**Chapter 1: What is Organizational Behavior?**

**TRUE/FALSE**

1. Market timing, or rapidly trading funds to take advantage of inefficient fund pricing, is illegal.

ANS: F PTS: 1 DIF: Easy REF: p. 3

NAT: AACSB Ethics | Legal Responsibilities TOP: Introduction

MSC: Knowledge

2. In addition to better understanding yourself, organizational behavior can help you understand why people and groups behave the way they do in organizations.

ANS: T PTS: 1 DIF: Easy REF: p. 4

NAT: AACSB Communication | Individual Dynamics TOP: Introduction

MSC: Application

3. Effective employees and managers understand that they need to be flexible in adapting to work challenges.

ANS: T PTS: 1 DIF: Easy REF: p. 5

NAT: AACSB Communication | Individual Dynamics TOP: Introduction

MSC: Analysis

4. Organizational behavior skills should be applied flexibly.

ANS: T PTS: 1 DIF: Easy REF: p. 6

NAT: AACSB Reflective Thinking | Leadership Principles TOP: Introduction

MSC: Application

5. OB is an important topic for anyone who works or who will eventually work in an organization, which means practically everyone.

ANS: T PTS: 1 DIF: Easy REF: p. 6

NAT: AACSB Analytic | Individual Dynamics TOP: Why is OB Important?

MSC: Application

6. An understanding of OB makes workers technically better in their area of specialty.

ANS: F PTS: 1 DIF: Easy REF: p. 6

NAT: AACSB Analytic | Individual Dynamics TOP: Why is OB Important?

MSC: Comprehension

7. When managers are surveyed ten to fifteen years out of school to identify the most important classes they ever took, they rarely mention organizational behavior.

ANS: F PTS: 1 DIF: Easy REF: p. 6

NAT: AACSB Reflective Thinking | Individual Dynamics TOP: Why is OB Important?

MSC: Knowledge

8. A mounting body of evidence shows that an emphasis on the softer side of business positively influences bottom line results.

ANS: T PTS: 1 DIF: Easy REF: p. 6

NAT: AACSB Communication | HRM TOP: Why is OB Important?

MSC: Knowledge

9. Both individuals and organizations benefit from OB.

ANS: T PTS: 1 DIF: Easy REF: p. 6

NAT: AACSB Communication | Leadership Principles TOP: Why is OB Important?

MSC: Comprehension

10. The effective management of people is key to the creation of a competitive advantage and business strategy execution.

ANS: T PTS: 1 DIF: Easy REF: p. 7

NAT: AACSB Analytic | Group Dynamics TOP: Why is OB Important?

MSC: Comprehension

11. All organizations are able to create a competitive advantage.

ANS: F PTS: 1 DIF: Easy REF: p. 7

NAT: AACSB Analytic | Leadership Principles

TOP: Gaining a Competitive Advantage Through OB MSC: Knowledge

12. A better product that is worth a premium price or a good product at a lower price can both be a source of competitive advantage.

ANS: T PTS: 1 DIF: Easy REF: p. 7

NAT: AACSB Analytic | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Application

13. Companies may pursue more than one strategy at a particular time.

ANS: T PTS: 1 DIF: Easy REF: p. 8

NAT: AACSB Communication | Operations Management

TOP: Gaining a Competitive Advantage Through OB MSC: Comprehension

14. Walmart is a good example of a firm pursuing a differentiation strategy.

ANS: F PTS: 1 DIF: Easy REF: p. 8

NAT: AACSB Analytic | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Application

15. Johnson & Johnson, Nike, and 3M are good examples of organizations whose competitive advantage is based on product innovation.

ANS: T PTS: 1 DIF: Easy REF: p. 9

NAT: AACSB Communication | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Application

16. Employees who need stability and predictability would not fit well in companies focused on product innovation.

ANS: T PTS: 1 DIF: Easy REF: p. 9

NAT: AACSB Analytic | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Evaluation

17. Successful businesses following a specialization strategy rarely enjoy a high degree of customer loyalty.

ANS: F PTS: 1 DIF: Easy REF: p. 9

NAT: AACSB Communication | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Knowledge

18. Starbucks is pursuing a specialization strategy.

ANS: T PTS: 1 DIF: Easy REF: p. 9

NAT: AACSB Analytic | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Application

19. For companies pursuing a differentiation strategy, the frequent introduction of new products is often a key to staying competitive.

ANS: T PTS: 1 DIF: Easy REF: p. 8-9

NAT: AACSB Analytic | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Comprehension

20. Mismatches between merged or acquired organizations can result in underperformance and the loss of talented employees.

ANS: T PTS: 1 DIF: Easy REF: p. 10

NAT: AACSB Analytic | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Application

21. Scientific management left no room for individual preferences or initiative, and was not always accepted by workers.

ANS: T PTS: 1 DIF: Easy REF: p. 11

NAT: AACSB Analytic | HRM TOP: Where does OB come from?

MSC: Knowledge

22. Americans probably have a less parochial perspective than people from other cultures.

ANS: F PTS: 1 DIF: Easy REF: p. 14

NAT: AACSB Reflective Thinking | Group Dynamics TOP: Current OB Issues

MSC: Evaluation

23. Societies such as the U.S., Sweden, and Germany have small variation in the distribution of power across supervisors and employees while others such as Japan and Mexico have a large power difference.

ANS: T PTS: 1 DIF: Easy REF: p. 14

NAT: AACSB Diversity | Group Dynamics TOP: Current OB Issues

MSC: Knowledge

24. Older workers almost always embrace new technologies readily.

ANS: F PTS: 1 DIF: Easy REF: p. 16

NAT: AACSB Diversity | Operations Management TOP: Current OB Issues

MSC: Knowledge

25. Even though much of the research on organizational behavior has been done in the United States, what is true for Americans working in the U.S. may not be true for anyone else, including non-Americans working in the U.S.

ANS: T PTS: 1 DIF: Easy REF: p. 14

NAT: AACSB Diversity | Individual Dynamics TOP: Current OB Issues

MSC: Analysis

26. The U.S. workforce is expected to become less diverse in coming years.

ANS: F PTS: 1 DIF: Easy REF: p. 14

NAT: AACSB Diversity | Group Dynamics TOP: Current OB Issues

MSC: Knowledge

27. Production technology can increase work group autonomy, decision making, and responsibility.

ANS: T PTS: 1 DIF: Easy REF: p. 16

NAT: AACSB Technology | HRM TOP: Current OB Issues

MSC: Application

28. Most ethical dilemmas in the workplace are very simple, with obvious “right” answers.

ANS: F PTS: 1 DIF: Easy REF: p. 16

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Comprehension

29. Relying solely on codes of conduct and ethics to manage ethical behavior in the workplace is insufficient.

ANS: T PTS: 1 DIF: Easy REF: p. 18

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Evaluation

30. A code of ethics specifies expected and prohibited actions in the workplace, and gives examples of appropriate behavior.

ANS: F PTS: 1 DIF: Moderate REF: p. 18

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Knowledge

31. The way employers treat their employees is part of corporate social responsibility.

ANS: T PTS: 1 DIF: Easy REF: p. 19

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Application

32. To be lasting, social responsibility efforts must be integrated into the culture of the organization.

ANS: T PTS: 1 DIF: Easy REF: p. 21

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Analysis

33. Serving stockholders and serving the community are mutually exclusive.

ANS: F PTS: 1 DIF: Easy REF: p. 21

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Comprehension

34. Corporate sustainability initiatives can be top-down (with someone in a position of authority dictating to managers and employees what to do) or grassroots (with employees identifying projects and taking the initiative to organize their own activities.)

ANS: T PTS: 1 DIF: Easy REF: p. 21

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Comprehension

35. Sir Francis Bacon developed the scientific method.

ANS: T PTS: 1 DIF: Easy REF: p. 24

NAT: AACSB Communication | Leadership Principles

TOP: How Do We Know What We Know? MSC: Knowledge

36. The scientific method begins with theory.

ANS: T PTS: 1 DIF: Easy REF: p. 24

NAT: AACSB Communication | Leadership Principles

TOP: How Do We Know What We Know? MSC: Knowledge

37. The scientific method begins with a hypothesis.

ANS: F PTS: 1 DIF: Easy REF: p. 24

NAT: AACSB Communication | Leadership Principles

TOP: How Do We Know What We Know? MSC: Knowledge

38. Until they are proven to be correct, theories are no guarantee of fact.

ANS: T PTS: 1 DIF: Easy REF: p. 25

NAT: AACSB Analytic | Operations Management

TOP: How Do We Know What We Know? MSC: Comprehension

39. A dependent variable is a criterion.

ANS: T PTS: 1 DIF: Moderate REF: p. 25

NAT: AACSB Analytic | Operations Management

TOP: How Do We Know What We Know? MSC: Knowledge

40. An independent variable is a criterion.

ANS: F PTS: 1 DIF: Moderate REF: p. 25

NAT: AACSB Analytic | Operations Management

TOP: How Do We Know What We Know? MSC: Knowledge

41. A correlation is an answer to a simple yes or no question.

ANS: F PTS: 1 DIF: Easy REF: p. 25

NAT: AACSB Analytic | Operations Management

TOP: How Do We Know What We Know? MSC: Comprehension

42. A correlation of 0 indicates no relationship between the two variables.

ANS: T PTS: 1 DIF: Moderate REF: p. 25

NAT: AACSB Communication | Operations Management

TOP: How Do We Know What We Know? MSC: Application

43. A correlation is always a positive number.

ANS: F PTS: 1 DIF: Easy REF: p. 25

NAT: AACSB Communication | Operations Management

TOP: How Do We Know What We Know? MSC: Knowledge

44. A correlation of -1 is as strong a negative relationship as we can get.

ANS: T PTS: 1 DIF: Easy REF: p. 25

NAT: AACSB Communication | Operations Management

TOP: How Do We Know What We Know? MSC: Knowledge

45. In reality, we never see perfect +1.0 or -1.0 correlations when it comes to people’s behavior.

ANS: T PTS: 1 DIF: Easy REF: p. 25

NAT: AACSB Analytic | Group Dynamics

TOP: How Do We Know What We Know? MSC: Comprehension

46. High employee retention also cuts the cost of operations.

ANS: T PTS: 1 DIF: Easy REF: p. 25

NAT: AACSB Analytic | Operations Management

TOP: How Do We Know What We Know? MSC: Analysis

47. It is not necessary to test hypotheses and validate theories in your own organization before making decisions based on them.

ANS: F PTS: 1 DIF: Easy REF: p. 27

NAT: AACSB Analytic | Operations Management

TOP: How Do We Know What We Know? MSC: Comprehension

48. Organizational behavior takes a systems approach to how individuals and groups act in organizations.

ANS: T PTS: 1 DIF: Easy REF: p. 27

NAT: AACSB Communication | Leadership Principles TOP: Organization of the Book

MSC: Knowledge

49. “People skills” are often what make the difference between an average and an excellent performer in almost any job.

ANS: T PTS: 1 DIF: Easy REF: p. 29

NAT: AACSB Communication | Leadership Principles TOP: Summary and Application

MSC: Comprehension

50. Today, senior management at Putnam is paid less than half of what the senior management at Putnam received in 2000.

ANS: T PTS: 1 DIF: Moderate REF: p. 28

NAT: AACSB Communication | HRM TOP: Summary and Application

MSC: Knowledge

**MULTIPLE CHOICE**

1. The organizational behavior skills in your metaphorical “toolkit” should be applied \_\_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | rigidly |
| b. | flexibly |
| c. | randomly |
| d. | none of these |

ANS: B PTS: 1 DIF: Easy REF: p. 6

NAT: AACSB Reflective Thinking | Leadership Principles TOP: Introduction

MSC: Application

2. What is explained by the field of organizational behavior?

|  |  |
| --- | --- |
| a. | individual motivation |
| b. | team dynamics |
| c. | organizational structure |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 4

NAT: AACSB Communication | Group Dynamics TOP: Introduction

MSC: Knowledge

3. Investing now in developing your OB skills will do which of the following?

|  |  |
| --- | --- |
| a. | prepare you to be a more effective employee |
| b. | prepare you to be a more effective manager |
| c. | help you to move up faster in any organization |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 4

NAT: AACSB Reflective Thinking | Individual Dynamics TOP: Introduction

MSC: Comprehension

4. An organization consists of people with \_\_\_\_\_\_\_\_\_\_\_ assigned roles working together to achieve \_\_\_\_\_\_\_\_\_\_ goals.

|  |  |
| --- | --- |
| a. | formally, common |
| b. | casually, individual |
| c. | formally, individual |
| d. | casually, common |

ANS: A PTS: 1 DIF: Easy REF: p. 4

NAT: AACSB Communication | Group Dynamics TOP: Introduction

MSC: Knowledge

5. Why do many firms ban market timing?

|  |  |
| --- | --- |
| a. | because it hurts long-term investors by increasing fund expenses |
| b. | because it hurts short-term investors by decreasing fund expenses |
| c. | because it is too expensive |
| d. | because it requires extensive training |

ANS: A PTS: 1 DIF: Moderate REF: p. 3

NAT: AACSB Ethics | Ethical Responsibilities TOP: Introduction

MSC: Analysis

6. Organizational members who are responsible for the attainment of organizational goals by planning, organizing, leading, and controlling the efforts of others in the organization are called \_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | executives |
| b. | coordinators |
| c. | managers |
| d. | bosses |

ANS: C PTS: 1 DIF: Easy REF: p. 4

NAT: AACSB Communication | Leadership Principles TOP: Introduction

MSC: Knowledge

7. When starting a company, what sequence of steps should a person take?

|  |  |
| --- | --- |
| a. | organize, plan, control, lead |
| b. | organize, plan, lead, control |
| c. | plan, organize, lead, control |
| d. | plan, organize, control, lead |

ANS: C PTS: 1 DIF: Moderate REF: p. 4

NAT: AACSB Communication | HRM TOP: Introduction MSC: Comprehension

8. Which managerial function involves designing the organization’s or workgroup’s structure, identifying what tasks need to be done, hiring the right people, delegating and assigning each task, establishing a chain of command, and creating rules for communication and decision making?

|  |  |
| --- | --- |
| a. | planning |
| b. | organizing |
| c. | leading |
| d. | controlling |

ANS: B PTS: 1 DIF: Moderate REF: p. 4

NAT: AACSB Communication | HRM TOP: Introduction MSC: Knowledge

9. Which managerial function involves monitoring performance to ensure that it is consistent with quality and quantity standards?

|  |  |
| --- | --- |
| a. | planning |
| b. | organizing |
| c. | leading |
| d. | controlling |

ANS: D PTS: 1 DIF: Moderate REF: p. 4

NAT: AACSB Communication | HRM TOP: Introduction MSC: Knowledge

10. Which managerial function involves directing and coordinating the work of others, influencing and motivating others, maintaining morale, and resolving individual and group conflicts?

|  |  |
| --- | --- |
| a. | planning |
| b. | organizing |
| c. | leading |
| d. | controlling |

ANS: C PTS: 1 DIF: Easy REF: p. 4

NAT: AACSB Communication | HRM TOP: Introduction MSC: Knowledge

11. Which managerial function involves setting goals, establishing a strategy to pursue those goals, and forecasting future threats and opportunities that might influence the company’s needs and strategies?

|  |  |
| --- | --- |
| a. | planning |
| b. | organizing |
| c. | leading |
| d. | controlling |

ANS: A PTS: 1 DIF: Easy REF: p. 4

NAT: AACSB Communication | HRM TOP: Introduction MSC: Knowledge

12. The study of organizational behavior can help us to answer which of the following questions?

|  |  |
| --- | --- |
| a. | Why are emotions important at work? |
| b. | Is there one best way to lead? |
| c. | Why are some teams more effective than others? |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 5

NAT: AACSB Analytic | Leadership Principles TOP: Introduction

MSC: Knowledge

13. The study of organizational behavior can help us to answer which of the following questions?

|  |  |
| --- | --- |
| a. | What is the role of politics at work? |
| b. | What steps can I take to effectively manage my career? |
| c. | What are the positive and negative effects of stress at work? |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 5

NAT: AACSB Analytic | HRM TOP: Introduction MSC: Knowledge

14. Using your knowledge of OB can help you to move up \_\_\_\_\_\_\_\_\_\_ in any organization.

|  |  |
| --- | --- |
| a. | more steadily |
| b. | faster |
| c. | both of these |
| d. | neither of these |

ANS: B PTS: 1 DIF: Easy REF: p. 6

NAT: AACSB Analytic | Individual Dynamics TOP: Why is OB Important?

MSC: Comprehension

15. An understanding of OB can help organizations to prevent which of the following problems?

|  |  |
| --- | --- |
| a. | unhappy employees |
| b. | weak leadership |
| c. | lack of direction |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 6

NAT: AACSB Analytic | Group Dynamics TOP: Why is OB Important?

MSC: Application

16. By listening to employees, recognizing their work, building trust, and behaving ethically, managers have boosted such performance measures as \_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | operating earnings |
| b. | return on investments |
| c. | stock price |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 6

NAT: AACSB Communication | HRM TOP: Why is OB Important?

MSC: Comprehension

17. A \_\_\_\_\_\_\_\_ is anything that gives a firm an edge over rivals in attracting customers and defending itself against competition.

|  |  |
| --- | --- |
| a. | cultural privilege |
| b. | competitive advantage |
| c. | business bias |
| d. | personal talent |

ANS: B PTS: 1 DIF: Easy REF: p. 7

NAT: AACSB Communication | Creation of Value TOP: Why is OB Important?

MSC: Comprehension

18. Successful business strategies are grounded in creating and maintaining a competitive advantage that is \_\_\_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | inflexible |
| b. | sustainable |
| c. | volatile |
| d. | all of these |

ANS: B PTS: 1 DIF: Easy REF: p. 7

NAT: AACSB Communication | Strategy TOP: Why is OB Important?

MSC: Comprehension

19. According to General Electric CEO Jack Welch what is the source of productivity?

|  |  |
| --- | --- |
| a. | highly intelligent leaders |
| b. | challenged, empowered, excited, rewarded teams of people |
| c. | well-organized policy manuals |
| d. | law enforcement |

ANS: B PTS: 1 DIF: Moderate REF: p. 7

NAT: AACSB Communication | Group Dynamics TOP: Why is OB Important?

MSC: Knowledge

20. According to Michael Porter, to have a competitive advantage a company must ultimately be able to give customers *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.*

|  |  |
| --- | --- |
| a. | the best possible product |
| b. | the best customer service |
| c. | superior value for their money |
| d. | everything they want |

ANS: C PTS: 1 DIF: Moderate REF: p. 7

NAT: AACSB Communication | Operations Management

TOP: Gaining a Competitive Advantage Through OB MSC: Knowledge

21. Although Costco pays its employees substantially more than its closest competitor, Sam’s Club, it has similar financial returns on its labor costs due to which of the following?

|  |  |
| --- | --- |
| a. | lower turnover |
| b. | higher levels of employee productivity |
| c. | both of these |
| d. | neither of these |

ANS: C PTS: 1 DIF: Easy REF: p. 7

NAT: AACSB Communication | HRM TOP: Gaining a Competitive Advantage Through OB

MSC: Knowledge

22. Which of the following is NOT a source of competitive advantage?

|  |  |
| --- | --- |
| a. | providing the best customer service |
| b. | having the most expensive product |
| c. | having a well-known brand name |
| d. | being more convenient to buy from |

ANS: B PTS: 1 DIF: Moderate REF: p. 7

NAT: AACSB Analytic | Creation of Value

TOP: Gaining a Competitive Advantage Through OB MSC: Analysis

23. Which of these could be a source (or sources) of competitive advantage?

|  |  |
| --- | --- |
| a. | distribution |
| b. | speed |
| c. | convenience |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 7

NAT: AACSB Analytic | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Knowledge

24. What characteristics give Costco a competitive advantage?

|  |  |
| --- | --- |
| a. | a strong and loyal customer base |
| b. | access to a broad range of high quality products for low prices |
| c. | committed employees |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 7

NAT: AACSB Analytic | Creation of Value

TOP: Gaining a Competitive Advantage Through OB MSC: Application

25. According to Michael Porter, businesses can compete successfully by doing which of the following?

|  |  |
| --- | --- |
| a. | being the cheapest producer |
| b. | making unique products valued by consumers |
| c. | applying their expertise in a narrow market segment to meet that segment’s particular product or service needs |
| d. | any of these |

ANS: D PTS: 1 DIF: Moderate REF: p. 8

NAT: AACSB Communication | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Knowledge

26. Which of the following is/are part of business strategy?

|  |  |
| --- | --- |
| a. | strategies of different functional areas in the firm |
| b. | how changing industry conditions will be addressed |
| c. | how the firm will address the range of choices it faces |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 8

NAT: AACSB Analytic | Creation of Value

TOP: Gaining a Competitive Advantage Through OB MSC: Application

27. Business strategies are \_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | planned |
| b. | reactive |
| c. | both |
| d. | neither |

ANS: C PTS: 1 DIF: Easy REF: p. 8

NAT: AACSB Analytic | Operations Management

TOP: Gaining a Competitive Advantage Through OB MSC: Evaluation

28. Firms pursuing a \_\_\_\_\_\_\_\_\_\_ strive to be the lowest cost producer in an industry for a particular level of product quality

|  |  |
| --- | --- |
| a. | cost leadership strategy |
| b. | differentiation strategy |
| c. | specialization strategy |
| d. | evaluation strategy |

ANS: A PTS: 1 DIF: Easy REF: p. 8

NAT: AACSB Analytic | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Application

29. Maximizing the efficiency of the manufacturing or product development process to minimize costs is referred to as \_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | managerial skill |
| b. | business superiority |
| c. | maintenance strategy |
| d. | operational excellence |

ANS: D PTS: 1 DIF: Easy REF: p. 8

NAT: AACSB Communication | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Knowledge

30. Most operationally excellent firms require managers to hire and train employees with which of the following characteristics?

|  |  |
| --- | --- |
| a. | flexible |
| b. | able to focus on shorter-term objectives |
| c. | concerned about minimizing production costs |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 8

NAT: AACSB Analytic | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Comprehension

31. If a company is good at engineering efficient manufacturing processes to keep production costs and customer prices low, it is likely to be pursuing which strategy?

|  |  |
| --- | --- |
| a. | cost leadership |
| b. | differentiation |
| c. | specialization |
| d. | growth |

ANS: A PTS: 1 DIF: Moderate REF: p. 8

NAT: AACSB Analytic | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Comprehension

32. If a company creates and maintains a culture that encourages employees to bring new ideas into the company, it is most likely to be using what strategy?

|  |  |
| --- | --- |
| a. | cost leadership |
| b. | differentiation |
| c. | growth |
| d. | specialization |

ANS: B PTS: 1 DIF: Moderate REF: p. 8-9

NAT: AACSB Analytic | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Comprehension

33. Developing a product or service that has unique characteristics valued by customers is characteristic of a \_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | differentiation strategy |
| b. | cost leadership strategy |
| c. | specialization strategy |
| d. | evaluation strategy |

ANS: A PTS: 1 DIF: Moderate REF: p. 8

NAT: AACSB Analytic | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Comprehension

34. Organizations pursuing a differentiation strategy often try to develop a competitive advantage based on \_\_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | product invention |
| b. | product intervention |
| c. | product innovation |
| d. | product invitation |

ANS: C PTS: 1 DIF: Easy REF: p. 9

NAT: AACSB Communication | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Knowledge

35. Businesses pursuing a \_\_\_\_\_\_\_\_\_\_\_\_\_\_ strategy focus on a narrow market segment or niche.

|  |  |
| --- | --- |
| a. | specialization |
| b. | specification |
| c. | supposition |
| d. | socialization |

ANS: A PTS: 1 DIF: Easy REF: p. 9

NAT: AACSB Communication | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Knowledge

36. Organizations pursuing a specialization strategy often try to develop a competitive advantage based on ***\_\_\_\_\_\_\_\_\_\_\_\_.***

|  |  |
| --- | --- |
| a. | customer integrity |
| b. | customer intimacy |
| c. | customer intimidation |
| d. | customer integration |

ANS: B PTS: 1 DIF: Easy REF: p. 9

NAT: AACSB Analytic | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Comprehension

37. A specialization strategy can be successful if \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | it results in lower costs than competitors serving the same niche |
| b. | it results in an ability to offer customers something other competitors do not |
| c. | either of these |
| d. | neither of these |

ANS: C PTS: 1 DIF: Moderate REF: p. 9

NAT: AACSB Analytic | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Analysis

38. Most service-quality experts say that \_\_\_\_\_\_ is the most critical element in building a customer-oriented company.

|  |  |
| --- | --- |
| a. | hard work |
| b. | talent |
| c. | group cohesion |
| d. | extraversion |

ANS: B PTS: 1 DIF: Moderate REF: p. 10

NAT: AACSB Analytic | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Knowledge

39. When pursuing a customer intimacy competitive advantage, a company should hire people who \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | are active learners |
| b. | have good customer relations skills |
| c. | are emotionally resilient |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 10

NAT: AACSB Communication | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Application

40. An organization with a product innovation competitive advantage would likely seek a core workforce of research and development employees who have which quality?

|  |  |
| --- | --- |
| a. | an entrepreneurial mindset |
| b. | shorter-term focus |
| c. | low tolerance for ambiguity |
| d. | conservative values |

ANS: A PTS: 1 DIF: Moderate REF: p. 9

NAT: AACSB Analytic | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Comprehension

41. What strategy focuses on company expansion, either organically or through acquisitions?

|  |  |
| --- | --- |
| a. | differentiation strategy |
| b. | specialization strategy |
| c. | cost leadership |
| d. | growth strategy |

ANS: D PTS: 1 DIF: Easy REF: p. 10

NAT: AACSB Analytic | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Knowledge

42. \_\_\_\_\_\_\_\_\_\_\_ is based on the belief that productivity is maximized when organizations are rationalized with precise sets of instructions based on time-and-motion studies.

|  |  |
| --- | --- |
| a. | Scientific management |
| b. | Sociological management |
| c. | Straightforward management |
| d. | Strategic management |

ANS: A PTS: 1 DIF: Easy REF: p. 11

NAT: AACSB Analytic | HRM TOP: Where does OB come from?

MSC: Comprehension

43. After World War I, attention shifted to understanding the role of \_\_\_\_\_\_\_\_\_\_\_\_\_ in organizations.

|  |  |
| --- | --- |
| a. | human factors and psychology |
| b. | religion and spirituality |
| c. | gender and sexual harassment |
| d. | law and politics |

ANS: A PTS: 1 DIF: Easy REF: p. 12

NAT: AACSB Communication |Group Dynamics TOP: Where does OB come from?

MSC: Knowledge

44. The \_\_\_\_\_\_\_\_\_\_ effect occurs when people improve some aspect of their behavior or performance simply because they are being assessed.

|  |  |
| --- | --- |
| a. | Hamilton |
| b. | Hawthorne |
| c. | Henricks |
| d. | Hampton |

ANS: B PTS: 1 DIF: Easy REF: p. 12

NAT: AACSB Communication | Individual Dynamics TOP: Where does OB come from?

MSC: Knowledge

45. When was the Hawthorne Effect discovered?

|  |  |
| --- | --- |
| a. | 1920s and 1930s |
| b. | 1820s and 1830s |
| c. | 1950s and 1960s |
| d. | 1850s and 1860s |

ANS: A PTS: 1 DIF: Moderate REF: p. 12

NAT: AACSB Communication | Group Dynamics TOP: Where does OB come from?

MSC: Knowledge

46. During the human relations movement, what classic book described organizations as systems of cooperative human activity?

|  |  |
| --- | --- |
| a. | Chester I. Barnard’s Functions of the Executive |
| b. | Sigmund Freud’s Psychopathology of Everyday Life |
| c. | B. F. Skinner’s Walden Two |
| d. | Noam Chomsky’s Syntactic Structures` |

ANS: A PTS: 1 DIF: Moderate REF: p. 12

NAT: AACSB Communication | Group Dynamics TOP: Where does OB come from?

MSC: Knowledge

47. Chester L. Barnard advocated for \_\_\_\_\_\_\_ communication.

|  |  |
| --- | --- |
| a. | one-way |
| b. | two-way |
| c. | three-way |
| d. | four-way |

ANS: B PTS: 1 DIF: Easy REF: p. 12

NAT: AACSB Communication | HRM TOP: Where does OB come from?

MSC: Knowledge

48. In convincing subordinates to cooperate, Chester I. Barnard proposed that \_\_\_\_\_\_\_\_\_\_\_ was preferable to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | threats, promises |
| b. | promises, threats |
| c. | persuasion, economic incentives |
| d. | economic incentives, persuasion |

ANS: C PTS: 1 DIF: Moderate REF: p. 12

NAT: AACSB Communication | Leadership Principles TOP: Where does OB come from?

MSC: Knowledge

49. What nickname was given to Mary Parker Follett?

|  |  |
| --- | --- |
| a. | proponent of management |
| b. | practitioner of management |
| c. | professor or management |
| d. | prophet of management |

ANS: D PTS: 1 DIF: Easy REF: p. 12

NAT: AACSB Communication | Individual Dynamics TOP: Where does OB come from?

MSC: Knowledge

50. What nickname is given to W. Edwards Deming?

|  |  |
| --- | --- |
| a. | “leader of legalism” |
| b. | “guru of quality assurance” |
| c. | “master of management” |
| d. | “paperwork Nazi” |

ANS: B PTS: 1 DIF: Moderate REF: p. 13

NAT: AACSB Communication | Individual Dynamics TOP: Where does OB come from?

MSC: Knowledge

51. Deming’s \_\_\_\_\_\_\_\_\_\_\_\_\_\_ cycle of continuous improvement promoted the adoption of 14 principles to make any organization efficient and capable of solving almost any problem.

|  |  |
| --- | --- |
| a. | plan-check-act-do |
| b. | plan-do-check-act |
| c. | act-do-check-plan |
| d. | act-plan-check-do |

ANS: B PTS: 1 DIF: Moderate REF: p. 13

NAT: AACSB Communication | Leadership Principles TOP: Where does OB come from?

MSC: Knowledge

52. Deming believed that removing \_\_\_\_\_\_\_ from the workplace gives employees pride in their workmanship, which increases production.

|  |  |
| --- | --- |
| a. | fear |
| b. | diversity |
| c. | competition |
| d. | hierarchy |

ANS: A PTS: 1 DIF: Moderate REF: p. 13

NAT: AACSB Communication | HRM TOP: Where does OB come from?

MSC: Knowledge

53. Deming felt that when things go wrong, there is a 94 percent chance that the \_\_\_\_\_\_\_\_ rather than the \_\_\_\_\_\_\_\_\_\_ is the cause.

|  |  |
| --- | --- |
| a. | system, worker |
| b. | worker, system |
| c. | manager, employee |
| d. | employee, manager |

ANS: A PTS: 1 DIF: Moderate REF: p. 13

NAT: AACSB Communication | Group Dynamics TOP: Where does OB come from?

MSC: Knowledge

54. Which of the following is NOT one of Deming’s 14 principles of transformation for improving the practice of management?

|  |  |
| --- | --- |
| a. | minimize total cost |
| b. | maintain barriers between departments |
| c. | eliminate quotas |
| d. | improve constantly and forever |

ANS: B PTS: 1 DIF: Moderate REF: p. 13

NAT: AACSB Communication | HRM TOP: Where does OB come from?

MSC: Knowledge

55. Viewing the world solely through one’s own eyes and perspective is called \_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | parochialism |
| b. | patriotism |
| c. | patriarchy |
| d. | personalization |

ANS: A PTS: 1 DIF: Easy REF: p. 14

NAT: AACSB Communication | Individual Dynamics TOP: Current OB Issues

MSC: Knowledge

56. The globalization of the U.S. workforce has increased the importance of \_\_\_\_\_\_\_\_\_ on the part of managers and employees.

|  |  |
| --- | --- |
| a. | diversity awareness |
| b. | ethics |
| c. | documentation |
| d. | legal responsibilities |

ANS: A PTS: 1 DIF: Easy REF: p. 14

NAT: AACSB Diversity | Environmental Influence TOP: Current OB Issues

MSC: Application

57. What is the term for a set of individual attributes that enable you to influence individuals, groups, and organizations from diverse socio/cultural/institutional systems?

|  |  |
| --- | --- |
| a. | globalization |
| b. | global mindset |
| c. | parochialism |
| d. | intolerance |

ANS: B PTS: 1 DIF: Moderate REF: p. 15

NAT: AACSB Diversity | Individual Dynamics TOP: Current OB Issues

MSC: Knowledge

58. A global mindset reflects your ability to influence \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ from a variety of backgrounds and cultures.

|  |  |
| --- | --- |
| a. | people |
| b. | groups |
| c. | organizations |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 15

NAT: AACSB Diversity | Individual Dynamics TOP: Current OB Issues

MSC: Knowledge

59. Which errors can undermine ethics efforts?

|  |  |
| --- | --- |
| a. | omission errors |
| b. | remission errors |
| c. | commission errors |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 17

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Knowledge

60. Standards of behavior about how people ought to act in different situations are called \_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | laws |
| b. | ethics |
| c. | principles |
| d. | mores |

ANS: B PTS: 1 DIF: Easy REF: p. 16

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Knowledge

61. A recent survey of 1,121 managers and human resources experts from around the world investigated the top reasons why employees break the rules. Each participant was asked, “What are the top three factors that are most likely to cause people to compromise an organization’s ethical standards?” Which factor was listed most often?

|  |  |
| --- | --- |
| a. | desire to steal from or harm the organization |
| b. | lack of consequence if caught |
| c. | wanting to help the organization survive |
| d. | pressure to meet unrealistic business objectives/deadlines |

ANS: D PTS: 1 DIF: Moderate REF: p. 18

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Knowledge

62. \_\_\_\_\_\_\_\_\_\_\_\_ is a system of shared values, norms, and assumptions that guide members’ attitudes and behaviors.

|  |  |
| --- | --- |
| a. | Organizational culture |
| b. | Associated culture |
| c. | Societal culture |
| d. | Global culture |

ANS: A PTS: 1 DIF: Easy REF: p. 18

NAT: AACSB Diversity | Group Dynamics TOP: Current OB Issues

MSC: Knowledge

63. According to the Federal Sentencing Guidelines for Organizations, six basic elements are important to a complete ethics and compliance program. Which of the following is NOT one of those elements?

|  |  |
| --- | --- |
| a. | written standards for ethical conduct |
| b. | ethics training |
| c. | providing a mechanism for reporting misconduct anonymously |
| d. | firing employees who violate standards |

ANS: D PTS: 1 DIF: Moderate REF: p. 18

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Knowledge

64. A \_\_\_\_\_\_\_\_\_\_\_ specifies expected and prohibited actions in the workplace, and gives examples of appropriate behavior.

|  |  |
| --- | --- |
| a. | code of ethics |
| b. | code of conduct |
| c. | book of discipline |
| d. | book of behavior |

ANS: B PTS: 1 DIF: Moderate REF: p. 18

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Knowledge

65. A \_\_\_\_\_\_\_\_\_\_ is a decision making guide that describes the highest values to which an organization aspires.

|  |  |
| --- | --- |
| a. | code of ethics |
| b. | code of conduct |
| c. | book of discipline |
| d. | book of behavior |

ANS: A PTS: 1 DIF: Moderate REF: p. 18

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Knowledge

66. Which of the following is/are critical to managing ethical behavior?

|  |  |
| --- | --- |
| a. | treating employees fairly |
| b. | aligning formal and informal organizational systems to promote ethical behavior |
| c. | having ethical leaders at all levels of the company |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 18

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Application

67. Effective managers do which of the following?

|  |  |
| --- | --- |
| a. | reward ethical behavior |
| b. | respond to ethical breaches |
| c. | both of these |
| d. | neither of these |

ANS: C PTS: 1 DIF: Easy REF: p. 19

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Application

68. Which of the following is NOT one of the five managerial practices that promote ethical behavior?

|  |  |
| --- | --- |
| a. | Close any gaps between knowledge about what to do and actual behaviors. |
| b. | Don’t be too selective about who you hire. |
| c. | Socialize new hires to promote ethical values. |
| d. | Fairly allocate organizational resources. |

ANS: B PTS: 1 DIF: Moderate REF: p. 19

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Evaluation

69. What company promotes ethics by performing rigorous reference checks, conducting a dynamic all-day ethics training for new hires, and having employees sign a nine-page ethics statement every 3-5 years?

|  |  |
| --- | --- |
| a. | Smucker |
| b. | Jif |
| c. | Jelly Belly |
| d. | Peter Pan |

ANS: A PTS: 1 DIF: Easy REF: p. 20

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Knowledge

70. \_\_\_\_\_\_\_\_\_ refers to businesses living and working together for the common good and valuing human dignity.

|  |  |
| --- | --- |
| a. | Collectivism |
| b. | Charitable giving |
| c. | Corporate social responsibility |
| d. | Harmony |

ANS: C PTS: 1 DIF: Easy REF: p. 19

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Knowledge

71. The tendency for customers to favor companies that do the right thing is \_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | increasing |
| b. | decreasing |
| c. | staying the same |
| d. | unknown |

ANS: A PTS: 1 DIF: Easy REF: p. 21

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Knowledge

72. “It’s our commitment to doing business in ways that are good to the earth and to each other. From the way we buy our coffee, to minimizing our environmental footprint, to being involved in local communities. It’s doing things the way we always have. And it’s using our size for good.” This statement is attributed to what company?

|  |  |
| --- | --- |
| a. | Folgers |
| b. | Tim Hortons |
| c. | Maxwell House |
| d. | Starbucks |

ANS: D PTS: 1 DIF: Easy REF: p. 21

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Knowledge

73. What has long urged shoppers to bring their own bags to promote recycling?

|  |  |
| --- | --- |
| a. | Trader Joe’s |
| b. | Kroger |
| c. | Winn Dixie |
| d. | Harris Teeter |

ANS: A PTS: 1 DIF: Moderate REF: p. 21

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Knowledge

74. Corporate sustainability initiatives can be \_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | top-down |
| b. | grassroots |
| c. | either of these |
| d. | neither of these |

ANS: C PTS: 1 DIF: Easy REF: p. 21

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Comprehension

75. Corporate social responsibility has the biggest impact when it is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | integrated with business priorities |
| b. | relevant to achieving business objectives |
| c. | inclusive of internal and external stakeholder needs |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 21

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Synthesis

76. Socially responsible programs and policies being implemented by U.S. corporations include which of the following?

|  |  |
| --- | --- |
| a. | reducing carbon emissions |
| b. | community volunteerism |
| c. | workplace diversity |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 22

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Application

77. Which of the following socially responsible programs and policies has/have been implemented by U.S. corporations?

|  |  |
| --- | --- |
| a. | favorable working conditions |
| b. | non-exploitation of workers |
| c. | work-life balance initiatives |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 21

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Application

78. Employee participation in social responsibility initiatives can do which of the following?

|  |  |
| --- | --- |
| a. | motivate employees |
| b. | generate good ideas |
| c. | both of these |
| d. | neither of these |

ANS: C PTS: 1 DIF: Easy REF: p. 23

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Analysis

79. The Grant Thorton 2007 Corporate Responsibility Survey reported the four greatest obstacles to successful execution of corporate responsibility programs. Which of the following was NOT one of them?

|  |  |
| --- | --- |
| a. | a focus on long-term goals |
| b. | the cost of implementation |
| c. | difficulty measuring return on investment |
| d. | a non-supportive corporate culture |

ANS: A PTS: 1 DIF: Moderate REF: p. 23

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Knowledge

80. Decades of research have \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | reinforced some of what many people intuitively believe about OB |
| b. | identified common misunderstandings about OB |
| c. | both of these |
| d. | neither of these |

ANS: C PTS: 1 DIF: Easy REF: p. 24

NAT: AACSB Communication | Individual Dynamics

TOP: How Do We Know What We Know? MSC: Application

81. The **\_\_\_\_\_\_\_\_\_** methodrelies on systematic studies that identify and replicate a result using a variety of methods, samples, and settings.

|  |  |
| --- | --- |
| a. | scientific |
| b. | mathematic |
| c. | statistical |
| d. | philosophical |

ANS: A PTS: 1 DIF: Easy REF: p. 24

NAT: AACSB Analytic | Operations Management

TOP: How Do We Know What We Know? MSC: Knowledge

82. Who is credited with having developed the scientific method?

|  |  |
| --- | --- |
| a. | Sir Walter Raleigh |
| b. | Sir Francis Bacon |
| c. | Sir Isaac Newton |
| d. | Sir Elton John |

ANS: B PTS: 1 DIF: Moderate REF: p. 24

NAT: AACSB Analytic | Leadership Principles

TOP: How Do We Know What We Know? MSC: Knowledge

83. What is the first step in using the scientific method?

|  |  |
| --- | --- |
| a. | verification |
| b. | data |
| c. | hypothesis |
| d. | theory |

ANS: D PTS: 1 DIF: Easy REF: p. 24

NAT: AACSB Analytic | Operations Management

TOP: How Do We Know What We Know? MSC: Knowledge

84. Choose the correct order for the steps of the scientific method.

|  |  |
| --- | --- |
| a. | hypothesis, theory, data, verification |
| b. | theory, hypothesis, data, verification |
| c. | data, hypothesis, theory, verification |
| d. | data, theory, hypothesis, verification |

ANS: B PTS: 1 DIF: Moderate REF: p. 24

NAT: AACSB Analytic | Operations Management

TOP: How Do We Know What We Know? MSC: Comprehension

85. A \_\_\_\_\_\_\_\_\_ is a collection of verbal and symbolic assertions that specify how and why variables are related, and the conditions under which they should and should not relate.

|  |  |
| --- | --- |
| a. | theory |
| b. | fact |
| c. | data set |
| d. | statistic |

ANS: A PTS: 1 DIF: Easy REF: p. 24

NAT: AACSB Analytic | Operations Management

TOP: How Do We Know What We Know? MSC: Knowledge

86. What do theories describe?

|  |  |
| --- | --- |
| a. | what relationships are proposed to exist among certain variables |
| b. | when relationships exist among certain variables |
| c. | under what conditions relationships exist among certain variables |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 24

NAT: AACSB Communication | Operations Management

TOP: How Do We Know What We Know? MSC: Comprehension

87. What is the term for written predictions specifying expected relationships between certain variables?

|  |  |
| --- | --- |
| a. | hypotheses |
| b. | prophecies |
| c. | theories |
| d. | correlations |

ANS: A PTS: 1 DIF: Easy REF: p. 25

NAT: AACSB Communication | Operations Management

TOP: How Do We Know What We Know? MSC: Knowledge

88. Which of the following is a hypothesis?

|  |  |
| --- | --- |
| a. | I wonder if there is a relationship between goal-setting and productivity. |
| b. | A researcher found a .8 correlation between goal-setting and productivity. |
| c. | Personally, I am more productive when I set goals. |
| d. | Setting a goal will be positively related to the number of products assembled. |

ANS: D PTS: 1 DIF: Moderate REF: p. 25

NAT: AACSB Analytic | Operations Management

TOP: How Do We Know What We Know? MSC: Application

89. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ variable is predicted to affect something else.

|  |  |
| --- | --- |
| a. | independent |
| b. | dependent |
| c. | interdependent |
| d. | co-dependent |

ANS: A PTS: 1 DIF: Easy REF: p. 25

NAT: AACSB Analytic | Operations Management

TOP: How Do We Know What We Know? MSC: Knowledge

90. The \_\_\_\_\_\_\_\_\_\_\_\_ variable is predicted to be affected by something else.

|  |  |
| --- | --- |
| a. | independent |
| b. | dependent |
| c. | interdependent |
| d. | co-dependent |

ANS: B PTS: 1 DIF: Easy REF: p. 25

NAT: AACSB Analytic | Operations Management

TOP: How Do We Know What We Know? MSC: Knowledge

91. A researcher hypothesizes that the age of employees influences their awareness of diversity. In this example, age is the \_\_\_\_\_\_\_\_\_\_\_\_\_ and diversity awareness is the \_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | independent variable, dependent variable |
| b. | dependent variable |
| c. | theory, correlation |
| d. | correlation, theory |

ANS: A PTS: 1 DIF: Moderate REF: p. 25

NAT: AACSB Analytic | Operations Management

TOP: How Do We Know What We Know? MSC: Synthesis

92. A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ reflects the size and strength of the statistical relationship between two variables.

|  |  |
| --- | --- |
| a. | correlation |
| b. | mean |
| c. | standard deviation |
| d. | range |

ANS: A PTS: 1 DIF: Easy REF: p. 25

NAT: AACSB Analytic | Operations Management

TOP: How Do We Know What We Know? MSC: Knowledge

93. What letter is used to refer to a correlation?

|  |  |
| --- | --- |
| a. | f |
| b. | p |
| c. | n |
| d. | r |

ANS: D PTS: 1 DIF: Moderate REF: p. 25

NAT: AACSB Communication | Operations Management

TOP: How Do We Know What We Know? MSC: Knowledge

94. What is the range of correlations?

|  |  |
| --- | --- |
| a. | 1 to 10 |
| b. | 0 to 1 |
| c. | -1 to 1 |
| d. | 1 to 100 |

ANS: C PTS: 1 DIF: Moderate REF: p. 25

NAT: AACSB Communication | Operations Management

TOP: How Do We Know What We Know? MSC: Knowledge

95. What type of relationship is indicated by a correlation of .9?

|  |  |
| --- | --- |
| a. | a strong, positive relationship |
| b. | a weak, negative relationship |
| c. | no relationship |
| d. | a strong, negative relationship |

ANS: A PTS: 1 DIF: Moderate REF: p. 25

NAT: AACSB Analytic | Operations Management

TOP: How Do We Know What We Know? MSC: Application

96. A researcher is studying the relationship between age and diversity awareness and finds a negative correlation. What does that mean?

|  |  |
| --- | --- |
| a. | As age increases, diversity awareness increases. |
| b. | As age increases, diversity awareness decreases. |
| c. | Diversity awareness does not change with age. |
| d. | none of these |

ANS: B PTS: 1 DIF: Moderate REF: p. 25

NAT: AACSB Analytic | Operations Management

TOP: How Do We Know What We Know? MSC: Comprehension

97. Researchers at Sysco found a positive relationship between associate satisfaction and commitment and the satisfaction of \_\_\_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| a. | customers |
| b. | shareholders |
| c. | suppliers |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 25

NAT: AACSB Communication | Group Dynamics

TOP: How Do We Know What We Know? MSC: Knowledge

98. \_\_\_\_\_\_\_\_\_\_ is a statistical technique used to combine the results of many different research studies done in a variety of organizations and for a variety of jobs.

|  |  |
| --- | --- |
| a. | Path analysis |
| b. | Meta-analysis |
| c. | Regression |
| d. | Analysis of variance |

ANS: B PTS: 1 DIF: Easy REF: p. 27

NAT: AACSB Communication | Operations Management

TOP: How Do We Know What We Know? MSC: Knowledge

99. It is important for leaders to do which of the following?

|  |  |
| --- | --- |
| a. | understand what people think and feel |
| b. | know how to persuade and motivate others |
| c. | know how to resolve conflicts |
| d. | all of these |

ANS: D PTS: 1 DIF: Easy REF: p. 29

NAT: AACSB Communication | Leadership Principles TOP: Summary and Application

MSC: Evaluation

100. How did Putnam CEO Charles “Ed” Haldeman respond to the ethics breakdown discussed in the book?

|  |  |
| --- | --- |
| a. | He added more rules and regulations. |
| b. | He dismantled the rigid organizational culture. |
| c. | both of these |
| d. | neither of these |

ANS: B PTS: 1 DIF: Moderate REF: p. 28

NAT: AACSB Communication | Group Dynamics TOP: Summary and Application

MSC: Knowledge

**SHORT ANSWER**

1. Identify the key purposes of the field of organizational behavior.

ANS:

The field of organizational behavior explains and predicts how people and groups interpret events, react, and behave in organizations, and it describes the role of organizational systems, structures, and processes in shaping behavior.

PTS: 1 DIF: Moderate REF: p. 4

NAT: AACSB Communication | Group Dynamics TOP: Introduction

MSC: Comprehension

2. The field of organizational behavior draws from a variety of different fields. Identify at least 3 of these.

ANS:

-management

-anthropology

-sociology

-information technology

-ethics

-economics

-psychology

PTS: 1 DIF: Easy REF: p. 4

NAT: AACSB Communication | Group Dynamics TOP: Introduction

MSC: Knowledge

3. When implementing a differentiation strategy, a firm can differentiate along a variety of dimensions. Identify at least three of these, using examples.

ANS:

The dimensions along which a firm can differentiate include image (Coca-Cola), product durability (Wrangler clothing), quality (Lexus), safety (Volvo), and usability (Apple Computer). Some companies, such as Southwest Airlines and ING Direct bank, differentiate themselves from their competitors by pursuing a strategy based on only providing no-frills, basic products and services at a low cost.

PTS: 1 DIF: Moderate REF: p. 8-9

NAT: AACSB Communication | Strategy TOP: Gaining a Competitive Advantage Through OB

MSC: Application

4. Identify and explain the two ways in which firms can expand as part of a growth strategy.

ANS:

Growth can be *organic*, happening as the organization expands from within by opening new factories or stores. If it is, it requires an investment in recruiting, selecting, and training the right people to expand the company’s operations. Firms can also pursue growth strategies through *mergers and acquisitions*. Mergers and acquisitions have been a common way for organizations to achieve growth, expand internationally, and respond to industry deregulation. In addition to expanding the organization’s business, mergers and acquisitions can also be a way for an organization to acquire the quality and amount of talent it needs to execute its business strategy.

PTS: 1 DIF: Moderate REF: p. 10 NAT: AACSB Analytic | Strategy

TOP: Gaining a Competitive Advantage Through OB MSC: Synthesis

5. List the four principles of Taylor’s scientific management.

ANS:

-Replace rule-of-thumb work methods with methods based on scientifically studying the tasks using time-and-motion studies.

-Scientifically select, train, and develop each worker rather than leaving them to passively train themselves.

-Managers provide detailed instructions and supervision to workers to ensure that they are following the scientifically developed methods.

-Divide work nearly equally between workers and managers. Managers should apply scientific management principles to planning the work, and workers should actually perform the tasks.

PTS: 1 DIF: Moderate REF: p. 11

NAT: AACSB Communication | HRM TOP: Where does OB come from?

MSC: Knowledge

6. Describe the human relations movement.

ANS:

The human relations movement views organizations as cooperative systems and treats workers’ orientations, values, and feelings as important parts of organizational dynamics and performance. The human relations movement stressed that the human dimensions of work, including group relations, can supersede organizational norms and even an individual’s self-interests.

PTS: 1 DIF: Moderate REF: p. 12

NAT: AACSB Communication | HRM TOP: Where does OB come from?

MSC: Comprehension

7. List the three core executive functions identified by Chester L. Barnard.

ANS:

-Establishing and maintaining a system of communication

-Securing essential services from other members

-Formulating organizational purposes and objectives

PTS: 1 DIF: Moderate REF: p. 12

NAT: AACSB Communication | HRM TOP: Where does OB come from?

MSC: Comprehension

8. List at least seven of W. Edwards Deming’s 14 principles of transformation for improving the practice of management.

ANS:

1. Create constancy of purpose toward improvement of product and service

2. Adopt a new philosophy for a new economic age

3. Cease dependence on inspection to achieve quality

4. Minimize total cost

5. Improve constantly and forever

6. Institute training on the job

7. Institute leadership

8. Drive out fear

9. Break down barriers between departments

10. Eliminate slogans

11. Eliminate quotas

12. Remove barriers to pride of workmanship

13. Institute a vigorous program of education and self-improvement

14. Involve everyone in the organization to work toward transformation.

PTS: 1 DIF: Moderate REF: p. 13

NAT: AACSB Communication | HRM TOP: Where does OB come from?

MSC: Knowledge

9. Identify the three types of systemic errors organizations often make that undermine their ethics efforts.

ANS:

1. *Omission errors*—a lack of written rules

2. *Remission errors*—pressure by a manager or others to make unethical choices

3. *Commission errors*—a failure to follow sound, established operational and ethical practices

PTS: 1 DIF: Moderate REF: p. 17

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Knowledge

10. According to the Federal Sentencing Guidelines for Organizations, what six basic elements are important to a complete ethics and compliance program?

ANS:

1. Written standards for ethical conduct

2. Ethics training

3. Providing a way for seeking ethics-related advice or information

4. Providing a mechanism for reporting misconduct anonymously

5. Disciplining employees who violate the standards of the organization or the law

6. Evaluating ethical behavior as part of an employee’s regular performance appraisals.

PTS: 1 DIF: Moderate REF: p. 18

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Knowledge

**ESSAY**

1. List and describe the four managerial functions.

ANS:

-*Planning*. Planning involves setting goals, establishing a strategy to pursue those goals, and forecasting future threats and opportunities that might influence the company’s needs and strategies.

-*Organizing*. Organizing involves designing the organization’s or workgroup’s structure, identifying what tasks need to be done, hiring the right people, delegating and assigning each task, establishing a chain of command, and creating rules for communication and decision making.

-*Leading*. Leading involves directing and coordinating the work of others, influencing and motivating others, maintaining morale, and resolving individual and group conflicts.

-*Controlling*. Controlling involves monitoring performance to ensure that it is consistent with quality and quantity standards, and taking appropriate actions to get back on track if necessary.

PTS: 1 DIF: Moderate REF: p. 4

NAT: AACSB Communication | HRM TOP: Introduction MSC: Synthesis

2. List and explain at least five sources of competitive advantage.

ANS:

Sources of Competitive Advantage:

* Innovation*: developing new products, services, and markets and improving current ones

* Distribution*: dominating distribution channels to block competition

* Speed*: excelling at getting your product or service to consumers quickly

* Convenience*: being the easiest for customers to do business with

* First to market*: introducing products and services before competitors

* Cost*: being the lowest-cost provider

* Service*: providing the best customer support before, during or after the sale

* Quality*: providing the highest quality product or service

* Branding*: developing the most positive image

PTS: 1 DIF: Moderate REF: p. 7

NAT: AACSB Analytic | Creation of Value

TOP: Gaining a Competitive Advantage Through OB MSC: Synthesis

3. Identify and discuss the three primary business strategies outlined by Michael Porter.

ANS:

Firms pursuing a cost leadership strategy strive to be the lowest cost producer in an industry for a particular level of product quality. These businesses are typically good at designing products that can be efficiently manufactured (for example, designing products with a minimum number of parts needing assembly) and engineering efficient manufacturing processes to keep production costs and customer prices low. Walmart is a good example of a firm pursuing a cost leadership strategy.

A differentiation strategy calls for the development of a product or service with unique characteristics valued by customers. The value added by the product’s uniqueness may enable the business to charge a premium price for it. The dimensions along which a firm can differentiate include image (Coca-Cola), product durability (Wrangler clothing), quality (Lexus), safety (Volvo), and usability (Apple Computer). Some companies, such as Southwest Airlines and ING Direct bank, differentiate themselves from their competitors by pursuing a strategy based on only providing no-frills, basic products and services at a low cost. Companies can pursue more than one strategy at a time. In this case, Southwest Airlines and ING Direct are both cost leaders and differentiators.

Businesses pursuing a specialization strategy focus on a narrow market segment or niche—a single product, a particular end use, or buyers with special needs—and pursue either a differentiation or cost leadership strategy within that market segment. Successful businesses following a specialist strategy know their market segment very well, and often enjoy a high degree of customer loyalty. This strategy can be successful if it results in either lower costs than competitors serving the same niche or an ability to offer customers something other competitors do not (e.g., manufacturing non-standard parts). Red Lobster, Dunkin’ Donuts, and Starbucks are examples of companies pursuing a specialization strategy.

PTS: 1 DIF: Moderate REF: p. 8-10 NAT: AACSB Analytic | Strategy

TOP: Gaining a Competitive Advantage Through OB MSC: Synthesis

4. Describe the origin of the field of organizational behavior.

ANS:

OB probably dates back to caveman times when people first started trying to understand, motivate, and lead others. The Greek philosopher Plato contemplated the essence of leadership, and Aristotle discussed persuasive communication. The foundation of organizational power and politics can be found in the over 2,300-year-old writings of Sun-Tzu and 16th century Italian philosopher Machiavelli. Charismatic leadership was later discussed by German sociologist Max Weber. OB topics have clearly been of interest to many people for a long time. Let’s briefly review some history to better understand the origins of the scientific study of OB.

Formal study of OB began in the 1890s, following the industrial relations movement spawned by Adam Smith’s introduction of the division of labor. In the 1890s, Frank and Lillian Gilbreth and Frederick Winslow Taylor identified the positive effects of precise instructions, goal setting, and rewards on motivation. Their ideas became known as scientific management and are often considered the beginning of the formal study of OB.

PTS: 1 DIF: Moderate REF: p. 11-13

NAT: AACSB Analytic | Environmental Influence TOP: Where does OB come from?

MSC: Synthesis

5. Explain the Hawthorne studies, including their historical context, findings, and significance for organizational behavior.

ANS:

After World War I, attention shifted to understanding the role of human factors and psychology in organizations. This interest was spawned by the discovery of the Hawthorne effect [[Hawthorne effect: when people improve some aspect of their behavior or performance simply because they are being assessed]] in the 1920s and 1930s. The Hawthorne effect occurs when people improve some aspect of their behavior or performance simply because they know they are being assessed. This effect was first identified when a series of experiments that came to be known as the Hawthorne studies were conducted on Western Electric plant workers in Hawthorne, just outside of Chicago, to see the effects a variety of factors including individual versus group pay, incentive pay, breaks, and snacks on productivity.

One of the working conditions tested at the Hawthorne plant was lighting. When they tested brighter lights, production increased. When they tested dimmer lights, production also increased! Researchers observed that productivity almost always improved after a lighting change—any change—but eventually returned to normal levels. Workers appeared to try harder when the lights were dimmed just because they knew they were being evaluated. George Elton Mayo, founder of the human relations movement initiated by the Hawthorne studies, explained this finding by saying that the workers tried harder because of the sympathy and interest of the observers. Mayo stated that the reason workers are more strongly motivated by informal things is that individuals have a deep psychological need to believe that their organization cares about them.Essentially, workers are more motivated when they believe their organization is open, concerned, and willing to listen.

The Hawthorne studies prompted further investigation into the effects of social relations, motivation, communication, and employee satisfaction on factory productivity. Rather than viewing workers as interchangeable parts in mechanical organizations as the scientific management movement had done, the human relations movement [[human relations movement: views organizations as cooperative systems and treats workers’ orientations, values, and feelings as important parts of organizational dynamics and performance]] views organizations as cooperative systems and treats workers’ orientations, values, and feelings as important parts of organizational dynamics and performance. The human relations movement stressed that the human dimensions of work, including group relations, can supersede organizational norms and even an individual’s self-interests.

PTS: 1 DIF: Moderate REF: p. 12

NAT: AACSB Communication | Group Dynamics TOP: Where does OB come from?

MSC: Analysis

6. Explain how globalization impacts our understanding of organizational behavior, using examples.

ANS:

The internationalization of business has become the norm for many organizations. For example, when a Penske truck is leased for an interstate trip, Genpact’s staff in India check the customer’s credit and acquire permits. If the truck is stopped at a weigh station because it lacks a required fuel permit, Indian workers transmit the necessary document to the weigh station to get the vehicle back on the road within a half hour. After a trip, the driver’s log is shipped to a Genpact facility in Juarez, Mexico, where mileage, tax, toll, and fuel data are entered into Penske computers and processed in India. When Penske sells the truck, staff in Mexico record the transaction.

In addition to the globalization of business processes, the globalization of the U.S. workforce has also increased the importance of diversity awareness on the part of managers and employees. Parochialism occurs when the world is viewed solely through one’s own eyes and perspective. To some extent everyone is parochial as we interpret things in the way we have come to understand the world. Nonetheless, Americans are often accused of having a more parochial perspective than people from other cultures. This may be due to the large domestic market, and the fact that English has been adopted as the international language of business. Nonetheless, the fact that the international economy no longer revolves around the U.S. means that global thinking is increasingly necessary. As Lester Thurow, former dean of MIT’s Sloan School of Management, stated, managers, “must have an understanding of how to manage in an international environment….To be trained as an *American* manager is to be trained for a world that is no longer there.”

Much of the research on organizational behavior has been done in the United States. However, what is true for Americans working in the U.S. may not be true for anyone else, including non-Americans working in the U.S. Assuming that everyone in the world shares the same values, norms, and expectations about work is incorrect. National boundaries no longer limit many organizations, and many U.S. companies employ people from around the world

PTS: 1 DIF: Moderate REF: p. 14

NAT: AACSB Diversity | Group Dynamics TOP: Current OB Issues

MSC: Synthesis

7. Discuss ethics in the context of organizational behavior. What kinds of dilemmas occur? Why? How does unethical behavior occur?

ANS:

Ethics refers to standards of behavior about how people ought to act in different situations. As one expert put it, “Ethics is about behavior. In the face of dilemma, it is about doing the right thing. Ethical managerial leaders and their people take the ‘right’ and ‘good’ path when they come to the ethical choice points.” But the right thing with regard to the effects of different choices and in relationships with employees, customers, and other stakeholders is often not obvious. Most ethical dilemmas in the workplace are not as simple as “Should I take credit for Laura’s idea?” or “Should I claim pay for hours I never worked?” There is often no clear moral compass to guide employees and managers through complex dilemmas.

Managing this challenge is further complicated by the diverse values that exist in today’s global workplace. Because some people feel that business ethics, with its message of “do the right thing,” only states the obvious, they don’t take business ethics seriously. For many others, ethical principles go right out the door during times of stress. As described in this chapter’s opening vignette, Putnam Investments promoted ethical behavior by reducing employee stress and creating a work environment that encourages its employees, rather than dictating to them.

Although it might seem intuitive that firms should behave ethically, a glance at the news headlines suggests that employees’ and companies’ unethical behavior is more common than you might think. Fertilizer producer Intrepid Potash’s Chief Operating Officer Patrick L. Avery resigned in 2009 after confirming that he didn’t receive previously claimed degrees from the University of Colorado and Loyola Marymount University. Corporate espionage by Formula One racing team McLaren on rival Ferrari, unsanitary manufacturing conditions in a ConAgra peanut manufacturing plant, and civil fraud charges against Goldman Sachs are just a few additional high profile ethical lapses.

Some unethical behaviors occur because people are simply less ethical, but many issues occur because of the broader organizational context and systems. Company leaders often give too little thought and time to developing and reinforcing an organizational culture in which people can and do act ethically. There are three types of systemic errors organizations often make that undermine their ethics efforts:

1. *Omission errors*—a lack of written rules

2. *Remission errors*—pressure by a manager or others to make unethical choices

3. *Commission errors*—a failure to follow sound, established operational and ethical practices.

All three of these errors can have obvious negative consequences. OB can give you tools to use in both creating an ethical organization, and in making more ethical choices yourself.

PTS: 1 DIF: Moderate REF: p. 16-19

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Synthesis

8. Discuss the benefits of managing ethics in the workplace.

ANS:

Benefits from managing ethics in the workplace:

 Attention to business ethics can substantially improve society.

 Ethics programs help maintain a moral course in times of change.

 Ethics programs cultivate teamwork and productivity.

 Ethics programs support employee growth.

 Ethics programs help ensure that policies are legal.

 Ethics programs help avoid criminal acts of omission and can result in lower fines.

 Ethics programs help manage values associated with quality management, strategic planning and diversity management.

 Ethics programs promote a strong public image.

Ethical employee behavior determines short-term organizational performance and long-term organizational success. If employees do not consistently behave ethically, long-term sustainability is unlikely for any organization. As noted management experts Wayne Cascio and Peter Cappelli state, “Ethics, values, and strong organizational cultures are the very fabric of business.” Despite the obvious problems that can result from unethical employee behavior, most organizations do not have a comprehensive ethics and compliance program.

PTS: 1 DIF: Moderate REF: p. 17-19

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Synthesis

9. List and explain five managerial practices that promote ethical behavior.

ANS:

1. Close any gaps between knowledge about what to do and actual behaviors. Employees know what is right: now they need to do it.

2. Be selective about who you hire—hiring the right people is critical to long-term success. Because values drive behavior, values can be as important as skills.

3. Socialize new hires to promote ethical values.

4. Implement systems and procedures to promote accountability for ethical behavior.

5. Fairly allocate organizational resources. All managerial leaders manage the five key resources of time, people, money, information, and capital assets. Their distribution should create perceptions of equity and fairness.

PTS: 1 DIF: Moderate REF: p. 19

NAT: AACSB Ethics | Ethical Responsibilities TOP: Current OB Issues

MSC: Comprehension

10. Explain how hypothesis testing is done, including how to interpret the results.

ANS:

Hypothesis testing can be done using a variety of research methods and statistical analyses. For our purposes, assume we collect data on our predictor, or independent variable and our criterion, or dependent variable. In this hypothetical case, setting a specific, difficult, achievable goal is the independent variable, and the number of products assembled is our dependent variable. We identify a representative group of assemblers, and record their goals and their performance during a one-hour work period. We can then analyze the correlation, abbreviated *r*, between the two variables to test our hypothesis. The correlation reflects the strength of the statistical relationship between two variables. Rather than answering a question with a “yes” or a “no,” the correlation answers with a “how strong is the relationship.”

The correlation ranges from -1 to +1, and can be positive or negative. A correlation of 0 means that there is no statistical relationship. We can also imagine a correlation as a graph. As you can see from Figure 1-3, in the context of our example, a correlation of 0 would mean that setting a goal has no effect on the number of products assembled. A correlation of +1 means that there is a perfect positive relationship: the higher the goal, the more products assembled. A correlation of +1.0 is as strong a positive relationship as we can get, and shows that we can predict the number of products assembled perfectly from the level of the assembler’s goals.

PTS: 1 DIF: Moderate REF: p. 25

NAT: AACSB Analytic | Operations Management

TOP: How Do We Know What We Know? MSC: Synthesis