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# Solutions Manual for Organizational Behaviour 6th Colquitt

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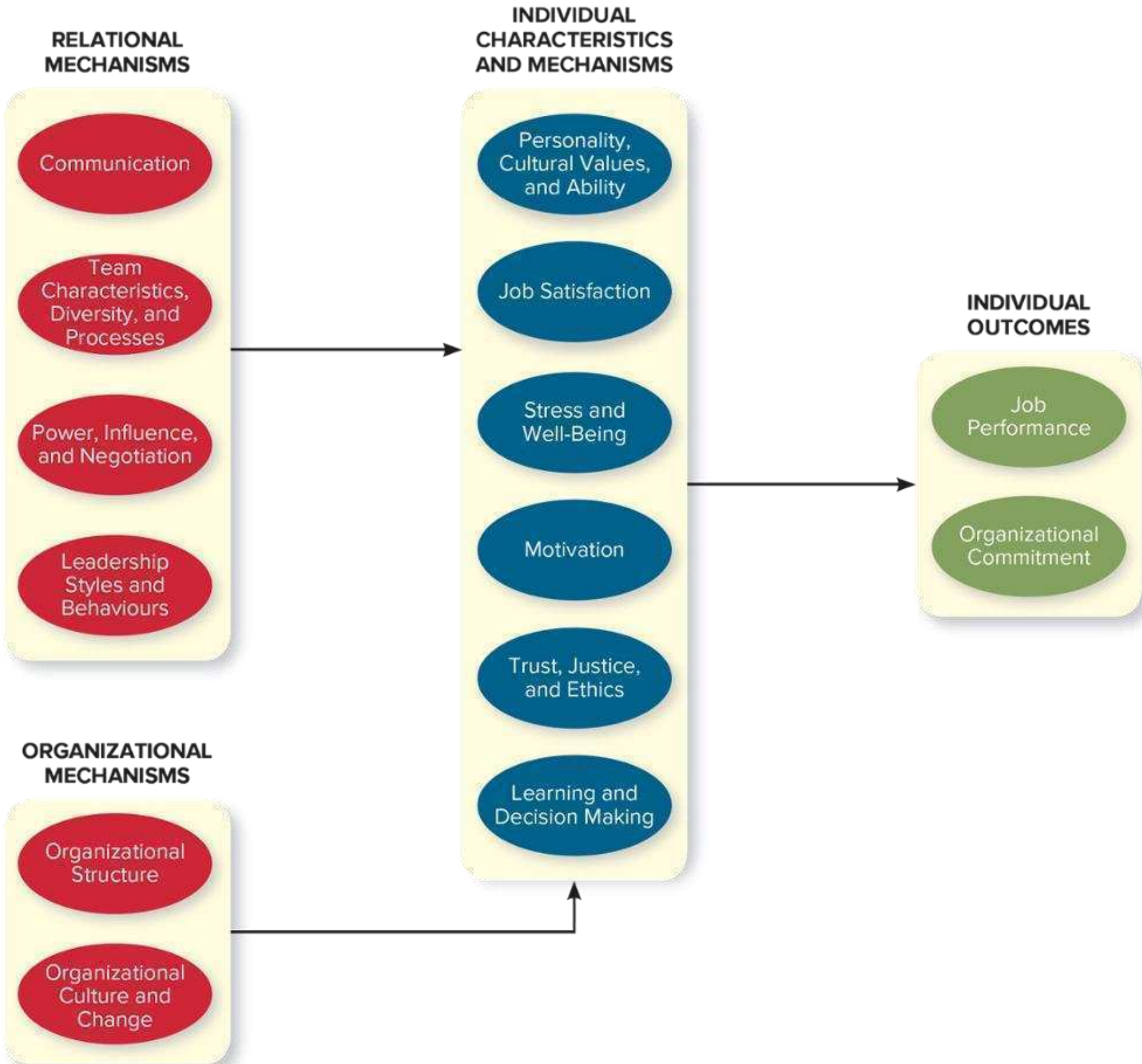
# Chapter 1: What Is Organizational Behaviour?




## NOTE FROM THE CANADIAN AUTHORS

My name is Ian Gellatly (University of Alberta), and together with my Canadian coauthor Dana Kabat-Farr (Dalhousie University), we are responsible for the 6th Canadian edition of Colquitt, LePine, and Wesson's textbook *Organizational Behaviour: Improving Performance and Commitment in the Workplace*. I want to encourage Canadian adopters to reach out to me if I can help in any way with the book. I enjoy corresponding with adopters very much, so please do not hesitate to reach out to me. My email address is ian.gellatly@ualberta.ca.

## CHAPTER OVERVIEW

Organizational behaviour is a field of study devoted to understanding and explaining the attitudes and behaviours of individuals and groups in organizations. The two primary outcomes of organizational behaviour are job performance and organizational commitment. This chapter explores the factors that affect these outcomes, and shows how scientific studies provide evidence that good organizational behaviour policies are linked to employee productivity, firm profitability, and even firm survival. This chapter also shows how we "know what we know" about organizational behaviour by describing the scientific research process.

## LEARNING OUTCOMES

After reading this chapter, you should be able to answer the following questions:

1.1 What is the definition of "organizational behaviour" (OB)?
1.2 What are the two primary outcomes in studies of OB?
1.3 What factors affect the two primary OB outcomes?
1.4 Why might firms that are good at OB tend to be more profitable?
1.5 What is the role of theory in the scientific method?
1.6 How are correlations interpreted?

## CHAPTER OUTLINE

### 1. WHAT IS ORGANIZATIONAL BEHAVIOUR?

**Try This!:** Open the very first class by asking students to picture their worst co-worker ever and to list the things that person did to earn "worst co-worker" status. Then have them do the same with the best co-worker ever, listing the things that person did to earn "best co-worker" status. Both lists should be written on the board, a process that will result in a table similar to Table 1-1. Then get them to understand the importance of explaining why the two people act so differently. That process of explanation is what OB is all about.

#### Organizational Behaviour Defined

Organizational behaviour is a field of study devoted to understanding, explaining, and ultimately improving the attitudes and behaviours of individuals and groups in organizations

#### Role of Management Theory

Organizational behaviour is a field of study that has an important historical context, and has evolved from several historical movements and landmark studies—including Scientific Management and the Human Relations movement.

#### An Integrative Model of OB

1. Provides a roadmap for the field of organizational behaviour, and shows how different chapters in the text are related

2. Individual Outcomes – These are the two primary goals of organizational behaviour:
    a. Job Performance (Chapter 2) – how well employees do on the job
    b. Organizational Commitment (Chapter 3) – how likely employees are to remain with an organization. Employee retention is a huge issue for many Canadian firms.

3. Individual Characteristics and Mechanisms – These directly affect job performance and organizational commitment
    a. Personality, Cultural Values, and Ability (Chapter 4) – describe various individual traits and characteristics that say what we are like and what we can do
    b. Job Satisfaction (Chapter 5) – what employees feel about their work
    c. Stress and Well-Being (Chapter 6) – psychological responses to job demands that tax or exceed an employee's capabilities, and ways of coping effectively to promote physical and psychological health
    d. Motivation (Chapter 7) – energetic forces that drive an employee's work
    e. Trust, Justice, and Ethics (Chapter 8) – degree to which employees feel that their company does business with fairness, honesty, and integrity
    f. Learning and Decision Making (Chapter 9) – how employees gain job knowledge and use that knowledge to make decisions

4. Relational Mechanisms – These affect and provide a context for the individual mechanisms mentioned above
    a. Communication (Chapter 10) – describe the communication process as well as the different mediums information is exchanged within organizations; formal and informal communication networks
    b. Team Characteristics, Diversity, and Processes (Chapter 11) – the qualities that teams possess, including norms, roles, and the way team members depend on and relate to each other; understanding how diversity works within teams; also, how teams behave with regard to task work, teamwork, cooperation, and managing conflict
    c. Power, Influence, and Negotiation (Chapter 12) – the process by which individuals gain authority over other individuals
    d. Leader Styles and Behaviours (Chapter 13) – describes the specific actions leaders take to influence others at work

5. Organizational Mechanisms – Also affect individual mechanisms, because they influence the environment in which work is done
    a. Organizational Structure (Chapter 14) – shows how various units within an organization communicate; how an organization coordinates human activity
    b. Organization Culture and Change (Chapter 15) – describes the shared rules, norms, and values that shape behaviour for organizational employees, and how to change or manage cultures

## 2. DOES ORGANIZATIONAL BEHAVIOUR MATTER?

**OB Internationally**.
This feature is a valuable tool to help students understand how the relationships among OB concepts, and their applications, varies across cultures. A good way to begin discussing international issues in Chapter 1 is to ask students to describe their international experiences. How many students are international students? How many were born or raised in another country prior to moving to Canada? How many have lived or worked abroad? How many have gone abroad on study trips or vacations? Once you've gotten a feel for the experience levels of the class, ask students if they believe that the importance of the concepts in the integrative model of OB will vary across cultures, or whether their importance will be universal. If they believe the importance varies, should multinational corporations design their OB policies to function differently at different branches? What are the pluses and minuses of such a strategy?

**Building a Conceptual Argument**

1. Resource-based view of organizations – looks at what makes resources capable of creating long-term profits for a firm

2. Resources are considered to be more valuable when they are:
    a. Rare – "good people are hard to find"
    b. Inimitable – people are difficult to imitate for three reasons:
        i. History – people have a collective pool of experience, wisdom, and knowledge that benefits the organization
        ii. Numerous Small Decisions – big decisions are easy to copy—it is the small decisions that people make day-in and day-out that are significant for an organization

    **Try This!** Ask students to think of all the times when one company copied a big decision made by another. For example, consider when Microsoft decided to open retail stores in Canada that were designed to mimic the look and feel of Apple Stores at that time. What are some examples of times where that copying has proven successful? What are some examples of times when that copying seem to be successful? What explains those differences in copying success?

        iii. Socially Complex Resources – resources like culture, teamwork, trust and reputation come from the social dynamics of a given firm in a given time

**Research Evidence**

1. Study 1
    a. Survey of executives from 968 publicly held firms with 100 or more employees
    b. High performance work practices were related to decreased turnover, increased sales, increased market value, and increased profitability

2. Study 2
    a. The prospectuses of 136 companies undergoing IPOs in 1988 were examined for evidence that the company valued OB issues
    b. Firms which valued OB had a 19% higher survival rate than those that did not

3. Study 3
    a. "Best Companies to Work For" lists (e.g., Top 100 employers). Many of these companies demonstrate exceptional OB practices and are very profitable—even in difficult economic times.

    **Try This!** If the students have online access, have them work in small groups and look up some of the Canadian companies that have made the "Best Companies" or "Top Employers" lists (going beyond the companies listed in Figure 1-3). Ask them to consider how these lists could be used to scientifically test whether being good at OB improves profitability. Students can usually guess many of the details of the study described in the book.

**So, What's So Hard?**

1. Many organizations do a bad job of managing OB issues because they don't view OB issues in a comprehensive fashion
    a. No single OB practice can increase profitability by itself
    b. Rule of One-Eighth:
        i. Half the organizations don't believe there is a connection between people and profits
        ii. Half of those who see the connection try to make a single change, rather than attempting to make comprehensive changes
        iii. Half of the firms that make comprehensive changes persist long enough for those changes to make a difference
        iv. ½ x ½ x ½ = ?

## 3. HOW DO WE "KNOW" WHAT WE KNOW ABOUT ORGANIZATIONAL BEHAVIOUR?

According to philosophers, there are four ways of knowing things:

1. Method of experience – believing something because it is consistent with your experience
2. Method of intuition – believing something because it seems obvious or self-evident
3. Method of authority – believing something because a respected source has said it is so
4. Method of science – believing something because scientific studies have replicated that result using a series of samples, settings, and methods

**Try This**! Ask students how they know the factors that improve health. What kinds of dietary philosophies do they know to be healthy? What kinds of exercise practices do they know to be healthy? Once the "knowledge in the room" has been summarized, explore where that knowledge came from. How much of it was just experience or intuition? How much of it comes from authorities (e.g., doctors, trainers, books)? How much of it comes from science, either directly (news reports, magazine reports) or indirectly (through relevant authorities)? Does any of the "knowledge in the room" conflict with each other (for example, some students think a low-fat diet is more critical; others think a low carbohydrate diet is more critical)? Which method of knowing would be most valuable for reconciling such conflict?

**Scientific Method**

1. Theory – collection of assertions that specify how and why variables are related
2. Hypotheses – written predictions that specify relationships among variables
3. Data – collection and observation of behaviours and outcomes related to the hypotheses
4. Verification – use of statistical methods to determine whether a hypothesis can be disconfirmed
    a. Example of verification process is correlation

    **Try This!** Ask ten students to volunteer their height in inches and their weight in pounds. Ask them to write the numbers down on a sheet of scrap paper. Then input them into an Excel spreadsheet, placing them in columns A and B. Ask students to eyeball the two columns of numbers and guess the correlation. Then calculate it using this formula: =correl(a1:a10,b1:b10). Did the resulting correlation differ from the population value (.44, as given in Table 1-3). Ask the students why the class number might differ from the population value, using that to explain why multiple studies (and high sample sizes) are needed when performing OB research. Then ask the students whether the correlation between job satisfaction and job performance should be higher or lower than the correlation between height and weight. Use that frame of reference to get them to understand that correlations of .30 are actually moderate in size, and correlations of .50 are actually strong in size.

    b. Correlations are not enough to prove causation. Making causal inferences requires ruling out alternative explanations. Experimental methods are often used for that purpose, as they are able to control external factors that could create misleading correlations.
    c. A meta-analysis takes all the correlations found in a set of studies and calculates a weighted average of those correlations to help understand the overall relationships between variables. Meta-analyses can also be a helpful guide for evidence-based management, where management education and practice rely on scientific findings (as in medicine).

**OB on Screen:** ***Moneyball*.**
The clip referenced in the book begins around the 46:11 mark of the film, continuing until about the 49:45 mark. The scene depicts an argument between Billy Beane, the general

manager of the Oakland A's, and Grady Fuson, his head scout. Beane has embraced advanced analytics—statistics-based decision making as espoused by Pete Brand. Fuson prefers decision making based on experience and intuition, not science, referring to Brand as "Google Boy." Ask the students who is right, Beane or Fuson? The reality is that both are a little right and both are a little wrong. The method of science need not come at the expense of experience or intuition—all can be used to complement one another. Although Beane clearly denigrates the need for scouting in the clip, the reality is that most sports teams now have analytics experts and science experts. Beane's focus on science has stood the test of time, as the A's have remained successful. Unfortunately for them, other teams copied the use of analytics, given that the practice was not inimitable.

> **Try This!** Use the *Moneyball* clip for a different chapter. The clip provides a good example for discussing the rational decision-making model, types of decisions, and the value of experience and intuition from Chapter 9. Ask the students whose decisions are likely to be more faulty: a scout's or a statistical analyst's? Why?

**BONUS OB on Screen: *The Social Network*.**
The clip begins around the 21:32 mark of the film, continuing until about the 24:20 mark. The clip depicts Tyler and Cameron Winklevoss approaching Mark Zuckerberg to work on their site, the Harvard Connection. The scene encapsulates the inimitable advantage that Facebook had in the beginning (and that Harvard Connection would have had): Unlike Myspace or Friendster, you needed a harvard.edu email address to access it. Ask the students to describe why that represented such an inimitable advantage in the beginning. Then guide discussion toward the inimitable advantages that Facebook has garnered since the site was opened up to everyone.

## 4. SUMMARY: MOVING FORWARD IN THIS BOOK

**DEI in OB.**
This edition includes DEI in OB focus boxes. Because Canadian businesses are increasingly diverse, it will be up to students to create inclusive, equitable, and welcoming organizations for all. This feature draws in diverse speakers, vivid examples, and evidence-based recommendations to enrich DEI perspectives on the organizational behaviour concepts in the chapters.

We designed these boxes as supplementary to the textbook content, to provide new perspectives and depth on concepts. We see these boxes as an opportunity to start explicit conversations amongst students—to draw in different voices, lived experiences, and complexities that come with diverse workplaces. Ultimately, we aim to take "DEI" beyond a buzzword and bring to life how diversity and inclusion can enrich organizations and how leaders can set diverse organizations up for success. We provide prompting questions, additional readings and resources, and activities to help engage students with these feature boxes.

This first DEI in OB box, in Chapter 1, introduces students to the core concepts of diversity, equity, and inclusion.

**OB Assessments: Introspection**.
This brief survey can be used to give students a feel for the types of data that are often collected in organizational behaviour studies. Introspection, specifically, is relevant in an OB course because introspective students can use the content in the chapters to better understand their current and past work experiences, and their strengths and talents as employees. Use a show of hands to see how many students fell above and below the average level, and see if students will volunteer any extremely high or low scores. Challenge students who score low on the assessment to actively try to apply course content to their own experiences and characteristics.

**DISCUSSION QUESTIONS**

1. Assuming you possessed the right technical skills, would a job at D2L be appealing to you? What would be the most important positives associated with the position, in your view? What would be the most important negatives?

   *The answers will vary from person to person, but one of the more oft-mentioned positives would be working for a company that stood for something—that was on a mission to transform the way the world learns. One negative of working for a strong culture firm like D2L is that there might be an overemphasis on conformity, meaning that individuals could feel social pressure to align with company culture, even it if means suppressing their own ideas or ways of working.*

2. Think again about the worst co-worker you've ever had—the one who did some of the things listed in Table 1-1. Think of what that co-worker's boss did (or didn't do) to try to improve their behaviour. What did the boss do well or poorly? What would you have done differently, and which OB topics would have been most relevant?

   *One boss, when faced with a "bad" employee, got more and more authoritarian—finding fault with everything the employee did and penalizing the employee for every fault. As a result, the employee was more and more demotivated. An alternative approach would be to discuss the employee's strengths and weaknesses with them, determining the cause of the poor performance, and seeking more helpful solutions for dealing with it. For example, discussing the employee's individual characteristics might yield knowledge about how to place that person for maximum effectiveness and job satisfaction. An analysis of group mechanisms could help to determine whether the employee had the proper support to do their work. And an analysis of organizational mechanisms might provide information on changes that need to be made to the environment for the employee to improve.*

3. Which of the individual characteristics and mechanisms in Figure 1-1 seem to drive your performance and commitment the most? Do you think you're unique in that regard, or do you think most people would answer that way?

   *Answers to this question will vary, but the important point to make when discussing the question is that everyone is different, and that when trying to motivate employees, those differences must be taken into account.*

4. Think of something that you “know” to be true based on the method of experience, the method of intuition, or the method of authority. Could you test your knowledge using the method of science? How would you do it?

   *It is often fun to work with adages (i.e., short but memorable sayings which are considered true by many people). Examples might be “too many cooks spoil the soup,” “when it rains, it pours,” “don’t judge a book by its cover,” or “two heads are better than one.” Students will come up with others. Have students think of ways these could be tested scientifically. Answers will vary.*

**CASE: D2L**

**Questions:**

1. Given the highly technical nature of a software company, why might the company place such a high premium on inclusion and belonging in addition to technical/programming excellence?

   *For a software engineering firm like D2L, it’s safe to assume that people are selected for their formal education, technical mastery, and relevant experiences. However, success requires more than just programming or technical excellence. It requires people to work together in teams to come up with solutions to novel problems and opportunities. In this context, innovation requires both creativity and the input/perspectives from people who have different backgrounds and perspectives. The challenge, then, is how do you get technically-smart people who are different from one another to trust each other, communicate effectively, share information, embrace collaborative problem solving, socially integrate, and manage team conflict? For D2L, inclusivity programs are an important way in which the company helps its people get past their differences and begin to discover and appreciate what they all have in common. When people (and teams) have that common sense of purpose, it creates the conditions where communication and knowledge/perspective sharing can occur, and, in doing so, creativity and innovation can emerge.*

2. How might employee and management attitudes and values toward diversity help or frustrate the success of the company’s inclusion programs? Explain.

   *The extent to which people value and like working with others who are different from themselves tend to be expressed in day-to-day behaviours. In the collective, these affirmative attitudes, values, and behaviours will characterize the overall diversity culture. When there is consensus that diversity can be an asset, this shared understanding can greatly enhance efforts to promote feelings of inclusion through a company’s management practices, policies, and work rules. On the other hand, when the culture is indifferent to diversity, it can be much more difficult to get employees and managers to buy in and commit to the work needed to make inclusion programs successful.*

3. Would D2L's approach to its people-management practices work in all organizations and industries? Explain.

   *The people-management practices implemented by D2L can serve as a model for other organizations and industries. That said, practices and programs that have been built for a particular technical and organizational situation (e.g., where talented people have to collaborate to design innovative software aimed at facilitating learning styles and preferences within schools) will transfer best to contexts that have similar demands, advantages and constraints (e.g., when the situation calls for talented people from different backgrounds to work together to solve unique problems). In a very different situation, such as for organizations who operate within different industries, transfer might take more time. Here, care should be taken to optimize the internal conditions necessary for success, such as efforts to actively promote the value of inclusion.*

**BONUS CASE: IKEA (from the 5th Canadian edition)**

Does the name Ingvar Kamprad ring a bell? What if I told you he grew up on a farm called Elmtaryd, near the village of Agunnaryd? That's right—he was the founder of Sweden-based IKEA (and now you know what the letters stand for). Since its humble beginnings, IKEA has become a massive global home-furnishing retailer, operating 433 stores in 52 countries and employing 219,000 people. Kamprad has been described as having had the classic entrepreneur's personality—highly conscientious, highly creative, but very willing to disagree with the opinions and views of others. Those traits helped him make a number of innovations, including shipping furniture using "flatpacking," whereby the buyer assembles the finished product. Today, Kamprad's company tries to instill specific traits in its employees and its organizational culture. New hires are given the "Little IKEA Dictionary" that describes the importance of humility, heritage, simplicity, equality, inclusiveness, employee well-being, and sustainability.

How do such values shape the experience of working at IKEA? In terms of equality, senior executive Lars Petersson notes that "hierarchy is not a big Swedish thing. . .we actually work with trust rather than control." The company also values an inclusive work environment where co-workers feel a sense of togetherness, are valued for their unique and diverse talents, and feel they can be themselves. IKEA Canada, for instance, is proud that 51 percent of their managers and 52 percent of their co-workers are female. Another example of the company's commitment to inclusive culture is that LGBTQ2 (Lesbian, Gay, Bisexual, Transgender, Queer, Two-Spirit) co-workers are welcomed, respected, and appreciated for who they are. In short, at IKEA everyone deserves fair treatment and equal opportunities.

Finally, in terms of employee well-being, Nabeela Ixtabalan, the head of human resources, notes "My boss would say, 'Go home, you've been here too long,'. . . . Here, if you can't do your job successfully in a reasonable amount of time, you're doing something wrong." IKEA's pay philosophy is also sensitive to the long term. Hourly wages are generous and indexed to MIT's Living Wage Calculator. And part-time employees qualify for health benefits if they work 20 hours per week. These and other aspects of life at IKEA explain why it was recently named one of Fortune's "100 Best Companies to Work For."

The values in the "Little IKEA Dictionary" do more than shape the experience of working at IKEA. They also shape the actions the company takes as it interfaces with the world at large. For example, IKEA is a leader in helping to support refugees—people forced to leave their countries because of wars, disasters, or persecutions. The company designed and manufactured the Better Shelter—a flat-packed shelter that's solar powered and can fit a family of five. More than 16,000 shelters have been distributed around the world since 2015. The shelter even won the prestigious Beazley Design of the Year Award. IKEA also plans to sell a line of rugs made by Syrian refugees. The initiative will provide jobs for 200 refugees and the rugs will be sold in several Middle Eastern countries. Jesper Broden, an IKEA managing director, notes, "The situation in Syria is a major tragedy of our time. . . . We decided to look into how IKEA can contribute."

As another example, the company is doing what it can to promote environmental sustainability—a key challenge given the number of stores it operates. IKEA has installed solar panels at 90 percent of its stores. Moreover, a recent report placed it among the top North American companies for producing solar power. IKEA also unveiled "The Farm," a hydroponic garden that allows it to grow the food served in its in-store cafés—famous for their Swedish meatballs and cinnamon rolls. Finally, the company launched a "Save the Furniture" campaign in Belgium, where customers can sell their old furniture to IKEA, with the store then selling the furniture to its customers. Today, the sellback program offers Canadian customers an opportunity to create a more sustainable life at home and give their IKEA used furniture a new life.

Of course, those sorts of expressions of IKEA's values may not be as salient to employees as management philosophies, promotion rates, working hours, and compensation levels. Still, such actions may instill a sense of pride among the rank-and-file, encouraging them to see more meaning and purpose in their work. Such actions may also make employees think twice before accepting jobs at competitors who are less "society minded." Of course, customer awareness of IKEA's policies and initiatives could breed product loyalty—or even turn customers into applicants for job openings in the company.

**Questions**:

1. To what extent does a company's culture wind up reflecting the personality of its founder? To what extent does it reflect the values of the country it was founded in? Which seems to be a stronger force in the case of IKEA?

   *Certainly there will be elements of both, and both the founder and the country seem to have impacted the culture at IKEA. It's also important to note that—because founders grow up in a particular country—their traits are themselves shaped by the prevailing culture.*

2. IKEA operates in a number of countries around the world. The governments and people in those countries may have different attitudes about working hours, diversity efforts, pay levels, and political and environmental activism. Should companies alter their policies and activities in a way that is sensitive to such differences?

   *Most multinational companies do allow for variation in HR policies across countries—when those policies are peripheral to the core mission and philosophy of the firm. Policies that are core aspects of the firm's identity, however, wind up being maintained across countries. In IKEA's case, some of those policies and activities are core to their culture. Variation on them is likely restricted as a result.*

3. Assume you were an employee at an organization like IKEA, and *Fortune* surveyed you for its *100 Best Companies to Work For* list. To what extent would your attitudes be shaped not just by internal work policies, but also by how the company engages with society?

   *This will vary by person, but how a company engages with society is becoming a bigger and bigger part of what it means to work there. Social media amplifies how a company conducts itself, and business reporting has become more sensitive to such issues over time. Thus, the external facing aspects of a company are likely to be even bigger drivers of employee attitudes.*

**BONUS CASE: LEADING THE WAY (from the 3rd Canadian edition)**

What do an airline and a bank have in common? You would be correct if you guessed that both WestJet and the Royal Bank of Canada (RBC) were named along with a small handful of other companies as Canada's most admired companies. Why were these companies chosen? In spite of being in different industries, all had developed their respective corporate cultures in such a way as to unleash the talents of their people to achieve important organizational goals.

According to Gregg Saretsky, President and CEO of WestJet, "our culture of care not only delivers a world-class guest experience, but our culture is fundamentally important to sustaining and growing our business in the longer term." Commenting further on importance of culture, WestJet's Ferio Pugliese, Executive Vice-President, People and Culture, emphasized that "many organizations talk about the importance of values and culture. At WestJet we do more than talk—we LIVE IT! Our culture drives a superior guest experience that is brought to our guests consistently every day. That's because we have the right people on our team." But it's more than having a service-oriented, caring culture. "If you walk around our airports or our airplanes, and you come in contact with WestJetters, you'll see they act like they own the place. And we're really okay with that because that's what we're trying to create here at this company," says Ferio Pugliese.

For RBC, a winning corporate culture has meant openly valuing teamwork and ongoing learning and development, and embracing and harnessing the diversity of its employees. "Our strength comes from the combination of what we have in common, like our shared values, vision, and purpose, as well as what makes us different, like experiences and perspectives," says Gordon Nixon, president and CEO of RBC. "We recognize the value and power of tapping into the full spectrum of ideas and abilities that people possess. Doing just that has been a strong part of RBC's past success and is crucial for seizing the opportunities ahead. We are competing in a global marketplace, and we know that our growth will depend on an increasingly diverse and global workforce." Without a doubt, "it is our people that bring our brand to life every day with our clients," says Zabeen Hirji, Chief Human Resources Officer.

Both WestJet and the RBC are people-driven companies that have been able to find employees who are conscientious and intelligent, motivated and satisfied with their jobs, and committed to their organizations for a longer-than-normal period of time, and who perform their job duties reliably and enthusiastically. Simply put, both are leading Canadian companies that seem to be doing an excellent job managing organizational behaviour!

As alluded to earlier, RBC is Canada's largest bank as measured by assets and market capitalization, and among the largest banks in the world in terms of market capitalization. It is a leading financial services company providing personal and commercial banking, wealth management services, insurance, corporate and investment banking, and transaction processing. In total, RBC employs approximately 79,000 full- and part-time employees who serve close to 16 million personal, business, public sector, and institutional clients through offices in Canada, the United States, and 42 other countries.

The employees at RBC are very different on the surface. For instance, within Canada, the workforce demographics break down as follows: approximately 69 percent are women, 1.6 percent are Indigenous, 3.7 percent are persons with disabilities, and 27.3 percent are visible minorities. According to Zabeen Hirji, Chief Human Resources Officer, differences in people and their talents are seen as valuable and as potential assets, and also a source of sustainable competitive advantage. It is not surprising to learn, therefore, that diversity for growth and innovation is one of RBC's core values and an integral part of their business strategy. What does this mean? Well, for RBC, this means understanding and drawing on the strength of diversity to meet the needs of clients around the world, building strong relationships in the many communities they serve, and fully engaging the talents of their people. Hirji goes on to say that "only by fully leveraging the talents and potential of a diverse workforce, can companies ensure economic prosperity in the face of changing conditions and challenging economic times."

But how does RBC implement its diversity strategy? Several key activities include hiring people who have the technical, behavioural, and diversity requirements for the position being filled, investing heavily in training throughout the company, and promoting internal mentoring relationships. One example is its Diversity Dialogues program, a reciprocal mentoring program in which mid-level women or visible minority employees are matched with senior leaders and executives. Says Cheryl Tjok-A-Tam, "it was one of the best experiences of my career. It gave me a remarkable insight not just into ways to promote diversity and inclusion but also into what it takes to advance to senior positions within the bank." According to Naim Kazmi, it was through the reciprocal mentoring program that "I got to tell my story to someone who was listening and wanted to help me bring my unique experiences and perspectives to the organization."

**Questions:**

1. Most of you would agree that it is easy to get along and work with people who are similar to us. Yet diversity programs like the one described at RBC are intentionally designed to bring together people who are different in some way. Isn't this a recipe for conflict? What do you think might have to happen for these programs to be really successful? Explain.

   *The case illustrates what a leading Canadian organization is doing to promote a diverse workforce. This question was designed to help students discover a potential dilemma with this strategy. On the one hand diversity (i.e., having group members who are different with respect to ethnicity, expertise, personality, abilities, interests and values) provides for a larger pool of resources and perspectives from which the group, team, or organization can draw upon to carry out its work. On the other hand, and as implied in the question, people who are fundamentally different may encounter more trouble communicating and coordinating their respective activities—possibly leading to conflict. So, does diversity help or harm a group, team, or organization? To make sense of this, students should recognize that diversity occurs on different levels (see Chapter 11): surface-level diversity (observable differences, such as physical characteristics, style of dress, or language) versus deep-level diversity (differences in values, interests and attitudes that are inferred from behaviour). Yes, it is possible to be different on the surface, yet similar in attitudes and core values which, in turn, should enhance communication within the team. Diversity becomes a problem when surface-level differences extend to deep-level attributes that are important for job performance.*

2. In the case we heard reactions from two participants in RBC's reciprocal mentoring program. Why do you think that they call is reciprocal? What effects, if any, do you think participation has on the mentors? Explain.

   *The notion of reciprocal mentoring is when people who are being mentored agree to mentor others. It's a very powerful way to establish supportive internal social networks, and facilitates the communication and exchange of tacit knowledge (see Chapter 9) so critical for one's career advancement. In the case, establishing internal mentoring relations is one of the initiatives that RBC uses to promote diversity conversations and dialogue—and understanding! The effect of this program is twofold. Mentors benefit because they have a chance to hear, firsthand, what some of the challenges and issues are when it comes to diversity. These concerns can then inform subsequent strategy and implementation decisions. Of course, mentees benefit because they feel their concerns are being heard and that the organization cares about and supports them. As we will see in Chapter 3, these feelings are important for fostering both affective and normative commitment, which pay off in terms of staying and higher performance.*

3. According to a recent census by Statistics Canada, 51% of Canadians were women, 3.8% were Indigenous peoples, and 16.2% were visible minorities. There were no statistics for people with disabilities. According to Statistics Canada, we also know that more and more people will be leaving the labour force as members of the baby-boom generation approach retirement age. What are the implications of these external realities for RBC and its approach to diversity management? Explain.

   *This question has been designed to evoke controversy and spirited discussion. The information in the case states that RBC workforce demographics are as follows: 69% are women, 1.6% are Indigenous peoples, 3.7% are persons with disabilities, and 27.3% are visible minorities. Students should see that when compared with national statistics, women and visible minorities might be over-represented, whereas the proportion of Indigenous peoples is slightly under-represented. Is this a problem? Student opinions will vary as they should—this is a tricky issue. One of the major implications of mass baby-boom retirement is that many experienced and skilled individuals will be leaving organizations across the country. On the one hand, this should create promotion opportunities for all incumbents who desire a chance to develop their careers. On the other hand, the risk is that demand for skilled workers will increase in an ever-increasing competitive labour market. One way to address the anticipated labour shortage is to make the bank more attractive to under-represented groups—in this case, male applicants. Another way to address this issue would be to make the bank more attractive to older workers, who may have retired from their formal duties but are willing to come back part-time or on a contract basis. It is noteworthy that some of the fastest growing segments in our population are Indigenous communities. Finding ways to tap into this labour pool would be positive. The fact the bank has established (and successful) diversity programs in place would make this organization attractive for Indigenous workers.*

## EXERCISE: IS OB COMMON SENSE?

### Instructions:

Many students complain that OB is "just common sense." They typically say this after hearing some intuitive research finding such as "perceptions of task variety are positively related to job satisfaction." However, virtually anything seems intuitive once you've heard it—the trick is to come up with the important concepts yourself before being told about them. This exercise shows how difficult it can be to do that, thereby demonstrating that OB isn't just common sense. This exercise should take around 15 minutes. Begin by going over the sample theory diagram (for movie box office receipts) so that they understand what a theory diagram is. Then put them into groups and have them pick from among the four potential topics (job satisfaction, strain, motivation, trust in supervisor). Have them create a diagram of their own using their chosen topic as a dependent variable.

> **Try This!** A slightly different approach would be to begin with a set of counter-productive behaviours (e.g., stealing, cyber slacking, bullying, absenteeism) selected by the instructor. Organize the class into small groups and assign a "problem behaviour" to each one. Have each group create a theory diagram that explains the behaviour in question. Specifically ask

that groups identify person and situational factors in their theories. When called upon, groups present their theory to the class. You'll likely find that students are able to identify some of the factors that might contributed to these behaviors and are supported by academic research. However, the models described, and subsequent explanations provided, by the students will likely also include factors that have not been supported by research, or the causal logic might be too simple or incomplete. Use this exercise to show there is more to OB than common sense. And that only by fully understanding the causes of these behaviours are managers able to implement policies and work practices that address the root causes. In your discussion of these models, relate the concepts and ideas back to material that will be discussed in the chapters.

**Questions:**

If OB was just common sense, students wouldn't include variables in their model that don't actually impact the outcome in question. Nor would they omit variables from the model that do impact the outcome in question. Either kind of mistake shows that students don't automatically know what OB concepts are relevant to key OB outcomes.

## APPLICATION-BASED ACTIVITY TEACHING NOTE

### CHANGE MANAGEMENT: A FRESH NEW IDEA

**I. Introduction**

Fresh Stuff Grocery currently takes inventory at each of its locations manually (by hand) and management is considering changing to an electronic inventory format. The concern is that employees may be resistant to the change. The student will play the role of the company's CEO and will need to successfully lead the change.

**II. Simulation Content**

The simulation starts with the player meeting with their VP and a senior analyst to discuss a change to an electronic inventory system. The player will review data from the company, including employee surveys, to ascertain the best method to implement the change. Once the change happens, the player will need to work with their team to ensure the different supermarket locations are adjusting to the change so that it sticks. This includes showing some early wins, such as an improvement in inventory tracking and reordering.

**III. Why This Activity is Important**

Oftentimes, students don't understand how change is a process and not as simple as a directive coming from senior management. The simulation will allow the student to master Lewin's change model and use the change of an inventory tracking system at a supermarket to experiment with how unfreezing, changing, and refreezing can be applied in a business setting. Moreover, students will have the opportunity to think critically by reviewing data from the supermarket to identify issues and also ensure success. The simulation will provide feedback every step of the way, allowing students to see the consequences of their decisions.

**IV. Learning Objective**

1. Understand Lewin's Change Model
2. Evaluate a scenario using Lewin's Change Model.

**V. Scoring Dimensions**

The following theoretical concepts from the chapter are covered and scored in the simulation:

| Theoretical Concepts | Percentage of Simulation | How is This Assessed? |
|---|---|---|
| Change Implementation | 55% | • Students will need to identify the steps in Lewin's Change Model and how they apply to the challenge at hand. |

| | | |
|---|---|---|
| | | • Students will need to identify what information is necessary in order to make the best, change-based decisions.<br>• Students will need to evaluate the challenge at the supermarket and decide how to effectively apply the steps in the change model. |
| Unfreezing | 15% | • Students will need to apply tactics associated with the unfreezing stage of the change model in order to effectively transition to an electronic inventory system. |
| Changing or moving | 15% | • Students will need to apply tactics associated with the changing stage of the change model in order to effectively transition to an electronic inventory system. |
| Refreezing | 15% | • Students will need to apply tactics associated with the refreezing stage of the change model in order to effectively transition to an electronic inventory system. |

**VI. Discussion Questions**

1. Can you revert back to earlier stages of Lewin's Change Model? Why or why not?
2. What are some of the reasons why employees at the supermarket may resist the inventory management change?
3. Should the tactics used to inspire change differ based upon what level of management you are trying to influence? Explain.

**VII. Follow-up Activity**

Students can be assembled into groups of 4 to 5 in order to create a one-page **Fresh Stuff Management Checklist** document. This document will be used by Fresh Stuff managers at each location to introduce the change to employees, and it should have tips for how the manager should oversee the change process. Students can be creative and should assume that the checklist will assist in changing the inventory management system.

This activity can also be completed in an online course via the use of discussion boards. Students should first be asked to complete the Application-Based Activity, then should be put in online groups. Whether the activity is utilized in an in-person or online class, the instructor should provide feedback on each group's document.