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People in Organizations

Organizational researchers study how individuals and organizations interact with their environment to accomplish both individual and collective goals. People are able to accomplish goals in organizations that they would be unable to accomplish alone, and they spend large portions of their lives interacting in organizational contexts. The complexities that emerge from bringing people together in organizational settings, therefore, provide a fascinating lens into the human experience. Organizational research brings together psychology, sociology, economics, and anthropology to examine both individual-level processes at work, as well as the organizational-level processes that dictate how firms relate to each other and their environment.

Reflecting this focus on both individuals and organizations, the field is split between ‘macro’ organizational behavior, drawing upon organizational sociology, and ‘micro’ organizational behavior, drawing upon social, personality, and industrial-organizational psychology. Macro-organizational behavior is concerned with the various strategies organizations use to adjust to their environment, such as the development of networks between firms. In contrast, micro-organizational behavior is concerned with the way personal characteristics combine with contextual features such as task, group, and organizational characteristics to predict work outcomes. Though the strength and uniqueness of organizational behavior rests on the equal emphasis of both individual and organizational processes and the utilization of a variety of research methods that cross disparate levels of analysis, our focus in this article is on micro-theory and research. Excellent reviews of macro-organizational theory can be found elsewhere in this collection (see *Organization: Overview; Administration in Organizations; Organizational Control; Organizational Culture; Organizations: Authority and Power*) and in Carroll and Hannan (2000) and Scott (1998).

1. *Micro-theory: Person–Situation Interactions*

Micro-organizational behavior examines both personal and situational characteristics and, as in the field of psychology, researchers debate the relative utility of each in explaining behavior. Some have emphasized the stability of attitudes and behaviors over time. For example, a person’s satisfaction with his or her job remains relatively stable over years and even decades (Staw and Ross 1985). From this perspective, individual characteristics are the best predictors of behavior since they derive from personal dispositions

that remain stable over time and across situations. Others have criticized this view and posited that organizations should be conceptualized as ‘strong’ situations that are powerful enough to shape individual behavior (e.g., Davis-Blake and Pfeffer 1989). In strong situations individual differences are unlikely to be expressed. Instead, people learn appropriate attitudes and behaviors from their co-workers, established norms, and organizational practices and procedures; these social influence processes are presumed to predict individual behavior better than are personal characteristics.

Researchers have typically considered personal and situational factors in isolation from one another, but a complete understanding of organizational behavior requires their simultaneous consideration. An interactional approach is more complex than a mere additive melding of personal and situational characteristics because it attempts to represent both personal and situational factors and their reciprocal influence.

Interactions between personal and situational characteristics may take at least four forms. First, as specified above, some situations are stronger than others, leading to different levels of behavioral uniformity. Second, work situations do not affect everyone in the same way; some people’s behavior is more consistent across varying situations. Third, certain people, such as those exhibiting ‘charismatic’ leadership, can influence situations more than others. Finally, people do not select into situations randomly, but rather, into situations in which they think their attitudes and behaviors will be appreciated. Developing a complete theory of behavior in organizations, then, requires moving from considering personal and situational factors in isolation to considering the complexity and diversity of possible person–situation interactions and their effects on work outcomes. We illustrate this by identifying the types of person–situation interactions that are relevant to a set of vibrant research domains within organizational behavior: organizational culture, demography, leadership, and creativity.

2. *Organizational Culture: Selection, Socialization, and Person–Culture Fit*

Research on organizational culture has demonstrated that norms and values can shape individual behavior. Recent research has also demonstrated that behavior can be predicted by understanding how personal characteristics interact with cultural context. Below we discuss the four types of person–situation interactions as they relate to organizational culture.

2.1 *Organizational Culture as Strong Situation*

Though researchers agree that organizational culture is meaningful and important, they do not agree about how to define and measure it. Organizational culture

research typically draws upon theories in anthropology or cross-cultural psychology and uses ethnographic or quantitative methodologies. Some researchers have emphasized shared values and meaning (O'Reilly et al. 1991) while others have emphasized the ambiguity of cultural values and the existence of subcultures (Martin 1992). Most agree that the existence of different perceptions among members does not preclude the existence of shared assumptions. Organizational culture can be understood as a system of shared values and norms that define what is important and how organizational members ought to feel and behave. Through members' clarity about organizational objectives and their willingness to work toward these objectives, culture influences the attainment of valued organizational goals by enhancing an organization's ability to execute its strategy. This conceptualization focuses on two primary aspects of culture: first, the extent to which agreement and intensity exist about values and norms (culture strength), and, second, the extent to which these norms and values differ across settings in important ways (culture content).

Culture content refers to shared values and norms that define desirable behavior in the organization. For example, some cultures may stress the value of being a 'team player' while others may emphasize independence. For a culture to be strong, members must agree about which values are important and be willing to enforce them strenuously. Members of an organization may agree that they value, for example, being cooperative, but unless unequivocal and salient consequences result from compliance (e.g., cooperating with co-workers) and non-compliance (e.g., competing with or undercutting co-workers), the culture cannot be characterized as strong. A strong culture is characterized by social control in that members both agree about and are willing to enforce values and norms, even if such enforcement violates hierarchical lines of authority. Further, greater behavioral homogeneity among members, for better or worse, should be observed in stronger organizational cultures.

Cultural values are conveyed to members through the socialization processes that new recruits experience when they enter an organization. Though socialization often takes the form of training and contributes to increased task knowledge, information about the norms of the organization is also transmitted through training and other types of socialization (Morrison 1993). Interestingly, such normative information appears to be transmitted very early in new recruits' membership since cultural fit changes little after members' first year (e.g., Rynes and Gerhart 1990).

2.2 Behavioral Consistency Across Various Organizational Cultures

Although culture influences members' behavior, they are not merely passive recipients of social control.

Individual characteristics may interact with the organization's culture to predict important behavioral and work outcomes. Research on person-organization fit, defined broadly as the compatibility between people and the organizations for which they work (Kristof 1996) has focused primarily on congruence between patterns of organizational values and patterns of individual values. New employees whose values more closely match those of the organization view it as more attractive, are more likely to join when made an offer, are able to adjust to it more rapidly, perform better, are more satisfied, and remain with it longer (e.g., Chatman 1991).

But, just as organizational cultures may differentially affect behavior, people may also differ in the extent to which their behavior is shaped by an organization's culture. For instance, compared to individualists, cooperative people were more responsive to the individualistic or collectivistic norms characterizing their organization's culture, and exhibited greater behavioral adaptation to each across the two types of organizational cultures (Chatman and Barsade 1995). Thus, congruence models, which presume an additive equivalence of person and situation factors and assume that greater congruence is always better, cannot fully explain behavior in organizations. Instead, a focus on mismatches between person and organization characteristics that challenge people to either act in accordance with the culture and thereby contradict enduring personal tendencies, or vice versa, might generate insight into such interactions.

Future research might focus on the set of characteristics, such as cooperation, self-monitoring, and self-esteem, that contribute to people's flexibility across situations. Identifying such characteristics could improve predictions of the behavioral expression of person characteristics both across time and across situations, and in particular, the extent to which an organization's culture and processes will influence member behavior. Research might investigate other organizationally relevant matches and mismatches to understand how different situations influence person-situation interactions. For example, examining mismatches between honest people and dishonest organizations may help to identify if and when good people 'turn bad.'

2.3 Individuals' Influence Over Organizational Culture

Founders and senior executives, who have legitimacy and authority, may be the most influential individuals in an organization. The person who creates the organization has significant impact on the strategies that the group develops to survive, and these are often preserved in the organization's values, practices, and promotion patterns well past the individuals' actual presence. Ironically, newcomers, who are at the other end of the spectrum in terms of authority and

legitimacy from founders, may also exert a great deal of influence on culture. This influence may be indirect; research has shown that the process of recruiting new members, including emphasizing an organization's attractions, strengthens current members' connection to their organization (Sutton and Louis 1987), and can exert mutual learning of the organizational culture (March 1991). An organization's culture may also be transformed by the entrance and exit of its members. Thus, the strength of an organization's culture may depend on the individual mobility of its members. Using simulation methods, organizations' length of service distributions have been examined as indicators of the extent to which members have been socialized into the culture's norms and values. This research has shown that variations in service distributions are positively associated with heterogeneity in organizational culture due to three distinct cultural processes: socialization, group cohesiveness, and common historical experiences (Carroll and Harrison 1998).

2.4 Situation Selection Based on Organizational Culture

Schneider (1987) developed the Attraction–Selection–Attrition (ASA) model, which posits that the key factor influencing the relationship between people and organizations is the fit between individual personality and the modal personality represented in the organization. People are differentially attracted to organizations on the basis of the anticipated fit between their own characteristics, such as personality traits, and organizational characteristics, such as culture (e.g., Cable and Judge 1997). Job seekers take an active role in the recruitment process and are attracted to careers and organizations reflecting their personal values and interests. Further, organizations have developed formal and informal strategies to identify and select recruits who will be compatible with their goals and working environment, elements that are strongly influenced by an organization's cultural values. For instance, rather than focusing on job-related criteria, selection appears to be based on such socially based criteria as 'personal chemistry,' and fit with the organization's values.

3. Organizational Demography

People may differ from each other in many ways that are both observable and unobservable. Members' observable demographic characteristics constitute a context for every other individual in the organization. For instance, a lone newcomer in an organization of established members may have a very different experience than a newcomer entering an organization characterized by members with varying tenure. Given

the dramatic changes in US labor force demography over the past decade, relational demography, or the distribution of demographic characteristics within organizations, has become an active area of research.

Research on organizational demography improves upon past research on employee turnover. Turnover typically indicates a discrete departure event while demography focuses on length of service and rate of departure by taking into account the distribution of people by the length of time they have spent in the organization. This distribution can be influenced by a host of factors including personnel policies, technology, and the degree of unionization in the workforce (Pfeffer 1983). Most research on observable differences has examined the effect of demographic heterogeneity versus homogeneity on performance and has yielded mixed results (see Williams and O'Reilly 1998 for a comprehensive review). Some studies have demonstrated the positive effects of demographic heterogeneity for increasing the number of novel perspectives that can be used to solve difficult problems, increasing an organization's network of contacts, and facilitating organizational change. However, demographic heterogeneity may also lead to communication problems, less social integration in workgroups and greater turnover (e.g., Tsui et al. 1992). Demographic distribution among members across various attributes is an important situational factor that deserves further research since it can influence behavior differently depending on an individual's own demographic profile.

3.1 Behavioral Consistency Across Demographically Heterogeneous Workgroups

Research suggests that an organization's culture may influence the relationship between demographic diversity and work outcomes. For example, the purported benefits of a demographically diverse workforce are more likely to emerge in collectivistic organizations that make organizational membership more salient than membership in a demographic category (Chatman et al. 1998). An organization's culture may dictate the extent to which members view certain demographic characteristics as valuable and others as associated with lower status within an organization's informal social system (Spataro 2000). Furthermore, each attribute, such as tenure, race, or sex heterogeneity within a group, may differentially influence individual behavior and the combinations of various attributes can result in 'fault lines' which become stronger as more attributes align themselves in the same way (Lau and Murnighan 1998).

One explanation for the lack of clarity about the benefits and detriments of diversity is that researchers have neglected to consider key mediating processes between demographic composition and performance.

As shown in one recent study, heterogeneous groups initially created norms fostering independence rather than cooperation among members, but cooperative norms subsequently mediated the relationship between group demographics and performance (Chatman and Flynn, 2001). Similarly, a group's level of conflict influenced the impact of demographic heterogeneity on performance (Jehn et al. 1999).

4. Leadership

4.1 *Some Individuals Can Effect Change More Than Others*

Early leadership research focused on the physiological and psychological traits thought to be associated with exceptional leaders. These 'great man' theories of leadership examined the effects of personal characteristics such as height, physical appearance, and intelligence on leaders' emergence and effectiveness. This stream of research has its counterpart in more current studies examining the effects of self-confidence, extraversion, and energy level (e.g., House 1988). The aim of this approach has been to identify a leadership personality. However, it leaves many crucial questions unanswered, such as whether certain personal characteristics become more important than others depending on the organizational context, and why, regardless of formal authority, followers perceive some people as leaders and not others.

Contingency theories of leadership were advanced to explain how certain personal characteristics made a leader effective in certain situations (e.g., House and Baetz 1979). For example, leaders who initiated structure raised the productivity and satisfaction of a group working on a boring or simple task but lowered the productivity and satisfaction of a group working on a complex task, while a considerate leader raised the satisfaction and productivity of a group engaged in a boring task but had little effect on a group engaged in a task they found intrinsically interesting. Additionally, research showed that allowing members to participate in decision making increased commitment but depended on the amount of trust the leader had in his or her subordinates as well as the urgency of task completion (Vroom and Jago 1978). Thus, contingency theories of leadership were more comprehensive than trait theories; however, they still did not account for the interactive effects of leader characteristics and their situational contexts.

Recent research has focused on charismatic and transformational leadership, demonstrating that some individuals influence situations more than others. This research takes an interactional approach by conceptualizing leadership as a personal relationship between the leader and his or her followers. A leader must have certain interpersonal skills in order to inspire followers to set aside their goals and to pursue a common vision. Charismatic leaders are thought to

have the ability to change their circumstances by increasing followers' motivation and commitment and, sometimes, to change the direction of the entire organization (e.g., Meindl et al. 1985). However, a leader is only charismatic if followers recognize him or her as such; followers must identify with the vision articulated by the leader. In one particularly exhaustive laboratory study of charismatic leadership (Howell and Frost 1989), confederates were trained to display qualities of a charismatic leader, such as projecting a dominant presence, articulating a large overarching goal, and displaying extreme confidence in followers' ability to accomplish this goal. In addition, norms were created in each group for either high or low productivity. In contrast to participants working under a considerate or structuring leader, participants working under the charismatic leader displayed higher task performance regardless of the group productivity norm. This finding suggests that leaders mold their styles in response to the situation. Moreover, some leaders are capable of changing the situation itself by changing followers' perceptions and motivation.

4.2 *Leadership as a Function of the Strength of the Situation*

Some researchers have been skeptical of a leader's ability to change situations, and have suggested that leadership is far more situationally determined than might have been assumed. The attributional theory of leadership suggests that because people tend to associate certain behaviors with those of a leader, leadership qualities will be attributed to a person displaying these behaviors (Calder 1977). Various biases emerge from this attribution, however. For instance, individuals tend to overestimate the amount of control a leader has over events that are, in fact, random or uncontrollable (Pfeffer 1977). Furthermore, a leader will be given more credit when situations are unfavorable (Meindl et al. 1985). Individuals' lay conceptions of leadership can be used or misused for the purposes of organizational impression management (Ginzel et al. 1993). In sum, leadership research has focused more on contexts and followers rather than on the characteristics of a focal leader. Future research might examine whether leaders reflect the personal characteristics of their followers or complement their weaknesses, if some followers have a greater psychological need for leadership than others, and the various substitutes for leadership, or how people can be compelled to lead themselves.

5. Creativity and Innovation

Research on creativity, like leadership, has moved from emphasizing traits, to considering the organizational context as well as the interaction between the

two. Creativity is generally viewed as distinct from innovation. Creativity occurs at the individual level, and refers to the generation of ideas that are both novel and useful. Innovation refers to the process of implementing these ideas at the organizational level.

5.1 *Some People Are More Creative Across Situations Than Others*

Early creativity research focused on the personality traits associated with individuals who had made creative contributions in their respective fields. People who have a wide variety of interests, are attracted to complex tasks, tolerant of ambiguity, and self-confident perform more creatively (e.g., Barron and Harrington 1981). However, trait research ignores how organizational contexts influence people's ability to perform creatively.

5.2 *Some Situations Foster More Creativity Than Others*

The degree to which one's job encourages intrinsic versus extrinsic motivation affects one's creative performance. Early studies suggested that when people worked on tasks that they found intrinsically interesting, adding an extrinsic reward lowered their interest in performing the task for its own sake (Deci 1971). More recent studies in organizational settings showed that individuals were most creative when they were intrinsically motivated. This intrinsic interest led them to stay focused, persist longer to complete difficult tasks, to 'play' with ideas, and suggest novel solutions (Amabile 1988). This suggests that the situational factors that are associated with decreases in intrinsic motivation, such as a controlling supervisory style, and an emphasis on external rewards, may indirectly diminish people's creative potential.

Organizational culture also influences creativity and innovation. Organizations that have mechanisms to express confidence in members, and communicate this confidence through the culture's core values, increase creativity among members (Kanter 1988). These findings are supported by a recent ethnography of a product design firm, IDEO, which creates new products by taking technologies from one industry and applying them in other industries where these technologies are unknown (Hargadon and Sutton 1997). At IDEO, employees are encouraged to create analogies between past technological solutions and current problems and to share them in brainstorming sessions. Further, employees are selected who have unique hobbies or skills that can be used to solve design problems.

Employees who have traits associated with creativ-

ity are more likely to thrive in organizations such as IDEO, which place an emphasis on creative performance. For example, employees produced the most creative work when they possessed the appropriate personal characteristics, were working on complex assignments, and were supervised in a supportive, noncontrolling fashion (Oldham and Cummings 1996). While the possibility that organizations can manage creativity through the use of a strong culture appears promising (Flynn and Chatman 2001), some worry that mechanisms of social control will stifle, not encourage creativity (Nemeth and Staw 1989). Future researchers might examine how organizations can achieve harmony and cohesion without sacrificing the flexibility and constructive conflict necessary for creativity and innovation. Many believe that creativity and innovation are the last sustainable competitive advantages and as such these issues will continue to generate a great deal of interest.

6. *Conclusion*

As theorists endeavor to develop a complete understanding of behavior in organizations, the analysis of both personal and situational factors, as conjoined units of behavior, will become increasingly fundamental to organizational studies. Person-situation interactions are much more complex than the simple addition of personal and situational characteristics, and these interactions may take a variety of forms. Some people are more responsive to situations than others, some situations can shape behavior to a greater degree than others, and some people have the unique capability to shape situations to their advantage or that of the organization. Furthermore, group members' personal characteristics may constitute the situational context as every individual responds to the personal or demographic characteristics of every other individual in the organization (Carroll and Harrison 1998, Tsui et al. 1992). These interactions are both complex and diverse: hence the field of organizational behavior must necessarily reflect this diversity. It will become increasingly important to observe these interactions over time. Since people and situations adjust to each other, cross-sectional research will not capture the dynamic interplay between the two. By pursuing interactional research over time, organizational behavior will increasingly evolve into a field that is as vibrant as the organizations it seeks to understand.

See also: Authority; Delegation; Innovation: Organizational; Leadership in Organizations, Sociology of; Leadership, Psychology of; Marx, Karl (1818-89); Organization: Informal; Organization: Overview; Organizational Behavior, Psychology of; Organizational Climate; Organizational Culture; Organ-

izational Culture, Anthropology of; Organizational Decision Making; Organizations: Authority and Power; Organizations, Sociology of; Schumpeter, Joseph A (1883–1950); Weber, Max (1864–1920)

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Peptides and Psychiatry

Since the 1970s, much has been learned about the role of peptides in the central nervous system (neuropeptides) and behavior. Originally thought to be rare and relatively unimportant compared to the classical neurotransmitters, they are now known to be nearly ubiquitous and extremely important in brain function. Like the 'classical' small molecule neurotransmitters, neuropeptides function as chemical mediators of neuron to neuron communication. However, unlike such classical neurotransmitters, the neuropeptides have often been evolutionarily conserved to act both as local transmitter modulators and as endocrine hormones, thus mediating complex patterns of integrated behavior.

The role of neuropeptides in facilitating complex aspects of behavior makes them ideal candidates in understanding the neurobiological bases of psychiatric disorders. Whereas the classical neurotransmitter systems are involved in the neuronal circuitry mediating all behavior and pathology, the neuropeptide systems appear anatomically distributed, but functionally more limited. Thus these systems may allow an understanding of the physiology and pathophysiology of behavioral repertoires along with the ability to treat psychiatric disorders with more specific treatment modalities. This article will briefly review neuropeptide biology and function in general. Several specific examples of neuropeptides with known behavioral significance are discussed, allowing some generalizations to be made connecting physiological behavior to pathologic disease states.

1. Neuropeptide Biology

Like the classical small neurotransmitters, neuropeptides also function as chemical mediators of neuron to neuron communication via presynaptic release onto postsynaptic receptors. Some neuropeptides serve their function primarily within the central nervous system (CNS), e.g., galanin and enkephalin. However,

other neuropeptides serve as both neurotransmitters and endocrine hormones via pituitary release to act on peripheral sites, e.g., oxytocin and vasopressin. Other neuropeptides serve as local neuromodulators within the brain but also as hormone-releasing factors in the hypothalamus–pituitary system, e.g., corticotropin-releasing factor and thyrotropin-releasing hormone. Finally, some neuropeptides appear to have distinct and separate roles in CNS and periphery, e.g., neurotensin and cholecystokinin.

1.1 Neuropeptide Production

The classical neurotransmitters (i.e., glutamate, GABA, dopamine, serotonin, norepinephrine, and acetylcholine) are formed from small molecule precursors in the cytoplasm, often stored at the terminals where the neurotransmitter is packaged into vesicle pools. Control of pool size is a function of enzyme concentration and precursor availability. In contrast, peptides are the direct products of mRNA translation, essentially small protein products. Most neuropeptides are between 2 and 40 amino acids in length. They are initially formed as larger precursor proteins (pre-hormones) by translation of mRNA into polypeptides that are then cleaved into various active smaller peptides. Within the cell body, vesicles of neuropeptides are packaged in the Golgi apparatus and then transported to the distal regions (axons and dendrites) of the neuron where they are released with neuronal activity. Control of neuropeptide availability is therefore largely a direct function of gene transcription and translation. Thus, change of neuropeptide expression occurs as a function of multiple hormonal and other modulatory influences on neuronal function.

1.2 Neuropeptide Release and Inactivation

Discovered as early as 1940 by the Scharrers, a husband and wife team, peptides are located in secretory granules (vesicles) at the neuronal terminal. Depolarization of the neuronal membrane leads to calcium influx locally, resulting in vesicle fusion with the membrane and release of peptide into the extracellular space. After release from presynaptic nerve terminals, the peptides diffuse across the synaptic cleft, binding to high affinity receptors on the postsynaptic membrane.

Termination of neuropeptide activity occurs when peptidase enzymes cleave the peptides into smaller fragments, disrupting their biologic activity. This is in contrast to small neurotransmitters that are removed from the synaptic cleft primarily by reuptake into the presynaptic terminal, with only modest breakdown by metabolic enzymes in the extracellular space. These