True / False Questions

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

2. Three challenges organizations are facing include globalization, increasing workforce diversity, and emerging employment relationships.
   True   False

3. Performing OB research and analyses at multiple levels is not recommended as it would lead to perceptual errors.
   True   False

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

5. All organizations have a collective sense of purpose, whether it's producing oil or creating the fastest Internet search engine.
   True   False
6. OB can be used to fulfill the need to understand and predict the behavior of others in the organization. However, it is not helpful in influencing others to getting things done in organizations.

True  False

7. Investment portfolio studies suggest that specific OB characteristics are important "positive screens" for selecting companies with the best long-term share appreciation.

True  False

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

True  False

9. According to the open systems perspective, most organizations have one working part rather than many sub-components.

True  False

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

True  False

11. The open systems perspective emphasizes that organizations survive by adapting to changes in the external environment.

True  False
12. Organizational learning perspective is focused on physical resources that enter and are processed in the organization.

True  False

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

True  False

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

True  False

15. Organizations that have high employee turnaround will be better able to retain intellectual capital within the organization.

True  False

16. Structural capital includes knowledge embedded in the organization's systems and composition.

True  False

17. According to the organizational learning perspective, an effective organization unlearns certain routines and patterns of behavior.

True  False

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

True  False
19. One of the fastest ways to acquire knowledge is to hire individuals or purchase entire companies that have valued knowledge.

True    False

20. A perspective that effective organizations incorporate several workplace practices that leverage the potential of human capital is called high-performance work practices.

True    False

21. Employee involvement is a widely recognized high-performance work practice.

True    False

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

True    False

23. Organizations are more effective when they invest in employee skills and knowledge development.

True    False

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

True    False
25. Values represent an individual's short-term beliefs about what will happen in the future.

True  False

26. Values guide an individual but are not an important subject within an organization.

True  False

27. The stakeholder perspective also provides a strong case for ethics and corporate social responsibility.

True  False

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

True  False

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

True  False

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

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

True  False

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

True  False

33. The observable demographic or physiological differences in people, such as their race, ethnicity, gender, age, and physical disabilities is called deep-level diversity.

True  False

34. Deep level diversity refers to the observable demographics such as age, gender and race.

True  False

35. Employees who are born between 1946 and 1964 are referred to as Generation X employees.

True  False

36. Research indicates that Baby Boomers and Generation-X employees bring the same values and expectations to the workplace.

True  False
37. Workforce diversity potentially improves decision making and team performance on complex tasks.
   True  False

38. Work/life balance refers to minimizing conflict between work and non-work demands.
   True  False

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

40. According to research, although telecommuting significantly increases employee stress and reduces productivity and job satisfaction, it makes employees feel more empowered.
   True  False

41. Systematic research investigation produces evidence based management which involves making decisions and taking actions based on this research evidence.
   True  False

42. The field of organizational behavior relies on qualitative rather than quantitative research to understand organizational phenomena.
   True  False
43. The systematic research anchor relies mainly on qualitative data and subjective procedures to test hypothesis.

True   False

44. Most organizational behavior theories have been developed by OB scholars rather than from other disciplines.

True   False

45. Psychology and sociology have contributed many theories and concepts to the field of organizational behavior.

True   False

46. Communications and information systems are two emerging fields from which organizational behavior is now acquiring knowledge.

True   False

47. The contingency anchor in organizational behavior suggests that we need to diagnose the situation to identify the most appropriate action under those specific circumstances.

True   False

48. Most organizational events may be studied from all three levels of analysis: individual, team and organization.

True   False
Multiple Choice Questions

49. Which of the following statements is true about organizational behavior?

A. OB researchers systematically study various topics at a common level rather than at multiple levels.

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

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

D. It is less effective in studying people who interact in highly organized fashion.

E. It includes team, individual, and organizational level analyses.
50. Which of these statements is true about the field of organizational behavior?

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

B. OB researchers systematically study various topics at a common level rather than at multiple levels.

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

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

E. The origins of organizational behavior are traced mainly to the field of economics.

51. In the field of organizational behavior, organizations are described as:

A. entities which are considered a legal grouping of people and systems.

B. groups of people who work independently to achieve a collective goal.

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

D. groups of people with independent profit-centered motives and objectives.

E. groups of people who work interdependently towards some purpose.
52. Organizational behavior knowledge:

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

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

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

D. helps us to understand, predict, and influence the behaviors of others in organizational settings.

E. is important only for the managers of an organization.

53. Which of the following statements is true of the organizational behavior knowledge?

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

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

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

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

E. It is less significant when the level of interpersonal interaction is high.
54. Which of the following perspectives of organizational effectiveness argues that companies take their sustenance from the environment and, in turn, affect that environment through their outputs?

A. Stakeholder
B. Systematic research
C. High-performance work practice
D. Organizational learning
E. Open systems

55. Organizational behavior views organizations as:

A. non-systems.
B. a single unitary subsystem.
C. open systems.
D. closed systems.
E. a system without interactions with the external environment.
56. The open systems anchor of organizational behavior states that:

A. organizations affect and are affected by their external environments.

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

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

D. organizations should avoid internal conflicts to achieve efficiency.

E. organizations should be open to internal competition to be able to obtain a sustainable competitive advantage.

57. Which organizational behavior perspective discusses inputs, outputs, and feedback?

A. Organizational learning

B. Open systems

C. Multidisciplinary

D. Systematic research

E. Intellectual capital
58. According to the open systems view of organizations, _____ is an input for organizations.

A. incentive plans  
B. products  
C. financial resources  
D. employee motivation  
E. employee behavior

59. ACME Software Inc. has developed a training program to make employees more aware of how their job performance affects customers and other employees within the organization and to inform them of the changing market conditions. This training program relates most closely to which of the following concepts?

A. Contingency anchor  
B. Grounded theory  
C. Open systems  
D. Virtual teams  
E. Telecommuting
60. A firm has good associations with its customers, suppliers, and others who provide added mutual value for the firm. Name the form of intellectual capital which is derived by the firm due to its good associations.

A. Structural capital
B. Intellectual capital
C. Human capital
D. Knowledge capital
E. Relationship capital

61. The _____ perspective, also called knowledge management, views knowledge as the main driver of competitive advantage.

A. open systems
B. organizational learning
C. stakeholder
D. systematic research
E. shared values
62. Intellectual capital refers to the:

A. total spending on training and development of employees.

B. total number of employees in the organization.

C. total cost of computers and other 'intelligent' machines in the organization.

D. stock of knowledge that resides in an organization.

E. cost of hiring a typical employee.

63. Organizations retain intellectual capital by:

A. transferring employee capital into structural capital.

B. encouraging employees to take early retirement.

C. discouraging employees from communicating with each other.

D. reducing the level of documentation in organizations.

E. building strong human capital.
64. Which of the following typically results in a loss of intellectual capital?

A. The employees help the organization discover opportunities.

B. The employees protect the firm from threats in the external environment.

C. The company sells one of its divisions and its employees now work for the other organization.

D. The workers help in documentation of work procedures.

E. The company has a good physical layout of the production line.

65. Which of the following is a form of knowledge acquisition?

A. Observation

B. Experimentation

C. Documentation

D. Internal communication

E. Group discussion
66. As part of the knowledge management process, experimentation is conducive to:

A. measuring intellectual capital.

B. knowledge acquisition.

C. increasing organizational memory.

D. knowledge sharing.

E. unlearning.

67. Eastern University performs a daily computer search through newspaper articles to identify any articles about the university or its faculty members. University administrators use this information to receive feedback about how the public reacts to university activities. In knowledge management, searching for newspaper articles and other external writing about the organization is mainly a form of:

A. knowledge acquisition.

B. grafting.

C. organizational unlearning.

D. knowledge sharing.

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

A. grafting.

B. experimentation.

C. knowledge sharing.

D. documentation.

E. organizational unlearning.

69. The ability to recognize the value of new information, assimilate it, and use it for value-added activities is known as _____.

A. perception ability

B. realization capacity

C. observation skill

D. absorptive capacity

E. adaptive capacity
A computer maintenance company wants to 'capture' the knowledge that employees carry around in their heads by creating a database where employees document their solutions to unusual maintenance problems. This practice tries to:

A. transform intellectual capital into knowledge management.
B. transfer human capital into structural capital.
C. prevent relationship capital from interfering with human capital.
D. reduce the amount of human capital.
E. transfer structural capital into relationship capital.

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

A. HPWP
B. learning
C. human capital
D. intellectual capital
E. open-systems
72. Which of the following statements is true about human capital in an organization?

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

B. Existence of human capital increases the threats in the external environment.

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

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

E. It is a key variable in the HPWP model of organizational effectiveness.

73. Employees, suppliers, and governments:

A. are organizational stakeholders.

B. are rarely considered in organizational behavior theories.

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

D. are excluded from the open systems anchor.

E. are independent units in an organizational set up.
74. Stable, long-lasting beliefs about what is important in a variety of situations are:

A. called intellectual capital.

B. the foundations of the open systems anchor.

C. the main reason why virtual teams fail.

D. rarely studied in the field of organizational behavior.

E. called values of the organization.

75. The topic of ethics is most closely associated with the _____ perspective.

A. stakeholder

B. systems

C. high-performance work practices

D. open systems anchor

E. contingency
76. ______ refers to the study of moral principles or values that determine whether actions are right or wrong and outcomes are good or bad.

A. Performance orientation

B. Ethics

C. Multicultural teams

D. Legal obligations

E. Organizational behavior

77. Which of these organizational behavior trends is corporate social responsibility most closely related to?

A. Workforce diversity

B. Employment relationships

C. Information technology

D. Globalization

E. Workplace values and ethics
78. _____ refers to an organization's moral obligation toward all of its stakeholders.

A. Values  
B. Legal obligation  
C. Multicultural teams  
D. Corporate social responsibility  
E. Organizational behavior

79. The triple bottom line philosophy says that:

A. companies should pay three times as much attention to profits than to employee wellbeing.  
B. the main goal of all companies is to satisfy the needs of three groups: employees, shareholders, and suppliers.  
C. business success increases by having three times more contingent workers than permanent employees.  
D. companies should fairly treat its local, national, and global customers.  
E. companies should try to support the economic, social, and environmental spheres of sustainability.
80. Which of the following is most closely associated with corporate social responsibility?

A. Knowledge management
B. Triple bottom line
C. Absorptive capacity
D. Adaptive ability
E. Knowledge acquisition

81. _____ refers to economic, social, and cultural connectivity with people in other parts of the world.

A. OB
B. Globalization
C. Work/Life balance
D. Knowledge management
E. Corporate social responsibility
82. Which of the following is an example of globalization?

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

B. A car company based in Pittsburgh manufactured its cars in Philadelphia.

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

D. Rowan, a French citizen, published a novel within France.

E. An American based burger joint opened a new outlet in China.

83. Which of the following statements is true about globalization and organizational behavior?

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

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

C. Globalization gives rise to the question of how corporate leaders and employees can work effectively in the global workplace.

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

E. Globalization does not have a significant impact in the contemporary organizational behavior.
84. The observable demographic or physiological differences in people, such as their race, ethnicity, gender, age, and physical disabilities constitute ______ diversity.

A. deep-level

B. internal

C. surface-level

D. organizational

E. reflective

85. Clickz, an American photography magazine firm, has more than half of senior management positions held by women. African Americans represent 40 percent of the company's workforce. The description of Clickz's diversity refers to:

A. deep-level diversity.

B. psychological diversity.

C. personality diversity.

D. surface-level diversity.

E. attitude diversity.
86. _____ diversity includes differences in the psychological characteristics of employees, including personalities, beliefs, values, and attitudes.

A. Reflective  
B. Deep-level  
C. Organizational  
D. Surface-level  
E. External

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

A. deep-level diversity.
B. work-life balance.
C. virtual work.
D. surface-level diversity.
E. frictional unemployment.
88. Which of the following is true according to the systematic research anchor?

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

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

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

D. A particular action may have different consequences in different situations.

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

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

A. Sociology

B. Psychology

C. Economics

D. Industrial engineering

E. Political science
90. Which of these statements is consistent with the five anchors of organizational behavior?

A. Organizational behavior theories must apply universally to every situation.

B. Organizations are like machines that operate independently of their external environment.

C. Each OB topic relates to only one level of analysis.

D. The field of organizational behavior should rely on other disciplines for some of its theory development.

E. Organizational behavioral decision making does not require evidence from research.
91. Which of the following statements is consistent with the concept of contingency anchor?

A. Actions should be taken without considering the consequences to obtain the best of results.

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

C. OB theories must view organizations as systems that need to adapt to their environments.

D. OB theories should be able to find out one best way to resolve organizational problems.

E. Organizations should not be viewed as systems that process inputs to provide outputs.
92. According to the multiple levels of analysis anchor:

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

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

C. There are eight levels of analyses that scholars should recognize when conducting OB research.

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

E. Corporate executives need to understand business ethics from various levels and perspectives.

93. Which of the following is a conceptual anchor in organizational behavior?

A. Contingency anchor

B. Economic anchor

C. Social anchor

D. Single level anchor

E. Scientific anchor
Scenario: Allison Albright

Your roommate, Allison Albright, is a non-business major. When she discovered that you are taking a course in Organizational Behavior, she was thoroughly confused as to why one would need to study OB and what it entails. Based on what you have studied, can you help Allison obtain knowledge of organizational behavior?

94. To help Allison understand some preliminary information about OB, which of these statements about the field is true?

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

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

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

D. Given the specific utility of the field, OB is useful for the managers in the organizations and not the employees.

E. Organizational behavior scholars study what people think, feel, and do in and around organizations.
95. Allison thinks that organization is the same as an organism. However, in the field of organizational behavior, organizations are best described as:

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

B. physical structures with observable capital equipment.

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

D. groups of people who work interdependently towards some purpose.

E. any social entity with profit-centered motives and objectives.

96. Allison should understand that organizational behavior knowledge:

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

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

C. should never replace your commonsense knowledge about how organizations work.

D. is relevant to everyone who works in organizations.

E. is an independent science that has evolved independently.

Scenario: Bob Baldwin
As an owner and manager of Tricky Toys, Bob Baldwin has been fascinated by all the changes occurring and transforming the workplace. Bob is concerned about the important OB trends that he can understand and take advantage of in developing and positioning his company in the marketplace.
97. Bob has been interested in this trend of globalization. He should know that globalization occurs when an organization:

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

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

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

D. the firm has a substantially strong domestic market.

E. the firm works in a country with strict foreign trade policies.

98. If Bob wants to study deep-level diversity in his organization, he would:

A. review the demographic characteristics of his workforce.

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

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

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

E. the culture and racial background of the workforce in the industry.
99. Bob is considering the idea of implementing telecommuting in Tricky Toys. Which of the following is an advantage of telecommuting?

A. Reduced employee stress
B. Larger markets
C. Greater demand for the firm’s products
D. Enhanced employee recognition
E. Ability to recognize the value of new information

Scenario: Allison and the Anchors of OB
Your roommate, Allison Albright, is a non-business major. When she discovered that you are taking a course in Organizational Behavior, she was thoroughly confused as to why one would need to study OB and what it entails. You are trying to explain to Allison about the basic conceptual anchors that guide the thinking about organizations and how to study them. She asks you some clarification questions.
100. Which of the following conceptual anchors states that OB events should be understood from three levels of analysis: individual, team, and organization?

A. Systematic research anchor

B. Multidisciplinary anchor

C. Multiple levels of analysis anchor

D. Systematic research anchor

E. Contingency anchor

101. Which of these statements is consistent with the four anchors of organizational behavior?

A. Organizational behavior theories must apply universally to every situation.

B. Organizations are like machines that operate independently of their external environment.

C. Each OB topic relates to only one level of analysis.

D. The field of organizational behavior should rely on other disciplines for some of its theory development.

E. The organization is not similar to a system that processes inputs to provide outputs.
102. Which of the following is a proposition of the multidisciplinary anchor of organizational behavior knowledge?

A. Organizational discipline and contingent behavior are essential for organizational success.

B. Organizational behavior is helpful to a wide variety of disciplines.

C. Organizational behavior requires diversity of knowledge from other fields of study.

D. Organizational behavior has evolved from the central concept of social isolation.

E. Multiple levels of analysis would provide an accurate understanding of organizational behavior.

Essay Questions
103. Name the four important perspectives of organizational effectiveness. Explain each perspective.

104. According to the open systems perspective, explain the organization-environment fit.
Senior officers in a national military organization decided that operations in supplies requisition were inefficient and costly. They brought in consultants who recommended that the entire requisition process be 'reengineered'. This involved throwing out the old practices and developing an entirely new set of work activities around workflow. However, like many reengineering changes, this intervention resulted in lower productivity, higher employee turnover, and other adverse outcomes. Discuss likely problems with the intervention in terms of systems theory.
Marketing specialists at Sarasota Beer Co. developed a new advertising campaign for summer sales. The ads were particularly aimed at sports events where Sarasota Beer sold kegs of beer on tap. The marketing group worked for months with a top advertising firm on the campaign. Their effort was successful in terms of significantly higher demand for Sarasota Beer's keg beer at sports stadiums. However, the production department had not been notified of the marketing campaign and was not prepared for the increased demand. The company was forced to buy empty kegs at a premium price. It also had to brew some of the lower-priced keg beer in vats that would have been used for higher-priced specialty beer. The result was that Sarasota Beer sold more of the lower-priced keg beer and less of the higher-priced products that summer. Moreover, the company could not initially fill consumer demand for the keg beer, resulting in customer dissatisfaction. Use system theory to explain what has occurred at Sarasota Beer Co.
An aircraft manufacturing company developed a computer simulation representing the very complex processes and subgroups that create an airplane. Teams of production employees would participate in a game where trainers gave them the challenge of reducing costs or minimizing space using the simulation. As the trainers predicted, the team's actions would almost always result in unexpected consequences. Explain how this simulation relates to the open systems perspective of organizational behavior.
108. A courier service laid off a large percentage of its production staff during last year's recession. These low-skilled employees performed routine tasks filling orders. The company now wants to rehire them. However, most of the unskilled employees have since found employment in other companies and industries. Do you think the courier company lost much intellectual capital in this situation? Explain your answer.

109. According to the organizational learning perspective, what are the four organizational learning processes? Explain each process.
110. Explain the three propositions that high-performance work practices (HPWP) are based on.

111. Many organizations are placing increasing importance on values in the workplace. Explain the difference between values, ethics, and corporate social responsibility.
112. The changing workforce is one of the emerging trends in organizational behavior. Describe how the workforce is changing and briefly identify two consequences of these changes for organizations.

113. Telecommuting has been identified as an important trend in organizational behavior. Discuss three organizational behavior topics that are influenced by telecommuting.
114. Discuss the conceptual anchors based on which organizational behavior is developed and redefined.
True / False Questions

1. Organizational behavior encompasses the study of how organizations (p. 4) interact with their external environments.

**TRUE**

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

*AACSB: Analytic
Blooms: Understand
Learning Objective: 01-01 Define organizational behavior and organizations; and discuss the importance of this field of inquiry.*

*Level of Difficulty: 2 Medium
Topic: The Field of Organizational Behavior*
2. Three challenges organizations are facing include globalization, increasing workforce diversity, and emerging employment relationships. **TRUE**

Three challenges organizations are facing include globalization, increasing workforce diversity and emerging employment relationships.

**AACSB: Analytic**
**Blooms: Remember**

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

*Level of Difficulty: 2 Medium*

*Topic: Welcome to the Field of Organizational Behavior!*

3. Performing OB research and analyses at multiple levels is not recommended as it would lead to perceptual errors. **FALSE**

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

**AACSB: Analytic**
**Blooms: Remember**

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

*Level of Difficulty: 2 Medium*

*Topic: The Field of Organizational Behavior*
4. In order for something to be called an organization, it must have certain assets such as buildings and equipment.

FALSE

Organizations are groups of people who work interdependently toward some purpose. Many organizations exist without either physical walls or government documentation.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-01 Define organizational behavior and organizations; and discuss the importance of this field of inquiry.
Level of Difficulty: 1 Easy
Topic: The Field of Organizational Behavior

5. All organizations have a collective sense of purpose, whether it's producing oil or creating the fastest Internet search engine.

TRUE

A key feature of organizations is that its members have a collective sense of purpose.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-01 Define organizational behavior and organizations; and discuss the importance of this field of inquiry.
Level of Difficulty: 1 Easy
6. OB can be used to fulfill the need to understand and predict the behavior of others in the organization. However, it is not helpful in influencing others to getting things done in organizations.

**FALSE**

OB is important because it helps fulfill the need to understand and predict the world in which we live. But the main reason why people with work experience value OB knowledge is that they have discovered how it helps them get things done in organizations.

**AACSB: Analytic**

**Blooms: Understand**

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

**Level of Difficulty: 2 Medium**

**Topic: Why study Organizational Behavior?**
7. Investment portfolio studies suggest that specific OB characteristics are (p. 6) important "positive screens" for selecting companies with the best long-term share appreciation.

TRUE

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

AACSB: Analytic
Blooms: Understand

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

Level of Difficulty: 2 Medium

Topic: Why study Organizational Behavior?
8. Open systems cannot exist without dependence on an external environment, whereas closed systems can exist without dependence on an external environment.

**TRUE**

Open systems cannot exist without dependence on an external environment, whereas closed systems can exist without dependence on an external environment. The open systems perspective emphasizes the external dependence of organizations.

AACSB: Analytic
Blooms: Understand

*Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.*

Level of Difficulty: 2 Medium
Topic: Open Systems Perspective

9. According to the open systems perspective, most organizations have one working part rather than many sub-components.

**FALSE**

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

AACSB: Analytic
Blooms: Understand

*Learning Objective: 01-02 Compare and contrast the four current perspectives of*
organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 2 Medium
Topic: Open Systems Perspective

10. The best organizational practices are those built on the notion that (p. 8) organizations are closed systems.

**FALSE**

Closed systems have little dependence on the external environment whereas in reality, organizations depend on the external environment for resources, including raw materials, employees, financial resources, information, and equipment. So it is best to consider organizations as open systems than closed systems.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 2 Medium
Topic: Open Systems Perspective
11. The open systems perspective emphasizes that organizations survive by (p. 9) adapting to changes in the external environment.

**TRUE**

Open systems perspective advocates the view that organizations depend on the external environment for resources, affect that environment through their output, and consist of internal subsystems that transform inputs to outputs.

_AACSB: Analytic  
Blooms: Remember  
Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective._

_Level of Difficulty: 1 Easy  
Topic: Open Systems Perspective_

12. Organizational learning perspective is focused on physical resources that (p. 10) enter and are processed in the organization.

**FALSE**

The open systems perspective has traditionally focused on physical resources that enter the organization and are processed into physical goods. The organizational learning perspective emphasizes knowledge as a key driver of competitive advantage.

_AACSB: Analytic  
Blooms: Understand  
Learning Objective: 01-02 Compare and contrast the four current perspectives of_
organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 2 Medium
Topic: Organizational Learning Perspective

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

**TRUE**

Intellectual capital includes knowledge that employees possess as well as knowledge embedded in the organization's systems and structures.

**AACS**B: Analytic
**Blooms:** Remember

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy
Topic: Organizational Learning Perspective

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

**TRUE**

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

**AACS**B: Analytic
**Blooms:** Remember

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.
15. Organizations that have high employee turnaround will be better able to retain intellectual capital within the organization.

**FALSE**

Human capital, the knowledge, skills, and abilities that employees carry around in their heads, is an important part of intellectual capital. Employee turnaround would reduce human capital.

**AACSB: Analytic**

**Blooms: Understand**

**Learning Objective:** 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

16. Structural capital includes knowledge embedded in the organization's systems and composition.

**FALSE**

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

**AACSB: Analytic**

**Blooms: Remember**
Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy

Topic: Organizational Learning Perspective

17. According to the organizational learning perspective, an effective organization unlearns certain routines and patterns of behavior.

**TRUE**

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

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 2 Medium

Topic: Organizational Learning Perspective
18. The knowledge, skills, and abilities of employees are examples of structural capital. 

**FALSE**

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

*AACSB: Analytic*  
*Blooms: Remember*  

*Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.*  
*Level of Difficulty: 1 Easy*  
*Topic: Organizational Learning Perspective*

19. One of the fastest ways to acquire knowledge is to hire individuals or purchase entire companies that have valued knowledge. 

**TRUE**

Knowledge acquisition includes extracting information and ideas from the external environment as well as through insight. One of the fastest and most powerful ways to acquire knowledge is by hiring individuals or acquiring entire companies.

*AACSB: Analytic*  
*Blooms: Remember*  

*Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.*
20. A perspective that effective organizations incorporate several workplace practices that leverage the potential of human capital is called high-performance work practices.

**TRUE**

The high-performance work practices (HPWP) perspective analyzes specific bundles of organizational practices that offer competitive advantage. It incorporates several workplace practices.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy
Topic: High-Performance Work Practices (HPWP) Perspective

21. Employee involvement is a widely recognized high-performance work practice.

**TRUE**

Two widely recognized high-performance practices are employee involvement and job autonomy.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy
Topic: High-Performance Work Practices (HPWP) Perspective

22. Working in a self-directed team reduces employee motivation because (p. 13)employees in such a team will support individualistic behaviors than team behaviors.

FALSE

Employee involvement and job autonomy strengthens employee motivation and both often take the form of self-directed teams.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 2 Medium
Topic: High-Performance Work Practices (HPWP) Perspective
23. Organizations are more effective when they invest in employee skills and (p. 13)knowledge development.

**TRUE**

A key variable in the HPWP model is employee competence. Organizations are more effective when they recruit and select people with relevant skills, knowledge, values, and other personal characteristics. Furthermore, successful companies invest in employee development through training and development.

_AACSB: Analytic_  
_Blooms: Remember_

_Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective._  
_Level of Difficulty: 2 Medium_  
_Topic: High-Performance Work Practices (HPWP) Perspective_

24. Stakeholders of an organization are shareholders, customers, suppliers, (p. 15)governments and any other groups with a vested interest in the organization.

**TRUE**

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

_AACSB: Analytic_  
_Blooms: Remember_

_Learning Objective: 01-02 Compare and contrast the four current perspectives of_
organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy
Topic: Stakeholder Perspective

25. Values represent an individual's short-term beliefs about what will happen (p. 16) in the future.

**FALSE**

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

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy
Topic: Stakeholder Perspective
26. Values guide an individual but are not an important subject within an organization.

**FALSE**

Values are relatively stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations. Many companies have adopted the values-driven organization model, whereby employee decisions and behavior are guided by the company's espoused values rather than by expensive and often demoralizing command-and-control management. Hence, they are definitely an important subject within an organization.

**AACSB: Analytic**
**Blooms: Understand**

**Learning Objective:** 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

**Level of Difficulty:** 1 Easy
**Topic:** Stakeholder Perspective

27. The stakeholder perspective also provides a strong case for ethics and corporate social responsibility.

**TRUE**

The stakeholder perspective also provides the strongest case for ethics and corporate social responsibility.

**AACSB: Analytic**
**Blooms: Understand**
Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 2 Medium

Topic: Stakeholder Perspective

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

TRUE

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

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy
Topic: Stakeholder Perspective
29. Globalization may have both positive and negative implications for people working in organizations.

**TRUE**

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

**AACSB: Analytic**

**Blooms: Understand**

**Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.**

**Level of Difficulty: 2 Medium**

**Topic: Globalization**

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

**TRUE**

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

**AACSB: Analytic**

**Blooms: Remember**

**Learning Objective: 01-03 Debate the organizational opportunities and challenges**
of globalization; workforce diversity; and emerging employment relationships.

Level of Difficulty: 1 Easy
Topic: Globalization

31. Globalization offers numerous benefits to organizations in terms of larger markets, lower costs, and greater access to knowledge and innovation. (p. 18, 19)

TRUE

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

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Level of Difficulty: 1 Easy
Topic: Globalization
32. Reduced job security and increased work intensification are partly caused by globalization.

**TRUE**

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

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Level of Difficulty: 2 Medium
Topic: Globalization

33. The observable demographic or physiological differences in people, such as their race, ethnicity, gender, age, and physical disabilities is called deep-level diversity.

**FALSE**

The observable demographic or physiological differences in people, such as their race, ethnicity, gender, age, and physical disabilities is called surface-level diversity.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-03 Debate the organizational opportunities and challenges
34. Deep level diversity refers to the observable demographics such as age, gender and race.

**FALSE**

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

AACSB: Analytic
Blooms: Remember

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

35. Employees who are born between 1946 and 1964 are referred to as Generation X employees.

**FALSE**

Employees who are born between 1946 and 1964 are called baby boomers.

AACSB: Analytic
Blooms: Remember

Learning Objective: Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.
36. Research indicates that Baby Boomers and Generation-X employees bring the same values and expectations to the workplace. 

*FALSE*

Baby Boomers seem to expect and desire more job security, and are more intent on improving their economic and social status whereas Generation-X employees expect less job security and are motivated more by workplace flexibility, the opportunity to learn, and working in an egalitarian and "fun" organization.

*AACSB: Analytic*  
*Blooms: Remember*  
*Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.*
37. Workforce diversity potentially improves decision making and team performance on complex tasks.  

**TRUE**

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

AACSB: Analytic 
Blooms: Remember 

Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships. 
Level of Difficulty: 2 Medium 
Topic: Increasing Workforce Diversity

38. Work/life balance refers to minimizing conflict between work and non-work demands.  

**TRUE**

The process of minimizing conflict between work and non-work demands is called work-life balance.

AACSB: Analytic 
Blooms: Remember 

Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships. 
Level of Difficulty: 1 Easy
39. An organization's employees use information technology to perform their jobs away from the traditional physical workplace. This is an example of virtual work.

**TRUE**

Virtual work refers to the condition where employees use information technology to perform their jobs away from the traditional physical workplace.

**AACSB: Analytic**

**Blooms: Understand**

**Learning Objective:** 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

**Level of Difficulty:** 2 Medium

**Topic: Emerging Employment Relationships**
40. According to research, although telecommuting significantly increases employee stress and reduces productivity and job satisfaction, it makes employees feel more empowered.

**FALSE**

Research has proved that telecommuting significantly increases employee stress and reduces productivity and job satisfaction. However, it does not make employees feel more empowered. Telework is clearly better suited to people who are self-motivated and organized, can work effectively with broadband and other technology, and have sufficient fulfilment of social needs elsewhere in their life.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Level of Difficulty: 1 Easy
Topic: Emerging Employment Relationships
41. Systematic research investigation produces evidence based management (p. 23) which involves making decisions and taking actions based on this research evidence.

**TRUE**

Systematic research investigation produces evidence based management which involves making decisions and taking actions based on this research evidence.

AACSB: Analytic  
Blooms: Remember  
Learning Objective: 01-04 Discuss the anchors on which organizational behavior knowledge is based.  
Level of Difficulty: 2 Medium  
Topic: The Systematic Research Anchor

42. The field of organizational behavior relies on qualitative rather than (p. 23) quantitative research to understand organizational phenomena.

**FALSE**

A critical feature of OB knowledge is that it should be based on systematic research, which typically involves forming research questions, systematically collecting data, and testing hypotheses against those data. These are facets of quantitative research.

AACSB: Analytic  
Blooms: Apply  
Learning Objective: 01-04 Discuss the anchors on which organizational behavior
43. The systematic research anchor relies mainly on qualitative data and subjective procedures to test hypothesis.

**FALSE**

A critical feature of OB knowledge is that it should be based on systematic research, which typically involves forming research questions, systematically collecting data, and testing hypotheses against those data. These are facets of quantitative research.

**AACSB: Analytic**
**Blooms: Apply**

*Learning Objective: 01-04 Discuss the anchors on which organizational behavior knowledge is based.*

**Level of Difficulty: 3 Hard**
**Topic: The Systematic Research Anchor**
44. Most organizational behavior theories have been developed by OB scholars (p. 24) rather than from other disciplines.

**FALSE**

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

**Learning Objective:** 01-04 Discuss the anchors on which organizational behavior knowledge is based.

**Level of Difficulty:** 1 Easy

**Topic:** The Multidisciplinary Anchor

45. Psychology and sociology have contributed many theories and concepts to the field of organizational behavior.

**TRUE**

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

**Learning Objective:** 01-04 Discuss the anchors on which organizational behavior knowledge is based.

**Level of Difficulty:** 1 Easy
46. Communications and information systems are two emerging fields from which organizational behavior is now acquiring knowledge.

**TRUE**

OB knowledge has benefited from knowledge in emerging fields such as communications, marketing, and information systems.

**AACSB: Analytic**
**Blooms: Remember**

*Learning Objective: 01-04 Discuss the anchors on which organizational behavior knowledge is based.*

**Level of Difficulty: 1 Easy**

**Topic: The Multidisciplinary Anchor**

47. The contingency anchor in organizational behavior suggests that we need to diagnose the situation to identify the most appropriate action under those specific circumstances.

**TRUE**

The contingency anchor recognizes that a particular action may have different consequences in different situations. In other words, no single solution is best in all circumstances.

**AACSB: Analytic**
**Blooms: Understand**

*Learning Objective: 01-04 Discuss the anchors on which organizational behavior*
Most organizational events may be studied from all three levels of analysis: individual, team, and organization.

**TRUE**

The multiple levels of analysis anchor OB knowledge should include three levels of analysis: individual, team, and organization.

**AACSB: Analytic**

**Blooms: Remember**

*Learning Objective: 01-04 Discuss the anchors on which organizational behavior knowledge is based.*

**Level of Difficulty: 1 Easy**

**Topic: The Multiple Levels of Analysis Anchor**
49. Which of the following statements is true about organizational behavior? (p. 4)

A. OB researchers systematically study various topics at a common level rather than at multiple levels.

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

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

D. It is less effective in studying people who interact in highly organized fashion.

E. It includes team, individual, and organizational level analyses.

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

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-01 Define organizational behavior and organizations; and discuss the importance of this field of inquiry.
Level of Difficulty: 2 Medium
Topic: The Field of Organizational Behavior
50. Which of these statements is true about the field of organizational behavior?

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

B. OB researchers systematically study various topics at a common level rather than at multiple levels.

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

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

E. The origins of organizational behavior are traced mainly to the field of economics.

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

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-01 Define organizational behavior and organizations; and discuss the importance of this field of inquiry.
Level of Difficulty: 2 Medium
Topic: The Field of Organizational Behavior
51. In the field of organizational behavior, organizations are described as:

   (p. 4)

   A. entities which are considered a legal grouping of people and systems.
   
   B. groups of people who work independently to achieve a collective goal.
   
   C. social entities with a publicly stated set of formal goals.
   
   D. groups of people with independent profit-centered motives and objectives.
   
   E. groups of people who work interdependently towards some purpose.

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

   AACSB: Analytic
   Blooms: Remember
   Learning Objective: 01-01 Define organizational behavior and organizations; and discuss the importance of this field of inquiry.
   Level of Difficulty: 1 Easy
   Topic: The Field of Organizational Behavior
52. Organizational behavior knowledge:

\( (p. \ 6) \)

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

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

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

D. helps us to understand, predict, and influence the behaviors of others in organizational settings.

E. is important only for the managers of an organization.

OB is important because it helps to fulfill the need to understand and predict. But the main reason why people with work experience value OB knowledge is that they have discovered how it helps them get things done in organizations.

AACSB: Analytic
Blooms: Understand

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

Level of Difficulty: 2 Medium

Topic: Why study Organizational Behavior?
53. Which of the following statements is true of the organizational behavior knowledge?

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

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

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

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

E. It is less significant when the level of interpersonal interaction is high.

Everyone has to understand the behavior of others in organizations. Hence, it is important to everyone in an organization.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-01 Define organizational behavior and organizations; and discuss the importance of this field of inquiry.
Level of Difficulty: 2 Medium
Topic: Why study Organizational Behavior?
54. Which of the following perspectives of organizational effectiveness argues (p. 8) that companies take their sustenance from the environment and, in turn, affect that environment through their outputs?

A. Stakeholder

B. Systematic research

C. High-performance work practice

D. Organizational learning

E. Open systems

The open systems perspective views organizations as complex organisms that "live" within an external environment. As open systems, organizations depend on the external environment for resources, including raw materials, employees, financial resources, information, and equipment.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy

Topic: Open Systems Perspective
Organizational behavior views organizations as:

(p. 8)

A. non-systems.

B. a single unitary subsystem.

C. open systems.

D. closed systems.

E. a system without interactions with the external environment.

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

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.
Level of Difficulty: 1 Easy
Topic: Open Systems Perspective
The open systems anchor of organizational behavior states that:

(p. 8)

A. organizations affect and are affected by their external environments.

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

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

D. organizations should avoid internal conflicts to achieve efficiency.

E. organizations should be open to internal competition to be able to obtain a sustainable competitive advantage.

The open systems perspective views organizations as complex organisms that "live" within an external environment. As open systems, organizations depend on the external environment for resources, including raw materials, employees, financial resources, information, and equipment.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy
Topic: Open Systems Perspective
57. Which organizational behavior perspective discusses inputs, outputs, and feedback?

A. Organizational learning

B. Open systems

C. Multidisciplinary

D. Systematic research

E. Intellectual capital

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

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy
Topic: Open Systems Perspective
58. According to the open systems view of organizations, _____ is an input for organizations.

A. incentive plans
B. products
C. financial resources
D. employee motivation
E. employee behavior

According to the open systems perspective the inputs are external factors such as raw materials, human resources, information, financial resources, and equipments.

AACS: Analytic
Blooms: Understand

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 2 Medium
Topic: Open Systems Perspective
ACME Software Inc. has developed a training program to make employees (p. 9) more aware of how their job performance affects customers and other employees within the organization and to inform them of the changing market conditions. This training program relates most closely to which of the following concepts?

A. Contingency anchor
B. Grounded theory
C. Open systems
D. Virtual teams
E. Telecommuting

According to the open systems perspective, successful organizations monitor their environments and are able to maintain a close "fit" with those changing conditions. It also considers how well it operates internally—that is, how well the company transforms inputs into outputs. It explains the interdependence of employees and departments within the organization.

 AACSB: Analytic
 Blooms: Apply

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 3 Hard
Topic: Open Systems Perspective
A firm has good associations with its customers, suppliers, and others who provide added mutual value for the firm. Name the form of intellectual capital which is derived by the firm due to its good associations.

A. Structural capital
B. Intellectual capital
C. Human capital
D. Knowledge capital
E. Relationship capital

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

AACSB: Analytic
Blooms: Apply

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy
Topic: Organizational Learning Perspective
61. The _____ perspective, also called knowledge management, views knowledge as the main driver of competitive advantage.

A. open systems  
B. organizational learning  
C. stakeholder  
D. systematic research  
E. shared values

The open-systems perspective has traditionally focused on physical resources that enter the organization and are processed into physical goods. The organizational learning perspective (also called knowledge management) views knowledge as the main driver of competitive advantage. It is an extension of the open-systems perspective.

AACSB: Analytic  
Blooms: Remember  
Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.  
Level of Difficulty: 1 Easy  
Topic: The Open Systems Perspective
62. Intellectual capital refers to the:

(p. 10)

A. total spending on training and development of employees.

B. total number of employees in the organization.

C. total cost of computers and other 'intelligent' machines in the organization.

D. stock of knowledge that resides in an organization.

E. cost of hiring a typical employee.

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

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy
Topic: Organizational Learning Perspective
63. Organizations retain intellectual capital by:

(p. 10)

A. transferring employee capital into structural capital.

B. encouraging employees to take early retirement.

C. discouraging employees from communicating with each other.

D. reducing the level of documentation in organizations.

E. building strong human capital.

Human capital is the knowledge available with the employees and is risky for the organization. It has to be converted to structural capital, which includes knowledge captured and retained in an organization's systems and structures, such as the documentation of work procedures and the physical layout of the production line.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 2 Medium
Topic: Organizational Learning Perspective
64. Which of the following typically results in a loss of intellectual capital? (p. 10)

A. The employees help the organization discover opportunities.

B. The employees protect the firm from threats in the external environment.

C. The company sells one of its divisions and its employees now work for the other organization.

D. The workers help in documentation of work procedures.

E. The company has a good physical layout of the production line.

Intellectual capital refers to the stock knowledge residing in the organization which consists of human capital, structural capital, and so on. Human capital is a competitive advantage as well as a huge risk for most organizations. When key people leave, they take with them some of the most valuable knowledge that makes the company effective.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 3 Hard
Topic: Organizational Learning Perspective
65. Which of the following is a form of knowledge acquisition?

(p. 11)

A. Observation

B. Experimentation

C. Documentation

D. Internal communication

E. Group discussion

Knowledge acquisition includes extracting information and ideas from the external environment as well as through insight. It involves individual learning, environment scanning, grafting, and experimentation.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 2 Medium

Topic: Organizational Learning Perspective
66. As part of the knowledge management process, experimentation is conducive to:

A. measuring intellectual capital.

**B.** knowledge acquisition.

C. increasing organizational memory.

D. knowledge sharing.

E. unlearning.

Knowledge acquisition includes extracting information and ideas from the external environment as well as through insight. It involves individual learning, environment scanning, grafting, and experimentation.

*AACSB: Analytic*  
*Blooms: Remember*  

**Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.**  
**Level of Difficulty: 1 Easy**  
**Topic: Organizational Learning Perspective**
Eastern University performs a daily computer search through newspaper articles to identify any articles about the university or its faculty members. University administrators use this information to receive feedback about how the public reacts to university activities. In knowledge management, searching for newspaper articles and other external writing about the organization is mainly a form of:

A. knowledge acquisition.

B. grafting.

C. organizational unlearning.

D. knowledge sharing.

E. documentation.

Knowledge acquisition includes extracting information and ideas from the external environment as well as through insight. Environmental scanning is used for knowledge acquisition.

AACSB: Analytic
Blooms: Apply

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 3 Hard

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

A. grafting.

B. experimentation.

C. knowledge sharing.

D. documentation.

E. organizational unlearning.

Knowledge sharing involves distributing knowledge to others across the organization.

AACSB: Analytic
Blooms: Apply
Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.
Level of Difficulty: 3 Hard
Topic: Organizational Learning Perspective
69. The ability to recognize the value of new information, assimilate it, and use it for value-added activities is known as _____.

A. perception ability

B. realization capacity

C. observation skill

D. absorptive capacity

E. adaptive capacity

The ability to recognize the value of new information, assimilate it, and use it for value-added activities is known as absorptive capacity. An important prerequisite for acquiring new knowledge is the amount and quality of knowledge already held within the organization.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy
Topic: Organizational Learning Perspective
A computer maintenance company wants to 'capture' the knowledge that employees carry around in their heads by creating a database where employees document their solutions to unusual maintenance problems. This practice tries to:

A. transform intellectual capital into knowledge management.

B. transfer human capital into structural capital.

C. prevent relationship capital from interfering with human capital.

D. reduce the amount of human capital.

E. transfer structural capital into relationship capital.

Human capital is the knowledge available with the employees and is risky for the organization. It has to be converted to structural capital, which includes knowledge captured and retained in an organization's systems and structures, such as the documentation of work procedures and the physical layout of the production line.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 2 Medium

Topic: Organizational Learning Perspective
71. The perspective that effective organizations incorporate several workplace practices that leverage the potential of human capital is called _____ perspective.

A. HPWP

B. learning

C. human capital

D. intellectual capital

E. open-systems

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

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy

Topic: High-Performance Work Practices (HPWP) Perspective
72. Which of the following statements is true about human capital in an organization?

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

B. Existence of human capital increases the threats in the external environment.

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

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

E. It is a key variable in the HPWP model of organizational effectiveness.

The HPWP perspective states that human capital, the knowledge, skills, and abilities that employees possess, is an important source of competitive advantage for organizations.

AACSB: Analytic
Bloom's: Understand

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 2 Medium

Topic: High-Performance Work Practices (HPWP) Perspective
73. Employees, suppliers, and governments:

(p. 14)

A. are organizational stakeholders.

B. are rarely considered in organizational behavior theories.

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

D. are excluded from the open systems anchor.

E. are independent units in an organizational set up.

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

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy
Topic: Stakeholder Perspective
Stable, long-lasting beliefs about what is important in a variety of situations are:

A. called intellectual capital.

B. the foundations of the open systems anchor.

C. the main reason why virtual teams fail.

D. rarely studied in the field of organizational behavior.

E. called values of the organization.

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

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.
Level of Difficulty: 1 Easy
Topic: Stakeholder Perspective
The topic of ethics is most closely associated with the _____ perspective. (p. 16)

A. stakeholder
B. systems
C. high-performance work practices
D. open systems anchor
E. contingency

The stakeholder perspective provides the strongest case for ethics and corporate social responsibility. In fact, it emerged out of earlier writing about ethics and corporate social responsibility.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy
Topic: Stakeholder Perspective
76. ____ refers to the study of moral principles or values that determine (p. 16) whether actions are right or wrong and outcomes are good or bad.

A. Performance orientation

B. Ethics

C. Multicultural teams

D. Legal obligations

E. Organizational behavior

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

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy
Topic: Stakeholder Perspective
Which of these organizational behavior trends is corporate social responsibility most closely related to?

A. Workforce diversity
B. Employment relationships
C. Information technology
D. Globalization
E. Workplace values and ethics

By linking values to organizational effectiveness, the stakeholder perspective also incorporates ethics and corporate social responsibility into the organizational effectiveness equation. Hence, corporate social responsibility is most closely related to workplace values and ethics.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.
Level of Difficulty: 1 Easy
Topic: Stakeholder Perspective
78. _____ refers to an organization's moral obligation toward all of its stakeholders.

A. Values

B. Legal obligation

C. Multicultural teams

D. Corporate social responsibility

E. Organizational behavior

Corporate social responsibility refers to an organization's moral obligation toward all of its stakeholders. It is the view that companies have a contract with society, in which they must serve stakeholders beyond shareholders and customers.

_AACSB: Analytic_  
_Blooms: Remember_  

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy  
Topic: Stakeholder Perspective
The triple bottom line philosophy says that:

A. companies should pay three times as much attention to profits than to employee wellbeing.

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

C. business success increases by having three times more contingent workers than permanent employees.

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

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

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

A. Knowledge management
B. Triple bottom line
C. Absorptive capacity
D. Adaptive ability
E. Knowledge acquisition

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

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 2 Medium
Topic: Stakeholder Perspective
81. _____ refers to economic, social, and cultural connectivity with people in other parts of the world.

A. OB

B. Globalization

C. Work/Life balance

D. Knowledge management

E. Corporate social responsibility

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

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Level of Difficulty: 1 Easy
Topic: Globalization
82. Which of the following is an example of globalization?

(p. 18)

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

B. A car company based in Pittsburgh manufactured its cars in Philadelphia.

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

D. Rowan, a French citizen, published a novel within France.

E. An American based burger joint opened a new outlet in China.

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

AACSB: Analytic
Blooms: Apply

Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Level of Difficulty: 2 Medium
Topic: Globalization
83. Which of the following statements is true about globalization and organizational behavior?

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

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

C. Globalization gives rise to the question of how corporate leaders and employees can work effectively in the global workplace.

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

E. Globalization does not have a significant impact in the contemporary organizational behavior.

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

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Level of Difficulty: 2 Medium
Topic: Globalization
84. The observable demographic or physiological differences in people, such as their race, ethnicity, gender, age, and physical disabilities constitute ______ diversity.

A. deep-level

B. internal

C. surface-level

D. organizational

E. reflective

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

**AACSB: Analytic**

**Blooms: Remember**

**Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.**

**Level of Difficulty: 1 Easy**

**Topic: Increasing Workforce Diversity**
Clickz, an American photography magazine firm, has more than half of senior management positions held by women. African Americans represent 40 percent of the company's workforce. The description of Clickz's diversity refers to:

A. deep-level diversity.

B. psychological diversity.

C. personality diversity.

D. surface-level diversity.

E. attitude diversity.

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

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Level of Difficulty: 2 Medium
Topic: Increasing Workforce Diversity
86. _____ diversity includes differences in the psychological characteristics of employees, including personalities, beliefs, values, and attitudes.

A. Reflective

B. Deep-level

C. Organizational

D. Surface-level

E. External

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

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Level of Difficulty: 1 Easy
Topic: Increasing Workforce Diversity
87. Mick works for a company as a financial analyst from home using information technology. He does not work in a traditional physical workplace. This trend is known as:

A. deep-level diversity.

B. work-life balance.

C. virtual work.

D. surface-level diversity.

E. frictional unemployment.

Work performed away from the traditional physical workplace using information technology is called virtual work. In this case, Mick works from home using information technology and not in a workplace.

AACSB: Analytic
Blooms: Apply

Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Level of Difficulty: 3 Hard
Topic: Emerging Employment Relationships
88. Which of the following is true according to the systematic research anchor? (p. 23)

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

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

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

D. A particular action may have different consequences in different situations.

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

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

\[\text{AACSB: Analytic} \]
\[\text{Blooms: Understand} \]
\[\text{Learning Objective: 01-04 Discuss the anchors on which organizational behavior knowledge is based.} \]
\[\text{Level of Difficulty: 1 Easy} \]
\[\text{Topic: Anchors of Organizational Behavior Knowledge} \]
89. Which discipline has provided organizational behavior with much of its theoretical foundation for team dynamics, organizational power, and organizational socialization?

A. Sociology
B. Psychology
C. Economics
D. Industrial engineering
E. Political science

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

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-04 Discuss the anchors on which organizational behavior knowledge is based.

Level of Difficulty: 1 Easy
Topic: The Multidisciplinary Anchor
90. Which of these statements is consistent with the five anchors of organizational behavior?

A. Organizational behavior theories must apply universally to every situation.

B. Organizations are like machines that operate independently of their external environment.

C. Each OB topic relates to only one level of analysis.

D. The field of organizational behavior should rely on other disciplines for some of its theory development.

E. Organizational behavioral decision making does not require evidence from research.

The concept of multidisciplinary anchor says that organizational behavior is anchored around the idea that the field should develop from knowledge in other disciplines, not just from its own isolated research base.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-04 Discuss the anchors on which organizational behavior knowledge is based.

Level of Difficulty: 1 Easy

Topic: The Multidisciplinary Anchor
91. Which of the following statements is consistent with the concept of contingency anchor?

A. Actions should be taken without considering the consequences to obtain the best of results.

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

C. OB theories must view organizations as systems that need to adapt to their environments.

D. OB theories should be able to find out one best way to resolve organizational problems.

E. Organizations should not be viewed as systems that process inputs to provide outputs.

The contingency anchor states that a particular action may have different consequences in different situations.

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AACSB: Analytic
Blooms: Remember

Learning Objective: 01-04 Discuss the anchors on which organizational behavior knowledge is based.

Level of Difficulty: 1 Easy

Topic: The Contingency Anchor
According to the multiple levels of analysis anchor:

(p. 25)

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

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

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

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

E. corporate executives need to understand business ethics from various levels and perspectives.

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

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-04 Discuss the anchors on which organizational behavior knowledge is based.
Level of Difficulty: 2 Medium
Topic: The Multiple Levels of Analysis Anchor
Which of the following is a conceptual anchor in organizational behavior? (p. 23)

A. Contingency anchor

B. Economic anchor

C. Social anchor

D. Single level anchor

E. Scientific anchor

Contingency anchor is one of the five conceptual anchors in organizational behavior.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-04 Discuss the anchors on which organizational behavior knowledge is based.
Level of Difficulty: 1 Easy
Topic: Anchors of Organizational Behavior Knowledge

Scenario: Allison Albright
Your roommate, Allison Albright, is a non-business major. When she discovered that you are taking a course in Organizational Behavior, she was thoroughly confused as to why one would need to study OB and what it entails. Based on what you have studied, can you help Allison obtain knowledge of organizational behavior?
To help Allison understand some preliminary information about OB, which of these statements about the field is true?

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

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

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

D. Given the specific utility of the field, OB is useful for the managers in the organizations and not the employees.

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

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

AACSB: Analytic
Blooms: Remember

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

Level of Difficulty: 1 Easy

Topic: The Field of Organizational Behavior
95. Allison thinks that organization is the same as an organism. However, in the field of organizational behavior, organizations are best described as:

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

B. physical structures with observable capital equipment.

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

D. groups of people who work interdependently towards some purpose.

E. any social entity with profit-centered motives and objectives.

Organizations are groups of people who work interdependently towards some purpose.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-01 Define organizational behavior and organizations; and discuss the importance of this field of inquiry.
Level of Difficulty: 1 Easy
Topic: The Field of Organizational Behavior
96. Allison should understand that organizational behavior knowledge:
(p. 6)

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

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

C. should never replace your commonsense knowledge about how organizations work.

D. is relevant to everyone who works in organizations.

E. is an independent science that has evolved independently.

Everyone has to understand the behavior of others and oneself. So OB is for everyone.

AACSB: Analytic
Blooms: Understand

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

Level of Difficulty: 2 Medium

Topic: Why study Organizational Behavior?

Scenario: Bob Baldwin
As an owner and manager of Tricky Toys, Bob Baldwin has been fascinated by all the changes occurring and transforming the workplace. Bob is concerned about the important OB trends that he can understand and take advantage of in developing and positioning his company in the marketplace.
Bob has been interested in this trend of globalization. He should know that globalization occurs when an organization:

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

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

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

D. the firm has a substantially strong domestic market.

E. the firm works in a country with strict foreign trade policies.

Globalization refers to economic, social, and cultural connectivity with people in other parts of the world. Globalization increases when this connectivity is increased.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.
Level of Difficulty: 2 Medium
Topic: Globalization
If Bob wants to study deep-level diversity in his organization, he would:

(p. 20)

A. review the demographic characteristics of his workforce.

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

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

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

E. the culture and racial background of the workforce in the industry.

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

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Level of Difficulty: 2 Medium

Topic: Increasing Workforce Diversity
Bob is considering the idea of implementing telecommuting in Tricky Toys. Which of the following is an advantage of telecommuting?

A. Reduced employee stress  
B. Larger markets  
C. Greater demand for the firm's products  
D. Enhanced employee recognition  
E. Ability to recognize the value of new information

Telework attracts job applicants as well as improves the employee's work-life balance which reduces stress and productivity.

AACSB: Analytic  
Blooms: Understand

Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.  
Level of Difficulty: 2 Medium  
Topic: Emerging Employment Relationships
Scenario: Allison and the Anchors of OB

Your roommate, Allison Albright, is a non-business major. When she discovered that you are taking a course in Organizational Behavior, she was thoroughly confused as to why one would need to study OB and what it entails. You are trying to explain to Allison about the basic conceptual anchors that guide the thinking about organizations and how to study them. She asks you some clarification questions.

100. Which of the following conceptual anchors states that OB events should be understood from three levels of analysis: individual, team, and organization?

A. Systematic research anchor
B. Multidisciplinary anchor
C. Multiple levels of analysis anchor
D. Systematic research anchor
E. Contingency anchor

Multiple levels of analysis anchor states that OB events should be understood from three levels of analysis: individual, team, and organization.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-04 Discuss the anchors on which organizational behavior knowledge is based.
Level of Difficulty: 1 Easy
Topic: The Multiple Levels of Analysis Anchor
101. Which of these statements is consistent with the four anchors of organizational behavior?

A. Organizational behavior theories must apply universally to every situation.

B. Organizations are like machines that operate independently of their external environment.

C. Each OB topic relates to only one level of analysis.

D. The field of organizational behavior should rely on other disciplines for some of its theory development.

E. The organization is not similar to a system that processes inputs to provide outputs.

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

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-04 Discuss the anchors on which organizational behavior knowledge is based.

Level of Difficulty: 2 Medium
Topic: The Multidisciplinary Anchor
102. Which of the following is a proposition of the multidisciplinary anchor of organizational behavior knowledge?

A. Organizational discipline and contingent behavior are essential for organizational success.

B. Organizational behavior is helpful to a wide variety of disciplines.

C. Organizational behavior requires diversity of knowledge from other fields of study.

D. Organizational behavior has evolved from the central concept of social isolation.

E. Multiple levels of analysis would provide an accurate understanding of organizational behavior.

The Multidisciplinary anchor says that organizational behavior has thrived through its diversity of knowledge from other fields of study.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-04 Discuss the anchors on which organizational behavior knowledge is based.

Level of Difficulty: 2 Medium
Topic: The Multidisciplinary Anchor

Essay Questions
Organizational effectiveness is a composite of four perspectives: open systems, organizational learning, high-performance work practices, and stakeholders. Open systems perspective is a perspective that organizations depend on the external environment for resources, affect that environment through their output, and consist of internal subsystems that transform inputs to outputs. Organizational learning perspective (also called knowledge management) is a perspective that views knowledge as the main driver of competitive advantage. Specifically, organizational learning is founded on the idea that organizational effectiveness depends on the organization's capacity to acquire, share, use, and store valuable knowledge. High-performance work practices perspective is a perspective that effective organizations incorporate several workplace practices that leverage the potential human capital. Stakeholders include individuals, organizations, or other entities that affect, or are affected by, the organization's objectives and actions.

AACSB: Analytic  
Blooms: Remember  
Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.  
Level of Difficulty: 2 Medium  
Topic: Perspectives of Organizational Effectiveness
According to the open systems perspective, organizations are effective when they maintain a good "fit" with their external environment. Good fit exists when the organization puts resources where they are most useful to adapt to and align with the needs of the external environment. In contrast, companies with a poor fit with the environment offer the wrong products and operate inappropriately in their environments. Successful organizations maintain a good fit by anticipating changes in the environment and fluidly reconfiguring their subsystems to become more consistent with that environment. Companies also maintain a good fit by actively managing their external environment. The third fit strategy is to move into different environments if the current environment is too challenging.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 3 Hard
Topic: Open Systems Perspective
Senior officers in a national military organization decided that operations in supplies requisition were inefficient and costly. They brought in consultants who recommended that the entire requisition process be 'reengineered'. This involved throwing out the old practices and developing an entirely new set of work activities around workflow. However, like many reengineering changes, this intervention resulted in lower productivity, higher employee turnover, and other adverse outcomes. Discuss likely problems with the intervention in terms of systems theory.

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

The second possible (but less likely) problem is in terms of inputs, transformation, outputs, and feedback. The reengineering process may have thrown out a functioning transformation process. The change could also have resulted in less feedback from the environment regarding how well the organization is interacting with the environment. Perhaps the change resulted in a disruption of inputs or side effects in the outputs. Student answers will vary for this question.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.
Level of Difficulty: 2 Medium
Topic: Open Systems Perspective
Marketing specialists at Sarasota Beer Co. developed a new advertising campaign for summer sales. The ads were particularly aimed at sports events where Sarasota Beer sold kegs of beer on tap. The marketing group worked for months with a top advertising firm on the campaign. Their effort was successful in terms of significantly higher demand for Sarasota Beer's keg beer at sports stadiums. However, the production department had not been notified of the marketing campaign and was not prepared for the increased demand. The company was forced to buy empty kegs at a premium price. It also had to brew some of the lower-priced keg beer in vats that would have been used for higher-priced specialty beer. The result was that Sarasota Beer sold more of the lower-priced keg beer and less of the higher-priced products that summer. Moreover, the company could not initially fill consumer demand for the keg beer, resulting in customer dissatisfaction. Use system theory to explain what has occurred at Sarasota Beer Co.

This incident mainly relates to the open systems idea that organizations consist of many interdependent parts. In larger organizations, subsystem interdependence is so complex that an event in one department may ripple through the organization and affect other subsystems. In this case, the marketing group's advertising campaign had unintended implications for the production group. The marketing group's campaign increased demand for keg beer, which forced production to brew more of the lower-priced product rather than the higher-priced specialty beer. It was also necessary to keep up with demand by paying premium prices for empty kegs. The students could discuss the necessity of co-ordination and the effect of interdependence when discussing this scenario. Student answers will vary for this question.

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

The production simulation teaches teams that organizations are complex systems with many interdependent parts. As such, complex systems tend to produce unintended consequences when one part of the system is altered. The lesson here is to recognize the repercussions of subsystem actions on other parts of the organization. The student answers would vary though they should address these issues in the answer.
A courier service laid off a large percentage of its production staff during last year's recession. These low-skilled employees performed routine tasks filling orders. The company now wants to rehire them. However, most of the unskilled employees have since found employment in other companies and industries. Do you think the courier company lost much intellectual capital in this situation? Explain your answer.

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

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

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 2 Medium

Topic: Organizational Learning Perspective
According to the organizational learning perspective, what are the four organizational learning processes? Explain each process.

Organizations nurture their intellectual capital through four organizational learning processes: knowledge acquisition, sharing, use, and storage. Knowledge acquisition includes extracting information and ideas from the external environment, as well as through insight. It involves individual learning, environment scanning, grafting, and experimentation. Knowledge sharing is an aspect of organizational learning that involves distributing knowledge to others across the organization. It includes communication, training, information systems, and observation. Knowledge use includes applying knowledge in ways that add value to the organization and its stakeholders. It involves knowledge awareness, sensemaking, autonomy, and empowerment. Knowledge storage includes any means by which knowledge is held for later retrieval. It includes human memory, documentation, practices/habits, and databases.

AACSB: Analytic  
Blooms: Remember

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 2 Medium

Topic: Organizational Learning Perspective
110. Explain the three propositions that high-performance work practices (p. 13, HPWP) are based on.

The HPWP perspective is based on three propositions:

1. Employees are an important source of competitive advantage. As such, this human capital is (a) valuable, (b) rare, (c) difficult to imitate, and (d) non-substitutable.
2. The value of this human capital can be increased through the presence of specific organizational practices. Companies become more effective by investing in employees.
3. Most HPWP experts state that these organizational practices must be bundled together to maximize their potential. This suggests a synergistic effect, in which these specific activities are mutually reinforcing.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy

Topic: High-Performance Work Practices (HPWP) Perspective
Many organizations are placing increasing importance on values in the workplace. Explain the difference between values, ethics, and corporate social responsibility.

Values are relatively stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations. Values help us to know what is right or wrong, or good or bad, in the world. Values are an important part of our self-concept and, as such, motivate our actions. By incorporating values into organizational effectiveness, the stakeholder perspective also provides the strongest case for ethics and corporate social responsibility. Ethics refers to the study of moral principles or values that determine whether actions are right or wrong and outcomes are good or bad. We rely on our ethical values to determine "the right thing to do." Ethical behavior is driven by the moral principles we use to make decisions. These moral principles represent fundamental values. Corporate social responsibility consists of organizational activities intended to benefit society and the environment beyond the firm's immediate financial interests or legal obligations.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-02 Compare and contrast the four current perspectives of organizational effectiveness; as well as the early goal attainment perspective.

Level of Difficulty: 1 Easy
Topic: Stakeholder Perspective
The changing workforce is one of the emerging trends in organizational behavior. Describe how the workforce is changing and briefly identify two consequences of these changes for organizations.

There are numerous workforce changes that students might correctly identify. However, the textbook specifically refers to the following: (a) more ethnic diversity; (b) visible minorities represent a large percentage of the workforce and are entering occupations previously held mostly by men; and (c) younger people (Generation-X and Generation-Y) are bringing somewhat different values and needs to the workforce.

There are several consequences of these workforce changes. The textbook identifies the following: (a) potentially better decision making, (b) potentially better customer service; and (c) underrepresentation of women and ethnic minorities in senior positions (i.e. discrimination).

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.

Level of Difficulty: 2 Medium
Topic: Increasing Workforce Diversity
113. Telecommuting has been identified as an important trend in organizational behavior. Discuss three organizational behavior topics that are influenced by telecommuting.

(Note: Students may identify the relevance of various OB topics through creative and logical thinking.) Some of the organizational behavior topics that are influenced by telecommuting include.

- Stress management: Telecommuting tends to offer better work-family balance.
- Performance: Telecommuting seems to improve job performance by about 10 percent.
- Self-leadership: Telecommuters need to manage themselves rather than rely on supervisors for continuous guidance.
- Organizational influence and politics: Telecommuters have to adjust to the lack of networking, and learn to overcome the limitations of limited face time in demonstrating their value.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-03 Debate the organizational opportunities and challenges of globalization; workforce diversity; and emerging employment relationships.
Level of Difficulty: 1 Easy
Topic: Emerging Employment Relationships
114. Discuss the conceptual anchors based on which organizational behavior is developed and redefined.

The systematic research anchor states that OB knowledge should be based on systematic research, which typically involves forming research questions, systematically collecting data, and testing hypotheses against those data. The multidisciplinary anchor states that organizational behavior should welcome theories and knowledge in other disciplines, not just from its own isolated research base. The contingency anchor states that a particular action may have different consequences in different situations. The multiple levels of analysis anchor states that OB events should be understood from three levels of analysis: individual, team, and organization.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-04 Discuss the anchors on which organizational behavior knowledge is based.

Level of Difficulty: 2 Medium
Topic: Anchors of Organizational Behavior Knowledge