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Chapter 1: Organizational Behaviour and Opportunity

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IF NOTHING ELSE, MY STUDENTS SHOULD LEARN…

1. Organizations are open systems, in which various inputs are processed, outputs created, and feedback received. There are many different types of organizations.
2. Organizations have both formal and informal dimensions: an understanding of both is required to get an accurate portrait of human behaviour in organizations.

LEARNING OBJECTIVES

After completing this chapter, students should be able to:

1. Define *organizational behaviour*. *[Remember]*

   Organizational behaviour (OB) is individual and group behaviour in organizations. The foundation of organizational behaviour is human behaviour, so the study of OB involves understanding individuals' behaviour in terms of their history and personal value systems and examining the external factors to which a person is subject. Organizational behaviour has grown out of contributions from psychology, sociology, engineering, anthropology, management, medicine, and economics.

2. Identify four action steps for responding positively in times of change. *[Apply]*

   Change is an opportunity when a person has a positive attitude, asks questions, listens, and is committed to succeed. People in change situations often become rigid and reactive, rather than open and responsive. This behaviour may work well in the face of gradual, incremental change. However, rigid and well-learned behaviour is a counterproductive response to significant change.

3. Identify the important system components of an organization. *[Remember]*

   Organizations are open systems composed of people, structures, and technology committed to achieving a task. The organization as a system also has an external task environment composed of different constituents, such as suppliers, customers, and federal regulators. The organization system takes inputs, converts them into throughputs, and delivers outputs to its task environment.

4. Describe the formal and informal elements of an organization. *[Apply]*

   Organizations have formal and informal elements within them. The *formal organization* is the official, legitimate, and most visible part that enables people to think of organizations in logical and rational ways. The *informal organization* is

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unofficial and less visible (e.g., group norms, informal leaders, perceptions, and attitudes). The informal elements of the organization are often points of diagnostic and intervention activities in organization development.

5. Understand the diversity of organizations in the economy. *[Evaluate]*

   Canada's 2016 GDP is worth US$1,529.76 billion or approximately 2.47 percent of the world economy. It is composed of manufacturing organizations, service organizations, privately owned companies, and non-profit organizations; all contribute to our national well-being. Understanding a variety of organizations will help you develop a greater appreciation for your own organization and for others in the world of private business enterprises and non-profit organizations

6. Evaluate the opportunities that change creates for organizational behaviour. *[Evaluate]*

   The changes and challenges facing managers are driven by international competition and customer demands. Managers in this environment must be aware of the risks associated with downsizing and marginalization of part-time workers. Organizations also face regular challenges in the areas of globalization, workforce diversity, ethics and character, and technological innovation.

7. Demonstrate the value of objective knowledge and skill development in the study of organizational behaviour. *[Apply]*

   Although organizational behaviors is an applied discipline, students are not "trained" in organizational behaviour. Rather, they are "educated" in organizational behaviour and are coproducers in learning. To enrich your study of organizational behaviour, take the learning styles assessment at the end of Chapter 1.

   Students will learn "objective" concepts and theories that have emerged out of research but must be critical consumers of that knowledge in terms of its applicability in particular work settings. Ultimately, this understanding supports decisions about choices to make in actual organizational settings. In tackling activities structured to support skill development, students need to actively participate, accept responsibility for what they do and learn, and be open to new ideas and experimentation. This will help prepare them for dealing with the ambiguity and complexity of workplace realities.

8. Explain the process of organizational design thinking. *[Analyze]*

   Design thinking is an important new idea and practice. It requires managers to think more like designers when they handle problems. Managers need to use heuristics rather than algorithms when they look at organizational challenges.

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WHY SHOULD STUDENTS CARE?

- The better informed the students are about organizations, the better decisions they will make in their work and career.
- Organizations continue to face many challenges, often from significant external sources of change, and the students need to know how to address the changes that they will face at work, now and in the future.
- The underlying learning approach of ORGB, 2CE helps students to become better learners as they will engage in a process of knowledge mastery and skill development, followed by application.

WHAT ARE COMMON STUDENT MISCONCEPTIONS AND STUMBLING BLOCKS?

1. Students typically view all organizations as bureaucracies.
2. Students often see the discipline of organizational behaviour as "common sense."
3. Students may concentrate their time on the so-called hard disciplines such as finance as they believe that they are more important for their work success.

   (Note the frequency of reports indicating employers are particularly interested in people who understand and can apply "soft skills," e.g., RBC 2018, "Humans Wanted" report: https://www.rbc.com/dms/enterprise/futurelaunch/_assets-custom/pdf/RBC-Future-Skills-Report-FINAL-Singles.pdf)

WHAT CAN I DO IN CLASS?

Stumbling Block Activities

Ask students about their experiences working in two or more organizations and prompt them to contrast the employee experiences, and explain the sources of differences. **Ask** them if they consider their family to be an organization or not. Soon students will see that not all organizations are bureaucracies. *[Stumbling Block 1]*

Describe some counter-intuitive research findings from the discipline. The chapter on perceptions (Chapter 3) describes our self-serving bias and some of our attribution errors. Similarly, the chapter on decision making (Chapter 10) provides some helpful examples

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of our non-rational behaviours such as "satisficing" and "escalating commitment." *[Stumbling Block 2]*

Brainstorm what explains our view that most/all organizations are bureaucratic. *[Stumbling Block 1]*

Discuss how common sayings can be contradictory, thereby bringing into question how obvious "common sense" really is. Hopefully, students come to the understanding that their existence suggests the importance of understanding the nuances of specific situations when deciding how to act. For example:

- "Birds of feather flock together" versus "Opposites attract"
- "Nothing ventured, nothing gained" versus "Fools rush in where angels fear to tread."
- "Slow and steady wins the race" versus "Time waits for no man"
- "The more, the merrier" versus "Two's company; three's a crowd."
- "Seek and ye shall find" versus "Curiosity killed the cat.")

[Stumbling Block 2]

Discuss how an understanding of organizations can help students in their current academic work and their future employment. *[Stumbling Block 2]*

Ask why some subjects such as finance are valued as they are "hard" but others are less valued as they are "soft." Facilitate the discussion towards an appreciation of the complexity of organizational realities. *[Stumbling Block 3]*

Discussion & Communication

Facilitate a discussion of the Discussion and Communication questions provided below, with answers. The questions are also provided separately as a student handout at the end of this chapter.

1. *How do the formal aspects of your work environment affect you? What informal aspects of your work environment are important?*

Students without work experience may prefer to examine the college or university for formal and informal environment factors. The formal aspects of the learning environment could include the physical space, the class schedule, specific requirements for graduation, and enrolment procedures. Informal aspects of the learning environment could include the power that the student union has on campus, the norms of dress, and relationships between students and faculty.

2. *What is the biggest competitive challenge or change facing the businesses in your industry today? Will that be different in the next five years?*

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Students without work experience may wish to consider the college or university setting to consider competitive challenges. This list may have items like tuition, work versus advanced education, job opportunities, or the status of similar postsecondary educational institutions.

Students with work experience may cite the need to change careers as a reason for returning for more education. This exemplifies the competitiveness of all environments and shows how rapidly individuals must change to remain competitive. Many students returning to school may have considerable experience in a field that is downsizing.

All businesses face issues regarding increased competition, locally, nationally, and internationally. Most organizations are dealing with potential ramifications of trade agreements, for example, as well as changes in the concepts of loyalty and long-term commitments.

As we continue to change from a manufacturing society to an information and knowledge society, the coming years will see the workforce continue to vary, with greater variety in jobs and careers than in any previous generation.

3. *Describe the next chief executive of your organization and what she or he must do to succeed.*

Students may prefer to discuss the college or university president or dean of the college if they do not have work experience.

One of the discussions that could follow might correlate with current terminology that has become popular, such as visionary leaders, empowered workforces, and teamwork. Successful leaders will also need to recognize and understand the impacts of global competition and economic changes, the need to focus on quality, the importance of a diverse workforce, and the challenge of managing change.

4. *Discuss two ways people learn about organizational behaviour.*

Learning about organizational behaviour requires mastery of objective knowledge, which results from research and scholarly activities. Objective knowledge can be learned through training. In addition, it requires skill development and the mastery of abilities that are essential to successful functioning in organizations. Skill development is best accomplished through experiential learning.

It may be important to point out that taking one approach exclusively is only half a solution to a problem-solving technique.

5. *Prepare a memo about an organizational change occurring where you work or in your college or university. Write a 100-word description of the change and, using Figure 1.1, identify how it is affecting the people, structure, task, and/or technology of the organization.*

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This is a good opportunity for students to practise writing in a concise, to-the-point style. Be sure that students consider different aspects of people, structure, task, and technology as they develop the memo.

6. *Develop an oral presentation about the changes and challenges facing your college or university based on an interview with a faculty member or administrator. Be prepared to describe the changes and challenges. Are these good or bad changes? Why?*

Use this as an opportunity to work on oral presentation skills as well as to learn more about changes and challenges facing organizations. Encourage students to give each other feedback on the presentation itself as well as the content of the presentation. Compare and contrast the views of faculty and administrators. Discuss why similarities and differences exist in each group's view of changes and challenges.

Mini Case: Brian Cowell

This Mini Case can be found at the end of the chapter in the textbook. Discussion suggestions for the Apply Your Understanding questions are provided below.

Apply Your Understanding Questions

1. Does Brian have an obligation to lead the company to globalization?
2. What is Brian's responsibility to himself and his family?
3. What would you do and why?

Discussion Suggestions

1. Does Brian have an obligation to lead the company to globalization?

Some would argue that Brian has an obligation to do whatever is best for the company and to maximize shareholders' wealth. If the best thing for the company is to go global, then Brian has to either take the company in that direction or step down as CEO. Others would argue that Brian has a duty to address the needs of all stakeholders. If this is the case, Brian is one of the stakeholders and his needs should carry equal weight with anyone else's needs.

2. What is Brian's responsibility to himself and his family?

Brian does have a responsibility to himself and to his family. Brian and his family are stakeholders in this decision and their needs should carry equal weight with the needs of other stakeholders.

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3. What would you do and why?

Students could consider how the company, as an open system, would change significantly if it was to globalize. This would introduce many opportunities but also challenges and the impacts. What ethical and quality concerns might arise?

Shopify Running Case: Shopify: A Canadian Success

The running case can be found at the end of the chapter in the textbook. Discussion suggestions for the Apply Your Understanding questions are provided below.

Apply Your Understanding Questions

1. What is innovative about Shopify's business model?
2. As Shopify gets larger, what challenges might it face?
3. Why would a vendor want to sell through Shopify?

Discussion Suggestions

1. Design thinking has had a major influence on service and product design.
2. Changes resulting from organizational growth present many challenges for managers.
3. Innovation may be short-lived should second movers enter the space.

Video Quiz: Holden Outerwear: Key Supplier to Eddie Bauer

This video and quiz are available on MindTap for students. The online quiz can be submitted for grades.

Quiz Questions

1. Which contemporary challenge of organizational behavior do the managers of Holden Outerwear encounter in the segment?
a. managing technology.
b. managing in an intentional environment.
c. managing ethics.
d. all of these.
ANS: B

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2. For Holden Outerwear, managing business globally offers all the following advantages except
a. low-cost materials.
b. culture and language barriers.
c. ongoing contact with international fashion trends.
d. dependable source of skilled labour.
ANS: C

3. One way that Holden Outerwear ensures that Chinese suppliers and manufacturers maintain high quality standards is by
a. selecting the lowest priced vendor.
b. selecting the highest priced vendor.
c. doing thorough research.
d. not working with new or unknown companies.
ANS: C

4. The task of Holden Outerwear is to
a. find efficient means of shipping products.
b. produce innovative garments.
c. establish business relations with Chinese companies.
d. negotiate legal regulations related to international shipping.
ANS: B

5. As an organization that does business not only in Canada and the US, but also throughout Europe and Asia, Holden Outerwear faces the specific challenge of
a. establishing a rigid organizational structure.
b. producing eco-friendly materials.
c. creating one product that can be sold in many different markets.
d. the increasing globalization of organizations' operating territories.
ANS: D

6. Holden Outerwear founder Mikey LeBlanc states that international retailers strongly insist that Holden Outerwear deliver its products on time. Holden Outerwear's commitment to producing and shipping goods in a timely manner is a key element of the company's
a. formal organization.
b. informal organization.
c. challenge.
d. technology.
ANS: B

7. When Holden Outerwear consolidated its shipping from China into one load (down from five), it improved customer service by
a. reducing the amount of paperwork the company had to file.
b. creating a new shipping facility in China.

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c. sending separate ships to Canada and the US.
d. giving retailers the chance to display all of Holden's new products at once.
ANS: D

8. The various legal regulations that Holden has to deal with when shipping its products from China are a component of
a. the internal task environment.
b. the organization's structure.
c. the external task environment.
d. the organization's technology.
ANS: C

Ethical Dilemma: Kishore Banda

TEACHING NOTES

The purpose of the Ethical Dilemmas is to encourage students to develop their awareness of ethical issues in the workplace and the managerial challenges they present. The dilemmas are set up to present situations in which there is no clear ethical choice. The goal for the instructor is to guide students through the process of analyzing the situation and examining possible alternative solutions. There are no "right" answers to the questions at the end of each scenario, only opportunities to explore alternative generation and generate discussion of the appropriateness of each alternative.

Detailed instructor notes, case, and suggested answers to discussion questions for this Ethical Dilemma are provided below.

The student portion of this Ethical Dilemma case is provided as a Student Handout at the end of this document. The handout includes the case and discussion questions only. The handout can also be downloaded separately from the Instructor Companion Site.

Ethical concepts are not introduced until Chapter 2. You may choose to bring them into the discussion here, or use this first ethical dilemma as simply an opportunity for students to start articulating what they see as ethical concerns in a specific work situation.

In Chapter 2, you will see reference to:

- Employee rights
- Sexual harassment
- Organizational justice
- Whistle blowing
- Social responsibility and codes of ethics

In the Kishore Banda case, you could prompt students to consider what "rights" are relevant. For example, a right to privacy is going to be important. There should be restrictions on who knows what about the decision to end Myra's contract early. Do employees have the right to know about the restructuring as it is being considered?

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Organizational justice concepts could also be discussed in relation to this case. How Kishore goes about ending Myra's contract and dealing with the fallout with staff will be important (procedural justice). What would be a "fair" approach in the minds of students?

Figure 2.5 The Four-Way Test is the Rotary organization's way of examining ethical dilemmas:

- Is it the truth?
- Is it fair to all concerned?
- Will it build goodwill and better friendships?
- Will it be beneficial to all concerned?

Apply these four questions to Kishore's situation and the three options he is considering. Discuss why this four-way "code of ethics" may suit Rotary much better than a for-profit company like Kishore's.

Ethical Dilemma: Kishore Banda

As a result of his company's new strategic planning, Kishore's department has been given goals it must meet in the upcoming year. Given the tight economic situation generally and for his industry in particular, Kishore is not surprised when he is told that he must figure out how to achieve these goals with no increase in staffing or budget. As director, he has been working with his three managers in anticipation of this direction and drafted a new structure for the department of 40 staff. This revised structure proposes reducing manager positions from three to two, replacing two frontline staff positions with brand new coordinator roles requiring different expertise, and adjusting the job descriptions of half the staff, which will require additional training. Department staff know a restructuring is being drafted but no details have been shared with them. Given the level of change in the company as a whole, they are already fearful of how it may impact their positions.

The vice president to whom Kishore reports fully supports the plan but wants it implemented as soon as possible, starting with removing one management position. This will free up money to move ahead with other changes. Kishore is uneasy about this, despite knowing that it is likely good advice. Myra, one of his three managers, is set to leave in a year anyway as her five-year contract is ending. She fully supports the merger of her area with another one, and agrees that her position is not needed as much as the new coordinator positions. Kishore has struggled in managing her performance and knows that she has not been pulling her weight. But she is well liked by her staff, and does not expect her position to end until she leaves in a year.

In speaking with Human Resources about his decision to terminate Myra's contract early, he is given the following options to consider:

- Give her notice that her contract will be ending in five months and expect her to work the remaining months.

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- Give her notice that her contract will be ending in five months but she will be leaving in two weeks, with the remaining time paid out as severance. This allows for goodbyes and a transition of tasks and information.

- Give her notice that her contract is being terminated as of that day, and she is being given five months' salary as severance.

As Kishore considers these options, he thinks about how Myra has been blocking important collaborations with the other two managers, how her temper has led to some very unprofessional behaviour, and that he is at risk of losing one of his other excellent managers if Myra is around for much longer. But he also realizes that morale is already an issue because of organizational changes, and Myra's staff are not aware of the issues with her performance.

Suggested Questions & Answers

Suggested answers for the questions at the end of each chapter scenario are provided in this instructor's manual. They are by no means exhaustive, nor are they meant to be the "correct" answers. Each student must decide for himself or herself which alternative most clearly agrees with his or her value system.

1. *What do you feel are the ethical issues facing Kishore?*

   Should he end Myra's contract early? If so, what approach would be fair to her, fair to the other managers who must carry out the other changes, and allow the department to meet the goals? If there is no way of achieving all those, what should be his priority? How does he communicate the decision to staff so that they do not panic, thinking they might be next, but keeping Myra's performance issues confidential?

2. *What should he be considering in making his decision? What other information would be important for you to know if you were in Kishore's position?*

   Are there other options for saving money? How is Myra likely to react if her contract terminates early but she stays at work for that time? Could she undermine the rest of the management team? How will she react if given just the two weeks for transition? Could she make things worse? How will he and his two remaining managers be able to pick up the pieces if Myra leaves immediately or if she is uncooperative in the transition, whether it is two weeks or two months? What projects are at risk if Myra continues to work?

Self-Assessments—What About You?

What About You: Learning Style Inventory is included at the end of the chapter in the textbook. An additional self-assessment is provided below.

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1.1 ANALYZE YOUR PERCEPTIONS OF A CHANGE

The student portion of this self-assessment is provided as a Student Handout at the end of this document. The handout includes the questions only. The handout can also be downloaded separately from the Instructor Companion Site to provide to students.

Ensure students understand that their score in considering this one change does not apply to how they deal with all change. Perhaps suggest they rate two changes—one they see as positive and one they do not welcome.

Discuss how students' perceptions of change will affect them, given the rapidly changing nature of the business environment they will enter after graduation.
Consider linking scores on this to information in the stress chapter about the link between stress and one's perceptions of an event.

Experiential Exercises

1.1 WHAT'S CHANGING AT WORK?

The student portion of this Experiential Exercise is provided as a Student Handout at the end of this document. The handout can also be downloaded separately from the Instructor Companion Site to provide to students.

This exercise enlightens students about the changes occurring in organizations.
Encourage teams to question each other about the legitimacy of the changes identified. A debate could be set up to generate discussion about whether specific changes are good or bad. Students should consider both the good and the bad impacts of a particular change.

1.2 MY ABSOLUTE WORST JOB

The student portion of this Experiential Exercise is provided as a Student Handout at the end of this document. Students can also download the handouts from MindTap.

Purpose: To become acquainted with fellow classmates.

Group size: Any number of groups of two.

Occasionally a student will reveal proprietary information about a company. It might be wise to preface the discussion by suggesting that students describe the type of job, rather than mentioning the name of the company.

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There are many humorous and bonding examples that have come from this exercise. You might want to tell the students that there have been a variety of answers. Two of the more extreme were:

(1) Digging cemetery plots in August in Edmonton. (No explanation was needed why this was not a good job.)

(2) On the committee for an event, where the guest of honour did not show up until 2:00 a.m.

These are good examples to illustrate that stress is related to behaviour and organizational factors, not just the type of job that an individual fulfils.

Students may also benefit from a discussion of elitism during the de-briefing of this exercise.

Students need to be reminded that although they personally may not want to work at McDonald's as a career, there are people who plan on making that organization their career. We need to understand why other people may find what we think of as a worst job to be their ideal job.

Students may see some positions as "inherently worst jobs." Be sure to clarify that some individuals may take positions to fulfill financial obligations, and find their personal fulfillment through other means. The fact that they do not wish to *self-actualize* at work does not necessarily mean that they are not productive, valuable organizational members.

Recall that not all students will have work experience. It has been our experience that a large number of international students have little work experience because they go directly from secondary schools to college. You may need to make some allowances for these students so they do not feel like they are in the wrong class because they are inexperienced. They could contribute by mentioning a job they would least like to do and why they would not want to have this position. They could also draw on any volunteer experience they have.

1.3 CREATING A QUALITY LEARNING ENVIRONMENT

The student portion of this Experiential Exercise is provided as a Student Handout at the end of this document. The handout can also be downloaded separately from the Instructor Companion Site to provide to students.

The exercise will give you the opportunity to discuss the elements of a quality learning environment. The basic question your group will need to answer first is whether good education provides a service or produces a product. Once you have made that decision, you will be able to address the questions in Step 2 of the exercise.

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Step 1. The class will form into groups of approximately six members. Each group elects a spokesperson and answers the following question: Does education provide a service or produce a product? The spokesperson should be prepared to explain the group's answer to this basic question during the cross-team exchange.

Step 2. Each group is to generate answers to the following questions. The group should spend approximately five minutes on each question and make sure that each person has made a contribution to the group's response. The spokesperson for each group should be ready to share the group's collective responses to those three questions.

a) *What are the important characteristics of a high-quality learning environment?*

Members should focus on the physical, social, and psychological characteristics of the environment, as well as on behaviours of the students and instructor.

b) *What format results in the best learning?*

For example, should lectures, debates, discussion, role-playing, and group activities be included? If so, in what proportions?

c) *What problems or obstacles have you encountered previously to a high-quality learning environment?*

These may be related to the subject matter, evaluation processes, workload expectations, or other aspects of the classroom environment.

Step 3. Each group will share the results of its answers to the questions in Steps 1 and 2. Cross-team questions and discussion will follow.

Step 4. Your instructor may allow for a few minutes at the end of the class period to answer questions about his or her thoughts about the course or professional background and experience. Be prepared to ask questions at this time.

Case Study and Suggested Responses

FACEBOOK: OPPORTUNITIES, PROBLEMS, AND AMBITIONS
Instructor notes and suggested answers to discussion questions for this case study are provided below.

The student portion of this case is provided as a Student Handout at the end of this document. The handout includes the case and discussion questions only. The handout can also be downloaded separately from the Instructor Companion Site to provide to students.

Linkage of Case to Chapter Material

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Facebook, led by Mark Zuckerberg, has been at the centre of transforming how the world communicates, and it has experienced phenomenal growth since its founding in 2004. But it has run into recent scandals related to protection of users' personal information.

This case focuses on Facebook's use of members' personal information to generate advertising revenue and foster business opportunities, and the spate of recent revelations that users' personal information has been inappropriately shared. Use of members' information brings up concerns about the privacy of personal information and the policy that Facebook has in place to protect members' privacy.

A key element of Chapter 1 is the notion that change creates opportunities. Change occurs in many ways—within the organization itself and within the organization's environment, in small ways and large ways, in incremental ways and in transformational ways, and so forth. All of these changes can create opportunities, some of which could lead to completely new businesses. It is within the context of the changes that have been fostered by the growth of social networking websites that this case is related to the content of Chapter. On the other hand, the ethical discussion that will emerge in Chapter 2 can start here.

Discussion Questions

1. How does Facebook's privacy management of users' personal information affect the behaviour of Facebook patrons?
2. Being a college student, you are quite likely a Facebook user. What is your opinion regarding how Facebook deals with privacy issues? What have you done (or decided not to do) with regard to protecting your privacy on Facebook (or other social networking sites)?
3. How can the availability of Facebook users' personal data create business opportunities for Facebook and for other businesses?
4. Refer to Mark Zuckerberg's future ambitions for Facebook, as articulated in the next to the last paragraph of the case. From your perspective, what benefits might result if Zuckerberg's aims are realized? What concerns do you have about Zuckerberg's goals?

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Suggested Answers to Case Discussion Questions

1. *How does Facebook's privacy management of users' personal information affect the behaviour of Facebook patrons?*

   Even with Facebook's revision of its privacy management policy and privacy control mechanisms, users are still open to having their personal information accessed and used without their express permission. Consequently, Facebook users need to protect themselves against being exploited in any way. Facebook users need to be aware of the potential negative consequences to their personal lives and present or future employment by unauthorized parties having any access whatsoever to their posted information.

2. *Being a college student you are quite likely a Facebook user. What is your opinion regarding how Facebook deals with privacy issues? What have you done (or decided not to do) with regard to protecting your privacy on Facebook (or other social networking sites)?*

   It is extremely difficult to find a college student who does not use Facebook, at least to some extent. Some of the students are light users, but most of them are rather heavy users of Facebook—at least judging from the anecdotal information they share with professors. Therefore, students have a wealth of experience to draw upon in discussing this question. Interestingly, however, far too many students are somewhat naïve about how the information they post on Facebook can open them up to exploitation and come back to haunt them in their future job searches. Students should be encouraged to look into what privacy experts have to say about the potential negative effects of social networking media.

3. *How can the availability of Facebook users' personal data create business opportunities for Facebook and for other businesses?*

   In just a few short years, social networking websites have exploded in popularity. Facebook (and to a lesser extent, its competitors) have transformed how people—particularly younger people—connect with one another. As the membership of social networking websites has grown, so has the demand for new and different ways of using these websites. Hence, many new applications that appeal to and capitalize on social networking have been developed. Given the rapidly growing popularity of these websites, it has only a matter of time before enterprising individuals would devise ways of monetizing the opportunities that abound when there is a source of extensive information about large numbers of people who are active consumers.

   As indicated in the case, Facebook seeks to capitalize on the wealth of user data to become a dominant and pervasive business presence on the Internet.

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4. *Refer to Mark Zuckerberg's future ambitions for Facebook, as articulated in the next to the last paragraph of the case. From your perspective, what benefits might result if Zuckerberg's aims are realized? What concerns do you have about Zuckerberg's goals?*

   The next to the last paragraph reads as follows:

   > Back in 2009, Mark Zuckerberg explained that his ultimate goal was "to turn Facebook into the planet's standardized communication (and marketing) platform, as ubiquitous and intuitive as the telephone but far more interactive, multidimensional, and indispensable. Your Facebook ID quite simply will be your gateway to the digital world, Zuckerberg predicts." Facebook's website still maintains he is on a "journey to connect the world."

   There is considerable appeal to the notion of organizing one's entire digital life through a central portal. Certainly, life would be simplified and time would be saved. However, having a single portal for all digital access is also frightening in that it places an extraordinary amount of power in Facebook's hands. If Facebook were to have such power, it must be accompanied by corresponding expectations and requirements regarding Facebook's responsibility and accountability for protecting members' privacy. However, Facebook's critics likely would vehemently question the company's willingness to make such commitments.

   SOURCE: This case solution was originally written by Michael K. McCuddy, The Louis S. and Mary L. Morgal Chair of Christian Business Ethics and Professor of Management, College of Business, Valparaiso University. Updated by Joan Condie, Sheridan College.

ASSESSMENT TOOLS

Please refer to the Test Bank for assessment purposes. You may also wish to encourage students to take the pre- and post-test multiple choice quizzes, additional exercises, and self-assessment activities available on MindTap.

REFLECTIONS ON TEACHING

Reflect on **your** classroom experience by reviewing the following questions:

- What worked? What didn't? Why and why not?
- Were students engaged? Were they focused or did they go off on tangents?
- Did my assessments suggest that they understood the key concepts?

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- What should I do differently next time?
- How can I gather student feedback?

WHAT OTHER RESOURCES ARE AVAILABLE?

- Bolman, L. and Deal, T. (2000) *Escape from Cluelessness: A Guide for the Organizationally Challenged*, NY: American Management Association.
- Free icebreakers, team building, etc. resources at www.businessballs.com.
- Co-ops in Canada's North—http://www.arcticco-op.com.
- Government of Canada Human Resources Management—https://www.canada.ca/en/services/business/hire/humanresourcesmanagement.html

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STUDENT HANDOUTS

All student handouts can also be downloaded separately from the Instructor Companion site to provide to students.

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DISCUSSION & COMMUNICATION QUESTIONS

1. How do the formal aspects of your work environment affect you? What informal aspects of your work environment are important?

2. What is the biggest competitive challenge or change facing the businesses in your industry today? Will that be different in the next five years?

3. Describe the next chief executive of your organization and what she or he must do to succeed.

4. Discuss two ways people learn about organizational behaviour.

5. Prepare a memo about an organizational change occurring where you work or in your college or university. Write a 100-word description of the change and, using Figure 1.1, identify how it is affecting the people, structure, task, and/or technology of the organization.

6. Develop an oral presentation about the changes and challenges facing your college or university based on an interview with a faculty member or administrator. Be prepared to describe the changes and challenges. Are these good or bad changes? Why?

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ETHICAL DILEMMA

KISHORE BANDA

As a result of his company's new strategic planning, Kishore's department has been given goals it must meet in the upcoming year. Given the tight economic situation generally and for his industry in particular, Kishore is not surprised when he is told that he must figure out how to achieve these goals with no increase in staffing or budget. As director, he has been working with his three managers in anticipation of this direction and drafted a new structure for the department of 40 staff. This revised structure proposes reducing manager positions from three to two, replacing two frontline staff positions with brand new coordinator roles requiring different expertise, and adjusting the job descriptions of half the staff, which will require additional training. Department staff know a restructuring is being drafted but no details have been shared with them. Given the level of change in the company as a whole, they are already fearful of how it may impact their positions.

The vice president to whom Kishore reports fully supports the plan but wants it implemented as soon as possible, starting with removing one management position. This will free up money to move ahead with other changes. Kishore is uneasy about this, despite knowing that it is likely good advice. Myra, one of his three managers, is set to leave in a year anyway as her 5-year contract is ending. She fully supports the merger of her area with another one, and agrees that her position is not needed as much as the new coordinator positions. Kishore has struggled in managing her performance and knows that she has not been pulling her weight. But she is well liked by her staff, and does not expect her position to end until she leaves in a year.

In speaking with Human Resources about his decision to terminate Myra's contract early, he is given the following options to consider:

- Give her notice that her contract will be ending in five months and expect her to work the remaining months
- Give her notice that her contract will be ending in five months but she will be leaving in two weeks, with the remaining time paid out as severance. This allows for goodbyes and a transition of tasks and information.
- Give her notice that her contract is being terminated as of that day, and she is being given five months' salary as severance.

As Kishore considers these options, he thinks about how Myra has been blocking important collaborations with the other two managers, how her temper has led to some very unprofessional behaviour, and that he is at risk of losing one of his other excellent managers if Myra is around for much longer. But he also realizes that morale is already an issue

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because of organizational changes, and Myra's staff are not aware of the issues with her performance.

Questions

1. What do you feel are the ethical issues facing Kishore?
2. What should he be considering in making his decision? What other information would be important for you to know if you were in Kishore's position?

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SELF-ASSESSMENT: WHAT ABOUT YOU?

1.1 ANALYZE YOUR PERCEPTIONS OF A CHANGE

Everyone perceives change differently. Think of a change situation you are currently experiencing. It can be any business, school-related, or personal experience that requires a significant change in your attitude or behaviour. Rate your feelings about this change using the following scales. For instance, if you feel the change is more of a threat than an opportunity, you would circle 0, 2, or 4 on the first scale.

1.	Threat	0	2	4	6	8	10	Opportunity
2.	Holding onto the past	0	2	4	6	8	10	Reaching for the future
3.	Immobilized	0	2	4	6	8	10	Activated
4.	Rigid	0	2	4	6	8	10	Versatile
5.	A loss	0	2	4	6	8	10	A gain
6.	Victim of change	0	2	4	6	8	10	Agent of change
7.	Reactive	0	2	4	6	8	10	Proactive
8.	Focused on the past	0	2	4	6	8	10	Focused on the future
9.	Separate from change	0	2	4	6	8	10	Involved with change
10.	Confused	0	2	4	6	8	10	Clear

How positive are your perceptions of this change?

Source: H. Woodward and S. Buchholz, *Aftershock: Helping People through Corporate Change*, p. 15. Copyright © 1987 John Wiley & Sons, Inc. Reprinted by permission of John Wiley & Sons, Inc.

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EXPERIENTIAL EXERCISE

1.1 WHAT'S CHANGING AT WORK?

This exercise provides an opportunity to discuss changes occurring in your workplace or your college or university (focus on one). These changes may be for the better or the worse. However, rather than evaluating whether they are good or bad changes, begin by simply identifying the changes that are occurring. Later, you can evaluate whether they are good or bad.

Step 1. The class forms into groups of approximately six members each. Each group elects a spokesperson and together generates answers to the following questions. The group should spend at least five minutes on each question. Make sure that each member of the group makes a contribution to each question. The spokesperson for each group should be ready to share the group's collective responses to these questions.

a. *What are the changes occurring in your workplace or your college or university (select one)?* Members should focus both on internal changes, such as reorganizations, and on external changes, such as new customers or competitors. Develop a list of the changes discussed in your group.

b. *What are the forces that are driving the changes?* To answer this question, look for the causes of the changes members of the group are observing. For example, a reorganization may be caused by new business opportunities, by new technologies, or by a combination of factors.

c. *What signs of resistance to change do you see occurring?* Change is not always easy for people or organizations. Do you see signs of resistance, such as frustration, anger, increased absences, or other forms of discomfort with the changes you observe?

Step 2. Once you have answered the three questions in Step 1, your group needs to spend some time evaluating whether these changes are good or bad. Decide whether each change on the list developed in Step 1a is a good or bad change. In addition, answer the question "Why?" That is, why is this change good? Why is that change bad?

Step 3. Each group shares the results of its answers to the questions in Step 1 and its evaluation of the changes completed in Step 2. Cross-team questions and discussion follow.

Step 4. Your instructor may allow a few minutes at the end of the class period to comment on his or her perceptions of changes occurring within the university, or businesses with which he or she is familiar.

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EXPERIENTIAL EXERCISE

1.2 MY ABSOLUTE WORST JOB

Purpose: To become acquainted with fellow classmates.

Group size: Any number of groups of two.

Exercise schedule:

1. Write answers to the following questions:

    a. What was the worst job you ever had? Why? For example, was it related to the following:

        (1) The type of work you did

        (2) Your boss

        (3) Your coworkers

        (4) The organization and its policies

        (5) What made the job so bad

    b. What is your dream job? Why?

2. Find someone you do not know, and share your responses.

3. Get together with another dyad, preferably new people. Partner "a" of one dyad introduces partner "b" to the other dyad, then "b" introduces "a". The same process is followed by the other dyad. The introduction should follow this format: "This is Mary Cullen. Her very worst job was putting appliqués on bibs at a clothing factory, and she disliked it for the following reason. What she would rather do is be a financial analyst for a big corporation."

4. Each group of four meets with another quartet and is introduced, as before.

5. Your instructor asks for a show of hands on the number of people whose worst jobs fit into the following categories:

    a. Factory

    b. Restaurant

    c. Manual labour

    d. Driving or delivery

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e. Professional

f. Health care

g. Phone sales or communication

h. Other

6. Your instructor gathers data on worst jobs from each group and asks the groups to answer these questions:

a. What are the common characteristics of the worst jobs in your group?

b. How did your coworkers feel about their jobs?

c. What happens to morale and productivity when a worker hates the job?

d. What was the difference between your own morale and productivity in your worst job and in a job you really enjoyed?

e. Why do organizations continue to allow unpleasant working conditions to exist?

7. Your instructor leads a group discussion on Parts (a) through (e) of Question 6.

SOURCE: D. Marcic, "My Absolute Worst Job: An Icebreaker," *Organizational Behavior: Experiences and Cases* (St. Paul, Minn.: West, 1989), 5–6. Copyright 1988 Dorothy Marcic. All rights reserved. Reprinted by permission.

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EXPERIENTIAL EXERCISE

1.3 CREATING A QUALITY LEARNING ENVIRONMENT

The exercise will give you the opportunity to discuss the elements of a quality learning environment. The basic question your group will need to answer first is whether good education provides a service or produces a product. Once you have made that decision, you will be able to address the questions in Step 2 of the exercise.

Step 1. The class will form into groups of approximately six members. Each group elects a spokesperson and answers the following question: Does education provide a service or produce a product? The spokesperson should be prepared to explain the group's answer to this basic question during the cross-team exchange.

Step 2. Each group is to generate answers to the following questions. The group should spend approximately five minutes on each question and make sure that each person has made a contribution to the group's response. The spokesperson for each group should be ready to share the group's collective responses to those three questions.

a) *What are the important characteristics of a high-quality learning environment?*

Members should focus on the physical, social, and psychological characteristics of the environment, as well as on behaviours of the students and instructor.

b) *What format results in the best learning?*

For example, should lectures, debates, discussion, role-playing, and group activities be included? If so, in what proportions?

c) *What problems or obstacles have you encountered previously to a high-quality learning environment?*

These may be related to the subject matter, evaluation processes, workload expectations, or other aspects of the classroom environment.

Step 3. Each group will share the results of its answers to the questions in Steps 1 and 2. Cross-team questions and discussion will follow.

Step 4. Your instructor may allow for a few minutes at the end of the class period to answer questions about his or her thoughts about the course or professional background and experience. Be prepared to ask questions at this time.

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CASE STUDY

FACEBOOK: OPPORTUNITIES, PROBLEMS, AND AMBITIONS

Facebook, the social network that was founded in 2004 by Mark Zuckerberg, has experienced phenomenal growth and enjoyed an explosion of opportunities. But not without encountering some thorny problems. As of late 2018, Facebook had more than 2.27 billion monthly active users[1] but its peak valuation of over $500 billion in 2017[2] had taken a major hit due to scandals related to personal data protection.

The biggest scandal arose through Facebook's relationship with Cambridge Analytica, a political consulting and strategic communications firm, which harvested personally identifiable information of "up to 87 million people"[3] via Facebook profiles and allegedly used it to map out voter behaviour in 2016 for both the US presidential election and for the Brexit campaign. This was done via a personality quiz app called "thisisyourdigitallife", whose owner had a deal to share information with Cambridge Analytica. About 270,000 Facebook users signed up and took the personality tests, willingly sharing information about themselves[4]. But the app also collected information about each user's Facebook friends without their consent. It was Canadian data expert Christopher Wylie, then an employee at Cambridge Analytica, who blew the whistle on this activity, saying the company used the data to develop "psychographic" profiles of users, and target users with pro-Trump advertising[5]. This led to investigations by the US Securities and Exchange Commission, Federal Trade Commission, and Federal Bureau of Investigation, Facebook testimonies to the American Senate[6], and a fine of £500,000 by the UK's Information Commissioner's Office for breaches of the Data Protection Act[7].

Additional privacy breaches and concerns have been reported since this scandal. Reports in June, 2018 indicated that Facebook had maintained data-sharing partnerships with Apple, Amazon, BlackBerry, Microsoft, and Samsung. Chinese device manufacturers Huawei, Lenovo, Oppo, and TCL were also noted as being granted access to user data under this program, a particular concern because Huawei is being investigated by the US government on suspicions that their products pose a national security risk. In a September, 2018, interview with Forbes magazine, WhatsApp co-founder Brian Acton stated that "I sold my users' privacy" as a result of the messaging app being sold to Facebook in 2014 for $22 billion[8]. Also in September, Facebook revealed details of a security breach affecting 50 million users where attackers used a vulnerability in the "view as" feature (which lets users see what their profiles look like to other people) which could be used to gain control of other users' accounts through exporting "access tokens"[9].

Facebook has been working to restore trust by updating its privacy policy, further investing in safety and security, boosting its monitoring of user complaints and investigating unusual activity, while improving its technology to take down fake accounts and pages[10].

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Back in 2009, Mark Zuckerberg explained that his ultimate goal was "to turn Facebook into the planet's standardized communication (and marketing) platform, as ubiquitous and intuitive as the telephone but far more interactive, multidimensional, and indispensable. Your Facebook ID quite simply will be your gateway to the digital world, Zuckerberg predicts."[11] Facebook's website still maintains he is on a "journey to connect the world"[12].

Should people be elated or distressed about Facebook's desire to permeate human existence in light of what can happen regarding the privacy of personal data?

Discussion Questions

1. How does Facebook's privacy management of users' personal information affect the behaviour of Facebook patrons?
2. Being a college student you are quite likely a Facebook user. What is your opinion regarding how Facebook deals with privacy issues? What have you done (or decided not to do) with regard to protecting your privacy on Facebook (or other social networking sites)?
3. How can the availability of Facebook users' personal data create business opportunities for Facebook and for other businesses?
4. Refer to Mark Zuckerberg's future ambitions for Facebook, as articulated in the next to the last paragraph of the case. From your perspective, what benefits might result if Zuckerberg's aims are realized? What concerns do you have about Zuckerberg's goals?

SOURCE: This case was originally written by Michael K. McCuddy, The Louis S. and Mary L. Morgal Chair of Christian Business Ethics and Professor of Management, College of Business Administration, Valparaiso University and updated by Joan Condie, Sheridan College.

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PART 1 CASE

THE TIMBERLAND COMPANY: CHALLENGES AND OPPORTUNITIES

The Timberland Company, headquartered in Stratham, New Hampshire, makes and markets footwear, apparel, and accessories. Its footwear includes hiking boots, boat shoes, sandals, outdoor casual footwear, and dress shoes. The apparel line includes socks, shirts, pants, and outerwear, whereas accessories involve products such as watches, sunglasses, and belts. Timberland sells its products around the world through department stores and athletic stores and operates over 220 company-owned and franchised outlets in the United States, Canada, Latin America, Europe, the Middle East, and Asia.

Timberland has a strong international operation with a growing market in China; however, it has experienced increased labour costs and tariffs in Europe. In 2006 the tariff issue became very important due to the sourcing of approximately 30 percent of Timberland's total volume from factories in China and Vietnam. The company's international strength has been offset somewhat by its declining market fortunes in the United States. Timberland also faces increased competition globally, particularly from Nike and Adidas. From 2001 to 2005, Timberland had an average annual revenue growth of 7.5 percent, compared to the industry average of 9.0 percent during the same period. Moreover, revenue growth has been decelerating. In 2006 Timberland had $1.6 billion in revenues that reflected growth in the business segments serving casual, outdoor, and industrial consumers. However, the boot business declined due to significant fashion changes that diminished demand for those products.

Although Timberland experienced some market difficulty in 2006, it was still recognized as a great place to work. The company was honored by Working Mother magazine as "One of the Best Places to Work for" and by Fortune magazine as "One of the 100 Best Companies to Work for."

Timberland develops and uses technology to further its business interests and to benefit its customers and distributors. For example, Timberland uses innovative technology that enables customers to customize their footwear online. Timberland's configuration software allows shoppers to "specify so many product details—including colors, hardware, laces and typefaces for monogramming—that more than one million combinations are possible for any one base [footwear] style." The results of the customization are visualized instantaneously on the customer's own computer. A company spokesperson observed, "… no one else out there has this technology. It was really important to us to include that because the challenge in the online environment is trying to replicate that tactile-visual experience of an offline environment."

Another application of innovative technology occurred in the summer of 2005 with Timberland's test of its PreciseFit System in 54 stores, in Europe, Asia, and the United States. The PreciseFit System, tested in the men's casual footwear category, enables Timberland to exactly fit footwear for the 60 percent of men who can't get an optimal fit otherwise and for those men—about 35 percent of the market—who have a half-size or greater difference between their left foot and right foot. Each pair of shoes comes with inserts that fit full and half-sizes in narrow, medium, and wide widths, thereby enabling retailers to more easily service hard-to-fit customers, maintain a smaller inventory, and have fewer lost sales.

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In addition to its efforts to run the business more effectively and efficiently, to provide customers with continually improving service, and to meaningfully support suppliers and distributors, Timberland is also committed to social and environmental causes. Timberland is committed to using "the resources, energy, and profits of a publicly traded footwear-and-apparel company to combat social ills, help the environment, and improve conditions for labourers around the globe." Jeffrey Swartz, Timberland's CEO, believes that the best way to pursue social objectives is through a publicly traded company rather than through a privately owned company or a nonprofit organization because it forces commerce and justice—business interests and social/environmental interests—to be enacted in a public and transparent manner.

Timberland's social and environmental commitments and efforts are evident in its products and operations as well as in its relationships with suppliers and customers. In terms of its products and operations,

> Timberland practices full-disclosure labeling on its footwear. Every footwear box has a label describing the ecological impact with respect to the amount of energy used in the manufacture and distribution of that particular product. Timberland's goal is to decrease its ecological footprint by increasing the use of wind or solar power in the manufacture and distribution of its products. Future plans for full-disclosure packaging include labeling that details the environmental impact of the chemicals and organic materials contained in Timberland's products.

In dealing with suppliers around the world, Timberland promotes fair labour practices and human rights. According to the company's Global Human Rights Standards, "[w]e're equally committed to improving the quality of life for our business partners' employees. Through our Code of Conduct program, Timberland works to ensure that our products are made in workplaces that are fair, safe and non-discriminatory. Beyond training factory management, educating factory workers, and auditing for compliance with our Code of Conduct, we also partner with nongovernmental organizations and international agencies such as Verité, CARE, and Social Accountability International to help us develop programs focused on continuous improvement and sustainable change." How does Timberland operationalize these standards? One way is that it tries to constructively engage suppliers who commit labour infractions. Rather than immediately discharging such suppliers, Timberland works at getting the suppliers to change their policies so as to keep the workers employed.

Timberland engages in similar influence attempts with its customers. For instance, in making a sales presentation to executives from McDonald's Corporation regarding the possibility of Timberland becoming the contract supplier of new uniforms for the fast food giant, Jeffrey Swartz, Timberland's CEO, used a novel approach. To the surprise of the McDonald's executives, he did not provide product prototypes or pitch the company's creativity or craftsmanship. Instead, he talked enthusiastically about Timberland's corporate culture and what the company was doing in terms of social, environmental, and labour commitments. Swartz's message was that he expected Timberland's culture would rub off on McDonald's, thereby helping McDonald's to build a unified, purposeful, motivated workforce.

Can commerce and justice—business interests and social/environmental interests—peacefully coexist and mutually reinforce each other for Timberland and its stakeholders over the long term?

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Source: This case was written by Michael K. McCuddy, The Louis S. and Mary L. Morgal Chair of Christian Business Ethics and Professor of Management, College of Business Administration, Valparaiso University.

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Apply Your Knowledge

1. How does Timberland's commitment to social and environmental responsibility influence the ways in which it deals with the diversity, technology, and globalization challenges that it faces? Be sure to visit https://www.timberland.ca/responsibility.html to learn about Timberland's impact to date.

2. Consider the ethical, diversity, technology, and globalization challenges that have confronted Timberland. How has Timberland converted these challenges into opportunities for the company?

3. What are some advantages and disadvantages of Timberland's attempts to influence suppliers and customers regarding corporate social and environmental responsibility? How can these influence efforts help Timberland as it seeks to deal with its own ethical, diversity, technology, and globalization challenges?

QUIZ QUESTIONS

True/False

_____1. Timberland faces both local and international pressures.

_____2. Timberland is innovative in its technology.

_____3. Timberland does not engage in ethical practices.

_____4. Timberland focuses only on profit.

_____5. Timberland has a demonstrated commitment to social responsibility.

_____6. Timberland shows that commerce and justice do not co-exist.

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Multiple Choice

1. Timberland operates in a country that demonstrates
   (a) high power distance.
   (b) low individualism.
   (c) high indulgence.
   (d) none of the above.

2. Timberland's technology
   (a) allows it to focus on batch production.
   (b) allows it to focus on customization.
   (c) isn't a key strategic differentiator.
   (d) hurts its susutainablity efforts.

3. Timberland can be considered
   (a) a domestic company .
   (b) a global company.
   (c) a hybrid.
   (d) none of the above.

4. Timberland's ethical approach most resembles
   (a) rule-based.
   (b) character-based.
   (c) consequence-based.
   (d) none of the above.

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Apply Your Knowledge Answers

1. As indicated in the suggested response to the preceding discussion question, Timberland is committed to using "the resources, energy, and profits of a publicly traded footwear-and-apparel company to combat social ills, help the environment, and improve conditions for labourers around the globe." This clearly indicates that Timberland's commitment to social and environmental responsibility influences how it deals with diversity, technology, and globalization. The use of resources and energy has obvious technological implications. Improving conditions for labourers around the globe is a clear indication of an appreciation for and commitment to diversity. Globalization is manifest in Timberland's commitment to social and environment responsibility in all of its operations and dealings around the world.

   Further evidence of how Timberland's commitment to social and environmental responsibility influences the ways in which it deals with the diversity, technology, and globalization challenges can be found in the following:

   - Use of innovative technology to better customize products for individual consumers.
   - Efforts to reduce the company's ecological imprint with regard to energy and packaging materials, and to make customers aware of these efforts.
   - Adherence to the company's Global Human Rights Standards in an effort to improve the quality of life for its business partners' employees.
   - Swartz's sales presentation to executives from McDonald's Corporation wherein he promoted Timberland's corporate culture and what the company was doing in terms of social, environmental, and labour commitments, with the expectation that Timberland's culture would rub off on McDonald's, thereby helping McDonald's to build a unified, purposeful, motivated workforce.

2. Timberland has transformed its various challenges into opportunities in a variety of ways. An opportunity orientation is clearly indicated by Jeffrey Swartz's belief that the best way to pursue social objectives is through a publicly traded company rather than through a privately owned company or a nonprofit organization because it forces business interests and social/environmental interests to be enacted in a public and transparent manner. Converting both ethical and technical challenges into opportunities is evident in the company's concern with its ecological footprint regarding energy usage and the materials contained in its packaging. Not only has Timberland made genuine efforts to minimize its ecological footprint, but also its current and planned full-disclosure labelling publicly demonstrates an opportunity orientation. Timberland has also addressed a combination ethical/diversity challenge through the implementation of its Global Human Rights Standards, which govern the company's relationships with suppliers. Timberland works at constructively engaging suppliers that commit labour infractions so as to keep the workers employed. Moreover, all of the preceding has been done in the context of the company's worldwide operations.

3. Some of the specific advantages of Timberland's efforts to influence others regarding social and environmental responsibility include fostering the development of supplier and customer relationships; lessening energy usage and other resource usage; fostering a favourable public perception of the company and its products; and helping to improve working conditions for

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people around the world. An overarching advantage might be demonstrating that a business can do good (i.e., be active in social and environmental causes) and do well (i.e., be financially successful) at the same time.

Some key disadvantages include the potential backlash to the company and its products based on the perception that it is forcing its values on others, the risk of a short-term negative impact on the company's financial success, and potential investor objections to social and environmental activities that are viewed as diminishing returns to the shareholders.

Timberland's attempts to influence others regarding social and environmental responsibility indicate that it is assuming a leadership role in this domain. By being a social and environment responsibility leader rather than follower (or resister), Timberland can more proactively and vigorously address its own ethical, diversity, technology, and globalization challenges.

QUIZ ANSWERS

True/False

1. T. See page 20.
2. T. See page 35.
3. F. See page 30.
4. F. See page 34.
5. T. See page 33.
6. F. See page 34.

Multiple Choice

1. (d) See page 23.
2. (b) See page 35.
3. (c) See page 19.
4. (c) See page 31.

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