

Multiple Choice

1. Which of the following maxims were Frank and Lillian Gilbreth most well-known for in the scientific management community?

- a) Finding the best way to perform a task
- b) Applying bureaucratic usefulness to the organization
- c) Finding critical human relations in organizations
- d) Applying total quality management to every task

Answer: A

Level of Difficulty: Easy

Learning Objective: A Brief History of OB

AACSB: Analytic skills

2. According to Max Weber, scientific management approach contributed to the rise of the _____.

- a) stakeholder approach
- b) bureaucratic organization
- c) one best way approach
- d) total quality management

Answer: B

Level of Difficulty: Easy

Learning Objective: A Brief History of OB

AACSB: Analytic skills

3. Mary Parker Follet made a significant contribution in the area of _____.

- a) institutionalization
- b) bureaucracy
- c) total quality management

d) human relations

Answer: D

Level of Difficulty: Easy

Learning Objective: A Brief History of OB

AACSB: Analytic skills

4. Mary Parker Follet advocated that _____.

- a) there is only one best way to accomplish a specific task
- b) authority should not always go to a person who holds a managerial position
- c) work should be reorganized based on rules and procedures
- d) institutionalized social norms and expectations should control people's actions

Answer: B

Level of Difficulty: Medium

Learning Objective: A Brief History of OB

AACSB: Analytic skills

5. Which of the following conclusions was an outcome of further studies on the research done by Elton Mayo and Fritz Roethlisberger at the Hawthorne plant of the Western Electric Company?

- a) Workers' productivity will increase whenever managers give them special attention.
- b) Organizations can be managed in an impersonal manner.
- c) Institutionalized social norms and expectations control people's actions by setting up predefined patterns of behavior.
- d) Authority should go to the person who holds the position of manager.

Answer: A

Level of Difficulty: Medium

Learning Objective: A Brief History of OB

AACSB: Analytic skills

6. The _____ highlights the complex interdependences between individuals, features of organizations, and the broader organizational context.

- a) bureaucratic approach

- b) systems theory
- c) obstructionist stance
- d) beliefs theory

Answer: B

Level of Difficulty: Easy

Learning Objective: A Brief History of OB

AACSB: Analytic skills

7. The systems theory advocates that _____.

- a) managers should use a closed-system approach
- b) authority should never rest with managers
- c) managers should adopt an open-systems perspective
- d) productivity increases when workers get special attention

Answer: C

Level of Difficulty: Medium

Learning Objective: A Brief History of OB

AACSB: Analytic skills

8. Which of the following statements represents the views of W. Edwards Deming?

- a) Variability in quality of output is largely attributable to organizational systems and processes.
- b) Institutionalized social norms and expectations control people's actions by setting up predefined patterns of behavior.
- c) Workers' productivity will increase whenever managers give them special attention.
- d) Work should be organized based on rules and procedures and reporting relationships should be designed to maximize efficiency.

Answer: A

Level of Difficulty: Medium

Learning Objective: A Brief History of OB

AACSB: Analytic skills

9. Which of the following concepts was highlighted by Philip Selznick during the beliefs era?

- a) Human relations
- b) Bureaucracy
- c) Total quality management
- d) Institutionalization

Answer: D

Level of Difficulty: Easy

Learning Objective: A Brief History of OB

AACSB: Communication abilities

10. Which of the following concepts emerged during the beliefs era?

- a) Human relations
- b) Bureaucracy
- c) Total quality management
- d) Social construction of reality

Answer: D

Level of Difficulty: Easy

Learning Objective: A Brief History of OB

AACSB: Analytic skills

11. Which of the following is considered one of the major issues in the sustainability era of organizational behavior (OB)?

- a) People are not questioning the systems responsible for the wide gap between the rich and the poor.
- b) Ecological sustainability is not important for organizations to remain competitive and viable.
- c) People are increasingly acting with regard to less tangible concerns such as aesthetics and spirituality.
- d) Research suggests that people are more interested in materialistic and economic rewards.

Answer: C

Level of Difficulty: Medium

Learning Objective: A Brief History of OB

AACSB: Analytic skills

12. Which of the following trends have emerged during the sustainability era?

- a) People are not questioning the systems responsible for the wide gap between the rich and the poor.
- b) Ecological sustainability is not important for organizations to remain competitive and viable.
- c) Research suggests that people are more interested in materialistic and economic rewards.
- d) People around the world are increasingly more interested in the quality of life and a sense of community.

Answer: D

Level of Difficulty: Medium

Learning Objective: A Brief History of OB

AACSB: Analytic skills

13. Organizational behavior (OB) research generally starts with _____.

- a) the development of hypotheses
- b) a question expressed in terms of a theory
- c) testing of hypotheses in the context of an organization
- d) confirming results by additional studies

Answer: B

Level of Difficulty: Medium

Learning Objective: OB as a Science

AACSB: Analytic skills

14. A meta-analysis is a study that _____.

- a) focuses on factors that are easily quantifiable to draw conclusions
- b) represents the association between two variables
- c) combines the evidence from numerous studies to draw general conclusions
- d) advocates the use of rules and procedures in organizational tasks

Answer: C

Level of Difficulty: Medium

Learning Objective: OB as a Science

AACSB: Analytic skills

15. Which of the following statements is true of conventional OB research?

- a) The perceived objectivity of the conventional approach makes it difficult to implement.
- b) Many conventional OB research designs have a quantitative or positivistic orientation.
- c) Conventional OB research is more likely to engage in qualitative research designs.
- d) Measuring the views of multiple stakeholders can be easily done by quantitative methods.

Answer: B

Level of Difficulty: Medium

Learning Objective: OB as a Science

AACSB: Analytic skills

16. Conventional OB emphasizes the importance of _____.

- a) organization-specific responsibility
- b) corporate social responsibility
- c) institutionalization
- d) social construction of reality

Answer: A

Level of Difficulty: Medium

Learning Objective: Stakeholder Relationships

AACSB: Analytic skills

17. Corporate social responsibility focuses on _____.

- a) one particular form of well-being
- b) the welfare of multiple stakeholders
- c) the organization's owners
- d) financial interests of the organization alone

Answer: B

Level of Difficulty: Medium

Learning Objective: Stakeholder Relationships

AACSB: Analytic skills

18. Which of the following statements is true of sustainable OB?

- a) It seeks to manage customers to serve the financial interests of the organization.
- b) It always acts to seek financial well-being.
- c) It focuses on the well-being of a particular stakeholder.
- d) It is characterized by its service and relationship-building orientation with customers.

Answer: D

Level of Difficulty: Medium

Learning Objective: Stakeholder Relationships

AACSB: Analytic skills

19. Sustainable OB:

- a) seeks to manage customers to serve the financial interests of the organization.
- b) always acts to seek financial well-being.
- c) focuses on the well-being of a particular stakeholder.
- d) strives to enhance multiple forms of well-being for multiple stakeholders.

Answer: D

Level of Difficulty: Medium

Learning Objective: Stakeholder Relationships

AACSB: Analytic skills

20. With conventional OB, management is ethically obligated to _____.

- a) take care of economic as well as social goals
- b) all the stakeholders
- c) the organization's owners
- d) care for the natural environment

Answer: C

Level of Difficulty: Medium

Learning Objective: Stakeholder Relationships

AACSB: Ethical understanding and reasoning abilities

21. Triumph Chemicals Inc. is a company producing a variety of chemical compounds. The company shows little concern toward the environmental hazards caused by the byproducts of its manufacturing processes. It releases toxic chemicals into the nearby lake to avoid the costs involved in setting up a treatment facility. Which of the following does the company adopt for managing the environment?

- a) Market approach
- b) Obstructionist stance
- c) Defensive strategy
- d) Stakeholder approach

Answer: B

Level of Difficulty: Hard

Learning Objective: Stakeholder Relationships

AACSB: Ethical understanding and reasoning abilities

22. Which of the following statements is true of the obstructionist stance?

- a) Organizational members do only as much as is legally required and may even try to use the law to their own advantage.
- b) Organizational members show concern for environmental concerns in response to demands or opportunities in the marketplace.
- c) Organizational members acknowledge the need to make ecological choices that are reasonable in the eyes of society.
- d) Organizational members do as little as possible to address environmental problems.

Answer: D

Level of Difficulty: Medium

Learning Objective: Stakeholder Relationships

AACSB: Ethical understanding and reasoning abilities

23. An organization adopting an obstructionist stance would:

- a) show environmental concern based on market demands.
- b) do only what is legally required of them.
- c) focus on narrowly defined economic priorities.
- d) address the concerns of various stakeholder groups.

Answer: C

Level of Difficulty: Medium

Learning Objective: Stakeholder Relationships

AACSB: Ethical understanding and reasoning abilities

24. With a(n) _____, organizational members do only as much as is legally required and may even try to use the law to their own advantage.

- a) market approach
- b) obstructionist stance
- c) defensive strategy
- d) stakeholder approach

Answer: C

Level of Difficulty: Medium

Learning Objective: Stakeholder Relationships

AACSB: Ethical understanding and reasoning abilities

25. Which of the following scenarios is an example of a defensive approach?

- a) A retail store collaborates with its suppliers to promote eco-friendly products.
- b) A chemical plant meets the minimum safety requirements dictated by legislations.
- c) A metal processing industry deposits all the scrap metal on a nearby empty land.
- d) A restaurant uses degradable food packaging on the insistence of its customers.

Answer: B

Level of Difficulty: Hard

Learning Objective: Stakeholder Relationships

AACSB: Ethical understanding and reasoning abilities

26. Daily Fresh is a store selling food products. The results of a customer survey showed that most people preferred organically grown food products. Hence, the store started to look for suppliers specializing in organic food products. In this scenario, Daily Fresh is adopting a _____ toward managing the environment.

- a) market approach
- b) obstructionist stance
- c) defensive strategy

d) stakeholder approach

Answer: A

Level of Difficulty: Hard

Learning Objective: Stakeholder Relationships

AACSB: Ethical understanding and reasoning abilities

27. The _____ goes beyond the market approach and responds to the environmental concerns of various stakeholder groups, including customers, the local community, business partners, and special-interest groups.

- a) ethnocentric approach
- b) obstructionist stance
- c) defensive strategy
- d) accommodation approach

Answer: D

Level of Difficulty: Easy

Learning Objective: Stakeholder Relationships

AACSB: Ethical understanding and reasoning abilities

28. Which of the following approaches is exhibited by an organization going out of its way to learn about the needs of different stakeholder groups?

- a) Proactive approach
- b) Obstructionist stance
- c) Defensive strategy
- d) Ethnocentric approach

Answer: A

Level of Difficulty: Easy

Learning Objective: Stakeholder Relationships

AACSB: Ethical understanding and reasoning abilities

29. Which of the following statements is true of the accommodation approach?

- a) Organizational members do only as much as is legally required and may even try to use the law to their own advantage.
- b) Organizational members show concern for environmental concerns in response to demands or opportunities in the marketplace.
- c) Organizational members acknowledge the need to make ecological choices that are reasonable in the eyes of society.
- d) Organizational members taking this approach do as little as possible to address environmental problems.

Answer: C

Level of Difficulty: Medium

Learning Objective: Stakeholder Relationships

AACSB: Ethical understanding and reasoning abilities

30. Which of the following statements represents the actions of a firm adopting the market approach?

- a) Organizational members do only as much as is legally required and may even try to use the law to their own advantage.
- b) Organizational members show concern for environmental concerns in response to demands of customers.
- c) Organizational members acknowledge the need to make ecological choices that are reasonable in the eyes of society.
- d) Organizational members taking this approach do as little as possible to address environmental problems.

Answer: B

Level of Difficulty: Medium

Learning Objective: Stakeholder Relationships

AACSB: Ethical understanding and reasoning abilities

31. Which of the following scenarios is an example of a market approach by organizations?

- a) A retail store collaborates with its suppliers to promote eco-friendly products.
- b) A chemical plant meets the minimum safety requirements dictated by legislations.
- c) A metal processing industry deposits all the scrap metal on a nearby empty land.
- d) A restaurant using biodegradable food packaging on the insistence of its customers.

Answer: D

Level of Difficulty: Hard

Learning Objective: Stakeholder Relationships

AACSB: Ethical understanding and reasoning abilities

32. Which of the following scenarios is an example of an accommodation approach?

- a) A retail store collaborates with its suppliers to promote eco-friendly products.
- b) A chemical plant meets the minimum safety requirements dictated by legislations.
- c) A metal processing industry deposits all the scrap metal on a nearby empty land.
- d) A restaurant using biodegradable food packaging on the insistence of its customers.

Answer: A

Level of Difficulty: Hard

Learning Objective: Stakeholder Relationships

AACSB: Ethical understanding and reasoning abilities

33. Which of the following scenarios is an example of a proactive approach?

- a) A paint company allocates funds for research on eco-friendly paints to promote environmental well-being.
- b) A chemical plant meets the minimum safety requirements dictated by legislations.
- c) A metal processing industry deposits all the scrap metal on a nearby empty land.
- d) A restaurant using biodegradable food packaging on the insistence of its customers who are willing to pay an extra amount.

Answer: A

Level of Difficulty: Medium

Learning Objective: Stakeholder Relationships

AACSB: Ethical understanding and reasoning abilities

34. Which of the following statements is true of sustainable development?

- a) It has little concern about the environment.
- b) It addresses the concerns of the future generations.
- c) It only implements practices required by law.
- d) It is limited to environmental concerns highlighted by a section of the public.

Answer: B

Level of Difficulty: Medium

Learning Objective: Stakeholder Relationships

AACSB: Analytic skills

35. Jupiter Energy Solutions Inc. aims to reduce the usage of conventional sources of energy by developing technologies for effective harnessing of wind and solar energy. The company's aim is to contribute to the conservation of resources for the future generation. Which strategy for environmental management has the company adopted?

- a) Sustainable development
- b) Obstructionist stance
- c) Defensive strategy
- d) Ethnocentric approach

Answer: A

Level of Difficulty: Hard

Learning Objective: Stakeholder Relationships

AACSB: Ethical understanding and reasoning abilities

36. Nebulia is a country rich in the production of tropical fruits. It is dependent on Helmsford, its neighbor, for food grains and spices, while Helmsford imports fruits from Nebulia. Which of the following terms best describes the interdependence between these two countries?

- a) Sustainable development
- b) Specialization
- c) Globalization
- d) Ethnocentrism

Answer: C

Level of Difficulty: Hard

Learning Objective: Global Environment

AACSB: Dynamics of the global economy

37. Which of the following approaches are used by organizations that adopt conventional OB when working in other cultures?

- a) Corporate social responsibility
- b) Egalicentrism
- c) Polycentrism
- d) Sustainable development

Answer: C

Level of Difficulty: Easy

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

38. Which of the following approaches is used by sustainable OB when working in other cultures?

- a) Materialism
- b) Egalicentrism
- c) Polycentrism
- d) Ethnocentrism

Answer: B

Level of Difficulty: Easy

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

39. Which of the following statements defines ethnocentrism?

- a) It assumes organizational members in a host country know the best way to manage an organization in their country.
- b) It is the belief that your own country offers the best way to manage in a foreign country.
- c) It is characterized by two-way, give-and-take communication that fosters mutual understanding and community.
- d) It believes in adopting the policies of the host country.

Answer: B

Level of Difficulty: Medium

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

40. Which of the following statements best describes egalicism?

- a) It assumes organizational members in a host country know the best way to manage an organization in their country.
- b) It is the belief that your own country offers the best way to manage in a foreign country.
- c) It is characterized by two-way, give-and-take communication that fosters mutual understanding and community.
- d) It believes in adopting the policies of the host country.

Answer: C

Level of Difficulty: Medium

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

41. Which of the following statements is a characteristic of polycentrism?

- a) It is the belief that the best way to maximize a firms' profits is to adapt to the practices found in foreign countries.
- b) It is the belief that your own country offers the best way to manage in a foreign country.
- c) It is characterized by two-way, give-and-take communication that fosters mutual understanding and community.
- d) It is a means of developing new practices than a process of picking and choosing the "best of" existing practices from around the world.

Answer: A

Level of Difficulty: Medium

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

42. Which of the following statements is an important feature of egalicism?

- a) It is the belief that the best way to maximize a firms' profits is to adapt to the practices found in foreign countries.
- b) It emphasizes the importance of understanding the differences among cultures and learning from each other.
- c) It emphasizes the fact that an organization's home country is more advanced and developed than a foreign country.
- d) It is the belief that your own country offers the best way to manage in a foreign country.

Answer: B

Level of Difficulty: Medium

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

43. White Pharmaceuticals Inc. is a multinational firm with a number of branches across the world. When working in countries with different cultures, it focuses on mutual coordination and an understanding of the differences in cultures. Which of the following approaches has the company adopted?

- a) Ethnocentrism
- b) Imperialism
- c) Egalicentrism
- d) Polycentrism

Answer: C

Level of Difficulty: Hard

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

44. Best Foods Inc. is a multinational company. It believes that the practices followed in its home country are the most appropriate ones to follow in foreign countries. Which of the following describes the company's approaches in dealing with multiple cultures?

- a) Ethnocentrism
- b) Imperialism
- c) Egalicentrism
- d) Polycentrism

Answer: A

Level of Difficulty: Hard

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

45. Orchid Paints Inc. is a multinational company. It recently opened a branch in Maldovia. The company has decided to adopt the business strategies followed in Maldovia to maximize its profits. Which of the following approaches has the company adopted for working with diverse cultures?

- a) Ethnocentrism
- b) Imperialism
- c) Egalicentrism
- d) Polycentrism

Answer: D

Level of Difficulty: Hard

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

46. Ruby Industries Inc. is a company high on individualism. Hence, it would:

- a) emphasize that its policies are the best for operating in different cultures.
- b) show least concern for the environmental implications of its activities.
- c) use a piece-rate system to increase workers' productivity.
- d) reward workers based on their tenure in the company.

Answer: C

Level of Difficulty: Medium

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

47. Which of the following statements is true of organizations in an individualistic culture?

- a) It emphasizes the importance of the well-being of the society.
- b) Employees are motivated by opportunities for personal gains.
- c) Loyalty to the group is higher.
- d) Pay increase is based on the tenure of a person in an organization.

Answer: B

Level of Difficulty: Easy

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

48. _____ is the dimension of national culture that lays emphasis on conformity and stability.

- a) Uncertainty avoidance
- b) Power distance
- c) Challenging authority
- d) Quality of life

Answer: A

Level of Difficulty: Easy

Learning Objective: Global Environment

AACSB: Analytic skills

49. Angela is brought up in a society that adopts a collectivist culture. Which of the following characteristics is she most likely to have?

- a) Emphasis on opportunities for personal gain
- b) Emphasis on friends and extended family
- c) Emphasis on the present and immediate gratification
- d) Emphasis on inequality and respect for authority

Answer: B

Level of Difficulty: Medium

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

50. Which of the following is characteristic of cultures emphasizing materialism?

- a) Placing a high value on assertiveness
- b) Placing a high value on cooperation
- c) Interest in aesthetic and spiritual concerns
- d) Emphasis on personal relationships

Answer: A

Level of Difficulty: Easy

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

51. Simon is highly motivated to work toward achieving a higher position and a wealthy lifestyle. According to Hofstede, which dimension of national culture is seen in this example?

- a) Uncertainty avoidance
- b) Materialism
- c) Ethnocentrism
- d) Power distance

Answer: B

Level of Difficulty: Hard

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

52. Which of the following is a characteristic of culture that emphasizes quality of life?

- a) Placing a high value on assertiveness
- b) Placing a high value on individual self-interests
- c) Interest in aesthetic and spiritual concerns
- d) Emphasis on high paying jobs

Answer: C

Level of Difficulty: Medium

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

53. Ryan grows up in a society that gives importance to the quality of life. Hence, Ryan would:

- a) place a high value on assertiveness.
- b) place a high value on individual self-interests.
- c) give more importance to personal relationships.
- d) focus on extrinsic rewards.

Answer: C

Level of Difficulty: Hard

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

54. People in a low power distance culture tend to:

- a) expect managers to make decisions.
- b) prefer predictable rules and regulations without ambiguities.
- c) show hesitation in voicing disagreements.
- d) challenge authority and participate in decision making.

Answer: D

Level of Difficulty: Medium

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

55. Which of the following scenarios illustrates the concept of high power distance in cultures?

- a) Sam prefers to work cooperatively with his boss in setting his own targets.
- b) Patricia is hesitant to question her manager's decisions.
- c) Albert likes a phone and immediately buys it on credit.
- d) Syeda participates in making decisions along with her work team.

Answer: B

Level of Difficulty: Hard

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

56. Which of the following scenarios illustrates the concept of low power distance in cultures?

- a) Sam prefers to work with a set of defined rules and regulations.
- b) Patricia is hesitant to question her manager's decisions.
- c) Albert likes a phone and immediately buys it on credit.
- d) Syeda participates in making decisions along with her work team.

Answer: D

Level of Difficulty: Hard

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

57. Which of the following scenarios illustrates the concept of time orientation in cultures?

- a) Sam prefers to work with a set of defined rules and regulations.
- b) Patricia is hesitant to question her manager's decisions.
- c) Albert likes a phone and immediately buys it on credit.
- d) Syeda expects her manager to make all important decisions.

Answer: C

Level of Difficulty: Medium

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

58. Which of the following statements is true of cultures with high uncertainty avoidance?

- a) They prefer predictable rules and regulations to ambiguity and risk.
- b) Managers expect members to be relatively adaptable and willing to try new things.
- c) It is considered entirely appropriate that power is distributed unevenly throughout society.
- d) Members tend to prefer immediate rewards to delayed gratification.

Answer: A

Level of Difficulty: Medium

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

59. Which of the following scenarios illustrates the concept of high uncertainty avoidance in cultures?

- a) Sam prefers to work with a set of defined rules and regulations.
- b) Patricia is hesitant to question her manager's decisions.
- c) Albert likes a phone and immediately buys it on credit.
- d) Syeda expects her manager to make all important decisions.

Answer: A

Level of Difficulty: Medium

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

60. Which of the following scenarios illustrates the concept of low uncertainty avoidance in cultures?

- a) Sam prefers to work with a set of defined rules and regulations.
- b) Patricia is hesitant to question her manager's decisions.
- c) Cindy likes to bring innovative ideas to her work as a design engineer.
- d) Syeda expects her manager to make all important decisions.

Answer: C

Level of Difficulty: Medium

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

61. Which of the following statements is true of a culture with low uncertainty avoidance?

- a) People prefer predictable rules and regulations to ambiguity and risk.
- b) Managers expect members to be relatively adaptable and willing to try new things.
- c) People prefer to make only small improvements to the "tried-and-true" traditions.
- d) Managers should expect members to respond well to stable and predictable structures and systems.

Answer: B

Level of Difficulty: Medium

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

Fill In The Blanks

62. _____ focuses on analyzing and improving the efficiency of work processes.

Answer: Scientific management

Level of Difficulty: Easy

Learning Objective: A Brief History of OB

AACSB: Communication abilities

63. _____ has occurred when organizational practices or rules are accepted and perpetuated without regard to rationality.

Answer: Institutionalization

Level of Difficulty: Easy

Learning Objective: A Brief History of OB

AACSB: Communication abilities

64. A(n) _____ is any group within or outside the organization that is directly affected by the organization and has an interest in its performance.

Answer: stakeholder

Level of Difficulty: Easy

Learning Objective: Stakeholder Relationships

AACSB: Communication abilities

65. _____ is the obligation of organizations to act in ways that protect and improve the welfare of multiple stakeholders.

Answer: Corporate social responsibility

Level of Difficulty: Easy

Learning Objective: Stakeholder Relationships

AACSB: Communication abilities

66. The _____ is composed of all living and nonliving things that have not been created by human technology or human activity.

Answer: natural environment

Level of Difficulty: Easy

Learning Objective: Stakeholder Relationships

AACSB: Communication abilities

67. _____ is the type of development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Answer: Sustainable development

Level of Difficulty: Easy

Learning Objective: Stakeholder Relationships

AACSB: Communication abilities

68. _____ refers to the increased interdependence and integration among people and organizations around the world.

Answer: Globalization

Level of Difficulty: Easy

Learning Objective: Global Environment

AACSB: Communication abilities

69. A(n) _____ is often defined as an organization that receives more than 25 percent of its total sales revenue from outside its home country.

Answer: multinational company

Level of Difficulty: Easy

Learning Objective: Global Environment

AACSB: Communication abilities

70. _____ is an assumption that members in a host country know the best way to manage an organization in their country.

Answer: Polycentrism

Level of Difficulty: Easy

Learning Objective: Global Environment

AACSB: Communication abilities

71. _____ includes shared values, beliefs, knowledge, and general patterns of behavior that characterize a country's citizens.

Answer: National culture

Level of Difficulty: Easy

Learning Objective: Global Environment

AACSB: Communication abilities

Short Answer Questions

72. Briefly describe the contributions of Mary Parker Follett toward management.

Answer: Follett argued that authority should not always go to the person who formally holds the position of manager, but rather that power is fluid and should flow to the worker whose knowledge and experience makes him or her best able to serve the company at any given time. Follett viewed organizations as “communities” in which managers and workers work in harmony, neither dominates the other, and each has the freedom to discuss and resolve differences and conflicts. Follett was far ahead of her time and drew from sociology and psychology to promote a human rather than a mechanistic approach to organizational behavior (OB).

Level of Difficulty: Easy

Learning Objective: A Brief History of OB

AACSB: Communication abilities

73. Explain the basic process of organizational behavior (OB) research.

Answer: OB research generally adheres to the following basic process. It starts with a question, expressed in terms of a theory (a collection of assertions explaining what is likely to cause behavior and why), and the development of hypotheses that are specific predictions about the relationships between the variables of interest. These hypotheses are then tested in the context of organizations or in behavioral laboratories, which yield information and data that are analyzed to draw conclusions. In turn, these conclusions are confirmed or disconfirmed by additional studies.

Level of Difficulty: Medium

Learning Objective: OB as a Science

AACSB: Communication abilities

74. Explain the concept of the stakeholder approach.

Answer: The accommodation or stakeholder approach goes beyond the market approach and responds to the environmental concerns of various stakeholder groups, including customers, the

local community, business partners, and special-interest groups. Organizational members acknowledge the need to be socially responsible as well as the desire to make ecological choices that are reasonable in the eyes of society. They may agree to participate in specific programs they believe are worthy of support.

Level of Difficulty: Medium

Learning Objective: Stakeholder Relationships

AACSB: Ethical understanding and reasoning abilities

75. What are the salient features of an egalentric approach?

Answer: Egalicism recognizes that a key opportunity of cross-cultural relationships is the ability to learn from one another. It is characterized by a give-and-take communication that fosters deeper mutual understanding, community, and new insights. Egalicism is more a means of developing new practices than a process of picking and choosing the “best of” existing practices from around the world. Even so, a sustainable approach does not discount the impact of culture in shaping how people behave and respond to each other. The emphasis is not on arguing about which culture is best, but on understanding the differences among them and learning how to interact with each other to accomplish shared interests.

Level of Difficulty: Medium

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding

76. Explain uncertainty avoidance.

Answer: Cultures with high uncertainty avoidance scores prefer predictable rules and regulations to ambiguity and risk. When working in these countries, managers should expect members to respond well to stable and predictable structures and systems, to have a heightened appreciation for conformity, and to become anxious when routines are disrupted. By comparison, in cultures characterized by low uncertainty avoidance, members are more likely to value and to be comfortable with risk taking and innovativeness. Managers expect members to be relatively adaptable and willing to try new things. Organizations in countries with low uncertainty avoidance are likely to reinforce risk taking by recognizing and rewarding members who take reasonable chances that result in benefits for the organization.

Level of Difficulty: Medium

Learning Objective: Global Environment

AACSB: Multicultural and diversity understanding