LEARNING OBJECTIVES

After reading this chapter you should be able to

1. Outline the perceptual process.
2. Explain how we perceive ourselves and others through social identity.
3. Outline the reasons why stereotyping occurs and describe ways to minimize its adverse effects.
4. Describe the attribution process and two attribution errors.
5. Summarize the self-fulfilling prophecy process.
6. Explain how empathy and the Johari Window can improve a person's perceptions.

7. Define learning and explain how it affects individual behavior.
8. Describe the A-B-C model of behavior modification and the four contingencies of reinforcement.
9. Describe the three features of social learning theory.
10. Describe Kolb's experiential learning model and the action learning process.
Grahame Maher, David Neeleman, Ann Murtlow, and other executives work in frontline jobs or otherwise keep in close contact with staff and customers in order to improve their perceptions of the world around them and to learn about the consequences of their actions. Perception is the process of receiving information about and making sense of the world around us. It entails deciding which information to notice, how to categorize this information, and how to interpret it within the framework of our existing knowledge. This chapter begins by describing the perceptual process: the dynamics of selecting, organizing, and interpreting external stimuli. Social identity theory, which has become a leading perceptual theory in organizational behavior, is then introduced, followed by a description of stereotyping, including ways of minimizing stereotype biases in the workplace. Next we look at attribution, self-fulfilling prophecies, and other perceptual issues, followed by an overview of empathy and Johari Window as general strategies to minimize perceptual problems.

The opening vignette also refers to the topic of learning because executives working on the front lines learn about what employees and customers experience every day. Indeed, it is difficult to discuss perceptions without also referring to the knowledge and skills learned from those perceptions. That’s why perceptions and learning are combined in this chapter. The latter part of this chapter introduces the concept of learning as well as the related concepts of tacit and explicit knowledge. We then look at three perspectives of learning: behavior modification, social learning theory, and experiential learning.

After reading the next two sections you should be able to
1. Outline the perceptual process.
2. Explain how we perceive ourselves and others through social identity.

The Perceptual Process

The Greek philosopher Plato wrote long ago that we see reality only as shadows reflected on the rough wall of a cave. In other words, reality is filtered through an imperfect perceptual process. This imperfect process, which is illustrated in Exhibit 3.1,
begins when environmental stimuli are received through our senses. Most stimuli are screened out; the rest are organized and interpreted. The resulting perceptions influence our conscious emotions and behavior toward those objects, people, and events.3

Selective Attention
Our five senses are constantly bombarded with stimuli. Some things are noticed, but most are screened out. A nurse working in postoperative care might ignore the smell of recently disinfected instruments or the sound of co-workers talking nearby. Yet a small flashing red light on the nurse station console is immediately noticed because it signals that a patient’s vital signs are failing. This process of attending to some information received by our senses and ignoring other information is called selective attention. Selective attention is influenced by two sets of factors: (1) characteristics of the person or object being perceived and (2) characteristics of the individual doing the perceiving.4

Characteristics of the Object Some things stand out more than others because of their size, intensity, motion, repetition, and novelty. The red light on the nurse station console receives attention because it is bright (intensity), flashing (motion), and a rare event (novelty). As for people, we would notice two employees having a heated debate if co-workers normally don’t raise their voices (novelty and intensity). Notice that selective attention is also influenced by the context in which the target is perceived. You might be aware that a client had a German accent if the meeting took place in Houston, but not if the conversation took place in Germany—particularly if you had been living there for some time. On the contrary, your accent would be noticed!

Characteristics of the Perceiver Characteristics of the perceiver play an important role in selection attention, much of it without our awareness.5 When information is received through the senses, our brain quickly and unconsciously assesses whether it is relevant or irrelevant to us. Emotional markers (worry, happiness, anger) are attached to the relevant information based on this rapid evaluation, and these emotionally tagged bits of stimuli compete for our conscious attention. In extreme cases our emotions almost completely take over. For example, a number of armed off-duty police officers or plainclothes detectives have been killed by “friendly fire” when colleagues thought they were suspects. Strong emotions cause officers to instinctively react to the sight of the handgun, screening out other information suggesting the victim is also an officer.6

Although largely unconscious, selective attention is also consciously influenced through our anticipation of future events.7 If you expect a co-worker to send you some important information by e-mail today, then that e-mail is more likely to get noticed despite the daily bombardment of messages. Unfortunately, expectations also delay our awareness of unexpected information. If we form a theory too early regarding a particular customer trend, we might not notice information indicating a different trend. In other words, our expectations and cognitive attention toward one issue tend to reduce our sensitivity to information about other issues. The solution here is to keep an open mind and take in as much information as possible without forming theories too early.

Perceptual Organization and Interpretation
People make sense of information even before they become aware of it. This sense making partly includes categorical thinking—the mostly unconscious process of organizing people and objects into preconceived categories that are stored in our
Detectives Avoid Tunnel Vision with Art Appreciation  Good detective work involves more than forming a good theory about the crime. It also involves not forming a theory too early in the investigation. Keith Findley, codirector of the Wisconsin Innocence Project, warns that becoming preoccupied with a single theory causes police to “focus on a suspect, select and filter the evidence that will build a case for conviction, while ignoring or suppressing evidence that points away from guilt.” To minimize this selective attention problem, officers in the New York Police Department are attending art classes, where they learn observation skills and how to develop multiple perspectives. “[The class] reminded me to stop and take in the whole scene and not just have tunnel vision,” says NYPD captain David Grossi, who credits the class for helping him to discover evidence outside the area he otherwise would have investigated.  

long-term memory. Categorical thinking relies on a variety of automatic perceptual grouping principles. Things are often grouped together based on their similarity or proximity to others. If you notice that a group of similar-looking people includes several professors, for instance, you will likely assume that the others in that group are also professors. Another form of perceptual grouping is based on the need for cognitive closure, such as filling in missing information about what happened at a meeting that you didn’t attend (who was there, where it was held). A third form of grouping occurs when we think we see trends in otherwise ambiguous information. Several research studies have found that people have a natural tendency to see patterns in what really are random events, such as presumed winning streaks among sports stars or in gambling.

Making sense also involves interpreting incoming information, and this happens just as quickly as the brain selects and organizes that information. The brain attaches emotional markers to incoming stimuli, which are essentially quick judgments about whether those stimuli are good or bad for us. To give you an idea about how quickly and systematically this unconscious perceptual process occurs, consider the following study: Eight observers were shown video clips of university instructors teaching an undergraduate class, then rated the instructors on several personal characteristics (optimistic, likable, anxious, active, and the like). The observers did not know the instructors and completed their ratings independently, yet they agreed with each other on many characteristics. Equally important, these ratings matched the ratings completed by students who actually attended the entire classes.

These results may be interesting, but the extraordinary discovery is that the observers formed their perceptions based on as little as six seconds of video—three segments of two seconds each selected randomly across the one-hour class! Furthermore, the video didn’t have any sound. In spite of these very thin slices of information, the observers developed similar perceptions of the instructors, and those perceptions were comparable to the perceptions formed by students attending the entire classes. Other studies have reported parallel results using two 15-second video segments of
high school teachers, courtroom judges, and physicians. Collectively these “thin slice” studies reveal that selective attention as well as perceptual organization and interpretation operate very quickly and to a large extent without our awareness.

**Mental Models**

To achieve our goals with some degree of predictability and sanity, we need road maps of the environments in which we live. These road maps, called *mental models*, are internal representations of the external world. They consist of broad worldviews or templates of the mind that provide enough stability and predictability to guide our preferences and behaviors. For example, most of us have a mental model about attending a class lecture or seminar. We have a set of assumptions and expectations about how people arrive, arrange themselves in the room, ask and answer questions, and so forth. We can create a mental image of what a class would look like in progress.

We rely on mental models to make sense of our environment through perceptual grouping; they fill in the missing pieces, including the causal connection among events. Yet mental models may also blind us from seeing that world in different ways. For example, accounting professionals tend to see corporate problems in terms of accounting solutions, whereas marketing professionals see the same problems from a marketing perspective. Mental models also block our recognition of new opportunities. How do we change mental models? It’s a tough challenge. After all, we developed models from years of experience and reinforcement. The most important way to minimize the perceptual problems with mental models is to constantly question them. We need to ask ourselves about the assumptions we make. Working with people from diverse backgrounds is another way to break out of existing mental models. Colleagues from different cultures and areas of expertise tend to have different mental models, so working with them makes our own assumptions more obvious.

**Social Identity Theory**

The perceptual process is an interesting combination of our self-perceptions and perceptions of others. Increasingly, experts around the world are discovering that how we perceive the world depends on how we define ourselves. This connection between self-perception and perception of others is explained through *social identity theory*. According to social identity theory, people maintain a *social identity* by defining themselves in terms of the groups to which they belong and have an emotional attachment. For instance, someone might have a social identity as an American, a graduate of the University of Massachusetts, and an employee at Oracle Corporation (see Exhibit 3.2). Everyone engages in this social categorization process because it helps to make sense of where we fit within the social world.

Along with a social identity, people have a *personal identity*—characteristics that make them unique and distinct from people in any particular group. For instance, an unusual achievement that distinguishes you from other people typically becomes a personal identity characteristic. Personal identity refers to something about you as an individual without reference to a larger group. Social identity, on the other hand, defines you in terms of characteristics of the group. By perceiving yourself as an employee at Oracle Corporation, you are assigning characteristics to yourself that you believe are also characteristics of Oracle employees in general.

Social identity is a complex combination of many memberships arranged in a hierarchy of importance. One factor determining this importance is how obvious our membership is in the group. We define ourselves by our gender, race, age, and other observable characteristics because other people can easily identify our membership.
in those groups. It is difficult to ignore your gender in a class where most other students are the opposite gender, for example. In that context gender tends to become a stronger defining feature of your social identity than in social settings where there are many people of the same gender.

Along with our demographic characteristics, group status is typically an important influence on our social identity. Most of us want to have a positive self-image, so we identify with groups that have higher status or respect. Medical doctors usually define themselves in terms of their profession because of its high status, whereas people in low-status jobs tend to define themselves in terms of nonjob groups. Some people define themselves in terms of where they work because their employer has a favorable reputation in the community; other people never mention where they work if the firm has a poor reputation in the community.14

**Perceiving Others through Social Identity**

Social identity theory explains more than just how we develop self-perceptions. It also explains the dynamics of *social perception*—how we perceive others.15 This social perception is influenced by three activities in the process of forming and maintaining our social identity: categorization, homogenization, and differentiation.

- **Categorization.** Social identity is a comparative process, and that comparison begins by categorizing people into distinct groups. By viewing someone (including yourself) as a Texan, for example, you remove that person’s individuality and instead see him or her as a prototypical representative of the group called Texans. This categorization allows you to distinguish Texans from people who live in, say, California or elsewhere.

- **Homogenization.** To simplify the comparison process, we tend to think that people within each group are very similar to each other. For instance, we think Texans collectively have similar attitudes and characteristics, whereas Californians collectively have their own set of characteristics. Of course every individual is unique, but we tend to lose sight of this fact when thinking about our social identity and how we compare to people in other social groups.
Differentiation. Social identity fulfills our inherent need to have a distinct and positive identity—in other words, to feel unique and good about ourselves. To achieve this, we do more than categorize people and homogenize them; we also differentiate groups by assigning more favorable characteristics to people in our groups than to people in other groups. This differentiation is often subtle. Even by constructing favorable images of our own social identity groups, we implicitly form less favorable images of people belonging to other social categories. However, when other groups compete or conflict with our groups, the “good guy–bad guy” contrast becomes much stronger. Under these conditions, the negative image of opponents preserves our self-image against the threatening outsiders.16

To summarize, the social identity process explains how we perceive ourselves and other people. We identify ourselves partly in terms of our membership in social groups. This comparison process includes categorizing people into groups, forming a homogeneous image of people within those groups, and differentiating groups by assigning more favorable features to our own groups than to other groups. This perceptual process makes our social world easier to understand and fulfills an innate need to feel unique and positive about ourselves. This social identity process is also the basis for stereotyping people in organizational settings, which we discuss next.

After reading the next three sections you should be able to
3. Outline the reasons why stereotyping occurs and describe ways to minimize its adverse effects.
4. Describe the attribution process and two attribution errors.
5. Summarize the self-fulfilling prophecy process.

Stereotyping in Organizational Settings

Stereotyping is an extension of social identity theory and a product of our natural process of organizing information.17 The first step in stereotyping occurs when we develop social categories and assign traits that are difficult to observe. For instance, students might form a stereotype that professors are both intelligent and absentminded. Personal experiences shape stereotypes to some extent, but stereotypes are provided to us mainly through cultural upbringing and media images (such as movie characters).

The second step in stereotyping involves assigning people to one or more social categories based on easily observable information about them, such as their gender, appearance, or physical location. Observable features allow us to assign people to a social group quickly and without much investigation. The third step consists of assigning the stereotyped group’s cluster of traits to people identified as members of that group. For example, we tend to think that professors are absentminded because people often include this trait in their stereotype of professors.

Why Stereotyping Occurs

Stereotyping occurs for three reasons.18 First, stereotyping relies on categorical thinking which, as we learned earlier, is a natural process to simplify our understanding of the world. We depend on categorical thinking and stereotyping because it is impossible to recall all the unique characteristics of every person we meet. Second, we have an innate need to understand and anticipate how others will behave. We don’t have
much information when first meeting someone, so we rely heavily on stereotypes to fill in the missing pieces. As you might expect, people with a stronger need for this cognitive closure have a higher tendency to stereotype others.

The third reason why stereotyping occurs is that it enhances our self-perception and social identity. Recall from social identity theory that we tend to emphasize the positive aspects of the groups to which we belong, which implicitly or explicitly generates less favorable views of people in contrasting groups. This explains why we are particularly motivated to use negative stereotypes toward people who hurt our self-esteem. Stereotypes of aloof, greedy executives often fill employees’ minds during layoffs, for instance.

Problems with Stereotyping

Stereotypes tend to have some inaccuracies, some overestimation or underestimation of real differences, and some degree of accuracy. Still, they cause numerous problems in the workplace that need to be minimized. One concern is that stereotypes do not accurately describe every person in a social category. For instance, the widespread “bean counter” stereotype of accountants collectively views people in this profession as “single-mindedly preoccupied with precision and form, methodical and conservative, and a boring joyless character.” Although this may be true of some accountants, it is certainly not characteristic of all—or even most—people in this profession.

One unfortunate consequence of these negative stereotypes is that they discourage some social groups from entering various professions. As Connections 3.1 describes, the “geek” or “nerd” stereotype of people in engineering and computer science is partly responsible for the low percentage of women in these occupations. Notice how the individual’s social identity also plays an important role in deciding whether to enter these professions.

Another problem with stereotyping is that it lays the foundation for discriminatory behavior. Most people experience unintentional (systemic) discrimination (also called disparate impact), which sometimes occurs when decision makers rely on stereotypes to establish notions of the “ideal” person in specific roles. A person who doesn’t fit the ideal is likely to receive a less favorable evaluation. This subtle discrimination often shows up in age discrimination claims, where employers say they are looking for “new blood” or “young dynamic” individuals. Ryanair recently lost an age discrimination case after the Irish discount airline used the latter phrase in its recruitment advertising. The tribunal learned that none of the 28 applicants who applied for Ryanair’s job opening was over 40 years old. Recruiters say they aren’t biased against older job applicants; yet older workers have a much more difficult time gaining employment even though research indicates they are well qualified.

A more overt form of discrimination is prejudice, which refers to unfounded negative emotions and attitudes toward people belonging to a particular stereotyped group. Overt prejudice is less apparent today than a few decades ago, but it still exists. In one recent incident a hotel clerk told two Wisconsin investigators of Hispanic and southeast Asian descent, respectively, that there were no vacancies; yet a female colleague who telephoned soon afterward was told the hotel had plenty of rooms available. The Australian army has taken a hammering recently for several examples of overt racism, including one incident where soldiers dressed as Ku Klux Klan members to taunt nonwhite soldiers in the unit. A tribunal in Quebec was recently shocked to discover that one of Canada’s largest vegetable farms prevented black employees from eating in the regular cafeteria. Instead they were relegated to a “blacks only” eating area that lacked heat, running water, proper toilets, and refrigeration. Claude
Bebear, CEO of French insurance giant AXA, has called for anonymous résumés because he believes that many employers in France routinely “throw away the résumés of people who are from bad parts of town which are supposed to have Arabs or blacks.”

Minimizing Stereotyping Bias

If stereotyping is such a problem, shouldn’t we try to avoid this process altogether? Unfortunately it’s not that simple. Most experts agree that categorical thinking (including stereotyping) is an automatic and unconscious process. Intensive training can minimize stereotype activation to some extent, but for the most part the process is hardwired in our brain cells. Also remember that stereotyping helps us in several valuable (although fallible) ways described earlier: minimizing mental effort, filling in missing information, and supporting our social identity. The good news is that although it is very difficult to prevent the activation of stereotypes, we can minimize the application of stereotypical information. In other words, we can avoid using our
stereotypes in our decisions and actions toward other people. Three strategies for minimizing the application of stereotyping are diversity awareness training, meaningful interaction, and decision-making accountability.

**Diversity Awareness Training and Assessment** Diversity awareness training tries to minimize discrimination by dispelling myths about people from various cultural and demographic groups and by identifying the organizational benefits of diversity and the problems with stereotyping. Some sessions rely on role-playing and other exercises to help employees discover the subtle yet pervasive effects of stereotyping in their decision making and behavior. Another approach is to complete self-assessments, such as the Implicit Association Test (IAT), which detect subtle race, age, and gender bias in people. 27

Diversity training and assessment do not correct deep-rooted prejudice; they probably don’t even change stereotypes in tolerant people. What they can potentially do, however, is to increase our sensitivity to equality and motivate us to block inaccurate perceptions arising from ingrained stereotypes. Consider Jennifer Smith-Holladay, who recently completed the IAT. Smith-Holladay was surprised to learn that she is biased in favor of white people, a group to which she belongs, and in favor of heterosexuals, a group to which she does not belong. “I discovered that I not only have some ingroup favoritism lurking in my subconscious, but also possess some internalized oppression in terms of my sexuality.” Smith-Holladay suggests that this revelation will make her more aware of personal biases and help her minimize their application in decision making. “In the case of my own subconscious ingroup favoritism for white people, for example, my charge is to be color-conscious, not color-blind, and to always explicitly consider how race may affect behaviors and decisions,” she says. 28

**Meaningful Interaction** The more meaningful interaction we have with someone, the less we rely on stereotypes to understand that person. 29 This statement, which describes the contact hypothesis, sounds simple enough; but in reality it works only under specific conditions. Participants must have close and frequent interaction working toward a shared goal where they need to rely on each other (that is, cooperate rather than compete with each other). Everyone should have equal status in that context and should be engaged in a meaningful task. An hour-long social gathering between executives and frontline employees does not satisfy these conditions. On the other hand, having executives work in frontline jobs, which we described at the beginning of this chapter, does seem to represent meaningful interaction. By working in frontline jobs these executives reduce their status differences with other staff, cooperate toward a common goal, and have close and frequent interaction with frontline employees.

**Decision-Making Accountability** A third way to minimize the biasing effects of stereotyping is to hold employees accountable for their decisions. 30 This accountability encourages more active information processing and, consequently, motivates decision makers to suppress stereotypical perceptions in favor of more precise and logical information. In contrast, less concern about accountability allows decision makers to engage in more passive information processing, which includes more reliance on discriminatory stereotypes.

Overall, social identity theory and stereotyping are central activities in the perceptual process, most of which occurs automatically and unconsciously. Without our awareness, our brain identifies and organizes the incoming information around preconceived categories and assigns emotional markers representing an initial reaction
to whether the information is good, bad, or irrelevant. It may be difficult to prevent this categorization and activation of stereotypes, but we can consciously control the application of stereotypes in decision making and behavior. Now let’s look at another perceptual activity: attribution.

**Attribution Theory**

The **attribution process** is the process of deciding whether an observed behavior or event is caused largely by the person (internal factors) or the environment (external factors). Internal factors include the individual’s ability or motivation, such as believing that an employee performs a job poorly because he or she lacks the necessary competencies or motivation. External factors include lack of resources, other people, or just luck. An external attribution would occur if we believe that the employee performs a job poorly because he or she doesn’t receive sufficient resources to do the task.

People rely on the three attribution rules shown in Exhibit 3.3 to determine whether someone’s behavior has mainly an internal or external attribution. Internal attributions are made when the observed individual behaved this way in the past (high consistency) and behaves like this toward other people or in different situations.
(low distinctiveness), and other people do not behave this way in similar situations (low consensus). On the other hand, an external attribution is made when there is low consistency, high distinctiveness, and high consensus.

Here’s an example that will help to clarify the three attribution rules. Suppose an employee is making poor-quality products one day on a particular machine. We would probably conclude that there is something wrong with the machine (an external attribution) if the employee has made good-quality products on this machine in the past (low consistency), the employee makes good-quality products on other machines (high distinctiveness), and other employees have recently had quality problems on this machine (high consensus). We would make an internal attribution, on the other hand, if the employee usually makes poor-quality products on this machine (high consistency), other employees produce good-quality products on this machine (low consensus), and the employee also makes poor-quality products on other machines (low distinctiveness).

Attributions are an essential part of our perceptual world because they link together the various pieces of that world in cause–effect relationships. As a result, our decisions and actions are influenced by our prior attributions. Students who make internal attributions about their poor performance are more likely to drop out of their programs. Our satisfaction with work accomplishments is influenced to a large degree by whether we take credit for those accomplishments or attribute the success to external causes. Whether employees support or resist organizational change initiatives depends on whether they believe management introduced those changes due to external pressures or their personal motives.
Attribution Errors

People are far from perfect when making attributions. One bias, called fundamental attribution error, refers to our tendency to see the person rather than the situation as the main cause of that person’s behavior.  

If an employee is late for work, observers are more likely to conclude that the person is lazy than to realize that external factors may have caused this behavior. One reason why fundamental attribution error occurs is that observers can’t easily see the external factors that constrain the person’s behavior. We didn’t see the traffic jam that caused the person to be late, for instance. Another reason is that we tend to believe in the power of the person; we assume that individuals can overcome situational constraints more than they really can.

Although it is fairly common in the United States and other Western countries, fundamental attribution error is less common in Asian cultures. The reason for this East–West difference is that Asians are taught from an early age to pay attention to the context in interpersonal relations and to see everything connected in a holistic way. Westerners, on the other hand, learn about the importance and independence of the individual; the person and situation are separate from each other, not seamlessly connected.

Another attribution error, known as self-serving bias, is the tendency to attribute our favorable outcomes to internal factors and our failures to external factors. Simply put, we take credit for our successes and blame others or the situation for our mistakes. Self-serving bias protects our self-esteem, but it can have the opposite effect for people in leadership positions. We expect leaders to take ownership of their failures, so we have less respect for executives who blame the situation rather than take personal responsibility. Still, self-serving bias is consistently found in annual reports; executives mainly refer to their personal qualities as reasons for the company’s gains and to external factors as reasons for the company’s losses.

Self-fulfilling Prophecy

Another important perception—and perceptual error—in organizations is self-fulfilling prophecy. Self-fulfilling prophecy occurs when our expectations about another person cause that person to act in a way that is consistent with those expectations. In other words, our perceptions can influence reality. Exhibit 3.4 illustrates the four
steps in the self-fulfilling prophecy process using the example of a supervisor and subordinate.  

1. **Expectations formed.** The supervisor forms expectations about the employee’s future behavior and performance. These expectations are sometimes inaccurate because first impressions are usually formed from limited information.  

2. **Behavior toward the employee.** The supervisor’s expectations influence his or her treatment of employees. Specifically, high-expectancy employees (those expected to do well) receive more emotional support through nonverbal cues (such as more smiling and eye contact), more frequent and valuable feedback and reinforcement, more challenging goals, better training, and more opportunities to demonstrate their performance.  

3. **Effects on the employee.** The supervisor’s behaviors have two effects on the employee. First, through better training and more practice opportunities, a high-expectancy employee learns more skills and knowledge than a low-expectancy employee. Second, the employee becomes more self-confident, which results in higher motivation and willingness to set more challenging goals.  

4. **Employee behavior and performance.** With higher motivation and better skills, high-expectancy employees are more likely to demonstrate desired behaviors and better performance. The supervisor notices this, which supports his or her original perception.  

There are plenty of examples of self-fulfilling prophecies in work and school settings. Research has found that women score lower on math tests when people around them convey a negative stereotype of women regarding their perceived ability to do math. Women perform better on these tests when they are not exposed to this negative self-fulfilling prophecy. Another study reported that the performance of Israeli Defense Force trainees was influenced by their instructor’s expectations regarding the trainee’s potential in the program. Self-fulfilling prophecy was at work here because the instructors’ expectations were based on a list provided by researchers showing which recruits had high and low potential, even though the researchers had actually listed these trainees randomly.  

**Contingencies of Self-Fulfilling Prophecy**  

Self-fulfilling prophecies are more powerful under some conditions than others. Manager expectations have a stronger effect on employee behavior at the beginning of the relationship (when employees are first hired) than after they have known each other for some time. Self-fulfilling prophecy is also more powerful when several people have these expectations toward an individual than when the expectations are perceived by just one person. In other words, we might be able to ignore one person’s doubts about our potential, but not the collective doubts of several people.  

A third factor is the individual’s past achievements. Both positive and negative self-fulfilling prophecies have a stronger effect on people with a history of low achievement than of those with high achievement. High achievers are less affected by negative expectations because they can draw on the strength of their successful past experiences. Low achievers don’t have these past successes to support their self-esteem, so they give up more easily when they sense their boss’s low expectations. Fortunately, the opposite is also true: Low achievers respond more favorably than high achievers to positive self-fulfilling prophecy. Low achievers don’t receive this positive encouragement very often, so it probably has a strong effect on their motivation to excel.  

Chapter 3  Perception and Learning in Organizations

The main lesson from the self-fulfilling prophecy literature is that leaders need to develop and maintain a positive, yet realistic, expectation toward all employees.\(^{44}\) This recommendation is consistent with the emerging philosophy of positive organizational behavior (a variation of positive psychology), which focuses on building positive qualities and traits within individuals or institutions as opposed to focusing just on trying to fix what might be wrong with them. Perceiving and communicating hope are so important that they are identified as critical successful factors for physicians and surgeons. Unfortunately, training programs that make leaders aware of the power of positive expectations seem to have minimal effect. Instead, generating positive expectations and hope depends on a corporate culture of support and learning. Hiring supervisors who are inherently optimistic toward their staff is another way of increasing the incidence of positive self-fulfilling prophecies.

**Other Perceptual Errors**

Self-fulfilling prophecy, attribution, and stereotyping are processes that both assist and interfere with the perceptual process. Four other well-known perceptual biases in organizational settings are primacy effect, recency effect, halo effect, and projection bias.
Primacy Effect

First impressions are lasting impressions. This well-known saying isn’t a cliché; it’s a well-researched observation known as the **primacy effect**. The primacy effect refers to our tendency to quickly form an opinion of people based on the first information we receive about them. This rapid perceptual organization and interpretation occurs because we need to make sense of the world around us. The problem is that first impressions—particularly negative first impressions—are difficult to change. After categorizing someone, we tend to select subsequent information that supports our first impression and screen out information that opposes that impression. Negative impressions tend to “stick” more than positive impressions because negative characteristics are more easily attributed to the person, whereas positive characteristics are often attributed to the situation.

Recency Effect

The **recency effect** occurs when the most recent information dominates our perceptions. This effect is most common when people (especially those with limited experience) make an evaluation involving complex information. For instance, auditors must digest large volumes of information in their judgments about financial documents, and the most recent information received prior to the decision tends to get weighted more heavily than information received at the beginning of the audit. Similarly, when supervisors evaluate the performance of employees over the previous year, the most recent performance information dominates the evaluation because it is the most easily recalled. Some employees, aware of the recency effect, use it to their advantage by getting their best work on the manager’s desk just before the performance appraisal is conducted.

Halo Effect

**Halo effect** occurs when our general impression of a person, usually based on one prominent characteristic, colors our perception of other characteristics of that person. If a supervisor who values punctuality notices that an employee is sometimes late for work, the supervisor might form a negative image of the employee and evaluate that person’s other traits unfavorably as well. Generally one trait important to the perceiver forms a general impression, and this impression becomes the basis for judgments about other traits. Halo effect is most likely to occur when concrete information about the perceived target is missing or we are not sufficiently motivated to search for it. Instead we use our general impression of the person to fill in the missing information.

Projection Bias

**Projection bias** occurs when we believe other people have the same beliefs and behaviors that we do. If you are eager for a promotion, you might think that others in your position are similarly motivated. If you are thinking of quitting your job, you start to believe that other people are also thinking of quitting. Projection bias is also a defense mechanism to protect our self-esteem. If we break a work rule, projection bias justifies this infraction by claiming “everyone does it.” We feel more comfortable with the thought that our negative traits exist in others, so we believe that others also have these traits.
After reading this section you should be able to
6. Explain how empathy and the Johari Window can improve a person’s perceptions.

Improving Perceptions

We can’t bypass the perceptual process, but we should make every attempt to minimize perceptual biases and distortions. Earlier we learned about diversity awareness, meaningful interaction, and accountability practices to minimize the adverse effects of biased stereotypes. Two other broad practices to improve perceptions are developing empathy and improving self-awareness.

Improving Perceptions through Empathy

Empathy refers to a person’s understanding of and sensitivity to the feelings, thoughts, and situations of others. Empathy has both a cognitive (thinking) and emotional component. The cognitive component, which is sometimes called perspective taking, represents a cognitive awareness of another person’s situational and individual circumstances. The emotional component of empathy refers to experiencing the feelings of the other person. You have empathy when actively visualizing the other person’s situation (perspective taking) and feeling that person’s emotions in that situation. Empathizing with others improves a person’s sensitivity to external causes of another person’s performance and behavior, thereby reducing fundamental attribution error. A supervisor who imagines what it’s like to be a single mother, for example, would become more sensitive to the external causes of lateness and other events among these employees.

Our empathy toward others improves through feedback, such as from a supervisor, co-worker, or coach. Executive coaches—consultants who help executives develop their competencies—also provide empathy-related feedback by attending meetings and later debriefing executives regarding how well they demonstrated empathy toward others in the meeting. Another way to improve empathy is to literally walk in the other person’s shoes. The opening story to this chapter described how several executives are following this practice by working in frontline jobs once in a while. The more you personally experience the environment in which other people live and work, the better you will understand and be sensitive to their needs and expectations.

Know Yourself: Applying the Johari Window

Knowing yourself—becoming more aware of your values, beliefs, and prejudices—is a powerful way to improve your perceptions. Let’s say that you had an unpleasant experience with lawyers and developed negative emotions toward people in this profession. Being sensitive to these emotions should enable you to regulate your behavior more effectively when working with legal professionals. Furthermore, if co-workers are aware of your antipathy to lawyers, they are more likely to understand your actions and help you to be objective in the future.

The Johari Window is a popular model for understanding how co-workers can increase their mutual understanding. Developed by Joseph Luft and Harry Ingram (hence the name Johari), this model divides information about you into four...
“windows”—open, blind, hidden, and unknown—based on whether your own values, beliefs, and experiences are known to you and to others (see Exhibit 3.5). The open area includes information about you that is known both to you and to others. For example, both you and your co-workers may be aware that you don’t like to be near people who smoke cigarettes. The blind area refers to information that is known to others but not to you. For example, your colleagues might notice that you are self-conscious and awkward when meeting the company chief executive, but you are unaware of this fact. Information known to you but unknown to others is found in the hidden area. We all have personal secrets about our likes, dislikes, and personal experiences. Finally, the unknown area includes your values, beliefs, and experiences that aren’t known to you or others.

The main objective of the Johari Window is to increase the size of the open area so that both you and colleagues are aware of your perceptual limitations. This is partly accomplished by reducing the hidden area through disclosure—informing others of your beliefs, feelings, and experiences that may influence the work relationship. The open area also increases through feedback from others about your behaviors. This information helps you to reduce your blind area because co-workers often see things in you that you do not see. Finally, the combination of disclosure and feedback occasionally produces revelations about information in the unknown area.

The Johari Window applies to some diversity awareness and meaningful contact activities that we described earlier. By learning about cultural differences and communicating more with people from different backgrounds, we gain a better understanding of their behavior. Engaging in open dialogue with co-workers also applies the Johari Window. As we communicate with others, we naturally tend to disclose more information about ourselves and eventually feel comfortable providing candid feedback to them.

The perceptual process represents the filter through which information passes from the external environment to our brain. As such, it is really the beginning of the learning process, which we discuss next.
Chapter 3  Perception and Learning in Organizations

Learning Objectives

After reading the next four sections you should be able to

7. Define learning and explain how it affects individual behavior.
8. Describe the A-B-C model of behavior modification and the four contingencies of reinforcement.
9. Describe the three features of social learning theory.
10. Describe Kolb’s experiential learning model and the action learning process.

Learning in Organizations

What do employees at Wipro Technologies appreciate most about working at the Indian software giant? Financial rewards and challenging work are certainly on the list, but one of the top benefits is learning. “Wipro provides great learning opportunities,” says CEO Vivek Paul. “The core of how employees think about us and value us revolves around training. It simply isn’t something we can back off from.”

Learning is a relatively permanent change in behavior (or behavior tendency) that occurs as a result of a person’s interaction with the environment. Learning occurs when the learner behaves differently. For example, we can see that you have “learned” computer skills when you operate the keyboard and software more quickly than before. Learning occurs when interaction with the environment leads to behavior change. This means that we learn through our senses, such as through study, observation, and experience.

Learning influences individual behavior and performance through three elements of the MARS model (see Chapter 2). First, people acquire skills and knowledge through learning opportunities, which gives them the competencies to perform tasks more effectively. Second, learning clarifies role perceptions. Employees develop a better understanding of their tasks and relative importance of work activities. Third, learning occurs through feedback, which motivates employees when they see that they are accomplishing their tasks.

Learning Explicit and Tacit Knowledge

When employees learn, they acquire both explicit and tacit knowledge. Explicit knowledge is organized and can be communicated from one person to another. The information you receive in a lecture is mainly explicit knowledge because the instructor packages and consciously transfers it to you. Explicit knowledge can be written down and given to others.

However, explicit knowledge is really only the tip of the knowledge iceberg. Most of what we know is tacit knowledge. You have probably said to someone, “I can’t tell you how to do this, but I can show you.” Tacit knowledge is not documented; rather, it is action-oriented and known below the level of consciousness. Some writers suggest that tacit knowledge also includes the organization’s culture and a team’s implicit norms. People know these values and rules exist, but they are difficult to describe and document. Tacit knowledge is acquired through observation and direct experience. For example, airline pilots learn to operate commercial jets more by watching experts and practicing on flight simulators than through lectures. They acquire tacit knowledge by directly experiencing the complex interaction of behavior with the machine’s response.

The rest of this chapter introduces three perspectives on learning tacit and explicit knowledge: reinforcement, social learning, and direct experience. Each perspective offers a different angle for understanding the dynamics of learning.
Behavior Modification: Learning through Reinforcement

One of the oldest perspectives on learning, called **behavior modification** (also known as **operant conditioning** and **reinforcement theory**), takes the rather extreme view that learning is completely dependent on the environment. Behavior modification does not question the notion that thinking is part of the learning process, but it views human thoughts as unimportant intermediate stages between behavior and the environment. The environment teaches us to alter our behaviors so that we maximize positive consequences and minimize adverse consequences.56

A–B–Cs of Behavior Modification

The central objective of behavior modification is to change behavior (B) by managing its antecedents (A) and consequences (C). This process is nicely illustrated in the A–B–C model of behavior modification, shown in Exhibit 3.6.57

**Antecedents** are events preceding the behavior, informing employees that certain behaviors will have particular consequences. An antecedent may be a sound from your computer signaling that an e-mail message has arrived or a request from your supervisor to complete a specific task by tomorrow. These antecedents let employees know that a particular action will produce specific consequences. Notice that antecedents do not cause behaviors. The computer sound doesn’t cause us to read our e-mail. Rather, the sound is a cue telling us that particular consequences are likely to occur if we engage in particular behaviors.

Although antecedents are important, behavior modification focuses mainly on the consequences of behavior. Consequences are events following a particular behavior that influence its future occurrence. Generally speaking, people tend to repeat behaviors that are followed by pleasant consequences and are less likely to repeat behaviors that are followed by unpleasant consequences or no consequences at all.

Contingencies of Reinforcement

Behavior modification identifies four types of consequences that strengthen, maintain, or weaken behavior. These consequences, collectively known as the **contingencies** of behavior, are:

- **Primary reinforcers** (e.g., food, water, and sex)
- **Secondary reinforcers** (e.g., praise, money, and status)
- **Positive reinforcers** (e.g., getting a reward)
- **Negative reinforcers** (e.g., getting out of a disagreeable task)

Exhibit 3.6 A–B–Cs of Behavior Modification

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of reinforcement, include positive reinforcement, punishment, negative reinforcement, and extinction:\textsuperscript{58}

- **Positive reinforcement.** Positive reinforcement occurs when the introduction of a consequence increases or maintains the frequency or future probability of a specific behavior. Receiving a bonus after successfully completing an important project is considered positive reinforcement because it typically increases the probability that you will use those behaviors in the future.

- **Punishment.** Punishment occurs when a consequence decreases the frequency or future probability of a behavior. This consequence typically involves introducing something that employees try to avoid. For instance, most of us would consider a demotion or being ostracized by our co-workers as forms of punishment.\textsuperscript{59}

- **Negative reinforcement.** Negative reinforcement occurs when the removal or avoidance of a consequence increases or maintains the frequency or future probability of a specific behavior. Supervisors apply negative reinforcement when they stop criticizing employees whose substandard performance has improved. When the criticism is withheld, employees are more likely to repeat behaviors that improved their performance. Notice that negative reinforcement is not punishment. It actually reinforces behavior by removing punishment.

- **Extinction.** Extinction occurs when the target behavior decreases because no consequence follows it. In this respect, extinction is a do-nothing strategy. Generally, behavior that is no longer reinforced tends to disappear; it becomes extinct. For instance, research suggests that when managers stop congratulating employees for their good performance, that performance tends to decline.\textsuperscript{60}

Which contingency of reinforcement should we use in the learning process? In most situations positive reinforcement should follow desired behaviors, and extinction (do nothing) should follow undesirable behaviors. This approach is preferred because punishment and negative reinforcement generate negative emotions and attitudes toward the punisher (supervisor) and organization. However, some form of punishment (dismissal, suspension, demotion) may be necessary for extreme behaviors, such as deliberately hurting a co-worker or stealing inventory. Indeed, research suggests that, under certain conditions, punishment maintains a sense of equity among co-workers.\textsuperscript{61}

**Schedules of Reinforcement**

Along with the types of reinforcement, the frequency and timing of those reinforcers also influence employee behaviors.\textsuperscript{62} These reinforcement schedules can be continuous or intermittent. The most effective reinforcement schedule for learning new tasks is continuous reinforcement—providing positive reinforcement after every occurrence of the desired behavior. Employees learn desired behaviors quickly and, when the reinforcer is removed, extinction also occurs very quickly.

The other schedules of reinforcement are intermittent and are distinguished by whether they are based on a period of time (interval) or number of behavioral events (ratio), and whether that interval or ratio is fixed or variable. Most people get paid with a fixed interval schedule because they receive their reinforcement (paycheck) after a fixed period. A variable interval schedule is common for promotions: Employees are promoted after a variable amount of time. If you are given the rest of the day off after completing a fixed amount of work (for example, serving a specific number of customers), then you have experienced a fixed ratio schedule—reinforcement after a fixed number of behaviors or accomplishments.
Finally, companies often use a variable ratio schedule in which employee behavior is reinforced after a variable number of times. Salespeople experience variable ratio reinforcement because they make a successful sale (the reinforcer) after a varying number of client calls. They might make four unsuccessful calls before receiving an order on the fifth one, then make 10 more calls before receiving the next order, and so on. The variable ratio schedule is a low-cost way to reinforce behavior because employees are rewarded infrequently. It is also highly resistant to extinction. Suppose your boss walks into your office at varying times of the day. Chances are that you would work consistently better throughout the day than if your boss visits at exactly 11 a.m. every day. If your boss doesn’t walk into your office at all on a particular day, you might still expect a visit right up to the end of the day if previous visits were random.

Behavior Modification in Practice

Everyone practices behavior modification in one form or another. We thank people for a job well done, are silent when displeased, and sometimes try to punish those who go against our wishes. Behavior modification also occurs in various formal programs to reduce absenteeism, encourage safe work behaviors, and improve task performance. In Arkansas, for example, the North Little Rock School Board introduced an absenteeism reduction plan in which teachers can earn $300 after every six months with perfect attendance. Those with no more than one day of absence receive $100. The Dallas Area Rapid Transit (DART) introduced a behavior modification program in which employees earn points for wellness activities, including getting an annual physical examination, engaging in fitness workouts, and attending wellness lectures. Every point is equivalent to one dollar, which can be used to buy gifts at DART’s wellness store and, at the end of each year, a cash payout.

Although behavior modification can be effective, it has several limitations. One problem is “reward inflation,” in which the reinforcer is eventually considered an entitlement. For this reason most behavior modification programs must run infrequently and for short durations. A second problem is that some people revolt against the lottery-style variable ratio schedule because they consider gambling unethical. Third, behavior modification’s radical “behaviorist” philosophy (that human thinking processes are unimportant) has lost favor because it is now evident that people can learn through mental processes, such as observing others and thinking logically about possible consequences. Thus without throwing away the principles of behavior modification, most learning experts today also embrace the concepts of social learning theory.
Social Learning Theory: Learning by Observing

Social learning theory states that much learning occurs as we observe others and then model the behaviors that lead to favorable outcomes and avoid behaviors that lead to punishing consequences. Three related features of social learning theory are behavior modeling, learning behavior consequences, and self-reinforcement.

Behavior Modeling

People learn by observing the behaviors of a role model on a critical task, remembering the important elements of the observed behaviors, and then practicing those behaviors. Behavior modeling works best when the model is respected and the model’s actions are followed by favorable consequences. For instance, recently hired college graduates learn better by watching a previously hired college graduate who successfully performs a task.

Behavior modeling is a valuable form of learning for two reasons. First, tacit knowledge and skills are acquired from others mainly through observation. The adage that a picture is worth a thousand words applies here. It is difficult to document or verbally explain every detail of how a master baker kneads dough. Instead this information is more effectively learned by observing the baker’s actions and the consequences of those actions. Second, employees have a stronger belief that they can perform work after seeing someone else perform the task. This effect is particularly strong when observers identify with the model, such as someone who is similar with respect to age, experience, and gender. For instance, students are more confident about taking a challenging course when they are mentored by students similar to them who have just completed that course.

Learning Behavior Consequences

A second element of social learning theory says that we learn the consequences of behavior through logic and observation, not just through direct experience. People logically anticipate desirable consequences after completing a task well and undesirable consequences (punishment or extinction) after performing the job poorly. It just makes sense to expect these outcomes until we learn otherwise. We also learn behavioral consequences by observing the experiences of other people. This process, known as vicarious learning, occurs all the time in organizational settings. You might notice how co-workers mock another employee who dresses formally at work. By observing this incident, you learn about the group’s preference for wearing casual attire. You might see how another worker serves customers better by keeping a list of their names, which teaches you to do the same. In each case you have learned vicariously, not through your own experience.

Self-Reinforcement

Self-reinforcement, the third element of social learning theory, occurs whenever an employee has control over a reinforcer but doesn’t “take” it until completing a self-set goal. For example, you might be thinking about having a snack after you finish reading the rest of this chapter. You could take a break right now, but you don’t use this privilege until you have achieved your goal of reading the chapter. Raiding the refrigerator is a form of self-induced positive reinforcement. Self-reinforcement can take many forms, such as taking a short walk, watching a movie, or simply congratulating yourself for completing the task. Self-reinforcement has become increasingly important because employees are given more control over their working lives and are less dependent on supervisors to dole out positive reinforcement and punishment.
Learning through Experience

Mandy Chooi is about to attend a meeting with a lower-level manager who has botched a new assignment. She is also supposed to make a strategy presentation to her boss in three hours, but the telephone won’t stop ringing and she is deluged with e-mail. It’s a stressful situation. Fortunately the challenges facing the Motorola human resources executive from Beijing on this particular day are not real. Chooi is sitting in a simulation to develop and test her leadership skills. “It was hard. A lot harder than I had expected,” she says. “It’s surprising how realistic and demanding it is.”

Many organizations are shifting their learning strategy away from the classroom and toward a more experiential approach. Classrooms transfer explicit knowledge that has been documented; but most tacit knowledge and skills are acquired through experience as well as observation. Experiential learning has been conceptualized in many ways, but one of the most enduring perspectives is Kolb’s experiential learning model, shown in Exhibit 3.7. This model illustrates experiential learning as a cyclical four-stage process.

Concrete experience involves sensory and emotional engagement in some activity. It is followed by reflective observation, which involves listening, watching, recording, and elaborating on the experience. The next stage in the learning cycle is abstract conceptualization. This is the stage in which we develop concepts and integrate our observations into logically sound theories. The fourth stage, active experimentation, occurs when we test our previous experience, reflection, and conceptualization in a particular context. People tend to prefer and operate better in some stages than in others due to their unique competencies and personality. Still, experiential learning requires all four stages in proper balance.

Experiential Learning in Practice

Learning through experience works best in organizations with a strong learning orientation—they value learning opportunities and, in particular, the generation of new knowledge while employees perform their jobs. If an employee initially fails to perform a task, then the experience might still be a valuable learning opportunity. In other words, such organizations encourage employees to appreciate the process of individual and team learning, not just the performance results.
Organizations achieve a learning orientation culture by rewarding experimentation and recognizing mistakes as a natural part of the learning process. They encourage employees to take reasonable risks to ultimately discover new and better ways of doing things. Without a learning orientation, mistakes are hidden and problems are more likely to escalate or reemerge later. It’s not surprising, then, that one of the most frequently mentioned lessons from the best-performing manufacturers is to expect mistakes. “[Mistakes] are a source of learning and will improve operations in the long run,” explains an executive at Lockheed Martin in Bethesda, Maryland. “[They] foster the concept that no question is dumb, no idea is too wild, and no task or activity is irrelevant.”

**Action Learning** One application of workplace experiential learning that has received considerable interest, particularly in Europe, is **action learning**. Action learning occurs when employees, usually in teams, investigate and apply solutions to a situation that is both real and complex, with immediate relevance to the company. In other words, the task becomes the source of learning. Kolb’s experiential learning...
model presented earlier is usually identified as the main template for action learning. Action learning requires concrete experience with a real organizational problem or opportunity, followed by “learning meetings” in which participants reflect on their observations about that problem or opportunity. Then they develop and test a strategy to solve the problem or realize the opportunity. The process also encourages plenty of reflection so the experience becomes a learning process.

Action learning is considered one of the best ways to develop leadership competencies because it combines conceptual knowledge with real-world issues and reflective learning. Although slowly gaining popularity in North American firms (such as GE and Boeing), action learning is well established in Europe, where companies such as Heineken appreciate how this learning process can add value to the organization. “Action learning has become the primary vehicle for generating creative ideas and building business success at Heineken,” says the chairman of the executive board at Europe’s largest brewer. MTR Corporation, which operates Hong Kong’s commuter train system, recently introduced action learning projects as part of its executive development program. One action learning team discovered a cost savings measure that would fund executive development at MTR for several years.

This chapter has introduced you to two fundamental activities in human behavior in the workplace: perceptions and learning. These activities involve receiving information from the environment, organizing it, and acting on it as a learning process. Our knowledge about perceptions and learning in the workplace lays the foundation for the next chapter, which looks at workplace emotions and attitudes.

**Chapter Summary**

Perception involves selecting, organizing, and interpreting information to make sense of the world around us. Selective attention is influenced by characteristics of the person or object being perceived (size, intensity, motion, repetition, and novelty) and characteristics of the person doing the perceiving. Perceptual organization engages categorical thinking—the mostly unconscious process of organizing people and objects into preconceived categories that are stored in our long-term memory. To a large extent, our perceptual interpretation of incoming information occurs before we are consciously aware of it. Mental models—broad worldviews or templates of the mind—also help us make sense of incoming stimuli.

The social identity process explains how we perceive ourselves and other people. We identify ourselves partly in terms of our membership in social groups. This comparison process includes categorizing people into groups, forming a homogeneous image of people within those groups, and differentiating groups by assigning more favorable features to our own groups than to other groups. Stereotyping is a derivative of social identity theory, in which people assign traits to others based on their membership in a social category. Stereotyping economizes mental effort, fills in missing information, and enhances our self-perception and social identity. However, it also lays the foundation for prejudice and systemic discrimination. It is very difficult to prevent the activation of stereotyping, but we can minimize the application of stereotypical information in our decisions and actions. Three strategies to minimize the influence of stereotypes are diversity awareness training, meaningful interaction, and decision-making accountability.

The attribution process involves deciding whether a behavior or event is due largely to the situation (external attributions) or personal characteristics (internal attributions). Attributions are decided by perceptions of the consistency, distinctiveness, and consensus of the behavior. This process links together the various pieces of our world in cause–effect relationships, but it is also subject to attribution errors, including fundamental attribution error and self-serving bias.

Self-fulfilling prophecy occurs when our expectations about another person cause that person to act in a way that is consistent with those expectations. Essentially, our expectations affect our behavior toward the target person, which then affects the target person’s opportunities and attitudes, which then influences his or her behavior. Self-fulfilling prophecies tend to be stronger at the beginning of relationships (such as when employees first join a department), when several people hold similar expectations of the employee, and when the employee has a history of low achievement.
Four other perceptual errors commonly noted in organizations are primacy effect, recency effect, halo effect, and projection bias. We can minimize these and other perceptual problems through empathy and becoming more aware of our values, beliefs, and prejudices (the Johari Window).

Learning is a relatively permanent change in behavior (or behavior tendency) that occurs as a result of a person’s interaction with the environment. Learning influences individual behavior and performance through ability, role perceptions, and motivation. Some learning results in explicit knowledge, which can be verbally transferred between people. But much of what we learn is tacit knowledge, which is embedded in our actions without conscious awareness.

The behavior modification perspective of learning states that behavior change occurs by altering its antecedents and consequences. Antecedents are environmental stimuli that provoke (not necessarily cause) behavior. Consequences are events following behavior that influence its future occurrence. Consequences include positive reinforcement, punishment, negative reinforcement, and extinction. The schedules of reinforcement also influence behavior.

Social learning theory states that much learning occurs as we observe others and then model behaviors that seem to lead to favorable outcomes and avoid behaviors that lead to punishing consequences. It also recognizes that we often engage in self-reinforcement. Behavior modeling is effective because it transfers tacit knowledge and enhances the observer’s confidence in performing the task.

Many companies now use experiential learning because employees do not acquire tacit knowledge through formal classroom instruction. Kolb’s experiential learning model is a cyclical four-stage process that includes concrete experience, reflective observation, abstract conceptualization, and active experimentation. Action learning is experiential learning in which employees investigate and act on significant organizational issues.

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**Key Terms**

- action learning, p. 91
- attribution process, p. 77
- behavior modification, p. 86
- categorical thinking, p. 69
- contact hypothesis, p. 76
- empathy, p. 83
- extinction, p. 87
- fundamental attribution error, p. 79
- halo effect, p. 82
- Johari Window, p. 83
- learning, p. 85
- learning orientation, p. 90
- mental models, p. 70
- negative reinforcement, p. 87
- perception, p. 68
- positive organizational behavior, p. 81
- positive reinforcement, p. 87
- prejudice, p. 75
- primacy effect, p. 82
- projection bias, p. 82
- punishment, p. 87
- recency effect, p. 82
- selective attention, p. 69
- self-fulfilling prophecy, p. 79
- self-reinforcement, p. 89
- self-serving bias, p. 79
- social identity theory, p. 71
- social learning theory, p. 89
- stereotyping, p. 73
- tacit knowledge, p. 85

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**Critical Thinking Questions**

1. You are part of a task force to increase worker responsiveness to emergencies on the production floor. Identify four factors that should be considered when installing a device that will get every employee’s attention when there is an emergency.

2. What mental models do you have about attending a college or university lecture? Are these mental models helpful? Could any of these mental models hold you back from achieving the full benefit of the lecture?

3. Contrast “personal” and “social” identity. Do you define yourself in terms of the university or college you attend? Why or why not? What are the implications of your answer for your university of college?

4. During a diversity management session, a manager suggests that stereotypes are a necessary part of working with others. “I have to make assumptions about what’s in the other person’s head, and stereotypes help me do that,” she explains. “It’s better to rely on stereotypes than to enter a working relationship with someone from another culture without any idea of what they believe in!” Discuss the merits of and problems with the manager’s statement.
Part One

Catherine O’Neill was very excited to finally be graduating from Flagship University at the end of the semester. She had always been interested in accounting, following from her father’s lifelong occupation, and she very much enjoyed the challenging major. She was involved in many highly regarded student clubs in the business school and worked diligently to earn good grades. Now her commitment to the profession would pay off, she hoped, as she turned her attention to her job search. In late fall she had on-campus interviews with several firms, but her interview with the prestigious Lippert-Johanson Incorporated (LJI) stood out in her mind as the most attractive opportunity. That’s why Catherine was thrilled to learn she made it to the next level of interviews, to be held at the firm’s main office later that month.

When Catherine entered the elegant lobby of LJI’s New York City offices, she was immediately impressed by all there was to take in. Catherine had always been one to pay attention to detail, and her acute observations of her environment had always been an asset. She was able to see how social and environmental cues told her what was expected of her, and she always set out to meet and exceed those expectations. On a tour of the office, she had already begun to size up her prospective workplace. She appreciated the quiet, focused work atmosphere. She liked how everyone was dressed: Most people wore suits, and their conservative apparel supported the professional attitudes that seemed to be omnipresent. People spoke to her in a formal but friendly manner and seemed enthusiastic. Some of them even took the time to greet her as she was guided to the conference room for her individual interviews. “I like the way this place feels, and I just know I’m a good fit!” she told her proud father. “Like them, I believe it is important to have the highest ethical standards and quality of work. Ms. Jacobs really emphasized the mission of the firm, as well as its policies. She did say that all the candidates have an excellent skill set and are well qualified for the job, so mostly they are going to base their hiring decision on how well they think each of us will fit into the firm. Reputation is everything to an accounting firm. I learned that from you, Dad!”

5. Several studies have reported that self-serving bias occurs in corporate annual reports. What does this mean, and how would it be apparent in these reports? Provide hypothetical examples of self-serving bias in these documents.

6. Describe a manager or coach could use the process of self-fulfilling prophecy to enhance an individual’s performance.

7. Describe a situation in which you used behavior modification to influence someone’s behavior. What specifically did you do? What was the result?

8. Why are organizations moving toward the use of experiential approaches to learning? What conditions are required for success?
After six weeks of apprehensive waiting, Catherine’s efforts were rewarded when LJI and another firm contacted her with job offers. Catherine knew she would accept the offer from LJI. She saw the firm as very ethical, with the highest standards for work quality and an excellent reputation. Catherine was grateful to have been selected from such a competitive hiring process. “There couldn’t be a better choice for me! I’m so proud to become a member of this company!”

Catherine’s first few days at LJI were a whirlwind of a newcomer’s experiences. She had meetings with her supervisor to discuss the firm’s mission statement, her role in the firm, and what was expected of her. She was also told to spend some time looking at the employee handbook, which covered many important policies of the firm, such as dress code, sick time, grievances, the chain of command and job descriptions, and professional ethics. Everyone relied on the handbook to provide clear guidance about what was expected of each employee. Also, Catherine was informed that she would soon begin participating in continuing professional education, which would allow her to update her skills and knowledge in her field. “This is great,” thought Catherine, “I’m so glad to know the firm doesn’t just talk about its high standards—it actually follows through with action.”

What Catherine enjoyed most about her new job were her warm and welcoming colleagues, who invited her to their group lunches beginning with her first day. They talked about work and home; they seemed close, both professionally and personally. She could see that everyone had a similar attitude about work: They cared about their work and the firm; they took responsibility for their own tasks, and they helped one another out. Catherine also got involved in LJI activities outside work—like baseball and soccer teams, happy hours, picnics, and parties—and she enjoyed the chance to mingle with her co-workers. In what seemed like no time at all, Catherine started to see herself as a fully integrated member of LJI.

Before tax season started, Catherine attended some meetings of the AICPA and other professional accounting societies. There she met many accountants from other firms who all seemed impressed when she told them where she worked. Catherine’s pride and appreciation of being a member of LJI grew as she realized how highly regarded the firm was among others in the accounting industry.

Part Two

Over the past seven years Catherine’s career in New York had flourished. Her reputation as one of the top tax accountants in her company was well established and was recognized by colleagues outside the firm as well. However, Catherine entered a new chapter of her life when she married Ted Lewis, an oncology intern, who could not turn down an offer of residency at a top cancer center in upstate New York. Wanting to support Ted’s once-in-a-lifetime career opportunity, Catherine decided it was time to follow the path of many of her colleagues and leave public accounting for a position that would be more conducive to starting a family. Still, her heart was in the profession, so she took an available position as a controller of a small recycling company located a few miles from Catherine and Ted’s new upstate home. She knew that with this position she could both have children and maintain her career.

Fenway Waste Management was small—about 35 employees. There were about 25 people who worked in the warehouse, three administrative assistants, two supervisors, and five people in management. Catherine found that she had to adjust to her new position and surroundings. Often she found herself doing work that formally belonged to someone else; because it was a smaller company managers seemed to “wear many hats.” This was quite different from what she had experienced at LJI. In addition, the warehouse workers often had to handle greasy materials, and sometimes they tracked the grease into the offices. Catherine both laughed and worried when she saw a piece of paper pinned to the wall that said, “Clean Up After Yourself!” She supposed that the nature of the business was why the offices were functional but furnished with old pieces. She couldn’t imagine having a business meeting there. Also, for most of the employees, the casual dress matched the casual attitudes. But Catherine continued to wear a dressed-down version of her formal LJI attire, even though her new co-workers considered her overdressed.

With all the changes Catherine had experienced, she maintained one familiar piece of her past. Although it was not required for her new position, Catherine still attended AICPA meetings and made a point of continually updating her knowledge of current tax laws. At this year’s conference, she told a former colleague, “Being here, I feel so much more
Catherine—like myself—I am so much more connected to these people and this environment than to those at my new job. It’s too bad I don’t feel this way at Fenway. I guess I’m just more comfortable with professionals who are similar to me.”

Discussion Questions

1. Discuss the social identity issues present in this case.
2. What indicated Catherine’s positive evaluation of the groups described in Part 1? How did her evaluations foster her social identity?
3. What theory helps us understand how Catherine learned about appropriate behaviors at LJI?
4. Compare and contrast LJI and Fenway.
5. What was Catherine’s reaction after joining Fenway Waste Management, and why was her level of social identification different from that at LJI?
6. Is there evidence that Catherine experienced the categorization–homogenization–differentiation process? What details support your conclusion?

Case Study 3.2 HOW FAILURE BREEDS SUCCESS

Coca-Cola Chairman and CEO E. Neville Isdell knows that the best companies embrace their mistakes and learn from them. That’s why Isdell doesn’t mind rhyming off the list of Coke’s failures over the years. In fact, he is keen to convince employees and shareholders that he will tolerate the failures that will inevitably result from the bigger risks that he wants Coke to take. At the same time, say analysts, balancing a learning culture with a performance culture is a perennial challenge. Intuit, the tax software company, thinks it has a solution. When one of its marketing strategies recently flopped, the company celebrated the failure and spent a lot of time dissecting it.

This BusinessWeek case study describes several ways that companies learn from their mistakes while still maintaining a strong focus on performance and the bottom line. Read the full text of this BusinessWeek article at www.mhhe.com/mcshane4e and prepare for the discussion questions below.

Discussion Questions

1. Use Kolb’s experiential learning model to describe the process that Intuit and other companies follow to learn from their mistakes and failures.
2. What perceptual problems do managers need to overcome with failures? How can these perceptual problems be minimized?


Class Exercise 3.3 THE LEARNING EXERCISE

PURPOSE This exercise is designed to help you understand how the contingencies of reinforcement in behavior modification affect learning.

MATERIALS Any objects normally available in a classroom will be acceptable for this activity.

INSTRUCTIONS The instructor will ask for three volunteers, who will be briefed outside the classroom. The instructor will spend a few minutes telling the remaining students in the class about their duties. Then one of the three volunteers will enter the room to participate in the exercise. When the
Team Exercise 3.4  WHO AM I?

PURPOSE  This exercise is designed to help you understand the elements and implications of social identity theory.

MATERIALS  None.

INSTRUCTIONS
1.  Working alone (no discussion with other students), use the space provided here or a piece of paper to write down 12 words or phrases that answer the question “Who am I?” Write your words or phrases describing you as they come to mind; don’t worry about their logical order. Please be sure to fill in all 12 spaces.

2.  Circle the “S” beside the items that define you in terms of your social identity, such as your demographics and formal or informal membership in a social group or institution (school, company, religious group). Circle the “P” beside the items that define you in terms of your personal identity—that is, unique personality traits, values, or experiences that are not connected to any particular social group. Next underline one or more items that you believe will still be a strong characteristic of you 10 years from now.

3.  Form small groups. If you have a team project for this course, your project team would work well for this exercise. Compare your list with those that others in your group wrote about themselves. Discuss the following questions in your group, and prepare notes for class discussion and possible presentation of these questions:
   a.  Among members of this team, what was the typical percentage of items representing social versus personal identity? Did some team members have many more or fewer social identity items compared to other team members? Why do you think these large or small differences in emphasis on social or personal identity occurred?
   b.  What characteristics did people in your group underline as being the most stable (remaining the same 10 years from now)? Were these underlined items mostly social or personal identity features? How similar or different were the underlined items among team members?
   c.  What do these lists say about the dynamics of your group as a team (whether or not your group for this activity is actually involved in a class project for this course)?

Web Exercise 3.5  ANALYZING CORPORATE ANNUAL REPORTS

PURPOSE  This exercise is designed to help you diagnose evidence of stereotyping and corporate role models that minimize stereotyping in corporate annual reports.

MATERIALS  You need to complete your research for this activity prior to class, including selecting a publicly traded company and downloading the past four or more years of its fully illustrated annual reports.

INSTRUCTIONS  The instructor may have you work alone or in groups for this activity. Select a company that is publicly traded and makes its annual reports available on the company Web site. Ideally annual reports for at least the past four years should be available, and these reports should be presented in the final illustrated format (typically PDF replicas of the original hard copy report).

Examine closely the images in your selected company’s recent annual reports in terms of how women, visible minorities, and older employees and clients are presented. Specifically, be prepared to discuss and provide details in class regarding the following:

1. The percentage of images showing women, visible minorities, and older workers and clients. Be sensitive to the size and placement of these images on the page and throughout the annual report.
2. The roles in which women, visible minorities, and older workers and clients are depicted. For example, are women shown more in traditional or nontraditional occupations and nonwork roles in these annual reports?
3. If several years of annual reports are available, pick one that is at least a decade old and compare its visual representation of and role depictions of women, visible minorities, and older employees and clients.

If possible, pick one of the most blatantly stereotypical illustrations you can find in these annual report to show in class, either as a printout or as a computer projection.

Self-Assessment 3.6  ASSESSING YOUR PERSONAL NEED FOR STRUCTURE

PURPOSE  This self-assessment is designed to help you estimate your personal need for perceptual structure.

INSTRUCTIONS  Read each of the following statements and decide how much you agree with each according to your attitudes, beliefs, and experiences. Then use the scoring key in Appendix B of this book to calculate your results. There are no right or wrong answers to these questions. This self-assessment should be completed alone so that you can rate yourself honestly without concerns of social comparison. However, class discussion will focus on the meaning of need for structure in terms of how we engage differently in the perceptual process at work and in other settings.
To what extent do you agree or disagree with each of these statements about yourself?

1. It upsets me to go into a situation without knowing what I can expect from it.
2. I'm not bothered by things that interrupt my daily routine.
3. I enjoy being spontaneous.
4. I find that a well-ordered life with regular hours makes my life tedious.
5. I find that a consistent routine enables me to enjoy life more.
6. I enjoy having a clear and structured mode of life.
7. I like to have a place for everything and everything in its place.
8. I don't like situations that are uncertain.
9. I hate to change my plans at the last minute.
10. I hate to be with people who are unpredictable.
11. I enjoy the exhilaration of being in unpredictable situations.
12. I become uncomfortable when the rules in a situation are not clear.

Self-Assessment 3.7

ASSESSING YOUR PERSPECTIVE TAKING (COGNITIVE EMPATHY) (STUDENT OLC)

Empathy is an important perceptual ability in social relations, but the degree to which people empathize varies considerably. This self-assessment provides an estimate of one form of empathy, known as cognitive empathy or perspective taking. This means that it measures the level of cognitive awareness of another person’s situational and individual circumstances. To complete this scale, indicate the degree to which each of the statements presented does or does not describe you well. You need to be honest with yourself to get a reasonable estimate of your level of perspective taking. The results show your relative position along the perspective-taking continuum and the general meaning of this score.

Self-Assessment 3.8

ASSESSING YOUR EMOTIONAL EMPATHY (STUDENT OLC)

Empathy is an important perceptual ability in social relations, but the degree to which people empathize varies considerably. This self-assessment provides an estimate of one form of empathy, known as emotional empathy. This refers to the extent to which you are able to experience the emotions or feelings of another person. To complete this scale, indicate the degree to which each of the statements presented does or does not describe you well. You need to be honest with yourself to get a reasonable estimate of your level of emotional empathy. The results show your relative position along the emotional empathy continuum and the general meaning of this score.

After reading this chapter, if you feel that you need additional information, see www.mhhe.com/mcshane4e for more in-depth interactivities that correspond to this material.
Employees seem to be as genuinely happy as the customers at Wegmans Food Market. That’s probably because the company, which is consistently rated as one of the best places to work in America (and number one in two recent years), bends over backward to make sure its employees get plenty of positive emotions at work. In fact, Wegmans’ motto is “Employees first, customers second.” The Wegmans family believes that happy employees provide the best customer service.

Wegmans’ 33,000 staff members in New York and four nearby states enjoy above-average pay, health benefits, and other perks, resulting in labor costs of about 16 percent of sales compared to 12 percent at most supermarkets. But it’s the everyday “family” feeling that seems to make the biggest difference. “The best way to describe it is a family atmosphere,” says Mark Fursman, a bakery manager in Buffalo who has worked at Wegmans for 17 years.

Katie Southard echoes this view. “It’s more you’re not part of a company, you’re part of a family,” says Southard, who works in customer service at a Wegmans’ store in Rochester, New York. “You’re treated as an individual, not just one of the 350 persons in the store.”

Wegmans also invests in its employees, then gives them the freedom to do their jobs. The company sent cheese manager Terri Zodarecky on a 10-day trip to cheesemakers in London, Paris, and Italy. Steve O’Malley has also received “a lot of education,” including sojourns to California and advanced training at the Culinary Institute of America. Armed with this knowledge, employees are given the freedom to serve customers as best they see fit. “They let me do whatever comes into my head, which is kind of scary sometimes,” says part-time meat department worker Bill Gamer. Wegmans operations chief Jack DePeters agrees, half-jokingly suggesting that “We’re a $3 billion company run by 16-year-old cashiers.”

The financial rewards, family culture, investment in employees, and employee autonomy seem to have the desired effect. While many grocery chains are shrinking or pulling out, Wegmans continues to expand. With happy employees, Wegmans enjoys one of the highest levels of customer loyalty and lowest levels of employee turnover in the industry. Brenda Hidalgo, who works at Wegmans in Buffalo, sums up the positive experience: “I’ve worked at other places where you wake up and you say ‘Ech, I have to go to work,’” she recalls. “Now I love to go to work.”
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CHAPTER 3


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