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PART

INDIVIDUAL BEHAVIOUR



2 Personality and Learning

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CHAPTER 2

PERSONALITY AND LEARNING

LEARNING OBJECTIVES

After reading Chapter 2, you should be able to:

- 2.1 Define *personality* and discuss its general role in influencing organizational behaviour.
- 2.2 Describe the *dispositional*, *situational*, and *interactionist* approaches to organizational behaviour and *trait activation theory*.
- 2.3 Discuss the Five-Factor Model of personality.
- 2.4 Describe and discuss the consequences of *locus of control*, *self-monitoring*, and *self-esteem*.
- 2.5 Discuss *positive* and *negative affectivity*, *proactive personality*, *general self-efficacy*, and *core self-evaluations* and their consequences.
- 2.6 Define *learning* and describe what is learned in organizations.
- 2.7 Explain *operant learning theory* and differentiate between *positive* and *negative reinforcements*.
- 2.8 Explain when to use immediate versus delayed reinforcement and when to use continuous versus partial reinforcement.
- 2.9 Distinguish between *extinction* and *punishment* and explain how to use punishment effectively.
- 2.10 Explain social cognitive theory and discuss *observational learning*, *self-efficacy beliefs*, and *self-regulation*.
- 2.11 Describe the following organizational learning practices: *organizational behaviour modification*, *employee recognition programs*, *training and development programs*, and *career development*.

THE ECONOMICAL INSURANCE GROUP (TEIG)

The Economical Insurance Group (TEIG) is a property and casualty insurance company that was founded in 1871. Its first insurance policy was written on a barn in Berlin, Ontario. Today, TEIG has more than 2500 employees and it is one of the largest property and casualty insurance companies in Canada. From its head office located in Waterloo, Ontario, and an additional 19 branches and member companies across Canada, TEIG offers a wide range of personal, commercial, farm, and surety products.

A few years ago, the company's medical plan costs had been increasing at an annual rate of 8 to 12 percent. So in the summer of 2008, members of the human resources department began to think seriously about a wellness strategy. TEIG needed a program that would meet the following goals: build employee awareness of individual health; enhance employee engagement; reward employees for a broad range of wellness behaviours; enhance organiza-

tional health; have the flexibility to evolve as needs change; and produce measureable results in group benefits experience, absenteeism, and other key areas in three to five years.

In the first year of the program, the company focused on enhancing the awareness of individual employees and overall organizational health, as this would set the baseline for future strategies and initiatives. A wellness campaign was designed, including biometric clinics and wellness assessments, and a new personal wellness account was introduced.

The biometric screening clinics involved voluntary, confidential 15-minute appointments with a registered nurse to look for six heart disease risk factors. Employees were provided with wallet cards documenting their measures so they could monitor changes, speak with their physicians, and enter the information into their wellness assessments.

The confidential wellness assessment was housed on the benefit carrier's website and contained 32 questions



TEIG launched a wellness program that rewards employees for making changes in their health-related behaviours and lifestyle.

assessing 10 health risks (such as health habits, readiness to change, culture, and productivity). Each employee received an individualized report summarizing their results, along with tips to improve areas needing attention. Employees who completed the assessment within the promoted time frame were provided with \$300 in wellness credits deposited into a personal wellness account through their flexible benefit plan. The credits can be used for things such as fitness/sports equipment, lessons, and weight management programs. More than one-half (54 percent) of employees participated.

In the second year of the program, TEIG added a team wellness challenge to the program to create action and behaviour changes. This required employees to take action by focusing on particular risk areas. Teams worked toward common health goals and logged activities using an online journal.

The main challenge included a minimum amount of physical activity. For each minute of exercise, participants got a point. In addition, teams received bonus points for participation in focus areas (e.g., eating five fruits and veggies a day, drinking water, and taking time for oneself). Individual scores were combined to make team scores and the team with the most points won.

Employees who did the team challenge were rewarded with \$150 for their personal wellness accounts while those who completed a wellness assessment received a further \$150. The change in the incentive strategy from the first year to the second year is a purposeful, multi-year approach that progressively requires employees to adjust behaviours.

To create a year-round focus on physical activity, TEIG also launched a four-week spring walking challenge (Stride into Summer) that involved more than 70 percent of employees walking more than 112 000 kilometres. Senior executives acted as role models by sharing their personal wellness-related stories.

Reviewing the results against the objectives indicates that employees are learning more about their individual health. Ninety-two percent of biometric screening participants said it helped them learn more about cardiovascular health and 71 percent said they will be making changes to their lifestyle. Testimonials from employees who have begun to change their lifestyles and see real health gains also indicate that the program has been effective.

Employees will now be challenged to sustain the changes they have made in their behaviour. TEIG expects that within another two years, the program should see measureable improvements in the group benefits experience and absenteeism. It is also hoped that the program will enhance employee engagement and productivity, and help contain rising health-care costs.¹

Learning is a critical requirement for effective organizational behaviour, and as you probably have heard, for organizations to remain competitive in today's rapidly changing and competitive environment, employee learning must be continuous and lifelong. As you can tell from the opening vignette, employees at TEIG are learning about their health and changing their behaviour to live healthier lifestyles. But how do people learn and how can organizations change employees' behaviour? What learning principles and theories are involved? In this chapter we will focus on the learning process and see how learning in organizations takes place. While learning is necessary for people to change their behaviours, studies in organizational behaviour have shown that behaviour is also a function of people's personalities. Therefore, we begin this chapter by considering personality and organizational behaviour.

Kirmac Collision Services focuses on personality when recruiting and hiring employees.



LO 2.1

Define *personality* and discuss its general role in influencing organizational behaviour.

Personality. The relatively stable set of psychological characteristics that influences the way an individual interacts with his or her environment.

WHAT IS PERSONALITY?

The notion of personality permeates thought and discussion in our culture. We are bombarded with information about “personalities” in the print and broadcast media. We are sometimes promised exciting introductions to people with “nice” personalities. We occasionally meet people who seem to have “no personality.”

Personality is so important that some companies focus on personality when hiring employees. For example, Kirmac Collision Services, an automotive collision repair company based in Coquitlam, British Columbia, has taken a new approach to recruiting and hiring employees that focuses less on industry-specific experience and skills and more on personality.² But what exactly *is* personality?

Personality is the relatively stable set of psychological characteristics that influences the way an individual interacts with his or her environment and how he or she feels, thinks, and behaves. An individual's personality summarizes his or her personal style of dealing with the world. You have certainly noticed differences in personal style among your parents, friends, professors, bosses, and employees. They are reflected in the distinctive way that they react to people, situations, and problems.

Where does personality come from? Personality consists of a number of dimensions and traits that are determined in a complex way by genetic predisposition and by one's long-term learning history. Although personality is relatively stable, it is certainly susceptible to change through adult learning experiences. And while we often use labels such as "high self-esteem" to describe people, we should always remember that people have a *variety* of personality characteristics. Excessive typing of people does not help us to appreciate their unique potential to contribute to an organization.

PERSONALITY AND ORGANIZATIONAL BEHAVIOUR

Personality has a rather long and rocky history in organizational behaviour. Initially, it was believed that personality was an important factor in many areas of organizational behaviour, including motivation, attitudes, performance, and leadership. In fact, after the Second World War, the use of personality tests for the selection of military personnel became widespread, and, in the 1950s and 1960s it became popular in business organizations.

This approach to organizational behaviour is known as the **dispositional approach** because it focuses on individual dispositions and personality. According to the dispositional approach, individuals possess stable traits or characteristics that influence their attitudes and behaviours. In other words, individuals are predisposed to behave in certain ways. However, decades of research produced mixed and inconsistent findings that failed to support the usefulness of personality as a predictor of organizational behaviour and job performance. As a result, there was a dramatic decrease in personality research and a decline in the use of personality tests for selection.

Researchers began to shift their attention to factors in the work environment that might predict and explain organizational behaviour. This approach became known as the **situational approach**. According to the situational approach, characteristics of the organizational setting, such as rewards and punishment, influence people's feelings, attitudes, and behaviour. For example, many studies have shown that job satisfaction and other work-related attitudes are largely determined by situational factors such as the characteristics of work tasks.³

Over the years, proponents of both approaches have argued about the importance of dispositions versus the situation in what is known as the "person–situation debate." Although researchers argued over which approach was the right one, it is now believed that both approaches are important for predicting and understanding organizational behaviour. This led to a third approach to organizational behaviour, known as the "interactionist approach," or "interactionism." According to the **interactionist approach**, organizational behaviour is a function of both dispositions and the situation. In other words, to predict and understand organizational behaviour, one must know something about an individual's personality and the setting in which he or she works. This approach is now the most widely accepted perspective within organizational behaviour.⁴

To give you an example of the interactionist perspective, consider the role of personality in different situations. To keep it simple, we will describe situations as being either "weak" or "strong." In weak situations it is not always clear how a person should behave, while in strong situations there are clear expectations for appropriate behaviour. As a result, personality has the most impact in weak situations. This is because in these situations (e.g., a newly formed volunteer community organization) there are loosely defined roles, few rules, and weak reward and punishment contingencies. However, in strong situations, which have more defined roles, rules, and contingencies (e.g., routine military operations), personality tends to have less impact.⁵ Thus, as you can see, the extent to which personality influences people's attitudes and behaviour depends on the situation. Later in the text you will learn that the extent to which people perceive stressors as stressful and the way they react to stress is also influenced by their personality. This is another example of the interactionist approach to organizational behaviour.

One of the most important implications of the interactionist perspective is that some personality characteristics are useful in certain organizational situations. According to

LO 2.2

Describe the *dispositional*, *situational*, and *interactionist* approaches to organizational behaviour and *trait activation theory*.

Dispositional approach. Individuals possess stable traits or characteristics that influence their attitudes and behaviours.

Situational approach. Characteristics of the organizational setting influence people's attitudes and behaviour.

Interactionist approach. Individuals' attitudes and behaviour are a function of both dispositions and the situation.

Trait activation theory.

Traits lead to certain behaviours only when the situation makes the need for the trait salient.

trait activation theory, traits lead to certain behaviours only when the situation makes the need for that trait salient. In other words, personality characteristics influence people's behaviour when the situation calls for a particular personality characteristic.⁶ Thus, there is no one best personality and managers need to appreciate the advantages of employee diversity. A key concept here is *fit*: putting the right person in the right job, group, or organization and exposing different employees to different management styles.

In recent years, there has been a resurgence of interest in personality research in organizational behaviour. One of the main problems with the early research on personality was the use of inadequate measures of personality characteristics. However, advances in measurement and trends in organizations have prompted renewed interest. For example, increased emphasis on service jobs with customer contact, concern about ethics and integrity, and contemporary interest in teamwork and cooperation all point to the potential contribution of personality.⁷

Another reason for the renewed interest in personality has been the development of a framework of personality characteristics known as the Five-Factor Model, or the “Big Five,” which provides a framework for classifying personality characteristics into five general dimensions. This framework makes it much easier to understand and study the role of personality in organizational behaviour.⁸

In what follows, we first discuss the five general personality dimensions of the Five-Factor Model. Then we cover three well-known personality characteristics with special relevance to organizational behaviour. We then discuss recent developments in personality research. Later in the text, we will explore the impact of personality characteristics on job satisfaction, motivation, leadership, ethics, organizational politics, and stress.

LO 2.3

Discuss the Five-Factor Model of personality.

The Five-Factor Model of Personality

People are unique, people are complex, and there are literally hundreds of adjectives that we can use to reflect this unique complexity. Yet, over the years, psychologists have discovered that there are about five basic but general dimensions that describe personality. These Big Five dimensions are known as the Five-Factor Model (FFM) of personality and are summarized in Exhibit 2.1a longwi thsom ei llustrativet raits.⁹ The dimensions are:

- **Extraversion.** This is the extent to which a person is outgoing versus shy. Persons who score high on extraversion tend to be sociable, outgoing, energetic, joyful, and assertive. High extraverts enjoy social situations, while those low on this dimension (introverts) avoid them. Extraversion is especially important for jobs that require a lot of interpersonal interaction, such as sales and management, where being sociable, assertive, energetic, and ambitious is important for success.
- **Emotional stability/Neuroticism.** This is degree to which a person has appropriate emotional control. People with high emotional stability (low neuroticism) are self-confident and have high self-esteem. Those with lower emotional stability (high neuroticism) tend toward self-doubt and depression. They tend to be anxious, hostile, impulsive, depressed, insecure, and more prone to stress. As a result, for almost any job the performance of persons with low emotional stability is likely to suffer. Persons

EXHIBIT 2.1

The Five-Factor Model of personality.

Extraversion	Emotional Stability	Agreeableness	Conscientiousness	Openness to Experience
Sociable, Talkative vs. Withdrawn, Shy	Stable, Confident vs. Depressed, Anxious	Tolerant, Cooperative vs. Cold, Rude	Dependable, Responsible vs. Careless, Impulsive	Curious, Original vs. Dull, Unimaginative

who score high on emotional stability are likely to have more effective interactions with co-workers and customers because they tend to be more calm and secure.

- **Agreeableness.** This is the extent to which a person is friendly and approachable. More agreeable people are warm, considerate, altruistic, friendly, sympathetic, cooperative, and eager to help others. Less agreeable people tend to be cold and aloof. They tend to be more argumentative, inflexible, uncooperative, uncaring, intolerant, and disagreeable. Agreeableness is most likely to contribute to job performance in jobs that require interaction and involve helping, cooperating, and nurturing others, as well as in jobs that involve teamwork and cooperation.
- **Conscientiousness.** This is the degree to which a person is responsible and achievement-oriented. More conscientious people are dependable and positively motivated. They are orderly, self-disciplined, hard-working, and achievement-striving, while less conscientious people are irresponsible, lazy, and impulsive. Persons who are high on conscientiousness are likely to perform well on most jobs given their tendency toward hard work and achievement.
- **Openness to experience.** This is the extent to which a person thinks flexibly and is receptive to new ideas. More open people tend toward creativity and innovation. Less open people favour the status quo. People who are high on openness to experience are likely to do well in jobs that involve learning and creativity given that they tend to be intellectual, curious, and imaginative, and to have broad interests.

The Big Five dimensions are relatively independent. That is, you could be higher or lower in any combination of dimensions. Also, they tend to hold up well cross-culturally. Thus, people in different cultures use these same dimensions when describing the personalities of friends and acquaintances. There is also evidence that the Big Five traits have a genetic basis.¹⁰

RESEARCH EVIDENCE Research has linked the Big Five personality dimensions to organizational behaviour. First, there is evidence that each of the Big Five dimensions is related to job performance and organizational citizenship behaviours (voluntary behaviour that contributes to organizational effectiveness such as helping co-workers; see Chapter 4 for a detailed discussion of organizational citizenship behaviour).¹¹ Generally, traits like those in the top half of Exhibit 2.1 lead to better job performance and more citizenship behaviours. Further, the Big Five dimensions that best predict job performance depend on the occupation. For example, high extraversion is important for managers and salespeople. However, high conscientiousness predicts performance in all jobs across occupations and is also the strongest predictor of all the Big Five dimensions of overall job performance.¹²

Second, research has also found that the Big Five are related to other work behaviours. For example, one study showed that conscientiousness is related to retention and attendance at work and is also an important antidote for counterproductive behaviours such as theft, absenteeism, and disciplinary problems.¹³ Extraversion has also been found to be related to absenteeism; extraverts tend to be absent more often than introverts.¹⁴

The Big Five are also related to work motivation and job satisfaction. In a study that investigated the relationship between the Big Five and different indicators of work motivation, the Big Five were found to be significantly related to motivation. Among the five dimensions, neuroticism and conscientiousness were the strongest predictors of motivation, with the former being negatively related and the latter being positively related.¹⁵ In another study, the Big Five were shown to be significantly related to job satisfaction. The strongest predictor was neuroticism (i.e., emotional stability) followed by conscientiousness, extraversion, and, to a lesser extent, agreeableness. Openness to experience was not related to job satisfaction. Higher neuroticism was associated with lower job satisfaction, while higher extraversion, conscientiousness, and agreeableness were associated with higher job satisfaction. Similar results have been found for life satisfaction. In addition, individuals with higher conscientiousness, extraversion,

agreeableness, and emotional stability perform better on a team in terms of their performance of important team-relevant behaviours such as cooperation, concern, and courtesy to team members.¹⁶

The Big Five are also related to job search and career success. Extraversion, conscientiousness, openness to experience, and agreeableness have been found to relate positively to the intensity of a job seeker's job search, while neuroticism was negatively related. As well, conscientiousness was found to be positively related to the probability of obtaining employment.¹⁷ In addition, high conscientiousness and extraversion and low neuroticism have been found to be associated with a higher income and occupational status. Perhaps most interesting is the fact that these personality traits were related to career success even when the influence of general mental ability was taken into account. Furthermore, both childhood and adult measures of personality predicted career success during adulthood over a period of 50 years. These results suggest that the effects of personality on career success are relatively enduring.¹⁸

The above findings all indicate that one's personality can influence one's attitudes and behaviours. But can the personality of a CEO influence the performance of an organization? To find out, see the Research Focus: *CEO Personality and Firm Performance*.

As noted earlier, the Big Five personality dimensions are basic and general. However, years of research have also identified a number of more specific personality characteristics that influence organizational behaviour, including locus of control, self-monitoring, and self-esteem. Let's now consider each of these.

LO 2.4

Describe and discuss the consequences of *locus of control*, *self-monitoring*, and *self-esteem*.

Locus of Control

Consider the following comparison. Laurie and Stan are both management trainees in large banks. However, they have rather different expectations regarding their futures. Laurie has just enrolled in an evening Master of Business Administration (MBA) program in a nearby university. Although some of her MBA courses are not immediately applicable to her job, Laurie feels that she must be prepared for greater responsibility as she moves up in the bank hierarchy. Laurie is convinced that she will achieve promotions because she studies hard, works hard, and does her job properly. She feels that an individual makes her own way in the world and that she can control her own destiny. She is certain that she can someday be the president of the bank if she really wants to be. Her personal motto is "I can do it."

Stan, on the other hand, sees no use in pursuing additional education beyond his bachelor's degree. According to him, such activities just do not pay off. People who get promoted are just plain lucky or have special connections, and further academic preparation or hard work has nothing to do with it. Stan feels that it is impossible to predict his own future, but he knows that the world is pretty unfair.

Laurie and Stan differ on a personality dimension called **locus of control**. This variable refers to individuals' beliefs about the *location* of the factors that control their behaviour. At one end of the continuum are high internals (like Laurie), who believe that the opportunity to control their own behaviour resides within themselves. At the other end of the continuum are high externals (like Stan), who believe that external forces determine their behaviour. Not surprisingly, compared with internals, externals see the world as an unpredictable, chancy place in which luck, fate, or powerful people control their destinies (see Exhibit 2.2).¹⁹

Internals tend to see stronger links between the effort they put into their jobs and the performance level that they achieve. In addition, they perceive to a greater degree than externals that the organization will notice high performance and reward it.²⁰ Since internals believe that their work behaviour will influence the rewards they achieve, they are more likely to be aware of and to take advantage of information that will enable them to perform effectively.²¹

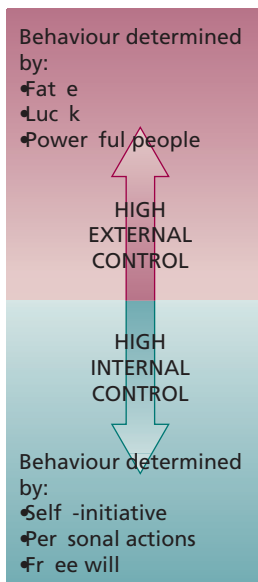


EXHIBIT 2.2
The internal/external locus of control continuum.

RESEARCH FOCUS

CEO PERSONALITY AND FIRM PERFORMANCE

As organizations struggle to remain competitive in today's increasingly global environment, a key success factor is the ability to adapt quickly to environmental changes or what is known as *strategic flexibility*. Strategic flexibility has been shown to drive firm performance.

The CEO of an organization plays a key role in driving strategic change and can have a profound effect on an organization's strategic direction and performance. But can the CEO's personality influence strategic flexibility and firm performance?

To find out, Sucheta Nadkarni and Pol Herrmann conducted a study of CEOs of 195 small and medium-sized enterprises (SMEs) from the Indian business process outsourcing industry. Offshore business process outsourcing is the transfer of the operational ownership of one or more of a firm's processes to an external provider from another country that then manages the processes according to predetermined metrics. India is the leader in business process outsourcing services, an industry where strategic flexibility is central to success and survival.

The researchers predicted that a CEO's personality can influence firm performance by either enhancing or inhibiting strategic flexibility. This is because the CEO's personality will influence how he/she searches for and interprets information that is central to developing strategic flexibility.

Nadkarni and Herrmann focused on the five dimensions of the Five-Factor Model and predicted that each dimension will be positively or negatively related to strategic flexibility. The CEOs completed a personality and demographic survey, and at least two top managers that report directly to the CEO completed a strategic flexibility survey. Financial performance records were obtained from each firm.

The results indicated that emotional stability, extraversion, and openness to experience were positively related to strategic flexibility while conscientiousness was negatively related. Medium levels of agreeableness were related to the most strategic flexibility. In addition, strategic flexibility was positively related to firm performance.

These results indicate that CEO extraversion, emotional stability, and openness to experience enhanced firm performance by fostering strategic flexibility, whereas CEO conscientiousness undermined firm performance by inhibiting flexibility. Medium levels of agreeableness maximized strategic flexibility and firm performance.

This study highlights the importance of CEO personality in fostering strategic flexibility and firm performance.

Source: Based on Nadkarni, S., & Herrmann, P. (2010). CEO personality, strategic flexibility, and firm performance: The case of the Indian business process outsourcing industry. *Academy of Management Journal*, 53, 1050-1073.

Research shows that locus of control influences organizational behaviour in a variety of occupational settings. Evidently, because they perceive themselves as being able to control what happens to them, people who are high on internal control are more satisfied with their jobs, more committed to their organizations, earn more money, and achieve higher organizational positions.²² In addition, they seem to perceive less stress, to cope with stress better and experience less burnout, and to engage in more careful career planning. They are also less likely to be absent from work and to be more satisfied with their lives.²³

Locus of control.

A set of beliefs about whether one's behaviour is controlled mainly by internal or external forces.

Self-Monitoring

We are sure that you have known people who tend to “wear their heart on their sleeve.” These are people who act the way they feel and say what they think in spite of their social surroundings. We are also sure that you have known people who are a lot more sensitive to their social surroundings, a lot more likely to fit what they say and do to the nature of those surroundings regardless of how they think or feel. What we have here is a contrast in **self-monitoring**, which is the extent to which people observe and regulate how they appear and behave in social settings and relationships.²⁴ The people who “wear their heart on their sleeve” are low self-monitors. They are not so concerned with scoping out and fitting in with those around them. Their opposites are high self-monitors, who take great care to observe the thoughts, actions, and feelings of those around them and control the images that they project. In this sense, high

Self-monitoring. The extent to which people observe and regulate how they appear and behave in social settings and relationships.

self-monitors behave somewhat like actors. In particular, high self-monitors tend to show concern for socially appropriate emotions and behaviours, to tune in to social and interpersonal cues, and to regulate their behaviour and self-presentation according to these cues.

How does self-monitoring affect organizational behaviour?²⁵ For one thing, high self-monitors tend to gravitate toward jobs that require, by their nature, a degree of role-playing and the exercise of their self-presentation skills. Sales, law, public relations, and politics are examples. In such jobs, the ability to adapt to one's clients and contacts is critical; so are communication skills and persuasive abilities, characteristics that high self-monitors frequently exhibit. High self-monitors perform particularly well in occupations that call for flexibility and adaptiveness in dealings with diverse constituencies. As well, a number of studies show that managers are inclined to be higher self-monitors than non-managers in the same organization. Self-monitoring is also significantly related to a number of work-related outcomes. High self-monitors tend to be more involved in their jobs, to perform at a higher level, and to be more likely to emerge as leaders. However, high self-monitors are also likely to experience more role stress and show less commitment to their organization.²⁶

Promotion in the management ranks is often a function of subjective performance appraisals, and the ability to read and conform to the boss's expectations can be critical for advancement. Thus, the ability to regulate and adapt one's behaviour in social situations and to manage the impressions others form of them might be a career advantage for high self-monitors. In fact, in a study that tracked the careers of a sample of MBA graduates, high self-monitors were more likely to change employers and locations and to receive more promotions than low self-monitors.²⁷

Are high self-monitors always at an organizational advantage? Not likely. They are unlikely to feel comfortable in ambiguous social settings in which it is hard to determine exactly what behaviours are socially appropriate. Dealing with unfamiliar cultures (national or corporate) might provoke stress. Also, some roles require people to go against the grain or really stand up for what they truly believe in. Thus, high self-monitoring types would seem to be weak innovators and would have difficulty resisting social pressure.

Self-Esteem

Self-esteem. The degree to which a person has a positive self-evaluation.

How well do you like yourself? This is the essence of the personality characteristic called self-esteem. More formally, **self-esteem** is the degree to which a person has a positive self-evaluation. People with high self-esteem have favourable self-images. People with low self-esteem have unfavourable self-images. They also tend to be uncertain about the correctness of their opinions, attitudes, and behaviours. In general, people tend to be highly motivated to protect themselves from threats to their self-esteem.

Behavioural plasticity theory. People with low self-esteem tend to be more susceptible to external and social influences than those who have high self-esteem.

One of the most interesting differences between people with high and low self-esteem has to do with the *plasticity* of their thoughts, attitudes, and behaviour, or what is known as "behavioural plasticity." According to **behavioural plasticity theory**, people with low self-esteem tend to be more susceptible to external and social influences than those who have high self-esteem—that is, they are more pliable. Thus, events and people in the organizational environment have more impact on the beliefs and actions of employees with low self-esteem. This occurs because, being unsure of their own views and behaviour, they are more likely to look to others for information and confirmation. In addition, people who have low self-esteem seek social approval from others, approval that they might gain from adopting others' views, and they do not react well to ambiguous and stressful situations. This is another example of the interactionist approach, in that the effect of the work environment on people's beliefs and actions is partly a function of their self-esteem.²⁸

Employees with low self-esteem also tend to react badly to negative feedback—it lowers their subsequent performance.²⁹ This means that managers should be especially cautious when using negative reinforcement and punishment, as discussed later in this chapter,

with employees with low self-esteem. If external causes are thought to be responsible for a performance problem, this should be made very clear. Also, managers should direct criticism at the performance difficulty and not at the person. As we will explain shortly, modelling the correct behaviour should be especially effective with employees with low self-esteem, who are quite willing to imitate credible models and who also respond well to mentoring. Finally, organizations should try to avoid assigning those with low self-esteem to jobs (such as life insurance sales) that inherently provide a lot of negative feedback.

Organizations will generally benefit from a workforce with high self-esteem. Such people tend to make more fulfilling career decisions, they exhibit higher job satisfaction and job performance, and they are generally more resilient to the strains of everyday worklife.³⁰ What can organizations do to bolster self-esteem? Opportunity for participation in decision making, autonomy, and interesting work have been fairly consistently found to be positively related to self-esteem.³¹ Also, organizations should avoid creating a culture with excessive and petty work rules that signal to employees that they are incompetent or untrustworthy.³²

NEW DEVELOPMENTS IN PERSONALITY AND ORGANIZATIONAL BEHAVIOUR

In recent years, there have been a number of exciting developments in personality research in organizational behaviour. In this section, we describe five recent personality variables that have been found to be important for organizational behaviour: positive and negative affectivity, proactive personality, general self-efficacy, and core self-evaluations.

LO 2.5

Discuss *positive* and *negative affectivity*, *proactive personality*, *general self-efficacy*, and *core self-evaluations* and their consequences.

Positive and Negative Affectivity

Have you ever known somebody who is always happy, cheerful, and in a good mood? Or perhaps you know someone who is always unhappy and in a bad mood. Chances are you have noticed these differences in people. Some people are happy most of the time, while others are almost always unhappy. These differences reflect two affective dispositions known as positive affectivity (PA) and negative affectivity (NA). Research has found that they are enduring personality characteristics and that there might be a genetic and biological bases to them.

People who are high on **positive affectivity** experience positive emotions and moods like joy and excitement and view the world in a positive light, including themselves and other people. They tend to be cheerful, enthusiastic, lively, sociable, and energetic. People who are high on **negative affectivity** experience negative emotions and moods like fear and anxiety and view the world in a negative light. They have an overall negative view of themselves and the world around them, and they tend to be distressed, depressed, and unhappy.³³ It is important to understand that PA and NA are not opposite ends of a continuum but are relatively independent dimensions.³⁴

Unlike the other personality traits discussed in this chapter, positive and negative affectivity are emotional dispositions that predict people's general emotional tendencies. Thus, they can influence people's emotions and mood states at work and influence job attitudes and work behaviours. Research has found that people who are high on PA have higher job satisfaction, job performance, and engage in more organizational citizenship behaviours. High PA employees have also been found to be more creative at work. Individuals who are high on NA report lower job satisfaction and have poorer job performance. High NA employees tend to experience more stressful work conditions and report higher levels of workplace stress and strain. NA has also been found to be associated with counterproductive work behaviours (e.g., harassment and physical aggression), withdrawal behaviours (e.g., absenteeism and turnover), and occupational injury. Finally, there is some evidence that PA is a key factor that links happiness to success in life and at work.³⁵

Positive affectivity.

Propensity to view the world, including oneself and other people, in a positive light.

Negative affectivity.

Propensity to view the world, including oneself and other people, in a negative light.

Proactive Personality

Proactive behaviour.

Taking initiative to improve current circumstances or creating new ones.

Proactive personality.

A stable personal disposition that reflects a tendency to take personal initiative across a range of activities and situations and to effect positive change in one's environment.

How effective are you at taking initiative and changing your circumstances? Taking initiative to improve one's current circumstances or creating new ones is known as **proactive behaviour**. It involves challenging the status quo rather than passively adapting to present conditions. Some people are actually better at this than others because they have a stable disposition toward proactive behaviour, known as a "proactive personality." Individuals who have a **proactive personality** are relatively unconstrained by situational forces and act to change and influence their environment. Proactive personality is a stable personal disposition that reflects a tendency to take personal initiative across a range of activities and situations and to effect positive change in one's environment.³⁶

Proactive individuals search for and identify opportunities, show initiative, take action, and persevere until they bring about meaningful change. People who do not have a proactive personality are more likely to be passive and to react and adapt to their environment. As a result, they tend to endure and to be shaped by the environment instead of trying to change it.³⁷

Proactive personality has been found to be related to a number of work outcomes, including job satisfaction, job performance, organizational citizenship behaviours, tolerance for stress in demanding jobs, leadership effectiveness, participation in organizational initiatives, work team performance, and entrepreneurship. One study found that proactive personality is associated with higher performance evaluations because individuals with a proactive personality develop strong supportive networks and perform initiative-taking behaviours such as implementing solutions to organization or departmental problems or spearheading new programs. Individuals with a proactive personality have also been found to have high-quality relationships with their supervisors. There is also evidence that persons with a proactive personality are more successful in searching for employment and career success. They are more likely to find a job, to receive higher salaries and more frequent promotions, and to have more satisfying careers.³⁸

General Self-Efficacy

General self-efficacy

(GSE). A general trait that refers to an individual's belief in his or her ability to perform successfully in a variety of challenging situations.

General self-efficacy (GSE) is a general trait that refers to an individual's belief in his or her ability to perform successfully in a variety of challenging situations.³⁹ GSE is considered to be a *motivational* trait rather than an *affective* trait because it reflects an individual's belief that he or she can succeed at a variety of tasks rather than how an individual feels about him or herself. An individual's GSE is believed to develop over the lifespan as repeated successes and failures are experienced across a variety of tasks and situations. Thus, if you have experienced many successes in your life, you probably have high GSE, whereas somebody who has experienced many failures probably has low GSE. Individuals who are high on GSE are better able to adapt to novel, uncertain, and adverse situations. In addition, employees with higher GSE have higher job satisfaction and job performance.⁴⁰

Core Self-Evaluations

Core self-evaluations.

A broad personality concept that consists of more specific traits that reflect the evaluations people hold about themselves and their self-worth.

Unlike the other personality characteristics described in this chapter, which are specific in themselves, **core self-evaluations** refers to a broad personality concept that consists of more specific traits. The idea behind the theory of core self-evaluations is that individuals hold evaluations about themselves and their self-worth or worthiness, competence, and capability.⁴¹ In a review of the personality literature, Timothy Judge, Edwin Locke, and Cathy Durham identified four traits that make up a person's core self-evaluation. The four traits have already been described in this chapter; they include self-esteem, general self-efficacy, locus of control, and neuroticism (emotional stability).

Research on core self-evaluations has found that these traits are among the best dispositional predictors of job satisfaction and job performance. People with more positive core self-evaluations have higher job satisfaction, organizational commitment, and job performance. Furthermore, research has shown that core self-evaluations measured in childhood and in early adulthood are related to job satisfaction in middle adulthood. This suggests that core self-evaluations are related to job satisfaction over time. Core self-evaluations have also been found to be positively related to life and career satisfaction, and individuals with higher CSE perceive fewer stressors and experience less stress and conflict at work. One of the reasons for the relationship between core self-evaluations and work outcomes is that individuals with a positive self-regard are more likely to perceive and pay attention to the positive aspects of their environments. They experience their job as more intrinsically satisfying and have higher perceptions of fairness and support.⁴²

WHAT IS LEARNING?

So far in this chapter we have described how people's personalities can influence their work attitudes and behaviours. However, recall our earlier discussion that the organizational setting can also have a strong effect on an individual's attitudes and behaviour. As you will learn in this section, the environment can change people's behaviour and even shape personalities. As described at the start of the chapter, employees at TEIG changed their lifestyle behaviours. But how does this happen? How and why do people change their behaviour? To try and answer this question, let's examine the concept of learning.

Learning occurs when practice or experience leads to a relatively permanent change in behaviour potential. The words *practice* or *experience* rule out viewing behavioural changes caused by factors like drug intake or biological maturation as learning. One does not learn to be relaxed after taking a tranquilizer, and a boy does not suddenly learn to be a bass singer at the age of 14. The practice or experience that prompts learning stems from an environment that gives feedback concerning the consequences of behaviour. But what do employees learn in organizations?

What Do Employees Learn?

Learning in organizations can be understood in terms of taxonomies that indicate what employees learn, how they learn, and different types of learning experiences. The "what" aspect of learning can be described as learning content, of which there are four primary categories: practical skills, intrapersonal skills, interpersonal skills, and cultural awareness.⁴³

Practical skills include job-specific skills, knowledge, and technical competence. Employees frequently learn new skills and technologies to continually improve performance and to keep organizations competitive. Constant improvement has become a major goal in many organizations today, and learning can give an organization a competitive advantage.⁴⁴ *Intrapersonal skills* are skills such as problem solving, critical thinking, learning about alternative work processes, and risk taking. *Interpersonal skills* include interactive skills such as communicating, teamwork, and conflict resolution. Later in this book, we will discuss the ways in which teams are becoming the major building blocks of organizations, as well as the importance of effective communication for organizational success.

Finally, *cultural awareness* involves learning the social norms of organizations and understanding company goals, business operations, and company expectations and priorities. All employees need to learn the cultural norms and expectations of their organizations to function as effective organizational members. We discuss the learning of social norms and organizational culture in more detail in Chapter 8.

Now that we have considered what people learn in organizations, let's turn to two theories that describe how people in organizations like TEIG learn.

LO 2.6

Define *learning* and describe what is learned in organizations.

Learning. A relatively permanent change in behaviour potential that occurs due to practice or experience.

LO 2.7

Explain *operant learning theory* and differentiate between *positive* and *negative reinforcements*.

Operant learning.

Learning by which the subject learns to operate on the environment to achieve certain consequences.

Reinforcement. The process by which stimuli strengthen behaviours.

Positive reinforcement.

The application or addition of a stimulus that increases or maintains the probability of some behaviour.

Operant Learning Theory

In the 1930s, psychologist B.F. Skinner investigated the behaviour of rats confined in a box containing a lever that delivered food pellets when pulled. Initially, the rats ignored the lever, but at some point they would accidentally pull it and a pellet would appear. Over time, the rats gradually acquired the lever-pulling response as a means of obtaining food. In other words, they *learned* to pull the lever. The kind of learning Skinner studied is called **operant learning** because the subject learns to operate on the environment to achieve certain consequences. The rats learned to operate the lever to achieve food. Notice that operantly learned behaviour is controlled by the consequences that follow it. These consequences usually depend on the behaviour, and this connection is what is learned. For example, salespeople learn effective sales techniques to achieve commissions and avoid criticism from their managers. The consequences of commissions and criticism depend on which sales behaviours salespeople exhibit.

Operant learning can be used to increase the probability of desired behaviours and to reduce or eliminate the probability of undesirable behaviours. Let's now consider how this is done.

INCREASING THE PROBABILITY OF BEHAVIOUR

One of the most important consequences that influences behaviour is reinforcement. **Reinforcement** is the process by which stimuli strengthen behaviours. Thus, a *reinforcer* is a stimulus that follows some behaviour and increases or maintains the probability of that behaviour. The sales commissions and criticism mentioned earlier are reinforcers for salespeople. In each case, reinforcement serves to strengthen behaviours, such as proper sales techniques, that fulfill organizational goals. In general, organizations are interested in maintaining or increasing the probability of behaviours such as correct performance, prompt attendance, and accurate decision making. As described at the beginning of the chapter, TEIG is interested in maintaining and increasing the probability of various employee wellness behaviours, such as physical activity and healthy eating. As we shall see, positive reinforcers work by their application to a situation, while negative reinforcers work by their removal from a situation.

Positive Reinforcement

Positive reinforcement increases or maintains the probability of some behaviour by the *application* or *addition* of a stimulus to the situation in question. Such a stimulus is a positive reinforcer. In the basic Skinnerian learning situation described earlier, we can assume that reinforcement occurred because the probability of the lever operation increased over time. We can further assume that the food pellets were positive reinforcers because they were introduced after the lever was pulled.

Consider the experienced securities analyst who tends to read a particular set of financial newspapers regularly. If we had been able to observe the development of this reading habit, we might have found that it occurred as the result of a series of successful business decisions. That is, the analyst learns to scan those papers because his or her reading is positively reinforced by subsequent successful decisions. In this example, something is added to the situation (favourable decisions) that increases the probability of certain behaviour (selective reading). Also, the appearance of the reinforcer is dependent or contingent on the occurrence of that behaviour.

In general, positive reinforcers tend to be pleasant things, such as food, praise, money, or business success. However, the intrinsic character of stimuli does not determine whether they are positive reinforcers, and pleasant stimuli are not positive reinforcers when considered in the abstract. Whether or not something is a positive reinforcer depends only on whether it increases or maintains the occurrence of some behaviour by its application. Thus,

it is improbable that the holiday turkey that employers give to all the employees of a manufacturing plant positively reinforces anything. The only behaviour that the receipt of the turkey is contingent on is being employed by the company during the third week of December. It is unlikely that the turkey increases the probability that employees will remain for another year or work harder.

Negative Reinforcement

Negative reinforcement increases or maintains the probability of some behaviour by the *removal* of a stimulus from the situation in question. Also, negative reinforcement occurs when a response *prevents* some event or stimulus from occurring. In each case, the removed or prevented stimulus is a *negative reinforcer*. Negative reinforcers are usually aversive or unpleasant stimuli, and it stands to reason that we will learn to repeat behaviours that remove or prevent these stimuli.

Let's repeat this point, because it frequently confuses students of organizational behaviour: Negative reinforcers *increase* the probability of behaviour. Suppose we rig a cage with an electrified floor so that it provides a mild shock to its inhabitant. In addition, we install a lever that will turn off the electricity. On the first few trials, a rat put in the cage will become very upset when shocked. Sooner or later, however, it will accidentally operate the lever and turn off the current. Gradually, the rat will learn to operate the lever as soon as it feels the shock. The shock serves as a negative reinforcer for the lever pulling, increasing the probability of the behaviour by its removal.

Managers who continually nag their employees unless the employees work hard are attempting to use negative reinforcement. The only way employees can stop the aversive nagging is to work hard and be diligent. The nagging maintains the probability of productive responses by its removal. In this situation, employees often get pretty good at anticipating the onset of nagging by the look on their boss's face. This look serves as a signal that they can avoid the nagging altogether if they work harder.

Negative reinforcers generally tend to be unpleasant things, such as shock, nagging, or threat of fines. Again, however, negative reinforcers are defined only by what they do and how they work, not by their unpleasantness. Above, we indicated that nagging could serve as a negative reinforcer to increase the probability of productive responses. However, nagging could also serve as a positive reinforcer to increase the probability of unproductive responses if an employee has a need for attention and nagging is the only attention the manager provides. In the first case, nagging is a negative reinforcer—it is terminated following productive responses. In the second case, nagging is a positive reinforcer—it is applied following unproductive responses. In both cases, the responses increase in probability.

Organizational Errors Involving Reinforcement

Experience indicates that managers sometimes make errors in trying to use reinforcement. The most common errors are confusing rewards with reinforcers, neglecting diversity in preferences for reinforcers, and neglecting important sources of reinforcement.

CONFUSING REWARDS WITH REINFORCERS Organizations and individual managers frequently “reward” workers with things such as pay, promotions, fringe benefits, paid vacations, overtime work, and the opportunity to perform challenging tasks. Such rewards can fail to serve as reinforcers, however, because organizations do not make them contingent on specific behaviours that are of interest to the organization, such as attendance, innovation, or productivity. For example, many organizations assign overtime work on the basis of seniority, rather than performance or good attendance, even when the union contract does not require it. Although the opportunity to earn extra money might have strong potential as a reinforcer, it is seldom made contingent on some desired behaviour. Notice how the incentives and points awarded as part of TEIG's wellness program were all contingent on specific behaviours.

Negative reinforcement.

The removal of a stimulus that in turn increases or maintains the probability of some behaviour.

NEGLECTING DIVERSITY IN PREFERENCES FOR REINFORCERS Organizations often fail to appreciate individual differences in preferences for reinforcers. In this case, even if managers administer rewards after a desired behaviour, they may fail to have a reinforcing effect. Intuitively, it seems questionable to reinforce a workaholic's extra effort with time off from work, yet such a strategy is fairly common. A more appropriate reinforcer might be the assignment of some challenging task, such as work on a very demanding key project. Some labour contracts include clauses that dictate that supervisors assign overtime to the workers who have the greatest seniority. Not surprisingly, high-seniority workers are often the best paid and the least in need of the extra pay available through overtime. Even if it is administered so that the best-performing high-seniority workers get the overtime, such a strategy might not prove reinforcing—the usual time off might be preferred over extra money.

Managers should carefully explore the possible range of stimuli under their control (such as task assignment and time off from work) for their applicability as reinforcers for particular employees. For example, there is some evidence that employee preferences vary as a function of generational differences with younger workers in their 20s and 30s preferring cash rewards and older workers preferring more experiential rewards, like a vacation.⁴⁵ Furthermore, organizations should attempt to administer their formal rewards (such as pay and promotions) to capitalize on their reinforcing effects for various individuals.

NEGLECTING IMPORTANT SOURCES OF REINFORCEMENT There are many reinforcers of organizational behaviour that are not especially obvious. While concentrating on potential reinforcers of a formal nature, such as pay or promotions, organizations and their managers often neglect those that are administered by co-workers or are intrinsic to the jobs being performed. Many managers cannot understand why a worker would persist in potentially dangerous horseplay despite threats of a pay penalty or dismissal. Frequently, such activity is positively reinforced by the attention provided by the joker's co-workers. In fact, on a particularly boring job, such threats might act as positive reinforcers for horseplay by relieving the boredom, especially if the threats are never carried out. Two important sources of reinforcement that managers often ignore are performance feedback and social recognition.

Performance feedback.

Providing quantitative or qualitative information on past performance for the purpose of changing or maintaining performance in specific ways.

- *Performance feedback.* **Performance feedback** involves providing quantitative or qualitative information on past performance for the purpose of changing or maintaining performance in specific ways. This reinforcement is available for jobs that provide feedback concerning the adequacy of performance. For example, in some jobs, feedback contingent on performance is readily available. Doctors can observe the success of their treatment by observing the progress of their patients' health, and mechanics can take the cars they repair for a test drive. In other jobs, organizations must build some special feedback mechanism into the job. Performance feedback is most effective when it is (a) conveyed in a positive manner, (b) delivered immediately after the performance is observed, (c) represented visually, such as in graph or chart form, and (d) specific to the behaviour that is being targeted for feedback.⁴⁶
- *Social recognition.* **Social recognition** involves informal acknowledgement, attention, praise, approval, or genuine appreciation for work well done from one individual or group to another. Research has shown that when social recognition is made contingent on employee behaviour it can be an effective means for performance improvement.⁴⁷

Social recognition.

Informal acknowledgement, attention, praise, approval, or genuine appreciation for work well done from one individual or group to another.

In summary, managers should understand that positive feedback and a “pat on the back” for a job well done are positive reinforcers that are easy to administer and likely to reinforce desirable behaviours.



REINFORCEMENT STRATEGIES

LO 2.8

What is the best way to administer reinforcers? Should we apply a reinforcer immediately after the behaviour of interest occurs, or should we wait for some period of time? Should we reinforce every correct behaviour, or should we reinforce only a portion of correct responses?

To obtain the *fast acquisition* of some response, continuous and immediate reinforcement should be used—that is, the reinforcer should be applied every time the behaviour of interest occurs, and it should be applied without delay after each occurrence. Many conditions exist in which the fast acquisition of responses is desirable. These include correcting the behaviour of “problem” employees, training employees for emergency operations, and dealing with unsafe work behaviours. Consider the otherwise excellent performer who tends to be late for work. Under pressure to demote or fire this good worker, the boss might sensibly attempt to positively reinforce instances of prompt attendance with compliments and encouragement. To modify the employee’s behaviour as quickly as possible, the supervisor might station herself near the office door each morning to supply these reinforcers regularly and immediately.

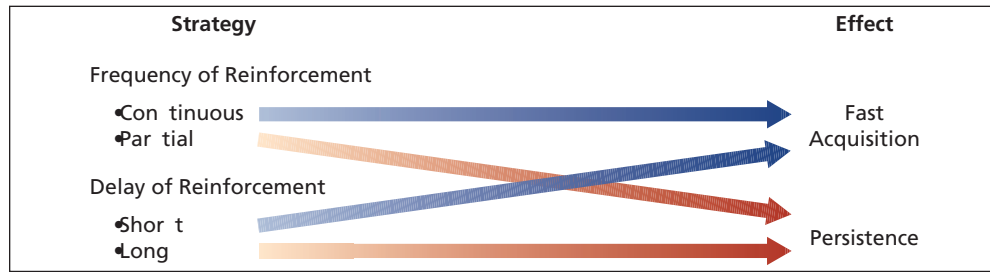
You might wonder when one would not want to use a continuous, immediate reinforcement strategy to mould organizational behaviour. Put simply, behaviour that individuals learn under such conditions tends not to persist when reinforced less frequently or stopped. Intuitively, this should not be surprising. For example, under normal conditions, operating the power switch on your iPod is continuously and immediately reinforced by music. If the system develops a short circuit and fails to produce music, your switch-operating behaviour will cease very quickly. In the example in the preceding paragraph, the need for fast learning justified the use of continuous, immediate reinforcement. Under more typical circumstances, we would hope that prompt attendance could occur without such close attention.

Behaviour tends to be *persistent* when it is learned under conditions of partial and delayed reinforcement. That is, it will tend to persist under reduced or terminated reinforcement when not every instance of the behaviour is reinforced during learning or when some time period elapses between its enactment and reinforcement. In most cases, the supervisor who wishes to reinforce prompt attendance knows that he or she will not be able to stand by the shop door every morning to compliment the crew’s timely entry. Given this constraint, the supervisor should compliment prompt attendance occasionally, perhaps later in the day. This should increase the persistence of promptness and reduce the employees’ reliance on the boss’s monitoring.

Let’s recap. Continuous, immediate reinforcement facilitates fast learning, and delayed, partial reinforcement facilitates persistent learning (see Exhibit 2.3). Notice that it is impossible to maximize both speed and persistence with a single reinforcement strategy. Also, many responses in our everyday lives cannot be continuously and immediately reinforced, so in

Explain when to use immediate versus delayed reinforcement and when to use continuous versus partial reinforcement.

EXHIBIT 2.3 Summary of reinforcement strategies and their effects.



many cases it pays to sacrifice some speed in learning to prepare the learner for this fact of life. All this suggests that managers have to tailor reinforcement strategies to the needs of the situation. Often, managers must alter the strategies over time to achieve effective learning and maintenance of behaviour. For example, the manager training a new employee should probably use a reinforcement strategy that is fairly continuous and immediate (whatever the reinforcer). Looking over the employee's shoulder to obtain the fast acquisition of behaviour is appropriate. Gradually, however, the supervisor should probably reduce the frequency of reinforcement and perhaps build some delay into its presentation to reduce the employee's dependency on his or her attention.

LO 2.9

Distinguish between *extinction* and *punishment* and explain how to use punishment effectively.

REDUCING THE PROBABILITY OF BEHAVIOUR

Thus far in our discussion of learning, we have been interested in *increasing* the probability of various work behaviours, such as attendance or good performance. Both positive and negative reinforcement can accomplish this goal. However, in many cases, we encounter learned behaviours that we wish to *stop* from occurring. Such behaviours are detrimental to the operation of the organization and could be detrimental to the health or safety of an individual employee.

There are two strategies that can reduce the probability of learned behaviour: extinction and punishment.

Extinction

Extinction. The gradual dissipation of behaviour following the termination of reinforcement.

Extinction simply involves terminating the reinforcement that is maintaining some unwanted behaviour. If the behaviour is not reinforced, it will gradually dissipate or be extinguished.

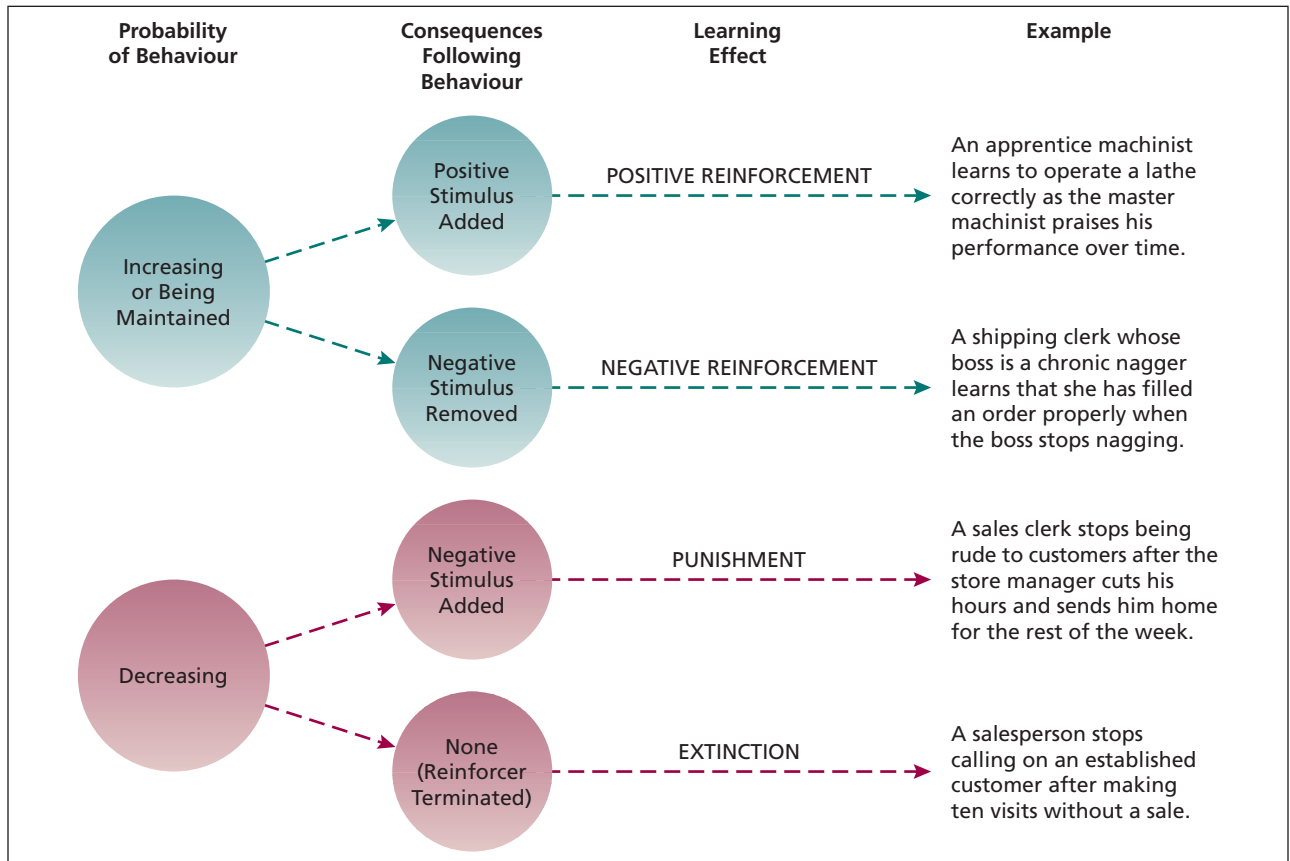
Consider the case of a bright, young marketing expert who was headed for the “fast track” in his organization. Although his boss, the vice-president of marketing, was considering him for promotion, the young expert had developed a very disruptive habit—the tendency to play comedian during department meetings. The vice-president observed that this wisecracking was reinforced by the appreciative laughs of two other department members. He proceeded to enlist their aid to extinguish the joking. After the vice-president explained the problem to them, they agreed to ignore the disruptive one-liners and puns. At the same time, the vice-president took special pains to positively reinforce constructive comments by the young marketer. Very quickly, joking was extinguished, and the young man's future with the company improved.⁴⁸

This example illustrates that extinction works best when coupled with the reinforcement of some desired substitute behaviour. Remember that behaviours that have been learned under delayed or partial reinforcement schedules are more difficult to extinguish than those learned under continuous, immediate reinforcement. Ironically, it would be harder to extinguish the joke-telling behaviour of a committee member who was only partially successful at getting a laugh than of one who was always successful at getting a laugh.

Punishment. The application of an aversive stimulus following some behaviour designed to decrease the probability of that behaviour.

Punishment

Punishment involves following an unwanted behaviour with some unpleasant, aversive stimulus. In theory, when the actor learns that the behaviour leads to unwanted consequences, this should reduce the probability of the response. Notice the difference between punishment and



negative reinforcement. In negative reinforcement a nasty stimulus is *removed* following some behaviour, increasing the probability of that behaviour. With punishment, a nasty stimulus is *applied* after some behaviour, *decreasing* the probability of that behaviour. If a boss criticizes her assistant after seeing her use the office phone for personal calls, we expect to see less of this activity in the future. Exhibit 2.4 compares punishment with reinforcement and extinction.

EXHIBIT 2.4 Summary of learning effects.

Using Punishment Effectively

In theory, punishment should be useful in eliminating unwanted behaviour. After all, it seems unreasonable to repeat actions that cause us trouble. Unfortunately, punishment has some unique characteristics that often limit its effectiveness in stopping unwanted activity. First, while punishment provides a clear signal as to which activities are inappropriate, it does not by itself demonstrate which activities should *replace* the punished response. Reconsider the executive who chastises her assistant for making personal calls at the office. If the assistant makes personal calls only when she has caught up on her work, she might legitimately wonder what she is supposed to be doing during her occasional free time. If the boss fails to provide substitute activities, the message contained in the punishment may be lost.

Both positive and negative reinforcers specify which behaviours are appropriate. Punishment indicates only what is not appropriate. Since no reinforced substitute behaviour is provided, punishment only temporarily suppresses the unwanted response. When surveillance is removed, the response will tend to recur. Constant monitoring is very time consuming, and individuals become amazingly adept at learning when they can get away with the forbidden activity. The assistant will soon learn when she can make personal calls without detection. The moral here is clear: *Provide an acceptable alternative for the punished response.*

A second difficulty with punishment is that it has a tendency to provoke a strong emotional reaction on the part of the punished individual.⁴⁹ This is especially likely when the punishment is delivered in anger or perceived to be unfair. Managers who try overly hard

to be patient with employees and then finally blow up risk overemotional reactions. So do those who tolerate unwanted behaviour on the part of their employees and then impulsively decide to make an example of one individual by punishing him or her. Managers should be sure that their own emotions are under control before punishing, and they should generally avoid punishment in front of observers.⁵⁰ Because of the emotional problems involved in the use of punishment, some organizations have downplayed its use in discipline systems. They give employees who have committed infractions *paid* time off to think about their problems.

In addition to providing correct alternative responses and limiting the emotions involved in punishment, there are several other principles that can increase the effectiveness of punishment.

- *Make sure the chosen punishment is truly aversive.* Organizations frequently “punish” chronically absent employees by making them take several days off work. Managers sometimes “punish” ineffective performers by requiring them to work overtime, which allows them to earn extra pay. In both cases, the presumed punishment may actually act as a positive reinforcer for the unwanted behaviour.
- *Punish immediately.* Managers frequently overlook early instances of rule violations or ineffective performance, hoping that things will “work out.”⁵¹ This only allows these behaviours to gain strength through repetition. If immediate punishment is difficult to apply, the manager should delay action until a more appropriate time and then reinstate the circumstances surrounding the problem behaviour. For example, the bank manager who observes her teller exhibiting inappropriate behaviour might ask this person to remain after work. She should then carry out punishment at the teller’s window rather than in her office, perhaps demonstrating correct procedures and then role-playing a customer to allow the employee to practise them.
- *Do not reward unwanted behaviours before or after punishment.* Many supervisors join in horseplay with their employees until they feel it is time to get some work done. Then, unexpectedly, they do an about-face and punish those who are still “goofing around.” Sometimes, managers feel guilty about punishing their employees for some rule infraction and then quickly attempt to make up with displays of good-natured sympathy or affection. For example, the boss who criticizes her assistant for personal calls might show up an hour later with a gift. Such actions present employees with extremely confusing signals about how they should behave, since the manager could be unwittingly reinforcing the very response that he or she wants to terminate.
- *Do not inadvertently punish desirable behaviour.* This happens commonly in organizations. The manager who does not use all his capital budget for a given fiscal year might have the department’s budget for the next year reduced, punishing the prudence of his employees. Government employees who “blow the whistle” on wasteful or inefficient practices might find themselves demoted.⁵² University professors who are considered excellent teachers might be assigned to onerous, time-consuming duty on a curriculum committee, cutting into their class preparation time.

In summary, punishment can be an effective means of stopping undesirable behaviour. However, managers must apply it very carefully and deliberately to achieve this effectiveness. In general, reinforcing correct behaviours and extinguishing unwanted responses are safer strategies for managers than the frequent use of punishment.

LO 2.10

Explain social cognitive theory and discuss *observational learning*, *self-efficacy beliefs*, and *self-regulation*.

SOCIAL COGNITIVE THEORY

It has perhaps occurred to you that learning and behaviour sometimes takes place in organizations without the conscious control of positive and negative reinforcers by managers. People often learn and behave through their own volition and self-influence. Thus, human behaviour is not simply due to environmental influences. Rather, people have the cognitive capacity to

regulate and control their own thoughts, feelings, motivation, and actions. Unlike operant learning theory, social cognitive theory (SCT) emphasizes the role of *cognitive processes* in regulating people's behaviour.

According to SCT, people learn by observing the behaviour of others. Individuals also manage their own behaviour by thinking about the consequences of their actions (forethought), setting performance goals, monitoring their performance and comparing it to their goals, and rewarding themselves for goal accomplishment. People also develop beliefs about their abilities through their interaction with the environment, and these beliefs influence their thoughts and behaviour.⁵³

Social cognitive theory suggests that human behaviour can best be explained through a system of *triadic reciprocal causation*, in which personal factors and environmental factors work together and interact to influence people's behaviour. In addition, people's behaviour can also influence personal factors and the environment. Thus, SCT complements operant learning in explaining how people learn and organizational behaviour.⁵⁴

According to Albert Bandura, who is responsible for the development of social cognitive theory, SCT involves three key components: observational learning, self-efficacy beliefs, and self-regulation.⁵⁵

Observational Learning

Besides directly experiencing consequences, people also learn by observing the behaviour of others. For instance, after experiencing just a couple of executive committee meetings, a newly promoted vice-president might look like an “old pro,” bringing appropriate materials to the meeting, asking questions in an approved style, and so on. How can we account for such learning?

Observational learning is the process of observing and imitating the behaviour of others. With observational learning, learning occurs by observing or imagining the behaviour of others (models), rather than through direct personal experience.⁵⁶ Generally, observational learning involves examining the behaviour of others, seeing what consequences they experience, and thinking about what might happen if we act the same way. If we expect favourable consequences, we might imitate the behaviour. Thus, the new vice-president doubtless modelled his behaviour on that of the more experienced peers on the executive committee. But has reinforcement occurred here? It is *self-reinforcement* that occurs in the observational learning process. For one thing, it is reinforcing to acquire an understanding of others who are viewed positively. In addition, we are able to imagine that the reinforcers that the model experiences will come our way when we imitate his or her behaviour. Surely, this is why we imitate the behaviour of sports heroes and entertainers, a fact that advertisers capitalize on when they choose them to endorse products.

What kinds of models are likely to provoke the greatest degree of imitation? In general, attractive, credible, competent, high-status people stand a good chance of being imitated. In addition, it is important that the model's behaviour provoke consequences that are seen as positive and successful by the observer. You might recall that in the chapter-opening vignette senior executives at TEIG acted as role models by sharing their personal wellness-related stories.

Finally, it helps if the model's behaviour is vivid and memorable—bores do not make good models.⁵⁷ In business schools, it is not unusual to find students who have developed philosophies or approaches that are modelled on credible, successful, high-profile business leaders. Popular examples include Microsoft's Bill Gates and former General Electric CEO Jack Welch, both of whom have been the object of extensive coverage in the business and popular press.

The extent of observational learning as a means of learning in organizations suggests that managers should pay more attention to the process. For one thing, managers who operate on a principle of “do as I say, not as I do” will find that what they do is more likely to be imitated, including undesirable behaviours such as expense account abuse. Also, in the

Observational learning.
The process of observing and imitating the behaviour of others.

RESEARCH FOCUS

THE TRICKLE-DOWN EFFECTS OF ABUSIVE MANAGEMENT

There is strong evidence that abusive supervisors (e.g., telling a subordinate that his or her thoughts or feelings are stupid or putting the subordinate down in front of others) result in negative employee attitudes, behaviours, and psychological health. But why are supervisors abusive and does their abusive behaviour make their employees more likely to be abusive?

To find out, Mary Bardes Mawritz and colleagues tested a model of the trickle-down effects of abusive manager behaviour that suggests that abusive behaviour in organizations can flow downward from higher levels of management to lower level employees. The model predicts that employees will be negatively impacted by abusive manager behaviour through their direct supervisor's abusive behaviour.

The model and predictions are based on social cognitive theory and observational learning such that abusive behaviour at higher levels in an organization is role modelled by those at lower levels (i.e., supervisors and employees). In other words, supervisors role model the abusive behaviour of their managers and engage in similar abusive behaviour with their own employees. Employees then model their supervisor's abusive behaviour which leads to workgroup interpersonal deviance (i.e., employees' abusive behaviours directed at other organizational members).

The researchers also predicted that the effect of abusive supervisor behaviour on workgroup interpersonal deviance will be especially strong when the workgroup climate is hostile (a climate that is characterized by consistent acrimonious, antagonistic, and suspicious

feelings within the work group). In a hostile climate, workgroup members feel envious, less trusting, and aggressive toward others.

Employees in different organizations completed a survey and asked four of their co-workers and their immediate supervisor to also complete the survey. As expected, abusive manager behaviour was positively related to abusive supervisor behaviour, and abusive supervisor behaviour was positively related to workgroup interpersonal deviance. In other words, supervisors who have managers who are abusive toward them are abusive toward their employees, who in turn treat each other in an abusive manner.

The results also indicated that employees were more likely to model their supervisor's abusive behaviour when the climate of their workgroup was hostile. When the workgroup climate was non-hostile it actually reversed the negative effects of abusive supervisor behaviour on workgroup interpersonal deviance. Thus, employees in a non-hostile work climate did not model their supervisor's abusive behaviour.

These results indicate that employees observe and imitate their supervisor's negative and abusive behaviours. Thus, managers and supervisors should act as positive role models because their behaviours, both positive and negative, will trickle down and be observed and imitated by their employees.

Source: Based on Bardes Mawritz, M., Mayer, D.M., Hoobler, J.M., Wayne, S.J., & Marinova, S.V. (2012). A trickle-down model of abusive supervision. *Personnel Psychology*, 65, 325-357.

absence of credible management models, workers might imitate dysfunctional peer behaviour if peers meet the criteria for strong models. For example, one study found that the antisocial behaviour of a work group was a significant predictor of an individual's antisocial workplace behaviour. Thus, individual's antisocial workplace behaviour can be shaped, in part, through the process of observation.⁵⁸ Furthermore, as described in the Research Focus: *The Trickle-Down Effects of Abusive Management*, abusive behaviour on the part of managers and supervisors can lead to abusive behaviour among employees. On a more positive note, well-designed performance appraisal and reward systems permit organizations to publicize the kind of organizational behaviour that should be learned and imitated.

Self-Efficacy Beliefs

While observational learning may have helped the vice-president learn how to behave in an executive committee meeting, you may have wondered what made him so confident. Was he not full of self-doubt and worried that he would fail? This belief is known as self-efficacy. **Self-efficacy beliefs** refer to beliefs people have about their ability to successfully perform

Self-efficacy beliefs.

Beliefs people have about their ability to successfully perform a specific task.

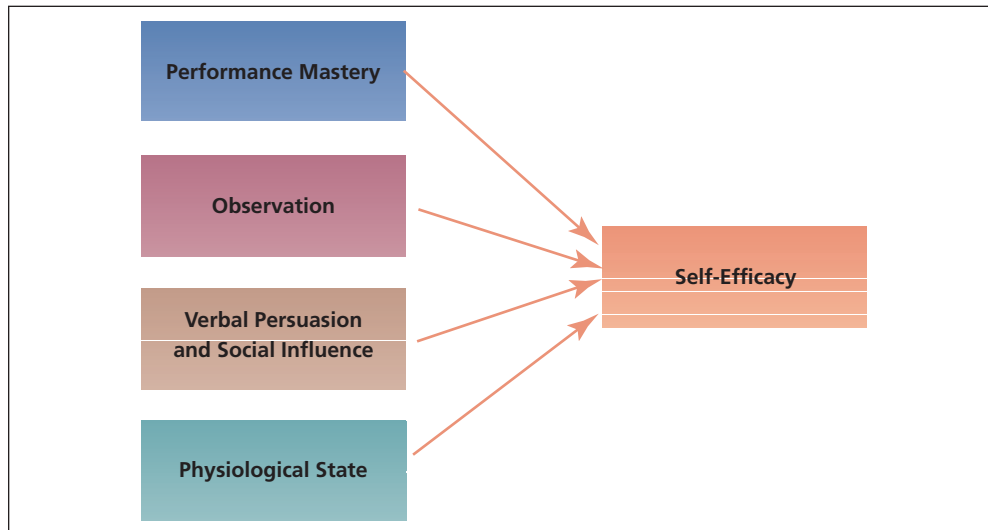


EXHIBIT 2.5
Determinants of
self-efficacy.

a specific task. At this point, it is important to note the difference between task-specific self-efficacy and some of the general personality traits discussed earlier in the chapter. In particular, unlike self-esteem and general self-efficacy, which are general personality traits, self-efficacy is a task-specific cognitive appraisal of one's ability to perform a specific task. Thus, it is not a generalized personality trait. Furthermore, people can have different self-efficacy beliefs for different tasks. For example, the vice-president might have strong self-efficacy for conducting an executive committee meeting, but low self-efficacy for doing well in a course on organizational behaviour!⁵⁹

Because self-efficacy is a cognitive belief rather than a stable personality trait, it can be changed and modified in response to different sources of information. As shown in Exhibit 2.5, self-efficacy beliefs are influenced by one's experiences and success performing the task in question (performance mastery), observation of others performing the task, verbal persuasion and social influence, and one's physiological or emotional state. Thus, the self-efficacy of the vice-president could have been strengthened by observing the behaviour of others during meetings, by encouragement from peers that he would do a great job, and perhaps by his own sense of comfort and relaxation rather than feelings of anxiety and stress while attending meetings. Finally, his mastery displayed during the meeting is also likely to further strengthen his self-efficacy beliefs.

Self-efficacy beliefs are important because they influence the activities people choose to perform, the amount of effort and persistence they devote to a task, affective and stress reactions, and job performance.⁶⁰ In the case of the vice-president, his strong sense of self-efficacy beliefs obviously contributed to his ability to perform like an "old pro" at the meeting.

Self-Regulation

In much of this chapter we have been concerned with how organizations and individual managers can use learning principles to manage the behaviour of organizational members. However, according to social cognitive theory, employees can use learning principles to manage their *own* behaviour, making external control less necessary. This process is called **self-regulation**.⁶¹

How does self-regulation occur? You will recall that observational learning involved factors such as observation of models, imagination, imitation, and self-reinforcement. Individuals can use these and similar techniques in an intentional way to control their own behaviour. The basic process involves observing one's own behaviour (i.e., self-observation), comparing the behaviour with a standard (i.e., self-evaluation), and rewarding oneself if the behaviour meets the standard (i.e., self-reinforcement). A key part of the process is people's

Self-regulation.

The use of learning principles to regulate one's own behaviour.

pursuit of self-set goals that guide their behaviour. When there exists a discrepancy between one's goals and performance, individuals are motivated to modify their behaviour in the pursuit of goal attainment, a process known as *discrepancy reduction*. When individuals attain their goals, they are likely to set even higher and more challenging goals, a process known as *discrepancy production*. In this way, people continually engage in a process of setting goals in the pursuit of ever higher levels of performance. Thus, discrepancy reduction and discrepancy production lie at the heart of the self-regulatory process.⁶²

To illustrate some specific self-regulation techniques, consider the executive who finds that she is taking too much work home to do in the evenings and over weekends. While her peers seem to have most evenings and weekends free, her own family is ready to disown her due to lack of attention! What can she do?⁶³

- *Collect self-observation data.* This involves collecting objective data about one's own behaviour. For example, the executive might keep a log of phone calls and other interruptions for a few days if she suspects that these contribute to her inefficiency.
- *Observe models.* The executive might examine the time-management skills of her peers to find someone successful to imitate.
- *Set goals.* The executive might set specific short-term goals to reduce telephone interruptions and unscheduled personal visits, enlisting the aid of her assistant, and using self-observation data to monitor her progress. Longer-term goals might involve four free nights a week and no more than four hours of work on weekends.
- *Rehearse.* The executive might anticipate that she will have to educate her co-workers about her reduced availability. So as not to offend them, she might practise explaining the reason for her revised accessibility.
- *Reinforce oneself.* The executive might promise herself a weekend at the beach with her family the first time she gets her take-home workload down to her target level.

Research has found that self-regulation can improve learning and result in a change in behaviour. For example, one study showed how a self-regulation program was used to improve work attendance among unionized maintenance employees. Those who had used over half their sick leave were invited by the human resources department to participate in an eight-week program with the following features:

- Discussion of general reasons for use of sick leave. High on the list were transportation problems, family difficulties, and problems with supervisors and co-workers.
- Self-assessment of personal reasons for absence and development of personal coping strategies.
- Goal setting to engage in behaviours that should improve attendance (short-term goals) and to improve attendance by a specific amount (long-term goal).
- Self-observation using charts and diaries. Employees recorded their own attendance, reasons for missing work, and steps they took to get to work.
- Identification of specific reinforcers and punishers to be self-administered for reaching or not reaching goals.

Compared with a group of employees who did not attend the program, the employees who were exposed to the program achieved a significant improvement in attendance, and they also felt more confident (i.e., higher self-efficacy) that they would be able to come to work when confronted with various obstacles to attendance.⁶⁴ In another study, training in self-regulation was found to significantly improve the sales performance of a sample of insurance salespeople.⁶⁵ Self-regulation programs have been successful in changing a variety of work behaviours and are an effective method of training and learning.⁶⁶

ORGANIZATIONAL LEARNING PRACTICES

We began our discussion of learning by defining learning and describing learning content, and then we focused on theories of how people learn. In this final section, we review a number of organizational learning practices (including an application of operant learning called organizational behaviour modification), employee recognition programs, training and development programs, and career development.

Organizational Behaviour Modification

Most reinforcement occurs naturally, rather than as the result of a conscious attempt to manage behaviour. However, if you recall the wellness program at TEIG described at the beginning of the chapter, you will notice that reinforcers (i.e., points and money) were used for specific health-related behaviours such as exercise and healthy eating. In other words, the reinforcers were made contingent on specific behaviours. This is an example of organizational behaviour modification.

Organizational behaviour modification (O.B. Mod) involves the systematic use of learning principles to influence organizational behaviour. For example, consider how one company used organizational behaviour modification through the reinforcement of safe working behaviour in a food-manufacturing plant. At first glance, accidents appeared to be chance events or wholly under the control of factors such as equipment failures. However, the researchers felt that accidents could be reduced if specific safe working practices could be identified and reinforced. These practices were identified with the help of past accident reports and advice from supervisors. Systematic observation of working behaviour indicated that employees followed safe practices only about 74 percent of the time. A brief slide show was prepared to illustrate safe versus unsafe job behaviours. Then, two reinforcers of safe practices were introduced into the workplace. The first consisted of a feedback chart that was conspicuously posted in the workplace to indicate the percentage of safe behaviours observers noted. This chart included the percentages achieved in observational sessions before the slide show, as well as those achieved every three days after the slide show. A second source of reinforcement was supervisors, who were encouraged to praise instances of safe performance that they observed. These interventions were successful in raising the percentage of safe working practices to around 97 percent almost immediately. The plant moved from last to first place in the company standings and received a safety plaque from the company “in recognition of successfully working 280 000 hours without a disabling injury” over a period of 10 months. (See Exhibit 2.6.)⁶⁷

LO 2.11

Describe the following organizational learning practices: *organizational behaviour modification, employee recognition programs, training and development programs, and career development.*

Organizational behaviour modification (O.B. Mod).

The systematic use of learning principles to influence organizational behaviour.

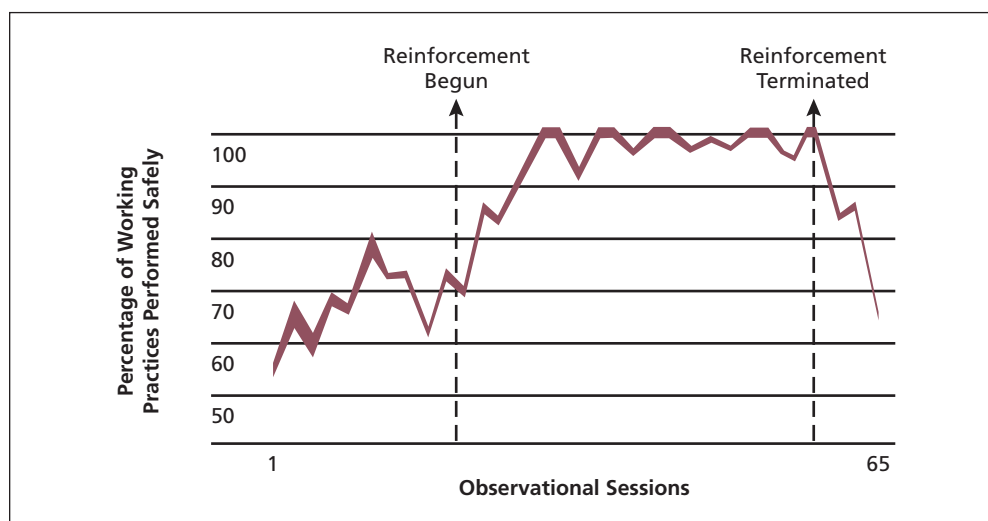


EXHIBIT 2.6 Percentage of safe working practices achieved with and without reinforcement.

Source: Adapted from Komaki, J., et al. (1978, August). A behavioral approach to occupational safety: Pinpointing and reinforcing safe performance in a food manufacturing plant. *Journal of Applied Psychology*, 63 (4), 439. Copyright © 1978 by American Psychological Association. Adapted by permission.

In general, research supports the effectiveness of organizational behaviour modification programs. In addition to improvements in safety, O.B. Mod has also been found to have a positive effect on improving work attendance and task performance. The effects on task performance, however, tend to be stronger in manufacturing than in service organizations. As well, money, feedback, and social recognition have all been found to be effective forms of positive reinforcement. Although money has been found to have stronger effects on performance than social recognition and performance feedback, the use of all three together has the strongest effect on task performance. Research has also found that the effect of money on performance is greater when it is provided systematically through O.B. Mod compared to a routine pay-for-performance program.⁶⁸

Employee Recognition Programs

Employee recognition programs. Formal organizational programs that publicly recognize and reward employees for specific behaviours.

A popular example of an organizational learning practice that uses positive reinforcement is employee recognition programs. **Employee recognition programs** are formal organizational programs that publicly recognize and reward employees for specific behaviours. Exhibit 2.7 shows some of the most popular types of employee recognition programs.

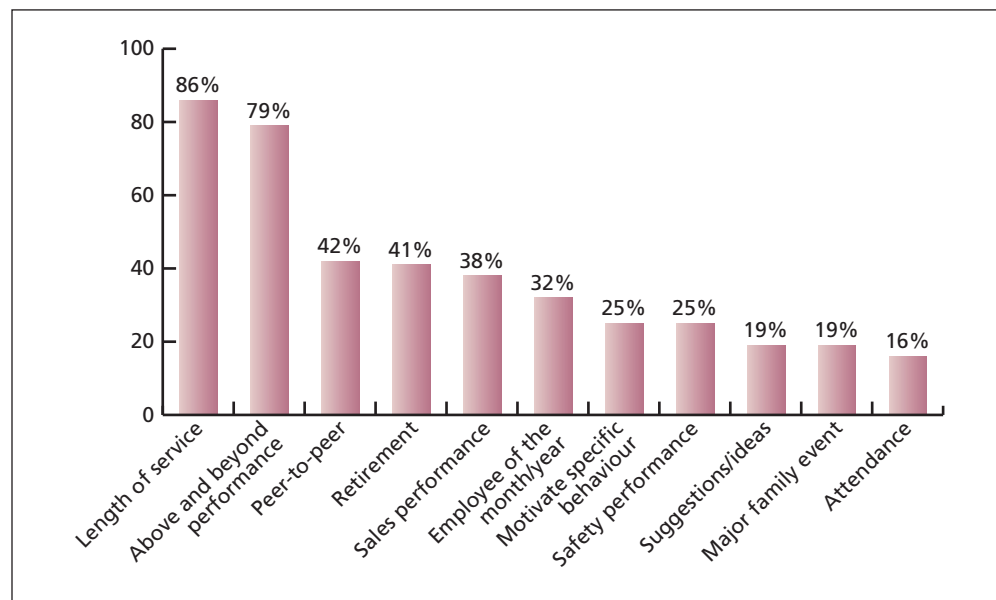
Many companies in Canada have some form of employee recognition program, and employees in the best companies to work for in Canada believe that they receive adequate recognition beyond compensation for their contributions and accomplishments. To be effective, however, a formal employee recognition program must specify (a) how a person will be recognized, (b) the type of behaviour being encouraged, (c) the manner of the public acknowledgement, and (d) a token or icon of the event for the recipient. A key part of an employee recognition program is public acknowledgement. Thus, a financial reward for good performance would not qualify as an employee recognition program if it was not accompanied by some form of public praise and recognition.⁶⁹

Peer recognition programs. Formal programs in which employees can publicly acknowledge, recognize, and reward their co-workers for exceptional work and performance.

An increasing number of organizations have begun to implement a new kind of recognition program called peer recognition. **Peer recognition programs** are formal programs in which employees can publicly acknowledge, recognize, and reward their co-workers for exceptional work and performance. For example, at Ceridian Canada Ltd. employees can nominate co-workers for monthly prizes, quarterly cash awards, and the chance to win the annual President's Club Award, which includes a paid vacation to a holiday destination. Ceridian recognizes 28 "star" employees each quarter and gives each a \$100 gift certificate. At year end, 15 are selected to go on an overseas trip with spouses and senior executives. IT/NET Ottawa Inc. has

EXHIBIT 2.7 Types of recognition programs.

Source: Trends in Employee Recognition/WorldatWork. (2008, August 11). Service awards most popular. *Canadian HR Reporter*, 21 (14), 4.



a peer-to-peer recognition program called “My Thanks,” in which employees are encouraged to acknowledge co-workers’ exceptional work by sending them a cash-valued gift certificate. The value of the certificate is determined by who is awarding it and it can be done any time and as often as employees choose to recognize a co-worker.⁷⁰ Before continuing, consider You Be the Manager: *Calgary International Airport’s YYC Miles Recognition Program*.



Employee recognition programs have been found to result in a number of individual and organizational outcomes, including job satisfaction, performance and productivity, and lower turnover.⁷¹ One study compared a public recognition program for improving work attendance with several other interventions. Employees with perfect attendance for an entire month had their names posted with a gold star for that month. At the end of each quarter, employees with no more than two absences received a personal card notifying and congratulating them. In addition, at the end of the year there was a plant-wide meeting to recognize good attendance, and small engraved mementos were awarded to employees who had perfect attendance during the entire year. The results indicated that employees had favourable perceptions of the program and that the program resulted in a decrease in absenteeism.⁷² A survey of 26 000 employees in 31 organizations in the United States found that companies that invest the most in recognition programs have more than triple the profits of those that invest the least.⁷³

Training and Development Programs

Training and development is one of the most common types of formal learning in organizations. Training refers to planned organizational activities that are designed to facilitate knowledge and skill acquisition to change behaviour and improve performance on one’s current job; development focuses on future job responsibilities.⁷⁴ Employees learn a variety of skills by attending formal training and development programs. In addition to teaching employees technical skills required to perform their jobs, training and development programs also teach employees non-technical skills such as how to work in teams, how to provide excellent customer service, and ways to understand and appreciate cultural diversity.

Effective training and development programs include many of the principles of learning described earlier in the chapter, such as positive reinforcement, feedback, observational

Training and development. Training is planned organizational activities that are designed to facilitate knowledge and skill acquisition to change behaviour and improve performance on one’s current job; development focuses on future job responsibilities.

YOU BE THE MANAGER

Calgary International Airport's YYC Miles Recognition Program

The Calgary Airport Authority is a not-for-profit corporation that is responsible for the management, maintenance, operation, and development of Calgary International Airport and Springbank Airport.

Several years ago, a volunteer employee committee developed a recognition program in response to a low score to a question on an employee engagement survey. The low score was for the statement, "I feel my contributions are recognized and valued."

According to Cynthia Tremblay, Senior Director of Human Resources at the Calgary Airport Authority, "We did some employee focus groups (asking), 'What can we do to help address this issue?' and a recognition program was the idea that came out of that. It is very much employee-driven," she says.

The program, called the YYC Miles recognition program—based on the Calgary airport locator code—allows employees to recognize their co-workers for going above and beyond their role, such as helping a confused passenger find his/her way around the airport.

When the program was launched, the employee committee made a promotional video based on the TV show *The Office* and showed it to all employees at a company retreat. To make sure they are continually promoting the program, the committee writes regular articles about it for the company newsletter and mentions it in meetings.

What do you think of the Calgary Airport's YYC Miles recognition program? You be the manager.



Employees at the Calgary International Airport can recognize their co-workers for going above and beyond their role.

Questions

1. How would you design the YYC Miles peer recognition program if you were using the principles of operant learning theory?
2. How should peer recognition programs be designed to be most effective?

To find learn more about the YYC miles recognition program, see The Manager's Notebook.

Sources: Based on Silliker, A. (2011, October 10). Calgary airport's recognition program—YYC Miles—takes flight. *Canadian HR Reporter*, 24 (17), 19; information on Calgary International Airport (www.calgaryairport.com).

Behaviour modelling training (BMT). One of the most widely used and effective methods of training, involving five steps based on the observational learning component of social cognitive theory.

learning, strengthening employees' self-efficacy beliefs, and self-regulation. One of the most widely used and effective methods of training is **behaviour modelling training (BMT)**, which is based on the observational learning component of social cognitive theory and involves the following steps:⁷⁵

- Describe to trainees a set of well-defined behaviours (skills) to be learned.
- Provide a model or models displaying the effective use of those behaviours.
- Provide opportunities for trainees to practise using those behaviours.
- Provide feedback and social reinforcement to trainees following practice.
- Take steps to maximize the transfer of those behaviours to the job.

Many organizations have used behavioural modelling training to develop supervisory, communications, sales, and customer service skills. A review of BMT research concluded that it has a positive effect on learning, skills, and job behaviour. The effects on behaviour were greatest when trainees were instructed to set goals and when rewards and sanctions were used in the trainees' work environment.⁷⁶ Training has been found to increase trainees' self-efficacy in addition to having a positive effect on learning and job behaviour.⁷⁷

Career Development

Career development is an ongoing process in which individuals progress through a series of stages that consist of a unique set of issues, themes, and tasks. This usually involves a career planning and career management component. Career planning involves the assessment of an individual's interests, skills, and abilities in order to develop goals and career plans. Career management involves taking the necessary steps to achieve an individual's goals and career plans. This often involves special assignments and activities that are designed to assist employees in their career development.⁷⁸

Given the increasing emphasis on and importance of continuous and lifelong learning, many organizations now have career development programs. For example, Dun & Bradstreet Canada, a business information services company, has a career development program for all of its employees. Employees have a file called a Leadership Action Plan that lists their strengths and career aspirations as well as a plan on how they will achieve their goals. The file is reviewed by a supervisor four times a year. In addition, an intranet site is available to help employees perform career assessments and access information about job opportunities within the company.⁷⁹

When TD Bank Financial Group surveyed its employees, it found that skills development and career development were very important factors for them. As a result, the company decided to invest more in employee career management and created a website to help employees with all aspects of managing their careers. The Career Advisor site is a comprehensive tool that enables employees to determine how best to develop themselves and overcome career challenges. Employees have access to a combination of interactive diagnostic instruments, personal reports, advice, tools, and action planning exercises.⁸⁰

Career development.

An ongoing process in which individuals progress through a series of stages that consist of a unique set of issues, themes, and tasks.

THE MANAGER'S NOTEBOOK

Calgary International Airport's YYC Miles Recognition Program

1. According to operant learning theory, rewards should be contingent on specific behaviours that are of interest to the organization, such as attendance, innovation, or productivity. This is especially important in a peer recognition program because employees are responsible for choosing co-workers for recognition, and such choices should not simply be based on who is most liked or who has the most friends in the company. The program also has to consider individual preferences for reinforcers. Rewards will not have a reinforcing effect if they are not desired by employees. Therefore, it is important that a variety of rewards be available to suit individual preferences. With respect to the YYC Miles program, each employee is given 1000 points per month to recognize co-workers. When an employee sees a co-worker go above and beyond his role, she fills out a form online saying why she's recognizing him and how many points he is receiving—which is completely at the discretion of the employee. One point is equivalent to one cent and points can be accumulated for a wide range of gifts from the YYC Miles online catalogue, starting at 1250 points for a movie ticket all the way up to 450 000 points for an LCD TV.
2. Peer recognition programs should be designed in the same manner as formal employee recognition programs. To be effective, they should specify (a) how a person will be recognized, (b) the type of behaviour being encouraged, (c) the manner of the public acknowledgement, and (d) a token or icon of the event for the recipient. Because the employee's peers are responsible for deciding who will be recognized, careful attention should be given to how this is done to ensure that the process is fair and that the expected behaviour has been demonstrated. With respect to the YYC Miles program, the committee monitors the program to make sure people are nominating each other for appropriate things. When filling out a recognition form, employees need to specify which of five pillars of excellence the co-worker displayed—dedicated people, responsible investing, great partnerships, operational efficiency, or Western hospitality.

MyManagementLab

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LEARNING OBJECTIVES CHECKLIST

- 2.1 *Personality* is the relatively stable set of psychological characteristics that influences the way we interact with our environment. It has more impact on behaviour in weak situations than in strong situations.
- 2.2 According to the *dispositional approach*, stable individual characteristics influence people's attitudes and behaviours. The *situational approach* argues that characteristics in the work environment influence people's attitudes and behaviour. The *interactionist approach* posits that organizational behaviour is a function of both dispositions and the situation. According to *trait activation theory*, traits lead to certain behaviours only when the situation makes the need for that trait salient.
- 2.3 The Five-Factor Model consists of five basic dimensions of personality: *extraversion*, *emotional stability/neuroticism*, *agreeableness*, *conscientiousness*, and *openness to experience*. Research has found that the Big Five are related to job performance, motivation, job satisfaction, and career outcomes.
- 2.4 *Locus of control* refers to individuals' beliefs about the location of the factors that control their behaviour. High internals believe that the opportunity to control their own behaviour resides within themselves, while high externals believe that external forces determine their behaviour. People who have an internal locus of control are more satisfied with their jobs, earn more money, and achieve higher organizational positions. *Self-monitoring* is the extent to which people observe and regulate how they appear and behave in social settings and relationships. High self-monitors have good communication skills and persuasive abilities and are more likely to change employers and locations and to receive more promotions than individuals who are low self-monitors. *Self-esteem* is the degree to which a person has a positive self-evaluation. People with high self-esteem tend to make more fulfilling career decisions, to exhibit higher job satisfaction and job performance, and to be generally more resilient to the strains of everyday worklife.
- 2.5 People who are high on *positive affectivity* experience positive emotions and moods and tend to view the world in a positive light, including themselves and other people. People who are high on *negative affectivity* experience negative emotions and moods and tend to view the world in a negative light. *Proactive personality* is a stable personal disposition that reflects a tendency to take personal initiative across a range of activities and situations and to effect positive change in one's environment. *General self-efficacy* (GSE) is a general trait that refers to an individual's belief in his or her ability to perform successfully in a variety of challenging situations. *Core self-evaluations* refer to a broad personality concept that consists of more specific traits.
- 2.6 *Learning* occurs when practice or experience leads to a relatively permanent change in behaviour potential. The content of learning in organizations consists of practical intrapersonal and interpersonal skills and cultural awareness.
- 2.7 *Operant learning* occurs as a function of the consequences of behaviour. If some behaviour is occurring regularly or increasing in probability, you can assume that it is being reinforced. If the reinforcer is added to the situation following the behaviour, it is a *positive reinforcer*. If the reinforcer is removed from the situation following the behaviour, it is a *negative reinforcer*.
- 2.8 Behaviour is learned quickly when it is reinforced immediately and continuously. Behaviour tends

to be persistent under reduced or terminated reinforcement when it is learned under conditions of delayed or partial reinforcement.

2.9 If some behaviour decreases in probability, you can assume that it is being either extinguished or punished. If the behaviour is followed by no observable consequence, it is being extinguished; that is, some reinforcer that was maintaining the behaviour has been terminated. If the behaviour is followed by the application of some unpleasant consequence, it is being punished.

2.10 According to social cognitive theory, people have the cognitive capacity to regulate and control their own thoughts, feelings, motivation, and actions. The main components of social cognitive theory are observational learning, self-efficacy beliefs, and self-regulation. *Observational learning* is the process of imitating others. Models are most likely to be imitated when they are high in status, attractive, competent, credible, successful, and vivid. *Self-efficacy beliefs* refer to the belief that one can successfully perform a specific task and is influenced by performance mastery, observation of others performing the task, verbal persuasion and social influence, and physiological arousal. *Self-regulation* occurs when people use learning principles to manage

their own behaviour, thus reducing the need for external control. Aspects of self-regulation include collecting self-observation data, observing models, goal setting, rehearsing, and using self-reinforcement.

2.11 Organizational learning practices include organizational behaviour modification, employee recognition programs, training and development programs, and career development. *Organizational behaviour modification* is the systematic use of learning principles to influence organizational behaviour. Companies have successfully used it to improve employees' attendance, task performance, and workplace safety. *Employee recognition programs* are formal organizational programs that publicly recognize and reward employees for specific behaviours. *Training programs* involve planned organizational activities that are designed to facilitate knowledge and skill acquisition and to change behaviour and improve performance on one's current job, while *development* focuses on future job responsibilities. *Career development* is an ongoing process in which individuals progress through a series of stages that consist of a unique set of issues, themes, and tasks. It involves a career planning and career management component.

DISCUSSION QUESTIONS

1. Consider the relevance of the dispositional, situational, and interactionist approaches to your own behaviour. Describe examples of your behaviour in a school or work situation that demonstrate each perspective of organizational behaviour.
2. Suppose that you are the manager of two employees, one who has an internal locus of control and another who has an external locus of control. Describe the leadership tactics that you would use with each employee. Contrast the management styles that you would employ for employees with high versus low self-esteem.
3. Consider some examples of behaviour that you repeat fairly regularly (such as studying or going to work every morning). What are the positive and negative reinforcers that maintain this behaviour?
4. We pointed out that managers frequently resort to punishing ineffective behaviour. What are some of the practical demands of the typical manager's job that lead to this state of affairs?
5. Discuss a situation that you have observed in which the use of punishment was ineffective in terminating some unwanted behaviour. Why was punishment ineffective in this case? What would have made it more effective?
6. Describe a situation in which you think an employer could use organizational behaviour modification and an employee recognition program to improve or correct employee behaviour. Can you anticipate any dangers in using these approaches?
7. A supervisor in a textile factory observes that one of her employees is violating a safety rule

that could result in severe injury. What combination of reinforcement, punishment, and extinction could she use to correct this behaviour? What does social cognitive theory suggest that she do to correct the behaviour?

8. Describe a job in which you think an employee recognition program might be an effective means for changing and improving employee behaviour. Explain how you would design the program and how you would use principles from operant learning theory and social cognitive theory.
9. Do you think that organizations should base their hiring decisions on applicants' personality? What are the advantages and disadvantages of doing this? If an organization were to do this, what personality characteristics do you think they should focus on when assessing and choosing applicants?
10. Refer to the Research Focus: *CEO Personality and Firm Performance* and consider the relationship

between the Big Five personality characteristics and strategic flexibility. Why do you think conscientiousness was the only trait negatively related to strategic flexibility given that it has been found to be the best predictor of job performance among the Big Five? Why are openness to experience, extraversion, and emotional stability positively related, and why is medium agreeableness better for strategic flexibility than high or low agreeableness?

11. Employee of the month (EOM) programs are one of the most popular forms of recognition in organizations. However, there is some evidence that such programs are not effective and can even have detrimental effects such as sabotage and unhealthy competition. Based on the material presented in this chapter, why do you think that the typical EOM program is not effective, and how should EOM programs be designed to make them more effective?

INTEGRATIVE DISCUSSION QUESTIONS

1. Refer to the material in Chapter 1 on Mintzberg's managerial roles and consider how personality might be a factor in how effectively a manager performs each role. Discuss the relationships among the Big Five personality dimensions, locus of control, self-monitoring, self-esteem, proactive personality, and general self-efficacy with each of the managerial roles.
2. Discuss how each of the organizational learning practices described in the chapter can be used by organizations to deal effectively with the contemporary management concerns discussed in Chapter 1.

ON-THE-JOB CHALLENGE QUESTION

Playing Hooky

In the summer of 2012, a *Toronto Star* investigation reported that construction and maintenance workers who were supposed to be working at Toronto public schools were spending their mornings at Tim Hortons, drinking in bars, and even kissing in cars. One worker was spotted delivering pamphlets to houses and offering to perform odd jobs for pay on school board time. The workers submitted time sheets and were paid their wages as if they had put in a full day's work.

In some cases, workers have signed in to work at a school and then announced they had to go get "parts" and were later discovered by Toronto District School Board officials drinking in a bar. In another case, a male worker was found in a board vehicle with a female "fooling around," according to a board

source. In the case of the pamphlets, board sources say a worker was using board time to distribute flyers advertising his services for odd jobs, apparently using board equipment.

How can we explain these behaviours? Based on what you know about learning theory, explain why workers engaged in these inappropriate behaviours during work hours and why they were not doing what they were supposed to be doing. What do you think needs to be done to stop these behaviours and increase the probability that workers will do what they are supposed to be doing?

Source: Based on Donovan, K., & Welsh, M. (2012, June 22). School workers playing hooky. *Toronto Star*, A1, A4.

EXPERIENTIAL EXERCISE

Proactive Personality Scale

Do you have a proactive personality? To find out, answer the 17 questions below as frankly and honestly as possible using the following response scale:

- 1—Disagree very much
- 2—Disagree moderately
- 3—Disagree slightly
- 4—Neither agree nor disagree
- 5—Agree slightly
- 6—Agree moderately
- 7—Agree very much

- ___ 1. I am constantly on the lookout for new ways to improve my life.
- ___ 2. I feel driven to make a difference in my community, and maybe the world.
- ___ 3. I tend to let others take the initiative to start new projects.
- ___ 4. Wherever I have been, I have been a powerful force for constructive change.
- ___ 5. I enjoy facing and overcoming obstacles to my ideas.
- ___ 6. Nothing is more exciting than seeing my ideas turn into reality.
- ___ 7. If I see something I don't like, I fix it.
- ___ 8. No matter what the odds, if I believe in something I will make it happen.
- ___ 9. I love being a champion for my ideas, even against others' opposition.
- ___ 10. I excel at identifying opportunities.
- ___ 11. I am always looking for better ways to do things.
- ___ 12. If I believe in an idea, no obstacle will prevent me from making it happen.
- ___ 13. I love to challenge the status quo.
- ___ 14. When I have a problem, I tackle it head-on.
- ___ 15. I am great at turning problems into opportunities.
- ___ 16. I can spot a good opportunity long before others can.
- ___ 17. If I see someone in trouble, I help out in any way I can.

Source: Bateman, T.S., & Crant, J.M. (1993). The proactive component of organizational behavior: A measure and correlates. *Journal of Organizational Behavior*, 14, 103–118. © 1993 John Wiley & Sons Limited. Reprinted with permission.

Scoring and Interpretation

You have just completed the Proactive Personality Scale developed by Thomas Bateman and J. Michael Crant.

To obtain your score, first subtract your response to question 3 from 8. For example, if you gave a response of 7 to question 3, give yourself a 1 (8 minus 7). Then add up your scores to all 17 items. Your total should be somewhere between 17 and 119. The higher you scored, the more proactive your personality is—you feel that you can change things in your environment.

The average score of 134 first-year MBA students with full-time work experience was 90.7. Thus, these people tended to see themselves as very proactive. In this research, people with a proactive personality tended to report more extracurricular and service activities and major personal achievements that involve making constructive changes to the world around them.

General Self-Efficacy

Want to learn about your general self-efficacy? Answer the eight questions below as frankly and honestly as possible using the following response scale:

- 1—Strongly disagree
- 2—Disagree
- 3—Neither agree nor disagree
- 4—Agree
- 5—Strongly agree
- 6—Agree moderately

- ___ 1. I will be able to achieve most of the goals that I have set for myself.
- ___ 2. When facing difficult tasks, I am certain that I will accomplish them.
- ___ 3. In general, I think that I can obtain outcomes that are important to me.
- ___ 4. I believe I can succeed at most any endeavour to which I set my mind.
- ___ 5. I will be able to successfully overcome many challenges.
- ___ 6. I am confident that I can perform effectively on many different tasks.
- ___ 7. Compared to other people, I can do most tasks very well.
- ___ 8. Even when things are tough, I can perform quite well.

Source: Chen, G., Gully, S.M., & Eden, D. (2001). Validation of a new general self-efficacy scale. *Organizational Research Methods*, 4, 62–83.

Scoring and Interpretation

You have just completed the New General Self-Efficacy Scale developed by Gilad Chen, Stanley M. Gully, and Dov Eden. To obtain your general self-efficacy (GSE) score, add up your scores to all 8 items and divide by 8. Your score should be somewhere between 1 and 5. The higher your score, the greater your general self-efficacy.

GSE enables individuals to effectively adapt to novel and adverse environments and can help to explain motivation and performance in a variety of work contexts. The average score of 323 undergraduate students enrolled in several upper-level psychology courses was 3.87.

The Core Self-Evaluations Scale (CSES)

To find out about your core self-evaluations, answer the 12 questions below as frankly and honestly as possible using the following response scale:

1—Strongly disagree

2—Disagree

3—Neither agree nor disagree

4—Agree

5—Strongly agree

- ___ 1. I am confident I get the success I deserve in life.
- ___ 2. Sometimes I feel depressed.
- ___ 3. When I try, I generally succeed.
- ___ 4. Sometimes when I fail I feel worthless.
- ___ 5. I complete tasks successfully.
- ___ 6. Sometimes, I do not feel in control of my work.
- ___ 7. Overall, I am satisfied with myself.
- ___ 8. I am filled with doubts about my competence.
- ___ 9. I determine what will happen in my life.
- ___ 10. I do not feel in control of my success in my career.
- ___ 11. I am capable of coping with most of my problems.
- ___ 12. There are times when things look pretty bleak and hopeless.

Source: Judge, T.A., Erez, A., Bono, J.E., & Thoresen, C.J. (2003). The core self-evaluations scale: Development of a measure. *Personnel Psychology*, 56, 303–313.

Scoring and Interpretation

You have just completed the Core Self-Evaluations Scale (CSES) developed by Timothy Judge, Amir Erez, Joyce Bono, and Carl Thoresen. To obtain your score, first subtract your response to questions 2, 4, 6, 8, 10, and 12 from 6. For example, if you gave a response of

1 to question 2, give yourself a 5 (6 minus 1). Then add up your scores to all 12 items and divide by 12. Your score should be somewhere between 1 and 5. The higher your score, the higher your core self-evaluations.

Core self-evaluations (CSE) are a broad personality concept that reflect evaluations people hold about themselves and their self-worth. Core self-evaluations consist of self-esteem, general self-efficacy, locus of control, and neuroticism. The average score of undergraduate students in two studies was 3.83 and 3.78. Scores on the CSES have been found to be positively related to job satisfaction, job performance, and life satisfaction.

Questions

To facilitate class discussion and your understanding of proactive personality, GSE, and CSE, form a small group with several other members of the class and consider the following questions:

1. Each group member should present their proactive personality, GSE, and CSE scores. Next, consider the extent to which each member has been involved in extracurricular and service activities and in personal accomplishments that involved making changes to their circumstances and how they have adapted to novel and difficult situations. Each member should also consider how satisfied they are with a current or previous job and how satisfied they are with their life (1 = not satisfied at all to 5 = very satisfied). Have students with higher proactive personality scores been more involved in extracurricular and service activities? What about personal accomplishments and constructive change? Have students with higher GSE scores been more effective in adapting to novel and difficult situations? And are students with higher CSE scores more satisfied with their current or a previous job and are they more satisfied with their life? (Alternatively, members of the class may write their proactive personality, GSE, and CSE scores, extracurricular and service activities, personal accomplishments, experiences adapting to novel and difficult situations, and job and life satisfaction on a piece of paper and hand it in to the instructor. The instructor can then write the responses on the board for class discussion.)
2. When are a proactive personality, GSE, and CSE most likely to be beneficial? When are they least likely to be beneficial?

3. Do you think organizations should hire people based on whether they have a proactive personality and on their GSE and CSE scores? What are the implications of this?
4. Based on your proactive personality, GSE, and CSE scores, what have you learned about yourself and your behaviour in different situations?
5. How can your knowledge of your proactive personality, GSE, and CSE scores help you at school and at work? What can you do to become more proactive? What can you do to strengthen your GSE and CSE?

CASE INCIDENT

Courier Cats

To stay competitive, many organizations regularly upgrade their computer technology. This was the case for Courier Cats, a small but profitable courier firm. To improve the delivery and tracking of parcels, the company decided to invest in new software. It was expected that the new software would not only allow the company to expand its business but also improve the quality of service. Because the new software was much more complex and sophisticated than what the company had been using, employees had to attend a one-day training program to learn how to use the new system. However, six months after the system was implemented, many employees were still using the old system. Some employees refused to use the new software, while others did not think they would ever be able to learn how to use it.

1. Why do you think that the employees did not use the new software?
2. Can personality explain why some employees refused to use the new software? What personality characteristics are most relevant for explaining why some employees refused to use the new software while others had no trouble learning and using it?
3. What are some of the implications that stem from operant learning theory and social cognitive theory for increasing the probability that the employees will use the new software? What do you recommend for improving the use of the new software?

CASE STUDY

Howe 2 Ski Stores

The Howe 2 Ski Stores are a chain of three ski and windsurfing shops located in the suburbs of a large western coastal city. Maria Howe, a ski enthusiast and business major, opened the first store 10 years ago after her university graduation with financial backing from her family and several friends. From its inception, the Howe 2 store was intended to provide state-of-the-art equipment and clothing for skiers at all ski levels, from beginner to champion. It was to be staffed by employees who were themselves advanced skiers and could provide expert advice on the choice of clothing and equipment, and it was intended to have a quick response time that would permit the last-minute purchase of equipment and clothing to a ski trip.

Howe originally drew from a pool of skiing friends and fellow students to staff the stores and still prefers to hire part-time employees with skiing

expertise who might leave in a year over more stable, full-time employees with less expertise and interest in the sport. Whether administrative staff, cashiers, clerks, or moulders (employees who fit bindings to skis), employees were encouraged to keep up to date on the latest skiing equipment and trends, attend ski vendor shows, try out demo equipment, and give feedback on the store's inventory to help provide the highest quality equipment and advice for the customer. Suggestion boxes were placed in the store, and Howe herself regularly collected, read, and acted upon the suggestions made by the clerks and customers. She developed special advertising campaigns to build an image for the nearby slopes to increase the market. As the business grew, Howe even added a line of rental equipment to lower the costs and encourage people to try the sport.

Although profits grew irregularly due to weather effects and the faddish nature of the sport, Howe's efforts paid off in the long term, and within four years business had grown sufficiently to permit the opening of a second Howe 2 Ski Store in another suburb about 16 kilometres from the location of the first store. To even out sales across the year, about six years ago Howe took a chance on the growing windsurfing market and the coastal location and added a line of equipment for this sport. This expanded market has enabled her to smooth out the number of sales occurring throughout the year.

Three years ago, Howe was able to open a third store, located within a 25-kilometre radius of the other two locations. Although managers have been hired to run each of the stores and the total number of employees has grown to 65, Howe's basic strategy has remained the same—high quality, state-of-the-art products, a knowledgeable staff, and quick response time. Profits from the stores have continued to grow, although at a slower rate. Competition from other ski stores has also increased noticeably within the last two years.

The threat of increased competition has been exacerbated by signs that employee productivity has begun to slide. Last year, there were eight occasions where expensive ski orders were not delivered in time for the customer's ski vacation. Although Howe used a variety of manoeuvres to retain the customers' patronage (e.g., paying for the customer to rent equipment of equivalent quality, arranging express delivery of the equipment to the customer as soon as it was received at the store, and lowering the price of the equipment), the costs of these late orders were high. She realized that word of mouth about these kinds of incidents could significantly damage the store's reputation. Furthermore, at least 15 percent of all ski orders were delivered more than two days late, even though customers did not miss a trip or vacation as a result.

In an attempt to respond to these difficulties, Howe instituted a merit performance system for the moulders (employees who fit the binding to skis). Although productivity seemed to increase for a while, waves of discontent popped up all over the stores. The moulders felt that their merit ratings were inaccurate because the store managers could not observe them working much of the time. Further, they argued that their performance levels would have been much higher had not other employees interrupted them with questions about appropriate bindings or failed to clearly identify the appropriate equipment on the sales orders. Other employees also complained

because they were not given the opportunity for merit pay. The buyers, who visit ski shows, examine catalogues, and talk with sales representatives to decide on the inventory, argued that their work was essential for high sales figures and quality equipment. Sales clerks claimed that their in-depth familiarity with an extensive inventory and their sales skills were essential to increasing sales. They also noted their important role in negotiating a delivery date that the moulders could meet. Similar arguments were made by the people in the credit office who arranged for short-term financing if necessary and the cashiers who verified costs and checked credit card approvals. Even the stockers noted that the store would be in a bad way if they did not locate the correct equipment in a warehouse full of inventory and deliver it in a timely manner to the moulders.

Howe had to concede that the employees were correct on many of these points, so she suspended the merit plan at the end of the ski season and promised to re-evaluate its fairness. Even more convincing were several indications that productivity problems were not limited to moulder employees. Complaints about customer service increased 20 percent during the year. Several customers noted that they were allowed to stand, merchandise in hand, waiting for a clerk to help them, while clerks engaged in deep conversations among themselves. Although Howe mentioned this to employees in the stores when she visited and asked the store managers to discuss it in staff meetings, the complaints continued. A record number of "as is" skis were sold at the end of the season sale because they were damaged in the warehouse or the store or by the moulders. The closing inventory revealed that 20 percent of the rental equipment had been lost or seriously damaged without resulting charges to the renters because records were poorly maintained. Regular checks of the suggestion boxes in the store revealed fewer and fewer comments. Although less extreme, similar problems occurred in windsurfing season. Employees just didn't seem to notice these problems or, worse, didn't seem to care.

Howe was very bothered by all these factors and felt they could not be attributed to the growth of the business alone. She knew it would be impossible to maintain her competitive position with these events occurring.

Source: NKomo, S., Fottler, M., McAfee, R.B., & McQuarrie, F.A.E. (2007). Evaluating non-traditional incentive systems: Howe 2 Ski Stores. *Applications in human resource management: Cases*,

exercises, and skill builders. First Canadian Edition. Scarborough, Ontario: Nelson. Original case contributed by M. Susan Taylor and J. Kline Harrison.

QUESTIONS

1. What are the main problems occurring in the Howe 2 Ski Stores? To what extent are the problems due to personality and characteristics of the work environment?
2. What behaviours need to be maintained or increased, and what behaviours should be reduced or eliminated?
3. What do you think of Maria Howe's attempt to respond to the difficulties in the stores? Use operant learning theory and social cognitive theory to explain the effects of her merit performance system. Why wasn't it more effective?
4. What do you think Maria Howe should do to respond to the difficulties in the stores? Refer to operant learning theory and social cognitive theory in answering this question.
5. What organizational learning practices might be effective for changing employee behaviours? Consider the potential of organizational behaviour modification, employee recognition programs, and training and development programs. Explain how you would implement each of these and their potential effectiveness.
6. What advice would you give Maria Howe on how to address the problems in her stores? Should she pay more attention to the personalities of the people she hires and/or should she make changes to the work environment? What employees and what behaviours should she focus on? Explain your answer.

