire based on interview skills and things not written on a resume is to hire based on emotion and gut reaction and can lead to an incompetent staff.

Disagree: When hiring, the first thing to look for is the right attitude. What an employer should look for in a candidate is enthusiasm and an ability to listen and learn and contribute when necessary. If new hires have both things, qualifications are less important because they can become whatever the organization needs them to become. This is where fit becomes more important than past achievements and where hiring decisions become easier.

## **Examining the Evidence**

1. What are some of the primary advantages of evidence-based management practices?

*a. Evidence-based management practices are grounded in evidence and not just theory. They have been demonstrated to work in other organizations and maybe even in very similar work environments. There is a key difference in thinking something should work and seeing that it has worked somewhere else. You also have some best practices that have been done at other places, which can help you anticipate potential problems as well as build on these practices to make them more meaningful at your organization.*

1. What makes it difficult for managers to be evidence-based in their actions and decision making?

*a. It is difficult at times because many managers have been trained in colleges and other places to be theory driven and to make decisions on ideas rather than data. They rely on unproven traditions, personal experiences, and obsolete information rather than scientific findings.*

## **Thinking Critically Questions**

### What Is Organizational Behavior, and Why Is it Important?

1. OB helps managers explain, predict, and influence behavior in the work place. Identify the types of behavior you are most interested in explaining, understanding, and predicting in the workplace.

*a. The behaviors I am most interested in explaining, understanding, and predicting are related directly to performance. I want to know how/why my employees are performing at the individual, group, and organizational levels.*

2. Of the four main functions managers fulfill (planning, organizing, leading, and controlling), which do you think is most likely to be enhanced by an understanding of organizational behavior? Why?

*a. I think that leading is most likely to be enhanced by an understanding of organizational behavior because you have to be able to understand individual behavior in order to lead. Many OB concepts are directly tied to leadership, such as, motivation, decision-making skills, communication, groups/teams, individual differences, and many more.*

3. Managers need technical, human, and conceptual skills in order to succeed. Which of these skills are least likely to be learned on the job? Explain your position.

*a. In my opinion, all can be learned on the job, but human skills are more likely learned throughout one’s life before he or she actually takes the job. You can hone your human skills while on the job with an understanding of the specific company context, but most of these types of human skills are learned before the job.*

4. Compare the book’s argument that the success of an organization lies with its people with the argument that every employee is replaceable and expendable. Which argument do you consider more compelling? Why?

*a. I believe the people make the success of an organization. Managing people is filled with complexity and uncertainty, and in order to be successful as a company, you have to be able to manage individuals well. There is some merit to the argument that employees are replaceable, but in the long run, organizations that take care of their people will be more successful.*

### Managing Human Capital

1. Compare the relative importance of tangible and intangible resources. Can an organization succeed without adequate resourcing in both areas? Why, or why not?

*a. I think an organization needs both tangible and intangible resources. They are often very interrelated (need tangible resources to take advantage of intangible ones, and vice versa), and the absence of one or the other creates a void that is difficult to fill.*

2. Explain in your own words how value, rareness, and imitability in human capital contribute to an organization’s competitive advantage.

*a. Resources need to be valuable or they are not worth developing or using—they need to add value to your organization. Rareness provides a scarcity in resources that gives the possessor of the resource a unique advantage over those that do not have it. If a resource is easily imitated, then it loses its potential to have significant influence on competitive advantage. You need resources that are unique and not easily duplicable to use them as a source of advantage over competitors.*

### Behavioral Science Disciplines that Contribute to OB

1. What factors are likely to have played a role in early management theory’s emphasis on physical tasks and working conditions?

*a. Several factors likely played a role in early management theory’s emphasis on physical tasks and working conditions. Most important was that the nature of the work at the time management theory began—primarily manufacturing and agriculture—led scholars to focus on physical tasks. Also, the level of technology was appropriate for this type of measurement. Finally, the advancement of theory and scholarship was at a point that physical tasks and working conditions were the primary focus of study.*

2. Of the five behavioral science disciplines listed, which one do you consider to be the most relevant to the field of management today? Explain your answer.

*a. I think social psychology is the most relevant to the field of management today because it blends the study of the human mind (psychology) and the study of the way groups behave (sociology). These two aspects capture a bulk of what management is all about.*

### A Critical Thinking Approach to OB

1. Explain in your own words how critical thinking can be used as a problem-solving tool in the workplace.

*a. Critical thinking allows individuals to see all angles of problems and solutions and not just focus in on one way of doing things. By using your intelligence, knowledge, and skills to question and carefully explore situations and arrive at thoughtful conclusions based on reasons, you enable better solutions and more productive analysis of situations. These are especially critical in the workplace wherein managing people and tasks often involves uncertainty and complexity.*

2. Create a list of behaviors and skills that contribute to a manager’s ability to think critically.

*a. Intelligence, knowledge, skills, questioning mindset, curiosity, difficult to please mentality, inquisitive, aggressiveness, logic, and contingency thinking*

3. Imagine that you manage two employees who dislike each other and have engaged in heated arguments in front of customers. What specific steps could you take, following the five-step critical thinking model (observe, interpret, analyze, evaluate, and explain), to resolve the situation?

*a. I would try to impartially observe what happened—looking at video or eyewitness accounts if I was not present. I would try to get both sides of the story. I would then try to put myself in each of the employees’ shoes to understand what let up to the confrontation and be aware of any other factors that were in play that weren’t directly related to the argument. I would analyze the information that I have from my observations and think through likely consequences or contingencies of any decisions I am considering making. I would play out those contingencies by thinking of likely ramifications of the solutions I am considering. I would explain my thinking and solution to all involved—the employees involved in the argument, others that may have witnessed it, and my superiors. Throughout, I would try to seek out new insight and advice from others that may be better aware of the situation or have handled similar issues in the past.*

4. Identify the inputs, throughput, and outputs of a fast food chain according to Open Systems Theory.

*a. Inputs would be the ingredients needed to make the food I am serving, the people needed to prepare and sell the food, the kitchen equipment and technology needed to prepare and sell the food, the uniforms and training materials needed to prepare my employees, as well as other ancillary needs within the fast food chain (tables, chairs, restrooms, menus, etc.). The throughput would be the cooking of the food or preparation of the final saleable goods. The outputs would be the food that I am serving.*

5. Explain the meaning of “value chain,” and provide an example of one way that a value chain may be enhanced and one way a value chain may be harmed.

*a. The value chain is the linkage of actions and activities needed within an organization to process raw inputs into outputs. Everything from the start to the sales and service of the final product/service. One way a value chain can be enhanced is by linking all of the primary and secondary activities together through efficient technology and training of people. One way a value chain may be harmed is by not assessing each step or link carefully and often in order to find ways to improve efficiency and effectiveness.*

### OB Challenges and Opportunities

1. Of the seven challenges discussed in this section, which do you consider the most difficult to address? Which do you consider the easiest to address? Why?

*a. I think innovation and change is the most difficult to address because people often fear change, and it is difficult to predict what innovations will occur and how they will affect the workplace. It takes special individuals to be creative enough to drive innovation and change. If you find your company reacting to innovation/change driven by others, you are already behind the curve. I think customer service is the easiest to address because it makes sense to most people to care for your customer. Common sense and hospitality go a long way in anticipating and addressing customer needs.*

2. Based on your own work or volunteer experience, have you ever experienced any of these seven challenges? Describe your experience and brainstorm ways for overcoming these challenges.

*a. I have experienced many of these challenges, particularly with customer service and workforce diversity. I had people from many different cultures and backgrounds working in an organization, and it seemed as if they all had different opinions on how the customer should be treated—ranging from positive to negative treatment of customers. These challenges could be overcome with consistent and clear communication of the goals and mission of the organization and by identifying best practices within our company of people who treated customers correctly. Following this up with rewarding those who did right and punishing those who did wrong is another strong mechanism for overcoming these challenges.*

3. Select a company, and research online to learn more about their sustainable business practices. Do they have a sustainability plan? What are some recommendations you might make that would benefit the organization as well as the environment and society?

*a. I selected McDonald’s and was surprised to find that they have an in-depth commitment to sustainability. They promote their sustainability efforts across the globe, and they have an annual sustainability report that informs investors, consumers, and others about their efforts and successes in being sustainable. They seem to have a well-thought-out sustainability plan that drives many of their corporate functions. I would recommend that they stay ahead of the curve and drive change in sustainability and not be reactive to the environment. I would recommend they continue to innovate and look for more opportunities to make their business sustainable and to improve their impact on society and the world at large.*

### Three Levels of Analysis in OB

1. Discuss the relationship among the three levels of analysis in OB. How might individuals influence organizations? How might organizations influence individuals?

*a. The three levels of analysis in OB are highly interrelated. Each level affects and is affected by the other two levels. Individuals influence organizations by driving change and enacting the goals of the organization. The individuals do the work that the organization has planned and prepared for. Great employees influence the success of the organization, and bad employees can lead to the downfall of organizations as well. Organizations provide the tools and means for individuals to accomplish their goals. They help establish the culture and operating environment in which employees work. There is a high level of dependency of individuals on organizations in which they work and vice versa.*

2. Teams play a critical role in OB. What are some of the benefits of working in teams? What are some of the challenges?

*a. Teams allow individuals to be more productive by being a part of something bigger than themselves. They allow for a diversity of experiences, knowledge, skills, and potential to attach more complex and daunting challenges. It can be difficult to coordinate effort, and it can be a challenge to communicate to everyone in order to get everyone on the same page. Working in teams increases the level of complexity and uncertainty as opposed to working by oneself.*

### Positive OB and High-Involvement Management

1. Identify your top five strengths. Describe how each of these strengths might benefit an organization.

*a. I am intelligent, patient, others-focused, determined, and a good communicator. Being intelligent can help me identify key issues and come up with logical solutions. Being patient can help me be trained to be more successful and to stick through rough times in order to accomplish goals. Being others-focused helps me to support my coworkers and identify the needs of customers and colleagues. Being determined helps me to not give up and to find the best way to solve problems. Good communication can help me understand the guidelines from my superiors as well as communicate with my coworkers, subordinates, customers, and anyone else I may deal with at work.*

2. Could there be a downside or unintended consequences for managers who focus primarily on the findings of positive organizational behavior research? Explain your answer.

*a. Yes, a downside is the lack of realization that there can be a dark side to people and organizations. Focusing on positive organizational behavior research can inhibit me from seeing all angles to a situation or problem and can inhibit effective decision-making skills.*

3. List three concrete ways a high-involvement manager could empower employees.

*a. High-involvement managers can involve employees in important decisions, especially ones that affect the employee. These managers can provide sufficient resources to accomplish important tasks. These managers can provide ample opportunity for employees to make their own decisions or have authority over their own sphere of work—and then reward them for quality work.*

Case Notes

# Chapter 1: Why Organizational Behavior Matters

## Summary

Southwest Airlines continues to be profitable in an industry that is generally unprofitable and saturated. Founded in 1967 to serve just three cities in Texas, Southwest Airlines has grown to be the fifth largest U.S. airline, serving over 50 million customers a year. Its mission is to provide the highest quality of customer service and to hire employees dedicated to providing such service.

## Analysis

Southwest Airlines has succeeded by being people focused. To achieve its mission of customer service, it hires people “for attitude and trains for skill.” The employees rate Southwest Airlines as a great place to work and in turn are motivated to provide the highest level of customer service. When flight delays or technological problems have emerged, the employees willingly went above and beyond to serve the customers. Putting people first has rewarded Southwest Airlines with earnings that exceed industry averages.

## Case Questions

*1. Describe how Southwest Airlines builds their human capital.*

1. *Southwest Airlines looks for people who want to serve customers in any way that they can to make their experience the best in the industry. Southwest is very selective with who they hire, and for this reason they want to keep employees around for as long as they can. Southwest hires for attitude and trains for success.*

*2. What differentiates Southwest from any other airline?*

1. *Southwest puts their people first so that they will put their customers first. Southwest looks for people who can be trained instead of people who are already high achieving.*

*3. What kinds of human skills is Southwest Airlines looking for in potential employees?*

1. *Southwest is looking for employees with “a warrior spirit, a servant’s heart, and a “fun-loving” attitude. They want people who have proven themselves in the past to be people who care about other people.*

Case Notes

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## Summary

CVS Health, a leading provider of health services, decided to cease all sales of tobacco products. This decision would cost the corporation about $2 billion in reduced sales revenue.

## Analysis

Although tobacco products amounted to $2 billion in annual sales, the corporation decided that the sale of such products was incompatible with its mission. The management believed that the short-term loss in revenue would benefit the health of its customers and the communities. Sometimes a business must do what is right despite the cost.

## Case Questions

*1. Describe the big decision that CVS Health made. How does it relate to the text?*

CVS had to balance profit against the well-being of its customers. This was both an ethical decision and a bottom-line decision. Selling tobacco products sent a message to the corporation’s employees as well as to its customers. On the other hand, tobacco products produced about $2 billion in annual revenues. But, the sale of tobacco products conflicted with the corporation’s mission.

*2. How does the text describe ethics, and how do they plan a role at CVS Health?*

Ethics are morals that guide behavior. While ethics involve moral decision making, the answers are never black and white. While management’s decision would result in short term pains (lost revenues), it would benefit the health of their community. CVS’s approach was not limited to its sale of tobacco products, but rather it extended to ensuring that its suppliers guarantee ethical sourcing.