**CHAPTER 1 ORGANISATIONAL BEHAVIOUR AND OPPORTUNITY**

**MULTIPLE-CHOICE**

1. The description of an organisation as more like a snake pit, with daily conflict, distress, and struggle, would come from which level within the organisation?

|  |  |
| --- | --- |
| A. | group level |
| B. | organisational level |
| C. | individual level |
| D. | department level |

ANS: C PTS: 1 DIF: Moderate

OBJ: 1 NAT: AACSB Analytic | Group Dynamics

TOP: Human behaviour in organisations MSC: S&E

2. The snake pit metaphor of organisational behaviour conveys the:

|  |  |
| --- | --- |
| A. | dark side of organisations. |
| B. | the dark side of human behaviour. |
| C. | the dark side of competition. |
| D. | the dark side of the globalisation of markets. |

ANS: B PTS: 1 DIF: Moderate

OBJ: 1 NAT: AACSB Analytic | Group Dynamics

TOP: Human behaviour in organisations MSC: S&E

3. The study of individual behaviour and group dynamics in organisational settings describes the content of study in:

|  |  |
| --- | --- |
| A. | organisational theory. |
| B. | organisational design. |
| C. | organisational behaviour. |
| D. | organisation development. |

ANS: C PTS: 1 DIF: Moderate

OBJ: 1 NAT: AACSB Reflective Thinking | Group Dynamics

TOP: Human behaviour in organisations MSC: K&C

4. The description of an organisation as clockworks, in which human behaviour is logical and rational, would come from which level within the organisation?

|  |  |
| --- | --- |
| A. | individual level |
| B. | group or department level |
| C. | organisational level |
| D. | internal level |

ANS: C PTS: 1 DIF: Moderate

OBJ: 1 NAT: AACSB Analytic | Group Dynamics

TOP: Human behaviour in organisations MSC: S&E

5. The study of organisational behaviour is concerned with:

|  |  |
| --- | --- |
| A. | psychosocial, interpersonal, and organisational structure. |
| B. | psychosocial, interpersonal, and work design. |
| C. | interpersonal, group dynamics in organisations, and work design. |
| D. | psychosocial, interpersonal, and group dynamics in organisations. |

ANS: D PTS: 1 DIF: Easy

OBJ: 1 NAT: AACSB Reflective Thinking | Group Dynamics | Individual Dynamics

TOP: Human behaviour in organisations MSC: K&C

6. Which organisational variable(s) is (are) important to the study of group dynamics?

|  |  |
| --- | --- |
| A. | organisational structure |
| B. | the design of work |
| C. | job task |
| D. | hierarchy of authority |

ANS: B PTS: 1 DIF: Moderate

OBJ: 1 NAT: AACSB Reflective Thinking | Group Dynamics

TOP: Human behaviour in organisations MSC: K&C

7. An internal perspective of human behaviour tends to explain a person's actions in terms of:

|  |  |
| --- | --- |
| A. | job demands. |
| B. | a personal value system. |
| C. | task design. |
| D. | the organisation’s communication channels. |

ANS: B PTS: 1 DIF: Moderate

OBJ: 1 NAT: AACSB Reflective Thinking | Individual Dynamics

TOP: Understanding human behaviour MSC: K&C

8. All of the following are internal behavioural processes **except**:

|  |  |
| --- | --- |
| A. | cognition. |
| B. | perceiving. |
| C. | judging. |
| D. | leading. |

ANS: D PTS: 1 DIF: Moderate

OBJ: 1 NAT: AACSB Reflective Thinking | Individual Dynamics

TOP: Understanding human behaviour MSC: analysis

9. The internal and external perspectives offer:

|  |  |
| --- | --- |
| A. | complementary explanations for human behaviour. |
| B. | similar explanations for human behaviour. |
| C. | conflicting explanations for human behaviour. |
| D. | alternative explanations for human behaviour. |

ANS: D PTS: 1 DIF: Hard

OBJ: 1 NAT: AACSB Reflective Thinking | Group Dynamics

TOP: Understanding human behaviour MSC: S&E

10. When a manager states, ‘Mary is an outstanding employee because she has a high need for achievement’, the manager is using which explanation for Mary's behaviour?

|  |  |
| --- | --- |
| A. | internal |
| B. | external |
| C. | interactive |
| D. | cultural |

ANS: A PTS: 1 DIF: Moderate

OBJ: 1 NAT: AACSB Analytic | Individual Dynamics

TOP: Understanding human behaviour MSC: appl.

11. When Mary's manager states, ‘Mary is an outstanding employee because she is paid extremely well’, the manager is using which perspective for Mary's behaviour?

|  |  |
| --- | --- |
| A. | internal |
| B. | external |
| C. | interactive |
| D. | cultural |

ANS: B PTS: 1 DIF: Moderate

OBJ: 1 NAT: AACSB Analytic | Individual Dynamics

TOP: Understanding human behaviour MSC: appl.

12. Kurt Lewin may have best captured alternative explanations for human behaviour when he stated that behaviour is a function of:

|  |  |
| --- | --- |
| A. | the individual personality and leadership-style preferences. |
| B. | the consequences of compliant and deviant behaviour within social groups. |
| C. | culture and the systemic properties of the organisation. |
| D. | the person and the environment. |

ANS: D PTS: 1 DIF: Moderate

OBJ: 1 NAT: AACSB Reflective Thinking | Group Dynamics

TOP: Understanding human behaviour MSC: K&C

13. The science of human behaviour and individual differences is:

|  |  |
| --- | --- |
| A. | anthropology. |
| B. | sociology. |
| C. | engineering. |
| D. | psychology. |

ANS: D PTS: 1 DIF: Easy

OBJ: 1 NAT: AACSB Reflective Thinking | Individual Dynamics

TOP: Interdisciplinary influences MSC: K&C

14. When Black & Decker placed a special emphasis on human productivity and efficiency through the application of organisational goal-setting and differential piece-rate systems, they were borrowing ideas from the discipline of:

|  |  |
| --- | --- |
| A. | psychology. |
| B. | anthropology. |
| C. | sociology. |
| D. | engineering. |

ANS: D PTS: 1 DIF: Moderate

OBJ: 1 NAT: AACSB Analytic | Creation of Value

TOP: Interdisciplinary influences MSC: appl.

15. Research focusing on the variety of roles within a society or culture highlights which disciplines contribution to organisational behaviour?

|  |  |
| --- | --- |
| A. | psychology |
| B. | sociology |
| C. | anthropology |
| D. | medicine |

ANS: B PTS: 1 DIF: Moderate

OBJ: 1 NAT: AACSB Reflective Thinking | Group Dynamics

TOP: Interdisciplinary influences MSC: appl.

16. Culture and the study of learned behaviour comprise the domain of:

|  |  |
| --- | --- |
| A. | management. |
| B. | anthropology. |
| C. | sociology. |
| D. | psychology. |

ANS: B PTS: 1 DIF: Easy

OBJ: 1 NAT: AACSB Reflective Thinking | Group Dynamics

TOP: Interdisciplinary influences MSC: K&C

17. The first discipline to take the modern corporation as the unit of analysis and emphasise the design, implementation, and coordination of various administrative and organisational systems was:

|  |  |
| --- | --- |
| A. | psychology. |
| B. | sociology. |
| C. | management. |
| D. | anthropology. |

ANS: C PTS: 1 DIF: Moderate

OBJ: 1 NAT: AACSB Reflective Thinking | Creation of Value

TOP: Interdisciplinary influences MSC: appl.

18. The recent growth of corporate wellness programs is an example of a contribution from which discipline?

|  |  |
| --- | --- |
| A. | medicine |
| B. | psychology |
| C. | sociology |
| D. | management |

ANS: A PTS: 1 DIF: Moderate

OBJ: 1 NAT: AACSB Reflective Thinking | Group Dynamics | Individual Dynamics

TOP: Interdisciplinary influences MSC: appl.

19. The specific setting within which organisational behaviour is enacted would be called the:

|  |  |
| --- | --- |
| A. | situation. |
| B. | external environment. |
| C. | organisational context. |
| D. | group. |

ANS: C PTS: 1 DIF: Easy

OBJ: 3 NAT: AACSB Reflective Thinking | Environmental Influence

TOP: The organisational context MSC: K&C

20. Which of the following is not an internal component of a work organisation?

|  |  |
| --- | --- |
| A. | structure |
| B. | task |
| C. | technology |
| D. | product market |

ANS: D PTS: 1 DIF: Easy

OBJ: 3 NAT: AACSB Reflective Thinking | Environmental Influence

TOP: Organisations as open systems MSC: K&C

21. The task of an organisation is reflected in its:

|  |  |
| --- | --- |
| A. | human resources. |
| B. | mission, purpose or goal. |
| C. | input materials. |
| D. | structure. |

ANS: B PTS: 1 DIF: Moderate

OBJ: 3 NAT: AACSB Reflective Thinking | Environmental Influence

TOP: Organisations as open systems MSC: K&C

22. In an open system the transformation or conversion of inputs to outputs is accomplished with:

|  |  |
| --- | --- |
| A. | technology. |
| B. | task structure. |
| C. | borrowed financial resources. |
| D. | robots. |

ANS: A PTS: 1 DIF: Moderate

OBJ: 3 NAT: AACSB Reflective Thinking | Environmental Influence

TOP: Organisations as open systems MSC: K&C

23. A government regulatory agency can be considered part of an organisation's:

|  |  |
| --- | --- |
| A. | formal structure. |
| B. | labour market. |
| C. | external task environment. |
| D. | transformation technology. |

ANS: C

See also Figure 1.1.

PTS: 1 DIF: Moderate OBJ: 3

NAT: AACSB Reflective Thinking | Environmental Influence

TOP: Organisations as open systems MSC: appl.

24. The use of a wide range of tools, knowledge, and/or techniques used to transform inputs into outputs is called the:

|  |  |
| --- | --- |
| A. | task environment. |
| B. | structure. |
| C. | mission. |
| D. | technology. |

ANS: D PTS: 1 DIF: Moderate

OBJ: 3 NAT: AACSB Reflective Thinking | Environmental Influence

TOP: Organisations as open systems MSC: K&C

25. An organisation's suppliers, customers, and government regulators are called the:

|  |  |
| --- | --- |
| A. | task environment. |
| B. | market. |
| C. | political economy. |
| D. | general environment. |

ANS: A PTS: 1 DIF: Moderate

OBJ: 3 NAT: AACSB Reflective Thinking | Environmental Influence

TOP: Organisations as open systems MSC: K&C

26. The human, informational, material, and financial resources of an organisation system would be considered:

|  |  |
| --- | --- |
| A. | inputs. |
| B. | throughputs. |
| C. | the transformation. |
| D. | outputs. |

ANS: A PTS: 1 DIF: Moderate

OBJ: 3 NAT: AACSB Reflective Thinking | Environmental Influence

TOP: Organisations as open systems MSC: K&C

27. The Hawthorne Studies uncovered the importance of:

|  |  |
| --- | --- |
| A. | the workflow and scheduling of work for production efficiency. |
| B. | delegating authority downward and throughout the organisation. |
| C. | the informal organisation. |
| D. | viewing an organisation as clockworks. |

ANS: C PTS: 1 DIF: Moderate

OBJ: 4 NAT: AACSB Reflective Thinking | Group Dynamics

TOP: The formal and informal organisation MSC: K&C

28. The beliefs and assumptions about people, work, and the organisation best reflects the:

|  |  |
| --- | --- |
| A. | formal organisation. |
| B. | overt part of an organisation. |
| C. | informal organisation. |
| D. | social surface. |

ANS: C

See also Figure 1.2.

PTS: 1 DIF: Easy REF: p. 8 OBJ: 4

NAT: AACSB Reflective Thinking | Group Dynamics

TOP: The formal and informal organisation MSC: K&C

29. All of the following are aspects of the formal organisation **except**:

|  |  |
| --- | --- |
| A. | job descriptions. |
| B. | the friendship/relationship between two employees. |
| C. | the hierarchical superior-subordinate authority relationship. |
| D. | the work-flow sequence between two departments. |

ANS: B

See also Figure 1.2.

PTS: 1 DIF: Easy OBJ: 4

NAT: AACSB Reflective Thinking | Group Dynamics

TOP: The formal and informal organisation MSC: S&E

30. A leading force currently driving change at work is:

|  |  |
| --- | --- |
| A. | global competition. |
| B. | politics. |
| C. | quality. |
| D. | process management. |

ANS: A PTS: 1 DIF: Easy

OBJ: 6 NAT: AACSB Reflective Thinking | Environmental Influence

TOP: Change creates opportunities MSC: K&C

31. A significant aspect of total quality management is:

|  |  |
| --- | --- |
| A. | employee-driven suggestion systems. |
| B. | continuous improvement and attention to customer needs. |
| C. | the use of computers. |
| D. | the sub-optimisation of resource allocation. |

ANS: B PTS: 1 DIF: Moderate

OBJ: 6 NAT: AACSB Reflective Thinking | Operations Management

TOP: Customer focused for high quality MSC: K&C

32. Each of the following characterises the Six Sigma philosophy for company-wide quality improvement **except**:

|  |  |
| --- | --- |
| A. | customer-driven focus. |
| B. | decision making based on quantitative data. |
| C. | a high-performance system to execute business strategy. |
| D. | an emphasis on improving quality within the production process. |

ANS: D PTS: 1 DIF: Hard

OBJ: 6 NAT: AACSB Reflective Thinking | Operations Management

TOP: Customer focused for high quality MSC: appl.

33. Which of the following statements is most correct with respect to total quality management?

|  |  |
| --- | --- |
| A. | Quality control is the responsibility of specialists who randomly perform quality checks on items as they leave the assembly line. |
| B. | Quality is a customer-oriented philosophy with important implications for virtually all aspects of organisational behaviour. |
| C. | Quality is an employee-oriented philosophy required by quality engineers. |
| D. | Quality is machine driven with quality improvements resulting from use of robotic equipment. |

ANS: B PTS: 1 DIF: Moderate

OBJ: 6 NAT: AACSB Reflective Thinking | Operations Management

TOP: Behaviour and quality at work MSC: K&C

34. The four main driving forces creating and shaping changes at work include:

|  |  |
| --- | --- |
| A. | globalisation, demography, diversity and ethics. |
| B. | globalisation, technology, religiosity and ethics. |
| C. | globalisation, technology, diversity and employee attitudes. |
| D. | globalisation, diversity, ethics and technology |

ANS: D PTS: 1 DIF: Moderate

OBJ: 6

NAT: AACSB Technology | AACSB Diversity | AACSB Reflective Thinking | Environmental Influence TOP: Managing organisational behaviour in changing times

MSC: K&C

35. A questioning, probing attitude is at the core of:

|  |  |
| --- | --- |
| A. | job performance. |
| B. | organisational reality. |
| C. | critical thinking. |
| D. | subjective knowledge. |

ANS: C PTS: 1 DIF: Hard

OBJ: 7 NAT: AACSB Reflective Thinking | Individual Dynamics

TOP: Objective knowledge MSC: S&E

36. Objective knowledge, in any field of study, is developed through:

|  |  |
| --- | --- |
| A. | experience. |
| B. | past practices and training. |
| C. | a review of the relevant literature. |
| D. | basic and applied research. |

ANS: D PTS: 1 DIF: Moderate

OBJ: 7 NAT: AACSB Reflective Thinking | Group Dynamics

TOP: Objective knowledge MSC: K&C

37. Acquisition of objective knowledge and skill development can occur interactively through:

|  |  |
| --- | --- |
| A. | rote memorisation. |
| B. | experiential learning. |
| C. | reading. |
| D. | imitating the successful behaviour of others. |

ANS: B PTS: 1 DIF: Moderate

OBJ: 7 NAT: AACSB Reflective Thinking | Group Dynamics

TOP: Skill development MSC: K&C

38. Developing skills is different from acquiring objective knowledge because it requires:

|  |  |
| --- | --- |
| A. | empirical testing. |
| B. | induction. |
| C. | deduction. |
| D. | structured practice and feedback. |

ANS: D PTS: 1 DIF: Moderate

OBJ: 7 NAT: AACSB Reflective Thinking | Individual Dynamics

TOP: Skill development MSC: analysis

39. As an effective learner of organisational behaviour knowledge and skills, the student:

|  |  |
| --- | --- |
| A. | must rely primarily on the group process. |
| B. | should not experiment with new ideas and information. |
| C. | must passively accept the direction of others with more knowledge. |
| D. | must accept responsibility for his or her own behaviour, actions, and learning. |

ANS: D PTS: 1 DIF: Hard

OBJ: 7 NAT: AACSB Reflective Thinking | Individual Dynamics

TOP: Skill development MSC: appl.

**TRUE/FALSE**

1. Role set, norms, and intra-group and intergroup behavioural dynamics are key aspects of the study and field of psychology.

ANS: F PTS: 1 OBJ: 1

NAT: AACSB Reflective Thinking | Group Dynamics TOP: Interdisciplinary influences

2. The study of individual differences is the main focus of anthropology.

ANS: F PTS: 1 OBJ: 1

NAT: AACSB Reflective Thinking | Environmental Influence

TOP: Interdisciplinary influences

3. Management involves the coordination of activities and human resources for the accomplishment of organisational goals.

ANS: T PTS: 1 OBJ: 1

NAT: AACSB Reflective Thinking | Group Dynamics

TOP: Interdisciplinary influences

4. It is often how we behave in the midst of change that determines whether change will fail or result in success.

ANS: T PTS: 1 OBJ: 2

NAT: AACSB Reflective Thinking | Environmental Influence

TOP: Responding positively in times of change

5. Early research with individuals, groups, and organisations in the midst of environmental change found that change is often experienced as a threat which leads to a reliance on well-learned and dominant forms of behaviour.

ANS: T PTS: 1 OBJ: 2

NAT: AACSB Reflective Thinking | Environmental Influence

TOP: Responding positively in times of change

6. In the midst of change, often people become rigid and reactive rather than open and responsive.

ANS: T PTS: 1 OBJ: 2

NAT: AACSB Reflective Thinking | Group Dynamics

TOP: Responding positively in times of change

7. A complete understanding of organisational behaviour requires only an understanding of the organisational context within which human behaviour is acted out.

ANS: F PTS: 1 OBJ: 3

NAT: AACSB Reflective Thinking | Environmental Influence

TOP: The organisational context

8. A business firm's interaction with the environment is a characteristic of an open system.

ANS: T PTS: 1 OBJ: 3

NAT: AACSB Reflective Thinking | Environmental Influence

TOP: Organisations as open systems

9. The informal organisation is the unofficial part of the system.

ANS: T PTS: 1 OBJ: 4

NAT: AACSB Reflective Thinking | Group Dynamics

TOP: The formal and informal organisation

10. The hierarchy of authority or chain of command is an important feature of the informal organisation.

ANS: F

PTS: 1 OBJ: 4

NAT: AACSB Reflective Thinking | Group Dynamics

TOP: The formal and informal organisation

11. Global competition is a leading force driving change at work.

ANS: T PTS: 1 OBJ: 6

NAT: AACSB Reflective Thinking | Group Dynamics

TOP: Change creates opportunities

12. Total quality management is an employee-driven philosophy of management.

ANS: F

Total quality management (TQM) is the total dedication to continuous improvement and to customers so that the customers’ needs are met and their expectations exceeded.

PTS: 1 OBJ: 6

NAT: AACSB Reflective Thinking | Operations Management

TOP: Customer focused for high quality

13. Total quality management is a total dedication to continuous improvement.

ANS: T PTS: 1 OBJ: 6

NAT: AACSB Reflective Thinking | Operations Management

TOP: Customer focused for high quality

14. The study and management of organisational behaviour is primarily an art rather than a science.

ANS: F PTS: 1 OBJ: 6

NAT: AACSB Reflective Thinking | Group Dynamics

TOP: Learning about organisational behaviour

15. Skill development is facilitated by structured practice and feedback.

ANS: T PTS: 1 OBJ: 7

NAT: AACSB Reflective Thinking | Information Technologies

TOP: Learning about organisational behaviour

16. Organisational behaviour is an applied discipline where a student is trained in organisational behaviour principles.

ANS: F

Even though organisational behaviour is an applied discipline, a student cannot be trained in organisational behaviour, but rather ‘educated’. The distinction between these two modes of learning is found in the degree of direct and immediate applicability of either knowledge or skills.

PTS: 1 OBJ: 7

NAT: AACSB Reflective Thinking | Individual Dynamics

TOP: Learning about organisational behaviour

**MATCHING**

*Match the following:*

|  |  |
| --- | --- |
| a. | The applied science of energy and matter. |
| b. | The science of human behaviour. |
| c. | The science of human learned behaviour and study of organisational culture. |
| d. | A discipline concerned with the study of organisations. |
| e. | The science of society and study of groups. |

1. Management

2. Engineering

3. Psychology

4. Sociology

5. Anthropology

1. ANS: D PTS: 1 OBJ: 1

NAT: AACSB Reflective Thinking | Group Dynamics

2. ANS: A PTS: 1 NAT: AACSB Reflective Thinking | Group Dynamics

3. ANS: B PTS: 1 NAT: AACSB Reflective Thinking | Group Dynamics

4. ANS: E PTS: 1 NAT: AACSB Reflective Thinking | Group Dynamics

5. ANS: C PTS: 1 NAT: AACSB Reflective Thinking | Group Dynamics

*Match the following:*

|  |  |
| --- | --- |
| a. | Dedication to continuous improvement and meeting customer demands. |
| b. | Research results or scientific information. |
| c. | Learning and mastery of physical and social abilities. |
| d. | The primary concern for managers in the twenty-first century. |
| e. | Knowledge of results. |

6. Feedback

7. Skill development

8. Objective knowledge

9. Total quality

10. Change

6. ANS: E PTS: 1 OBJ: 6 and 7

NAT: AACSB Reflective Thinking | Group Dynamics

7. ANS: C PTS: 1 NAT: AACSB Reflective Thinking | Group Dynamics

8. ANS: B PTS: 1 NAT: AACSB Reflective Thinking | Group Dynamics

9. ANS: A PTS: 1 NAT: AACSB Reflective Thinking | Group Dynamics

10. ANS: D PTS: 1 NAT: AACSB Reflective Thinking | Group Dynamics

*Match the following:*

|  |  |
| --- | --- |
| a. | Economic activity outside of the firm. |
| b. | An organisation's primary concern, goal, and/or reason for existence |
| c. | Tools, equipment, and procedures for producing output. |
| d. | An organisation that receives inputs from the environment and releases outputs to the environment. |
| e. | The result of an organisation's conversion process. |
| f. | The specific setting within which organisational behaviour is enacted. |

11. Task

12. Open system

13. Environment

14. Technology

15. Organisational context

16. Output

11. ANS: B PTS: 1 OBJ: 3

NAT: AACSB Reflective Thinking | Environmental Influence

12. ANS: D PTS: 1

NAT: AACSB Reflective Thinking | Environmental Influence

13. ANS: A PTS: 1

NAT: AACSB Reflective Thinking | Environmental Influence

14. ANS: C PTS: 1

NAT: AACSB Reflective Thinking | Environmental Influence

15. ANS: F PTS: 1

NAT: AACSB Reflective Thinking | Environmental Influence

16. ANS: E PTS: 1

NAT: AACSB Reflective Thinking | Environmental Influence

**ESSAY**

1. Explain why it is important to study organisational behaviour.

ANS:

Of the four principal ingredients (task, technology, structure and people) of an organisation, employees are the most difficult to manage and change. Individuals display numerous differences, group norms can influence productivity and leaders can fail. Motivation, leadership, and group dynamics are very difficult to understand. Greater understanding of these behavioural phenomena can enhance one's managerial effectiveness.

PTS: 1 OBJ: 3

NAT: AACSB Reflective Thinking | Group Dynamics

2. Briefly identify the four action steps for responding positively in times of change.

ANS:

The four steps to responding positively include (1) have a positive attitude, (2) ask questions, (3) listen to answers, (4) be committed to success.

PTS: 1 OBJ: 2

NAT: AACSB Reflective Thinking | Environmental Influence

3. Identify the major reasons why managing organisational behaviour will be challenging during changing times.

ANS:

Reasons include (1) the increasing globalisation of the marketplace, (2) greater workforce diversity, (3) continuing technological development and innovation, and (4) the continuing concern and demand for higher moral and ethical behaviour at work.

PTS: 1 OBJ: 6

NAT: AACSB Reflective Thinking | Environmental Influence

4. What is the difference between objective knowledge and skill development?

ANS:

Objective knowledge is the information gained from research and scholarly activity. Answers to scientific questions resulting from research studies form the knowledge base for effectively managing organisations. Skill development refers to the practice and feedback associated with mastering behavioural abilities necessary for successful management.

PTS: 1 OBJ: 7

NAT: AACSB Reflective Thinking | Environmental Influence

5. The Australian Chamber of Commerce and Industry has created an Employability Skills Framework consisting of seven skills and personal attributes necessary to be successful in the workplace now and in the future. Briefly identify these skills.

ANS:

The essential skills are: communication; teamwork; problem-solving ability; initiative and enterprise; planning and organising; self-management; learning and technology skills.

PTS: 1 OBJ: 7

NAT: AACSB Reflective Thinking | Environmental Influence

6. Briefly describe how global competition has challenged organisations to change.

ANS:

Because of global competition, organisations are challenged to become more customer focused, to meet changing product and service demands, and to exceed customers’ expectations of high quality.

PTS: 1 OBJ: 6

NAT: AACSB Reflective Thinking | Environmental Influence

7. Provide an example of a business firm as an open system.

ANS:

An open system gathers or receives inputs from its environment, transforms these inputs through application of technology, and provides a finished product to the environment or market place. A Heinz food processing plant purchases raw tomatoes, onions, and other vegetables from the environment. It then mixes and cooks these ingredients and converts them into tomato sauce. The tomato sauce is bottled, packaged and shipped to the marketplace.

PTS: 1 OBJ: 3

NAT: AACSB Analytic | Creation of Value

8. Distinguish between informal and formal organisations. Are they complementary or contradictory?

ANS:

The formal organisation consists of positions, departments, organisation levels, and the authority and lines of communication that link organisation parts and people together. The personal relationships and friendships between two or more organisational members constitute an informal organisation. The formal and informal can coexist, be mutually reinforcing, or in conflict. The task of the manager is to be aware of the informal and try to manage the situation so that the informal supports and furthers the goals of the formal organisation.

PTS: 1 OBJ: 4

NAT: AACSB Reflective Thinking | Group Dynamics