CHAPTER 1

TRUE / FALSE QUESTIONS

1. World trade is growing at a slower rate than is world gross domestic product. True / False

Answer: FALSE
Learning Objective: 01-03
Difficulty: medium
Topic: Environmental Forces Reshaping Management Practice
Explanation: As a result of global integration, the rate of world trade is growing faster than is world gross domestic product. That is, the trading of goods and services among nations has been increasing faster than the world production of goods.

2. In recent years, Japan and China have become racially diverse societies. True / False

Answer: FALSE
Learning Objective: 01-03
Difficulty: easy
Topic: Environmental Forces Reshaping Management Practice
Explanation: Japan and China are basically homogeneous societies in terms of race.

3. African-Americans are one of the slowest-growing groups in the U.S. employee workforce. True / False
4. In a general sense, technology is the process that converts raw materials or intellectual capital into products or services.  
True / False

Answer: TRUE
Learning Objective: 01-03
Difficulty: medium
Topic: Environmental Forces Reshaping Management Practice

5. The Internet is an example of an electronic information sharing system.  
True / False

Answer: TRUE
Learning Objective: 01-03
Difficulty: easy
Topic: Introduction

6. Technology can yield a competitive advantage only when it is utilized effectively.  
True / False

Answer: TRUE
Learning Objective: 01-02
Difficulty: medium
Topic: Environmental Forces Reshaping Management Practice

7. A common body of management knowledge had been developed prior to the rise of the Roman Empire.
True / False

Answer: FALSE

Learning Objective: 01-02
Difficulty: medium
Topic: The Evolution of Management
Explanation: There was no common body of knowledge or theoretical basis for managing the Roman Empire or building the Great Pyramid of Cheops

8. A new industrial era began in the United States around the time of the Civil War.
True / False

Answer: TRUE

Learning Objective: 01-01
Difficulty: medium
Topic: The Evolution of Management

9. Information is a commodity that, when applied effectively, can result in higher growth and productivity.
True / False

Answer: TRUE

Learning Objective: 01-03
10. The formal and modern study of management started in Babylonia, around 5000 B.C.
True / False

Answer: FALSE
Learning Objective: 01-02
Difficulty: medium
Topic: The Evolution of Management
Explanation: The formal and modern study of management started around 1900.

11. According to Frederick W. Taylor, father of scientific management, management and labor must operate independently to achieve the maximum good for society.
True / False

Answer: FALSE
Learning Objective: 01-01
Difficulty: medium
Topic: The Evolution of Management
Explanation: According to Frederick W. Taylor, management and labor must cooperate to achieve the maximum good for society.

12. Frederick Taylor, father of scientific management, stated that there should be an almost equal division of work and responsibility between managers and non-managers.
True / False
13. Organizational Behavior (OB) is considered a way of thinking.
True / False

Answer: TRUE
Learning Objective: 01-01
Difficulty: medium
Topic: The Evolution of Management

14. The field of organizational behavior focuses on just two levels of analysis: individual and group.
True / False

Answer: FALSE
Learning Objective: 01-05
Difficulty: medium
Topic: Why Study Organizational Behavior
Explanation: The field of organizational behavior focuses on three levels of analysis: individual, group, and organizational.

15. The field of Organizational Behavior (OB) is personality-oriented.
True / False
Answer: FALSE
Learning Objective: 01-05
Difficulty: medium
Topic: Why Study Organizational Behavior
Explanation: The field of Organizational Behavior (OB) is performance-oriented.

16. In the field of Organizational Behavior (OB), the scientific method is deemed important in studying variables and relationships.
True / False

Answer: TRUE
Learning Objective: 01-05
Difficulty: medium
Topic: Why Study Organizational Behavior

17. A culturally diverse workforce is becoming a reality in the United States.
True / False

Answer: TRUE
Learning Objective: 01-02
Difficulty: easy
Topic: The Evolution of Management

18. Mary Parker Follett, following in the footsteps of Taylor's scientific management, embraced his view of human needs and workplace relationships.
True / False

Answer: FALSE
Learning Objective: 01-01
Difficulty: medium
Topic: Why Study Organizational Behavior
Explanation: Mary Follett was opposed to Taylor's lack of specific attention to human needs and relationships in the workplace.

19. Mary Parker Follett was one of the first management theorists to promote participatory decision making and decentralization.
True / False

Answer: TRUE
Learning Objective: 01-01
Difficulty: hard
Topic: Why Study Organizational Behavior

20. Group performance is the foundation of organization performance.
True / False

Answer: FALSE
Learning Objective: 01-05
Difficulty: medium
Topic: Framing the Study of Organizational Behavior
Explanation: Individual performance is the foundation of organization performance.

21. The economic data churned out by the government every month fails to identify whether workers are working harder or smarter.
True / False
22. One of the least powerful influences on individual performance is an organization's reward system.
True / False

Answer: FALSE
Learning Objective: 3
Difficulty: medium
Topic: Framing the Study of Organizational Behavior
Explanation: One of the most powerful influences on individual performance is an organization's reward system.

23. Jim, Mike, Kathy, and La Keisha are all friends at work because of their common interest in raising chickens. Thus, they constitute an informal group.
True / False

Answer: TRUE
Learning Objective: 01-05
Difficulty: medium
Topic: Framing the Study of Organizational Behavior

24. Organizational survival is related to the ability of management to receive, transmit, and file information.
True / False
Answer: FALSE
Learning Objective: 01-03
Difficulty: medium
Topic: Framing the Study of Organizational Behavior
Explanation: Organizational survival is related to the ability of management to receive, transmit, and act on information.

25. Leaders may be found in both formal and informal groups.
True / False

Answer: TRUE
Learning Objective: 01-02
Difficulty: easy
Topic: Framing the Study of Organizational Behavior

MULTIPLE CHOICE QUESTIONS

26. A major goal of Zappos is to treat its__________ with integrity, honesty, and commitment.
A. customers
B. employees
C. employees and customers
D. employees, customers and community

Answer: C
Learning Objective: 01-02
Difficulty: medium
Topic: Introduction

27. The competitive forces facing managers are led primarily by ______________ changes and increasing globalization.
A. technological
B. environmental
C. political
D. economic

Answer: A
Learning Objective: 01-04
Difficulty: medium
Topic: Introduction

28. When it comes to knowledge, organizations must do all of the following except:
A. Transfer it to employees
B. Identify it
C. Guard it jealously
D. Update it continuously

Answer: C
Learning Objective: 01-05
Difficulty: medium
Topic: Introduction

29. To develop and sustain an advantage in an increasingly competitive, globalized world, managers must harness the powers of information technology and _______________ to be successful.
A. decisiveness
B. language fluency
C. democracy
D. human capital

Answer: D
Learning Objective: 01-04
Difficulty: medium
Topic: Introduction

30. The formal and modern study of management started around ______.
A. 1750  
B. 1300  
C. 1900  
D. 1940

Answer: C

Learning Objective: 01-01
Difficulty: medium
Topic: The Evolution of Management

31. The first modern management articles were published in ____________ journals.
A. human resource  
B. engineering  
C. scientific  
D. psychology

Answer: B

Learning Objective: 01-01
Difficulty: medium
Topic: The Evolution of Management

32. In 1886, an engineer named Frederick W. Taylor presented a paper on scientific management at a national meeting of engineers that was titled “The Engineer as ____________.”
A. a Specialist  
B. a Manager  
C. an Economist  
D. a Scientist

Answer: C

Learning Objective: 01-01
Difficulty: hard
Topic: The Evolution of Management
33. Frederick W. Taylor believed in ________________ approach to job design.
   A. the rule-of-thumb
   B. a scientific
   C. a just-in-time
   D. a laisse-faire

   Answer: B
   Learning Objective: 01-01
   Difficulty: medium
   Topic: The Evolution of Management

34. ______________ presented a paper titled “The Engineer as an Economist.”
   A. Fredrick Taylor
   B. Adam Smith
   C. John Hawthorne
   D. Tom Pane

   Answer: A
   Learning Objective: 01-01
   Difficulty: easy
   Topic: The Evolution of Management

35. Taylor’s major thesis was that maximum good for ___________can come only through the cooperation of management and labor in the application of scientific methods.
   A. the organization
   B. society
   C. the shareholder
   D. All of the choices are correct.

   Answer: B
   Learning Objective: 01-01
   Difficulty: medium
36. Behavior is viewed as operating at the individual, ______________, and organizational levels.
   A. emotional
   B. spiritual
   C. structural
   D. group
   
   Answer: D

Learning Objective: 01-05
Difficulty: medium

Topic: The Evolution of Management

37. Fayol's approach to management was significant, in that it contributed to all of the following developments and positions except:
   A. Management is a separate body of knowledge that can be applied in any type of organization
   B. A theory of management can be learned and taught
   C. There is a need for teaching management in colleges
   D. On-the-job training is the best way to impart management skills
   
   Answer: D

Learning Objective: 01-01
Difficulty: hard

Topic: The Evolution of Management

38. Fayol's theory of management emphasized the importance of all of the following except:
   A. Conserving
   B. Planning
   C. Organizing
   D. Coordinating
39. Which of the following has contributed to the study of organizational behavior?
A. Psychology and sociology
B. Social psychology and anthropology
C. Political science
D. All of the choices are correct.

Answer: D
Learning Objective: 01-05
Difficulty: easy
Topic: Why Study Organizational Behavior

40. When examining the contributions to the study of Organizational Behavior, the "unit of analysis" associated with sociology is _________.
A. group
B. organization
C. individual
D. Both A and B

Answer: D
Learning Objective: 01-02
Difficulty: hard
Topic: Why Study Organizational Behavior

41. The Hawthorne studies originally concluded that supportive managers paying attention to workers made them more productive. However, a reanalysis of the data suggested that the productivity increase was due to managerial discipline and _____________.
A. fear of job loss
B. peer pressure
42. According to the Hawthorne studies, workers respond to ____________.
   A. group norms
   B. social pressures
   C. observation
   D. All of the choices are correct.

Answer: D

43. The modern-day impetus of aligning human resources with organizational factors was initiated with the ____________.
   A. advent of scientific management
   B. Hawthorne studies
   C. organization movement
   D. start of World War II

Answer: B

44. According to systems theory, an organization acquires resources (inputs) from a larger system, ________________.
   A. the environment
B. the home country
C. the world economic system
D. the shareholders

Answer: A

45. Managers must deal __________ aspects of organizational behavior.
A. with internal
B. with external
C. simultaneously with the internal and external
D. separately with the internal and external

Answer: C

46. The overarching criterion that cuts across each effectiveness dimension is ____________.
A. productivity
B. quality
C. adaptiveness
D. efficiency

Answer: B

47. J. M. Juran and W. Edwards Deming, in the 1950's, introduced the importance of ____________ to the public.
A. quality  
B. efficiency  
C. profitability  
D. consistent management

Answer: A

Learning Objective: 01-03  
Difficulty: medium  
Topic: Systems Theory and Organizational Effectiveness

48. Competition has caused many organizations to make quality ______ priority.  
A. a fiduciary  
B. their top  
C. a lagging  
D. their second tier

Answer: B

Learning Objective: 01-03  
Difficulty: medium  
Topic: Systems Theory and Organizational Effectiveness

49. As presented in the text, ______________ reflects the relationship between inputs and output.  
A. productivity  
B. quality  
C. adaptiveness  
D. innovation

Answer: A

Learning Objective: 01-03  
Difficulty: medium  
Topic: Systems Theory and Organizational Effectiveness

50. ______________ is the ratio of outputs to inputs.
A. Productivity
B. Efficiency
C. Adaptability
D. Production

Answer: B

Learning Objective: 01-03
Difficulty: medium
Topic: Systems Theory and Organizational Effectiveness

51. The _______________ criterion measures the ability of an organization to increase its ability to deal with environmental demands.
A. productivity
B. efficiency
C. adaptiveness
D. development

Answer: D

Learning Objective: 01-03
Difficulty: medium
Topic: Systems Theory and Organizational Effectiveness

52. According to the text, six forces are reshaping the nature of managing within organizations. They include _______________.
A. the economic climate
B. political unrest
C. mentoring
D. technology

Answer: D

Learning Objective: 01-04
Difficulty: medium
Topic: Environmental Forces Reshaping Management Practice
53. The success of an organization is determined by the way people work, think, and behave. This is an example of the power of:
A. Cultural diversity
B. Globalism
C. Human resources
D. Psychological contracts

Answer: C
Learning Objective: 01-05
Difficulty: medium
Topic: Environmental Forces Reshaping Management Practice

54. Global competition is characterized by ______________ that bring together countries, institutions, and people.
A. networks
B. laws
C. regulations
D. organizations

Answer: A
Learning Objective: 01-04
Difficulty: medium
Topic: Environmental Forces Reshaping Management Practice

55. How well a firm ______________ and motivates a skilled workforce will have a major impact on its ability to compete in the global marketplace.
A. recruits
B. retains
C. selects
D. All of the choices are correct.

Answer: D
Learning Objective: 01-02
Difficulty: medium
Topic: Environmental Forces Reshaping Management Practice

56. Which of the following statements about power is true?
A. Most people are comfortable with the concept of having power over others.
B. The concept of having power over others is offensive to everybody.
C. To be a good manager, a person must have a high desire for power.
D. Managers derive power from both organizational and individual sources.

Answer: D
Learning Objective: 01-02
Difficulty: medium

Topic: Environmental Forces Reshaping Management Practice

57. Japan and China are basically ________ societies in terms of race.
A. homogeneous
B. heterogeneous
C. diverse
D. transitioning

Answer: A
Learning Objective: 01-04
Difficulty: easy

Topic: Environmental Forces Reshaping Management Practice

58. Which of the following countries is ranked highest on the Globalization Index?
A. United States
B. Singapore
C. United Kingdom
D. Norway

Answer: B
Learning Objective: 01-04
Difficulty: medium
59. The United States is racially diverse and has been rapidly increasing its workforce diversity since the _______.
   A. 1950s
   B. 1960s
   C. 1970s
   D. 1980s

   Answer: C
   Learning Objective: 01-04
   Difficulty: medium
   Topic: Environmental Forces Reshaping Management Practice

60. A (n) ___________ is unwritten agreement between an employee and the organization that specifies what each expects to give to and receive from the other.
   A. understanding
   B. employment contract
   C. psychological contract
   D. commitment

   Answer: C
   Learning Objective: 01-02
   Difficulty: medium
   Topic: Environmental Forces Reshaping Management Practice

61. The semiconductor pioneer Gordon Moore predicted in 1965 that computer power would double every ______________.
   A. five years
   B. three years
   C. two years
   D. twelve months

   Answer: C
   Learning Objective: 01-04
62. According to the National Academies' Center for Education, the U.S. economy will continue to develop into a _______________ economy, with high-paid, high-skill jobs at one end and low-paid, low-skill jobs at the other.
A. pyramid  
B. yo-yo  
C. barbell  
D. linear  

Answer: C
Learning Objective: 01-02

63. The introduction of _______________ fostered an era of "information technology."
A. electricity  
B. globalization  
C. computer technology  
D. the Internet  

Answer: C
Learning Objective: 01-04

64. Which of the following is included in the six forces reshaping management practice?
A. The power of human resources  
B. A new worker–employer psychological contract  
C. Cultural diversity  
D. All of the above.
65. Every organization must respond to the needs of _________________.
A. its customers or clients
B. legal and political constraints
C. economic and technological changes
D. All of the choices are correct.

Answer: D

66. The foundation of organization performance is _________________ performance.
A. product
B. managerial
C. financial
D. individual

Answer: D

67. Which of the following statements about motivation is true?
A. Motivation is the primary determinant of performance.
B. Most managers do not need to understand motivation.
C. Motivation and the ability to work interact to determine performance.
D. Most behavioral scientists agree that there is one best theory of motivation.
68. Which of the following is considered an influence on individual behavior and motivation in organizations?
A. individual characteristics
B. individual motivation
C. rewards
D. All of the above.

Answer: D

69. One of the most powerful influences on individual performance is ____________.
A. an organization’s reward system
B. stress
C. national culture
D. All of the above.

Answer: A

70. A surgical team performing open-heart surgery on a patient is an example of a (n) ________________ group.
A. informal
B. formal
C. super
D. dedicated
71. The neighborhood book club, which has fifty members, is an example of a (n) ______________ group.
A. informal
B. formal
C. perseverance
D. developmental

Answer: A
Learning Objective: 01-05
Difficulty: easy
Topic: Framing the Study of Organizational Behavior

72. ______________ is the ability to get someone to do something you want done, or to make things happen the way you want them to happen.
A. Prestige
B. Perseverance
C. Power
D. Persuasion

Answer: C
Learning Objective: 01-05
Difficulty: medium
Topic: Framing the Study of Organizational Behavior

73. The essence of __________ is control over others.
A. power
B. management
C. leadership
D. All of the above.

Answer: A
Learning Objective: 01-05
Difficulty: medium
Topic: Framing the Study of Organizational Behavior

74. According to the text, organizational survival is related to the ability of management to do all of the following with information except:
A. Retire it
B. Transmit it
C. Act on it
D. Receive it

Answer: A
Learning Objective: 01-04
Difficulty: medium
Topic: Framing the Study of Organizational Behavior

75. The power of managers is clearly evidenced when they make decisions about _____________.
A. the employees' well-being
B. distributing organizational resources
C. designing and implementing rules and policies
D. All of the choices are correct.

Answer: D
Learning Objective: 01-05
Difficulty: easy
Topic: Framing the Study of Organizational Behavior

SHORT ANSWER QUESTIONS
76. How is Zappos CEO Tony Hsieh's perspective different from many other businesses?

Answer: Hsieh believes in treating employees and customers well; compared to many businesses that place most of their focus on the customer. A major goal of Zappos is to treat its employees and customers with integrity, honesty, and commitment.
Learning Objective: 01-02
Difficulty: hard
Topic: Introduction

77. What abilities will managers need in order to be successful in the 21st century? Which of these abilities do you have now? How do you plan to acquire the others?

Answer: Answers will vary but may include: the need to be people-sensitive, astute, flexible, quick and agile, multi-lingual, knowledgeable about technology and the law, entrepreneurial, intelligent, and passionate. They must also have a strong work ethic, a team orientation, and a genuine concern for people.
Learning Objective: 01-04
Difficulty: medium
Topic: Environmental Forces Reshaping Management Practice

78. What is meant by the term "diversity?"

Answer: Diversity refers to those attributes that make people different from one another.
Learning Objective: 01-04
Difficulty: easy
Topic: Environmental Forces Reshaping Management Practice
79. The psychological contract between workers and employers specifies what each expects to give and receive from the other. What can you offer an employer, and what do you expect in return?

Answer: Student answers will vary, especially as they relate to what they can offer an employer. The most admired employers typically offer employees openness, integrity, opportunities, and support for growth and development. Most employees want an employer that is honest, open, fair, and willing to give workers a larger say in their jobs. They also want employers to pay more attention to their family situations and their physical and mental health.

Learning Objective: 01-04
Difficulty: medium
Topic: Environmental Forces Reshaping Management Practice

80. What is a psychological contract?

Answer: A psychological contract is an unwritten agreement between an employee and the organization that specifies what each expects to give to and receive from the other.

Learning Objective: 01-04
Difficulty: easy
Topic: Environmental Forces Reshaping Management Practice

81. The power of human resources, globalism, cultural diversity, the rapidity of change, a new worker-employer psychological contract, and technology are reshaping management practices. What are the likely outcomes of ignoring or resisting these forces?

Answer: Resisting these forces will likely lead to unnecessary conflict, reduced managerial and non-managerial performance, and lost opportunities. In managerial
terms, it can also lead to job dissatisfaction, poor morale, reduced commitment, lower work quality, burnout, poor judgment, and other unhealthy consequences.

Learning Objective: 01-04
Difficulty: hard
Topic: Environmental Forces Reshaping Management Practice

82. What are some of the conclusions about human behavior in the workplace that were uncovered by the Hawthorne studies?

Answer: Any of the following: Factors other than economic rewards influence performance in the workplace. A variety of psychological and social factors affect performance, including being made to feel important, responding to group norms, and social pressures induced by informal social structures. In other words, workers respond to group norms, social pressures, and observation.

Learning Objective: 01-01
Difficulty: medium
Topic: Why Study Organizational Behavior

83. How have the findings of the Hawthorne studies been criticized?

Answer: Interviews conducted years after the Hawthorne studies with a small number of actual study participants and a reanalysis of data raised doubts about a number of the original conclusions. The conclusion that supportive managers helped boost productivity is considered incorrect by critics. Instead, the fear of job loss during the Great Depression and managerial discipline, not the practices of supportive managers, are considered responsible for the higher rate of productivity in the relay assembly test room experiments.

Learning Objective: 01-01
Difficulty: medium
Topic: Why Study Organizational Behavior

84. What is the "Hawthorne effect"?
Answer: One of the findings of the Hawthorne studies was that the workers felt important because someone was observing and studying them at work. Thus, they produced more because of being observed and studied.
Learning Objective: 01-01
Difficulty: hard
Topic: Why Study Organizational Behavior

85. What are the four basic elements of a system?

Answer: Inputs, process, outputs, and the environment.
Learning Objective: 01-03
Difficulty: medium
Topic: Systems Theory and Organizational Effectiveness

86. What are the two main conclusions suggested by systems theory, as it relates to effectiveness?

Answer: (1) Effectiveness criteria must reflect the entire input-process-output cycle, not simply output, and (2) Effectiveness criteria must reflect the interrelationships between the organization and its outside environment.
Learning Objective: 01-03
Difficulty: hard
Topic: Systems Theory and Organizational Effectiveness

87. What are three things that you, as a manager, can do to lead your team to higher levels of effectiveness?

Answer: Student answers may vary, but may include the following: (a) Provide opportunities for training and continuous learning. (b) Share information with
employees. (c) Encourage cross-development partnerships. (d) Link compensation to performance. (e) Avoid layoffs. (f) Be a supportive role model. (g) Respect employee differences. (h) Be a good listener.

Learning Objective: 01-03
Difficulty: hard
Topic: Systems Theory and the Time Dimension of Effectiveness

88. Identify five short-run indicators that managers can measure to assess the probability of an organization's long-run survival.

Answer: Any five of the following: (a) productivity, (b) efficiency, (c) accidents, (d) turnover, (e) absenteeism, (f) quality, (g) rate of return, (h) morale, and (g) employee satisfaction.

Learning Objective: 01-03
Difficulty: hard
Topic: Systems Theory and the Time Dimension of Effectiveness

89. Name three measures of satisfaction as presented in the text.

Answer: Measures of satisfaction include employee attitudes, turnover, absenteeism, tardiness, and grievances.

Learning Objective: 01-03
Difficulty: medium
Topic: Systems Theory and the Time Dimension of Effectiveness

90. Within the context of systems theory, describe the relationship between the organization and society.

Answer: According to systems theory, an organization is an element of a larger system, the environment.

Learning Objective: 01-03
91. List three ways productivity may be measured.

Answer: Productivity measures can include any of the following: (a) profit, (b) sales, (c) market share, (d) students graduated, (e) patients released, (f) documents processed, (g) clients serviced. Other answers may also be correct, such as number of products manufactured.

Learning Objective: 01-03

92. List three measures of efficiency.

Answer: Cost or time measures of efficiency can be any three of the following: (a) rate of return on capital or assets, (b) unit cost, (c) scrap and waste, (d) downtime, (e) occupancy rates, (f) cost per patient, student, or client.

Learning Objective: 01-03

93. What is the relationship of motivation and ability to performance?

Answer: Motivation and ability to work interact to determine performance.

Learning Objective: 01-02

94. Identify three common, physical symptoms that are related to stress.
Answer: Any three of the following: insomnia, excessive perspiration, nervousness, or irritability. Other answers may also be correct, such as overeating, weight gain, weight loss, nail biting, or headaches.

Learning Objective: 01-04

Difficulty: easy

Topic: Framing the Study of Organizational Behavior

ESSAY QUESTIONS

95. What principles did Fredrick Taylor advocate?

Answer: Taylor’s major thesis was that maximum good for society can come only through the cooperation of management and labor in the application of scientific methods. He stated that the principles of management were to: Develop a science for each element of an employee’s work, which replaces the old rule-of-thumb method. Scientifically select and then train, teach, and develop the worker, whereas in the past a worker chose the work to do and was self-trained. Heartily cooperate with each other to ensure that all work was done in accordance with the principles of science. Strive for an almost equal division of work and responsibility between management and nonmanagers.

Learning Objective: 01-01

Difficulty: medium

Topic: The Evolution of Management

96. Describe the disciplines that have contributed to the field of organizational behavior. Which do you feel had the largest impact?

Answer: Student answers will vary but they should refer to the disciplines of psychology, sociology, social psychology, anthropology and political science.

Learning Objective: 01-01

Difficulty: hard
Topic: Why Study Organizational Behavior

97. Describe the findings of the Hawthorne studies.

Answer: The study uncovered what is referred to as the “Hawthorne effect” operating within the study groups. That is, the workers felt important because someone was observing and studying them at work. Thus, they produced more because of being observed and studied. The study also found that individual behaviors were modified within and by work groups. In a study referred to as the “bank wiring room,” the Harvard researchers again faced perplexing results. The study group completed only two terminals per worker daily. This was considered to be a low level of output. The bank wiring room workers appeared to be restricting output. The work group members were friendly, got along well on and off the job, and helped each other. There appeared to be a practice of protecting the slower workers. The fast producers did not want to outperform the slowest producers. The slow producers were part of the team, and fast workers were instructed to “slow it down.” The group formed an informal production norm of only two completed boards per day. The Harvard researchers learned that economic rewards did not totally explain worker behavior. Workers were observant, complied with norms, and respected the informal social structure of their group. The researchers also learned that social pressures could restrict output.

Learning Objective: 01-01
Difficulty: hard
Topic: Hawthorne Studies
98. What is the relationship between quality and organizational effectiveness?

Answer: While student answers will vary, answers should address the concepts of quality, competitiveness, and systems theory.
Learning Objective: 01-03
Difficulty: medium
Topic: Systems Theory and Organizational Effectiveness

99. What's more important: quality, productivity or efficiency? Justify your answer.

Answer: Student answers will vary but the best answers will indicate that the constructs are interrelated.
Learning Objective: 01-03
Difficulty: hard
Topic: Systems Theory and Organizational Effectiveness

100. What is adaptiveness and its importance to an organization?

Answer: Adaptiveness is the extent to which the organization can and does respond to internal and external changes. Adaptiveness in this context refers to management’s ability to sense changes in the environment as well as changes within the organization itself. Ineffectiveness in achieving production, efficiency, and satisfaction can signal the need to adapt managerial practices and policies. Or the environment may demand different outputs or provide different inputs, thus necessitating change. To the extent that the organization cannot or does not adapt, its survival is jeopardized.
Learning Objective: 01-03
Difficulty: medium
Topic: Systems Theory and Organizational Effectiveness