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

**TRUE/FALSE**

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 4 NAT: BUSPROG: Communication STA: DISC: Individual Dynamics

TOP: Introduction KEY: Bloom's: Application

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 5 NAT: BUSPROG: Communication STA: DISC: Individual Dynamics

TOP: Introduction KEY: Bloom's: Analysis

3. Organizational behavior skills should be applied flexibly.

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 5 NAT: BUSPROG: Reflective Thinking STA: DISC: Leadership Principles

TOP: Introduction KEY: Bloom's: Application

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 6 NAT: BUSPROG: Analytic STA: DISC: Individual Dynamics

TOP: Why is OB Important? KEY: Bloom's: Application

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

ANS: F PTS: 1 DIF: Difficulty: Easy

REF: p. 6 NAT: BUSPROG: Analytic STA: DISC: Individual Dynamics

TOP: Why is OB Important? KEY: Bloom's: Comprehension

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

ANS: F PTS: 1 DIF: Difficulty: Easy

REF: p. 6 NAT: BUSPROG: Reflective Thinking STA: DISC: Individual Dynamics

TOP: Why is OB Important? KEY: Bloom's: Knowledge

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 6 NAT: BUSPROG: Communication STA: DISC: HRM

TOP: Why is OB Important? KEY: Bloom's: Knowledge

8. Both individuals and organizations benefit from OB.

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 6 NAT: BUSPROG: Communication STA: DISC: Leadership Principles

TOP: Why is OB Important? KEY: Bloom's: Comprehension

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 7 NAT: BUSPROG: Analytic STA: DISC: Group Dynamics

TOP: Why is OB Important? KEY: Bloom's: Comprehension

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

ANS: F PTS: 1 DIF: Difficulty: Easy

REF: p. 7 NAT: BUSPROG: Analytic STA: DISC: Leadership Principles

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Knowledge

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 7 NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Application

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 8 NAT: BUSPROG: Communication

STA: DISC: Operations Management TOP: Gaining a Competitive Advantage Through OB

KEY: Bloom's: Comprehension

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

ANS: F PTS: 1 DIF: Difficulty: Easy

REF: p. 8 NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Application

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 9 NAT: BUSPROG: Communication STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Application

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 10 NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Evaluation

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

ANS: F PTS: 1 DIF: Difficulty: Easy

REF: p. 10 NAT: BUSPROG: Communication STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Knowledge

17. Starbucks is pursuing a specialization strategy.

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 10 NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Application

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 9 NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Comprehension

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 11 NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Application

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 12 NAT: BUSPROG: Analytic STA: DISC: HRM

TOP: Where does OB come from? KEY: Bloom's: Knowledge

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

ANS: F PTS: 1 DIF: Difficulty: Easy

REF: p. 15 NAT: BUSPROG: Reflective Thinking STA: DISC: Group Dynamics

TOP: Current OB Issues KEY: Bloom's: Evaluation

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 15 NAT: BUSPROG: Diversity STA: DISC: Group Dynamics

TOP: Current OB Issues KEY: Bloom's: Knowledge

23. Older workers almost always embrace new technologies readily.

ANS: F PTS: 1 DIF: Difficulty: Easy

REF: p. 17 NAT: BUSPROG: Diversity

STA: DISC: Operations Management TOP: Current OB Issues

KEY: Bloom's: Knowledge

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 15 NAT: BUSPROG: Diversity STA: DISC: Individual Dynamics

TOP: Current OB Issues KEY: Bloom's: Analysis

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

ANS: F PTS: 1 DIF: Difficulty: Easy

REF: p. 15 NAT: BUSPROG: Diversity STA: DISC: Group Dynamics

TOP: Current OB Issues KEY: Bloom's: Knowledge

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 17 NAT: BUSPROG: Technology STA: DISC: HRM

TOP: Current OB Issues KEY: Bloom's: Application

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

ANS: F PTS: 1 DIF: Difficulty: Easy

REF: p. 17 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Comprehension

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 19 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Evaluation

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

ANS: F PTS: 1 DIF: Difficulty: Moderate

REF: p. 19 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Knowledge

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 20 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Application

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 23 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Analysis

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

ANS: F PTS: 1 DIF: Difficulty: Easy

REF: p. 23 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Comprehension

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 23 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Comprehension

34. Sir Francis Bacon developed the scientific method.

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 25 NAT: BUSPROG: Communication STA: DISC: Leadership Principles

TOP: How Do We Know What We Know? KEY: Bloom's: Knowledge

35. The scientific method begins with theory.

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 25 NAT: BUSPROG: Communication STA: DISC: Leadership Principles

TOP: How Do We Know What We Know? KEY: Bloom's: Knowledge

36. The scientific method begins with a hypothesis.

ANS: F PTS: 1 DIF: Difficulty: Easy

REF: p. 25 NAT: BUSPROG: Communication STA: DISC: Leadership Principles

TOP: How Do We Know What We Know? KEY: Bloom's: Knowledge

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 25 NAT: BUSPROG: Analytic

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Comprehension

38. A dependent variable is a criterion.

ANS: T PTS: 1 DIF: Difficulty: Moderate

REF: p. 25 NAT: BUSPROG: Analytic

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Knowledge

39. An independent variable is a criterion.

ANS: F PTS: 1 DIF: Difficulty: Moderate

REF: p. 25 NAT: BUSPROG: Analytic

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Knowledge

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

ANS: F PTS: 1 DIF: Difficulty: Easy

REF: p. 25 NAT: BUSPROG: Analytic

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Comprehension

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

ANS: T PTS: 1 DIF: Difficulty: Moderate

REF: p. 25 NAT: BUSPROG: Communication

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Application

42. A correlation is always a positive number.

ANS: F PTS: 1 DIF: Difficulty: Easy

REF: p. 25-27 NAT: BUSPROG: Communication

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Knowledge

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 26 NAT: BUSPROG: Communication

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Knowledge

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 27 NAT: BUSPROG: Analytic STA: DISC: Group Dynamics

TOP: How Do We Know What We Know? KEY: Bloom's: Comprehension

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 27 NAT: BUSPROG: Analytic

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Analysis

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

ANS: F PTS: 1 DIF: Difficulty: Easy

REF: p. 27 NAT: BUSPROG: Analytic

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Comprehension

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 28 NAT: BUSPROG: Communication STA: DISC: Leadership Principles

TOP: Organization of the Book KEY: Bloom's: Knowledge

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 30 NAT: BUSPROG: Communication STA: DISC: Leadership Principles

TOP: Summary and Application KEY: Bloom's: Comprehension

**MULTIPLE CHOICE**

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

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

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 5 NAT: BUSPROG: Reflective Thinking STA: DISC: Leadership Principles

TOP: Introduction KEY: Bloom's: Application

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 4 NAT: BUSPROG: Communication STA: DISC: Group Dynamics

TOP: Introduction KEY: Bloom's: Knowledge

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 5 NAT: BUSPROG: Reflective Thinking STA: DISC: Individual Dynamics

TOP: Introduction KEY: Bloom's: Comprehension

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

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 4 NAT: BUSPROG: Communication STA: DISC: Group Dynamics

TOP: Introduction KEY: Bloom's: Knowledge

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

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

ANS: C PTS: 1 DIF: Difficulty: Easy

REF: p. 4 NAT: BUSPROG: Communication STA: DISC: Leadership Principles

TOP: Introduction KEY: Bloom's: Knowledge

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

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

ANS: C PTS: 1 DIF: Difficulty: Moderate

REF: p. 4 NAT: BUSPROG: Communication STA: DISC: HRM

TOP: Introduction KEY: Bloom's: Comprehension

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

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

ANS: B PTS: 1 DIF: Difficulty: Moderate

REF: p. 4 NAT: BUSPROG: Communication STA: DISC: HRM

TOP: Introduction KEY: Bloom's: Knowledge

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

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

ANS: D PTS: 1 DIF: Difficulty: Moderate

REF: p. 4 NAT: BUSPROG: Communication STA: DISC: HRM

TOP: Introduction KEY: Bloom's: Knowledge

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

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

ANS: C PTS: 1 DIF: Difficulty: Easy

REF: p. 4 NAT: BUSPROG: Communication STA: DISC: HRM

TOP: Introduction KEY: Bloom's: Knowledge

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

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 4 NAT: BUSPROG: Communication STA: DISC: HRM

TOP: Introduction KEY: Bloom's: Knowledge

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 5 NAT: BUSPROG: Analytic STA: DISC: Leadership Principles

TOP: Introduction KEY: Bloom's: Knowledge

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 5 NAT: BUSPROG: Analytic STA: DISC: HRM

TOP: Introduction KEY: Bloom's: Knowledge

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

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

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 6 NAT: BUSPROG: Analytic STA: DISC: Individual Dynamics

TOP: Why is OB Important? KEY: Bloom's: Comprehension

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 6 NAT: BUSPROG: Analytic STA: DISC: Group Dynamics

TOP: Why is OB Important? KEY: Bloom's: Application

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 6 NAT: BUSPROG: Communication STA: DISC: HRM

TOP: Why is OB Important? KEY: Bloom's: Comprehension

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

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

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 7 NAT: BUSPROG: Communication STA: DISC: Creation of Value

TOP: Why is OB Important? KEY: Bloom's: Comprehension

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

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

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 7 NAT: BUSPROG: Communication STA: DISC: Strategy

TOP: Why is OB Important? KEY: Bloom's: Comprehension

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

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

ANS: B PTS: 1 DIF: Difficulty: Moderate

REF: p. 7 NAT: BUSPROG: Communication STA: DISC: Group Dynamics

TOP: Why is OB Important? KEY: Bloom's: Knowledge

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

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

ANS: C PTS: 1 DIF: Difficulty: Moderate

REF: p. 7 NAT: BUSPROG: Communication

STA: DISC: Operations Management TOP: Gaining a Competitive Advantage Through OB

KEY: Bloom's: Knowledge

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

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

ANS: C PTS: 1 DIF: Difficulty: Easy

REF: p. 7 NAT: BUSPROG: Communication STA: DISC: HRM

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Knowledge

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

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

ANS: B PTS: 1 DIF: Difficulty: Moderate

REF: p. 7 NAT: BUSPROG: Analytic STA: DISC: Creation of Value

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Analysis

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 7 NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Knowledge

23. What characteristics give Costco a competitive advantage?

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 7 NAT: BUSPROG: Analytic STA: DISC: Creation of Value

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Application

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

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

ANS: D PTS: 1 DIF: Difficulty: Moderate

REF: p. 8 NAT: BUSPROG: Communication STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Knowledge

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 8 NAT: BUSPROG: Analytic STA: DISC: Creation of Value

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Application

26. Business strategies are \_\_\_\_\_\_\_\_\_\_\_.

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

ANS: C PTS: 1 DIF: Difficulty: Easy

REF: p. 8 NAT: BUSPROG: Analytic

STA: DISC: Operations Management TOP: Gaining a Competitive Advantage Through OB

KEY: Bloom's: Evaluation

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

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 8 NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Application

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 8 NAT: BUSPROG: Communication STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Knowledge

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 8 NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Comprehension

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

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

ANS: A PTS: 1 DIF: Difficulty: Moderate

REF: p. 8 NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Comprehension

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

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

ANS: B PTS: 1 DIF: Difficulty: Moderate

REF: p. 8-9 NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Comprehension

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

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

ANS: A PTS: 1 DIF: Difficulty: Moderate

REF: p. 9 NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Comprehension

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

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

ANS: C PTS: 1 DIF: Difficulty: Easy

REF: p. 9 NAT: BUSPROG: Communication STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Knowledge

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

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 10 NAT: BUSPROG: Communication STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Knowledge

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

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

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 10 NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Comprehension

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

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

ANS: C PTS: 1 DIF: Difficulty: Moderate

REF: p. 10 NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Analysis

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

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

ANS: B PTS: 1 DIF: Difficulty: Moderate

REF: p. 10 NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Knowledge

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 10 NAT: BUSPROG: Communication STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Application

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

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

ANS: A PTS: 1 DIF: Difficulty: Moderate

REF: p. 10 NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Comprehension

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 10 NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Knowledge

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

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 12 NAT: BUSPROG: Analytic STA: DISC: HRM

TOP: Where does OB come from? KEY: Bloom's: Comprehension

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

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 12 NAT: BUSPROG: Communication STA: DISC: Group Dynamics

TOP: Where does OB come from? KEY: Bloom's: Knowledge

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

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

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 12 NAT: BUSPROG: Communication STA: DISC: Individual Dynamics

TOP: Where does OB come from? KEY: Bloom's: Knowledge

44. When was the Hawthorne Effect discovered?

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

ANS: A PTS: 1 DIF: Difficulty: Moderate

REF: p. 12 NAT: BUSPROG: Communication STA: DISC: Group Dynamics

TOP: Where does OB come from? KEY: Bloom's: Knowledge

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

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

ANS: A PTS: 1 DIF: Difficulty: Moderate

REF: p. 13 NAT: BUSPROG: Communication STA: DISC: Group Dynamics

TOP: Where does OB come from? KEY: Bloom's: Knowledge

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

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

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 13 NAT: BUSPROG: Communication STA: DISC: HRM

TOP: Where does OB come from? KEY: Bloom's: Knowledge

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

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

ANS: C PTS: 1 DIF: Difficulty: Moderate

REF: p. 13 NAT: BUSPROG: Communication STA: DISC: Leadership Principles

TOP: Where does OB come from? KEY: Bloom's: Knowledge

48. What nickname was given to Mary Parker Follett?

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 13 NAT: BUSPROG: Communication STA: DISC: Individual Dynamics

TOP: Where does OB come from? KEY: Bloom's: Knowledge

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

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

ANS: B PTS: 1 DIF: Difficulty: Moderate

REF: p. 13 NAT: BUSPROG: Communication STA: DISC: Individual Dynamics

TOP: Where does OB come from? KEY: Bloom's: Knowledge

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

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

ANS: B PTS: 1 DIF: Difficulty: Moderate

REF: p. 13 NAT: BUSPROG: Communication STA: DISC: Leadership Principles

TOP: Where does OB come from? KEY: Bloom's: Knowledge

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

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

ANS: A PTS: 1 DIF: Difficulty: Moderate

REF: p. 13 NAT: BUSPROG: Communication STA: DISC: HRM

TOP: Where does OB come from? KEY: Bloom's: Knowledge

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

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

ANS: A PTS: 1 DIF: Difficulty: Moderate

REF: p. 13 NAT: BUSPROG: Communication STA: DISC: Group Dynamics

TOP: Where does OB come from? KEY: Bloom's: Knowledge

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

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

ANS: B PTS: 1 DIF: Difficulty: Moderate

REF: p. 14 NAT: BUSPROG: Communication STA: DISC: HRM

TOP: Where does OB come from? KEY: Bloom's: Knowledge

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

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 14 NAT: BUSPROG: Communication STA: DISC: Individual Dynamics

TOP: Current OB Issues KEY: Bloom's: Knowledge

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

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 15 NAT: BUSPROG: Diversity

STA: DISC: Environmental Influence TOP: Current OB Issues

KEY: Bloom's: Application

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

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

ANS: B PTS: 1 DIF: Difficulty: Moderate

REF: p. 15 NAT: BUSPROG: Diversity STA: DISC: Individual Dynamics

TOP: Current OB Issues KEY: Bloom's: Knowledge

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 15 NAT: BUSPROG: Diversity STA: DISC: Individual Dynamics

TOP: Current OB Issues KEY: Bloom's: Knowledge

58. Which errors can undermine ethics efforts?

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 18 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Knowledge

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

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

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 17 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Knowledge

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

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

ANS: D PTS: 1 DIF: Difficulty: Moderate

REF: p. 18 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Knowledge

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

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 19 NAT: BUSPROG: Diversity STA: DISC: Group Dynamics

TOP: Current OB Issues KEY: Bloom's: Knowledge

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

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

ANS: D PTS: 1 DIF: Difficulty: Moderate

REF: p. 19 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Knowledge

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

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

ANS: B PTS: 1 DIF: Difficulty: Moderate

REF: p. 19 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Knowledge

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

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

ANS: A PTS: 1 DIF: Difficulty: Moderate

REF: p. 19 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Knowledge

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 20 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Application

66. Effective managers do which of the following?

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

ANS: C PTS: 1 DIF: Difficulty: Easy

REF: p. 20 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Application

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

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

ANS: B PTS: 1 DIF: Difficulty: Moderate

REF: p. 20 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Evaluation

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

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 21 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Knowledge

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

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

ANS: C PTS: 1 DIF: Difficulty: Easy

REF: p. 20 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Knowledge

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

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 22 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Knowledge

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

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

ANS: A PTS: 1 DIF: Difficulty: Moderate

REF: p. 23 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Knowledge

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

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

ANS: C PTS: 1 DIF: Difficulty: Easy

REF: p. 23 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Comprehension

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 23 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Synthesis

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 23 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Application

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 23 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Application

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

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

ANS: C PTS: 1 DIF: Difficulty: Easy

REF: p. 23 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Analysis

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

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

ANS: A PTS: 1 DIF: Difficulty: Moderate

REF: p. 24 NAT: BUSPROG: Ethics

STA: DISC: Ethical Responsibilities TOP: Current OB Issues

KEY: Bloom's: Knowledge

78. Decades of research have \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

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

ANS: C PTS: 1 DIF: Difficulty: Easy

REF: p. 24 NAT: BUSPROG: Communication STA: DISC: Individual Dynamics

TOP: How Do We Know What We Know? KEY: Bloom's: Application

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

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 24 NAT: BUSPROG: Analytic

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Knowledge

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

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

ANS: B PTS: 1 DIF: Difficulty: Moderate

REF: p. 25 NAT: BUSPROG: Analytic STA: DISC: Leadership Principles

TOP: How Do We Know What We Know? KEY: Bloom's: Knowledge

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 25 NAT: BUSPROG: Analytic

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Knowledge

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

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

ANS: B PTS: 1 DIF: Difficulty: Moderate

REF: p. 25 NAT: BUSPROG: Analytic

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Comprehension

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

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 25 NAT: BUSPROG: Analytic

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Knowledge

84. What do theories describe?

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 25 NAT: BUSPROG: Communication

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Comprehension

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

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 25 NAT: BUSPROG: Communication

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Knowledge

86. Which of the following is a hypothesis?

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

ANS: D PTS: 1 DIF: Difficulty: Moderate

REF: p. 25 NAT: BUSPROG: Analytic

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Application

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

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 25 NAT: BUSPROG: Analytic

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Knowledge

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

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

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 25 NAT: BUSPROG: Analytic

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Knowledge

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

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

ANS: A PTS: 1 DIF: Difficulty: Moderate

REF: p. 25 NAT: BUSPROG: Analytic

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Synthesis

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

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 25 NAT: BUSPROG: Analytic

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Knowledge

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

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

ANS: D PTS: 1 DIF: Difficulty: Moderate

REF: p. 25 NAT: BUSPROG: Communication

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Knowledge

92. What is the range of correlations?

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

ANS: C PTS: 1 DIF: Difficulty: Moderate

REF: p. 25 NAT: BUSPROG: Communication

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Knowledge

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

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

ANS: A PTS: 1 DIF: Difficulty: Moderate

REF: p. 26 NAT: BUSPROG: Analytic

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Application

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

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

ANS: B PTS: 1 DIF: Difficulty: Moderate

REF: p. 26 NAT: BUSPROG: Analytic

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Comprehension

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 27 NAT: BUSPROG: Communication STA: DISC: Group Dynamics

TOP: How Do We Know What We Know? KEY: Bloom's: Knowledge

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

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

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 27 NAT: BUSPROG: Communication

STA: DISC: Operations Management TOP: How Do We Know What We Know?

KEY: Bloom's: Knowledge

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 29 NAT: BUSPROG: Communication STA: DISC: Leadership Principles

TOP: Summary and Application KEY: Bloom's: Evaluation

**SHORT ANSWER**

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

ANS:

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

PTS: 1 DIF: Difficulty: Moderate REF: p. 4

NAT: BUSPROG: Communication STA: DISC: Group Dynamics

TOP: Introduction KEY: Bloom's: Comprehension

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

ANS:

-management

-anthropology

-sociology

-information technology

-ethics

-economics

-psychology

PTS: 1 DIF: Difficulty: Easy REF: p. 4

NAT: BUSPROG: Communication STA: DISC: Group Dynamics

TOP: Introduction KEY: Bloom's: Knowledge

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

ANS:

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

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

NAT: BUSPROG: Communication STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Application

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

ANS:

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

PTS: 1 DIF: Difficulty: Moderate REF: p. 10-11

NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Synthesis

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

ANS:

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

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

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

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

PTS: 1 DIF: Difficulty: Moderate REF: p. 11-12

NAT: BUSPROG: Communication STA: DISC: HRM TOP: Where does OB come from?

KEY: Bloom's: Knowledge

6. Describe the human relations movement.

ANS:

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

PTS: 1 DIF: Difficulty: Moderate REF: p. 13

NAT: BUSPROG: Communication STA: DISC: HRM TOP: Where does OB come from?

KEY: Bloom's: Comprehension

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

ANS:

-Establishing and maintaining a system of communication

-Securing essential services from other members

-Formulating organizational purposes and objectives

PTS: 1 DIF: Difficulty: Moderate REF: p. 13

NAT: BUSPROG: Communication STA: DISC: HRM TOP: Where does OB come from?

KEY: Bloom's: Comprehension

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

ANS:

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

2. Adopt a new philosophy for a new economic age

3. Cease dependence on inspection to achieve quality

4. Minimize total cost

5. Improve constantly and forever

6. Institute training on the job

7. Institute leadership

8. Drive out fear

9. Break down barriers between departments

10. Eliminate slogans

11. Eliminate quotas

12. Remove barriers to pride of workmanship

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

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

PTS: 1 DIF: Difficulty: Moderate REF: p. 14

NAT: BUSPROG: Communication STA: DISC: HRM TOP: Where does OB come from?

KEY: Bloom's: Knowledge

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

ANS:

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

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

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

PTS: 1 DIF: Difficulty: Moderate REF: p. 17

NAT: BUSPROG: Ethics STA: DISC: Ethical Responsibilities

TOP: Current OB Issues KEY: Bloom's: Knowledge

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

ANS:

1. Written standards for ethical conduct

2. Ethics training

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

4. Providing a mechanism for reporting misconduct anonymously

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

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

PTS: 1 DIF: Difficulty: Moderate REF: p. 18

NAT: BUSPROG: Ethics STA: DISC: Ethical Responsibilities

TOP: Current OB Issues KEY: Bloom's: Knowledge

**ESSAY**

1. List and describe the four managerial functions.

ANS:

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

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

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

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

PTS: 1 DIF: Difficulty: Moderate REF: p. 4

NAT: BUSPROG: Communication STA: DISC: HRM TOP: Introduction

KEY: Bloom's: Synthesis

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

ANS:

Sources of Competitive Advantage:

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

* Distribution*: dominating distribution channels to block competition

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

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

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

* Cost*: being the lowest-cost provider

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

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

* Branding*: developing the most positive image

PTS: 1 DIF: Difficulty: Moderate REF: p. 7

NAT: BUSPROG: Analytic STA: DISC: Creation of Value

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Synthesis

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

ANS:

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

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

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

PTS: 1 DIF: Difficulty: Moderate REF: p. 8-10

NAT: BUSPROG: Analytic STA: DISC: Strategy

TOP: Gaining a Competitive Advantage Through OB KEY: Bloom's: Synthesis

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

ANS:

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

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

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

NAT: BUSPROG: Analytic STA: DISC: Environmental Influence

TOP: Where does OB come from? KEY: Bloom's: Synthesis

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

ANS:

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

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

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

PTS: 1 DIF: Difficulty: Moderate REF: p. 12

NAT: BUSPROG: Communication STA: DISC: Group Dynamics

TOP: Where does OB come from? KEY: Bloom's: Analysis

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

ANS:

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

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

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

PTS: 1 DIF: Difficulty: Moderate REF: p. 14-15

NAT: BUSPROG: Diversity STA: DISC: Group Dynamics

TOP: Current OB Issues KEY: Bloom's: Synthesis

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

ANS:

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

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

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

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

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

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

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

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

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

NAT: BUSPROG: Ethics STA: DISC: Ethical Responsibilities

TOP: Current OB Issues KEY: Bloom's: Synthesis

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

ANS:

Benefits from managing ethics in the workplace:

 Attention to business ethics can substantially improve society.

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

 Ethics programs cultivate teamwork and productivity.

 Ethics programs support employee growth.

 Ethics programs help ensure that policies are legal.

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

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

 Ethics programs promote a strong public image.

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

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

NAT: BUSPROG: Ethics STA: DISC: Ethical Responsibilities

TOP: Current OB Issues KEY: Bloom's: Synthesis

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

ANS:

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

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

3. Socialize new hires to promote ethical values.

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

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

PTS: 1 DIF: Difficulty: Moderate REF: p. 20

NAT: BUSPROG: Ethics STA: DISC: Ethical Responsibilities

TOP: Current OB Issues KEY: Bloom's: Comprehension

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

ANS:

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

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

PTS: 1 DIF: Difficulty: Moderate REF: p. 25

NAT: BUSPROG: Analytic STA: DISC: Operations Management

TOP: How Do We Know What We Know? KEY: Bloom's: Synthesis