

13E

ORGANIZATIONAL BEHAVIOR

MANAGING PEOPLE AND ORGANIZATIONS

Ricky W. Griffin Jean M. Phillips Stanley M. Gully



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ABOUT THE AUTHORS

Ricky W. Griffin

Ricky W. Griffin holds the Blocker Chair in business and is university distinguished professor of management in the Mays Business School at Texas A&M University. He has also served as head of the Department of Management, executive associate dean, and interim dean at Mays. Ricky is both a member and fellow of the Academy of Management and has served as program chair and division chair of the organization's Organizational Behavior division. He also served as editor of the *Journal of Management*. Ricky's research has appeared in *Administrative Science Quarterly*, *Academy of Management Review*, *Academy of Management Journal*, *Journal of Management*, and several other journals. He has also edited several scholarly books, most recently *The Dark Side of Organizational Behavior*.

He has authored or coauthored several leading textbooks, most of which have been revised across multiple editions. His books have also been translated or adapted for use in over a dozen other countries. Ricky teaches international management, organizational behavior, human resource management, and general management. He has taught both undergraduate and graduate students, participated in numerous executive training programs, and has lectured in London, Paris, Warsaw, Geneva, Berlin, Johannesburg, Tokyo, Hong Kong, and Sydney.



Jean M. Phillips

Jean Phillips is a professor of human resource management in the School of Labor and Employment Relations at Penn State University. Jean earned her PhD from Michigan State University in business management and organizational behavior. Her interests focus on leadership and team effectiveness, recruitment and staffing, and the processes that lead to employee and organizational success.

Jean was among the top 5 percent of published authors in the *Journal of Applied Psychology* and *Personnel Psychology* during the 1990s and she received the 2004 Cummings Scholar Award from the Organizational Behavior Division of the Academy of Management. She is also a fellow of the Society for Industrial and Organizational Psychology. Jean has published over thirty research articles and chapters and nine books, including *Strategic Staffing* (4e, 2020), *Organizational Behavior* (13e, 2020), *Human Resource Management* (2e, 2018), *Managing Now* (2008), and the five-book *Staffing Strategically* (2012) series for the Society for Human Resource Management. Jean was also a founding coeditor of the *Organizational Behavior / Human Resource Management* series.

Her applied work includes leveraging employee surveys to enhance strategic execution and business performance, developing leadership and teamwork skills, and creating and evaluating strategic recruitment and staffing programs. Jean has taught online and traditional courses at the undergraduate and graduate levels in human resource management and organizational behavior in the United States, Iceland, and Singapore and taught multiple executive training programs.



Stanley M. Gully



Stanley Gully was a professor of human resource management in the School of Labor and employment relations at Penn State University. Stan held MA and PhD degrees in industrial/organizational psychology from Michigan State University and he was a fellow of the Society for Industrial and Organizational Psychology.

Stan authored, coauthored, edited, or presented numerous papers, books, and book chapters on a variety of topics, including leadership, team effectiveness, motivation, training, staffing, and recruitment. He was a founding coeditor of the *Organizational Behavior/Human Resource* collection of Business Expert Press. Stan was ranked in the top fifty of the most influential scholars who received their degrees since 1991 based on impact inside and outside of the Academy of Management, and he has won awards for his teaching, research, and service.

Stan taught courses at the undergraduate, master's, executive, and PhD levels covering a wide range of topics including team effectiveness, leadership, organizational learning and innovation, staffing, human resource management, training, and statistics. He taught using traditional and hybrid technologies in the United States, Iceland, Singapore, and Indonesia. His applied work included, but was not limited to, management at UPS, design of leadership training programs, implementation of team communication interventions, and implementation of a multisource feedback system. Stan passed away in 2017.

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PREFACE

Welcome to the 13th edition of *Organizational Behavior*! No matter what your field of study, organizational behavior is one of the most important classes you will take when it comes to launching and advancing your career. Organizational behavior (OB) explains how organizations work, why people behave the way they do, and how you can be more effective when working alone or with others. Other classes will help you to develop the technical skills required for success in your chosen career. We wrote this book to help you to acquire the “soft skills” that make the difference between being an average and an excellent performer in any job. In other words, this book won’t teach you accounting, nursing, programming, or other technical skills, but it will help you to have a more successful career as an accountant, nurse, programmer, or whatever profession you choose.

Why Learn About OB?

If you want to find and excel at a job you love, understanding how your unique characteristics fit with different organizations and jobs and understanding how to manage yourself and others will help you do it. If you are interested in getting promoted, then understanding communication, politics, influence, and decision making, and learning how to motivate and lead individuals and teams will be critical to your advancement. Understanding what people think and feel, knowing how to persuade and motivate them, and being able to resolve conflicts and forge cooperation are among the most important skills of successful leaders. Even in today’s increasingly “flat” organizations, which give employees more responsibilities as management layers are removed, OB skills are essential to success. Effective managers distinguish themselves by understanding people, motivation, and team dynamics, in addition to having strong technical knowledge and expertise.

We also feel strongly that organizational behavior should be one of the most interesting classes you will take. People are fascinating! Understanding what makes different people productive and happy will help you to manage your career in a fulfilling way. Better understanding yourself and your strengths will enable you to identify the opportunities you will be happiest pursuing and most successful in. Learning about yourself as well as others is both important and enjoyable. We provide a variety of self-assessments, skill-building activities, online resources, and company examples to make the material engaging and interesting to read.

Another great thing about learning organizational behavior is the fact that it also applies to your daily life. Moods and emotions, goals, communication, diversity, negotiation, and decision making are just some of the many OB topics that are relevant to both your personal and professional experiences every day. Mastering the topics in this book will make you more effective in the non-work areas of your life as well.

Our Goals

The focus of this textbook is on developing your personal and managerial skills by:

- Helping you *understand yourself, understand organizations*, and understand the role of OB in *your personal career success*

- Cultivating an understanding of and ability to apply knowledge about *individual and group behavior in organizations* as well as appreciating how *the entire organizational system* operates
- Enhancing your understanding of how to *flexibly apply the OB concepts* that are appropriate for different problems or situations
- Creating an understanding of the modern OB context, including *ethics, diversity, competitive advantage, technology, and the global context*

The field of organizational behavior is constantly changing as old theories are modified (or even disproven) and new ones are proposed. This book is grounded in state-of-the-art research knowledge and will help you to understand how to best utilize what we know about OB. Our intent is to give you the information you need to understand what is going on in organizations today. We wrote this book to help you find and excel at a job you like, no matter what career stage you're in. We want to help you get a better job, have a better career, and to be a better manager. The concepts discussed and the skills developed throughout this book apply to people at all job levels.

Thirteenth Edition Updates

In this edition, we updated many of the chapter opening real-world challenges and case studies to keep the examples current. We also updated the supporting research and references in all chapters, and updated research findings where appropriate. Statistics and examples in the text were also updated as well as most of the case studies and other in-text material.

Features

This textbook contains numerous features designed to reinforce the themes of the book and further develop your OB skills.

Real-World Challenge To help you recognize OB-relevant issues in organizations, each chapter begins with a *Real-World Challenge* that describes a real challenge or problem faced by a person or organization that relates to that chapter's content. The chapter then concludes with a description of how the company or individual addressed the challenge.

Global Issues A *Global Issues* feature in each chapter highlights the global implications of some of the chapter's content.


Case Study A *Case Study* in each chapter reinforces some of each chapter's material and gives you the opportunity to apply what you learn in the chapter to a real organizational situation.

Understand Yourself To help you better understand your own characteristics, an *Understand Yourself* feature in each chapter gives you the chance to assess yourself on a variety of topics relevant to OB. This feature will help you better understand what motivates you, how you view money, your leadership style, your emotional intelligence, and your diversity awareness, among other things.

Improve Your Skills Each chapter also contains an *Improve Your Skills* box to help you become more effective in different areas including dealing with challenging managerial behaviors, interviewing, managing stress, negotiating, and assessing an organization's culture and political environment.

Group Exercises Each chapter also includes a group-based experiential exercise. This exercise will help both further your understanding of basic concepts of organizational behavior while simultaneously helping you improve your skills in working with others.

Student Support Materials

 The first-of-its-kind digital subscription designed especially to lower costs. Students get total access to everything Cengage has to offer on demand—in one place. That's 20,000 eBooks, 2,300 digital learning products, and dozens of study tools across 70 disciplines and over 675 courses. Currently available in select markets. Details at www.cengage.com/unlimited

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ACKNOWLEDGMENTS

Although this book bears three names, many other people have also contributed to it. Through the years we have had the good fortune to work with many fine professionals who helped us to sharpen our thinking about this complex field and to develop new and more effective ways of discussing it. Over the course of multiple editions, literally dozens of reviewers have helped us develop and refine our materials, and their contributions were essential to the development of this edition as well. However, any and all errors of omission, interpretation, and emphasis remain the responsibility of the authors.

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DEDICATION

*For the next generation—Griffin, Sutton, Andrew, and Benton (RWG)
To Stan, who is greatly missed (JP)*

PART

1

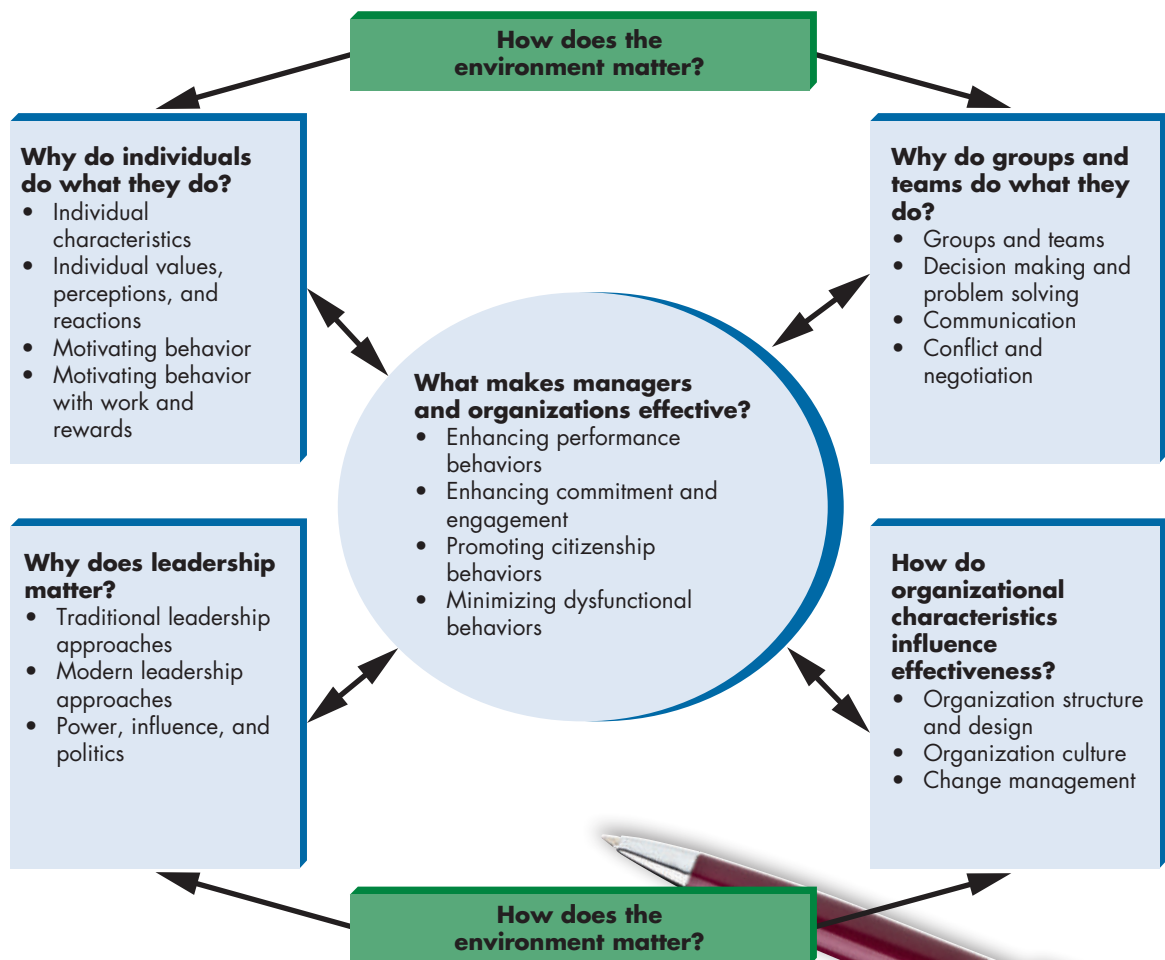
INTRODUCTION TO ORGANIZATIONAL BEHAVIOR

CHAPTER 1 An Overview of Organizational Behavior

CHAPTER 2 The Changing Environment of Organizations

Managers strive to make their organizations as effective and successful as possible. To do this they rely on assets and resources such as financial reserves and earnings, technology and equipment, raw materials, information, and operating systems and processes. But at the center of everything are the people who work for the organization. It is usually their talent, effort, skill, and ability that differentiate effective from less effective organizations. It is critical, then, that managers understand how the behaviors of their employees impact organizational effectiveness.

In general, managers work to enhance employee performance behaviors, commitment and engagement, and citizenship behaviors and to minimize various dysfunctional behaviors. A number of environmental, individual, group and team, leadership, and organizational characteristics can make the manager's work easier or more difficult depending on how well they understand organizational behavior. This model will be more fully developed in Chapter 1 and will serve as a roadmap for your study of organizational behavior throughout this book.



AN OVERVIEW OF ORGANIZATIONAL BEHAVIOR

CHAPTER OUTLINE

Real-World Challenge: Managing Growth at Google

WHAT IS ORGANIZATIONAL BEHAVIOR?
The Meaning of Organizational Behavior
How Organizational Behavior Impacts Personal Success

Understand Yourself: Global Mindset
How Organizational Behavior Impacts Organizational Success

Case Study: The J.M. Smucker Company

THE MANAGERIAL CONTEXT OF ORGANIZATIONAL BEHAVIOR

Basic Management Functions and Organizational Behavior
Critical Management Skills and Organizational Behavior
Organizational Behavior and Human Resource Management

Improve Your Skills: OB-Related Job Interview Questions

THE STRATEGIC CONTEXT OF ORGANIZATIONAL BEHAVIOR

Sources of Competitive Advantage
Types of Business Strategies

Integrating Business Strategy and Organizational Behavior

CONTEXTUAL PERSPECTIVES ON ORGANIZATIONAL BEHAVIOR

What Are the Origins of Organizational Behavior?

Organizations as Open Systems
Situational Perspectives on Organizational Behavior
Interactionalism: People and Situations

MANAGING FOR EFFECTIVENESS

Enhancing Individual and Team Performance Behaviors
Enhancing Employee Commitment and Engagement

Promoting Organizational Citizenship Behaviors

Minimizing Dysfunctional Behaviors

Driving Strategic Execution

How Do We Know What We Know?

Global Issues: Managing across Cultures

THE FRAMEWORK OF THE BOOK

SUMMARY AND APPLICATION

Real-World Response: Managing Growth at Google

LEARNING OUTCOMES

After studying this chapter, you should be able to:

- 1 Define organizational behavior and describe how it impacts both personal and organizational success.
- 2 Identify the basic management functions and essential skills that comprise the management process and relate them to organizational behavior.
- 3 Describe the strategic context of organizational behavior and discuss the relationships between strategy and organizational behavior.
- 4 Identify and describe contextual perspectives on organizational behavior.
- 5 Describe the role of organizational behavior in managing for effectiveness and discuss the role of research in organizational behavior.
- 6 Summarize the framework around which this book is organized.

— REAL-WORLD CHALLENGE —

MANAGING GROWTH AT GOOGLE

Google got its start in 1998 when college classmates and friends Larry Page and Sergey Brin cofounded the firm with the goal of using an online search engine to make the world's information available to everyone.¹ Because Google was a startup, the young entrepreneurs also understood that attracting, inspiring, and retaining just the right kind of innovative talent would be a key to the firm's success from the very beginning.

As soon as Google began to grow, Page and Brin knew that they had created something special. They also knew, though, that the firm's explosive growth needed to be closely monitored and that its employees needed to continue feeling like an important part of the team.² The entrepreneurs, who quickly had to also become managers, wanted to make Google an engaging place to work and set out to design the organization and its culture in a way that would appeal to its current and future employees. Imagine that Google's founders asked you for advice during the early days of Google. What advice would you give them about the role of its people in its future success and how to set up the company to maximize employee innovation, trust, and loyalty?

AP IMAGES/DY CJ





The success of any organization is often determined by how effectively managers can enhance the performance behaviors of their employees, enhance their commitment to and engagement with the organization, promote citizenship behaviors, and minimize dysfunctional behaviors. For instance, the first group of employees appears to be working together productively and with enthusiasm, while the second group of employees seems to be frustrated and less productive.

Regardless of their size, scope, or location, all organizations have at least one thing in common—they are made up of people. It is these people who make decisions about the strategic direction of a firm, it is they who acquire the resources the firm uses to create new products, and it is they who sell those products. People manage a firm's corporate headquarters office locations, its warehouses and distribution centers, and its information technology facilities, and it is people who clean up at the end of the day. No matter how effective a manager might be, all organizational successes—and failures—are the result of the behaviors of many people. Indeed, no manager can succeed without the assistance of others.

Thus, any manager—whether responsible for a big business such as Google, Abercrombie & Fitch, General Electric, Apple, Starbucks, or British Airways; for a niche business such as the Boston Celtics basketball team or a Mayo Clinic facility; or for a local Pizza Hut restaurant or neighborhood dry cleaners—must strive to understand the people who work in the organization. This book is about those people. It is also about the organization itself and the managers who operate it. Together, the study of organizations and the study of the people who work in them constitute the field of organizational behavior. Our starting point in exploring this field begins with a more detailed discussion of its meaning and its importance to employees, business owners, and managers.

WHAT IS ORGANIZATIONAL BEHAVIOR?

What exactly is meant by the term “organizational behavior”? And why should it be studied? Answers to these two fundamental questions will both help establish our foundation for discussion and analysis and help you better appreciate the rationale as to how and why understanding the field can be of value to you in the future.

The Meaning of Organizational Behavior

organizational behavior

The study of human behavior in organizational settings, the interface between human behavior and the organization, and the organization itself

Organizational behavior (OB) is the study of human behavior in organizational settings, of the interface between human behavior and the organization, and of the organization itself.³ Although we can focus on any one of these three areas, we must also remember that all three are ultimately necessary for a comprehensive understanding of organizational behavior. For example, we can study individual behavior without explicitly considering the organization. But because the organization influences and is influenced by the individual, we cannot fully understand the individual's behavior without learning something about the organization. Similarly, we can study organizations without focusing explicitly

Managers at businesses like The Home Depot need to understand individual employee behavior, characteristics of the organization itself, and the interface between individual behavior and the organization.

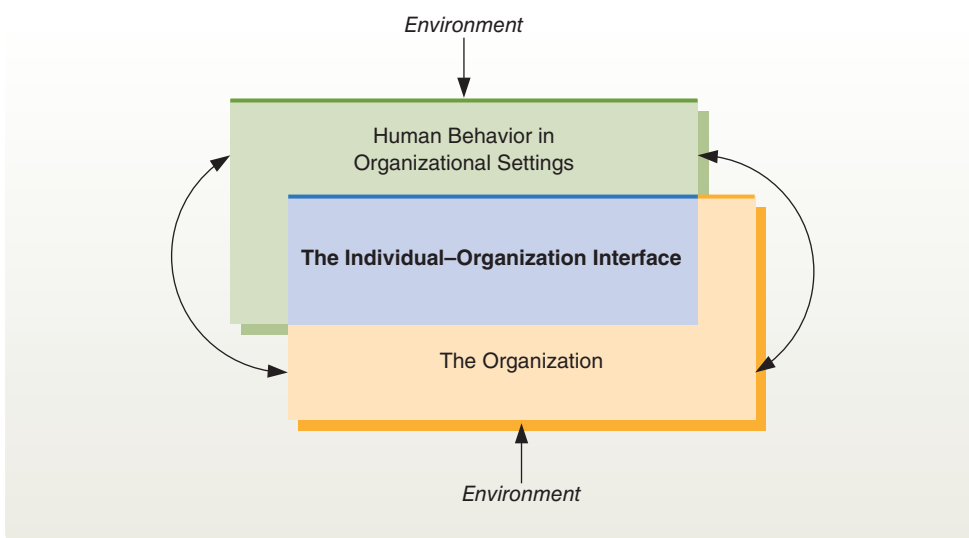
on the people within them. But again, we are looking at only a portion of the puzzle. Eventually we must consider the other pieces, as well as the whole. Essentially, then, OB helps explain and predict how people and groups interpret events, react, and behave in organizations and describes the role of organizational systems, structures, and process in shaping behavior.

Figure 1.1 illustrates this view of organizational behavior. It shows the linkages among human behavior in organizational settings, the individual–organization interface, the organization itself, and the environment surrounding the organization. Each individual brings to an organization a unique set of personal characteristics and a unique personal background and set of experiences from other organizations. Therefore, in considering the people who work in their organizations, managers must look at the unique perspective each individual brings to the work setting. For example, suppose managers at The Home Depot review data showing that employee turnover within the firm is gradually but consistently increasing. To help them better understand what is happening, further suppose that they hire a consultant to help give them insight into what is causing this trend. As a starting point, the consultant might analyze the types of people the company usually hires. The goal would be to learn as much as possible about the nature of the company's workforce as individuals—their expectations, their personal goals, and so forth.



Figure 1.1

The Nature of Organizational Behavior



The field of organizational behavior attempts to understand human behavior in organizational settings, the organization itself, and the individual–organization interface. As illustrated here, these areas are highly interrelated. Thus, although it is possible to focus on only one of these areas at a time, a complete understanding of organizational behavior requires knowledge of all three areas.

But individuals do not work in isolation. They come in contact with other people and with the organization in a variety of ways. Points of contact include managers, coworkers, the formal policies and procedures of the organization, and various changes implemented by the organization. In addition, over time, individuals change, as a function of personal experiences and maturity as well as through work experiences and organizational developments. The organization, in turn, is affected by the presence and eventual absence of the individual. Clearly, then, managers must also consider how the individual and the organization interact. Thus, the consultant studying turnover at The Home Depot might next look at the orientation procedures and initial training for newcomers to the organization. The goal of this phase of the study would be to understand some of the dynamics of how incoming individuals are introduced to and interact with the broader organizational context.

An organization, of course, exists before a particular person joins it and continues to exist after he or she leaves. Thus, the organization itself represents a crucial third perspective from which to view organizational behavior. For instance, the consultant studying turnover would also need to study the structure and culture of The Home Depot and how they might have changed. An understanding of factors such as a firm's performance evaluation and reward systems, its decision-making and communication patterns, and the structure of the firm itself can provide added insight into why some people choose to leave a company and others elect to stay.

Clearly, then, the field of organizational behavior is both exciting and complex. Myriad variables and concepts accompany the interactions just described, and together these factors greatly complicate the manager's ability to understand, appreciate, and manage others in the organization. They also provide unique and important opportunities to enhance personal and organizational effectiveness.

How Organizational Behavior Impacts Personal Success

You may be wondering about the relevance of OB to your current major or expected career path. You might be thinking, "I don't know any organizational behavior managers. Why is this topic important?" We field this question all the time from people unfamiliar with OB. The core of OB is being effective at work. Understanding how people behave in organizations and why they do what they do is critical to working effectively with and managing others. OB gives everyone the knowledge and tools they need to be effective at any organizational level. OB is an important topic for anyone who works or who will eventually work in an organization, which is the case for most people. Moreover, OB is actually important to us as individuals from numerous perspectives.

In our relationships with organizations, we may adopt any one of several roles or identities. For example, we can be consumers, employees, suppliers, competitors, owners, or investors. Since most people who use this book are either present or future managers, we will adopt a managerial perspective throughout our discussion. The study of organizational behavior can greatly clarify the factors that affect how managers manage. Hence, the field attempts to describe the complex human context of organizations and to define the opportunities, problems, challenges, and issues associated with that realm.

Whenever managers are surveyed ten to fifteen years out of school and asked to identify the most important classes they ever took, OB is usually one of them.

This is not because it made them technically better in their area of specialty, but because it made them more effective employees and better managers. As one expert has put it, “It is puzzling that we seek expert advice on our golf game but avoid professional advice on how we can deal with other people.”⁴ Fortunately, though, more and more informed managers have come to recognize the importance of learning to develop insights into human behavior at work and using these insights to help them compete more effectively.

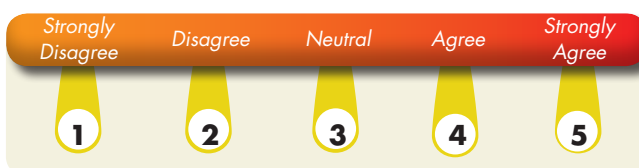


UNDERSTAND YOURSELF

GLOBAL MINDSET

A global mindset reflects your ability to influence people, groups, and organizations from a variety of backgrounds and cultures. Multinational companies’ ability to create globally integrated systems depends on their ability to get employees, managers, and executives to understand and adapt to the realities of a globalized economy. The ability to integrate talent from many parts of the world faster and more effectively than other companies is a source of a firm’s competitive advantage⁸ as well as your own personal competitive advantage.

Please use the following scale in responding to the ten questions below. When you are finished, follow the scoring instructions at the bottom to calculate your score. Then read more about what your score means, and how you can improve your global mindset.



- ___ 1. In interacting with others, I assign equal status to people regardless of their national origin.
- ___ 2. I consider myself as equally open to ideas from other countries and cultures as I am to ideas from my own country and culture of origin.
- ___ 3. Finding myself in a new cultural setting is exciting.
- ___ 4. I see the world as one big marketplace.
- ___ 5. When I interact with people from other cultures, it is important to me to understand them as individuals.
- ___ 6. I regard my values to be a hybrid of values acquired from multiple cultures as opposed to just one culture.
- ___ 7. I am very curious when I meet someone from another country.
- ___ 8. I enjoy trying food from other countries.

- ___ 9. In this interlinked world of outs, national boundaries are meaningless.
- ___ 10. I believe I can live a fulfilling life in another culture.

Scoring: Add up your responses to identify your global mindset score.

Interpretation: Because experiences influence global mindset in a positive or negative manner,⁹ you can take steps to improve your global mindset. Based on your score, you might consider some of the personal development activities identified later, or you might come up with others.

If your score is between 10 and 20, you have a relatively low global mindset. Formal training/educational programs, self-study courses, university courses, or in-company seminars or management development programs can help you to increase your global mindset.

If your score is between 21 and 35, you have a moderate global mindset. You do not exhibit extremely high parochialism, but at the same time, you are not as open to people from other cultures as you could be. In addition to the self-development activities listed previously, you might consider joining some culturally diverse student organizations and making a point of befriending some people from other cultures to gain more experience and become more comfortable with people from other cultures.

If your score is between 36 and 50, you have a high global mindset. This means that you are open to meeting people from a variety of cultures and are comfortable with global diversity. This does not mean you cannot improve further! Joining international student organizations, working with international volunteer organizations, and befriending people from a variety of cultures will further develop your global mindset.

Sources: Adapted from Gupta, A. K., & Govindarajan, V. (2002). Cultivating a global mindset. *Academy of Management Executive*, 16(1), 116–126; Kefalas, A. G., & Neuland, E. W. (1997). Global mindsets: An exploratory study. Paper presented at the Annual Conference of the Academy of International Business, Monterrey, Mexico, 4–7 October; Nummela, N., Saarenketo, S., & Puumalainen, K. (2004). Global mindset—a prerequisite for successful internationalisation? *Canadian Journal of Administrative Sciences*, 21(1), 51–64.



HSBC, a global financial services business, routinely sends its most promising young managers on international assignments. The purpose of this approach is to build a cohort of future top managers and leaders who have extensive international experience.

These insights are also increasingly important as organizations become both more diverse and more global. We will discuss diversity and the importance of flexibly applying OB concepts to different people throughout the book. This chapter's *Understand Yourself* feature gives you the opportunity to better understand your global mindset or set of individual attributes that enable you to influence individuals, groups, and organizations from diverse socio/cultural/institutional systems.⁵ Global mindset combines cultural intelligence and a global business orientation.⁶ Most chief executives of large multinational organizations believe that having a strong cadre of globally minded leaders would strengthen their organization's competitiveness.⁷

Because your global mindset is learned, experiences can influence it in a positive or negative manner.¹⁰ Every year, the financial services giant HSBC sends promising new hires and managers into long-term business assignments abroad to build a cohort of experienced international officers. Locations include western countries as well as Saudi Arabia, Indonesia, and Japan. To have a successful career at HSBC, managers must perform well in these international assignments. This enables HSBC to develop a strong cadre of globally minded managers capable of cross-border learning. Similar approaches are pursued by other multinationals to enable them to transfer expertise and know-how across geographical, cultural, and political boundaries.¹¹

How Organizational Behavior Impacts Organizational Success

Organizations as a whole also benefit when managers understand OB. Imagine the difference between a company with motivated, engaged employees with clear goals aligned with the business strategy and one with unhappy employees, a lot of conflict, weak leadership, and a lack of direction. Effectively implementing OB concepts and models is what creates effective and successful companies. OB is clearly important to organizations. By appropriately applying OB knowledge about individuals, groups, and the effect of organizational structure on worker behavior, the conditions can be created that make organizations most effective.

An understanding of OB also helps managers help their companies perform well in other ways. A mounting body of evidence shows that an emphasis on the softer side of business positively influences bottom-line results. By listening to employees, recognizing their work, building trust, and behaving ethically, managers have boosted such performance measures as operating earnings, return on investment, and stock price.¹² In addition to financial performance and job satisfaction, OB concepts influence absenteeism and turnover. Reducing absenteeism and turnover, in turn, can be worth millions of dollars to organizations through increased productivity and customer service and decreased staffing costs. This

CASE STUDY The J.M. Smucker Company

From its founding in 1897, when Jerome Monroe Smucker sold apple butter from the back of a horse-drawn wagon, the J.M. Smucker Company has recognized that acting ethically is a key element of its success. The Orrville, Ohio, manufacturer wants to ensure that its signature comfort foods—fruit spreads, frostings, juices, and beverages—remain American staples, and that its daily operations are guided by honesty, respect, trust, responsibility, and fairness.

Ensuring that the company meets the highest ethical standards starts with hiring people who already have a strong personal value system. To do this, Smucker steeps job candidates in its ethical standards and refers frequently to how company values relate to the particular position a job candidate is seeking. The company also engages in rigorous reference checks. Once hired, the ethics emphasis intensifies. Each new hire attends a daylong training seminar that includes presentations by company officials, videos, and break-out sessions on moral awareness, moral courage, and values.

The discussions go much deeper than a superficial review of how to be a good person. One session concentrates on three ways to make a decision when faced with a dilemma. One option is seeking to do the greatest good for the greatest number of people. The second is a rules-based approach in which the decision will set a standard that everyone else follows. The final alternative is to use the Golden Rule: “treat others as you would like to be treated.”

The sessions also explore the complexity of ethics. Employees are rarely in a clear-cut situation where right and wrong are obvious. Ethical decisions often involve a nuanced balance between right and wrong. For example, the choice an employee has to make may involve questions related to the pulls between

truth and loyalty, the individual versus the community, and short-term versus long-term approaches to business decisions. Smucker communicates that it wants its employees to act with truth over loyalty, community over the individual, and long-term over short-term company interests. All employees go through the ethics program again every two years and sign a detailed nine-page ethics statement annually to ensure that they truly understand the level of performance Smucker expects from them.

Smucker also strongly believes in environmental sustainability, including utilizing renewable energy, improving wastewater management, using sustainable raw materials, and reusing resources rather than consuming new ones. Smucker promotes social sustainability in the communities in which it operates, promoting initiatives and programs that support and enhance the quality of life. The J.M. Smucker Company has often appeared on *Fortune Magazine’s* “100 Best Places to Work For” list, which it attributes in part to its strong culture.

Questions:

1. Why would ethics be important to a company like J.M. Smucker? How can its focus on values and ethics improve its business performance?
2. Appearing on “best places to work” lists can increase an employer’s popularity, even among lower-qualified applicants. The increased volume of applicants can be costly and time-consuming. What do you feel are the benefits and drawbacks to being on this type of list? Do you think that it is generally beneficial to be publicly recognized as a good employer? Why or why not?
3. Do J.M. Smucker’s values and culture appeal to you as a potential employee? Why or why not?

Sources: J.M. Smucker. (2017). J.M. Smucker 2017 Annual Report. Available online: <http://www.jmsmucker.com/investor-relations/smuckers-annual-report>; Smucker Gift Will Establish Business Leadership Institute (2012, April 23). The University of Akron. Available online: http://www.uakron.edu/im/online-newsroom/news_details.dot?newsId=d24e5be1-b6fc-431b-871c-164ada224a69&crumbTitle=Smucker%20gift%20will%20establish%20business%20leadership%20institute; Harrington, A. (2005, January 27). Institute for Global Ethics Expands Focus on Business Practices with Center for Corporate Ethics, CSRWire. Available online: <http://www.csrwire.com/News/3473.html>; Schoeff, M. (2006, March 13). Workforce Management (p. 19); “Award-Winning Company,” [smuckers.com](http://www.smuckers.com). Available online: http://www.smuckers.com/family_company/join_our_company/award_winning_company.aspx; and “Sustainability,” [smuckers.com](http://www.smuckers.com/family_company/join_our_company/sustainability.aspx). Available online: http://www.smuckers.com/family_company/join_our_company/sustainability.aspx.