***M. Organizational Behavior, 4e* (McShane)**

**Chapter 1 Introduction to the Field of Organizational Behavior**

1) Organizational behavior encompasses the study of how organizations interact with their external environments.

Answer: TRUE

Explanation: Organizational behavior encompasses the study of how organizations interact with their external environments, particularly in the context of employee behavior and decisions.

Difficulty: 2 Medium

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

2) Studying organizational behavior at multiple levels of analysis is not recommended as it could lead to perceptual errors.

Answer: FALSE

Explanation: OB researchers systematically study these topics at multiple levels of analysis—namely the individual, the team (including interpersonal), and the organization.

Difficulty: 2 Medium

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

3) In order for something to be called an organization, it must have certain assets, such as buildings and equipment.

Answer: FALSE

Explanation: Organizations are groups of people who work interdependently toward some purpose. Organizations are not buildings or government-registered entities. In fact, many organizations exist without either physical walls or government documentation.

Difficulty: 1 Easy

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

4) The members of an organization have a collective sense of purpose.

Answer: TRUE

Explanation: One key feature of organizations is that they are collective entities. An organization without a collective sense of purpose would be a collection of people without direction or unifying force.

Difficulty: 1 Easy

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

5) Organizational behavior emerged as a distinct field around the time of World War II. Before that, organizations had not been studied at all.

Answer: FALSE

Explanation: Organizational behavior emerged as a distinct field around the time of World War II, but organizations have been studied by experts in other fields for many centuries.

Difficulty: 1 Easy

Topic: Organizational development

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

6) German sociologist Max Weber wrote about rational organizations and systematic ways to organize work processes and motivate employees through goal setting and rewards.

Answer: FALSE

Explanation: German sociologist Max Weber wrote about rational organizations, the work ethic, and charismatic leadership. Around the same time, industrial engineer Frederick Winslow Taylor proposed systematic ways to organize work processes and motivate employees through goal setting and rewards.

Difficulty: 1 Easy

Topic: Organizational development

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

7) The "human relations" school of management pioneered research on employee attitudes, formal team dynamics, informal groups, and supervisor leadership style.

Answer: TRUE

Explanation: In the 1930s, Harvard professor Elton Mayo and his colleagues established the "human relations" school of management that pioneered research on employee attitudes, formal team dynamics, informal groups, and supervisor leadership style.

Difficulty: 1 Easy

Topic: Organizational development

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

8) An advantage of the study of organizational behavior is that it tends to have a specific career path.

Answer: FALSE

Explanation: Organizational behavior (OB) instructors face a challenge: Students who have not yet begun their careers tend to value courses related to specific jobs, such as accounting and marketing. However, OB doesn't have a specific career path—there is no "vice president of OB"—so students sometimes have difficulty recognizing the value that OB knowledge can offer to their future.

Difficulty: 1 Easy

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

9) Studying organizational behavior does not have an impact on one's career success.

Answer: FALSE

Explanation: Organization behavior (OB) does make a difference to one's career success. OB helps us to make sense of and predict the world in which we live. We use OB theories to question our personal beliefs and assumptions and to adopt more accurate models of workplace behavior.

Difficulty: 1 Easy

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

10) The greatest value of organizational behavior knowledge is that it helps us to get things done in the workplace.

Answer: TRUE

Explanation: Probably the greatest value of organizational behavior knowledge is that it helps us to get things done in the workplace by influencing organizational events. By definition, organizations are people who work together to accomplish things, so we need a toolkit of knowledge and skills to work successfully with others.

Difficulty: 1 Easy

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

11) Organizational behavior knowledge is strictly for managers, not for lower level employees.

Answer: FALSE

Explanation: A common misunderstanding is that organizational behavior is for managers. Organizational behavior is valuable for everyone who works in and around organizations because employees increasingly need to be proactive, self-motivated, and able to work effectively with coworkers without management intervention.

Difficulty: 2 Medium

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

12) Organizational behavior knowledge is beneficial not only to an individual, but also to an organization's financial health.

Answer: TRUE

Explanation: Studies have consistently found a positive relationship between the quality of leadership and the company's financial performance.

Difficulty: 1 Easy

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

13) Research into the best predictors of investment portfolio performance suggests that specific organizational behavior characteristics are important "positive screens" for selecting companies with the highest and most consistent long-term investment gains.

Answer: TRUE

Explanation: The bottom-line value of organizational behavior (OB) is also supported by research into the best predictors of investment portfolio performance. These investigations suggest that specific OB characteristics (employee attitudes, work-life balance, performance-based rewards, leadership, employee training and development, and so forth) are important "positive screens" for selecting companies with the highest and most consistent long-term investment gains.

Difficulty: 2 Medium

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

14) Building teams, handling workplace conflicts, making decisions, and changing employee behavior are skills that employers desire in their employees.

Answer: TRUE

Explanation: Building teams, handling workplace conflicts, making decisions, and changing employee behavior are skills that employers desire in their employees, and are offered through the study of organizational behavior.

Difficulty: 1 Easy

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

15) Globalization may have both positive and negative implications for people working in organizations.

Answer: TRUE

Explanation: Globalization offers numerous benefits to organizations in terms of larger markets, lower costs, and greater access to knowledge and innovation. At the same time, there is considerable debate about whether globalization benefits developing nations, and whether it is primarily responsible for increasing work intensification, as well as reducing job security and work-life balance in developed countries.

Difficulty: 2 Medium

Topic: Globalization

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

16) Globalization refers to economic, social, and cultural connectivity with people in other parts of the world.

Answer: TRUE

Explanation: Globalization refers to economic, social, and cultural connectivity with people in other parts of the world.

Difficulty: 1 Easy

Topic: Globalization

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Remember

AACSB: Diversity

Accessibility: Keyboard Navigation

17) Globalization offers numerous benefits to organizations in terms of larger markets, lower costs, and greater access to knowledge and innovation.

Answer: TRUE

Explanation: Globalization refers to economic, social, and cultural connectivity with people in other parts of the world. It offers numerous benefits to organizations in terms of larger markets, lower costs, and greater access to knowledge and innovation.

Difficulty: 1 Easy

Topic: Globalization

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

18) Reduced job security and increased work intensification are partly caused by globalization.

Answer: TRUE

Explanation: There is considerable debate about whether globalization benefits developing nations, and whether it is primarily responsible for increasing work intensification, as well as reducing job security and work-life balance in developed countries.

Difficulty: 1 Easy

Topic: Globalization

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

19) Deep-level diversity refers to the observable demographic or physiological differences in people.

Answer: FALSE

Explanation: Surface-level diversity refers to the observable demographic or physiological differences in people, such as their race, ethnicity, gender, age, and physical disabilities.

Difficulty: 1 Easy

Topic: Workforce diversity

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Remember

AACSB: Diversity

Accessibility: Keyboard Navigation

20) Deep-level diversity refers to factors such as age, gender, and race.

Answer: FALSE

Explanation: Deep-level diversity includes differences in the psychological characteristics of employees, including personalities, beliefs, values, and attitudes.

Difficulty: 1 Easy

Topic: Workforce diversity

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Remember

AACSB: Diversity

Accessibility: Keyboard Navigation

21) Surface-level diversity is evident in a person's decisions, statements, and actions.

Answer: FALSE

Explanation: Deep-level diversity is evident in a person's decisions, statements, and actions.

Difficulty: 1 Easy

Topic: Workforce diversity

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Remember

AACSB: Diversity

Accessibility: Keyboard Navigation

22) Employees who were born between 1946 and 1964 are referred to as Baby Boomers.

Answer: TRUE

Explanation: Employees who were born between 1946 and 1964 are called Baby Boomers.

Difficulty: 1 Easy

Topic: Workforce diversity

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Remember

AACSB: Diversity

Accessibility: Keyboard Navigation

23) Research indicates that Baby Boomers and Millennials bring the same values and expectations to the workplace.

Answer: FALSE

Explanation: Studies have found that Millennials are more self-confident, are more self-focused, and have less work centrality (i.e., work is less of a central life interest) when compared to Baby Boomers.

Difficulty: 1 Easy

Topic: Workforce diversity

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Remember

AACSB: Diversity

Accessibility: Keyboard Navigation

24) Workforce diversity potentially improves decision making on complex tasks.

Answer: TRUE

Explanation: Diversity is an advantage because it provides diverse knowledge and skills. Furthermore, teams with some forms of diversity (particularly informational diversity) make better decisions on complex problems than do teams whose members have similar backgrounds.

Difficulty: 1 Easy

Topic: Workforce diversity

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Remember

AACSB: Diversity

Accessibility: Keyboard Navigation

25) Teams with diverse employees usually perform effectively in a shorter amount of time.

Answer: FALSE

Explanation: Teams with diverse employees usually take longer to perform effectively because they experience numerous communication problems and create "faultlines" in informal group dynamics.

Difficulty: 2 Medium

Topic: Workforce diversity

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Understand

AACSB: Diversity

Accessibility: Keyboard Navigation

26) Work-life balance occurs when people are able to minimize conflict between work and nonwork demands.

Answer: TRUE

Explanation: Work-life balance occurs when people are able to minimize conflict between their work and nonwork demands.

Difficulty: 1 Easy

Topic: Work-life balance

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

27) Germany, France, and USA all have work-life balance levels below the global average.

Answer: TRUE

Explanation: The Global Work-Life Balance Index indicates that Germany, France, and USA all have work-life balance levels below the global average.

Difficulty: 1 Easy

Topic: Work-life balance

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

28) An organization's employees use information technology to perform their jobs away from the traditional physical workplace. This is an example of virtual work.

Answer: TRUE

Explanation: Virtual work is one of the employment relationship trends, whereby employees use information technology to perform their jobs away from the traditional physical workplace.

Difficulty: 1 Easy

Topic: Work-life balance

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

29) Telework potentially reduces productivity because employees experience more stress away from the office and tend to spend less time on work activity.

Answer: FALSE

Explanation: Telework potentially *improves* productivity because employees experience less stress and tend to allocate some former commuting time to work activity.

Difficulty: 1 Easy

Topic: Virtual team

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

30) Telework is better suited to those who have sufficient fulfilment of social needs elsewhere in their life.

Answer: TRUE

Explanation: Telework is clearly better suited to people who are self-motivated, organized, can work effectively with broadband and other technology, and have sufficient fulfillment of social needs elsewhere in their life.

Difficulty: 1 Easy

Topic: Social networks

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

31) Systematic research investigation is the basis for evidence-based management, which involves making decisions and taking actions based on this research evidence.

Answer: TRUE

Explanation: Systematic research investigation is the basis for evidence-based management, which involves making decisions and taking actions based on this research evidence.

Difficulty: 1 Easy

Topic: Evidence-based decision making

Learning Objective: 01-03 Discuss the anchors on which organizational behavior knowledge is based.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

32) Organizational behavior knowledge is generic; therefore, it cannot be based on systematic research.

Answer: FALSE

Explanation: A key feature of organizational behavior knowledge is that it should be based on systematic research, which typically involves forming research questions, systematically collecting data, and testing hypotheses against those data.

Difficulty: 1 Easy

Topic: Evidence-based decision making

Learning Objective: 01-03 Discuss the anchors on which organizational behavior knowledge is based.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

33) One advantage of systematic research investigation is that it does not require the process of data collection.

Answer: FALSE

Explanation: A critical feature of organizational behavior (OB) knowledge is that it should be based on systematic research, which typically involves forming research questions, systematically collecting data, and testing hypotheses against those data.

Difficulty: 2 Medium

Topic: Evidence-based decision making

Learning Objective: 01-03 Discuss the anchors on which organizational behavior knowledge is based.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

34) According to evidence-based management, corporate leaders can embrace fads and pet beliefs without wasting time to find out if they actually work.

Answer: FALSE

Explanation: Evidence-based management is the practice of making decisions and taking actions based on research evidence, not fads, untested consulting models, or their own pet beliefs without bothering to find out if they actually work.

Difficulty: 1 Easy

Topic: Evidence-based decision making

Learning Objective: 01-03 Discuss the anchors on which organizational behavior knowledge is based.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

35) Only organizational behavior scholars should develop organizational behavior theories.

Answer: FALSE

Explanation: Organizational behavior is anchored around the idea that the field should welcome theories and knowledge in other disciplines, not just from its own isolated research base.

Difficulty: 1 Easy

Topic: Organizational development

Learning Objective: 01-03 Discuss the anchors on which organizational behavior knowledge is based.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

36) Communications and marketing are two emerging fields from which organizational behavior is now acquiring knowledge.

Answer: TRUE

Explanation: Organizational behavior knowledge has benefited from knowledge in emerging fields such as communications, marketing, and information systems.

Difficulty: 1 Easy

Topic: Organizational development

Learning Objective: 01-03 Discuss the anchors on which organizational behavior knowledge is based.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

37) The contingency anchor in organizational behavior suggests that we need to understand and diagnose a situation and select a strategy most appropriate under those circumstances.

Answer: TRUE

Explanation: The contingency anchor recognizes that a particular action may have different consequences in different situations. In other words, no single solution is best in all circumstances. Thus, when faced with a particular problem or opportunity, we need to understand and diagnose the situation and select the strategy most appropriate under those conditions.

Difficulty: 1 Easy

Topic: Strategic plan

Learning Objective: 01-03 Discuss the anchors on which organizational behavior knowledge is based.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

38) Organizational behavior (OB) recognizes that what goes on in organizations can be placed into three levels of analysis: individual, team, and organization.

Answer: TRUE

Explanation: Organizational behavior recognizes that what goes on in organizations can be placed into three levels of analysis: individual, team (including interpersonal), and organization.

Difficulty: 1 Easy

Topic: Organizational behavior (OB)

Learning Objective: 01-03 Discuss the anchors on which organizational behavior knowledge is based.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

39) Organizational effectiveness is considered the "ultimate dependent variable" in organizational behavior.

Answer: TRUE

Explanation: Organizational effectiveness is considered the "ultimate dependent variable" in organizational behavior.

Difficulty: 1 Easy

Topic: Organizational behavior (OB)

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

40) Today, many organizational behavior experts agree that the best indicator of a company's effectiveness is how well it achieves its stated objectives.

Answer: FALSE

Explanation: Many years ago, organizational behavior experts thought the best indicator of a company's effectiveness is how well it achieved its stated objectives. Today, we know this isn't necessarily so. The best yardstick of organizational effectiveness is a composite of four perspectives: open systems, organizational learning, high-performance work practices, and stakeholders.

Difficulty: 2 Medium

Topic: Organizational behavior (OB)

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

41) Open systems cannot exist without dependence on an external environment, whereas closed systems can exist without dependence on an external environment.

Answer: TRUE

Explanation: The open systems perspective views organizations as complex organisms that "live" within an external environment. The word open describes this permeable relationship, whereas closed systems operate without dependence on or interaction with an external environment.

Difficulty: 2 Medium

Topic: Open system

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

42) According to the open systems perspective, most organizations have one working part rather than many subsystems.

Answer: FALSE

Explanation: The open systems perspective states that organizations depend on the external environment for resources, affect that environment through their output, and consist of internal subsystems that transform inputs to outputs.

Difficulty: 2 Medium

Topic: Open system

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

43) The best organizational practices are those built on the notion that organizations are closed systems.

Answer: FALSE

Explanation: Closed systems have little dependence on the external environment. As open systems, organizations depend on the external environment for resources, including raw materials, employees, financial resources, information, and equipment. According to the open systems perspective, organizations are effective when they maintain a good "fit" with their external environment.

Difficulty: 2 Medium

Topic: Open system

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

44) The open systems perspective emphasizes that organizations maintain a good fit by actively trying to influence their external environment.

Answer: TRUE

Explanation: One way that organizations maintain a good fit is by actively trying to influence their external environment.

Difficulty: 1 Easy

Topic: Open system

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

45) The organizational learning perspective currently remains focused on physical resources that enter and are processed in an organization.

Answer: FALSE

Explanation: The open systems perspective has traditionally focused on physical resources that enter the organization and are processed into physical goods (outputs). But whether their outputs are physical or cognitive, successful companies rely on knowledge as a key ingredient to success.

Difficulty: 1 Easy

Topic: Open system

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

46) An important feature of an effective transformation process is how well the internal subsystems coordinate with each other.

Answer: TRUE

Explanation: An important feature of an effective transformation process is how well the internal subsystems coordinate with each other.

Difficulty: 1 Easy

Topic: Open system

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

47) Intellectual capital represents the stock of knowledge held by an organization.

Answer: TRUE

Explanation: A company's stock of knowledge is called its intellectual capital.

Difficulty: 1 Easy

Topic: Intellectual capital

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

48) Intellectual capital includes, among other things, the knowledge captured in an organization's systems and structures.

Answer: TRUE

Explanation: Intellectual capital exists in three forms: human capital, structural capital, and relationship capital. Structural capital includes the knowledge captured and retained in an organization's systems and structures.

Difficulty: 1 Easy

Topic: Intellectual capital

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

49) The knowledge, skills, and abilities of employees are examples of structural capital.

Answer: FALSE

Explanation: Structural capital refers to the knowledge captured and retained in an organization's systems and structures, such as the documentation of work procedures and the physical layout of a production line and office space.

Difficulty: 1 Easy

Topic: Intellectual capital

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

50) One of the knowledge acquisition strategies involves environmental scanning, such as actively monitoring consumer trends and competitor activities.

Answer: TRUE

Explanation: Knowledge acquisition includes extracting information and ideas from the external environment as well as through insight. One knowledge acquisition strategy involves environmental scanning, such as actively monitoring consumer trends and competitor activities.

Difficulty: 1 Easy

Topic: Knowledge and skill

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

51) According to the organizational learning perspective, effective organizations not only learn but also unlearn certain routines and patterns of behavior that are no longer appropriate.

Answer: TRUE

Explanation: The organizational learning perspective states that effective organizations not only learn, but they also unlearn routines and patterns of behavior that are no longer appropriate.

Difficulty: 1 Easy

Topic: Knowledge and skill

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

52) The perspective that effective organizations incorporate several workplace practices that leverage the potential of human capital is called high-performance work practices (HPWPs).

Answer: TRUE

Explanation: The high-performance work practices (HPWPs) perspective holds that effective organizations incorporate several workplace practices that leverage the potential of human capital. The HPWP perspective states that human capital—the knowledge, skills, and abilities that employees possess—is an important source of competitive advantage for organizations.

Difficulty: 1 Easy

Topic: Intellectual capital

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

53) Employee involvement is a widely recognized high-performance work practice (HPWP).

Answer: TRUE

Explanation: Organizational behavior researchers have studied the effects of many work practices, but four are consistently identified as high-performance practices: employee involvement, job autonomy, competency development, and rewards for performance and competency development.

Difficulty: 1 Easy

Topic: Employee engagement

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

54) Working in a self-directed team reduces employee motivation because employees in such a team will support individualistic behaviors rather than team behaviors.

Answer: FALSE

Explanation: Involving employees in decision making and giving them more autonomy over their work activities tends to strengthen employee motivation as well as improve decisions, organizational responsiveness, and commitment to change. In high-performance workplaces, employee involvement and job autonomy often take the form of self-directed teams.

Difficulty: 2 Medium

Topic: Motivating factors

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

55) High-performance work practices (HPWPs) build human capital, which improves performance as employees develop skills and knowledge to perform the work.

Answer: TRUE

Explanation: High-performance work practices (HPWPs) improve an organization's effectiveness by developing employee skills and knowledge (human capital), which are direct predictors of individual behavior and performance.

Difficulty: 1 Easy

Topic: Knowledge and skill

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

56) Stakeholders of an organization are shareholders, customers, suppliers, governments, and any other groups with a vested interest in the organization.

Answer: TRUE

Explanation: Stakeholders include individuals, organizations, and other entities that affect, or are affected by an organization's objectives and actions.

Difficulty: 1 Easy

Topic: Knowledge and skill

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

57) Labor unions are an example of a type of stakeholder in a company.

Answer: TRUE

Explanation: Stakeholders include anyone with a stake in the company—employees, stockholders, suppliers, labor unions, government, communities, consumer and environmental interest groups, and so on.

Difficulty: 1 Easy

Topic: Relationship conflict

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

58) Stakeholder relations are static, a fixed condition.

Answer: FALSE

Explanation: Stakeholder relations are dynamic; they can be negotiated and managed, not just taken as a fixed condition.

Difficulty: 1 Easy

Topic: Relationship conflict

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

59) Managing and satisfying the interests of stakeholders is not very challenging because all stakeholders have the same interests and goals.

Answer: FALSE

Explanation: Understanding, managing, and satisfying the interests of stakeholders is more challenging than it sounds because stakeholders have conflicting interests and organizations don't have the resources to satisfy every stakeholder to the fullest.

Difficulty: 2 Medium

Topic: Relationship conflict

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

60) Values represent an individual's short-term beliefs about what will happen in the future.

Answer: FALSE

Explanation: Values are relatively stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations.

Difficulty: 1 Easy

Topic: Values

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

61) Values are relatively stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations.

Answer: TRUE

Explanation: Values are relatively stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations. Values help us know what is right or wrong, or good or bad, in the world.

Difficulty: 1 Easy

Topic: Values

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

62) The stakeholder perspective incorporates values, ethics, and corporate social responsibility into the organizational effectiveness equation.

Answer: TRUE

Explanation: The stakeholder perspective incorporates values, ethics, and corporate social responsibility into the organizational effectiveness equation. Personal values influence how corporate boards and CEOs allocate organizational resources to stakeholders.

Difficulty: 1 Easy

Topic: Ethics

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Ethics

Accessibility: Keyboard Navigation

63) Ethics refers to the study of moral principles or values that determine whether actions are right or wrong and outcomes are good or bad.

Answer: TRUE

Explanation: Ethics refers to the study of moral principles or values that determine whether actions are right or wrong and outcomes are good or bad.

Difficulty: 1 Easy

Topic: Ethics

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Ethics

Accessibility: Keyboard Navigation

64) Everyone agrees that organizations need to cater to a wide variety of stakeholders.

Answer: FALSE

Explanation: Not everyone agrees that organizations need to cater to a wide variety of stakeholders.

Difficulty: 1 Easy

Topic: Ethics

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

65) Corporate social responsibility has little effect on the financial performance of an organization.

Answer: FALSE

Explanation: Companies with a positive corporate social responsibility (CSR) reputation tend to have better financial performance, more loyal employees (stronger organizational identification), and better relations with customers, job applicants, and other stakeholders.

Difficulty: 1 Easy

Topic: Ethics

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Ethics

Accessibility: Keyboard Navigation

66) Which of the following statements is TRUE about organizational behavior?

A) It involves a systematic study of various topics at a single level rather than at multiple levels.

B) It is concerned with the study of people who work independently.

C) It does not include the study of collective entities.

D) It encompasses the study of how organizations interact with their external environments.

Answer: D

Explanation: D) Organizational behavior encompasses the study of how organizations interact with their external environments, particularly in the context of employee behavior and decisions.

Difficulty: 2 Medium

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

67) Which of these statements is TRUE about the field of organizational behavior?

A) It examines how individuals and teams in organizations relate to one another and to their counterparts in other organizations.

B) Organizational behavior researchers systematically study various topics at a single common level rather than at multiple levels.

C) Information technology has almost no effect on organizational behavior.

D) The field of organizational behavior relies exclusively on ideas generated within the field by organizational behavior scholars.

Answer: A

Explanation: A) Organizational behavior (OB) is the study of what people think, feel, and do in and around organizations. It looks at employee behavior, decisions, perceptions, and emotional responses. It examines how individuals and teams in organizations relate to one another and to their counterparts in other organizations.

Difficulty: 2 Medium

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

68) In the field of organizational behavior, organizations are described as groups of

A) people who work interdependently toward some purpose.

B) people who work independently to achieve a collective goal.

C) government-registered entities.

D) people with independent profit-centered motives and objectives.

Answer: A

Explanation: A) From an organizational behavior perspective, organizations are defined as groups of people who work interdependently toward some purpose.

Difficulty: 1 Easy

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

69) Organizational behavior knowledge

A) originates mainly from models developed in chemistry and other natural sciences.

B) accurately predicts how anyone will behave in any situation.

C) is more appropriate for people who work in computer science than in marketing.

D) improves our ability to predict and anticipate future workplace events, and why they occur.

Answer: D

Explanation: D) This knowledge satisfies our curiosity about why events occur and reduces our anxiety about circumstances that would otherwise be unexpected and unexplained. Furthermore, OB knowledge improves our ability to predict and anticipate future workplace events so we can get along with others, achieve our goals, and minimize unnecessary career risks.

Difficulty: 2 Medium

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

70) Which of the following statements is TRUE of organizational behavior knowledge?

A) It is relevant to everyone who works in organizations.

B) It should never be used to influence the behavior of other people.

C) It should be used by managers and senior executives alone.

D) It should not be used by subordinates to influence the behavior of their managers.

Answer: A

Explanation: A) Organizational behavior is relevant to everyone in an organization since the work environment increasingly expects us to be self-motivated and to work effectively with coworkers without management intervention.

Difficulty: 2 Medium

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

71) Scenario: Amy Albright

Your roommate, Amy Albright, is not a business major. When she discovered that you are taking a course in organizational behavior, she was thoroughly confused as to why one would need to study OB and what it entails. Based on what you have studied, can you help Amy obtain knowledge of organizational behavior?

Amy thinks that organization is the same as an organism. However, in the field of organizational behavior, organizations are *best* described as

A) legal entities that must abide by government regulations and pay taxes.

B) physical structures with observable capital equipment.

C) social entities with a publicly stated set of formal goals.

D) collective entities wherein members have a collective sense of purpose.

Answer: D

Explanation: D) Organizations are groups of people who work interdependently toward some purpose. One key feature of organizations is that they are collective entities. A second key feature of organizations is that their members have a collective sense of purpose.

Difficulty: 2 Medium

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

72) Scenario: Amy Albright

Your roommate, Amy Albright, is not a business major. When she discovered that you are taking a course in organizational behavior, she was thoroughly confused as to why one would need to study OB and what it entails. Based on what you have studied, can you help Amy obtain knowledge of organizational behavior?

Amy should understand that organizational behavior knowledge

A) should never be used to influence the behavior of other people.

B) should be used only by managers and senior executives.

C) should never replace common sense knowledge about how organizations work.

D) is relevant to everyone who works in organizations.

Answer: D

Explanation: D) All employees need OB knowledge because employees increasingly need to be proactive, self-motivated, and able to work effectively with coworkers without management intervention. So OB is for everyone.

Difficulty: 2 Medium

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

73) Scenario: Roberto Baldwin

As the owner and manager of Fantastic Toys, Roberto Baldwin is fascinated by all the changes occurring and transforming the workplace. Roberto is concerned about the important OB trends that he can understand and take advantage of in developing and positioning his company in the marketplace.

Roberto is interested in this trend of globalization. He should know that globalization occurs when an organization

A) increases its connectivity with people and organizations in other parts of the world.

B) serves diverse customers within the firm's home country.

C) has a diverse workforce within the firm's home country.

D) has a substantially strong domestic market.

Answer: A

Explanation: A) Globalization refers to economic, social, and cultural connectivity with people in other parts of the world. Globalization increases when this connectivity is increased. Although businesses have traded goods across borders for centuries, the degree of globalization today is unprecedented because information technology and transportation systems allow a much more intense level of connectivity and interdependence around the planet.

Difficulty: 2 Medium

Topic: Globalization

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

74) Scenario: Roberto Baldwin

As the owner and manager of Fantastic Toys, Roberto Baldwin is fascinated by all the changes occurring and transforming the workplace. Roberto is concerned about the important OB trends that he can understand and take advantage of in developing and positioning his company in the marketplace.

If Roberto wants to study deep-level diversity in his organization, he should

A) review the demographic characteristics of his workforce.

B) consider the likelihood of long-term employment with the organization for each of his employees.

C) observe the physiological differences in the people who represent his workforce.

D) look at different attitudes and expectations of his employees.

Answer: D

Explanation: D) Deep-level diversity includes differences in the psychological characteristics of employees, including personalities, beliefs, values, and attitudes.

Difficulty: 3 Hard

Topic: Workforce diversity

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

75) Scenario: Roberto Baldwin

As the owner and manager of Fantastic Toys, Roberto Baldwin is fascinated by all the changes occurring and transforming the workplace. Roberto is concerned about the important OB trends that he can understand and take advantage of in developing and positioning his company in the marketplace.

Roberto is considering the idea of implementing telecommuting in Fantastic Toys. Which of the following is an advantage of telecommuting?

A) reduced employee stress

B) larger markets

C) greater demand for firm's products

D) enhanced employee recognition

Answer: A

Explanation: A) Telework potentially improves productivity because employees experience less stress and tend to allocate some former commuting time to work activity.

Difficulty: 2 Medium

Topic: Stress

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

76) \_\_\_\_\_\_\_\_ refers to economic, social, and cultural connectivity with people in other parts of the world.

A) OB

B) Globalization

C) Work-life balance

D) Knowledge management

Answer: B

Explanation: B) Globalization refers to economic, social, and cultural connectivity with people in other parts of the world.

Difficulty: 1 Easy

Topic: Globalization

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Remember

AACSB: Diversity

Accessibility: Keyboard Navigation

77) Which of the following is an example of globalization?

A) A footwear firm based in San Diego opens a new branch in Los Angeles.

B) A car company based in Pittsburgh manufactures its cars in Philadelphia.

C) Rewind, a German music band which plays traditional German folk music, performs in Berlin.

D) An American-based burger joint opens a new outlet in China.

Answer: D

Explanation: D) Globalization refers to economic, social, and cultural connectivity with people in other parts of the world. Organizations globalize when they actively participate in other countries and cultures. In this case, the American burger chain has opened an outlet in another country.

Difficulty: 3 Hard

Topic: Globalization

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

78) Which of the following statements is TRUE about globalization and organizational behavior?

A) Globalization has little or no effect on organizational behavior.

B) Globalization has forced organizational behavior researchers to study only large multinational businesses.

C) Globalization offers numerous benefits to organizations.

D) Globalization has forced organizational behavior textbooks to discuss only companies with headquarters in North America.

Answer: C

Explanation: C) Globalization offers numerous benefits to organizations in terms of larger markets, lower costs, and greater access to knowledge and innovation. Globalization is now well entrenched, so the most important issue in organizational behavior is how corporate leaders and employees alike can lead and work effectively in this emerging reality.

Difficulty: 2 Medium

Topic: Globalization

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

79) Differences in the psychological characteristics across generations are an example of \_\_\_\_\_\_\_\_ diversity.

A) surface-level

B) internal

C) deep-level

D) racial

Answer: C

Explanation: C) Deep-level diversity is evident in a person's choices, words, and actions. A popular example is the apparent deep-level diversity across generations.

Difficulty: 2 Medium

Topic: Workforce diversity

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Understand

AACSB: Diversity

Accessibility: Keyboard Navigation

80) At Clickz, an American photography magazine publisher, more than half of the senior management positions are held by women. African Americans represent 40 percent of the company's workforce. The description of Clickz's diversity refers to

A) deep-level diversity.

B) psychological diversity.

C) personality diversity.

D) surface-level diversity.

Answer: D

Explanation: D) The observable demographic or physiological differences in people, such as their race, ethnicity, gender, age, and physical disabilities constitute surface-level diversity.

Difficulty: 3 Hard

Topic: Workforce diversity

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Apply

AACSB: Diversity

Accessibility: Keyboard Navigation

81) \_\_\_\_\_\_\_\_ diversity includes differences in the psychological characteristics of employees, including personalities, beliefs, values, and attitudes.

A) Reflective

B) Deep-level

C) Organizational

D) Surface-level

Answer: B

Explanation: B) Diversity also includes differences in the psychological characteristics of employees, including personalities, beliefs, values, and attitudes. This deep-level diversity cannot be seen, but it is evident in a person's decisions, statements, and actions.

Difficulty: 1 Easy

Topic: Workforce diversity

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Remember

AACSB: Diversity

Accessibility: Keyboard Navigation

82) Deep-level diversity includes

A) physiological differences.

B) attitudes.

C) ethnicity.

D) gender.

Answer: B

Explanation: B) Deep-level diversity is differences in the psychological characteristics of employees, including personalities, beliefs, values, and attitudes.

Difficulty: 1 Easy

Topic: Workforce diversity

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Remember

AACSB: Diversity

Accessibility: Keyboard Navigation

83) Which of the following groups has a stronger motivation for personal development, advancement, and recognition?

A) Gen-Xers

B) Silent Generation

C) Baby Boomers

D) Millennials

Answer: D

Explanation: D) Millennials have a stronger motivation for personal development, advancement, and recognition, whereas Baby Boomers are more motivated by interesting and meaningful work. Research indicates that as Millennials age, their motivation for learning and advancement will wane and their motivation for interesting and meaningful work will increase.

Difficulty: 1 Easy

Topic: Workforce diversity

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Remember

AACSB: Diversity

Accessibility: Keyboard Navigation

84) Misha works for a company as a financial analyst from home using information technology. He does not work in a traditional physical workplace. This trend is known as

A) deep-level diversity.

B) contract work.

C) virtual work.

D) surface-level diversity.

Answer: C

Explanation: C) Work performed away from the traditional physical workplace by using information technology is called virtual work. In this case, Misha works from home using information technology and not in a workplace.

Difficulty: 2 Medium

Topic: Virtual team

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

85) Serge supervises toolmakers who make custom parts for the engineering department before these parts go into production. Deshaun is a self-starter who thrives on solving tough problems, while Duncan prefers straightforward jobs, and doesn't handle stress well. Last week, Serge gave Duncan a difficult, time-sensitive project. Serge recognized that Duncan would handle the project well if he approached him differently than he would if Deshaun was doing the work. Which conceptual anchor of OB knowledge is involved here?

A) the systematic research anchor

B) the multidisciplinary anchor

C) the contingency anchor

D) the multiple levels of analysis anchor

Answer: C

Explanation: C) The contingency anchor involves recognizing that the effectiveness of an action may depend on the situation.

Difficulty: 2 Medium

Topic: Organizational behavior (OB)

Learning Objective: 01-03 Discuss the anchors on which organizational behavior knowledge is based.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

86) Which of the following is TRUE according to the systematic research anchor?

A) OB topics typically relate to the individual, team, and organizational levels of analysis.

B) OB should import knowledge from other disciplines, not just create its own knowledge.

C) OB theory should recognize that the effects of actions often vary with the situation.

D) OB should study organizations by forming research questions, collecting data, and testing hypotheses against those data.

Answer: D

Explanation: D) A key feature of OB knowledge is that it should be based on systematic research, which typically involves forming research questions, systematically collecting data, and testing hypotheses against those data.

Difficulty: 2 Medium

Topic: Evidence-based decision making

Learning Objective: 01-03 Discuss the anchors on which organizational behavior knowledge is based.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

87) Which discipline has provided organizational behavior with much of its theoretical foundation for team dynamics, organizational power, and organizational socialization?

A) sociology

B) psychology

C) economics

D) industrial engineering

Answer: A

Explanation: A) In OB, sociologists have contributed to our knowledge of team dynamics, organizational socialization, organizational power, and other aspects of the social system.

Difficulty: 1 Easy

Topic: Evidence-based decision making

Learning Objective: 01-03 Discuss the anchors on which organizational behavior knowledge is based.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

88) Which of the following anchors of organizational behavior states that no single solution is best all of the time?

A) the systematic research anchor

B) the multidisciplinary anchor

C) the multiple levels of analysis anchor

D) the contingency anchor

Answer: D

Explanation: D) According to the contingency anchor, people and their work environments are complex, and the field of organizational behavior recognizes this by stating that a particular action may have different consequences in different situations. In other words, no single solution is best all of the time.

Difficulty: 1 Easy

Topic: Organizational behavior (OB)

Learning Objective: 01-03 Discuss the anchors on which organizational behavior knowledge is based.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

89) Which of the following statements is consistent with the concept of the contingency anchor?

A) To obtain the best results, actions should be taken without considering their consequences.

B) A particular action may have different consequences in different situations.

C) OB theories are based on simple, common sense ideas about what managers should do.

D) OB theories point out the one best way to resolve organizational problems.

Answer: B

Explanation: B) The contingency anchor states that a particular action may have different consequences in different situations.

Difficulty: 2 Medium

Topic: Organizational behavior (OB)

Learning Objective: 01-03 Discuss the anchors on which organizational behavior knowledge is based.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

90) According to the multiple levels of analysis anchor,

A) organizational behavior is mainly the study of how all levels of the organizational hierarchy interact with the external environment.

B) organizational behavior topics typically relate to the individual, team, and organizational levels of analysis.

C) there are eight levels of analysis that scholars should recognize when conducting OB research.

D) organizational events can be studied from only one level of analysis.

Answer: B

Explanation: B) According to the multiple levels of analysis anchor, OB topics typically relate to the individual, team, and organizational levels of analysis.

Difficulty: 2 Medium

Topic: Organizational behavior (OB)

Learning Objective: 01-03 Discuss the anchors on which organizational behavior knowledge is based.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

91) Which of the following is a conceptual anchor in organizational behavior?

A) the contingency anchor

B) the economic anchor

C) the social anchor

D) the single-level anchor

Answer: A

Explanation: A) The contingency anchor is one of the four conceptual anchors in organizational behavior.

Difficulty: 1 Easy

Topic: Organizational behavior (OB)

Learning Objective: 01-03 Discuss the anchors on which organizational behavior knowledge is based.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

92) Which of the following perspectives holds that organizations depend on the external environment for resources, affect that environment through their output, and consist of internal subsystems that transform inputs into outputs?

A) open systems

B) systematic research

C) high-performance work practice (HPWP)

D) organizational learning

Answer: A

Explanation: A) The open systems perspective views organizations as complex organisms that "live" within an external environment. As open systems, organizations depend on the external environment for resources, including raw materials, employees, financial resources, information, and equipment in order to transform inputs to outputs, like products/services, dividends, etc.

Difficulty: 1 Easy

Topic: Open system

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

93) Organizational behavior views organizations as

A) non-systems.

B) a single unitary subsystem.

C) open systems.

D) closed systems.

Answer: C

Explanation: C) The open systems perspective views organizations as complex organisms that "live" within an external environment.

Difficulty: 1 Easy

Topic: Open system

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

94) The open systems perspective states that

A) organizations are effective when they maintain a good environmental fit.

B) organizations can operate efficiently by ignoring changes in the external environment.

C) people are the most important organizational input needed for effectiveness.

D) organizations should avoid internal conflicts to achieve efficiency.

Answer: A

Explanation: A) The open systems perspective states that organizations are effective when they maintain a good "fit" with their external environment. Good fit exists when the organization's inputs, processes, and outputs are aligned with the external environment's needs, expectations, and resources.

Difficulty: 1 Easy

Topic: Open system

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

95) Which organizational behavior perspective discusses inputs, outputs, and feedback?

A) organizational learning

B) open systems

C) single window

D) systematic research

Answer: B

Explanation: B) According to the open systems perspective, organizations depend on the external environment for resources, affect that environment through their output, and consist of internal subsystems that transform inputs to outputs. Throughout this process, organizations receive feedback from the external environment regarding the value of their outputs, the availability of future inputs, and the appropriateness of the transformation process.

Difficulty: 1 Easy

Topic: Open system

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

96) As open systems, organizations depend on the external environment for

A) incentive plans.

B) products.

C) financial resources.

D) employee motivation.

Answer: C

Explanation: C) As open systems, organizations depend on the external environment for resources, including raw materials, job applicants, financial resources, information, and equipment.

Difficulty: 1 Easy

Topic: Open system

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

97) ACME Software Inc. continuously collects feedback from its existing customers and implements them as bug fixes and new features in the latest versions of their software. This strategy relates most closely with which of the following concepts?

A) contingency anchor

B) grounded theory

C) open systems

D) virtual teams

Answer: C

Explanation: C) According to the open systems perspective, organizations are effective when they maintain a good "fit" with their external environment. The most common strategy to fit with the external environment is to adapt a company's products and services to improve them. In this case, ACME Software Inc. changes its products according to its customers' needs.

Difficulty: 3 Hard

Topic: Open system

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

98) A firm has good associations with its customers, suppliers, and others who provide added mutual value for the firm. Name the form of intellectual capital that is possessed by the firm due to its good associations.

A) structural capital

B) relationship capital

C) human capital

D) knowledge capital

Answer: B

Explanation: B) Relationship capital is a form of intellectual capital, which is the value derived from an organization's relationships with customers, suppliers, and others who provide added mutual value for the organization. It includes the organization's goodwill, brand image, and combination of relationships that organizational members have with people outside the organization.

Difficulty: 2 Medium

Topic: Intellectual capital

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

99) Successful companies rely on \_\_\_\_\_\_\_\_ as a key ingredient to success.

A) open systems

B) knowledge

C) stakeholders

D) systematic research

Answer: B

Explanation: B) The open systems perspective has traditionally focused on physical resources that enter the organization and are processed into physical goods (outputs). But whether their outputs are physical or cognitive, successful companies rely on knowledge as a key ingredient to success. Effective organizations find ways to acquire, share, use, and store knowledge.

Difficulty: 1 Easy

Topic: Organizational behavior (OB)

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

100) Human capital includes the

A) amount of outputs relative to the inputs in an organization.

B) knowledge embedded in an organization's systems and structures.

C) value derived from an organization's relationships with customers, suppliers, and others.

D) abilities among employees that provide economic value to an organization.

Answer: D

Explanation: D) Human capital is the stock of knowledge, skills, and abilities among employees that provide economic value to an organization.

Difficulty: 1 Easy

Topic: Knowledge and skill

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

101) Organizations retain intellectual capital by

A) creating structural capital.

B) encouraging employees to take early retirement.

C) discouraging employees from communicating with each other.

D) reducing the level of documentation in organizations.

Answer: A

Explanation: A) Human capital is a huge risk for most organizations. Employees remove valuable knowledge when they leave, which makes the company less effective. Fortunately, even if every employee left the organization, some intellectual capital remains as structural capital.

Difficulty: 2 Medium

Topic: Intellectual capital

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

102) Jack has worked for Widgets, Inc. for 35 years, and he is the only employee who can decipher the old coding on products in the warehouse before computerization took place. Due to the economic downturn, Jack was forced into early retirement. What type of knowledge will Widgets lose?

A) relationship capital

B) structural capital

C) human capital

D) internal capital

Answer: C

Explanation: C) Intellectual capital refers to the stock knowledge residing in an organization and exists in three forms: human capital, structural capital, and relationship capital. Widgets, Inc. will lose human capital because Jack is the only employee who can decipher the codes. Employees remove valuable knowledge when they leave, which makes the company less effective.

Difficulty: 3 Hard

Topic: Organizational structure

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

103) Which of the following is one of the knowledge acquisition strategies?

A) observation

B) experimentation

C) documentation

D) internal communication

Answer: B

Explanation: B) Knowledge acquisition includes extracting information and ideas from the external environment as well as through discovery. The knowledge acquiring strategies are individual learning, environmental scanning, grafting, and experimentation.

Difficulty: 2 Medium

Topic: Knowledge and skill

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

104) In the context of the four organizational learning processes, grafting is conducive to

A) measuring intellectual capital.

B) knowledge acquisition.

C) increasing organizational memory.

D) knowledge sharing.

Answer: B

Explanation: B) Knowledge acquisition includes extracting information and ideas from the external environment as well as through discovery. Many growing companies achieve this by actively recruiting talented people and buying complementary businesses, which is called grafting.

Difficulty: 2 Medium

Topic: Knowledge and skill

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

105) Mountaintop University performs a daily computer search through newspaper articles to identify any articles about the university or its faculty members. University administrators use this information to receive feedback about how the public reacts to university activities. In the context of organizational learning processes, searching for newspaper articles and other external writing about the organization is mainly a form of

A) knowledge acquisition.

B) knowledge drafting.

C) organizational unlearning.

D) knowledge sharing.

Answer: A

Explanation: A) Knowledge acquisition includes extracting information and ideas from the external environment as well as through insight. One knowledge acquisition strategy is environmental scanning, such as actively monitoring customer trends and competitor activities.

Difficulty: 3 Hard

Topic: Knowledge and skill

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

106) Twice every year, a major car parts manufacturer brings together the production and engineering specialists from its eight divisions to discuss ideas, solutions, and concerns. This helps to minimize the silos of knowledge problem that exists in many organizations. This practice is primarily an example of

A) grafting.

B) experimentation.

C) knowledge sharing.

D) documentation.

Answer: C

Explanation: C) Knowledge sharing involves distributing knowledge throughout an organization.

Difficulty: 3 Hard

Topic: Knowledge and skill

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

107) Windy Day Flags is a growing company that produces decorative flags and other whimsical garden accessories. Charla, owner and CEO, plans to purchase the small company that already provides their flag material; the purchase will cut Windy Day's materials cost by half and bring over a few employees with very specialized knowledge and skills. Which knowledge acquisition is Charla using?

A) reverse engineering

B) experimenting

C) environmental scanning

D) grafting

Answer: D

Explanation: D) Knowledge acquisition occurs when Charla buys a complementary business to hers and retains its skilled staff. This is called grafting.

Difficulty: 3 Hard

Topic: Knowledge and skill

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

108) A computer maintenance company wants to capture the knowledge that employees carry around in their heads by creating a database where employees document their solutions to unusual maintenance problems. This practice is trying to

A) transform intellectual capital into knowledge management.

B) create structural capital.

C) prevent relationship capital from interfering with human capital.

D) reduce the amount of human capital.

Answer: B

Explanation: B) Human capital is a huge risk for most organizations. Employees remove valuable knowledge when they leave, which makes the company less effective. Fortunately, even if every employee left the organization, some intellectual capital remains as structural capital. Structural capital includes the knowledge captured and retained in an organization's systems and structures, such as the documentation of work procedures and the physical layout of the production line.

Difficulty: 3 Hard

Topic: Intellectual capital

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

109) The perspective that effective organizations incorporate several workplace practices that leverage the potential of human capital is called

A) high-performance work practices (HPWPs).

B) learning.

C) human capital.

D) intellectual capital.

Answer: A

Explanation: A) The perspective that effective organizations incorporate several workplace practices that leverage the potential of human capital is high-performance work practices (HPWPs).

Difficulty: 1 Easy

Topic: High-Performance work practices (HPWP)

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

110) Which of the following statements is TRUE about human capital in an organization?

A) Human capital helps the organization use opportunities more than realizing them.

B) Human capital is a key variable according to the high-performance work practices (HPWPs) perspective.

C) Human capital is non-substitutable, though it is abundant.

D) Human capital is independent of the challenges of the external environment.

Answer: B

Explanation: B) The high-performance work practices (HPWPs) perspective states that human capital, the knowledge, skills, and abilities that employees possess, is an important source of competitive advantage for organizations.

Difficulty: 2 Medium

Topic: High-Performance work practices (HPWP)

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

111) Employees, suppliers, and governments

A) are organizational stakeholders.

B) are rarely considered in organizational behavior theories.

C) represent the three levels of analysis in organizational behavior.

D) are excluded from the open systems anchor.

Answer: A

Explanation: A) Stakeholders include anyone with a stake in a company—employees, shareholders, suppliers, labor unions, government, communities, consumer and environmental interest groups, and so on.

Difficulty: 1 Easy

Topic: Organizational behavior (OB)

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

112) Stable, evaluative beliefs that guide a person's preferences for outcomes or courses of action in a variety of situations are called

A) shared cultures.

B) customs.

C) ethics.

D) values.

Answer: D

Explanation: D) Values are relatively stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations.

Difficulty: 1 Easy

Topic: Values

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

113) The topic of ethics is most closely associated with the \_\_\_\_\_\_\_\_ perspective.

A) stakeholder

B) systems

C) high-performance work practices (HPWPs)

D) open systems anchor

Answer: A

Explanation: A) The stakeholder perspective's focus on values also highlights the importance of ethics and corporate social responsibility into the organizational effectiveness equation. In fact, it emerged out of earlier writing about ethics and corporate social responsibility (CSR).

Difficulty: 1 Easy

Topic: Ethics

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Ethics

Accessibility: Keyboard Navigation

114) \_\_\_\_\_\_\_\_ refers to the study of moral principles or values that determine whether actions are right or wrong and outcomes are good or bad.

A) Performance orientation

B) Ethics

C) Multicultural team

D) Legal obligation

Answer: B

Explanation: B) Ethics refers to the study of moral principles or values that determine whether actions are right or wrong and outcomes are good or bad.

Difficulty: 1 Easy

Topic: Corporate social responsibility

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Ethics

Accessibility: Keyboard Navigation

115) \_\_\_\_\_\_\_\_ refers to an organization's activities intended to benefit society and the environment beyond the firm's immediate financial interests.

A) The bottom-line philosophy

B) Legal obligation

C) Homogenous team

D) Corporate social responsibility (CSR)

Answer: D

Explanation: D) Corporate social responsibility (CSR) consists of organizational activities intended to benefit society and the environment beyond the firm's immediate financial interests or legal obligations. It is the view that companies have a contract with society, in which they must serve stakeholders beyond shareholders and customers.

Difficulty: 1 Easy

Topic: Corporate social responsibility

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Ethics

Accessibility: Keyboard Navigation

116) The triple-bottom-line philosophy says that

A) companies should pay three times as much attention to profits as they do to employee well-being.

B) the main goal of all companies is to satisfy the needs of three groups: employees, shareholders, and suppliers.

C) companies should try to support the economic, social, and environmental spheres of sustainability.

D) companies should treat their local, national, and global customers fairly.

Answer: C

Explanation: C) As part of corporate social responsibility (CSR), many companies have adopted the triple-bottom-line philosophy. They try to support or "earn positive returns" in the economic, social, and environmental spheres of sustainability. Firms that adopt the triple bottom line aim to survive and be profitable in the marketplace (economic), but they also intend to maintain or improve conditions for society (social) as well as the physical environment.

Difficulty: 1 Easy

Topic: Corporate social responsibility

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

117) Which of the following is most closely associated with corporate social responsibility (CSR)?

A) knowledge management

B) triple-bottom-line

C) absorptive capacity

D) adaptive ability

Answer: B

Explanation: B) As part of corporate social responsibility (CSR), many companies have adopted the triple-bottom-line philosophy: They try to support or "earn positive returns" in the economic, social, and environmental spheres of sustainability.

Difficulty: 2 Medium

Topic: Corporate social responsibility

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

118) Scenario: Jin Soo Kim

Your roommate, Jin Soo Kim, is not a business major. When she discovered that you are taking a course in organizational behavior, she was thoroughly confused as to why one would need to study OB and what it entails. Based on what you have studied, can you help Jin Soo obtain knowledge of organizational behavior?

To help Jin Soo understand some preliminary information about OB, which of these statements about the field is TRUE?

A) Organizational behavior scholars give more importance to individual characteristics than structural characteristics.

B) The field of organizational behavior is independent of the concepts and theories from other fields of inquiry.

C) Organizational behavior emerged as a distinct field late in the 1990s.

D) Organizational behavior scholars study what people think, feel, and do in and around organizations.

Answer: D

Explanation: D) Organizational behavior (OB) is the study of what people think, feel, and do in and around organizations.

Difficulty: 2 Medium

Topic: Organizational behavior (OB)

Learning Objective: 01-01 Define organizational behavior and organizations, and discuss the importance of this field of inquiry.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

119) The changing workforce is one of the emerging trends in organizational behavior. Describe how the workforce is changing and briefly identify two consequences of these changes for organizations.

Answer: There are numerous workforce changes that students might correctly identify. Some of them are (a) increasing workforce diversity; (b) longer working hours; (c) employees experience more work-related stress; (d) growing evidence of family and personal relations suffering; and (e) younger people (Generation-X and Generation-Y) bringing somewhat different values and needs to the workforce.

There are several consequences of these workforce changes. They are: (a) potentially better decision making; (b) potentially better customer service; and (c) higher financial returns, at least in the short run.

Difficulty: 2 Medium

Topic: Workforce diversity

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Understand

AACSB: Analytical Thinking; Diversity

Accessibility: Keyboard Navigation

120) Telecommuting has been identified as an important trend in organizational behavior. Discuss three organizational behavior topics that are influenced by telecommuting.

(Note: Students may identify the relevance of various OB topics through creative and logical thinking.)

Answer: Some of the organizational behavior topics that are influenced by telecommuting include:

Stress management: Telecommuting tends to offer better work-life balance.

Performance: Telecommuting seems to improve job performance and productivity because employees tend to allocate some former commuting time to work activity.

Productivity: Employees remain productive when the weather or natural disasters block access to the office.

Organizational influence and politics: Telecommuters have to adjust to the lack of networking, and learn to overcome the limitations of limited face time in demonstrating their value.

Difficulty: 2 Medium

Topic: Organizational behavior (OB)

Learning Objective: 01-02 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

121) Discuss the conceptual anchors based on which organizational behavior is developed and redefined.

Answer: The systematic research anchor states that OB knowledge should be based on systematic research, which typically involves forming research questions, systematically collecting data, and testing hypotheses against those data. The multidisciplinary anchor states that organizational behavior should welcome theories and knowledge in other disciplines, not just from its own isolated research base. The contingency anchor states that a particular action may have different consequences in different situations. In other words, no single solution is best all of the time. The multiple levels of analysis anchor states that what goes on in organizations should be understood from three levels of analysis: individual, team, and organization.

Difficulty: 2 Medium

Topic: Evidence-based decision making

Learning Objective: 01-03 Discuss the anchors on which organizational behavior knowledge is based.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

122) Name the four important perspectives of organizational effectiveness. Explain each perspective.

Answer: Organizational effectiveness is a composite of four perspectives: open systems, organizational learning, high-performance work practices (HPWPs), and stakeholders. The open systems perspective holds that organizations depend on the external environments for resources, affect that environment through their output, and consist of internal subsystems that transform inputs to outputs. The organizational learning perspective is founded on the idea that organizational effectiveness depends on an organization's capacity to acquire, share, use, and store valuable knowledge. These processes build the organization's stock of knowledge, known as its intellectual capital. Intellectual capital exists in three forms: human capital, structural capital, and relationship capital. Human capital refers to the knowledge, skills, and abilities that employees carry around in their heads. Human capital is a competitive advantage because it is valuable, rare, difficult to imitate, and non-substitutable. The high-performance work practices (HPWPs) perspective states that effective organizations incorporate several workplace practices that leverage the potential of human capital. The HPWP perspective identifies specific ways to generate the most value from human capital. The four most frequently identified HPWP practices are employee involvement, job autonomy, competency development, and rewards for performance and competency development. The stakeholder perspective personalizes the open systems perspective; it identifies specific people and social entities in the external environment as well as within the organization (the internal environment). Stakeholders are the individuals, groups, and other entities that affect, or are affected by, the organization's objectives and actions.

Difficulty: 3 Hard

Topic: Organizational behavior (OB)

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

123) Explain the organization-environment fit concept of the open systems perspective.

Answer: According to the open systems perspective, organizations are effective when they maintain a good "fit" with their external environment. Good fit exists when the organization's inputs, processes, and outputs are aligned with the needs and expectations of the external environment. There are three ways that companies maintain a good environmental fit. The most common strategy to fit with the external environment is to change the company's products and services as well as how those outputs are produced. Companies also maintain a good fit by actively managing their external environment. For instance, businesses rely on marketing to increase demand for their products or services. Some firms gain exclusive rights to particular resources (e.g., exclusive rights to sell a known brand) or restrict competitor access to valued resources. Still others lobby for legislation that strengthens their position in the marketplace or try to delay legislation that would disrupt their business activities. If the external environment is too challenging, organizations rely on a third organization—environment fit strategy: they move to a new environment that can sustain them.

Difficulty: 2 Medium

Topic: Organizational climate

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

124) Senior officers in a national military organization decided that operations in supplies requisition were inefficient and costly. They brought in consultants who recommended that the entire requisition process be "reengineered." This involved throwing out the old practices and developing an entirely new set of work activities around workflow. However, like many reengineering changes, this intervention resulted in lower productivity, higher employee turnover, and other adverse outcomes. Discuss likely problems in the context of the open systems perspective.

Answer: The open systems perspective views organizations as complex organisms that "live" within an external environment. There are three possible ways that systems theory explains these problems. First is the fact that as open systems, organizations depend on the external environment for resources, including raw materials, job applicants, financial resources, information, and equipment. In this case, reengineering the supplies requisition may have created resource requirements that are unavailable or difficult to obtain.

The second and more likely of these is the fact that open systems have subsystems that are dependent on each other. In this situation, reengineering the supplies requisition process may have disrupted other parts of the organization, which, in turn, undermined the supplies group's ability to complete their work. The point here is that open systems consist of subsystems that are dependent on each other, and it is always useful to ensure that changes in one part of the organization have minimal adverse effects on other parts of the organization.

The third possible (but less likely) problem is in terms of inputs, transformation, outputs, and feedback. The reengineering process may have thrown out a functioning transformation process.

The change could also have resulted in less feedback from the environment regarding how well the organization is interacting with the environment. Perhaps the change resulted in a disruption of inputs or side effects in the outputs.

Student answers will vary for this question.

Difficulty: 3 Hard

Topic: Open Systems Perspective

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

125) Marketing specialists at Sarasota Beer Co. developed a new advertising campaign for summer sales. The ads were particularly aimed at sports events where Sarasota Beer sold kegs of beer on tap. The marketing group worked for months with a top advertising firm on the campaign. Their effort was successful in terms of significantly higher demand for Sarasota's keg beer at sports stadiums. However, the production department had not been notified of the marketing campaign and was not prepared for the increased demand. The company was forced to buy empty kegs at a premium price. It also had to brew some of the lower-priced keg beer in vats that would have been used for higher-priced specialty beer. The result was that Sarasota Beer sold more of the lower-priced keg beer and less of the higher-priced products that summer. Moreover, the company could not initially fill consumer demand for the keg beer, resulting in customer dissatisfaction. Use the open system perspective to explain what has occurred at Sarasota Beer Co.

Answer: This incident mainly relates to the open systems idea that organizations consist of many subsystems that are dependent on each other. In larger organizations, subsystem interdependence is so complex that an event in one department may ripple through the organization and affect other subsystems. In this case, the marketing group's advertising campaign had unintended implications for the production group. The marketing group's campaign increased demand for keg beer, which forced production to brew more of the lower-priced product rather than the higher-priced specialty beer. It was also necessary to keep up with demand by paying premium prices for empty kegs.

The students could discuss the necessity of coordination and the effect of interdependence when discussing this scenario.

Student answers will vary for this question.

Difficulty: 3 Hard

Topic: Open system

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

126) An aircraft manufacturing company developed a computer simulation representing the very complex processes and subgroups that create an airplane. Teams of production employees would participate in a game where trainers gave them the challenge of reducing costs or minimizing space using the simulation. As the trainers predicted, the team's actions would almost always result in unexpected consequences. Explain how this simulation relates to the open systems perspective of organizational behavior.

Answer: The production simulation teaches teams that organizations are complex systems with many subsystems, and these subsystems are dependent on each other as they transform inputs into outputs. As such, complex systems tend to produce unintended consequences when one part of the system is altered. The lesson here is to recognize the repercussions of subsystem actions on other parts of the organization. Student answers would vary though they should address these issues in the answer.

Difficulty: 3 Hard

Topic: Open Systems Perspective

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

127) A courier-service firm laid off a large percentage of its production staff during last year's recession. These low-skilled employees performed routine tasks filling orders. The company now wants to rehire them. However, most of the unskilled employees have since found employment in other companies and industries. Do you think the courier company lost much intellectual capital in this situation? Explain your answer.

Answer: Intellectual capital refers to a company's stock of knowledge including human capital, structural capital, and relationship capital. The courier company has lost some intellectual capital, but probably not a great deal. These are unskilled employees, some of whom have moved to other industries. This suggests that they might have been fairly replaceable and do not have much unique knowledge for the organization. Similarly, the tasks are fairly routine, suggesting that most knowledge is established within the task routines and thereby documented in procedures manuals.

However, some knowledge loss has occurred because every employee possesses some unique knowledge that is of value to the organization. For instance, the laid-off employees may have had undocumented knowledge about the preferences of certain customers or the operation of certain equipment. When employees leave the firm, they take this knowledge with them unless it is clearly documented or retained in other ways within the organization.

Student answers will vary for this question.

Difficulty: 3 Hard

Topic: Intellectual capital

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

128) According to the organizational learning perspective, what are the four organizational learning processes? Explain each process.

Answer: An organization's intellectual capital develops and is maintained through four organizational learning processes: acquiring, sharing, using, and storing knowledge. Knowledge acquisition includes extracting information and ideas from the external environment, as well as through discovery. It involves individual learning, environment scanning, grafting, and experimentation. Knowledge sharing is an aspect of organizational learning that involves distributing knowledge throughout the organization. It includes communication, training, information systems, and observation. Knowledge use includes applying knowledge in ways that add value to the organization and its stakeholders. It involves knowledge awareness, knowledge location, and the freedom to apply it. Knowledge storage includes any means by which knowledge is held for later retrieval. It includes human memory, documentation, practices or habits, and databases.

Difficulty: 2 Medium

Topic: Knowledge and skill

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

129) Explain the three propositions that high-performance work practices (HPWPs) are based on.

Answer: The high-performance work practices (HPWPs) perspective is based on three propositions:

1. Human capital—the knowledge, skills, and abilities that employees possess—is an important source of competitive advantage for organizations. As such, this human capital is (a) valuable, (b) rare, (c) difficult to imitate, and (d) non-substitutable.

2. This perspective tries to figure out specific ways to generate the most value from this human capital.

3. OB researchers have studied the effects of many work practices, but four are consistently identified as high-performance practices: employee involvement, job autonomy, competency development, and rewards for performance and competency development. Each of these four work practices individually improves organizational effectiveness, but studies suggest that they have a stronger effect when bundled together.

Difficulty: 2 Medium

Topic: High-Performance work practices (HPWP)

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

130) Many organizations are placing increasing importance on values in the workplace. Explain the differences between values, ethics, and corporate social responsibility.

Answer: Values are relatively stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations. Values help us to know what is right or wrong, or good or bad, in the world. Values anchor our thoughts and, as such, motivate our actions.

By incorporating values into organizational effectiveness, the stakeholder perspective also provides the strongest case for ethics and corporate social responsibility. Ethics refers to the study of moral principles or values that determine whether actions are right or wrong and outcomes are good or bad. We rely on our ethical values to determine "the right thing to do." Ethical behavior is driven by the moral principles we use to make decisions. These moral principles represent fundamental values.

Corporate social responsibility consists of organizational activities intended to benefit society and the environment beyond a firm's immediate financial interests or legal obligations.

Difficulty: 1 Easy

Topic: Values

Learning Objective: 01-04 Compare and contrast the four perspectives of organizational effectiveness.

Bloom's: Remember

AACSB: Ethics

Accessibility: Keyboard Navigation